Executive OnBoarding

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MANAGEMENT

Trouble keeping managers past three months?

Then make sure they get support

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The three-month honeymoo
many executives enjoy at a ne
company is frequently followed b
"three months of hell" that star
them looking for an exit.

Barely settled into a new posi
tion, these executives suddenly fin
themselves under intense pressur
to deliver, according to new re
search by organizational psycholo
gists.

Support drops off and — left t
their own devices — many execu
tives, recruited at great expens
start contemplating a way out.

"Many people are either unhap
py or they are planning their ex
strategies," said Rebecca Schalm,
psychologist with RHR Internatio
al Co. in Toronto.

"They may stick around for tw
years because they need a good sto
ry to tell the recruiters, but tha
doesn't mean they have any inten
tion of staying."

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Retirements add pressure

EXECUTIVES *from page B1*

Industrial psychologist Guy Beaudin, who also works out of RHR's Toronto office, said past studies have shown that 40 per cent of new executives leave within two years of being hired. The firm's most recent research, to be released today, found that many North American organizations quickly lose interest in providing help and feedback to their new hires after the initial three months — after which the "expectation is that they should fly on their own," Dr. Beaudin said.

"Historically, organizations have been really lousy at helping these people," Dr. Schalm said. And as these executives defect, she added, it will be increasingly difficult to replace them.

The study found that 115 companies recently surveyed by RHR in Canada and the United States expect to lose about one-third of their senior executives by 2010. RHR also found that only 25 per cent of the surveyed companies are confident in their ability to replenish their executive ranks through recruitment or through their own leadership development programs.

"There is a lot of data that talks about the upcoming waves of retirement: the first Baby Boomers are turning 62 in 2008, which is the average age of retirement in North America," Dr. Beaudin said. "Yet, organizations have been relatively slow in doing what they need to do to be ready for that upcoming shortage of talent."

Until now, Dr. Schalm said, it has been relatively easy — although expensive — for organizations to replace departing executives.

"Organizations have relied on a just-in-time model. They have had a lot of ambitious people in organizations moving up and there has been a pretty good source of talent externally, as well. You could buy it," she said. However, added Dr. Beaudin, "if you follow supply-and-demand issues, as there are fewer talented people out in the market, your 'buy' strategy becomes much riskier and much more expensive."

With shortages expected to hit in three to five years, organizations should be doing a much better job of retaining and developing their current talent, Dr. Beaudin said.

Instead, RHR found a deep sense of disillusionment among many of the recently recruited executives it interviewed for its most recent study. "Organizations need to be more patient in allowing people to achieve the results they were hired to achieve. But, too often, boards or shareholders expect a new CEO to deliver results in one to two quarters and that, clearly, is not realistic."

Executives need support and feedback well beyond their first 90 days on the job, Dr. Beaudin said. "Successful integration is complex ... and it takes a lot longer than people expect."

Dr. Schalm said those who get the support and training they need in the first year are far more likely to stay. More emphasis should also be placed on the identification and development of "high-potential" employees, Dr. Beaudin noted.

In a presentation to be delivered to human resources managers in Toronto today, Dr. Beaudin will advise that firms should "build" what they cannot buy.