

# Best Practices for Onboarding: Ensuring Successful Assimilation



## TALENT DEVELOPMENT

### HCI White Paper

By DBM & HCI

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## Introduction

The key to any organization's ability to execute strategy and achieve objectives is an effective workforce. A highly competitive business landscape demands that all employees perform at the highest levels as both individual and team contributors — aligned with and committed to achieving the organization's goals. This becomes even more critical when making mid career or senior level hires. The expectation for new executives is that they will hit the ground running at their new company and start adding value immediately.

In a slow growth economy, companies tend to take a much more pragmatic approach to hiring — filling roles where there is the greatest need. Accelerating the assimilation of new hires so that they are contributing effectively becomes more urgent. Organizations have much at stake when new hires don't meet expectations and fail to add value. Money, time and resources have been invested in the recruiting and hiring process, making it essential to ensure the success and retention of new hires. Onboarding plays a critical role in helping new hires begin to add value quickly — setting the essential foundation for developing and sustaining an effective workforce.

"Onboarding is more than orientation," states Peyton Daniel, Senior Managing Director of Talent Development and Coaching Practice Leader at DBM. "It is part of an overall talent development strategy and includes a process for providing a range of integrated, well-planned, and highly tailored support for both external new hires and internally promoted employees." Daniel further explains that the goal of onboarding is to ensure successful assimilation into the organization's culture, shorten the time to productivity, minimize turnover and maximize impact — with the goal of achieving long-term success.

In this paper, Daniel and his colleague, LaDonna Crawford, Managing Director, Talent Development at DBM, will:

- Create the business case for creating and implementing onboarding programs
- Describe successful onboarding programs
- Highlight onboarding best practices
- Share onboarding resources for the HR Professional and the Line Manager

### **Making the Business Case**

There is a strong case for onboarding programs. Each year ExecuNet, an online career management and recruiting resource for executives and recruiters, publishes an executive job market intelligence report. Their most recent report states that since 2004 the number of organizations with an onboarding strategy has nearly doubled. During that same time period there has been a corresponding decrease in the failure rate of new hires from one-in-four to one-in-five, reinforcing the positive business impact of formal onboarding programs.

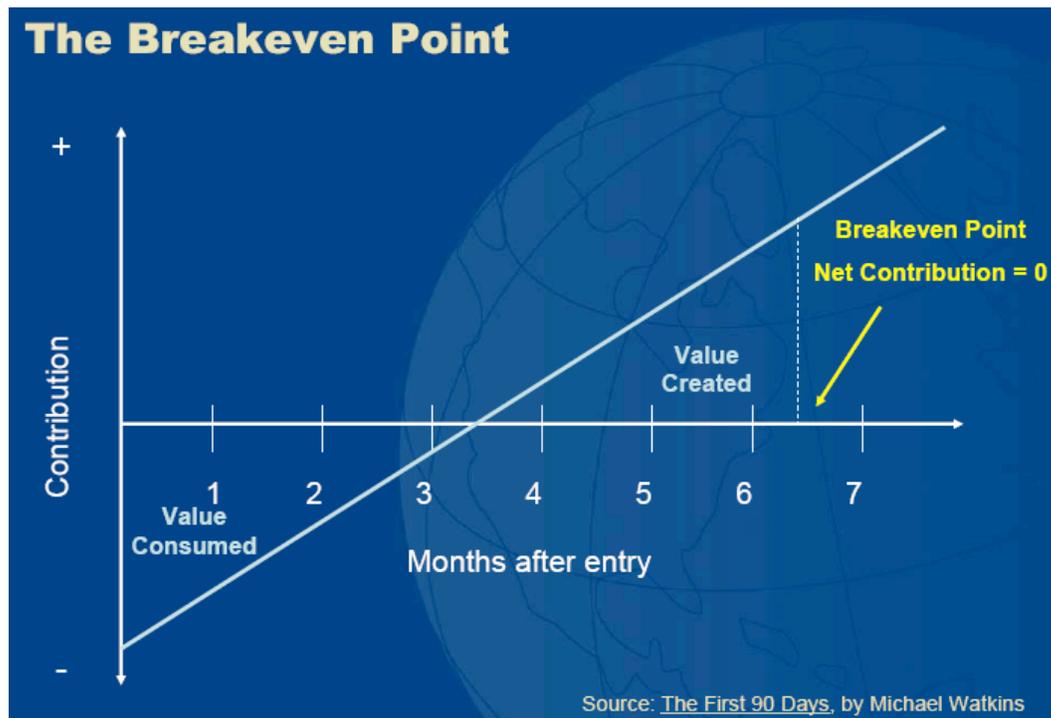
In a survey of HR executives conducted by DBM, 47 percent of companies are providing onboarding support and another 31 percent are actively planning to do so. Of those providing or planning to provide this assimilation support, over 50 percent provide it for managers and above and nearly 25 percent provide it for individual contributors as well. This is in addition to the onboarding/orientation programs that are offered at the entry level.

There are further compelling statistics and research that demonstrates both the need and the impact effectively assimilating new employees can have on the organization. According to the Corporate Leadership Council, "Fifty percent of newly hired executives quit or are fired within the first three years." Similarly, the Center for Creative Leadership states that "Forty to 50 percent of new CEOs fail in the first 18 months." Crawford explains, "The honeymoon is short. Senior executives have very little time to gain credibility, build trust and confidence and positively impact the organization."

These losses have a significant impact on the organization in terms of turnover costs. Michael Watkins states in his book, "The First 90 Days" that the cost of turnover is "14 times the base salary for those earning under \$100K." Another study listed in "Topgrading" by Bradford Smart asserts that for those earning between \$100K and \$250K, the cost of turnover is 40 times base salary. This is a very high number and includes both direct costs as well as indirect costs, such as missed opportunities and lost productivity. Despite these staggering statistics, few companies are doing much to remedy the situation, continuing to thrust new employees into new roles with a "sink or swim" attitude.

Watkins further describes the financial impact new hires have on an organization by describing what he calls the "break-even point", as depicted in Figure 1 on the next page.

Figure 1



This chart shows that when a person is new in their role, they consume value for the first three months they are with an organization. After that point, they begin adding value. However, they only begin to add more value than they have consumed after 6.2 months, which is why this point in time is called the breakeven point. Seeing this contribution point visually can help organizations ask themselves two important questions:

- What is the value to the organization of bringing someone to that breakeven point early?
- How is the organization impacted if the new person is not up to speed until seven or eight months?

### Greatest Risk and Potential ROI

Some types of hiring or promoting situations pose a greater risk to an organization and, therefore, have the greatest potential return on investment (ROI) for utilizing an onboarding program.

**Internal Support.** Sixty percent of HR professionals surveyed believe the greatest potential gain in providing onboarding programs is achieved with external hires. However, proving oneself in a new role when it's an internal promotion or transfer is fraught with similar challenges. Subcultures exist within different workgroups, stakeholders change, new expectations are set, roles redefined. Recognizing these risks, companies are now more consistently making onboarding programs available to those internally promoted and transferred as a way to reduce high failure rates.

**Cultural Differences.** Executives based abroad, such as expatriates sent to work in other countries and local hires in off-shore operations, are at greater risk for failing. Understanding and adapting to local cultural norms play a critical role in establishing strong interpersonal relationships necessary for contributing to and achieving shared business goals.

**Strategic Change Initiatives.** New leaders entering a turnaround situation often fail when charged with implementing a strategic change initiative. They must be able to gain the support, trust and confidence of key stakeholders and direct reports. If this doesn't happen, long-term success will be difficult to achieve.

### Onboarding is Not Orientation

Orientation programs have a transactional, event-based core curriculum. However, onboarding programs, which provide very individualized, targeted learning opportunities, are an integral part of a broad talent development strategy designed to accelerate and enhance performance. Highlighted below are the key differences between onboarding and orientation programs.

Orientation	Onboarding
<ul style="list-style-type: none"> <li>• Acculturation</li> <li>• Support structures</li> <li>• Transactional</li> <li>• Conducted by administrative and operational staff</li> <li>• Tactical</li> <li>• "Lay of the land"</li> </ul>	<ul style="list-style-type: none"> <li>• Accelerates ability to perform and contribute</li> <li>• Performance objectives</li> <li>• Senior level staff and coaches</li> <li>• Internal networks</li> <li>• Strategic</li> <li>• Transition competencies</li> <li>• Enculturation</li> </ul>

### Effective Onboarding Programs

Christopher Henry, Director of Learning & Organizational Development at Kaiser Permanente-Northwest Region, shares his expertise on the essential components for an effective onboarding process. Henry recommends that the program should include an online tool that new employees can access prior to starting work. Ideally, the tool should provide information about the organization's performance, including its past history, mission, values, challenges, recent changes and expectations. The onboarding program should also include strategic socialization of new hires, making sure they meet the right people at the right time during their development. These key stakeholders should support new employees and help them succeed by providing coaching, mentoring and information to help navigate the organization.

When creating an onboarding program for large numbers of employees or in multiple locations, Mark Walztoni, Managing Director, Sustainable Ventures Alliance LLC, states that it is important to distinguish between synchronous and asynchronous types of learning and information. Asynchronous information is static in nature and can be delivered via CD, DVD, or online, available anytime or anyplace. It is equally important, however, to facilitate synchronous learning by ensuring ample opportunities for face-to-face interactions with leaders and peers.

Judith E. Glaser, CEO of Benchmark Communications, Inc. states that effective onboarding programs should create learning and greater awareness in three key areas of context:

- **Business context.** It is critical for the new employee to understand the “heart and soul” of the company, including its vision, how it is viewed internally and externally, and its business challenges and opportunities.
- **Situational context.** Set clear expectations with the new employee about his or her role and contribution. And help set the stage for success by ensuring all members of the team are informed and in alignment, so that there are no misunderstandings about what is expected from the new employee.
- **Cultural context.** This component cannot be underestimated and warrants significant focus. Unfortunately, cultural context is often overlooked, leading to perceptions of “poor fit.” The new employee needs to understand what is valued within the organization, how decisions are made, how problem solving is done and what defines success. Organizations need to give an honest depiction of their culture to the new employee.

## Onboarding Best Practices for Leadership Roles

- **Prioritize role transitions.** Understand which roles have the greatest risk and the maximum potential for business impact so that you can prioritize.
- **Cultivate ownership by senior management and establish mission critical roles.** Understand the top priorities for your CEO; then, determine what activities are most critical to achieving these objectives. Finally, identify what roles are linked to those activities. These are the mission critical roles.
- **Start before you start.** Don’t wait until the first day on the job. Onboarding begins with the recruitment process, at which point you may want to begin to share information about the job, expectations and company culture. Arm the managers and recruiters with the right information to ensure a strategic fit.
- **Set expectations and clear goals.** Ensure new leaders have role clarity and understand what is expected of them. Know where you want them to be in 30-60-90 days to one year. Have your new leader create a plan as part of the hiring process.

- **Create a customized, tactical learning plan.** Your plan should include focused learning that is tailored to the individual. A formal plan enables the organization to hold the new leader accountable as well. Studies have shown when an organization has a well-conceived and articulated onboarding plan, it is easy for the company to charge the new manager with responsibility for playing his or her part in the onboarding process.
- **Cultivate fit.** Help new leaders to successfully navigate the company’s culture by sharing important information about organizational norms and processes. Unwritten rules and protocol are as important as formal information.
- **Facilitate connections.** New leaders will need to meet with key stakeholders, leaders and peers to help them establish effective working relationships and networks necessary to getting work done. An existing leader within the organization should play the role of mentor, helping the new leader navigate the new environment, facilitate interaction with the new stakeholders and avoid common pitfalls.

### How Onboarding for Leaders Differs

New leaders have unique challenges and demands when onboarding, which require customized programs designed to accelerate their ability to make decisions, build trust and confidence, and successfully lead their new teams. The chart below depicts how onboarding differs between leaders and employees at lower levels in the organizational hierarchy.

#### Distinguishing Between Onboarding for Leaders and Others

For Leaders, Focus on:	For Others, Focus on:
<ul style="list-style-type: none"> <li>• Gaining an understanding of the organization and role</li> <li>• Making a quick assessment</li> <li>• Meeting and setting expectations with a comprehensive strategy</li> <li>• Leading others to execute</li> <li>• Establishing and building team</li> <li>• Helping grow and change the organization</li> </ul>	<ul style="list-style-type: none"> <li>• Gaining and understanding the organization and role</li> <li>• Meeting expectations with a tactical plan</li> <li>• Executing or working with others to execute</li> <li>• Contributing talents and skills</li> </ul>

## Onboarding for New Leaders: PRE-START PROCESS

### What the Organization Can Do

Prior to the new leader beginning work, there are five important actions the organization can take to ensure successful onboarding. These include:

1. **Take care of administrative issues.** Before the new leader arrives, set up his or her office, computer, email, and order business cards. Show the new leader you're prepared for his or her arrival with the tools and resources needed to get started.
2. **Make a formal announcement.** An internal, formal announcement from a senior leader or the CEO announcing the new leader provides a nice entrée and demonstrates the organization's confidence and support in the new leader. Include a brief bio and encourage colleagues to join in welcoming him or her to the team.
3. **Jumpstart relationship building.** Help the new leader to begin building key relationships by scheduling stakeholder meetings. Set an agenda and schedule meetings during the first few weeks so that the new leader can begin gathering information, establishing relationships and navigating the culture.
4. **Prepare the team for the new leader's arrival.** Make sure the team understands the goals and objectives set out for the new leader.
5. **Provide onboarding training to managers of new leaders.** If the new leader's manager is unskilled or untrained in the onboarding process or unprepared for his or her role and contribution to the process, the program will not be effective. The new leader's manager should be prepared to have regular discussions that include goal setting, performance feedback and coaching.

### What the New Leader Can Do

According to DBM's survey, 72 percent of HR professionals feel that new leaders are only somewhat prepared for their new role prior to their first day on the job. To improve success, there are five actions new leaders can take prior to their first day on the job:

1. **Read everything.** The new leader should be sure to read all of the materials provided about the company.
2. **Find external observers.** External people who have a key business relationship with the company, such as customers and vendors, can be excellent sources of information.
3. **Talk with the new boss.** In early conversations, begin to set expectations and goals. Discuss communication style and preferences.
4. **Write down first impressions.** Many companies provide the new employee with a journal to record initial thoughts, questions, ideas, and hypotheses as he or she gathers information about the company.
5. **Compile an initial set of questions.** While completing each of the aforementioned tasks, the new leader should note any questions he or she would like addressed prior to or right after starting the job.

## Onboarding for New Leaders: POST-START PROCESS

### What the Organization Can Do

Organizations need to continually refine and test their onboarding programs and can learn valuable information by asking leaders who joined the organization in the last two to three years questions such as, "What did you wish you had known when you began?"

Here are nine critical actions for the organization to take to ensure successful assimilation:

1. **Develop, implement and manage an onboarding plan.** Daniel asserts that if there isn't a plan, there is a 50 percent chance of failure. According to an article published in the *Harvard Business Review* in May 2004 called "The Risky Business of Hiring Stars," only companies with a detailed plan were able to effectively assimilate new leaders.
2. **Facilitate introductions with senior leaders who model the culture.** It is important to expose the new leader to others who embody the culture. This is done more often in social settings outside of the workplace, helping to provide a more objective perspective of the organization.
3. **Help the new leader achieve early wins.** Identify ways the new leader can make quick, meaningful contributions. Look for opportunities to add value with key stakeholders in other functional areas as a way to build credibility and trust.
4. **Provide feedback.** Constructive feedback is critical to the new leader's success. For example, Sonesta Hotels "re-recruits" new hires at 30, 60, and 90 days with a two-way dialogue. This dialogue enables the manager and new leader to assess strengths and weaknesses, acknowledge unforeseen challenges, identify learning and development opportunities, reassess goals and expectations and ensure the onboarding program is on track.
5. **Assign a mentor.** Assigning a mentor for a new leader is highly important in the onboarding process. A mentor can play a key role in ensuring successful assimilation by acting as a guide and influencer. This helps the new leader navigate the organization and adapt to the culture. It is important to involve the new leader's manager in the mentor selection process so that there is alignment on key objectives and focus.
6. **Provide coaching to accelerate performance.** Executive coaching is often provided for a new leader in a key role with mission-critical goals and objectives. Success or failure for a leader at this level has significant organizational and financial impact. This coaching often occurs before the employee begins the new role, because the first few days in that role are critical.
7. **Direct the new leader to resources.** Ensuring the new leader knows where to find key information and resources, as well as how to access them can help decrease the time to the breakeven point. At Johnson & Johnson, they make many of their standard on-boarding tools, such as strategy documents, key presentations, and performance reviews, available online.

8. **Provide training for the steepest learning curves.** Determine what skills and competencies are most critical to bringing the new leader to the breakeven point quicker. Once identified, provide developmental training in those areas as part of the onboarding process.
9. **Communicate the culture.** Many new leaders are not aware of the informal rules that guide behavior until one is broken. Avoid unnecessary missteps by clearly communicating organizational norms.

### What the New Leader Can Do

Onboarding is not a passive activity. The new leader plays an active part in the process and is ultimately accountable for his or her success. In her report "Clearing the 90-Day Hurdle", based on research conducted with executives from top companies, Sue Edwards lists ten factors that are critical for the new leader to be successful. These include:

1. **Listen, observe, and ask questions.** Set up introductory meetings with key stakeholders to learn about their roles, what's important to them, common goals, what they will be expecting from you and how your role contributes to achieving objectives. These first impressions are critical to establishing productive, collaborative relationships. There is a lot to learn and any perceptions of arrogance can undermine your efforts to fit in.
2. **Build relationships.** First impressions are critical. Reach out and establish connections. Through one-on-one meetings and informal calls, begin to develop relationships.
3. **Respect the existing culture.** Recognize that things will be done differently at your new organization. Avoid referencing how things may have been done at your previous company. Take a step back before charging in too quickly. Position recommendations for change in ways that reinforce strengths instead of pointing out the weaknesses.
4. **Be visible and approachable.** Don't disappear after the first few weeks. It can be easy to hide in your work. Look for opportunities to connect with other leaders and teams on a regular basis.
5. **Get clarity on expectations.** Know what's expected in the first 30 days, 60 days and 90 days. Avoid making assumptions and get specific so that you are aligned with your boss on what's most important and where you need to focus your attention.
6. **Be authentic.** People perceived as inauthentic will most likely also be viewed as untrustworthy. Be genuine and enthusiastic.
7. **Ask for feedback and coaching.** Look out for yourself and take responsibility for your onboarding. Don't wait for your boss to provide feedback. Stay connected by regularly checking in with updates on progress, questions, ideas and learnings.
8. **Make early decisions and achieve quick wins.** Identify short-term goals to build confidence, establish credibility and demonstrate value.

9. **Assess and build the team.** Quickly assess the strengths and weaknesses of the team members. This allows the new leader to make the changes necessary to build a more effective team.
10. **Build the vision collaboratively.** Rather than just bringing in your own vision and ideas, the new leader should seek feedback and input from the team, giving them a real stake in the game.

### Avoiding Cultural Clashes

There are several best practices that are critical to assimilating new leaders into the culture of the new organization. These should begin during the recruiting process and continue during the interview process. Organizations should ask people who have been successful in assimilating into the culture to help define the recruiting specifications. The onboarding program should facilitate the socialization of the new leader, ensuring he or she meets the right people at the right time for meaningful interactions and discussions. The program should also help structure what Glaser calls “vital conversations” or uncovering the realities that exist within the organization. For example, the culture of the leadership team may be different from the organization’s culture, and the new leader needs to understand these differences in order to be successful. A social map should be developed for the new leader, facilitating his or her ability to build alliances, a strong internal network and one-on-one relationships.

### Benchmarks for the First 90 Days

Watkins asserts that within the first 90 days the new employee should have achieved seven key benchmarks, including:

1. **Diagnosis.** This includes identifying key challenges and opportunities. New leaders often think they asked all of the necessary questions during the recruiting process, but they need to test their understanding within the context of their role in the organization.
2. **Alignment.** It is imperative to have meaningful conversations with the boss to ensure that goals and expectations are aligned with those of the team and the organization.
3. **New relationships.** The new leader should have begun to build his or her internal network, identified key stakeholders and knowledge sources. This includes direct reports, peers, and key supporters such as HR and other functional leaders.
4. **Understanding communication styles.** It is important to understand not only the manager’s communication preferences, but also those of the company as a whole. Organizations have a “communication culture” that dictates, for example, whether it is best to send an email or have a face-to-face conversation.

5. **Clarified expectations.** It is important to ensure that everyone is aligned in their thinking. Often, executives are brought in as change agents, but the changes they think they should make and their authority to make them may be incongruous.
6. **Team assessment.** The new leader should be able to identify “keepers” — those who are key contributors — as well as any skill or competency gaps. This enables the new leader to have a better understanding of the strength of the team and development opportunities.
7. **Identified opportunities for early wins.** It is important to start contributing quickly. Early wins highlight the new leader’s ability to quickly assess and take initiative.

## Conclusion

In developing and implementing an effective onboarding program, it is important to keep in mind that the business case for onboarding is a strong one. A strategic approach focused on transitions and roles with the greatest risk and potential gain will shorten the time to the breakeven point and accelerate development — ensuring the new leader is engaged and effectively contributing to the organization’s goals. Remember these key elements as you begin to design your onboarding program:

- “Set the table” before the new leader starts
- Anticipate, identify, and remove potential roadblocks
- Involve senior leadership
- Create a plan and manage it at key intervals
- Request shared accountability
- Focus on dialogue with the manager
- Provide regular feedback
- Tailor the program to each individual

## Resources for the HR Professional

Below is a list of books that Daniel and Crawford highlight as key resources for gleanning onboarding wisdom:

1. *The First 90 Days* by Michael Watkins
2. *Assimilating New Leaders* by Diane Downy
3. *What Got You Here Won't Get You There* by Marshall Goldsmith
4. *You're In Charge, Now What?: The Eight Point Plan* by Thomas Neff and James Citron
5. *The Leadership Pipeline: How to Build the Leadership Powered Company* by Ram Charon, Stephen Drotter, and James Noel
6. *Creating We: Change: I-Thinking to We-Thinking - Building a Healthy, Thriving Organization* by Judith E. Glaser
7. *Ultimate Power: Gregory Goose, A Journey Over The Horizon* by Judith E. Glaser
8. *The Leadership Secret of Gregory Goose: First Day, New Job, Now What!* by Judith E. Glaser

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## About DBM

DBM ([www.dbm.com](http://www.dbm.com)) is a leading global outplacement and talent development firm. For over 40 years, DBM has been helping organizations and individuals deal with the events and challenges of transition. With unparalleled industry experience and leadership, DBM provides career transition and talent development solutions to the individual and the organization — ensuring successful transitions and tangible improvements to business performance. DBM has 200 locations around the globe serving 85 countries and has partnered with 70 percent of the Fortune 500 and 80 percent of the Global 500 companies.



## About the Human Capital Institute

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