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“This is Why I Hired You”

Why most Talent Management Programs Fall Short

By Joe McCafferty



Talent management is a significant challenge for most organizations. According to a recent survey, 86% of Human Resource professionals believe “their workforce, specifically managers were not adequately prepared to meet their company’s future plans.”¹ In response to this gap, most companies maintain a number of initiatives to address the key components of talent management, including succession planning, recruiting, employee loyalty, performance management, and training. However, in their efforts to develop a strong bench of committed employees who can lead the company in the future, many organizations fail to bring new employees up to speed in an effective way.² By not following an effective “onboarding” process, companies are missing an important opportunity to reinforce and strengthen their talent management process.

What is Onboarding?

Onboarding is the process of bringing new employees into an organization, orienting them to the environment, and ensuring they maintain a high level of motivation. It is a discreet step in the talent management process that is often overlooked or not executed well. However, when onboarding is completed thoughtfully, it can help your employees understand the talent management process, and how your company is investing in their success. Done well, onboarding is:

- The first opportunity to build employee loyalty
- A critical connection between succession planning and employee training
- The transition from recruiting to performance management

Building Employee loyalty

Employee loyalty is a significant issue these days. According to US Bureau of Labor Statistics, over 35% of US workers have been with their company two years or less, and the average American changes jobs over 10 times between the ages of 18 and 40^{3,4}. With this type of workforce mobility, it is becoming more and more difficult for companies to groom the talent they will need to take on leadership roles in the future.

Helping employees build strong relationships may help to address the loyalty issue. “People stay in organizations because they are loyal to their buddies. They are not loyal to the firm. Those contracts were broken a long time ago. They are loyal to their groups. So make the groups stronger.”⁵ The opportunity to help employees build beneficial relationships begins the moment they begin their employment. Providing thorough introductions to co-workers and other key leaders in an organization can have a significant impact on an employee’s loyalty toward an organization. A recent study showed that “early development of relationships with a variety of co-workers made newcomers feel more connected to the organization, which in turn drove their satisfaction and their commitment to the firm.”⁶

We recommend 2 approaches for helping new employees build the important relationships they need: Structured introductions, and cross-functional projects.

Structured Introductions

Most organizations focus more on providing information rather than introductions during their orientation and onboarding

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processes,⁷ often overloading new employees with mountains of information. From our experience with numerous clients, it seems the most common form of introduction is the “fly by,” where a manager walks a new employee around and briefly introduces him or her to the members of the team. While these introductions are probably helpful, they do little to establish the types of relationships that could help increase loyalty. Structured introductions, on the other hand require a hiring manager to be thoughtful about the introduction process and set up time for a new hire to meet with a small group of important contacts. These may be individuals with similar backgrounds, people the new hire will have to work closely with, or executives who may be mentor candidates for the new employee. Prior to these meetings, we recommend that the hiring manager spend some time to brief the employee on the person they will be meeting: professional background, length of time with the company, reason for meeting, major interests, etc. A survey of our own clients indicates that over 70% of new employees “strongly agree” or “agree” that these thoughtful introductions help them to feel more a part of the team⁸.

Cross-Functional Projects

A well known longitudinal study conducted at AT&T in the 1950's showed a strong relationship between the amount of challenge and success a new employee experienced on his first project and the same individual's performance and success 10 years later⁹. When these projects also include a necessity to build relationships with a wide variety of people, employees also develop a strong sense of “fitting in” to their new organization¹⁰. Assigning new hires to a cross-functional team provides an opportunity for managers to help improve the sense of belonging and, ultimately, drive more loyalty toward the team.

The Connection between Succession Planning and Employee Training

In the United States, companies spend close to \$60 billion a year on training efforts that include formal courses, coaching, job rotation assignments, and other developmental approaches¹¹. Clearly, employee training and development is an important consideration for most organizations, and it's becoming a critical differentiator with younger professionals. Recent research has shown that Generation “Y” employees consider training and development an important factor when evaluating potential job opportunities.¹²

The most effective organizations tie educational efforts directly to formal succession planning. Adjusting training programs based on specific needs is a critical component to building an effective leadership pipeline.^{13,14} Succession planning answers a number of key questions, including: what skills do we need? What are

the gaps? How can we fill the gaps? The answers to these questions can establish effective agenda for both recruiting and training and create important links to the corporate strategy.

By defining the skills required for future organization leaders, the succession planning process provides an important screen for new hires. Using this screen to evaluate and share observations with new hires during the onboarding process provides an opportunity to establish development priorities and effective training plans based on the needs of both the organization and the individual.

We recommend hiring managers spend time reviewing specific needs with new hires during their first week and developing a training plan based on their current and future needs. This plan provides a blueprint that can then be revised over time to ensure the employee has the appropriate development opportunities to improve his or her value to the company.

The Transition from Recruiting to Performance Management

Despite the fact that the hiring decision is quite complex, with numerous variables involved, polls at numerous clients indicate that few managers ever take time to tell new employees why they hired them¹⁵. After screening tens of resumes, interviewing numerous candidates, reviewing notes with co-workers, and arriving at a decision, it is a rare occurrence for a manager to greet a new employee with “Here's why I hired you.” Unfortunately, by not having this simple conversation, managers miss the opportunity to build an effective bridge between recruiting and performance management.

Recruiting processes are designed to gather detailed information about job candidates and evaluate how well the individual can meet the needs of the job. A successful process will also identify areas where the fit is not as good. This information can be invaluable to helping a new employee understand his or her strengths and development opportunities from his new employer's perspective. “Individuals tend to make decisions based on how others expect them to perform.¹⁶” By clearly explaining why a new employee was hired, including their strengths and development points, a hiring manager establishes clear expectations and increases the individual's likelihood of success. Without a clear understanding of why they were hired, employees may draw incorrect conclusions about their strengths and development areas and fail to develop the skills they need for success.

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We encourage our clients to include discussions of an individual's strengths and development points as part of employee orientation. This approach ensures that performance management is a key foundation for every new employee's relationship with his supervisor, and not just an annual discussion that happens on the anniversary of his hire date.

Putting the Pieces Together

Employee development and training has become a \$60 billion industry in the United States¹⁷. Unfortunately, many employee development programs fail to effectively link programs to specific job responsibilities or corporate goals.¹⁸ Effective onboarding programs help address this gap by making a strong connection between the often separately managed processes for succession planning, employee training, employee loyalty, and recruiting. Thinking strategically about onboarding can help to make it the "glue" that holds these various components together and makes the important connection between an employee's personal success and the success of the company.

¹ Softscape Executive Brief: "State of the Talent Nation: Workforce Performance Aligned with Learning is Top Priority for 2007" available at <http://www.softscape.com>

² Rollag, K, Parise, S, and Cross, R: "Getting New Hires Up to Speed Quickly," MIT Sloan Management Review, Winter 2005, Reprint No. 46209, Pp 35-41.

³ U.S. Department of Labor: "Employee Tenure in 2006" available at <http://www.bls.gov/news.release/pdf/tenure.pdf>.

⁴ U.S. Department of Labor: "Number of Jobs Held, Labor Market Activity, and Earnings Growth Among the Youngest Baby Boomers: Results from a Longitudinal Survey" available at: <http://stats.bls.gov/news.release/nlsoy.nr0.htm>.

⁵ Donahue, K: "Time to Get Serious About Talent Management," Harvard Management Update 2001 Reprint No. U0107C, Pg 3.

⁶ Rollag, K, Parise, S, and Cross, R: Op Cit., Pp 36-37.

⁷ Rollag, K, Parise, S, and Cross, R: Op Cit.

⁸ Tandem Solutions Analysis of Client Surveys

⁹ Bray, DW, and Howard, A: The AT&T Longitudinal Studies of Managers. Chapter in Schaie, KW (ed.), Longitudinal Studies of Adult Psychological Development, New York: Guilford Press, 1983.

¹⁰ Rollag, K, Parise, S, and Cross, R Op Cit, p. 40

¹¹ Training Magazine, December, 2006

¹² Dolezalek, H, "X-Y Vision," Training Magazine, June, 2007, Pp22 – 27.

¹³ Fulmer, R., Gibbs, P., and Goldsmith, M.: "Developing Leaders: How Winning Companies Keep on Winning," MIT Sloan Management Review, Fall 2000 Reprint No. 4214

¹⁴ Conger, J. and Fulmer, R.: "Developing Your Leadership Pipeline," Harvard Business Review, December 2003 Reprint No. R0312F

¹⁵ Tandem Solutions Onboarding Analysis

¹⁶ Mortensen, K: Maximum Influence New York, Amacom, 2004, p.119

¹⁷ Training Magazine, December, 2006

¹⁸ Gordon, J. "Microsoft's Leading Edge," Training Magazine, June, 2007, Pp30 – 33.