

Can orientation buy retention?

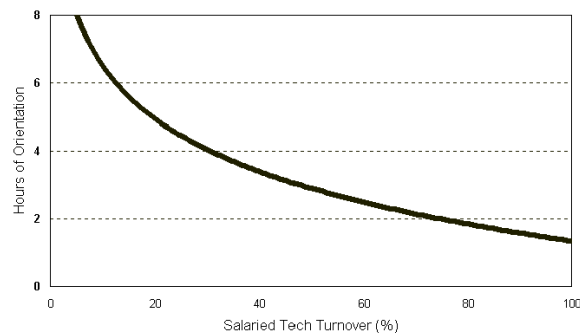
By Steven Flynn

Orientation programs, in today's increasingly tight labor market, often get overlooked and underfunded. Typically, new employees are rushed through a well-meaning but truncated orientation in an effort to quickly convert a candidate from new hire to fully billable employee. Most IT services firms use orientation merely as a vehicle to teach new employees how to sign up for benefits, where to submit their time cards, who to report to, etc.

It should be noted that regardless of the length or quality of the orientation program, the short-term objective of converting the employee from new hire to fully billable staff will be accomplished. However, it is often the long-term fiscal performance of the company that suffers due to lower retention, higher recruiting costs, and loss of talent.

The chart at right was taken from the 1999 edition of Specifics' IT Services Productivity, Practices, and Trends study (PPT) and graphically illustrates the impact of orientation practices. Although there are many factors impacting turnover, there is evidence that, on average, each two hours of focused orientation buys two months of additional billing.

Orientation Hours Versus Salaried Tech Turnover



This chart also shows that as part of a company's total retention efforts, a minimum of 5 to 8 hours of orientation is recommended to help keep average turnover at or below 20%. Unfortunately, as the bottom chart shows, only 13% of responding firms provide 8 hours of orientation, and nearly 25% have no formal orientation program at all.

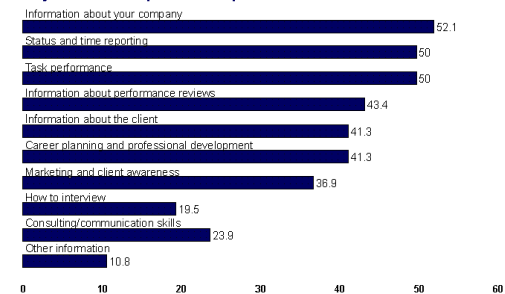
However, it is not just the length of the orientation program that has impact. The quality and topical relevance coupled with who is conducting this program is just as important. It is during the orientation process that the hiring company has the best and usually only opportunity to make the right impression, properly set expectations, and instill in the new employee the corporate culture and a sense of belonging.

As the bottom chart shows, there is a wide range of topics and sub-topics that can/should be covered. Some topics are universal and some are relevant only to certain firms or positions. Nonetheless, it is important to an employee's sense of place and function within the organization to expose them to a wide range of company-specific topics and to set expectations with respect to communication channels, performance reviews, training, etc.

Topics Included in Orientation

76.6% of Respondents Have an Orientation Program
(Percent of Respondents)

Only 13% of respondents provide 8 hours of orientation



The following program outline is typical of most effective orientation programs. Given that not all topics are covered, nor covered in the same depth, a program of this type can be administered in as little as 8 hours, with 6 hours of corporate orientation plus two hours at the client site. When more paid training time is invested to cover these topics, the payoff is an increase in consultant satisfaction and retention. Further, the rehire rate in firms with comprehensive orientation also tends to be higher.

ITS Consultant Orientation Program

- I. Our Company
 - A. Philosophy/Values/Mission
 - B. Value proposition for clients (What we deliver, Our clients, Typical engagements)
 - C. Goals and Objectives (Where we are going)
 - D. Strategies (How we will get there)
 - E. Organizational structure (Who are the key players)
 - F. Careers (What potential roles you will play)

- II. Work Life
 - A. Policies and Practices (What we expect)
 - 1. Personnel (Performance Reviews, Dress Code, Parking, Harassment, etc.)
 - 2. Financial (Time Sheets, Pay, Overtime, Expenses, etc.)
 - B. Do's and Don'ts (Working with the clients)
 - C. Consultant Expectations
 - 1. Communication (Top-Down, Bottom-Up)
 - 2. Professional Development
 - a. Technical Skills
 - b. Consulting Skills
 - 3. Support
 - a. Technical
 - b. Personal
 - D. Benefits
 - 1. Time-off/Vacations/Holidays
 - 2. Healthcare
 - 3. Education Assistance
 - 4. 401(k)
 - 5. Other (Reimbursements, Clubs, Cars, Condos, etc.)

- III. Consulting
 - A. Non-disclosure/Non-complete
 - B. Do's and Don'ts
 - C. Role of Consultant
 - D. Problem Solving Methods
 - E. Client Communication
 - F. Conflict Resolution

- IV. The Client
 - A. Their Business
 - B. Their Environment (Business, Technical)
 - C. The Application
 - D. The Purpose/Interests/Value of the Relationship
 - E. Key Players

- V. First Contact
 - A. The Interview (How to)
 - B. Client Awareness (What to look for)
 - C. Consistent Image (How to dress, LogoWear, Nametags, Memorabilia)
 - D. Marketing (What and How to)

- VI. Introductions
 - A. Company Team
 - 1. In Office
 - 2. At Site
 - B. Resources
 - C. Limitations
 - D. Work Space
 - E. Telephone Etiquette
 - F. The Client Contact

With such a broad spectrum of topical possibilities, the hiring company likely needs a broad spectrum of individuals to conduct such programs, i.e. “experts” in their respective areas. Thus it is paramount to the success of the program to match the right person with the right orientation topic, for it can be as ineffective on retention efforts to have the wrong person orienting new hires as it is to rush through a truncated program.

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