

Retention from the Start: Solving Unwanted New Hire

Turnover with Consistent Feedback

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Executive Summary

The time and money spent on recruitment, interviewing, and training should not be wasted by any organization. That is why preventing unwanted new hire turnover is the focus of many organizations today. Society has built a negative perception around manufacturing environments and its production jobs. These jobs are seen as “dirty work.” Society has projected these jobs as necessities, but they are not desirable as careers. Manufacturers seem to be placed at the bottom of the hiring spectrum, which makes it difficult to retain new hires as they are continually searching for something better.

This paper examines the problems that persist with a new hire that is left to transcribe work duties and tasks on their own. It also provides methods and guidelines in which an organization can improve their communication in a way that supports and builds trust with a new hire before and during the onboarding process. The continued feedback provided by the employer through evaluations and self-awareness help to create an organization that has the right balance of culture for any new hire. The retention strategies described lead the new hire to remain focused and motivated, providing an organization with reduced unwanted new hire turnover.

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Sixty days. Thirty days. One day. In the blink of an eye the new employee that was recruited, interviewed, and somewhat trained is gone and the organization is stuck searching for another candidate. All that is left is the impending question of “what happened?” In the meantime, production levels and efficiency are leading toward decreased supply, increased pressure, and inefficient results due to the anxiety of completing all tasks. Management is left with employees who are stressed out and on the verge of counterproductive work behaviors. These behaviors then create a negative transformation of organizational culture. As problems continue to snowball, the psychological contract is breached between the employer and employee. Current employees then begin to think the organization does not support them. Evaluations and appraisals begin to get missed or have biased ratings because they have become a chore rather than a chance to improve performance or reward those who have outperformed. This leads to goals being missed as the employees do not know what to strive toward as the communication between supervisor and employee is broken down. This situation seems like an extreme exaggeration that cannot be avoided. However, unwanted new hire turnover is a problem in any industry.

Curbing this trend is in the organization’s best interest to improve performance and meet strategic goals. New hire turnover is much more than losing an employee and having to find a new one. It affects everyone in the organization as the current employees take the time and effort to meet someone new or help train the new hire to better everyone’s situation. In the manufacturing industry, unwanted new hire turnover seems to be a consistent battle for the employer. This white paper discusses how unwanted new hire turnover can have the potential to

be lowered when an organization provides communication to the employee in the form of consistent feedback. Developing a consistent feedback plan that emphasizes employee performance and clear communication is a retention tool that organizations should utilize to further develop a new employee's understanding of the organization's strategic goals and company culture.

Challenges of Unwanted New Hire Turnover

An employer in the manufacturing industry must be aware of the status that some production jobs may have in the social environment. Some production jobs in this industry communicate a negative interpretation of one's social status. Lopina, Rogelberg, and Howell (2012) explored the negative effects that "dirty work" may have on a new hire. They described "dirty work" as a job that is socially unacceptable, but still needed to be done as part of societal needs. This negative outlook already sets the tone for a new hire to not be engaged or satisfied in the role that is being offered to them. Employers must communicate effectively in order to change a candidate's initial outlook on the position.

Communication between employer and employee also tends to get lost when it revolves around performance. For example, conducting evaluations during busier than normal times or even when it only occurs on an annual basis can make an employer hurry through an evaluation resulting in biased feedback. Performance appraisals are biased because the supervisor only remembers what the employee has done lately as opposed to what has happened over the course of a full year. What adds to the frustration is when a slow period finally comes around to do the evaluation and management gets caught up in playing "catch up" on work that was not completed due to the busy period. Also general assumptions can arise instead of fact finding when giving evaluations. The employer needs to become more aware of the how they are

presenting the feedback and what reactions to expect. For example, it is important to be aware of gender reactions to performance feedback. Motro and Ellis (2017) proposed that negative performance feedback has different effects on opposing genders. They emphasized that any kind of performance feedback still reinforces employee awareness of their job tasks and goals. However, negative reviews had an emotional crying effect that when experienced by men eventually led to lower performance evaluations and fewer future leadership positions (Motro & Ellis, 2017). The effect of a negative review has lasting repercussions that the employer must be aware of so they can prevent future biased evaluations due to these effects.

Ultimately, it is the employee who suffers the most as they become unsure of their own abilities as performance feedback deteriorates. Performance appraisals are already used in many industries across the United States in which it may have become an established requirement that holds no beneficial value to the employee (Selden, Schimmoeller, & Thompson, 2013). This means that the employee may assume that a performance appraisal is already a part of standard procedure and really does not hold any value to them in career progression. This is especially true if the evaluation is only happening once a year, if at all. When an organization does not support their employees with feedback from evaluations the employee doesn't receive continued training or development in order to achieve a higher standard. Odom (2013) describes three reasons as to why an employee leaves an organization. This includes a poor relationship with the direct manager, lack of development or growth, and lack of challenging work. Communication is then damaged between employer and employee subsequently breaching the psychological contract.

Psychological contracts are set in place between employer and employee once the new hire is brought onboard. Psychological contracts refer to the employee and employer's unspoken

understanding of responsibilities that can influence the employee's behavior and the organization's efficiency (Beynon, Heffernan, & McDermott, 2012). Psychological contracts are commonplace with any employer at any stage in an employee's career. New hires have a psychological contract with the employer that there will be rewards for their loyalty and completed obligations (Rousseau, 1990). The employee may reciprocate with improved performance or go above and beyond the call of duty for the organization. In return, the employer receives efficient production and success. The unwanted new hire turnover problem persists when the employer breaks this psychological contract with lack of support and trust given toward the employee. When the psychological contract is breached, suggested outcomes may result in employee turnover, counterproductive work behavior, decreased overall performance, and a lack of commitment from the employer (Beynon et al., 2012).

Informative Onboarding Solutions

Organizations should set the stage from a culturally caring view for new hires before onboarding. In conjunction with psychological contracts, the employer being able to respond quickly and efficiently to new hire requests of information may help the new hire fit with the organization's goals and objectives (Zheng et al., 2016). During recruitment, the employer should provide the candidate with a tour or real job preview. A real job preview gives the candidate an idea as to what the job tasks will entail, including the environment in which the job will occur. Individuals who had more information about the job prior to starting had more trust in the job and as a result were less likely to turnover in the first few months (Lopina et al., 2012). Rousseau (1990) advised that psychological contracts are the strengths of any organization because they establish an employee's contribution to an organization. Dunn and Jasinki (2009) researched that the support and information an organization gives to a new employee relates to

their satisfaction, performance, and commitment to the organization. They went on to suggest that the new psychological contract between the employer and employee is training and development along with the ability to learn new tasks (Dunn & Jasinki, 2009). As a result, an employer's support for a new hire can build trust with the employee, thus fulfilling the psychological contract between the employer and employee.

The give and take between employer and employee is also known as Social Exchange Theory. Wang et al. (2016) used social exchange theory to examine those employees who are feedback seeking. Feedback seeking is known as those who make an effort to request information about their performance. This research looks at leaders who exhibit a high level of support, encouragement, and respect toward the employee enable a high level of trust between them (Wang et al., 2016). A starting point for the social exchange between employer and employee to take place would be the information that is initially given to a new hire. This suggestion coincides with Rousseau's (1990) work on psychological contracts and how the information given to the employee is the most important piece of the relationship. To be more specific, the employee who is making the attempt at working in a new environment and is looking for support in their decision to accept a position with the organization needs feedback. The initial feedback given to the employee will either support their decision or not.

Employee evaluations can be used to separate the high performers from the low performers. When analyzing an organizations unwanted new hire turnover there are different reasons as to why new hires leave an organization. Selden et al. (2013) recommended organizations utilize high performance work systems through their human resource department to help decrease unwanted new hire turnover. High performance work systems include influencing the employees' knowledge, motivation, and involvement with the organization

(Selden et al., 2013). While the definition of a high performance works system may be exactly what an organization needs to do. In their study, they found that there are three areas or practices in which high performance work systems are associated with new hire turnover. This includes compensation rates, recruitment, and training and development (Selden et al., 2013). They assume that the lack of evaluations do not lead to new hire turnover.

In contrast, Mehta (2017) recommends conducting more evaluations as it should be viewed as a time for the organization to set up improvement plans. She suggests organizations that find it difficult to conduct more than one appraisal throughout the year may find it useful to involve peer reviewed evaluations. Peer reviewed evaluations is where the fellow employees have a chance to point out strengths and weaknesses of co-workers that the supervisor may not notice when trying to build an appraisal based on a year worth of work. This suggestion is useful to supervisors when determining a new hire's aptitude of the material being presented to them. Employees generally want to succeed as a team so that their job is easier. If the employees have the ability to evaluate each other they may notice something that a supervisor does not see since the supervisor is viewing from a higher level. The feedback presented from the peer reviewed results will provide greater satisfaction to a new hire as opposed to getting no feedback at all.

A new hire experiences greater satisfaction when they are given regular feedback in regards to their performance. Luffarelli, Goncalves, and Stamatogiannakis (2016) determined that performance feedback and satisfaction have a reciprocal relationship. They hypothesized and concluded that increased performance feedback will lead to higher satisfaction and performance (Luffarelli et al., 2016). Additional peer reviewed evaluations will help the new hire succeed in the role they were hired to do as they will learn what they are doing right and what they are doing wrong as part of a training and development process. In addition, the new hire

would be able to have more conversations with their supervisor during the first few months of employment with additional evaluations. This additional communication will support building a better work relationship between the employer and employee. Ultimately, the evaluation process needs to have goals that an employee can strive toward.

The process by which the employer can set goals and utilize feedback tools to improve performance has been demonstrated through case study examples in manufacturing environments. Stansfield and Manuel (2016) studied employees in manufacturing environments in which they found that employees that have goals will provide a 20% improvement over those that do not have goals. In particular, making sure that goals and feedback are visually available to all team members and giving support and flexibility toward the employee (Stansfield & Manuel, 2016). Engaging the new hire with visual goals and achievements will show them that the employer values their production levels and sets the ability to achieve those goals as an incentive on the employee. Although, the most important factor to setting goals is the actual feedback that contributes to performance enhancing behaviors (Stansfield & Longenecker, 2006). When an employee gains knowledge and direction of their own errors or successes of their own performance, they will become more motivated to progress toward the goal. Stanfield and Longenecker (2006) concluded that regular feedback from goal setting also entices employee motivation. This evidence provides organizations with a blueprint to improving productivity and efficiency. The employer can support the team by aligning their production goals to the company's overall strategic goals and update them in a timely fashion in order to entice motivation.

The employee's needs for motivation and satisfaction are only going to thrive when the organization's culture is just as rewarding to the employee. Spreitzer and Porath (2012)

suggested that happy employees make for better performance, consistently show up for work, and are less likely to quit as opposed to unhappy employees. This statement seems like an easy response as to why employees leave. Yet, employers can help employees realize their happiness with their job when they expose them to vitality and learning (Spreitzer & Porath, 2012). This pushes the idea that if organizations create a company culture surrounded by making employees feel as though their opinions matter and giving the employee the opportunity grow are better off than those organizations that do not.

In conjunction, an article titled *Holding onto New Hires* (2009) advised that management should have cross-cultural sensitivity training in order to establish a connection and great initial impression on new hires. Zheng et al. (2016) also confirmed that when new hires anticipate the organization will value their contributions and well-being they will ultimately become more engaged with their supervisors and managers leading to better performance. Therefore, organizational support, awareness, and consistent feedback from the employer also support the social exchange theory. As the employee receives organizational support in the form of consistent feedback they expect a reward for their performance to come in the form of compensation, training and development, or challenging work tasks. In which the employer should provide these amenities if they wish to lower their unwanted new hire turnover by means of not breaching the psychological contract.

Conclusion

Developing a consistent feedback plan that emphasizes employee performance and clear communication is a retention tool that organizations should utilize to further develop a new employee's understanding of the organization's strategic goals and company culture. In order to retain top talent and avoid unwanted new hire turnover the organization must engage in

increasing the evaluation of an employee's performance, developing obtainable goals, and embracing a rewarding organizational culture built on awareness. An organization should consider utilizing a more timely performance evaluation system that involves various viewpoints in order to help the new hire understand expectations and improve satisfaction and performance. Goals can then be pursued once feedback is given to the new hire and they become aware of their successes or errors. The knowledge gained from the consistent feedback will motivate the employee to meet those goals. An organization should also maintain awareness of the new hire's needs as a psychological contract is being written from the time a new hire is on-boarded. The psychological contract is then enhanced by the social exchange that involves the employee getting something for their efforts as the employer receives improved production. The employer must realize the importance of the feedback they give to the employee and what it represents since the organizational culture is always on display. If an organization supports the employee, it will be reciprocated with trust that leads to a successful relationship. By following these guidelines, the employer will ultimately hold a competitive advantage in finding a way to lower unwanted new hire turnover.

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