

## An Investment in Effective Onboarding

An investment in effective onboarding is an investment in employee retention, morale, and productivity. Research at Corning Glass Works revealed that employees who attended a structured orientation program were 69% more likely to remain with the company after three years than those who did not go through such a program. Another study conducted at Texas Instruments showed that employees whose orientation process was carefully attended to reached "full productivity" two months earlier than those whose orientation process was not.

More recently, Hunter Douglas found that by upgrading their onboarding process, they were able to reduce their turnover from a staggering 70% at six months, to 16%. These changes also translated into improved attendance, increased productivity, and — not surprisingly — a reduction in their damaged-goods rate. At Designer Blinds, an Omaha based manufacturer of window blinds, upgrading the onboarding process played a central role in reducing turnover from 200% annually to under 8%! Because of the dramatic drop in turnover, they were able to reduce their recruiting budget from \$30,000 to \$2,000.

A 2003 study by Hewitt Associates demonstrating the connection between effective onboarding and engagement revealed that companies who invested the most time and resources in onboarding enjoyed the highest levels of employee engagement.

Both research and common sense tell us that it makes sense to invest time and effort into preparing employees to be successful at their jobs. If you want them to become productive as quickly as possible, why would anyone not do what it took to make that happen? If you're going to spend all that money on acquiring them and paying them to come to work, why would you not prepare them to succeed?

Despite the obviousness of this, many organizations approach new hire orientation with a level of professionalism and quality they would never tolerate in their daily operations.

### Orientation as Nightmare

Rex Castle, senior vice president of human resources of State National Bank of Lubbock, Texas, captures the typical new hire orientation nightmare:

- ◆ You come in and sit down in monumentally uncomfortable chairs and are bombarded with papers, rules, policies...you know those 'this is how you get fired' sort of comments. If it's a big employer and a big group of new hires, someone stands in front of a Power-Point slide show and reads the slides to you.
- ◆ Usually it's an HR underling who is totally uncomfortable in front of a group and rarely, if ever, smiles. You sign and sign and sign more paper than you would if you were buying a house, and then you walk out thinking, 'Man, I hope I don't get fired, but at least I know how to get fired.' And those are the good orientations. The poor ones are done by a harried manager on location and God only knows what it is the employee is receiving in terms of an understanding of policies and procedures.

Most employees have had variations on this theme, including some of the classics:

- Being put to sleep by presenters who either need a personality implant or a Toastmasters overhaul.
- Watching the HR rep scurry about trying to find the laptop and projector, or the correct copies of employee manuals, while everyone waits and fidgets.

*(Continued on page 2)*

## An Investment in Effective Onboarding, cont'd

- Discovering that their work station is "not quite ready." While it is covered with outdated equipment waiting to be discarded and boxes of miscellaneous "stuff," it doesn't have a telephone or PC.
- Having a harried — or just plain disrespectful — boss show up an hour late to "welcome" them on their first day. (This was not an uncommon occurrence at a company that, not surprisingly, had low morale and a 40% turnover rate.)

Handing them off to the first available employee — including the most cynical, resentful, burnt out, disengaged employees — for "first day on the job coaching."

Eric Wood, President of EnviroSense, Inc., a New Hampshire based environmental consulting firm, understands why you should be worrying about doing onboarding right: "With a thorough orientation and onboarding process, the probability of achieving the goals of the business and the employee are greatly increased. Without it, the probabilities of disappointment, employee turnover, rework, and dissatisfied clients all grow unnecessarily."

### Are You Making These Common — and Costly — Mistakes?

**Mistake #1:** Trying to cram 20 hours worth of information into four mind-numbing hours of orientation.

From a purely practical point of view, doing this wastes your time and your hire's. If it's impossible for them to absorb the information, if it's going in one ear and out the other, why spend precious time on this exercise in futility? Smart organizations break orientation into "bite sized chunks." They also select the most effective medium for the particular type of information, offloading information that is best accessed on one's own onto the corporate intranet.

Cramming too much information also sends an undesirable message to your new hires. Because it's so blatantly ineffective and unpleasant, employees can interpret this as an indication that their new employer is a second-rate outfit that doesn't do things right.

Their new employer doesn't care about how it affects its employees, i.e. they don't respect their employees.

**Mistake #2:** Running a slipshod, "fly by the seat of your pants" program, believing that doing so has no negative impact.

If you run a slipshod, disorganized, second-rate orientation program, you are sending the message that you're a slipshod, second-rate company. Harsh as that may sound, that's the message such programs send.

While all operational decisions and practices can impact an employee's assessment of the overall intelligence, professionalism, and effectiveness of their employer, few moments of truth are as vulnerable to interpretation as the onboarding process. There are several psychological reasons for this vulnerability.

First, human beings are "meaning-making creatures." One of the most fundamental human drives is the need to make sense out of our world. Few experiences create greater anxiety than not understanding what is going on or why something is happening. In the workplace, when something significant occurs - our boss scowls at us, we hear of an upcoming all-staff meeting about a "new development," or we're not asked for input on a change that directly affects our job, we try to make sense out of what just happened and why. In the absence of an explicit external explanation, we generate our own explanation.

## An Investment in Effective Onboarding, cont'd

This need to understand and explain to ourselves what is happening and why it's happening is most powerful when we find ourselves in uncharted territory. In unfamiliar situations, especially those that are ambiguous — i.e. where we're not sure what is going on and no one is guiding us — we feel vulnerable. When we feel vulnerable, we feel insecure. In this emotional state, we are especially sensitive to any clues — real or imagined — that will help us make sense of our situation. Hungry for clues, for information that we can use to make sense of this new environment, we are more likely to come to hasty conclusions, based on minimal information.

Cognitive psychologists call this making a "premature cognitive commitment." Premature cognitive commitments — coming to a conclusion without getting enough facts to make a truly accurate impression — also leads one to achieve a false sense of closure and certainty. Once a person makes a premature cognitive commitment, once they've arrived at their assessment about a person or situation, future data is unlikely to shake their "understanding." (Thus, the truism: "You never get a second chance to make a first impression.")

Because new hires find themselves in uncharted territory, they are more prone to grasping for any possible clue to help them understand their new environment. Thus, they are more likely to "make meaning" out of anything and everything their new employer does or doesn't do. The new hire will more likely place greater significance on any displays of slipshod, disorganized, or poorly thought out onboarding. Because of their vulnerability to premature cognitive commitments, they are more likely to take these perceptions as indicators of the company as a whole. Those first impressions can and will taint their future perspectives on the employer.

### **Mistake #3:** Making your new hire orientations as dull as watching paint dry.

Despite all the information available on creative training techniques, interactive exercises, and games, many organizations still insist on putting new hires through coma-inducing data dumps and form-filling marathons. Orientation programs that have filling out forms, speakers droning on about various policies, and watching the obligatory sexual harassment video as their centerpieces neglect one of the most important roles of new hire orientation: creating an inspiring experience that reassures new hires they made the right choice and lays the foundation for high employee engagement.

Neglecting this can cost significantly both in terms of employees never becoming engaged — and therefore not working to anywhere near their potential — or just leaving. In fact, Betty Lou Smith, vice president of corporate HR at Hunter Douglas, discovered that the primary reason for their 70% turnover in the first six months was because new employees never felt a connection to their new company; they never felt engaged. Prior to their onboarding overhaul, Hunter Douglas production workers received a ten-minute orientation before heading out to the shop floor.

### **Mistake #4:** Using the "sink or swim" approach to onboarding.

Throwing a new employee into the fray without appropriate support and coaching is one of the most common, and damaging, mistakes an organization can make. Not only does it dramatically increase the odds the employee will leave, it communicates to all employees two morale and pride damaging messages: "Management doesn't care about their people" and "Management doesn't have common sense."

Effective onboarding means keeping in touch with your new hires as they integrate into your

## An Investment in Effective Onboarding, cont'd

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organization. It means actively seeking them out to find out how they're doing and — this point is critical — making it easy for them to tell HR and their boss what's on their mind. Even assertive individuals can be reluctant to ask questions or say "the way you do this isn't working."

The more safe and easy you make it for new employees to speak the truth, the more likely you are to prevent employees from waiting until their exit interview — 90 days into their job — to tell you what went wrong.