

# What's Your ROI 4 NEO?

*If you are scratching your head thinking... what does NEO stand for... you better read on!*

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Does your New Employee Orientation (NEO) / On-Boarding Process deliver a  
**Return on Investment (ROI)?**

## How do you measure the ROI for your NEO?

### What companies are saying about their new hire orientation

We are finding that many companies are not taking the time needed to truly consider their NEO. Understanding ROI is critical to ensuring we are achieving the maximum value to our organization. Strong recruiting efforts and a desire to be an employer of choice when not partnered with a strong New Hire Orientation Plan are just not enough to retain the right employees in the right seats. Considering the mix of generations in our workforce, varying learning styles and the challenging efforts to find and retain qualified talent, you owe it to our organizations to *maximize on your people strategy investments*.

### **When we ask organizational leaders and HR professionals about their New Employee Orientation or On-Boarding process, they usually report to us that they are doing all the Day 1 “stuff.”**

Examples of the “Stuff” that is generally included is the New Hire Paperwork; you know, the I-9 form, W-2 and Payroll stuff. The Handbook, policies, tour of office/ shop. The review of safety procedures, their work area and if they are lucky maybe you even buy them lunch on their first day. *Oh, and most important show them where the bathrooms and coffee pot are located.*

We asked if they release the new employee to their department on Day 1 and most respondents stated that their department team is chomping at the bit to get the individual started and hit the ground running. So, they hurry them through the “HR Stuff” in the morning and set them free to go their respective departments in the afternoon.

### What employees are saying about new hire orientation

When we asked newly hired employees how they felt new hire orientation went, they responded with feedback such as: When they arrived for orientation they were excited and full of energy and ambition, thirsty to start a new position and new career and within two (2) hours of learning the history, culture, mission, filling out 33 documents and being put in a room to read a 340 page handbook, they left their very first day trying to drink from a fire hydrant on information overload.



**Want to figure out a way that you find the right people and retain the right people and not have to deal with *turnover*?**

**Here is your simple solution!**

**Maximize your ROI,**

**Engage your workforce,**

**Rethink your on-boarding process!!**

Think of the value you can add in developing and maintaining a robust on-boarding process that lasts 6-12 months and in some industries 18 -24 months.

***WAIT... WHAT... you say????***

**I don't have time you say?** Well, you certainly had hours of your time and hiring managers time to source and recruit the individual you just hired... let left after 100 days because they were not a good fit.

You certainly had hours dedicated to increasing employee morale and building engagement; thinking up ways to get groups more involved. Taking those hours and purposefully planning a robust, engaging on-boarding process documented for every new hire takes commitment and provides maximum return on investment. You are either going to put the time in to find and retain the right employees OR you will put the time in to replace employees when there is turnover. We would much rather put the time in and retain the top talent vs. deal with turnover.

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Let's look at the cost associated with recruiting a new individual, due to turnover, and the cost of managing employee issues related to morale or because the employee is not the right fit or was not trained effectively during new hire orientation.

	Hours	Per Hour*	Cost
<b>Recruiting Efforts</b>			
HR Time	40	\$25.00	\$ 1,000.00
Retained Search	20%		\$10,400.00
Hiring Mgr Time	20	\$25.00	\$ 500.00
Day 1 Mgr & HR Time	10	\$25.00	\$ 250.00
<b>Employee Relations</b>			
HR Time	80	\$25.00	\$ 2,000.00
EE Time	40	\$25.00	\$ 1,000.00
Lost Productivity	120	\$25.00	\$ 3,000.00
Mgr Time	40	\$25.00	\$ 1,000.00
			\$19,150.00

(\*assumes average salary 52k)

**ALMOST \$20,000!?!?**

Now, let's look at the cost of a 6 month on-boarding process.

	Hours	Per Hour*	Cost
<b>Day 1 - Paperwork &amp; Overview</b> <i>Includes Company History, Overview, Meet &amp; Greets, Tour, Work Area Review</i>	4	\$25.00	\$ 100.00
<b>Day 2 - 5 Scripted Objectives Set For Each Day</b> <i>Includes Product/Services &amp; Customer Overviews, Department Overviews</i>	6	\$25.00	\$ 150.00
<b>Week 2 - 4 - Departmental Engagement</b> <i>Includes Setting Goals &amp; Objectives, establishing Department Meetings and 1:1 sessions, 30 day performance feedback and check-in</i>	3	\$25.00	\$ 75.00
<b>Month 2 - Gaining Loyalty</b> <i>Includes Senior Leadership Lunch, 60-day performance feedback &amp; check-in, Mentor/Buddy Program</i>	4	\$30.00	\$ 120.00
<b>Month 3 - Learning</b> <i>Includes re-review of Benefits/Total Compensation Review, 90-day performance feedback &amp; check-in</i>	2	\$25.00	\$ 50.00
<b>Month 4 - Growing</b> <i>Includes lunch &amp; learn, Committee Involvement, Cross Departmental Interactions/Meet &amp; Greets</i>	1	\$25.00	\$ 25.00
<b>Month 5 - Settling In</b> <i>Includes employee led roundtables and best practice sharing events</i>	1	\$25.00	\$ 25.00
<b>Month 6 - Major Milestone</b> <i>CELEBRATE 6 months of service with a Mid-Year Review!!! Maybe even lunch or donuts for the team.</i>	1	\$25.00	\$ 25.00
			\$ 570.00

(\*assumes average salary 52k)

**PRICELESS!**



Organizations that successfully build a robust on-boarding program that encompasses a deeper level of employee engagement in the organization with not only new individuals joining the team, but also the incumbent workforce can *maximize their people development strategy and investments*. **It's not an earth-shattering concept that McCloskey Partners has discovered, instead its getting companies to SLOW DOWN and train their employees the right way during new hire orientation so they are not having to retrain or worse, replace the position at a later time.**

Understanding the products/services and the customers provides more engaged and well-informed leaders who feel well equipped to handle the floods rather than feel that they are stranded drinking from the fire hydrant of information. This type of on-boarding helps organizations engage tenured employees into the process and places a value on the information they can impart to others. On-boarding is more about socialization and acculturation of an individual into an organization. Research shows that employees feel their manager and co-workers have the greatest impact on the effectiveness of a new-hire orientation.

**The McCloskey Partners team can help you create and design an on-boarding program that fits your organization and delivers maximum ROI!**

When you have Human Resource questions, contact McCloskey Partners and we will assist you or direct you to our industry experts. Check out our website at [www.mccloskeypartners.com](http://www.mccloskeypartners.com). Follow us on Facebook, LinkedIn, Twitter, Pinterest, Instagram.

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