There is a compelling business reason for organizations to invest in the onboarding and integration of their executive talent. Acquiring a new executive is an expensive proposition for organizations—fees for retained searches are typically around 30 percent of the executive’s first year total compensation. At the same time, the failure rate of external hires in their first two years is high, frequently ranging from 40 percent to 60 percent.

**Key Findings**

Our foundational 2002 research drilled down into the process of executive integration to determine what people and organizations can do to facilitate and accelerate the process. This study determined that successful integration into an organization is a complex, multifaceted process and involves four distinct components of success:

1. **Credibility**
2. **Alignment**
3. **Acceptance**
4. **Contributions**

In 2005, RHR set out to build on this study and collect data that would enable us to develop a model of integration that identified key challenges and potential solutions designed to help leaders avoid derailing during the integration procedure.

**Methodology**

The research consisted of in-depth interviews with 100 participants from 54 different organizations in the United States, Canada, and the United Kingdom. Multiple industries and functions were represented. The executives were in their current position for two years or less and were drawn largely from the most senior ranks (21 percent = SVP and above; 37 percent = Vice President). Participants were asked to rate their progress on the four aspects of successful integration: credibility, alignment, acceptance, and contribution. Both qualitative and quantitative data were collected.

**Integration Is a Multistage Process**

Our 2002 research demonstrated that integration does not happen in 90 days, or even 120 days. While the first 100 days are critical, an executive’s integration does not stop at that point. Our research verifies that integration takes 12–18 months. During this time, there are a series of distinct integration stages an executive navigates when integrating into a new role: Honeymoon
Stage 1: Honeymoon
There is a lack of in-depth understanding of role, the organization, and the people. Despite this, new hires report being unrealistically optimistic and overly confident in their ability to succeed. During this stage, the organization is also on a honeymoon and transmits positive, confirming messages that reinforce the confidence people feel. Everyone starts by seeing the positives and overlooking the negatives.

Stage 2: Reality
The newly hired executive has a lot more information, and the real challenges facing him or her become more salient. Positive feedback that was flowing typically stops, and doubts start to set in. People wonder if they've made the right decision to join the organization.

This is accompanied by a decrease in confidence around their ability to be successful.

Stage 3: Adjustment
Expectations are more realistic, relationships start to take hold, and people start to recover their confidence. While challenges are acknowledged, they don't seem so daunting. At the same time, questions about fit linger and commitment hits its lowest point. While from the outside it may look as though they have settled in, this is often the point at which people will make the decision whether to stay long term or leave.

Stage 4: Integration
Knowledge about the more subtle aspects of the organization increases. People start to have friends at work. They recognize they still have a lot to learn, but they feel a sense of success and accomplishment. Commitment goes up.

Attention to Key Integration Success Factors Makes a Difference
Our research revealed that progress through the four stages of executive integration, and the likelihood of success, is enhanced when the organization and the executive attend to five key success factors.

Key Success Factors: Role Clarity
Understand the role and its relationship to others in the organization, and how success is measured. This factor is most critical during early stages in a new position. A lack of role clarity is a frequent cause of early derailing.

SUCCESSFUL EXECUTIVE INTEGRATION

Preparation (< 1 month) Honeymoon (1–3 months) Reality (4–6 months) Adjustment (7–12 months) Integration (13–18+ months)

RHR

Success Factors

Executive

Role Clarity
Relationships
Culture
Early Wins
Accelerated Learning

Role Clarity
Relationships
Culture

Relationships
Culture

Credibility
Alignment
Acceptance
Contribution

Organization

Outcomes

Role Clarity
Relationships
Culture

Early Wins
Accelerated Learning

Credibility
Alignment
Acceptance
Contribution

Relationships and Networking
Identify and build relationships with key stakeholders both inside and outside of the organization. Relationships take time to develop. Failing to invest time in building relationships before they are needed is frequently a cause of derailing later in the integration.

Navigating Culture
Understand the implicit rules and beliefs held by people in the organization that influence how things really get done. Failing to understand and adapt to the culture can cause derailing at any point during the integration process.

Early Wins
Achieve early successes around things that are important to the organization. This is a critical component of building credibility early in a new executive's tenure.

Accelerated Learning
Acquire knowledge and skills that will be critical to achieving success.
Executives who are not seen as “catching on” feel both their credibility and ability to drive results suffer.

Our research indicates that the focus and importance of these factors shifts over time. For example, early wins are an important contributor to credibility in the first 3–4 months, whereas relationships take a lot longer to build. The insight required to successfully navigate the politics of the organization continues to develop well into the first year.

Data collected during the interviews indicate that each stage is unique and contains different derailment dangers. Care must be taken so that both the executive and the organization are paying attention to details that may cause failure at any point in the process. Barriers to successful integration can include underestimating the time it takes (stages), overlooking keys to success (success factors), or limiting the definition of success (outcomes).

### Measurement of Success

#### Case Study

At RHR International, we have had the opportunity to test our model of successful integration. The following case study is presented as one example of how the model has worked in actual business conditions.

A global leader in food and facility management services found that the turnover rate for external hires in the executive ranks was over 25 percent. The constant cycle of recruiting, training, and replacing was proving costly, not to mention the loss in productivity while a stream of managers worked their way through the system. The company turned to RHR International to create a process that would accelerate the integration of executives into the corporate culture and improve the retention rate. RHR consultants conducted an initial survey of the organization that indicated that the culture of the company was challenging, making it hard for outsiders to break in and be successful.

### OUTCOMES

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Drawing on the model of successful executive integration, RHR proposed a structured 12-month integration program for all outside hires at the vice president level or above. The program was designed to help the company make the best hiring decisions possible, educate managers and HR professionals about the process of integration, and accelerate new executives’ integration by helping them anticipate challenges and derailers. The model provided the roadmap that identified key issues and potential interventions for each stage of the process.

More than 25 executives have participated in the program to date, with a 100 percent retention rate. The program continues to be supported by the CEO and is gaining increasing recognition throughout the company. The program is considered to be a significant organizational change initiative, since many managers and HR personnel now have a better understanding of the key success factors and derailers for new hires. Communication and dialogue around integration has increased, and warning signs of retention risks are being highlighted and managed more quickly than they were in the past.
In Summary
The latest research by RHR International shows that executive integration is a process that can be managed by

- Defining the key integration success factors relevant to the organization
- Managing the success factors through distinct integration stages
- Monitoring progress toward key outcomes

Influencing the process in a systematic method through the use of the RHR model of successful executive integration will greatly increase the success rate of executives transitioning into new positions, accelerate their productivity, and enhance their long-term retention.

ABOUT RHR INTERNATIONAL
RHR International LLP is a global firm of management psychologists and consultants who understand the distinctive challenges and pressures that CEOs and senior executives face. Its singular focus on senior leadership and research-based practice sets it apart from other executive and organizational development consultancies. For more than 70 years, RHR has been helping leaders and their teams transform themselves and, in turn, the performance of their organizations. RHR offers Board & CEO Services, Senior Team Effectiveness, Leading Transformational Change, Executive Development, and Executive Assessment.

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