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Onboarding

The case for onboarding: Welcoming and orienting new employees

Onboarding, also referred to as employee orientation, is a planned, systemic approach to welcoming and orienting new employees into an organization. Effective onboarding programs promote a number of benefits, including greater employee satisfaction, better job performance, greater commitment to the company, quicker time to productivity and increased retention.¹

Yes, onboarding requires time and other valuable company resources. But is it worth it? Consider the findings of research conducted by partners at Kaiser Associates, an international management consulting firm based in Washington DC:

- Less than one-third of executives worldwide are positive about their onboarding experience;
- One-third of external hires leave their companies within the first two years;
- Almost a third of employees employed in their current job for less than one year are already job searching;
- It is not uncommon for companies to need to replace 10 – 15% of their workforce annually, or over 50% within a three- to five-year period.²



Turnover is expensive, and companies are finding that onboarding programs are effectively increasing their rate of employee retention. For example, by implementing an onboarding program, Corning, Inc., reduced its new hire attrition rate by 69% after two years.³

When Hunter Douglas upgraded its 10-minute orientation into a developed program with mentorship support, the six-month turnover rate dropped from 70% to just 16%.⁴ Designer Blinds saw even bigger results. Recognizing that employee turnover was highest between the second and sixth month, the company began implementing entrance interviews to solicit new employee

¹ Allen, D.G. "Do Organizational Socialization Tactics Influence Newcomer Embeddedness And Turnover?" *Journal of Management*, vol. 32, no. 2, 237-256. 2006.

² Stein, Mark & Christiansen, Lilith. *Successful Onboarding*. New York: McGraw-Hill/Irwin. 2010.

³ Cascio, Wayne. *Managing Human Resources*. New York: McGraw-Hill/Irwin. 2003.

⁴ Hammonds, Keith. "Why We Hate HR." *Fast Company*. 1 Aug. 2005. Web. 15 Aug. 2011
<http://www.fastcompany.com/magazine/97/open_hr.html?page=0%2C4>

feedback during this critical time period. Leadership reports these interviews played a “major role” in dropping turnover by 96%.⁵

Onboarding does more than impact turnover. It contributes to other internal benchmarks like productivity and engagement (bonding and commitment to the organization). A study at Texas Instruments™ found that employees who completed an orientation process reached full productivity two months sooner.⁶ After Booz AllenSM revamped its orientation process, internal measurements showed improvements in new hire job readiness and time-to-productivity, efficiency gains, stronger employee affiliation with the firm and reduced staff attrition.⁷ And a 2003 study by Hewitt AssociatesSM found a connection between effective onboarding and engagement, demonstrating that companies who invested the most time and resources into onboarding programs benefited from the highest level of employee engagement.⁸

The business case is strong. Think of onboarding as a necessary investment in your most valuable asset—the people who can and will make things happen for your company, now and into the future.

Onboarding begins before the hire

Onboarding actually begins well before an employee’s first day. A company’s stature within the community or the industry, how that organization is represented in print and Web materials, and the stories current employees and customers share about their own experiences—these all contribute to a future hire’s impression of the organization.



The recruitment and selection process itself is part of onboarding. During the selection process, thoughtful interview questions indicate which values are most important to the organization. Plus, the people candidates meet with during the selection process signal who the stakeholders are in their success. The honesty with which employees talk about both the positive and more challenging aspects of the organization, and what they most value about the organization, are important clues to a company’s culture.

Ultimately, the more genuine and transparent the recruitment and selection process, the greater the likelihood of fit for new employees, and the greater the opportunity for success over the long haul.

⁵ Lee, David. “Onboarding Success Secrets.” Web. 15 Aug. 211 from http://www.buildaninterview.com/onboarding_success_secrets.asp

⁶ Hacker, Rhonda. *Successful Orientation Programs*. SHRM presentation. 7 Mar. 2007. Web. 15 Aug. 2011. shrm-emeraldcoast.org

⁷ Global Training Company Recognized for Industry Leading Solutions. *Blue Line Simulations*. Web. 15 Aug. 2011. <http://www.bluelinesims.com/press/press-060410.html>

⁸ Onboarding. *Hire Alignment*. Web. 15 Aug. 2011. <http://hirealignment.com/onboarding.html>

Designing your program

Whether your company numbers 20,000 employees working in multiple regions of the country, is a single campus employing 450, or a small business employing 20—and whether you onboard 500, 50 or 4 new hires at a time—thoughtful design of an onboarding program is important to laying the foundation for the positive outcomes you and your new employees desire.

Gather information

First, work with your human resources staff to gather data by asking these questions:

- What is the organization's current retention rate? Is there data that might suggest current retention rates are higher or lower than industry norms?
- Do you have data that indicates turnover is higher during the first 30 days, or first few months?
- What can the human resources staff tell you about exit interview data and why employees leave?
- What do immediate supervisors and co-workers believe are the reasons employees leave?
- What are other successful organizations doing in the area of onboarding?



Develop metrics for measuring success

Second, define your metrics. Is your goal to improve retention by 5% per year for the next three years? To shorten time-to-productivity by 10% within the next two? Evaluate the measures you might use for setting goals and measuring success.

Conduct a needs analysis

Third, in designing a strategic onboarding program, it is important to consider where new employees are in their career development and within your industry, and what they need to know to be successful within your organization.

At NetAppSM, a tech company in Sunnyvale, California, training organizers surveyed top engineers to find out what its new hires needed to know. The intensive process (fueled by pizza and soda) yielded more than 1,400 tasks ranked by frequency, difficulty and importance. From there, the team identified 500 tasks

that were critical for support engineers to effectively perform their job within the first year.⁹

But developing a needs analysis is about more than creating a list of essential job tasks. New employees just entering the workforce need different guidance and supervision at the outset. They may need more basic information about the industry, their roles and job-specific process knowledge.

Employees entering your organization at the mid- and upper-levels may be expected to have greater knowledge of the industry, as well as basic process knowledge. They'll need less grooming about what is appropriate in the work environment. While both groups can benefit from a solid and unified onboarding program, tailoring your onboarding processes for different career-stages will make more efficient use of employee and company time.

Build stakeholder support

In designing an onboarding program, consider who the stakeholders are in your new hires' success. Stakeholders may be more than willing to tell you what they think a new employee in your department needs to know to succeed. In fact, they may actually want to conduct the training for their area in the future.

Surveying stakeholders is more than an information gathering process—it is a way for you to create buy-in and promote good will, and possibly begin to change organizational culture. Information from stakeholders may be obtained in a variety of ways, through electronic surveys, focus groups, and one-on-one interviews with current employees, for example.



Identify themes/tracks

Next, identify overarching themes for the onboarding process. An example of a company's onboarding tracks/tasks might look like this:

- Help in getting settled: covering the basics
- Welcome to the department/division/company
- Welcome to the community in which the company resides
- Build team with immediate work-groups/ancillary departments/divisions
- Impart organization mission, vision and values
- Acclimate to the culture of the company
- Clarify role responsibilities
- Teach process knowledge and develop skills

⁹ Varma, Sanjiv & Collins, Brian M. *Ramp to Success at Network Appliance*. T+D. 2007 July.

Support
Engineers
are
the
best

Finally, as you evaluate your program and nurture your new hires through the first year, include them in the evaluation process to further refine your existing program.

All aboard! An onboarding timeline

Depending on the complexity of the organization, the cyclical nature of the work, and the employee's role and responsibility, the onboarding process can reasonably take anywhere from 90 days to one year.

Pre-boarding: Before the first day

If you have the resources, set up an employee orientation section on your company intranet and give your new hires access before day one. Include orientation materials, benefit forms, confidentiality agreements and a short new employee FAQ. By providing information in advance, you can relieve a lot of that first day anxiety.

Develop a checklist of issues that can be addressed prior to the first day. Enlist other team members to help brainstorm this list and continue to update it with new hire feedback every time you go through the onboarding process.

Send a welcome email and include information they'll need to be comfortable their first day. What will your new employees need to know to get into the parking lot and to the front door? Who can they expect to meet once they walk through it? Should they pack a lunch or will they be dining with someone?

Now think about what you'll need to have ready internally. Alert IT, so they get the workstation set up, including login information. Ensure the workspace is ready with a phone line, appropriate furniture, phone lists and other necessities. Let front reception know a new hire will be coming in and who should be notified of their arrival. Better yet, have someone greet them at the door.

Day one: You never get a second chance to make a first impression

Katharine Giacalone runs a management consulting firm in Washington D.C. She knows that prepping for a new hire's first day can add extra work to an already understaffed team. Nevertheless, she stresses the importance of planning ahead so that a new employee feels valued right away. Giacalone hears too many employees complain about negative onboarding experiences:



"In many exit interviews I conduct, I'm told the same thing over and over, and it doesn't matter how long the employee has been with the company. They tell me, 'Even on my first day or week, it didn't look like they were ready for my arrival.'"¹⁰

Make your new hires' first day positive—one that they will remember fondly and want to recreate for other new hires later on—and keep them from experiencing "new employee's remorse."

The first day is about getting settled, paying a visit to human resources, beginning the socialization process by meeting the team having some quality time with a supervisor, and starting to learn organizational culture. New employees need some basic information. What is the dress code? What does everyone do for lunch? Where do I get my ID badge? Where are the supplies located? Who do I call if the computer malfunctions? What about benefits and vacation days?

Remember the first day is also about building that sense of belonging. You don't want your new hire sitting alone at his desk on day two because no one invited him to lunch. Meanwhile your new hire doesn't want to commit a faux pas like wearing her suit on casual Fridays or storing her lunch in the fridge that's only meant for client beverages. Do your best to clue folks in to any informal company rituals and social habits.

Plan to cover the following day one essentials:

- Benefits, policies and procedures
- Facility logistics (parking, access codes, office and campus tour)
- Safety and security (safety essentials, ID badges, confidentiality)
- Information and communication (how to access voicemail, email and file systems)
- Job description, expectations and department protocols

Beyond the nuts and bolts, think about the soft touches you can add. A welcome sign in the front lobby is nice. Instead of hustling your new hires straight off to HR, have the supervisor come up front to greet them and guide them back.

The first 90 days

A strategic onboarding program allows new hires to assimilate information at a pace that avoids information overload, and that places the learning in context,

¹⁰ Giacalone, Katharine. "Making New Employees Successful in Any Economy." *ASTD. American Society for Training and Development*, June 2009. Web. 30 Aug. 2011.
<http://www.astd.org/TDI/Archives/2009/June/Free/0906_Making_New_Employees.htm>.

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and begins to mainstream them into everyday work. The first 90 days will include many firsts for new employees—first staff meeting, first problem to solve independently, first pitch for implementation of a new idea, first sale and first customer complaint.

How a new hire learns and grows—and sometimes rebounds—from these firsts can be guided by a supervisor, mentor or coach who checks in regularly, ask questions and helps interpret these first experiences with the new employee. And, as part of any effective supervision, feedback regarding what the new employee is doing well and what can be tweaked is important now, not to be saved for the end-of-year evaluation.

We'll pay you to quit

At the end of its four-week training period, ZapposSM offers its employees \$3000 to quit.¹¹ For employees that aren't acclimating well, it's a significant motivator to walk away before the company invests more in their training and development. "It's important that the people that are here are super passionate about being here," says Team Leader Jo Lawson.¹² Employees have to ask themselves, "Is this a company I want to be committed to long term?" If the answer is no, then Zappos believes they're better off parting ways sooner rather than later. Despite the generous offer, only 2-3% of employees take the incentive.



The first year

The first year is a critical time period for new employee turnover. Employees who don't feel they are a good fit with your organization will be looking to move on before they invest too much time and energy in your organization. That's why many industry leading companies are developing year-long onboarding programs to help strengthen organizational learning and company bonds.

At Booz Allen Hamilton the year-long onboarding process includes a phased, 12-month series of events designed to help new hires quickly engage with the organization, feel comfortable in their teams and understand the company's core values. The final phase of the program focuses on continued professional

¹¹ Why Zappos Offers New Employees \$3000 to Quit. Big Think. 11 Oct. 2011. Web. 15 Aug. 2011. <<http://bigthink.com/ideas/24388>>

¹² Zappos Podcast: Work Life. Life Meets Work. Web. 15 Aug. 2011. <<http://www.lifemeetswork.com/knowledge-center/fundamentals/ways-to-flex/zappos-podcast-work-life/>>

development, affiliation building and embodying firm values, ending with the new hire's first annual assessment.¹³

Qualcomm, a mobile technology firm based in San Diego, California, also has a formal, year-long orientation program. One of its core features is a weekly email series called 52 Weeks. Each email tells a story about the company, from inception to present day. Through the series, employees learn about the company's values and history. One such story, for example, explains the origins of the company's lax and rather unusual dress code which is, simply: "No shoes with ears." New hires learn that the edict came down from the company's chief scientist after he spotted an employee traipsing through the hallway in bunny slippers.¹⁴

David Lee is the principal of HumanNature@Work, a consulting and training firm. He says, "Few forms of communication can match storytelling for the capacity to captivate, teach and inspire. Stories make abstract concepts come alive and they make teaching points memorable ... thus, orientation programs should include inspiring stories that illustrate the key values of your organization, your unique culture, how much employees are valued and respected—and anything that lets new hires know what is good and what is special about your organization."¹⁵

No matter what elements you include in your onboarding program, be sure to check with employees often throughout the process. At Johns Hopkins Medicine, for example, managers are reminded that onboarding is a "process, not an event."¹⁶ Managers are advised to check in monthly throughout the first year in a series of interviews. In doing so, they help employees respond to new work experiences and capture multiple opportunities for organizational learning.

Assimilation

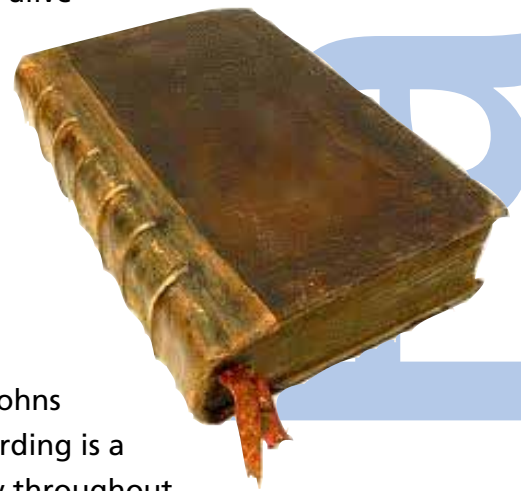
One technique to help new hires feel comfortable and a part of the organization is the "stay interview," which is an opportunity for a supervisor or mentor to check in with new employees and learn more about their individual experiences and desires. Questions that might be asked include:

¹³ Milliken, David. "We helped Booz Allen Hamilton Create one of the Best Onboarding Experiences in the Country. Blue Line Simulations. 11 May 2011. Web. 15 Aug. 15. <<http://blog.bluelinesims.com/2011/05/helped-booz-allen-hamilton-create-one-the-best-onboarding-experiences-the-country-here%E2%80%99s-how/>>

¹⁴ ASTD Learning Executive Briefing. ASTD. 2007 Jan. Web. 11 Aug. 2011. <www.astd.org/NR/rdonlyres/0758EDC8-B968.../LXB_January07B.pdf>

¹⁵ Lee, David. *Successful Onboarding: How To Get Your Employees Started Off Right*. Silk Road. Web. 15 Aug. 2011. <http://www.silkroad.com/SiteGen/Uploads/Public/SRT/Whitepaper/Successful_Onboarding.pdf>

¹⁶ Onboarding Your Guide to Retaining New Employees. Hopkins Medicine. Web. 14 Aug. 2011. <www.hopkinsmedicine.org/jhhr/.../onboardingoverviewupdated.doc>



- What do you like about your work?
- What do you want to learn this year?
- What would make your position more satisfying and rewarding?
- If you could change one thing, what would it be?
- What would keep you here?

Answers to these questions do not require a manager to make an immediate commitment to change or fix things in the new employee's environment, but they do provide food-for-thought for managers looking to retain valuable employees. And it gives the new employee the opportunity to be heard. Follow-up meetings should be scheduled to revisit the conversation. Anything the manager can do to respond favorably to the employee's answers will go a long way to helping that employee feel valued.

Another technique is "appreciative inquiry." David Cooperrider, the Fairmount Minerals Professor of Organizational Behavior at the Weatherhead School of Management at Case Western Reserve University, and faculty director at the Center for Business as an Agent of World Benefit at Case, is attributed with the development of appreciative inquiry, or AI.¹⁷ AI is an assets-based approach to questioning. Rather than focusing on what is wrong with an organization, the focus of the interview is to identify what is working, what is effective and to build success on that basis. This is an excellent tool for use by upper-management in seeking information from newer employees for use in cultural transformation and/or the changes that may increase employee satisfaction and improve employee retention.



The point is, supervisors need to take an active interest in the development of new hires' careers throughout the first year, and beyond, to make retention gain and to nurture fully-functioning employees as quickly as possible.

At the very earliest stages, help new hires understand how the work they do is significant to others in the company and to the company at-large. Understanding what the company is trying to achieve and how, allows new employees to be more thoughtful about all the "firsts" they are experiencing.

¹⁷ Cooperrider, David & Whitney, Diana. *A Positive Revolution In Change: Appreciative Inquiry*. *Appreciative Inquiry Commons*. Web. 10 Aug. 2011. < <http://appreciativeinquiry.case.edu/> >

Teaching culture

Our earlier list of possible areas of focus for an onboarding program included the following:

- Impart organization mission, vision and values
- Acclimate to the culture of the organization

On the surface, it could be argued that these two items are somewhat redundant. After all, isn't the culture of an organization the same as its espoused mission, vision and values? Well, yes in part—but sometimes no. Ideally, organization members faithfully carry out stated mission, vision and values on a daily basis and at all levels of the organization.

But what if stated mission, vision and values reflect more the aspirations of an organization than the way it really acts? What if there is a true disconnect between perceived and actual culture—or, if some areas of the organization more genuinely live out the stated culture than others? What if, in the recruitment and selection process, the negatives were simply ignored, or downplayed?

What's more, how do we nurture our new hires at the more senior level when they may be accustomed to operating in a totally different culture than they now find themselves? How do we help them to understand and adapt, and adopt new methods for navigating this new culture?



Organizational culture is about much more than mission, vision, and values. It's about our quirky rituals, the acronyms used day-to-day, and the unstated rules. How do things really get accomplished? How are new ideas vetted? What do folks really wear on casual Fridays if they want positive attention from upper management?

Stein and Christiansen, organizational development consultants, suggest that in creating an effective onboarding process, program designers conduct a cultural audit to discern to what extent stated culture is actually realized in the organization.¹⁸ Again, information gathered from surveys, interviews and focus groups with current employees help to tease out where stated culture and actual experience within the organization are aligned, and where the two diverge to

¹⁸ Stein, Mark & Christiansen, Lilith. *Successful Onboarding*. 2010. McGraw-Hill: New York.

the point of creating confusion and dissonance within the organization—for both seasoned and new professionals.

No slackers here!

Gentle Giant Moving CompanySM is a now-\$25 million dollar moving company established in the '80s in Somerville, Massachusetts. Because the company was initially staffed primarily by Harvard rowers who liked to run the stadium stairs to stay fit, CEO Larry O'Toole institutionalized a stadium run "to test the mettle of new hires and emphasize that he expects them to push themselves." The stadium run, in which O'Toole participates alongside new hires, challenges new employees to run up and down more than 1,000 steps in Harvard Stadium.

For many who seek to work at Gentle Giant, the run symbolizes the type of company they want to work for, with other like-minded individuals. Many in the company who've already completed the run return to run the stairs time and again, in solidarity with new hires, and to push themselves to achieve their personal bests. Earning nine Best of Boston awards from Boston Magazine, the stadium run is perceived to contribute to the quality control that has made Gentle Giant such a success.¹⁹



Nurturing relationships

The larger and more complex the organization, the longer it can take for new employees to develop the relationships that will nurture job satisfaction and contribute to success. If internal leadership is challenging the notion that valuable company time should be allocated to the pursuit of relationship development, consider the following:

- Individuals bring a great deal of variance in the levels of assertiveness and natural curiosity they exhibit in both in their private lives and in the work place;
- New employees just out of college have less experience with knowing how to navigate within the workplace and to figure things out;
- New to the job market employees have less experience even understanding the value of networking; and Even seasoned new hires may have some difficulty learning and navigating a new organization, especially if they are used to operating within a different cultural milieu.

¹⁹ Buchanan, Leigh. "Bizarre Hiring Rituals." Inc. March 1, 2010

Why leave relationship-building to chance when a deliberate, planned approach can yield greater confidence, satisfaction and faster time to productivity?

There are several areas of focus for employee socialization that can benefit both the employer and the employee. Stein and Christiansen identify four areas of focus for socializing new employees:²⁰

- **Internal professional** contacts include not only the immediate work team, but everyone in ancillary departments and divisions who benefit from the work of, or provide direct services and support to, the new hire.
- **Internal personal** contacts are others in the company who may have no formalized institutional role with the new employee, but with whom new employees may share an affinity—such as other young professionals, the Saturday morning running group, the lunch bunch, the Friday Night Happy Hour group, the kayaking club or the company's softball team. These relationships may not be essential to role success, but they can greatly enrich the social lives and increase satisfaction of new hires.
- **External professional** contacts are others in the community or in the profession who share role responsibilities and with whom networking may provide valuable insight into their own work and success.
- **External personal** contacts are others in the community, including family and friends, as well as others who welcome new hires into the community and who can greatly enhance a new employee's overall satisfaction.



Again, to the skeptic who questions the value of investing in relationship building as part of the onboarding process, satisfied employees are better employees. And, the reality is that most onboarding activities serve multiple purposes. Every time a new hire sits in a training session with the director of another functional area, not only is knowledge transmitted, but relationships are forged across departments

²⁰ Stein, Mark & Christiansen, Lilith. *Successful Onboarding*. 2010. McGraw-Hill: New York.

and divisions. Increase stakeholder buy-in by prompting the respective director to share with new hires, “This is how we can work together most effectively.”

CXTecSM, based in Syracuse, New York, is a supplier of data networking and voice equipment. The company has an onboarding ritual that each new hire completes, accompanied by a more senior level employee, within the first 30 days of employ. Together they serve coffee and doughnuts to all employees from a rolling cart. This is a way for new hires to reinforce names and faces and location, and as well, it signals to new hires the importance of relationships.²¹ It has a two-fold purpose: to teach culture and to nurture relationships.

Introduce new employees into the organization in bite-sized chunks, allowing for introductions and quality face time. Sporting events, bagel breaks, guided company tours, and sitting in on other departmental meetings are all ways to help foster work relationships. When inviting a new employee to the summer picnic or holiday gathering, assign someone to accompany them and help make introductions.

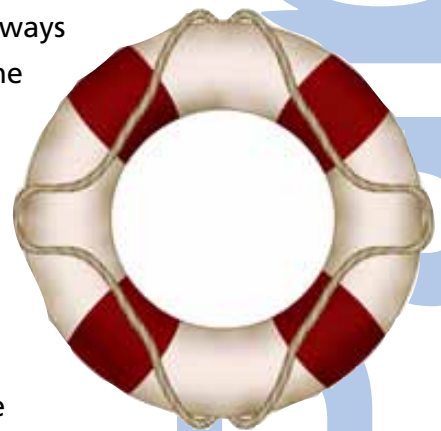
When onboarding goes overboard

Onboarding done well reaps positive benefits to both employee and company. But, onboarding gone awry—when onboarding begins to resemble hazing, for instance—may ultimately produce more negative than positive outcomes.

Very few people are fans of ice-breakers without purpose. Ice-breakers and climate setters can serve a useful purpose if they are well-planned, and timely for the length of time a group has been together. High-risk ice-breaker activities foisted off on a group of new hires who’ve only known each other for a day are ill-timed and off-putting, in most cases.

Then there’s the problem of information overload. Forty hours of material crammed into four hours will leave new employees fuzzy-minded, with eyes glazed over and painful memories of the first day/week but with no significant knowledge acquisition.

Finally, there’s the orientation that is just plain dull, dull, dull. And that’s just wrong, wrong, wrong.



²¹ Buchanan, Leigh. “Bizarre Hiring Rituals.” *Inc.* March 1, 2010. Web. 10 Aug. 2011. <<http://www.inc.com/magazine/20100301/bizarre-hiring-rituals.html>>.

We all want our new employees to 1) move with confidence regarding their abilities to contribute, 2) be enthusiastic about working in our organizations, and 3) to achieve peak productivity as quickly as possible. A deliberate, well-planned, properly sequenced onboarding program can aid in achieving these goals.

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