Best Practices In Onboarding

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November 18, 2014
Objective & Agenda

Today’s Objective

• Provide value and insight about onboarding to a diverse audience of academics and practitioners

Agenda

• Onboarding Framework
• A Research and Case Study
• Onboarding In Practice
The BGSU I/O Program

• Ranked third in the field

• Strong culture of collaboration and cooperation

• Institute for Psychological Research and Application

• Internships

• Fast rate of student progress

• Extensive alumni network (as one of the nation’s earliest I-O programs).
BG I/O Onboarding Circa 1992

**Spring** - Bill Balzer calls to congratulate me on being accepted into the program

**Summer** - My assigned program “buddie” Mark Schmit writes to welcome me to the program

**August 16** – The entire incoming class of Psychology graduate students is met by two “program ambassadors” at 5 pm and we go to Myle’s Pizza

**Week of August 16** – Week-long university orientation for all incoming graduate students

**Week of August 23** – Begin weekly one-hour class with Department Chair Joe Cranny focused on communicating norms and expectations

**Week of August 30** - We have a department-wide welcoming party at the ice arena

**Spring 1993** – I attend my first SIOP conference where each year there is a BGSU alumni reception – I end up attending 21 straight years
First Day On The Job
Onboarding Framework
Onboarding Definition/Scope

• **Definition**: Onboarding is a system of processes for integrating new employees into an organization and making them productive as quickly as possible.

  – 66% of organizations have some aspects of formal onboarding programs.

  – 53% invest in onboarding across a new employee’s first year.
Impact of Poor Onboarding

Financial impact
- Increased recruiting/onboarding/training costs
- Cost of leavers / cost to replace new hires

Team performance
- Negative impact to remaining staff who must fill in the gap
- Work team disruption

Loss of key talent
- Brain drain – creating a constant need to re-train resources
- Potential loss of highly skilled resources

Reputation and customer impact
- Potential loss of brand strength and reputation
- Negative impact on quality and customer loyalty
# ROI of Onboarding

- But if you get onboarding right...

<table>
<thead>
<tr>
<th></th>
<th>Best Onboarding</th>
<th>Poor Onboarding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year One Retention Rates</td>
<td>91%</td>
<td>30%</td>
</tr>
<tr>
<td>Year One Goal Completion</td>
<td>62%</td>
<td>17%</td>
</tr>
<tr>
<td>Profit Growth</td>
<td>2.5x</td>
<td>1x</td>
</tr>
<tr>
<td>Profit Margin</td>
<td>1.9x</td>
<td>1x</td>
</tr>
</tbody>
</table>

1 Bauer (2011)
2 Boston Consulting Group (2012)
4 Cs of Onboarding

- Compliance
- Clarification
- Culture
- Connection

From Bauer, 2011
The 4 “Cs” of Onboarding

• **Compliance** refers to completing required paperwork (e.g., tax forms) and providing necessary equipment, such as ID badges and computers

• **Clarification** refers to understanding one’s job duties, work processes, and organizational structure and acronyms

• **Culture** refers to learning the unique organizational culture of a new employer

• **Connection** refers to developing the key interpersonal relationships, support mechanisms, and information networks needed to prosper in a new job
Level 1 Onboarding (30%)

From Bauer, 2011
Level 2 Onboarding (50%)

- COMPLIANCE
- CLARIFICATION
- CULTURE
- CONNECTION

From Bauer, 2011
Level 3 Onboarding (20%)

From Bauer, 2011
## Onboarding Level Overview

<table>
<thead>
<tr>
<th>Level</th>
<th>Compliance</th>
<th>Clarification</th>
<th>Culture</th>
<th>Connection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level 1</strong>  (30%)</td>
<td>Yes</td>
<td>Some</td>
<td>Little/None</td>
<td>Little/None</td>
</tr>
<tr>
<td><strong>Level 2</strong>  (50%)</td>
<td>Yes</td>
<td>Yes</td>
<td>Some</td>
<td>Some</td>
</tr>
<tr>
<td><strong>Level 3</strong>  (20%)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

From Bauer, 2011
Importance of Connection

• Most important of the Cs

• Related to all aspects of employee success

• Provides a healthy base of relationships within the organization to draw upon as they encounter new challenges during their first year with the organization
Best Practices for Connection

• Integrate recruiting with onboarding

• Make a great Day 1 impression – greeting and feeding

• Purposeful matching (mentors, check-ins)

• Facilitate and encourage ongoing networking

• Allow new hires to show their authentic selves
Importance of Clarity

- Role clarity refers to the what, when, where, who, and how of getting one’s job done

- When new employees have greater clarity regarding their role and place within the organization, they are more likely to:
  - take risks,
  - ask questions,
  - learn more about their new job, role, colleagues, and organization, and
  - be more effective performers
Best Practices for Clarity

• **Proactivity training** – teach new employees to play an active role in their onboarding

• **Realistic job previews** - both during recruiting and onboarding

• **Orientation programs** – to provide information and inspire confidence

• **Job-specific training** – both formal and informal

• **Technology** – make it easy to access required information
Importance of Managers

• Hiring managers are the ones most likely to help or hinder a new employee’s success within the organizations

• Managers “set the stage” and play the multiple roles of producer, director, and stage manager

• As much as other organizational stakeholders can help new employees to succeed, the more integrated that the hiring manager is, and the more time they commit, the better
Best Practices for Managers

• Google found five things their managers should do to help new employees be successful

1. Have a “role & responsibilities” discussion
2. Match the new employee with a peer
3. Help the new employee build a social network
4. Set up onboarding check-ins once a month for the first six months
5. Create open communication
A Research and Case Study
Research Overview

Goal
• Use the 4Cs model to develop a better understanding of new hires’ experiences during their first 90 days of work and identify the key components of successful onboarding

Methods
• Administered a Day 1 survey to 400+ new hires of various job levels at a Midwest banking institution to understand their personalities, expectations, and early perceptions of fit

• Administered 8 weekly follow-up surveys plus a final 90 day survey

• Collected 90 day supervisor evaluations and company turnover records

Manuscript in progress with Talya Bauer, Lauren Simon, & Berrin Erdogan at Portland State University
<table>
<thead>
<tr>
<th>Negative</th>
<th>Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compliance</strong></td>
<td>I did not have Internet access for 4 days on the job which hampered what I could get accomplished</td>
</tr>
<tr>
<td><strong>Clarification</strong></td>
<td>Nameplate was ordered for me and management confirmed my name preference</td>
</tr>
<tr>
<td>I have not been given much time with my supervisor to go over progress, expectations</td>
<td>I appreciated meeting with my manager to go over my 90 day goals. It was very much a two way conversation and not simply being handed a to-do list. I received a lot of help from my co-workers and the instructions were very clear</td>
</tr>
<tr>
<td><strong>Culture</strong></td>
<td>New elements associated with new culture - new vocabulary, ways of doing things. Feeling of starting over</td>
</tr>
<tr>
<td>Had some great conversations with my colleagues regarding work life at this organization. It's great that several people I now work with I already knew from my former place of employment. And two people bought me lunch this week - woo hoo!</td>
<td></td>
</tr>
<tr>
<td><strong>Connection</strong></td>
<td>There's some personal dynamics among my team members that I'm going to have to improve. Sounds like its been bad and getting worse. I need to turn that around ASAP</td>
</tr>
<tr>
<td>Everyone in the building is very nice, I have had more people tell me &quot;good morning&quot; then I have heard in my last job the whole 3 years! Nice environment</td>
<td></td>
</tr>
</tbody>
</table>
Compliance – First Week

The strongest Day 1 predictors of positive first week perceptions were:

• **Compliance items**
  – “The program today made me feel welcome”
  – “I was satisfied with the accuracy of information received during the interview process about my work hours and goals”

• **Person-Organization Fit**
  – “My personal values match the organization’s values”
  – “My abilities and training are a good fit with the requirements of my job”

• **Proactivity**
  – “If I see something I don’t like, I fix it”
  – “I am always looking for better ways to do things”

Also, a Day 1 high quality orientation session was related to lower turnover intentions and stress.
New hires’ understanding of their jobs change over time. Perceived challenge and hindrance stressors both rose in the first 2 months:

- **Challenge Stressors**
  - “My job required a lot of skill”

- **Hindrance Stressors**
  - “I received assignments without adequate resources and materials to execute them”

While an increase in challenge stressors can have a positive consequence, increases in hindrance stressors are simply frustrating for new colleagues and linked to higher turnover.
New hires reported small declines in the quality of their relationships with coworkers and supervisors over time

- **Coworker Acceptance**
  - “My coworkers have seemed to respect my opinion about things”

- **Leadership Relations**
  - “I can count on my supervisor when I really need it”

Small declines may be expected due to “honeymoon effects” that arise from the excitement of starting a new job and may not be major causes for concern.
Culture – First 8 Weeks

New hires’ affective commitment, which represents an emotional attachment to the organization, declines slightly over the first eight weeks, but rebounds at 90 days.

• Affective Commitment
  – “I have felt a strong sense of belonging in my organization.”

It is not uncommon to see employees’ attitudes “rebound” after initial dips resulting from the “honeymoon” effect. As a result, this initial dip is sometimes referred to as the “hangover effect”.

Who’s The Boss?

• Even after controlling for other factors, meeting one’s supervisor emerged as one of the strongest and most consistent predictors of important new colleague outcomes.

• Meeting one’s supervisor decreased odds of turnover by 51% and significantly decreased stress.

• Changing supervisors during the first 90 days on the job increased the odds of turnover by 89%.
You Can Do It Newbie!

• Help new employees feel confident as quickly as possible

• Perceived self-competence emerged as one of the strongest and most consistent predictors of important new colleague outcomes.

• An increase in perceived self-competence resulted in:
  – Increased job performance
  – Decreased turnover intentions
  – Decreased stress
Love Thy Co-worker

- Emphasize the importance of coworker support for new colleagues

- By two months, coworker acceptance emerges as one of the strongest predictors of turnover and performance

- A one standard deviation increase in perceived coworker acceptance:
  - increased performance by about one-half standard deviation
  - decreased odds of turnover by 74%
Beware The Ph.D. Barista

New hires who perceive themselves as overqualified:
- feel less accepted by coworkers
- report being less intrinsically motivated (more in it for the money)
- have lower affective commitment
- report higher turnover intentions and more stress

However, overqualified candidates who are proactive tend to report more autonomy and enthusiasm.

Consider using the following approach for the overqualified:
- Realistic job previews
- Proactivity training
- Job transfers/promotions after demonstrating initial performance
Research Summary

• Getting onboarding right leads to multiple positive outcomes...

Outcomes related to good onboarding

• Less stress
• Better feelings about supervisor
• More delegation
• Feeling more supported
• Seeking more feedback
• Building stronger relationships
Onboarding In Practice
System Complexity

Onboarding is often poorly executed in organizations, in part because of complexity.

Typically, hiring managers have to interact with multiple technology systems and internal departments to complete all required steps to onboard an employee, for example:

- HR Information Systems (employee ID number),
- Building Security (ID badge, access approvals)
- IT (phone, computer)

Significant improvements can be made through simplifying, integrating, and aligning processes.
Sample Day 1 Orientation

• Welcome
• Icebreaker - Get to Know Each Other
• Complete Paperwork
• Introduction to the Brand, Vision, Mission and Values
• Review of Employment Policies
• Review of Benefits
• Closing Activity
• Wrap-up
Sample Team Activity

<table>
<thead>
<tr>
<th>Company Culture</th>
<th>History and Policy</th>
<th>Fun Facts</th>
<th>Cornucopia</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>200</td>
<td>200</td>
<td>200</td>
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<tr>
<td>500</td>
<td>500</td>
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</tbody>
</table>
# Onboarding Evaluation

## Welcome Session Evaluation Questions

<table>
<thead>
<tr>
<th>Question</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>I understand the importance and relevance of our core values.</td>
<td>4.62</td>
</tr>
<tr>
<td>The exercises and activities were enjoyable and helped me understand our core values.</td>
<td>4.39</td>
</tr>
<tr>
<td>The program was well organized.</td>
<td>4.35</td>
</tr>
<tr>
<td>The program affirmed my decision to work for the company.</td>
<td>4.44</td>
</tr>
<tr>
<td>The program made me feel welcome.</td>
<td>4.58</td>
</tr>
<tr>
<td>The program content will be useful in my new position.</td>
<td>4.20</td>
</tr>
</tbody>
</table>

*N=600+ / 5=strongly agree, 4=agree, 3=neutral, 2=disagree, 1=strongly disagree*
Virtual Onboarding

• Live webinar sessions, typically shorter than in-person

• Can utilize on-line features such as polling, chat, and the interactive whiteboard

• Often need both a facilitator and producer

• How can we still achieve connection?
Virtual Onboarding Design

A key input for a monthly report showing all Huntington ATM outages is delivered late. In order to meet the deadline, the report is submitted without being proofed. What Value is impacted?

- Accountability: 0
- Communication: 0
- Continuous Improvement: 0
- Inclusion: 0
- Passion: 0
- Service: 0
- Teamwork: 0

I don't want to vote
Branding

Branded materials in the orientation rooms can reinforce the brand, including:

- Welcome Mat
- Retractable Banner
- Tabletop Pop-ups with Vision, Mission and Core Values
- Promotional Banners
- Wall Decals
Employee Value Proposition

More Important
- Base wages
- Opportunity for advancement
- Flexibility

Less Important
- Teamwork
- Integrity/reputation of leaders
- Learning and development

More Important
- Challenging work
- Competent management
- Empowerment
- Involvement in decision making

Less Important
- Base wages
- Job security
- Flexibility
- Benefits; health and retirement

More Important
- Flexibility in work hours
- Vacation
- Balanced work load
- Relaxed/fun atmosphere at work
- Good friends at work

Less Important
- Opportunity for advancement
- Challenging work
- Opportunities for incentive pay
- Empowerment

More Important
- Health benefits
- Job security
- Retirement benefits
- Vacation time
- Base wages

Less Important
- Flexibility in work hours
- Challenging work
- Balanced work load
- Environment (fun/friends)
Employee Segmentation

**SOCIAL STUDENT**
- Single, no kids
- Students
- It’s a job
- 50% primary income
- Proportion of hourly partners: 36%

**PRACTICAL INDIVIDUALIST**
- Single, no kids
- Not students
- It’s a job
- 62% primary income
- Proportion of hourly partners: 10%

**TRANSITIONING COLLEGE GRAD**
- Single, no kids
- College grads
- It’s a job
- 61% primary income
- Proportion of hourly partners: 12%

**COMMUNITY BUILDER**
- Married, half with kids
- Most not students
- Job/Career/Retired
- 100% second income
- Proportion of hourly partners: 23%

**STARBUCKS CAREER ENTHUSIAST**
- Single/Married/Kids
- Most not students
- Career
- 100% primary income
- Proportion of hourly partners: 19%

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Starbucks is the perfect job for a student: fun, flexible and social. I work to live, I don’t live to work. I expected more from my education. I’m hesitant to view Starbucks as a career. Caring for others and feeling connected makes life meaningful. I believe in Starbucks and view it as my career.
Executive Onboarding

An executive’s first 90 days are critically important. Tactics to help accelerate and ensure success include:

- Create a cross-functional success team including the Hiring Manager, Executive Assistant, Recruiting, HR Business Partner, and Organizational Development

- Provide an “Executive Playbook” with org charts, information on team members’ compensation, past performance appraisals, and succession planning data

- Develop a 90-day schedule to meet and build connections with key stakeholders

- Align with boss on “what success looks like” and plan for “early wins” in the first 90 days

- Consider an external coach to help with initial transition
Summary
Future Of Onboarding?

GOOGLE Glass
Developer Price: $1500 (US only)
Additional Readings


Key Takeaways

• Address the 4 Cs in your organization’s onboarding process

• Use technology and good process mapping to minimize frustrations, but don’t forget the special importance of connecting with people

• Involve and hold managers accountable for onboarding
Questions?