33_Berger 10/13/10 4:35 PM Page 331

# Chapter 33

# Using Onboarding as A Talent Management Tool

**David Lee,** Principal
***HumanNature@Work***

## What Is Onboarding?

Onboarding is the process of helping new employees become fully integrated, contributing members of your organization. Effective onboarding accomplishes the following objectives:

Makes new employees feel welcomed and valued.
Helps new employees feel connected to their peers and the organization's mission.
Provides new employees with whatever they need to become productive as quickly as possible and excel at their jobs.
Helps new employees understand and adopt cultural norms of excellence.
Communicates clearly what they need to do to become successful.
Inspires them.

Onboarding includes the initial orientation process and the ensuing 3 to 12 months, or however long it takes to get an employee up to speed in a particular company or discipline.

33_Berger 10/13/10 4:35 PM Page 332



## Why Is It Important to Get Onboarding Right?

Both common sense and research speak to why it is important to create an effective onboarding process. First, from the common-sense perspective, think of how much it costs your organization to recruit, screen, hire, and train new employees. Doesn't it make sense to protect this investment by ensuring you don't push your new hires overboard? Furthermore, doesn't it make sense to get a return on this investment as quickly as possible by helping new employees achieve 100 percent productivity as quickly as possible?

## Benefits of Upgrading the Onboarding Process

### It reduces turnover.

New hires make the decision to stay or look for a better employer rather quickly. A survey of HR professionals revealed that the 86 percent of new hires have made the decision on whether they will leave their new employer within the first six months of employment.

Improving onboarding can make a huge difference in turnover. When Hunter Douglas improved its onboarding process, turnover dropped from 70 percent at 6 months to 16 percent. The relationship between effective onboarding and turnover is especially critical among the Generation Y or Millennial workers who are less likely to tolerate an unpleasant or unsatisfying work experience.

### It shortens the time new hires take to become productive and revenue-positive.

Every month a new hire performs below baseline productivity levels is a month of revenue lost. When Randstad, an international staffing company, upgraded the onboarding process for its account executives, it achieved an almost 500 percent increase in revenue generation per new employee.

### It increases employee engagement.

A poor new hire experience can quickly extinguish the flame of enthusiasm most people bring to their new job. Conversely, a well-executed onboarding process can fan this flame, resulting in a passionate, proud, and determined employee. A 2003 study by Hewitt Associates demonstrating the connection between effective onboarding and engagement revealed that organizations that invested the most time and resources in onboarding enjoyed the highest levels of employee engagement (Hewitt Associates 2003).

Not surprisingly, employee engagement impacts the bottom line, according to a number of studies. Research by Towers Perrin, involving over 35,000 employees employed at dozens of companies, revealed that employee engagement affected sales growth, cost of goods sold, customer focus, and turnover. Companies with highly engaged employees surpassed the revenue growth of companies in the same sector with average engagement by 1 percent, while companies with low engagement were behind their sector's revenue growth by an average of 2 percent (Towers Perrin 2003).

33_Berger 10/13/10 4:35 PM Page 333



Interestingly, employee engagement has an even more significant impact during difficult times, according to a study by Watson Wyatt Worldwide. In a study of 12,750 workers, Watson Wyatt found that employers with highly engaged employees outperformed their competitors by 47 percent during an up business cycle and by 200 percent in a down economy (Watson Wyatt 2002).

### It affects management's credibility.

One of the under-recognized effects of poor onboarding is how it reflects poorly on an employer's leadership. Few factors affect a leader's ability to bring out the best in his or her workforce than trust. Whether the leader is trying to rally workers to embrace a new initiative, quell fears during a difficult time, or ask for even greater effort, leadership effectiveness is largely dependent on whether employees trust that their managers are truthful, have employees' best interests in mind, and know what they are talking about and what they are doing.

Because of the power of first impressions—and their intractability—it's imperative that the new hire experience evoke the above perceptions. If new hires get negative messages that this is a poorly run organization, one that doesn't recognize that helping employees succeed makes sense, future actions and decisions by management will be viewed with skepticism.

## Guiding Onboarding Principles

### Everything Matters

The concept "everything matters," an important tenet understood by world-class brand managers, should be adopted when you are developing an onboarding initiative. Every communication, decision, and interaction matters because it will have an effect—for better or for worse. There are no insignificant "moments of truth" in creating a strong brand, and the same can be said about onboarding. Everything you do—or don't do—in your onboarding process will affect new hires' perceptions about their jobs and employers.

### Think "Experience"

Using another lesson from successful brand managers, organizations need to consciously design experiences that generate a strong positive response when developing new hire programs. Onboarding should be about consciously creating experiences that lead to positive emotions and perceptions, not just efficient transactions.

### Emotional Take-aways

Every onboarding experience will leave an emotional impression—for better or for worse. Each step of the onboarding experience should leave the new hire with positive emotions such as feeling welcomed, comfortable, secure ("If I have a question, I know where to get the answer," or "I know enough to not feel in the dark"), valued, important, proud, excited, inspired, and confident.

33_Berger 10/13/10 4:35 PM Page 334



### Perceptual Take-aways

Designing positive employee experiences also involves consciously considering what perceptions you want to create in your new hires' minds. Desirable perceptual take-aways include these: "This is a well-run organization," "I'm part of an organization that is doing good things in the world," "They care about their people," "I can make a difference in this company," "This will be a fun place to work," and "I'm lucky to be working for this company."

### Onboarding Is Everybody's Business

Onboarding isn't just "an HR thing." Since everything matters, everybody who comes into contact with new hires has an impact on their experience. Thus, all employees must be enlightened as to their role in onboarding and take accountability for their part in making onboarding successful.

### Ask the Right Questions

Rather than trying to force-fit another employer's onboarding processes or an off-the-shelf solution into your organization, use questions that get at the "differences that make a difference." This will help create a tailor-made process that fits your organization.

In the next section, 11 questions will be posed that can guide your onboarding development and refinement processes. While it is important to ask yourself and your management these questions, it is even more important to ask your new hires.

## 11 Questions to Guide Your Onboarding Process

The following questions will help you shape your new hire process:

1. **How can successful onboarding processes be designed from a new hire's perspective?** Design your new hire experiences by viewing them through the new employee's eyes. If you want to create an employee-friendly work experience, new hire input must play a major role. Solicit input from new hires at ongoing intervals early in their employment so specific details are not lost through the passage of time. You need the particulars of each "moment of truth" if you are to intelligently design and refine your onboarding process. Find out what information is needed during each time period (i.e., surveyed at day two, week one, week two, one month of employment) and whether the new hire received it, and if so, whether it was readily available. Ask new employees what could be done to remove anxiety. Get their feedback on each of the questions in this chapter.
2. **How can new hires be made to feel welcomed and valued?** This is one of the most important goals of an onboarding process, especially in retaining and engaging Millennial workers. Practices that achieve this goal include the following:
   - Receiving a welcome letter or phone call from the hiring manager and future team members

33_Berger 10/13/10 4:35 PM Page 335



- Meeting the hiring manager and team on the first day
- Receiving an e-mail with a link to a new employee portal that includes welcome videos from senior management and coworkers
- A sign in the company's lobby welcoming new employees
- A poster in the orientation room with welcome messages from team members
- Inviting senior-level executives to speak at orientation to inform new hires of their importance to organizational success

Ask your new employees what can be done to create an even more welcoming message. Ask them about what their previous employers did—and didn't do—and what that meant to them.

3. **How can the orientation program be made more inspiring?** One of the critical roles of orientation is to communicate "What we do in this organization matters and what you do will help make that happen." By doing this, your orientation will address one of the most fundamental human needs: the need for meaning and purpose. When employees believe they are part of something great and that what they do matters, it unleashes a willingness to go the extra mile and a passion for excellence left untapped by people who feel like their job is just a paycheck. Orientations can be made inspiring by
   - Sharing stories of how your products or services change lives.
   - Presenting videos of appreciative customers talking about why they love your product or service.
   - Discussing the organization's community involvement and contributions to worthy causes.
   - Presenting examples of the great things employees do, especially of employees "going above and beyond" in both working hard, giving great service, or being resourceful.
   - Offering examples of how employees have made a difference in your organization by coming up with innovative breakthroughs, process improvements, and so on.
   - Having senior-level executives present and available for questions.
4. **How can new employees' understanding of the big picture and their role in accomplishing it be clearly communicated?** A study by Harris Interactive involving 23,000 employees revealed that only 37 percent of employees interviewed had a clear understanding of what their employer was trying to achieve and why (Covey 2004). It is no wonder that numerous studies reveal the dismal level of employee engagement both in the United States and abroad. How can employees be excited and committed to something they know little about? How can employees maximize their contribution if they don't know what matters most to their employer and how they can provide the most value? Thus, an onboarding program should help new employees understand the organization's
   - Business and how the pieces fit together
   - Mission in understandable and concrete terms
   - Success factors

33_Berger 10/13/10 4:35 PM Page 336



- Cultural norms and valued behaviors
- Current marketplace factors

In addition, the new employee needs to understand how his or her department or team, and his or her position contribute to the big picture, as well as how his or her department affects other parts of the organization.

Given the complexity of many organizations, covering all of these items might be best accomplished with a mixture of live lectures, online learning, and one-on-one coaching.

5. **How can the orientation program be made more fun and interactive?** This is important for two reasons: First, people learn more effectively if they are not passive recipients of data, and second, delivering a fun, interactive orientation program elicits positive emotional and perceptual take-aways. Fun and interactive orientations communicate: "This place is different," "They know what they're doing," and "This is going to be an enjoyable working environment."

   Adding fun and interactivity also improves learning, thereby increasing the effectiveness of the orientation program. To make your orientation more fun and interactive, you can
   - Use a game show format and divide new hires into teams.
   - Use a "scavenger hunt" approach to learning about different departments, key resources, and so on.

   For more ideas on how to enliven an orientation program, conduct an Internet search for training games and accelerated learning.
6. **Should the orientation program be digested in small chunks?** Orientation marathons are ineffective. When people are expected to digest large chunks of information in long sessions, very little is retained. Furthermore, lengthy orientations leave new hires with engagement-damaging emotional and perceptual take-aways.

   An excellent example of breaking down a long orientation comes from Northeast Delta Dental, a New Hampshire company and winner of multiple 25 Best Small Companies to Work for in America awards. Evaluations revealed that new hires were overwhelmed by Northeast Delta Dental's one-day orientation program, so they spread the material over two days. However, evaluations of this approach revealed that new hires were still overwhelmed. So, based on a suggestion from a new employee, the company conducted the program in four half-days. This proved to be ideal.
7. **What information is best delivered to new hires through the intranet or other means?** Subjecting new hires to information they don't need during the early phase of employment or that could be better digested by reading on their own is a waste of valuable time for all involved. It also creates the perception that "This is an employer that doesn't know what it is doing." Involve your instructional designers and learning specialists to sort through orientation and training content for what needs to be taught in person and what would best be delivered in a self-study and as-needed mode. For

33_Berger 10/13/10 4:35 PM Page 337



example, Southwest Airlines created an online "pre-orientation video" for new hires. This opened up time to cover topics that were best discussed in a live setting.

8. **How can new employees be prepared to be proficient and productive more rapidly?** At the most obvious level, the better you are at preparing new hires for success, the quicker you achieve a positive ROI. The impact, though, goes deeper. Your ability to set new hires up for "the thrill of victory" dramatically affects their level of engagement, inspiration, and job satisfaction. Furthermore, providing new hires with the tools, knowledge, and training needed to excel creates very different emotional take-aways than carelessly allowing them to flounder. The following questions can help frame an action plan:
   - What knowledge does the employee need?
   - What skills need to be developed?
   - Who are the people/mentors who can help?
   - What experiences would help? (e.g., interactions with other departments, shadowing a seasoned sales rep)
   - What activities should he or she be able to perform?
   - How will the company provide ongoing feedback to help the new employee evaluate his or her progress and accomplishments?

   Ask these questions of your hiring managers for each position they supervise and include time frames. Then translate this into checklists and protocols.
9. **How can new employees be encouraged to solicit help or to give feedback?** Most employees are conscious of not wanting to appear as if they are "high maintenance" or anything but "can-do people." Furthermore, most managers are busy—and often overwhelmed. This combination is a recipe for new employees developing an "I'll just suck it up and make the best of it" attitude. Smart employers make it clear to employees—new or otherwise—that they desire feedback about anything that compromises the employee's ability to perform his or her job well. Thus, at every stage of the onboarding process, explicitly communicate that you want and need your new hires to speak up and let you know how the onboarding experience can be improved, and how you can do a better job helping them excel.

   The impact of making it easy for new hires to speak up cannot be overstated. At Designer Blinds, an Omaha-based company, HR Manager Deb Franklin discovered that most of their new employees were leaving between the second and sixth month. Rather than waiting for the exit interview to find out why, they created an "entrance interview" just prior to the second month of employment. This procedure and the resulting actions enabled the company to reduce turnover from 200 percent to 8 percent.

   Besides including an employee interview within the first 90 days as part of the onboarding process, successful employers also provide checklists soliciting feedback from new employees for hiring managers, as well as a checklist of questions new hires should be asking their manager.

33_Berger 10/13/10 4:35 PM Page 338



10. **How can the mentoring program be made more effective?** Whether the term "mentor," "buddy," "sponsor," or some other label is used, you want to link your new hires with a veteran employee or multiple employees. A mentor is more often a highly experienced employee who can help the new hire grow professionally, while the role of a buddy or sponsor is to help in navigating the new organization. You don't want to haphazardly throw together a mentor or buddy program. How well mentors and buddies are selected and prepared will have a profound impact on the emotional and perceptual take-aways created. It will also make a big difference in whether seasoned employees view being a mentor or buddy as just another task or as an honor and professional development opportunity.
11. **How can managers be prepared to do their part well?** Because the hiring manager plays a central role in the success and happiness of the new hire, it is imperative that they
    - Understand the crucial role they play.
    - Receive the training and coaching necessary to do their part well.
    - Be held accountable for doing their part well.
    - Receive logistical support in the form of systems and template processes so they can do their part well.

Without managers having the commitment and ability to do their part, the onboarding program will be marginally effective. This is why it is important to communicate "onboarding is everybody's job."

3M is an example of an employer that helps their managers do their part well. Prior to their new hire coming on board, managers receive an e-mail from the onboarding team containing a link to an online module, *Preparing for a New Employee*. Two days prior to the new employee's arrival, managers receive another e-mail with a link to the online module *Welcoming the New Employee*. After that, hiring managers receive e-mails with links to other online modules corresponding to their new employee's onboarding phase. At 3M, communicating to managers the critical role they play in onboarding has been a significant component of their onboarding upgrade. This message, along with the "how to" has been integrated into 3M's three-day supervisory development course. Preparing and supporting their managers' important role in onboarding has paid off, as evidenced by employee feedback reporting significant improvement in new hires' perceptions of their managers and employer.

## Summary

Utilizing the 11 suggested guidelines can result in an upgraded onboarding process for your organization. Your organization can also reap the following benefits:

1. Shortening the time for new employees to become productive and revenue generating
2. Minimizing the cost of poorly trained new hires, in terms of substandard quality and customer service

33_Berger 10/13/10 4:35 PM Page 339



3. Reducing turnover
4. Increasing engagement
5. Establishing leadership credibility

## References

Covey, Stephen, R. 2004. *The eighth habit: From effectiveness to greatness*. New York: Free Press.

Hewitt Associates. 2003. Best employer to work for in Australia. Available at http://was2.hewitt.com/bestemployers/anz/pdfs/bereport2003e.pdf.

Towers Perrin. 2003. Working today: Understanding what drives employee engagement. The 2003 Towers Perrin Talent Report. Available at http://www.towersperrin.com/tp/getwebcachedoc?webc=hrs/usa/2003/200309/talent_2003.pdf.

Rana, Eila. 2002. When employees go the extra mile, does the bottom line benefit? *CFO Magazine*. Feb 8, 2008. http://www.cfo.com/article.cfm/10610786/c_2984355/?f= archives

Watson Wyatt Worldwide. 2002. WorkUSA 2002. Weathering the Storm: A Study of Employee Attitudes and Opinions.