

# The Perfect Storm or Just a Shower?

Large corporations use best practices to jump-start new leaders.

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MOST OF THE NEWS headlines scream Armageddon: “Nation Heads Toward Labor Crisis as Baby Boomers Retire,” “Leadership Shortages Stand in the Way of Growth,” and “Are You Ready for the Coming Labor Shortage?”

Well, are you ready? Or are you a member of the “it’s a problem not a crisis” camp? This school of thought questions how the doomsayers are using Bureau of Labor Statistics data, and points to countervailing trends that baby boomers will work longer, productivity gains will lessen the need, and the next generation is ready to step up.

No matter which set of experts you believe, there is no debate that a significant exodus of experienced workers will soon occur, and nearly every industry will face a significant knowledge and skills gap.

According to biannual Leadership Forecast by Development Dimensions International, turnover of frontline leaders continues to outpace turnover at the middle and senior levels.

And, while the media focus is on the impact of executive exits, retirement of frontline leaders will have a significant effect on an organization’s ability to compete, perform, and grow. Companies that can identify and develop new supervisors and frontline leaders quickly will achieve a competitive advantage in the next decade.

## Shorten the productivity curve

The name of the game is time-to-competence.

According to DDI’s 2005 Selection Forecast, new leaders need four months to become fully functional in their jobs. However, that doesn’t necessarily mean fully productive. The selection forecast also reports that new employees achieve 81 percent of their goals in their first year. That is a reasonable percentage, but it leaves room for improvement.

Many organizations are looking for ways to accelerate the development of new employees, especially new leaders, to shorten the productivity curve. They are turning to aggressive, carefully planned onboarding programs that are designed to give new leaders the skills—and the support—they need to achieve and sustain high levels of performance from their work groups.

## New leader challenges

The challenges that new leaders face can be daunting. One leader in a manufacturing organization put it this way: “When I was first made a supervisor, I made a lot of rookie mistakes. I wound up digging a pretty deep hole, and it took me a long time to climb out of it.”

The most significant challenges for new leaders are

- shifting from “getting things done” to “getting things done through others”
- dealing with complex, demanding, and often conflicting, expectations
- establishing credibility and relationships with subordinates, superiors, and peers
- getting to the next level of organizational savvy (learning the unwritten rules and understanding informal networks).

Highly competitive organizations are unwilling to accept the drop in work group performance that typically accompanies the installment of a new leader. These organizations treat new leader onboarding as a process, rather than as an orientation event. Consistent execution of a well-designed onboarding program will ensure that the new leaders get up-to-speed quickly.

## Fast start for new leaders

For most new leaders, onboarding is little more than an orientation to human resources policies and procedures and a rudimentary leadership skills training program. This may provide basic knowledge and skills, but it fails to help people make the transformation from individual contributor to leader. If you want new leaders to sprint off the starting block, there are critical areas that your onboarding program should address.

**Relationships and networks.** Because most new leaders are selected for their technical expertise rather than their motivation or propensity to lead, they fail to understand the primary distinction between an individual contributor and a leader: Getting things done through others rather than doing it themselves. This requires leaders to maintain effective working relationships with a wide variety of people in the organization.

It is easy for new leaders to get caught up in the cross-currents that relate to all of the new relationships they must build and nurture. As managers, they have a new group of peers, new subordinates (often former peers), and for the first time, they will most likely spend time in

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the company of the organization's senior leaders. New leaders need help navigating the murky waters of these new relationships.

Networking with other leaders in the organization, both new and experienced, is one of the best ways to help new leaders build relationships in their new peer group. (One common mistake companies make is putting new leaders together in the classroom for a day or two and hoping that networking will naturally occur.) Effective onboarding programs emphasize the importance of building relationships and provide structured networking opportunities and support.

Some organizations use buddy programs that pair new leaders with a peer of the same demographic characteristics or interests. Others arrange meetings with experienced leaders to help the new leaders gain leadership and organizational savvy, and to build their network at the same time. Exposure to senior leaders in a casual and safe environment is also critical because they eventually will have to prove themselves in front of senior leadership.

Caterpillar, a manufacturer of construction and mining equipment, understands the importance of relationships to their frontline leaders' success. Its high-impact, two-day program for new office and plant leaders, *Succeeding in Supervision*, provides new leaders with the knowledge and skills they need to build relationships with their subordinates and with planned networking activities to help leaders establish connections with their new peers.

To better prepare them for successful interactions with more senior leaders, the program addresses managing upward, and often includes a visit from a senior-level champion. *Succeeding in Supervision* addresses the new and sometimes conflicting workplace relationships—subordinates, peers, and senior leaders—that new leaders must build in order to succeed.

**Making the connections.** Building the right kind of relationships is critical, but leaders need to leverage relationships to drive performance of their work group. That requires a grasp of the “big picture,” including strategic direction, values, cul-

ture, and recent or impending organizational changes. Most new leaders get this information in a data dump, and are expected to pour over documents and presentations, often on their own, instead of learning this through various activities during the onboarding process.

A key to the success of Caterpillar's new leadership program is the strong links to its enterprise strategy and the integration of its values throughout the process. *Succeeding in Supervision* links leadership skills to Caterpillar's strategic priorities. The Caterpillar program makes the business case for employee engagement and ensures that new leaders get a jump on executing this strategic priority.

Caterpillar's goal is to create new managers who can effectively communicate strategic priorities to their teams, help individuals see how their performance contributes to the success of the organization, and model the values and embrace the culture that define Caterpillar. Therefore, connections to the big picture must be built into the onboarding process.

**Plan for success.** The best way to reduce time-to-competence and ensure a fast start for new leaders is to plan for it. If they have a concrete development plan with specific tasks, assignments, and milestones, new leaders can achieve acceptable competency in 90 to 120 days. Of course, skills and knowledge development continue after the first three to four months, but an aggressive development plan prevents important development groundwork from taking a back seat to the latest work problem.

Like all leaders, new leaders need to handle urgent work problems. An effective onboarding plan ties development to the leader's day-to-day work, and includes structured coaching from the leader's manager. For example, new leaders can plan ahead for their first objective by setting discussions with direct reports, or a partnership-building meeting with another team leader.

A veteran manager can provide invaluable experience and perspective to a new leader who is assessing the capabilities of his team and planning task and project delegations. Planned training

and coaching prior to those events not only increases the likelihood of success, but builds greater competence and confidence, and accelerates development.

An effective onboarding plan has one other critical component—joint accountability. Making new leaders solely accountable for their development (even if all the appropriate resources are provided), simply doesn't work. The only way to ensure that development tasks and assignments are completed, milestones are met, and new leaders receive the coaching needed to be successful from the start, is to hold the leader's manager accountable for completion of the plan, too. Managers are the accelerators; without their active involvement—driven by accountability for results—a fast start for new leaders is impossible.

**Fast start for results.** Caterpillar's earth-moving equipment digs holes, sometimes really big holes. But new leaders at Caterpillar are avoiding the holes that often swallow leaders without a strong onboarding program. Caterpillar put approximately 200 new leaders through its *Succeeding In Supervision* program in six months.

The result? Caterpillar's return-on-investment study, which analyzed factors such as costs to develop the program and time off the job, revealed a ROI of more than 200 percent.

“Leadership has been identified for the last several years as the highest priority learning needed at Caterpillar. *Succeeding in Supervision* meets that critical need for our new leaders, and the feedback has been outstanding,” says Dave Vance, president of Caterpillar University.

A well-designed onboarding program that addresses the most common challenges of the transformation from individual contributor to company leader can give new managers the start they need to engage their team and drive high performance. **TD**

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