

A photograph of two men, one with a beard and light blue shirt, and another with dark skin and a white shirt, both smiling and looking at a laptop screen. The image is partially covered by a yellow and blue overlay at the bottom.

WHITE PAPER

Onboarding
FROM SCRATCH

Grasping Onboarding Benefits and Best Practices

NEOGOV

ONBOARDING, QUITE SIMPLY, is bringing a newly hired employee “on board.” However, as simple as that sounds, a lot of effort, planning, and interdepartmental collaboration is needed to accomplish the end result. Onboarding, if done right, leads to early productivity, excitement, and increased engagement of new hires. Not only that, onboarding makes new employees comfortable in their work environment and cognizant of collegial relationships and assignments and how they matter to the organization’s overall objectives.

An organization’s acquisition of new talent is never questioned as to its importance in day-to-day operations and future prosperity. There is no doubt that recruiting and applicant processing are mandatory to meet any organization’s workforce utilization demands. In fact, organizations with insight and vision are always striving to anticipate future workforce demands.

Indeed, workforce planning is a critical component in determining the viability and longevity of any organization, as is onboarding. The same level of planning, detail, and interdisciplinary collaboration must be in place to make sure that the newly hired employee remains a productive and engaged employee.

A new hire’s choice to stick with an organization or move on largely hinges on initial impressions, yet many organizations put only a small amount planning into that important first-touch experience—the onboarding process.¹

There are many definitions of onboarding, including one put forth by Workforce Magazine:¹

“On-boarding is the first experience new hires have with the company and the process by which they are introduced into the company. The best on-boarding programs combine tactical tasks, such as benefits paperwork and desk assignments, with cultural training so employees understand how the company works and how they will fit into that environment. Ideally it is a joint effort between HR, the information technology department and the managers responsible

for new employees, and can last anywhere from a few days to several months.”

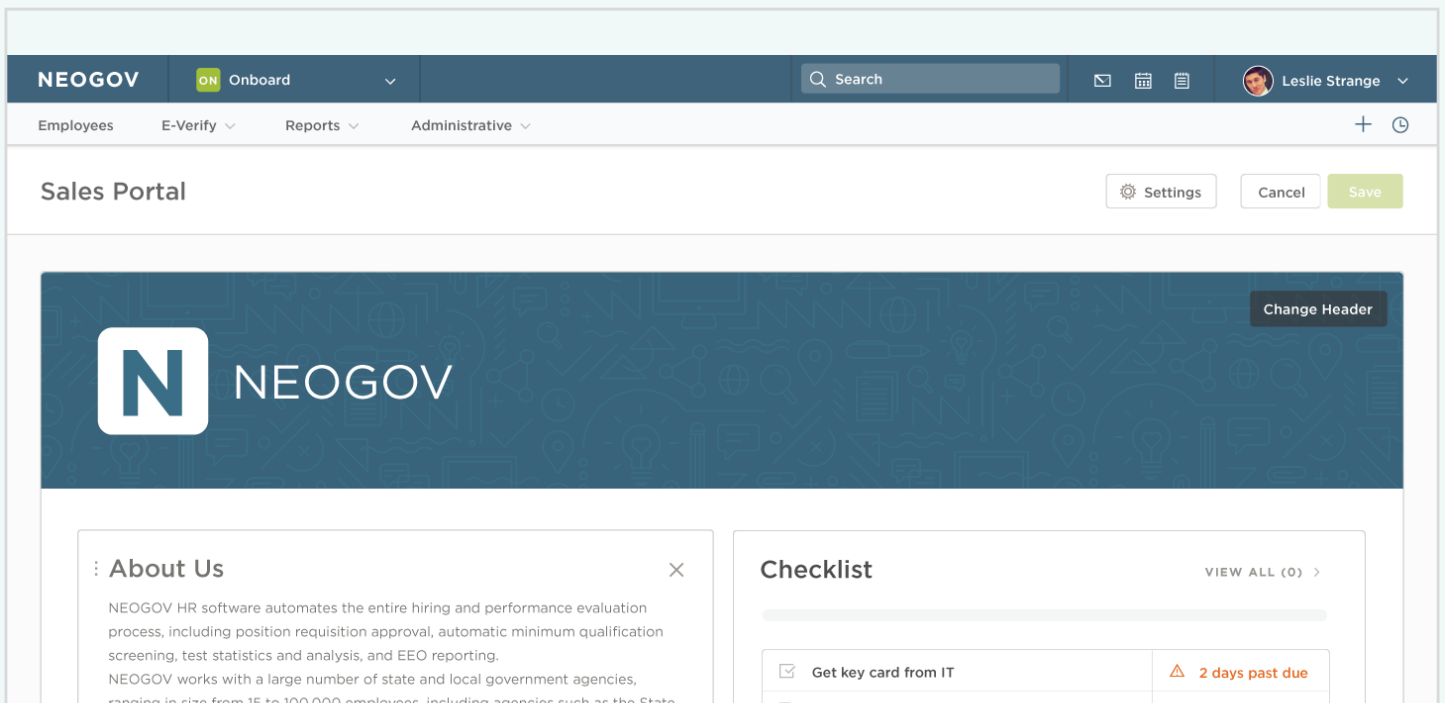
New employee onboarding is the critical process of getting new hires adjusted to the social and performance aspects of their new jobs quickly and smoothly. It is the process through which a newly hired employee is provided the means to gain familiarity with the attitudes, knowledge, skills, and behaviors required to function effectively within an organization.²

So, after the recruiting process has led to the person accepting an offer, it is critical that the follow up process of onboarding begins. This process needs to start immediately with an equally strong and well-thought-out, step-by-step process to integrate the employee into the organization’s culture and the new hire’s work environment and responsibilities.

Onboarding cannot be underestimated in its importance and its impact. It has a direct correlation to the cost of hire, turnover, and retention—all of which will influence the bottom line numbers of any organization, large or small.

Additionally, employees themselves, through social media, can have a positive or negative impact on the reputation and overall perception of the entire pool of potential employees. This comes as a result of the newly hired employee’s experience with your organization’s onboarding activities even from the first moment of contact with your organization’s home page. That impression is especially meaningful to Gen X and Gen Y’s who grew up with tech devices with touch or intuitive navigation. Any hint of age-old navigation and technology will lose their interest.

The bottom line is the better an organization can make new hires feel welcomed and prepared for their new jobs, the faster they will be able to successfully contribute to the organization’s mission.³ While all employees experience some type of onboarding, the formality and comprehensiveness of an onboarding program varies widely across organizations.



Onboarding activities involving technology must include an intuitive user experience and a modern feel.

For example, benchmarking studies show that organizations considered “best in class” for onboarding have formal onboarding programs.⁴

Onboarding is not just the effort of placing an employee into an office or cubicle and providing them with the tools to do their job, although that is a necessary component. Also necessary is inputting personal data into the “system of record.”

As a whole, onboarding is an experience and a multi-faceted process that aims to keep the employee engaged and excited to be a part of the organization.

What Happens During Onboarding?

An effective onboarding program can:

- Create and document an “employer-employee compact,” further engaging the employee with the organization’s

strategic vision, and providing a clear understanding of the new hire’s role and contribution to that strategy.

- Reduce time-to-productivity, while increasing the level of productivity and retention.
- Lead to lasting best practices and workflow, which will provide ongoing cost effectiveness and improved financials by lessening the cost of turnover and the cost of hire.

In fact, new hires who undergo an onboarding process that consists of more than simply filling out paperwork and choosing benefit options report feeling better connected to their coworkers and to the company culture.⁵ This usually translates into a loyalty that keeps employees from accepting offers from competing organizations that simply offer more money.

In supporting this “stickiness,” there are at least three good outcomes from effective onboarding programs.⁵

First, onboarding programs help new hires feel that they are part of a larger organization and that they are important. By introducing new employees to

management and by spending time to instill in them an understanding and appreciation of the organization's direction, these programs create a sense of security, loyalty, and comfort.

Second, effective onboarding allows senior executives to personally convey and emphasize the “culture” of the organization. When senior-level employees explain decisions and results, they are also conveying the cultural values and ethical practices of the organization.



Welcome to the team!



LIKE



COMMENT

Cloud-based onboarding software helps encourage social collaboration.

And third, they expedite getting the new hires up to speed and productive. This should lead to quantifiable cost savings as a result of lower costs of turnover and the fact that the new employee reaches full productivity sooner than later. Occasionally, new hires take up to 12 months to reach full productivity, especially if their jobs heavily depend on interaction with different parts of the organization. Inexperienced employees, especially college hires, can have extended learning curves that can be shortened with good initial education. This is where an internal social network or Internet-based tools can expedite their connections and bring different people with similar needs together. Onboarding must also be ready to be adjusted if the need exists to create a “virtual” team, where the new hire joins a remotely located group of people.

Getting it Done

In any onboarding initiative, attention to detail is critical. Having a formal orientation program and a

written onboarding plan are key best practices. However, other more subtle factors must not be overlooked.

Attention should be paid to such details as: Who greets the newly hired staff member, and how is it known that a new employee is starting on a particular day? Is the new employee's work location ready and functioning? Who is responsible for all of the components of the work location, hardware, phones, etc? Who is designated to take the newly hired employee to lunch?

The most important day on the job for a new employee is the first day. Since research shows that the trajectory of a new hire's success is set as early as the first 14 days, it is key to make the first day a special one for new employees.⁶ For hourly workers, many do not come back otherwise. Planning their first day can pay large dividends in the long run.³ Below is a list of suggested organizational best practices for onboarding.²

- Implement basics of personal data entry (as much as can legally be obtained) prior to the first day on the job.
- Make the first day on the job “special.”
- Design and implement formal orientation programs.
- Create and use written onboarding plans. Involve managers and all related departments who impact the onboarding process in developing the final plan.
- Consistently implement onboarding activities, even if the expectation of the employee's role is one that is home or remote location based.
- Monitor progress of the onboarding initiative over time with milestones stretching to as long as a year after the new hire date.
- Utilize technology to facilitate the process. Gain and document feedback from the recently hired employee.

As such, it is clear that onboarding is a process, one of engagement and follow-up.

There are important activities that can and should be accomplished even prior to the first day of work, even if

the newly hired employee is in a position that will allow him/her to work from a remote location or from home. Here is a list of what you should have ready by the time your new staff member walks in the “door”:⁷

- Send out an e-mail to everyone in the office so they’re prepared to welcome a new employee.
- Assign a “mentor” or an HR representative to welcome the employee within minutes of arrival.
- Initiate any security measures, such as ID badge and other access controls.
- Prepare the newly hired employee’s workplace, if possible, with a nameplate visible.
- Have IT ready to sit with the new employee to help set up system access and guide the initialization of passwords into appropriate systems.
- Configure the new employee’s e-mail accounts.
- Provide guides for any necessary software he or she will be using.
- Set up his or her phone system, and provide instructions for using voicemail.
- If possible, already have business cards prepared, or confirm the order with the new employee.
- Provide an intuitive repository of needed corporate documents, policies, manuals, marketing information, and even the ability for the new staff member to share his/her knowledge capital with his new colleagues.
- Provide a list of FAQs and answers, if not already done so prior to the first day, that address everyday work concerns such as parking, security, list of holidays, etc.

And importantly,

- Make sure the new employee’s immediate supervisor is available on the first day. It would be beneficial during the onboarding process for the employee to travel to whichever location his/her colleagues and supervisors

are located. This must be done ASAP and can be considered a key component of an onboarding program.

Individualizing the Process

There is typically a list of tasks that need to be accomplished administratively by the newly hired employee on the first day. This applies to most any employee. However, effective onboarding can be individualized and made somewhat unique for each new staff member.

A more personal element to the process can further engage new employees, giving them the ability to identify their personal goals with the overall success of the organization.

Why Onboarding Matters?

Research is plentiful when it comes to statistics about new hire retention and longevity. Here are some of the more eye-opening (and costly) findings:

- For the working population as a whole, a total of 25% of the entire working population undergoes career transitions each year.⁸
- In Fortune 500 companies alone, it has been estimated that 500,000 new managers transition into new roles or companies each year.⁹
- Managers begin new jobs every 2 to 4 years on average. Yet, it is also estimated that 50% of all senior outside hires fail within 18 months on the job.¹⁰

Common wisdom and research indicate that new employees get about 90 days to prove themselves in a new job. For hourly workers, turnover is a major problem in the first 120 days where approximately 50% leave their new jobs.¹¹

But well-planned onboarding initiatives can have a dramatic effect on retention, productivity, and job satisfaction.¹ A 2013 Aberdeen report shows that

organizations with best-in-class onboarding initiatives report a 91% retention rate compared with 30% at the lowest-performing organizations.¹²

A 2013 Aberdeen report shows that organizations with best-in-class onboarding initiatives report a 91% retention rate compared with 30% at the lowest-performing organizations.¹²

The high achievers also report higher revenue per full-time employee than all other groups. Yet, only 37% of organizations invest in a formal onboarding program for more than two years, Aberdeen reports.

To prevent the loss of valuable new employees prior to them settling in, organizations need to explore their onboarding process and create a program that “educates and indoctrinates” new employees into the organization.¹ When companies invest in onboarding, they increase their likelihood of meeting growth goals and addressing the hard-to-fill skill gaps that pester organizations today.

By now you should understand the rationale for onboarding and have insight into onboarding best practices. For more details about initiating a successful onboarding program, and incorporating technology, download our second paper, “Launching a Successful Onboarding Initiative.”

Marc S. Miller has over 40 years of experience with all aspects of technology solutions for the function of human resources. His consulting firm, Marc S. Miller Associates, supports his clients in HR Technology solutions, including strategy and business case development for executive leadership, cost justification, needs analysis and request for proposal development. He is an adjunct professor for HR and HR technology in the Master's Degree programs at NYU and Long Island University.

References

1. Onboarding Orientation Guide. <http://www.workforce.com/articles/20039-onboarding-orientation-guide>. Accessed January 12, 2014.
2. Bauer, T. (2010). *Onboarding New Employees: Maximizing Success*. SHRM Foundation's Effective Practice Guidelines Series.
3. Bauer, T. (2013). Best Practices for New Employee Onboarding. July 2013. Accessed February 8, 2013. <http://www.hcamag.com/opinion/best-practices-for-new-employee-onboarding-176865.aspx>
4. Martin, K., & Lombardi, M. (2009). *Fully on-board: Getting the most from your talent in the first year*. Boston, MA: Aberdeen Group.
5. Wheeler, K. "How the best onboarding programs work." <http://www.ere.net/2008/10/03/how-the-best-onboarding-programs-work/>. Accessed January 12, 2014.
6. Liden, R. C., Wayne, S. W., & Stilwell, D. (1993). <http://psycnet.apa.org/journals/apl/78/4/662/>. A longitudinal study on the early development of leader-member exchanges. *Journal of Applied Psychology*, 78, 662-674.
7. Vanden Bos, P. "How to build an onboarding plan for a new hire." <http://www.inc.com/guides/2010/04/building-an-onboarding-plan.html>. Accessed January 12, 2014.
8. Rollag, K., Parise, S., & Cross, R. (2005). Getting new hires up to speed quickly. *MIT Sloan Management Review*, 46, 35-41.
9. Watkins, M. (2003). *The first 90 days*. Boston, MA: Harvard Business School Press.
10. Smart, B. (1999). *Topgrading: How leading companies win by hiring, coaching, and keeping the best people*. Upper Saddle River, NJ: Prentice Hall.
11. Krauss, A. D. (2010). "Onboarding the hourly workforce". Presented at the Society for Industrial and Organizational Psychology (SIOP), Atlanta, GA.
12. Laurano, M. (2013). "Onboarding 2013: A New Look at New Hires."

NEOGOV

Expect more.

NEOGOV is the market and technology leader in on-demand human resources software for the public sector. Our HR software automates the entire hiring, onboarding, and performance evaluation process.

neogov.com | 1.888.NEOGOV1 | sales@neogov.com