Onboarding New Hires

Current Practices & New Directions

SirotasScience Webinar

November 15, 2012
SirotaScience Webinar Series

• Regular review of current workforce trends
• Purpose: explore topics, share insights, and exchange ideas
• Discuss data, academic research, and your observations from the field
• Format
  - 30 to 45 minute presentation followed by open discussion
  - Please hold questions until open discussion

Looking ahead to January 2013

• Creating a Culture of Ethics at Work
Today’s Agenda

- The Current State of Onboarding
- Developing a Deeper Understanding of Onboarding Experience
- Five Recommendations
Good News: Companies are Hiring Again!

US Department of Labor Statistics
Number of Job Openings (in thousands) over the Past Decade
Recent Headlines

- 42% of CEOs said they planned to add staff in the US, according to Business Roundtable survey
- 30% of employers plan to add new full-time, permanent staff, based on a recent CareerBuilder survey
- Employers plan to hire 13% more grads from class of 2013, according to National Association of Colleges and Employers
Current State of Onboarding

SHRM’s 2011 Onboarding Practices Study of 482 HR Professionals

1. 81% of companies have a formal or informal onboarding program

2. According to HR professionals, the most critical components of onboarding are
   - Communication 88%
   - Training 85%
   - Resources 84%
   - Welcoming Activities 61%
   - Document/Guide 50%

3. Top three changes: Over the past five years, onboarding
   - Has become longer and more intensive
   - Is seen as a critical retention strategy
   - Has become more engaging, interactive, and individualized

4. Duration of Onboarding Efforts
   - 1 week or less 49% of companies
   - 8 days to one month 17%
   - 2 to 3 months 19%
   - 4 to 6 months 6%

5. Just 33% of companies gather frequent feedback from new hires about their experience
In most companies we survey,

- Approximately 9 out of 10 employees are engaged during their first year
- But engagement levels decline after that
Common Finding: The Honeymoon Effect

In most companies we survey,

- Approximately 9 out of 10 employees are engaged during their first year
- But engagement levels decline after that

![Bar chart showing motivated to go above and beyond in different years](chart.png)

- **Less than a Year**: 86%
- **1 - 3 years**: 80%
- **3 - 5 years**: 79%
- **5+ Years**: 82%

We need a much better understanding of the employee experience during the first year.
A Closer Look at the New Hire Experience

Sirotta Client Case Study of over 1,000 new hires

**Engagement**
- 30 Day: 91
- 90 Day: 86
- 180 Day: 76
- 365 Day: 75

**Willingness to Advocate**
- 30 Day: 89
- 90 Day: 78
- 180 Day: 80
- 365 Day: 79

**Satisfaction with My Job**
- 30 Day: 81
- 90 Day: 77
- 180 Day: 71
- 365 Day: 70

**Culture/Environment**
- 30 Day: 87
- 90 Day: 84
- 180 Day: 74
- 365 Day: 74
What could have made your transition into your new role easier?

- A lexicon of jargon and abbreviations that are unique to our company
- Better documentation, e.g. processes, business flow charts
- Have a laptop, phone ready when hired and have access to systems
- Attending orientation closer to when I was first hired
- Having a buddy assigned on my first day or some introductions to other new people in my business unit could have helped me to feel welcome and integrate into the group more easily.
- More support, coaching, feedback from hiring manager
- Having a regular one-on-one meeting with my director
What are the Key Drivers of Engagement During the First Year?

- **Feel Valued & Respect**
- **Understand Co. Values**
- **Feel Supported by Boss**

Engagement @

- **30 Day**
  - Feel Valued & Respect
  - Understand Co. Values
  - Feel Supported by Boss

- **90 Day**
  - Feel Valued & Respect
  - Like My Job
  - Satisfied with My Deal

- **180 Day**
  - Fit with Organization
  - Feel Valued & Respect
  - Like My Job

- **365 Day**
  - Fit with Organization
  - Feel Valued & Respect
  - Trust Senior Leadership

Needs change over the course of the first year
Final Consideration: How Long Does it Take a New Hire to Feel Productive?

Sirota Client Case Study of 350 new hires

As a new hire, how long did it take you to feel productive in your new role?

- Immediately: 8%
- First Week: 22%
- 1 to 3 months: 31%
- 4 to 6 months: 24%
- 7 to 9 months: 8%
- 10 to 12 months: 1%
- Still don't: 4%

60% felt productive by day 90; 33% needed 4 months to a year

Remaining percentage answered don't know/not applicable
Key Points

- As companies start hiring again, many HR departments will be ramping up their onboarding efforts in 2013

- In most companies, onboarding programs focus on communication, training, and resources
  - Most programs last one month or less
  - Few companies gather frequent feedback from new hires

- Many employees experience a honeymoon effect at work
  - Approximately 9 out of 10 start engaged
  - But in most companies, engagement levels decline during the first year
  - Preliminary quantitative and qualitative analyses suggest that new hires have unique needs, and these needs change over the course of the first year

What’s the best way to meet the needs of new hires, prevent motivation loss, and speed up productivity?
We Started By Revisiting Theory

Alderfer’s ERG Model

- Growth
- Relatedness
- Existence

Erikson’s Eight Psychosocial Stages

1. Trust
2. Autonomy
3. Initiative
4. Industry
5. Identity
6. Intimacy
7. Generativity
8. Integrity

Kaleidoscope Career Model

- Challenge
- Career
- Balance
- Authenticity

Edgar Schein’s (1988) Psychology of Joining a Group

- What role will I play?
- How much influence will I have?
- Will my personal needs be met?
- Will I be accepted?
We Looked at Relevant Onboarding Writing & Research

- **Successful Onboarding (2010) by Stein & Christiansen**
  - Authors argue that successful onboarding programs provide cultural mastery, interpersonal network development, early career support, and strategy immersion & direction

- **The First 90 Days (2003) by Michael Watkins**
  - Identifies four critical areas for new managers to learn and master over their first 90 days in role: Business Orientation; Expectations alignment; Political Connection, Cultural Adaptation

  - Training new hires to use proactive socialization behaviors can reduce their stress and anxiety and increase their motivation

- **“Socialization Tactics and Person-Organization Fit” by Cable & Parsons; Personnel Psychology (Spring 2001)**
  - Managers play a critical role in the onboarding process. The frequency and type of information they provide to new hires impacts their role clarity, performance, and social integration
We Revisited the Engagement Literature and Our Onboarding Data

Critical Psychological Needs and Experiences for New Hires

Connection & Direction

- Leader
  - Trust
  - Support
  - Guidance
  - Feedback & Recognition
- Team
  - Camaraderie
  - Support
  - Working Relationships
  - Fairness
- Company
  - Company Fit
  - Purpose
  - Culture & Values
  - Faith in Senior Ldrs
- Job
  - Job Fit
  - Role Clarity
  - Autonomy & Competence
  - Challenging Work
- Deal
  - Pay
  - Benefits
  - Balance
  - Development
- Basic Needs
  - Tools & Resources
  - “Who to/ How to” Information
  - Processes & Procedures
  - Training
First Insight: We Need A Developmental Model of Onboarding Effectiveness

Existence Needs: Have basic new hire work needs (information, resources, orientation) been provided?

Connected & Empowered

Supported & Learning

Growing & Striving

Competence Needs: Is new hire clear about role? Have they received appropriate training? Do they feel supported and able to do their job?

Relatedness Needs: Is the new hire fitting in? Making connections? Starting to demonstrate mastery?

Growth Needs: Does the new hire feel confident? Optimistic about the future? Integrated?

When a new hire’s experiences correspond with their developmental needs, engagement and performance build naturally.
Second Insight: For Onboarding to Work, It’s Critical to Get Everyone Involved
Right Experiences + Right Support = Springboard Effect

Springboard Effect

90%

Day 10 Employee

HR

Manager

Typical Engagement Trend

50%

Day 30 Employee

Day 180 Employee

New Hire

Teammates

Day 10

Day 30

Day 180

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Key Points

- By taking a developmental approach to onboarding, companies may be able to avoid the honeymoon effect and create a better first year experience for new hires.

- Based on our research, we believe new hires should be:
  - Welcomed, informed, and resources by Day 10
  - Supported and learning by Day 30
  - Connected and empowered by Day 90
  - Confident, growing, and striving by Day 180

- For this to work, at least four critical stakeholders need to be involved in the onboarding process:
  - HR
  - Immediate Managers
  - The New Hire
  - The New Hire’s Team

What’s the best way to apply this perspective in my own organization?
1. Evaluate Your Current Onboarding Program and Practices

- Review your onboarding program and policies, focusing on seven areas

  - **Leader**
    - ✓ Set Expectations
    - ✓ Regular 1-2-1s
    - ✓ Clarify Local Language
    - ✓ Provide Direction and Guidance

  - **Team**
    - ✓ Buddy System or Mentor
    - ✓ Introduce to Critical Colleagues
    - ✓ Help Clarify Roles & Responsibilities

  - **Company**
    - ✓ Background, Values, Mission, and Strategy

  - **Job**
    - ✓ Roles & Responsibilities
    - ✓ Training

  - **Deal**
    - ✓ Pay, Benefits, Policies

  - **Basic Needs**
    - ✓ Tools, Technology, Information
    - ✓ Safety
    - ✓ Training
2. Conduct a Thorough Assessment of the New Hire Experience

<table>
<thead>
<tr>
<th>Survey Focus</th>
<th>Critical Assessment Goal</th>
<th>Core Survey Dimensions</th>
<th>Other Survey Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Day New Hire</td>
<td>Welcomed Informed Resourced (Existence Needs)</td>
<td>Basic work needs have been provided</td>
<td>Application Process Recruiting Experience Selection Experience Orientation Evaluation</td>
</tr>
<tr>
<td>30 Day New Hire</td>
<td>Supported Learning (Competence Needs)</td>
<td>Role Clarity has been Established; training is being provided</td>
<td>Recruiter Follow-up Peer Mentor Program</td>
</tr>
<tr>
<td>90 Day New Hire</td>
<td>Connected Empowered (Relatedness Needs)</td>
<td>Social Acceptance &amp; a Sense of Fit are emerging</td>
<td>Community Connection Perceptions of Culture, Values</td>
</tr>
</tbody>
</table>
3. Analyze the Trends in Your Own Organization

What’s working? What isn’t? What are the unique needs of your new hires?
4. Get the Right Feedback to the Right People

Individual Onboarding Report: James Harris

90-Day Objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training</td>
<td>72%</td>
</tr>
<tr>
<td>Teamwork</td>
<td>55%</td>
</tr>
<tr>
<td>Bus. Knowledge</td>
<td>72%</td>
</tr>
<tr>
<td>Culture</td>
<td>53%</td>
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</tbody>
</table>

90-Day Objectives: Recommendations

Teamwork: 55%

Based on your feedback, you are 20 pts below target for your comfort and satisfaction with your connections with your teammates. This month, try reaching out to your manager to help with introductions and team building activities such as weekly lunch and learns. Review how often you work with team members on assignments, and ask your manager for help with understanding who to go to for assistance on specific tasks.

Culture 53%

Based on your feedback, you are 22 pts below target for your comfort and satisfaction with your understanding of XYZ’s culture. This month, review XYZ’s vision and values here: http://www.xyz.com. Take time to observe these values in action and schedule a meeting with your manager to ask for examples of how your team exemplifies these values in its day to day work. Write up a summary of what you have learned and ask to review it with your onboarding buddy.

Goals for the next 30 Days

Teamwork

- Make introductions 11/15/2012
- Reach out to colleagues 11/15/2012
- Attend 2 lunch and learns 11/30/2012

Culture:

- Review vision and values 11/15/2012
- Meet with manager on “lived values” 11/15/2012
- Write summary for buddy 11/30/2012
5. Develop Customized Programs for Critical Populations

- 25% of US employees experience some kind of career transition each year*

**Milestones**

- **30-Day**
  - 10-Minute Online Survey
- **60-Day**
  - 10-Minute Online Survey
- **90-Day**
  - 10-Minute Online Survey
  - 30-Minute Interview
- **180-Day**
  - 10-Minute Online Survey
  - 30-Minute Interview

**Contributing Factors**

- **Sense-making**
  - Support
  - Awareness
  - Engagement
  - Individual Factors
- **Connecting**
  - Support
  - Awareness
  - Engagement
- **Contributing**
  - Support
  - Awareness
  - Engagement
- **Mastering**
  - Support
  - Awareness
  - Engagement

**HR Support**

1) Manager Training
2) New Manager Toolkit
3) HR Champion

**Immediate Manager**

1) Contact
2) Communication
3) Coaching

---

As companies start hiring again, now could be a good time to review onboarding practices and procedures.

By taking a developmental approach and delivering the right experiences at the right time, we believe organizations can avoid the honeymoon effect and springboard their new hires forward, both in terms of engagement and performance.

Five Opportunities

1. Evaluate Your Current Program
2. Conduct a Thorough Assessment of New Hire Journey
3. Analyze Results
4. Get the Right Feedback in the Right Hands
5. Consider Customized Programs for Critical Transitions
Questions, Comments, Observations

For Additional Information

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