

From **ROO** to You



June, 2011

Buyer's Remorse. Do your new hires have it?

This month I had the pleasure of presenting on the topic of New Hire Orientation and Onboarding. The attendees were HR Managers and HR Directors from throughout the metro area. As a seasoned bunch, I expected the sharing of many best practices – and there were many. What I didn't expect was the number of horror stories HR Directors had experienced during their own orientation process (or lack thereof). A small sampling:

- HR Manager arrives for first day of work. Boss says welcome; we should get you a computer. Boss then proceeds to take the new manager to someone else's desk and takes the computer from him. Apparently, this is how the person found out they were being replaced.....Two months later, new HR Manager exits stage left.
- HR Director is thrilled to be joining a company that appears to have a great culture – open, respectful, and a good place to work. Two weeks into the job, the owner is expressing frustration by punching holes through doors...HR Director, exit stage right.
- HR Manager excited for the opportunity to build a new HR function. Boss is gracious, providing her introductions and office supplies. Takes her to her office and recommends she "spend some time in the plant". End of orientation. This was actually my orientation in a prior life, and that gentleman did end up being the best boss I ever had. Nonetheless I made it my mission in that organization and subsequent companies to make orientation a more welcoming and value-added process for everyone.

We hope this month's newsletter helps you improve your orientation and onboarding process to avoid "Buyer's Remorse" among your new employees. As always, we welcome your comments.

Why Should You Care?

Consider these conservative estimates of hiring and termination costs (based on information from the Society for Human Resource Management and U.S. Department of Labor).

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Hiring Costs

Cost Estimate	Professional Employee
Ongoing Costs	
Salary	\$ 50,000
Health & Welfare Benefits	\$ 12,000
Employment Taxes	\$ 4,000
Ongoing Costs TOTAL	\$ 66,000
Start Up Costs	
Cube / chair / phone / network set up, etc.	\$ 500
PC	\$ 800
Placement fee (external recruiter)	\$ 10,000
Start Up Costs TOTAL	\$ 11,300
Indirect costs	
Lost productivity - manager / trainers *	\$ 2,500
New hire learning curve **	\$ 6,200
Indirect costs TOTAL	\$ 8,700
Grand Total	\$ 86,000 (+31%)

Termination Costs

Example: \$50,000 professional employee	Est. Hrs	12 week fill
Pre-separation processing	2	\$50
Vacancy Costs (OIT, coworker burden, temp worker)	90	\$2,675
Developing/placing ads (estimated \$750 ad cost)	3	\$750
Selection/Sign On (interviewing, training, testing)	54	\$1,950
HARD COSTS SUBTOTAL		\$5,425
Pre-departure (lost productivity of employee, mgr, coworkers)	80	\$2,150
Vacancy Costs (lost productivity of worker, Overtime, extra supervisor time, recruiting admin)	75	\$2,225
Selection and sign on (50% productivity first 3 months, supervisors and trainers time, extra supervision)	570	\$14,700
SOFT COSTS SUBTOTAL		\$19,075
TOTAL COST OF TURNOVER		\$24,500

Beyond the direct costs of salary and benefits, consider the soft costs of trainer's time, new hire learning curve and more.

Onboarding Process: Key Components

Onboarding is a process, not an event. It is important to balance what you need the employee to know (policies, IT systems, etc.), with what they want to know (what does my boss expect of me? Will people like me? Where and when can I eat lunch?) An effective onboarding process will last from a few weeks to a few months, keeping in mind the importance of balance and pace. Learning is intellectually draining, and it is important to provide the employee with "down time" to process their learning and ensure they have the ability to "do" basic tasks quickly so (s)he feels like a contributor.

Additionally, a few simple processes will set your new hire up for success and lighten the load on the hiring manager:

- **Pre-hire planning:** make sure the desk is cleaned, a computer and phone are available and coworkers are prepared to welcome the new person.
- **First Day:** forms/policy review, meet and greet with coworkers, IT system overview, tour of the building, time to shadow a coworker. Be sure the new person has someone to eat lunch with the first day! You don't want it to feel like the first day at a new school sitting in the lunch room by yourself.
- **First week:** map out the first week's schedule, providing enough structure for the employee to learn, do and meet, but enough down time (at least 1/3) to process what they are learning. Start job training with others in the department. Meet with the employee at the end of the week.

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- **First month:** focus on three primary areas:
 - Job related (proficiency, performance expectations)
 - Company-related (department and organizational structure, customers and markets, company history and mission)
 - Culture-related (relationships, cultural norms, how things “really get done around here”)

Five Star Onboarding

For those committed to providing a 5-star welcoming, consider additional components:

- Customize the week 1 schedule to each department so it can be used again and again, while incorporating each department’s learning priorities
- Engage the employee with a new hire partner
- 30 and 90-day new hire check in with HR
- 60-day check with hiring manager
- Time in the field, regardless of job
- Organizational vision, mission and values
- Company history / strategic direction
- New hire “mixer” for new people to meet others

A good onboarding process will help you:

- Shorten time to productivity
- Minimize “Buyer’s Remorse”
- Effectively integrate the new employee into your cultural norms and values

Take the first step to a stronger onboarding process today!