ONBOARDING

The greatest leader is not necessarily the one who does the greatest things. He is the one that gets the people to do the greatest things.

—Ronald Reagan

One of the more common mistakes in the hiring process is failing to offer vigilant, clear, and supportive onboarding for new hires. Too often, managers celebrate the moment a candidate accepts an offer but forget that onboarding is as important to successful hiring as interviews or reference checks.

Harvard Business Review reports that between 50 percent and 70 percent of management new hires fail within 18 months.1 Many blame the poor success rate on the inherent imprecision of hiring or the sloppy work of hiring managers. Such people often overlook how much poor onboarding can contribute to that rate. Onboarding is as much part of the hiring process as interviewing or reference checking.

The cost of a hiring mistake is far greater than one might think. And this does not even begin to quantify the real cost to your organization, which includes, among other things, the price of poor decisions made by the individual’s manager, the opportunity cost of not having a star player at your company, the price of potentially losing other quality employees, and the emotional drain on you, the company’s leader. For star hires, who would thrive regardless of the quality of your onboarding, having a strong process will get those stars up to speed, and adding value to your company, faster.

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This note is adapted from the book, The Dog Caught the Car: A How-To Manual for New Leaders. Lecturer David Dodson prepared this note as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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The effort required to upgrade your onboarding from conventional to best practice is low, but the benefit is enormous. It’s been found that employees who go through a structured onboarding process are 58 percent to 69 percent more likely to be with the company after three years than those who don’t.2,3 Best practice onboarding has three elements: vigilance, transition, and clarity with support.

VIGILANCE

The biggest barrier to thoughtful onboarding is the fear of being wrong. Even the very best hiring managers can’t exceed a 75-percent success rate, which means there’s at least a 25-percent chance that you made a mistake hiring your latest employee. A critical aspect of onboarding then becomes “vigilance,” whereby you watch and evaluate the new hire to determine if you made the right decision.

Consider that in your new hire’s first week of work, his or her manager will spend more time with that individual than during the entire hiring process—giving the company critical data to determine how the new hire compares against your hiring scorecard. But the prospect of starting the hiring process over feels daunting, in terms of time, impact on your organization, and the unpleasant task of terminating a person you hired only weeks earlier. However, all of these are short-term issues that get worse over time. Hiring mistakes are unavoidable, but failing to handle them promptly is an unforced error.

Furthermore, you do a new employee no favors by keeping him or her in a job that won’t ultimately work out; that person deserves to be at a company, and in a position, where he or she can excel. By facing the difficult fact that a mistake has been made, her or she, in the ensuing job search, will find it easier to explain a bad fit that was quickly identified than to defend being terminated for disappointing performance six months after being hired. In some cases, if the decision was made fast enough, the person may not even need to include the time they spent at your company on his or her resume.

The fortunate news is that identifying mistakes is feasible, provided the manager actively combats the bias to overlook a mistake and face starting over. Confirmation bias causes us to search for, weigh, and interpret evidence in a way that confirms our original belief or hypothesis. The critical point is that we don’t ignore evidence to the contrary, but that we measure it differently. Research shows that confirmation bias increases when the consequences of being wrong are great and the decision-maker has a meaningful investment in the decision.4

Before the new hire’s first day, write down your key assumptions in deciding to hire him or her, using your hiring scorecard as a reference. Document what it was about this person that left you enthusiastic. Make notes about your concerns and anything you identified as shortcomings

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during the hiring process. These should be short declarative sentences, with some reference to why you had that concern. For example, if you heard from a reference that the person could be hard on lower-level employees, check in with the clerical staff and specifically observe their interactions.

Next, set two very specific checkpoints with your hiring team—at the 30-day mark, and the 100-day mark. Write them on the calendar when you hire the person to ensure both checkpoints happen. These three steps will take you less than fifteen minutes but represent the “heart and lungs” of the vigilance process.

Short conversations in the hallway do not make effective checkpoints. A checkpoint needs to be a structured meeting with the original hiring team, or if the hiring team includes subordinates of the new hire, a subset of the team. In the first meeting review the notes you made about why you were enthusiastic about the new hire and your prior concerns. Then ask each team member the following questions:

- To what extent has the new hire met or exceeded the expectations from the notes?
- If you could change anything about this employee, what would it be?
- If the new hire came into the office and quit, would you be relieved or disappointed?

You may be tempted to race through these questions, but don’t. Give each team member the chance to think about, and comment on, each question. Absent an obvious reason to release the employee, note any concerns and put in place an action plan to further evaluate him or her. If your concerns are material, you may elect to move the second meeting forward to the 60-day instead of the original 100-day mark. At any point, if you can’t honestly say you’d hire this person all over again, do what the best managers do, and start over. It will feel painful but populating your organizational chart with “A players” is always worth the energy.

Most CEOs who let employees go in the first 18 months report that, in hindsight, there was ample evidence within the first 100 days to suggest that the employee wouldn’t work out. The hiring process is imperfect; there’s no shame in identifying a mistake in the first 100 days. Deciding to terminate at six or twelve months, though, is a sign that you’ve failed in your diligence, did the candidate a disservice, all at great cost your company.

**Transition**

A frequent mistake is to put the new employee into a position of full responsibility right away. You’re no doubt anxious for that person to work his or her magic and move on with other projects of your own. In turn, the new hire is excited to get started. Also, during a vacancy work piles up on the desks of those picking up the slack. This reality creates a temptation to dump the backlog onto the new hire’s desk as soon as possible. But you need to go slow to go fast. Don’t rush the process. You only have one chance to get it right. Remember that the organization survived for many months without this person; it can last a few more weeks.

Set up a schedule of breakfasts, lunches, and dinners with key people. Don’t put the pressure on the new hire to reach out socially to their new co-workers or subordinates. Instead, handle this task yourself, managing the cadence in a way that you feel works best for the transition.
Allow new hires, especially managers, one to three weeks to “roam” the organization,” spend time with other departments and staff, and meet with customers and vendors, all without operating responsibility. Let that person spend time outside of his or her functional area. For example, there’s plenty of benefit to having your new CFO visit with customers or spend time in the warehouse.

Have a multi-week training program that is set in stone. If you leave it to the new hire to pick and choose what aspects of the training program to participate in, or you signal that training can be completed during spare hours, it will never get done—the urgency of starting a new job will get in the way.

Transition reporting relationships gradually and serially, especially if your new hire has employees from several departments reporting to his or her position. For example, when you onboard a new CFO, have accounts payable (A/P) report to him or her for a week or more before you bring on accounts receivable (A/R). Commit this plan to a calendar and watch over it personally. Time and again new hires cut back on training and transition in the excitement to assume job responsibilities. If you don’t manage the process directly, your new hire may take on emergencies and projects too soon, and you’ll have rushed the transition at the expense of your long-term success.

Finally, create clarity on the culture, values, and norms of the company. Think of this as a guide to how things get done at your organization. Avoid platitudes or aspirations (e.g. “We have a culture of full-transparency” or “We put the customer first!”). Instead, get specific about how you do things (e.g. “We’re sticklers about the start time for meetings”; “We keep most meetings at twenty minutes tops”; “We are very blunt with feedback, but have a rule that it can never be personal”). This includes social work norms as well. If on the third Thursday of each month the team grabs a drink after work, let the new hire know and make sure he or she shows up.

**Clarity with Support**

Midway through a careful transition period, you’ll begin to give your new hire operating responsibility, as well as higher priority projects. In the process, you’ll need to be clear, and offer support.

Make sure the manager establishes standing meetings with their new hire. In the first month after turning over responsibilities, plan to meet daily for 20 to 40 minutes. During these meetings, you’ll want to review the list of tasks you’ve assigned, with the goal of setting her up for success.

Next, communicate clearly what the expectations are by creating a list of outcomes. To illustrate best practices, let’s assume you just hired Rachel as a new CFO and developed these key outcomes you would like to see in the first quarter:

- Replace the A/P manager
- Investigate and propose a new health insurance plan
- Lower A/R over 120 days by half
- Close the financials by the 10th of the month
• Develop a new reporting format for cost by product line
• Negotiate a leasing arrangement for new vehicle purchases
• Put in place a procurement policy.

This list is too long, and you haven’t made the effort to prioritize the key outcomes. Rachel will not get all these things done, and you have set her up for failure, even if she co-developed the list out of a desire to impress you. Your job as a manager is to rein both her and you in, so she can win.

An experienced leader would likely assign only those tasks that involve learning the basics of the new hire’s role or address time-sensitive issues. You should assess the impact of each item, and whether that impact will increase or decrease with time. Returning to Rachel, if there is an issue, under her purview as CFO, that the company does not absolutely have to address within her first 100 days on the job, you should seriously consider striking it from the initial list.

Suppose the current A/P manager, who, according to the organizational chart, reports to the CFO, has been in his role for seven years, but you think the company would benefit from an upgrade at that position. It’s probably a better idea to hold off on replacing the A/P manager for another two months, since keeping him on won’t make much difference to the company over that short of a period. Furthermore, proper hiring is time-consuming, so requesting that Rachel handle it now, on top of everything else, would be a big ask. Instead, give her time to fully understand her department, and the company culture, before tasking her with bringing on new people. A new vehicle leasing arrangement also isn’t imperative, even if it means the next truck purchased is done so under the old system. On the other hand, your health plan is up for renewal and that can’t wait, and if Rachel waits too long with past-due A/R, she’ll never be able to collect.

Such editing may lead to eliminating the following outcomes from Rachel’s initial list. The result should be more attainable and onboarding-appropriate.

• Replace the A/P manager
• Investigate and propose a new health insurance plan
• Lower A/R over 120 days by half
• Close the financials buy the 10th of the month
• Develop a new reporting format for cost by product line
• Negotiate a leasing arrangement for new vehicle purchases
• Put in place a procurement policy