

Best Practice

by Lauren Keller Johnson

Rapid Onboarding at Capital One

Does the following scenario sound familiar? As part of an ambitious growth plan, a company invests heavily in recruiting managers and executives. And on paper, at least, they look like a very talented bunch.

Yet their performance has not matched expectations. New ideas have been slow in coming. Important initiatives are stalled because the new hires aren't really plugged into the network. And grumbling in the ranks indicates that some of the new managers and executives haven't engaged their direct reports. What's more, attrition is unacceptably high; several hires have had to be let go, and others have left of their own accord.

This is no fictional scenario. It was precisely the situation faced in 2003 by McLean, Va.-based Capital One in the aftermath of an aggressive hiring period. For executive development experts there, getting new managers more quickly immersed in the organization and, thus, to a place where they could deliver value became a business imperative. The lessons Capital One learned and the ideas its leaders generated to get new executives up to speed more rapidly have value to organizations of all shapes and sizes.

Growing pains

In the previous three years, the 20,000-employee financial services organization had grown rapidly, hiring or promoting larger numbers of managers and executives than usual. "Not everyone hit the ground run-

ning as well as they should have," says Steve Arneson, Capital One's senior vice president of learning and development. Several key hires resigned before reaching their first anniversary with the company. In exit interviews, they cited a lack of support in transitioning to their new role as a significant reason for their departure.

Such unhappiness with onboarding efforts is all too common. A recent Korn/Ferry International survey, for instance, found that fewer than one-third of executives are satisfied with their organization's onboarding process. A staggering 32% deem it below average or poor.

To help new and promoted leaders get off to a strong start, Capital One's training and development team came up with a novel three-stage onboarding process called the New Leader Assimilation Program (NLAP), with the goal of enabling new leaders to begin generating business results within their first 90 days on the job:

1. Getting the lay of the land.

After a candidate accepts a job offer from or promotion within Capital One, the HR department assigns an internal coach to interview a broad range of the candidate's "stakeholders," including not only her boss but her soon-to-be employees, peers, and customers. The coach asks interviewees to describe what they see as the key challenges associated with the candidate's new role, the job's goals and performance expectations, the history of how the role has evolved, and the political dynamics the new

leader will likely encounter. With help from the hiring manager, the coach synthesizes the interviewees' input in a detailed report called *The Customized New Leader Transition Guide*.

Some guides run as long as 30 pages—and they don't pull their punches. For instance, one illuminated the political landscape by informing its recipient that a peer manager had competed for the job but was turned down. The guide also contains professional and personal information about the stakeholders: their tenure at Capital One, previous roles, communication preferences, work arrangements (such as telecommuting), outside interests, and so on.

New leaders receive the report on their first day at the office. "It tells them everything they need to know about the job and the company's culture," Arneson says. "It gives them the big picture."

Later that week, the manager meets with her boss to define goals, clarify expectations, and create a developmental action plan for delivering results during her first three months on the job. The boss uses information in the guide—for example, notes about the job's most challenging aspects—to recommend resources such as executive coaching or courses from Capital One University that might be useful.

2. Meeting the team.

During the first week on the job, each new leader participates in a half-day meeting with his employees, facilitated by an HR manager. With the new leader out of the room, employees fill flipcharts with questions—both professional ("What are your goals for our team?") and personal ("Where did you go to college?")—that they want him to answer. The employees then leave the room, and the facilitator invites the executive back in and walks him through the list

of questions, noting the high-priority ones, such as those relating to strategy and cultural norms. Finally, the employees return, and their new boss answers all the questions.

To help the new manager or executive get to know his peers, the hiring manager assigns someone of similar rank from another department to serve as an "assimilation buddy." In addition to introducing the newly hired or promoted leader to colleagues throughout the organization whose collaboration will be crucial to fulfilling his role, the buddy answers questions about company culture, strategy, and policies. Though the NLAP stipulates that buddy relationships last 90 days, many endure far beyond that, as the participants develop friendships and decide to continue relying on each other.

3. Checking in.

Six months into the job, the new leader undergoes a 360-degree review with the goal of highlighting where she can make further progress in realizing goals and meeting expectations. Working with her boss and an HR representative, the leader identifies ongoing developmental goals and the resources (such as

coaching) needed to meet them.

For example, during the early stages of the onboarding process, a newly hired senior vice president for one of Capital One's key lines of business had identified some critical leadership traits to embody. In the six-month 360-degree review, the individual's manager, direct reports, peers, and key internal customers were invited to comment on his all-around effectiveness as well as his progress on exhibiting the specific leadership behaviors he had targeted.

The 360-degree review provided several significant lessons. Most constituents said they were quite pleased with how quickly he had gotten up to speed on the main aspects of his job and how well he had assimilated into the division's particular culture. But they also said that they wanted him to focus next on crafting a bold, forward-reaching strategy for their business. The executive gained a clear understanding of what he was doing right, where some adjustments in style were needed, and what was expected of him in the next year. To address some of the style issues identified by the feedback, the executive created a personal development plan and started working with an executive coach.

The critical role of hiring managers

Arneson says that implementing the rapid onboarding process has gone pretty smoothly. "Most new hires are happy to get the help," he says. An essential ingredient to the program's success has been having enough HR generalists and internal coaches (current executives who are interested) on hand during major growth spurts. But it's the hiring managers, Arneson says, who play the most vital role in ensuring NLAP's effectiveness. "Hiring managers have to carry out each assignment with equal commitment and rigor," he says, whether it's participating in interviews for the customized transition guide, providing thoughtful input for the internal coach who's preparing the guide, or following up on the new hire's performance through careful analysis of 360-degree feedback.

Knowledge transfer

No matter how talented newly hired or promoted managers and executives are, they need help in transitioning to their new position. For too many, everyday demands and distractions prevent them from establishing the foundation for top performance. As Capital One is finding, a rigorous rapid-onboarding program that demands and receives a dedicated time commitment from participants can help new leaders size up their new role, clarify performance expectations and developmental needs with their boss, and build positive relationships with their teams and with colleagues across the organization—all on an accelerated schedule. ♦

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GAINING SUPPORT FOR A BETTER ONBOARDING PROCESS

Capital One's culture, which emphasizes learning, helped ensure a smooth launch for the New Leader Assimilation Program (NLAP). In organizations with less supportive cultures—for example, in those where hiring managers declare themselves too busy to take on onboarding responsibilities—Steve Arneson, Capital One's senior vice president of learning and development, advises "branding" the program. To enlist the support of hiring managers, buddies, and other key players, he says, "sell the program by making a compelling business case." Point out troubling trends in new leaders' performance and turnover, and explain what these trends are costing the company. Tell hiring managers about the benefits of a more comprehensive and intensive program, and put a dollar value on rapid assimilation and reduced attrition among leaders. "Everyone involved needs to have the same sense of purpose for a rapid-onboarding program to work as it's intended to," he says.