



3 Strategies for Retaining Key Leaders

Keeping your competitive edge in a stalling economy

The talking heads on CNN and Fox News are telling us to "Hang on; it's going to get worse." The economy, that is, by way of tightened credit markets, crumbling financial institutions, big lay-offs and shaky consumer confidence.

Fast Facts:

1 in 3 externally hired leaders are underperforming after two years on the job.

45% of new leaders say that the organization's culture is their biggest challenge.

21% of executives who make internal transfers do not succeed after two years.

It is the typical reaction to hunker down, not spend any money and "wait and see" what happens next. That might work for individuals and families, but not organizations that have to figure out how to keep and grow their competitive edge.

Strong leadership is needed now more than ever and organizations are still paying big bucks to get it.

So, if your organization has sunk several thousand dollars into recruiting, interviewing, assessing and relocating a key leader, why would you leave his or her onboarding up to chance? Wouldn't you think that a small additional investment of time and money to insure that he or she "sticks" and does what he or she was brought in to do would be worth it?

We are continuously surprised that operational and human resources leaders will agree that a leadership onboarding process "makes sense" or is "nice to have" but not a necessity.

We beg to differ.

Statistics in study after study proves that failure rate of newly hired or promoted leaders is in the 40 to 60% range.

Now, more than ever, is the time to protect your biggest investments, your leaders.

A new study published by the International Association for Human Resources Information Management (IHRIM) reports how HR leaders said that they would spend their 2009 information technology dollars next year. The findings say that of the companies making investments in software, **12% will be spent on core HR management systems, 25% will be spent on benefits management solutions and that most will be spent on onboarding tools at 28%.**

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The article goes on to report that there is still an indication that companies will continue to cut budgets and staff in the slumping economy.

These cuts will probably include development-like programs such as leadership coaching, team development and leadership onboarding. Unfortunately, this would be a mistake that has lasting effects-beyond the 18 months or so that the economy would need to rebound.

We suggest the following 3 strategies for retaining your key leaders in tough times:

Strategy #1

As your organization fills open leadership positions in 2009, it is critical that you provide them with a formal, structured leadership onboarding process to support their transition.

New leaders are especially vulnerable to a significant change in culture or if they were hired to implement a significant change initiative.

First, identify your “leadership pipeline” and have a plan to get each one onboarded.

Secondly, it is critical to meet with the hiring manager to understand and document why this new leader was hired and what he or she should focus on in the first 90 days on the job.

Next, build a list of people (stakeholders) with whom the new leader need to build relationships. Start by introducing them through a “meet and greet” process, and give these meetings a purpose and an agenda.

Lastly, make sure that your new leader gets early feedback as to how he or she is fitting into the culture, meeting initial expectations and the perception of his or her peers. Bosses and direct reports are also important sources of this data, but peers often give the most candid information.

Strategy #2

There are certainly solid leaders in your organization who need to further develop key skills. These are the individuals “in the trenches” who do a good job, but their teams are not reaching their potential or they have been asked to work at a higher level and deliver more to meet business demands.

It is critical that these leaders get the support that they need in order to reach these objectives. Typically, they know “the what” but they do not have the necessary skills to effectively implement it or understand “the how”.

Leadership coaching is a proven, effective tool in these situations. Targeted and time-defined coaching can provide the structured guidance and external perspective that can jump-start a leader’s thinking and approach to work.

The collection of feedback data is often the first step in this process.

Next, an experienced coach analyzes the data and works with the leader on an individual development plan. Over a series of coaching meetings, the leader and coach focus on changing behaviors that will immediately help the leader address her current challenges.

Strategy #3

The third strategy that we suggest to increase your retention of key leaders is to implement high potential coaching. By identifying and actively engaging these future senior leaders, you can demonstrate the organization's desire for them to succeed which increases their loyalty and perhaps speed-up their ability to take on new and more challenging assignments.

It is important to create a cohesive high-potential process so that not only individual needs are met, and the process also supports the long-term business strategy.

Putting Them All Together

The three strategies proposed here, a formal leadership onboarding process, a targeted development coaching program and a well-defined high-potential coaching process are ones that organizations can put in place now to address the potential "brain drain" that often results from budget cuts that lead to staff reductions and reduced funding.

These are three initiatives that must be considered essential and "core" to the organization's talent management strategy. As John Greer, Vice President for HR and Development at Smart Financial Credit Union and chair of the IHRIM, was quoted in the aforementioned study, "Eventually the economy will turn around and you don't want to be behind anyone else."

About Connect the Dots Consulting

Connect the Dots is a management consulting firm dedicated to creating solutions focused on leadership onboarding and high-performing teams. Connecting your organization's leaders and their teams to measurable objectives is our purpose and passion.

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