

LeadingAge[™]

magazine

January/February 2011
VOLUME 1, NUMBER 1

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Strategies for Successful Onboarding: Derailment or Success?

by Mark Steele and Sylva Leduc

An important but too-often neglected part of succession planning is executive onboarding—the process of integrating a new CEO or other executive-level manager into an organization in a way that brings out the new leader’s best ideas and abilities while ensuring buy-in from staff. These authors present recommendations for how best to onboard a new leader, and share their research into onboarding practices that identified five important stages in the process.

The research on executive derailment is stunning:

- 30 percent to 50 percent of new CEOs fail within the first 18 months of being hired;
- 21 percent of executives promoted from within a company fail;
- According to Korn/Ferry, only 30 percent of global executives were satisfied with their onboarding process for new hires.

Onboarding is the process of helping new employees become productive members of an organization. More than an orientation, it’s a strategic process. In general, it can be defined as the process of acquiring, accommodating, assimilating and accelerating new users into a system, culture or methodology. Onboarding emphasizes the importance of making the most of the “honeymoon” stage of a hire, which has been described as the first 90-100 days, or up to the full first year.

Executive Onboarding in Aging Services

None of the executive onboarding literature is specific to not-for-profits, retirement housing services or health care. Naturally, we became curious about whether strategic onboarding is being used more broadly in aging services. To merge our combined onboarding experiences with executives’ success stories, we launched a research project and [shared the results](#) at the [2010 AAHSA Annual Meeting](#) in Los Angeles.

In all, 20 executive leaders of multisite and single-site organizations across the country participated in this study to identify the common principles of successful onboarding. We included CEOs, executive directors, vice presidents and administrators.

Grounded theory provided the research methodology. It is an inductive method developed in the 1960s by Barney Glaser and Anselm Strauss and described in their book, *The Discovery of Grounded Theory*. The method is a means to discover theory as it emerges from data found in interviews about real experience.

Participants shared with us their journeys in becoming new leaders, how they became accepted as leaders, lessons learned and their own onboarding best practices. We compiled their answers and compared/contrasted the data to develop our theory of what worked for these executives as they started their new positions and successfully became leaders in their organizations.

Five distinct phases of the onboarding process emerged: dancing, committing, transitioning, accepting and producing.

Phase 1 – Dancing: The first phase of successful onboarding transpires before the hiring decision is made. Among the CEOs in our study, 45 percent of the interviewees were hired externally through search firm-type processes. The other 55 percent were hired from within through internal interview processes. At the non-CEO level, the majority of the leaders were promoted from within or recruited through networking.

While each executive’s story was different, the path was usually determined by whether the candidates came from inside or outside the organization. Our findings suggest that those aspiring to advance should network inside and outside the organization and let people know about their career goals. For those looking to move into a CEO position, building relationships with prominent search firms, peers and vendors is important.

For companies that want to hire from within, building a strong leader bench is essential. Programs like the [LeadingAge](#)

[Leadership Academy](#) (formerly Leadership AAHSA) or the newer association-specific leadership programs can serve to develop leaders within organizations.

Phase 2 – Committing: This hiring phase depends on what the board is comfortable with, the values of the organization and the planning of the CEO (if retiring or quitting) or on the old CEO's non-planning (if terminated).

For example, a CEO who retires usually coordinates with the board as to whether to look internally or externally for a replacement. In our interviews we found that in most cases a search firm was chosen to conduct the search for qualified candidates. In some cases extensive assessment analysis and psychometric testing were part of the process. Psychometric tests may assess leadership styles, motivation, communication preferences, reasoning abilities and IQ. Self-assessments like the Meyers-Briggs Type Indicator (MBTI) or one of the various DISC assessments, and multi-rater assessments (also called 360s) can be helpful. There can also be multiple interviews with groups of stakeholders and individuals, as well as scenario planning and problem-solving presentations.

Phase 3 – Transitioning: How the leader first starts to lead is a pivotal point. This period involves listening, planning and orientation. It may be the first 90 or 100 days or in some cases several months. We call this phase the yellow zone. The transitioning phase, if done well, typically results in the leader becoming accepted and followed. If it is not done well, a new leader can step on a political land mine and end up as one of the failure statistics within the first 18 months of being hired.

The CEOs we interviewed approached this phase by focusing on three tasks:

- According to the majority of CEOs interviewed, the first and most important task is to listen well. Kevin Gerber of [Episcopal Senior Communities](#), when asked what advice he would give to new CEOs, said, "Listen, check your ego, listen carefully and meet people where they are." Gerber spent six to eight months carefully listening to his key stakeholders. Similarly, Dave Ferguson of [American Baptist Homes of the West](#) asked his senior management team for the top five priorities that needed to be resolved. He gathered the list, found the most common issues and set out to resolve them.
- The second task is to develop a list of problems to solve, which usually evolves around resolving financial issues and/or changing the organizational structure.

- The third task of transitioning is to update or modify the strategic plan. The majority of the leaders we interviewed recommended becoming acquainted with stakeholders and quickly working with the board on a new strategic plan. Additionally, effective leaders go out into the communities to hear the stories of residents and employees.

Phase 4 – Accepting: This phase occurs when leaders see that their ideas and goals are accepted, acted upon and achieved.

Ferguson's defining moment was when staff began to ask him about his vision. They began to ask for his ideas and not only began to implement his ideas but also started to add their own. "I knew I was the leader when they said 'This organization is too much like a business.' Then I knew I was leading and they were following."

Phase 5 – Producing: In this phase the accepted leader is moving forward, accomplishing his or her vision and goals with the team fully engaged.

For each leader, the producing phase was different based upon the leader's vision for the organization and strategic plan. But in order to get to the producing phase, a leader needs to successfully navigate the onboarding process by working through the first four stages.

What Works for Onboarding Leaders?

Onboarding does not have to be onerous or costly. In fact, not providing an onboarding process can be more expensive, if the executive has to be replaced within three years. Below are some recommendations from Sage Leaders that any community can share with new leaders to increase their probability of success.

1. *Build relationships and networks.* Remember to build external networks outside of your immediate community with peers. Go to association meetings and attend legislative sessions.
2. *Listen, observe, and ask questions.* Sometimes new leaders try to show their value by talking too much. Ask employees what they most enjoy about their work; ask them about their career plans and what they need to be successful in their job. Ask residents what they most love about the community. Be prepared to hear what you don't like, too! Avoid becoming defensive and don't make promises you can't keep.

12 Steps for a Board Hiring and Onboarding a New CEO

1. Determine date to hire new CEO.
2. Review the past five years' strategic plan and results.
3. Brainstorm goals and leader characteristics needed to grow into the future.
4. Revise the strategic plan for next five years.
5. Update the job description to include the new strategic plan and leadership characteristics.
6. Obtain a human resources expert or a search firm to help guide and facilitate the interview process.
7. Outline a timeline for the interview process and a date for completion of hiring.
8. Search for internal candidates.
9. Search for external candidates if needed due to lack of suitable internal candidates or to confirm internal candidate choices.
10. Hire CEO.
11. Develop a 100-day onboarding plan collaboratively with the new CEO.
12. Evaluate the effectiveness of the CEO at months six and 12.

3. *Respect the existing culture.* Successful onboarding begins by not trying to change the culture—at least not too quickly. If the community has been doing well, don't try to shake things up immediately. If you observe dysfunctional behaviors, take swift action.
4. *Be visible and approach people.* Are you the type of leader who lives on the computer or who feels naked without your smart phone? Get out of your office and speak with the people who work for you or who live in your community. Become more than the photo posted on the Web site or in marketing collateral.
5. *Get clarity on expectations (yours and others')*. Take steps to ensure that your strategic plan is up to date.
6. *Seek help (from an executive coach or a mentor).* Don't be stoic. You've heard the adage, "It's lonely at the top." Self-imposed isolation can be particularly true for new leaders who do not want to show anyone that they are on a learning curve, but it doesn't have to be that way. Many organizations are now providing executives with an executive coach to help them avoid the pitfalls of the first six months. With the cost of replacement potentially several times the executive's salary, engaging a coach can be a wise investment with a large return.

7. *Develop your vision and convey your leadership point of view.* Spend time thinking about where you want your community to be in the next five, ten or more years. What do you stand for? What are your values? Ken Blanchard has spent a lifetime talking with leaders about sharing their leadership point of view and [shares his insights via video](#).
8. *Assess and build your team.* In step 2 above, we suggest you ask questions and listen intently. We also recommend you observe the interactions of your leadership team. Spend time with your team at an off-site retreat where you can share your vision and leadership point of view. Find out about their ideas. Remember to really listen to what they have to say.
9. *Make early decisions on small, quick fixes.* We don't recommend making any major decisions merely for the sake of displaying your decision-making skills. We do recommend, though, that if you can have a big impact from making small changes, don't wait! You'll earn trust and respect from employees for making their lives easier.
10. *Celebrate successes.* Successful executives are focused and action-oriented. Sometimes they are so busy achieving success that they forget to celebrate what they have accomplished. Every 30 days, spend time reflecting on what you and your team have accomplished. If there's a need for course correction, that's okay. Just be sure to acknowledge those successes.

Each of these recommendations can be built into a 100-day action plan that will enhance the success of any leader moving up or into a new organization. The next time you are considering hiring a new leader for your community, remember that 30-50 percent of new leaders fail. These recommendations, combined with the experiences of CEOs and leaders who successfully onboarded into their organizations, can be used to develop your own onboarding roadmap.

Specific examples of onboarding successes and recommendations from the executives in this study [are here](#). 📌

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