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“Mind the Gap” to Improve the Performance of New Hires

The news is full of stories about talent management, the importance of getting and keeping the “right” employees, and the impending lack of employees as the workforce changes. With these dire warnings come many ways to select and retain employees.

By **Theresa M. Welbourne, Ph.D.**

If you travel, particularly in the U.K., you will recognize this often used phrase: “Mind the gap.” You hear it as you enter and exit subways or when you embark upon or depart the trains. You are warned not to fall through the cracks as you transition from one place to another.

The same advice could be given to HR leaders as you start 2007. The news is full of stories about talent management, the importance of getting and keeping the “right” employees, and the impending lack of employees as the workforce changes. With these dire warnings come many ways to select and retain employees. However, in addition to getting them on board, you then have to keep them.

Minding the gap refers to a method of learning from your new-hire talent in order to help the new employee become productive right away. New employees want to be productive, and if they are not, they will leave. This is particularly true for hard-to-get talent.

In this article I will explain the results of a study done with a technology firm that was doing an incredible amount of hiring in 2006. They learned from studying—or “minding”—their gaps.

What is the gap?

When you hire a new employee, there is a transition period between the hire date and the time when a new employee becomes optimally productive. This transition denotes a productivity gap, and it is important to minimize this gap in order to create and sustain long-term competitiveness and performance. In our 2006 study, we examined the “productivity gap” for a set of new technology employees.

Productivity gap is defined as the difference between an employee’s energy level at work “today,” and the level where the employee is most productive. The calculation is as follows:

Productivity gap = (energy today – energy where most productive)

Why energy? We used energy because it is a validated metric that predicts performance, and our ability to quickly assess energy (one question) allowed us to conduct the research without taking so much time out of the employee’s day that the study itself negatively affected productivity.

How it works: We expect a productivity gap with the majority of new employees. It takes time to learn the job, to make things work with a new team of colleagues, to get processed (e.g., get new computer, find desk, learn how to use phone, equipment, etc.), and more. Thus, we anticipate and find in our work that there is a gap between an employee’s energy at the time of being hired (we study energy at work specifically) and the energy where the employee is most productive. In most cases, the gap is negative.

Typical new employee gap:

Energy today = 3
Energy where most productive = 7

Productivity gap = -4 (negative number)

However, we want the gap to be minimal, and we want to close the gap as soon as possible. It is up to the manager to "mind the gap" and work to make sure the gap is reduced. You want the employee to be at the level where he/she is most productive as soon as possible, and you certainly don’t want the gap to increase.

Goals are to reduce the gap or move to a positive gap. It is better for productivity to have an employee working slightly above where most productive; however, our research shows that you do not want the employee to move to a state where she/he is more than one point above where most productive or in that state for multiple time periods. Extreme highs and prolonged time in the "overly energized" state leads to lower productivity and burnout.

In this study: We examine the gap for 183 employees who started participating in the Pulse Dialogue™ process during 2006. In this snapshot of the study (which is now continuing), we report data from June to October.

Background: In each data collection, we asked employees to rate their energy levels. We also asked for levels where the employee was most productive, using this same energy question. This is a process that I have researched and validated in numerous studies for the past 10 years (across hundreds of thousands of employees). Unlike many employee metrics, energy is an optimization construct, not a maximization one. That means it is negative to be at the too-high or too-low levels. Thus, we find out where employees are most productive (by asking them at multiple periods of time) and then run analyses using both energy and where people are most productive. Gaps predict outcomes such as turnover, customer service, sales and other performance outcomes. The goal is to

reduce the gap and help employees remain at a level of energy where they are most productive.

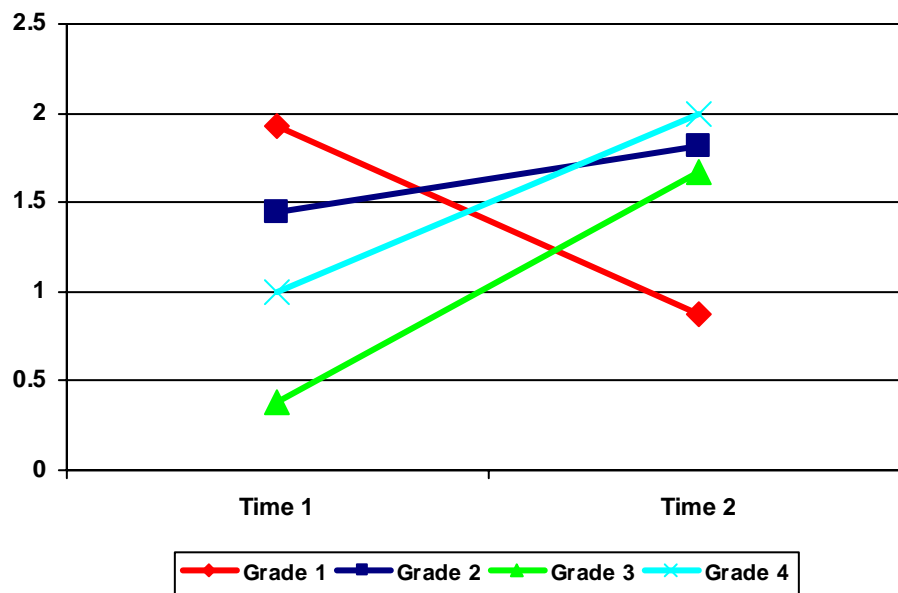
What did we learn?

First, we learned that the trend, overall, was headed in the right direction from June to October. The mean gaps from Time 1 (June) to Time 2 (October) are as follows:

June: -1.16
October - 0.97

Second, we learned that there were significant differences in the trends when the patterns were viewed by manager and then within a manager's department by job level (or grade). See the graph below as an example:

Productivity Gap Chart Manager No. 1: Gap by Job Grade



The goal is for the gap (difference between employee energy and where most productive) to be reduced over time (or for the trend line to go down). That means the employee is moving toward an energy level that is close to where he or she is most productive.

In the chart above, you can clearly see that when it comes to Job Grade 1, this manager is having a very positive experience. Between Time 1 and Time 2, the gap was reduced significantly. But for all other grades (grades 2 through 4), the gap increased. In addition to asking employees to rate energy and where productive, we also asked one open-ended

comment question asking them about the new-hire experience. We content-analyzed this data and we were able to connect the stories to the metrics.

In general, across organizations, we find that more attention is given to the Grade 1 (or entry-level) employees. Everyone expects they need training, mentoring and communications because they are really new. These are the people coming in who have less experience in the field, and it's accepted by all peers that they need training. However, as one becomes more senior in a career, then there is a natural tendency to let new senior employees take care of themselves. In the current intensively busy environment in which we all work, no one would want to waste time trying to help someone who does not need help. In fact, you might think that it would be a waste of time.

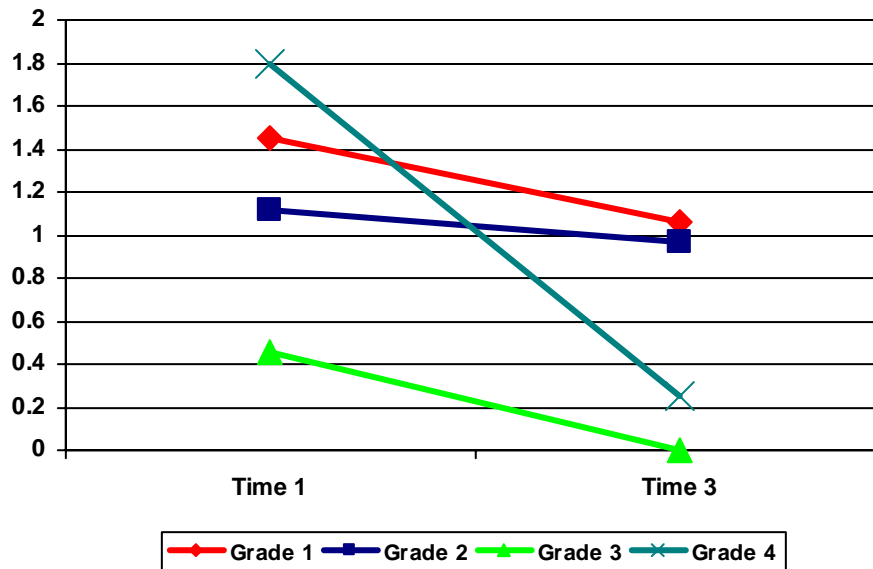
Lessons learned

It does not take long to see from the data for Manager Number 1 that all employees in levels other than Grade 1 of needed help. The trends indicate that the productivity gap went up over time for the more senior people. This represents a productivity problem and a talent management challenge. If new senior employees feel their experience with the organization makes them less productive, they will not stay.

In this sample at least, the employees live in a city where there are ample opportunities to find employment elsewhere. Thus, if the HR team can diagnose a new-hire acculturation problem and act on it, they can save their organization money by reducing search expenses and by optimizing the productivity of the newly hired talent.

When an HR team has data showing what success looks like in other parts of the organization, it then has access to company-specific interventions that can help Manager Number 1. In this case study, we look to the data from Manager No. 2 to understand positive experiences for the senior job grades (see chart below).

Productivity Gap Chart
Manager No. 2: Gap by Job Grade



The trend data above clearly show that Manager No. 2 is creating an environment where new hires in all job grades are experiencing a reduction in their productivity gap. In contrast to the data from Manager No. 1's group, the more senior employees are seeing a significant reduction quickly.

The opportunity for HR is to assess what's working for Manager No. 2 and share those best practices with other managers. This is one of the most effective forms of learning any HR manager can use because learning from peers creates the kind of tactical outcomes for managers that are rarely seen in other types of learning environments.

Going beyond traditional talent management

Talent management goes beyond just hiring; it means optimizing the talent that you bring into the door. However, in HR few employers are truly studying the new-hire experience in the detail that this case represents. We do a much better job of spending money to do exit interviews than we do to study the experience of new hires. This case is just one example of how data can be used to learn and to break through traditional ways of managing talent.

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