



**Turning New Hires into
Top Performers...Quickly**



Plenty of jobs exist but not enough workers to fill them,” declared a May 2021 headline in *USA Today*.¹ Editors will be running similar stories for the foreseeable future.

The Post-Pandemic Challenge

Job openings so outnumber employees that it has become a job-seekers’ market. Why is this happening? What are the factors contributing to this labor shortage?

- Labor-force participation rates (the percentage of the civilian population 16 years and older that is working or actively looking for work) steadily declined by nearly 5% from 67.3% in the early 2000s to 62.7% in 2016.²
- Less-educated individuals are leaving the workplace because of stagnating wages and a lack of career opportunities.³
- The number of teenage workers, which is tied to the rise in school enrollment, is declining.⁴
- Seniors are dropping out of the workforce. Some 2.5 million Americans have retired since the pandemic began—twice the number of retirees in 2019.⁵
- Approximately 3.4 million people left the workforce during the pandemic to raise children and care for family members.⁶

Adding more uncertainty to the mix are employees wanting to change jobs. Roughly 41% of the global workforce is “considering leaving their employer in the current year,” while “95% of workers are contemplating a job change.” Burnout (61%) and a lack of growth opportunities (29%) are the two most cited reasons for wanting to change jobs.^{7,8}

Hiring and retaining workers is the defining challenge as we move nearer to the post-pandemic workplace. Your organization can thrive if your leaders use best leadership practices to onboard and train new hires and retain existing staff.

The Real Cost of Employee Turnover

Keeping new hires is critical if a business is to be successful—especially since employee turnover comes with a steep cost.

To attract new hires, Southwest Airlines Co. increased its minimum wage to \$15 an hour.⁹ Convenience store chain Wawa is giving \$500 bonuses to new hires in customer service, gas attendant, and night supervisor jobs.¹⁰ California-based ORBIS Manufacturing is offering six-hour shifts and letting employees select from a set work schedule what best suits them.¹¹ A McDonald's in Florida is giving \$50 to job seekers just to interview, while one in Fayetteville, North Carolina, is offering a \$500 signing bonus.¹²

But the cost of new-hire incentives does not tell the full cost of employee turnover.

On average, companies spend one-half to two times an employee's salary to replace an employee who leaves.¹³ The more employees earn, the more it costs to replace them: 30%–40% of the annual salary for entry-level employees; 150% for mid-level employees; and up to 400% for highly skilled employees.¹⁴

Onboarding new hires is also costly. Sixty-nine percent of managers say onboarding is "time-consuming" and 49% say it's "frustrating."¹⁵

Another indirect cost of employee churn is the time it takes new hires to make a contribution. According to *Training Industry Quarterly*, a new hire will need one to two years to become "fully productive."¹⁶ Unfortunately, 33% of employees know within their first week whether they will stay at their new jobs and the same number quit after six months.^{17, 18}

Summing it up, companies are competing to lure new hires, devoting managers' time to helping them be productive, and waiting two years before they fully contribute.

And much of this effort will be wasted because a third of new hires will quit!



Good Leaders Make a Big Difference

So how do companies keep new hires from quitting?

The answer is a good manager/leader. About 75% of Americans say that their “boss is the most stressful part of their workday.”¹⁹

Leaders/managers, in fact, have an outsized effect on employee retention. Consider this one telling statistic: 75% of the reasons people leave a job “come down to their manager.”²⁰

The top four reasons for quitting are career advancement or promotional opportunities (32%), pay/benefits (22%), lack of fit to job (20.2%), and management or the general work environment (17%).²¹

Here’s how your leaders can significantly improve employee retention.

How to Keep New Hires

There is a science to keeping new hires. Use it and retention rates will dramatically improve.

Blanchard’s SLII® is the world’s most-taught leadership development program—and has an impressive track record for accelerating development and improving retention. A national insurance company reported that 84% of direct reports were more committed to staying in their role after their leaders learned SLII. A national retail chain said that 64% of stores had reductions in involuntary and voluntary turnover.

SLII is founded on the principle of managers giving people the direction and support they need, when they need it. This accelerates their development. It’s an easy-to-understand, practical framework that enables your managers to diagnose the development level of an employee for a task: D1 (Enthusiastic Beginner), D2 (Disillusioned Learner), D3 (Capable, but Cautious, Contributor), and D4 (Self-Reliant Achiever).

An individual’s development level is determined by their commitment and competence. Competence is 1) demonstrated goal- or task-specific knowledge and skills and 2) demonstrated transferable knowledge and skills. Commitment is a combination of motivation (intense and sustained effort to accomplish a specific goal or task) and confidence.

Each development level is a unique combination of competence and commitment for a particular task:

- **D1**—Low competence and high commitment
- **D2**—Low to some competence and low commitment
- **D3**—Moderate to high competence and variable commitment
- **D4**—High competence and high commitment

A key point on development level is that it is goal- or task-specific. A person can be at D1 on one task, D2 on another, and D4 on another. In other words, just because someone is at D4 on a specific goal or task doesn't mean they will be at D4 at another goal or task.

Additionally, if you promote/hire a talented individual and put them in a job that's new to them, they will likely have high motivation and confidence when they start—they are confident in their ability to learn—and they will have transferable skills, but they may lack competence for a specific goal or task, especially if they are new to the organization. You thought you hired someone who's at D4, but in a new role with new goals/tasks, they are really at D1.

SLII teaches leaders to match their leadership style to an employee's needs by using the appropriate directive and supportive behaviors. The four leadership styles are S1 (Directing), S2 (Coaching), S3 (Supporting), and S4 (Delegating). When leaders match their leadership style to development level, the employees develop competence, motivation, and confidence. And because their development leads to new career opportunities, they stay.



Getting People at D1 off to a Fast Start by Using Style 1

New hires will typically be beginners at most tasks—they'll be at D1. They will have considerable commitment (motivation and confidence) and little competence, even if they were top performers in another job or at another company.

Here are some things you can do to help them succeed—quickly.

Practice being an SLII leader. Acknowledge your new hire's transferable skills and commitment. People at D1 (on a specific task or goal) are receptive to direction when you acknowledge their commitment.

They will readily acknowledge their need for Style 1 leadership from their managers: clear goals, timelines for accomplishing them, priorities, limits, a step-by-step learning plan, training, concrete examples of what a good job looks like, access to resources, and generous feedback on progress. To accelerate learning, find examples of what your best and most successful people do, then share them with the person at D1 so they know what a good job looks like.

Style 1 (High Direction and Low Support) can be confused with top-down, autocratic leadership. Style 1 leaders are sometimes labeled micromanagers. But when leaders use Style 1 with people at D1, they provide the direction the person needs to succeed quickly. This kind of direction is a perfect match—it is exactly what the person needs. Individuals at D1 do not view this approach as over-controlling or off-putting.

A great tactic to gain a person's buy-in for Style 1 is to ask for permission to provide direction. Try this: "Since you're new (in this organization, in this role, to these goals), would it be helpful if I told and showed you how to do this work?" The answer will be a resounding yes.



Give new hires:

- The resources, tools, and training they need
- The family- and child-care support they need
- Flexible work options
- Emotional support
- The direction and support they need when they need it

Overcoming the Unavoidable D2 Challenges

Enthusiastic beginners (people at D1) inevitably become disillusioned learners (people at D2). Here's the reason: achieving a goal/mastering a task is not as easy as we expected. The reality of a situation is often overwhelming. We realize that what is being asked of us is more difficult than we first thought.

Common frustrations of people at D2 include feeling: they are not getting the help they need, frustration at their slow progress, boredom, and unappreciated. These feelings feed their desire to give up or quit.

Being at D2 is tough. It's hard for someone to acknowledge low competence and low commitment. It's also hard to share feelings like confusion, discouragement, and frustration.

Leaders working with people at D2 should make a special effort to listen to their concerns, provide perspective, share rationale, and involve the person in problem-solving. One strategy to rebuild commitment with people at D2 is to ask for their ideas, learnings, and suggestions. They can often bring a fresh perspective—a beginner's eye—to decision-making.

People at D2 need to know not only what and how, but also why. With more experience and skills, they need to know why the hows are the right hows. Leaders can do this by reminding the person at D2 what a good job looks like and asking them for other options to complete the task.

Another way to increase commitment is to help team members at D2 understand that their development will come with more practice and less judgment. Research shows that people with a learning orientation learn more quickly if they stay more focused on learning (the hows) and are less focused on outcomes (the whats).

Using SLII with new hires who are at D1 and D2 will help ensure that they develop, succeed, and contribute more quickly and stay.



Paint a Picture of Success

When giving direction to new hires, share images of what they should DO, instead of letting them develop bad habits as they struggle to find their own solutions.

Why paint a picture?

The brain stores information as images and not words. Sharing what a good job looks like enables an individual to learn more quickly because they can see what success looks like. It helps people focus on what TO do instead of what NOT to do, which accelerates their development.



Acknowledge Negative Emotions

When people are at D2 on a goal/task and are feeling negative, it is best to acknowledge their feelings. Let them get the emotion out before you give direction. When the brain is overflowing with emotion, people are not receptive to direction. Acknowledging emotions helps the person get back on track. It also builds trust and strengthens your relationship with the person.

Leading People Who Are at D3 and D4 So That They Stay!

To reduce the cost of turnover, you also want to retain your talented people (those at D3 and D4), which means you need to provide more support (and less direction). In a development cycle from D2 to D3, variable commitment at D3 is almost always about low to variable confidence.

Someone who is at D3 is capable, but cautious, and does not need direction or advice. They need to hear their voice to build confidence in their competence. The best way to build a person's confidence is to listen to and endorse their ideas.

Good questions help people at D3 test the advice they receive. Unsolicited direction can undermine confidence.

If you offer an idea to people who are at D3 on a specific goal or task, let them decide whether it's good or not. Remember, people at D3 know how to accomplish a task but may lack confidence about implementing their solutions.

Sometimes, someone who is competent, confident, and motivated (at D4 in that situation) becomes unmotivated. The goal or task becomes boring. To retain this person, you need to reinforce the relevance and meaning of their work and explore ways to reengage them on the goal or task. This is critical if you want to keep your best people and not be faced with continual turnover.

You may want to ask, gently, if something outside of work is contributing to the person's lack of interest. If that's the case, provide resources and assistance.

All this effort on your part comes with a huge return. People at D4 take much less of your time. They make a bigger contribution. They can teach and mentor others. They enjoy their work and want to continue working for your organization.



Helping New Hires Soar

Fallout from the pandemic has spurred a mass job exodus and a hiring spree. Workplaces are being flooded with new hires. And people are looking at their options.

Now is the time to rethink how you onboard and support—no, not support, but direct (!)—new hires. When people get what they need when they need it, they learn faster and tend to give discretionary effort, endorse the organization, and stay.

How you and your leaders respond to the influx of new talent will help determine whether new hires leave or stay, coast or contribute, struggle or flourish. Your job is to invest in them—to get your people from D1 to D4 as quickly as possible. And then when they get there, your job is to enjoy your and their success.



References

- ¹ <https://www.usnews.com/news/economy/articles/2021-06-07/may-jobs-report-shows-theres-nothing-normal-about-the-post-pandemic-labor-market>
- ^{2,3,4} <https://www.bls.gov/opub/mlr/2016/article/pdf/labor-force-participation-what-has-happened-since-the-peak.pdf>
- ⁵ <https://www.nytimes.com/2021/07/02/business/economy/retire-early-pandemic-social-security.html>
- ⁶ <https://www.pewresearch.org/fact-tank/2021/04/14/u-s-labor-market-inches-back-from-the-covid-19-shock-but-recovery-is-far-from-complete/>
- ^{7,8} <https://www.microsoft.com/en-us/worklab/work-trend-index/hybrid-work>
- ⁹ <https://www.nytimes.com/2021/06/25/business/southwest-minimum-wage-15-dollars.html>
- ¹⁰ <https://www.inquirer.com/business/bonuses-jobs-benefits-employment-20210722.html>
- ¹¹ https://www.thenewsenterprise.com/news/business/company-changed-hiring-approach-benefits-in-response-to-pandemic/article_394a44a7-8be9-532d-8358-f766d47f805f.html
- ¹² <https://www.businessinsider.com/fast-food-chains-hiring-mcdonalds-taco-bell-subway-jobs-2021-5#8-sonic-8>
- ¹³ <https://www.gallup.com/workplace/247391/fixable-problem-costs-businesses-trillion.aspx>
- ¹⁴ <https://www.clickboarding.com/employee-turnover-what-is-it>
- ¹⁵ <https://typelane.com/6-reasons-employee-onboarding-is-broken>
- ¹⁶ https://www.nxtbook.com/nxtbooks/trainingindustry/tiq_2012winter/index.php?startid=40#/p/40
- ¹⁷ <https://www.tlnt.com/9-employee-retention-statistics-that-will-make-you-sit-up-and-pay-attention/>
- ¹⁸ <https://www.psychologytoday.com/us/blog/platform-success/201903/why-33-percent-new-employees-quit-in-90-days>
- ¹⁹ <https://www.mckinsey.com/business-functions/organization/our-insights/five-fifty-better-bosses?>
- ^{20,21} <https://news.gallup.com/businessjournal/106912/turning-around-your-turnover-problem.aspx>

About the Authors

Dr. Patricia Zigarmi is a cofounder of and Senior Consulting Partner for Blanchard®; principal author of Blanchard's flagship product, SLII®; and coauthor of *Leadership and The One Minute Manager* and *Leading at a Higher Level*.

Dr. Victoria Halsey is the Vice President of Applied Learning for Blanchard, author of *Brilliance by Design*, and coauthor of *Legendary Service* and *Leading at a Higher Level*.

Dr. Jay Campbell is the Chief Product Officer at Blanchard, overseeing all research and development activities. His doctorate is in Leadership and Organizational Change from the University of Southern California.

Doug Glener is a writer at Blanchard. He earned a BA in English from Vassar College and is the author of two books.



Blanchard® is a global leader in leadership development, consulting, and coaching. For more than 40 years, Blanchard has partnered with organizations to maximize individual achievement and organizational performance – bringing measurable progress and true transformation. Blanchard's SLII® is the global leadership model of choice, powering inspired leaders for more than 10,000 organizations worldwide. Blanchard also offers a suite of award-winning solutions through flexible delivery modalities to meet the specific needs of clients and learners.

Australia-wide
Within Australia: 1300 43 53 88
From Anywhere: +61 3 9863 7031
Email: info@elev8learning.au

elev8learning.au