

New Associate Orientation is More Than Paperwork

By Tom Bradbury and Doug Coons

Executive Summary

New employee start-up is an exciting yet challenging time. One interesting study done by Reed Executive in 2003 found that of 5,643 works who were surveyed, 4% of new hires had such a disastrous first day that they never went back.

In another study by Business 21 Publishing, only a quarter of HR executives feel their companies manage people transitions effectively. Nearly 20% said their companies were ineffective at ensuring successful employee transitions.

Are you facing a tough time retaining associates? At today's historically low unemployment rates, many homebuilders are struggling to develop and retain the best people.

The purpose of this paper is to bring to light the importance of bringing great people on board and up to speed. Your focus should not have to be on ensuring the mechanical aspects of bringing new people into your organization are being accomplished but on ensuring that new hires are quickly brought up to speed. This includes exposing them to your company's unique culture and learning their job to an acceptable level of competence so they can become contributing members of your team.

Before investing in more people, invest in your people process. Develop a process that quickly brings your new people on board and allows them to quickly begin interacting with your other employees and contributing to your organization. This investment will pay off in multiple ways:

- ✓ You will have a consistent and professional process for bring on new hires
- ✓ Your new employees will become key contributors quicker
- ✓ You will have a baseline to measure and then improve upon – enabling a culture of continuous improvement
- ✓ Others within the organization (such as hiring managers and team members) will better understand what is expected of them and can be held accountable for standards of performance

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Investing in Your People Processes: The What, How and Why

Before you invest time and money on more people, give your organization a comprehensive roadmap on how to retain and develop your team. Design and document your people processes – what specifically you want your team to do when a new associate starts. Not just what paperwork to fill out, but who to meet with, where to go for information. Also, support staff will also be better equipped to prepare for new hires and get their technology implemented quickly.

Makes sense. But how do you do it? How do you invest in your people processes? The rest of this paper presents “the what, the how, the why” of investing in your people processes.

The What

Fundamentally, there are three core processes dealing with people:

Three core people processes:

- ✓ Associate Recruiting/Hiring
- ✓ Associate Development
- ✓ Associate Departure

- 1) Associate Recruiting/Hiring
- 2) Associate Development
- 3) Associate Departure

The processes are straightforward: You need to hire your people and then you need to develop them. If/when they leave your organization, you need to ensure it is done professionally. We are going to limit our discussion here to Associate Orientation activities that fall under the first process.

New associate orientation actually consists of several activities, all happening at the same time:

- Processing of Required Paperwork
- Cultural Exposure/Assimilation
- Operational Ramp-up

Processing of Required Paperwork – This is ostensibly a mechanical task—ensuring key documents are effectively processed:

- Insurance documents
- Immigration/Homeland Security documentation
- Employee file information
- Other required documentation/paperwork

These and other required documents should be processed automatically, in a low-friction, highly efficient manner that does not detract or delay the other two activities.

Cultural Exposure/Assimilation – This subprocess is critical to ensuring the new employee begins integrating with their new organization. How do you ensure this happens? By having the employee meet with their team members in an informal environment, meetings with senior management, organizational overviews, etc. In short, the new associate should be provided ample time to ask questions about their new organization.

The importance of this activity was underscored during a recent program at Wal-mart. In order to reduce attrition, Wal-mart undertook an analysis of their sources of attrition and determined that 60% of the people who left in the first year left within the first 90 days. This speaks directly to new associate orientation and the information that is provided to new hires. In fact, when they studied it further, Coleman Peterson, former Global VP of Human Resources at Wal-mart, reports that they found out the majority of the information fed to new hires comes at them in their first 90 days. Within that, 95% was in the first week. The effective management of this information is clearly key to new associate orientation and retention. If you are dumping information on your new associates within the first week and then basically ignoring them for the rest of the first three months that they are there, what kind of impression does that leave?

Operational Ramp-up – This is where the most tangible benefits abound. First, consider what you are paying your new associates. Second, what are you doing to get them up to full speed as quickly as possible. Lastly, how do you know they are up to full speed? How are you currently measuring this? We are talking real money here.

For example, if you hire 12 new associates this year and it takes you an additional three weeks to get them up to speed, you are losing almost one man-year. Think about it—if you're paying your associates \$40,000 per year—or \$60,000 with benefits, delays in getting your associates up to speed will cost you \$50,000 this year. Very few home builders are measuring any of this. There is also an additional soft cost associated with this: employee morale. Associates want to contribute to your business.

The How

Step 1 – Design your people processes for outstanding performance.

A process is an organized group of related activities that together create a result of value to your business and ultimately your customers. A process is ongoing and meant to be repeated.

Process design is a prerequisite for repeatability: without it the would-be process is likely to be performed differently each time. Outstanding performance is a matter of design rather than luck. It doesn't have to be perfect from the outset—as it can be evolved over time as your organization learns.

Build in the steps and tasks that ensure your new hires will get off to a great start – focus on efficiency and effectiveness. For each of the processes and sub-processes identified above:

- ✓ Map out the workflow – identify each step/task, who is responsible; define the sequence; determine the performance standard including how long the task should take; determine the required forms; information to be gathered; what needs to be entered in information systems; build in the new employee interaction you're your team – when and how you interact and communicate with them; build in the appropriate internal controls – review and approvals and internal notifications; build in your policies, rules and standards of performance.
- ✓ Document the workflow – visually lay out the workflow in an easy-to-understand “picture” using software such as Microsoft VISIO™. (*see Attachment 1 for an example*)
- ✓ Develop and “link” supporting documents to the workflow – Detailed Procedures (or even additional VISIO workflows), Policies, Standards, Forms, Checklists, Guidelines, Tips and Techniques, Spreadsheets, Information system procedures. The goal is to have all your process documentation laid out in a coordinated manner so that your hiring managers and team can see the big picture and can drill down into the specific tasks. (*see Attachment 2 for a representative list of documents*)

Step 2 - Put all this documentation on-line – make it accessible 24/7.

This accomplishes several objectives:

- ✓ Your process documentation will change and need to be continuously updated. Everyone will always have access to latest version of the documentation. Maintaining process documentation in hardcopy binders is not effective.
- ✓ You can hold everyone accountable to your processes – No longer can anyone have the excuse of “I did not know”. All the required information is on-line for their reference.

Step 3 – Commit your organization to continuous improvement of your people processes. You now have a process environment to execute continuous improvement. You have a defined “baseline” – you can now identify and implement process improvements. To execute continuous improvement, you will need to design, document, and execute a process to implement changes:

- ✓ It is recommended that you designate a “process owner” for each people process – a credible leader who can make change happen and someone with a vested interest in the overall improvement of the process
- ✓ Develop a method for hiring managers to suggest and champion process improvements
- ✓ Develop the internal review and approval process
- ✓ Develop a method to update the process documentation and a notification mechanism for all team members.

Step 4 – Take the execution of your people processes to the next level with Business Process Management (BPM) software. Powerful software now exists that allow companies to define a process, design it in a workflow, load the workflow and all associated business rules (e.g. “if this, do that” logic) into the software, define the role/person associated with each task, and then execute the process with the software.

When executing, as tasks are completed, the software determines the next task(s) to initiate and place on an associate’s work queue. Email notifications/reminders/and alerts are automatically sent at the right times based on how you designed the workflow.

The end result is once the process is triggered, the software tool advances the process along based on the defined workflow and then allows for exception management when tasks are not completed as designed.

People processes that are good candidates for business process management software include:

- Processing of Required Paperwork – collecting required paperwork and processing it accordingly; this includes setting up files, forwarding the information to the appropriate parties (insurance companies, state and federal agencies, etc.)
- Cultural exposure/assimilation – meeting with the appropriate stakeholders within your organization in a deliberate, planned manner allows your new associate to learn the inner workings and become fluent in your company’s culture
- Operational ramp-up – getting your new associated trained and up to speed allows you to recoup your investment; your new associate can begin contributing to the company’s success as a valuable part of the team

It all starts with well-designed people processes.

The Why

The “why” is all about execution. Outstanding execution is the combination of well-designed processes, well-trained team members and an organization that fosters continuous improvement.

But it all starts with well-designed people processes. No matter how good your team members are, they can be hindered by poor processes. A prime example of this is an ever increasing burden on the hiring manager/human resources to complete paperwork, taking valuable time away from their day. The good news is that employees will gravitate toward anything that helps them do their job better.

Training is important – ***but you need to train your hiring managers and human resources team on your processes.*** This is much more effective than generic human resources training, which your people then need to figure out how to apply.

In summary, the benefits of investing in people processes are:

Better Trained New Associates – Your people can access an on-line, up-to-date reference detailing how your company conducts its business and how they should do their jobs.

More Accountable New Associates – Information on what to do and how to do it is always accessible – “I didn’t know” is no longer an excuse.

Your New Associates Know the Big Picture – Your people know how their day-to-day job fits into the “big picture” – how their job affects other processes.

A Culture of Continuous Improvement – Documenting your processes and then executing and measuring results forms the basis for a continuous improvement culture.

Visibility, Control and Assurance – Implementing a BPM software tool allows for the ability to design, “automate”, execute, manage and monitor core processes in “real-time”.

The Ability to “Manage by Exception” – Put the core orientation processes on “autopilot”, then focus management on instances that are not executing according to the planned workflow. Processes not executing as planned are flagged (e.g. an incomplete task is not being followed up on as defined) and managers are notified via email alerts.

Integrate People, Processes and Systems – Technology and systems are only tools to get the job done. Defining and designing your people processes aligns your people, processes and information systems to streamline your new associates’ day-to-day work.

Conclusion

We believe the time is now for Home Builders to invest in their people processes. This is a call to action. The current environment is getting tougher, you need to get back to the basics of bringing new associates on board in order to ensure you retain them.

You can't afford to have hiring managers cut corners. You need hiring managers to follow-through on their tasks to bring new associates on board. This impacts employee morale and creates an environment of mutual accountability.

- ✓ Define the critical path for bringing new associates on board
- ✓ Define and enforce rules and guidelines to help manage these processes
- ✓ Define and execute effective interactions with key stakeholders within your organization
- ✓ Provide new associates with ideas, techniques and resources to ramp up on their job as quickly as possible – then hold them accountable.