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## Training the Revolving-Door CEO

Newly hired executives must be ready to roll right away. That means some serious onboarding.  
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By Gail Dutton

The revolving-door CEO is becoming a fixture of American companies, and is likely to remain so for some time. With executive tenure at a mere 2.5 years and a CEO turnover rate that increased 11 percent last year, newly hired executives must hit the ground running if they hope to be effective before moving on to their next jobs.

Helping them adjust to their new positions may not be easy, but it is vital to enhancing the competitiveness of the organization. Newly promoted executives “feel they’ve lassoed the moon,” observes **Billie Blair, PhD. president and CEO of Change Strategists, Inc.** To help these high flyers land on their feet, American Express, Bristol-Myers, and other firms use executive onboarding programs.

“Executive onboarding is conducted at a higher level than employee orientation,” explains Bonnie Hagemann, CEO of Executive Development Associates, Inc. It’s different from coaching, too. If coaching has been compared to psychology in terms of learning new behaviors and new ways to think about issues, onboarding could be compared to sociology in terms of learning how a particular organization functions and what it values. Onboarding, therefore, is a guide to the new corporate culture and its people and personalities.

### Microscopic Focus

When executives fail, usually it’s because they didn’t understand the corporate culture or know how to work within it. “What was a strength in their old company may be a weakness in their new one,” **Blair** says. Executives must realize that and adjust.

Onboarding exists “not to make a great leader, but to make a great leader for that particular company,” Hagemann emphasizes. These executives already have the skills to do the job. They usually have good people skills, too. The objective, according to Toby Tetenbaum, Ph.D., Fordham University, is to help them quickly read their new setting. “What’s the knot that’s tying everything up?” she asks. “The goal is to teach them how to unravel that.”

The importance of understanding the culture is underscored by a 2010 study from Rice University, “Once an Outsider, Always an Outsider? CEO Origin, Strategic Change, and Firm Performance.” It found that CEOs hired from outside the firm were good at rapid cost-cutting and divestment. As those opportunities dried up, however, CEOs hired from within the firm were more likely to initiate strategic changes that built upon competitive advantages, based upon their deep knowledge and roots within the company. The differences appeared after about three years.

To minimize those differences, **Blair** concentrates on gap analysis. “If they’re from the outside,” she says, “the gaps tend to relate to this organization.” Sometimes, however, there are knowledge gaps within skill sets as they expand responsibilities and as technology changes. To help executives feel comfortable enough to acknowledge and address those gaps, Hagemann presents training as a perk that comes with the job.

## **Getting Started**

Onboarding often begins before the new executive arrives, and typically includes formal and informal meetings with senior executives, board members, and key customers. Hagemann says the onboarding process should continue throughout the first year of employment.

The first meetings are a good time to acquaint new executives with upcoming leadership and development programs and to encourage them to attend any that may help them succeed. “Dealing with egos is part of dealing with senior executives,” Hagemann admits. “It helps if the CEO encourages them to be involved.”

When the newly hired executive is the CEO, trainers can compile a packet of electronic materials that include overviews of the organization’s divisions, and other material that can be read quickly. “The idea,” she points out, “is to help the CEO know where to dig deeper to identify and address key issues.

## **Months one Through Six**

“The first three months of an onboarding program are for establishing their vision and direction, understanding the people who work for and with them, setting expectations, understanding what the expectations were before they arrived, and learning the informal processes. This is the time to build on their strengths, rally the team, and identify key talents,” Hagemann explains. She also likes to tap into what she calls the administrative assistant grapevine, pairing, for example, the new CFO with the CEO’s assistant. “They may have lunch monthly,” to help the new CFO understand the culture, personalities, and their histories.

This is also a good time to arrange one-on-one meetings with other senior executives or with board members. But if the meetings aren’t private, executives won’t open up, **Blair** cautions. When the new executive is the CEO, **Blair** advises arranging a few meetings between the outgoing and incoming CEOs to smooth the transition when possible.

Months four through six, Hagemann says, are about building infrastructure—“getting managers to take ownership of the vision.” This is the time to begin getting feedback about the executive and the team dynamics. It’s also the time for any critical staff changes and for spot training on skills such as time management and delegation.

## **Seven Months On**

The remaining six months are used to align strategy with implementation and make needed changes.

Hagemann recommends checking in with new executives every few months to see how they're doing and what resources they need to perform more effectively, and then providing insights or contacts that can help smooth their way. Another option is to arrange periodic gatherings of senior executives for the express purpose of picking each others' brains. By discussing previous attempts to solve similar issues, executives get culturally relevant feedback that can help ideas move forward or be discarded early. "Experience is the best teacher," Dr. Tetenbaum says, but new executives usually don't have the luxury of time.

### **Advice for HR**

- Get out of the office. Talk with managers about their real needs.
- Consider personalities, cultures, and what the organization really needs, too. The best resume isn't necessarily the best fit.
- Recognize that culture matters. A bureaucratic executive may not be effective in an entrepreneurial company, and vice versa.
- Identify executives' strengths and gaps. They all have them.
- Present onboarding as a perk, not a requirement.