

Successful Employee Onboarding

How to develop more reliable, productive and engaged employees

Onboarding | A Forgotten Key to Organizational Success

If you use Google to research the term “onboarding” you will find long lists of articles about this subject, but these articles are mostly about creating a plan for success. Before creating a plan, it is important to understand why effective onboarding is paramount to an employee’s success, and to know the consequences if onboarding is mishandled.

Cost | Poor Onboarding is Expensive

In a 2009 study from the Aberdeen Group, 86% percent of the respondents stated that they made a decision to stay with a company long term within the first six months of employment. Another study from BambooHR in 2014 found that 17% of the 1,000 respondents quit a job within the first 90 days because of poor onboarding. According to the Society for Human Resource Management (SHRM) the cost of filling a position is between \$3,000 and \$18,000. Poor onboarding can be a costly practice when you account for the increased turnover rate and costs to fill a position. Following best practices can help secure top talent for the longest portion of their career.

Competitive | Good Onboarding Improves Employee Perceptions

In addition to retaining talent, you will also find that a proper onboarding program increases employee performance. The SHRM study “Onboarding New Employees: Maximizing Success” found that performance increased 11% when employees completed an onboarding program. The same study found that the long term outcome of an onboarding program resulted in reducing the time from training to full productivity by 60%.

Compliance | It’s Not All About Paperwork

In a recent study by Kronos Inc. and Human Capital Institute, 350 HR leaders from various industries and company sizes were surveyed. The study concluded that there are three key elements to onboarding: people, performance, and paperwork. The area which received the most attention was paperwork (new hire forms, employee handbooks, tax forms, benefits, etc.). Interestingly, 62% percent of the respondents believe that the goal of onboarding is to integrate the employee into the company’s culture.

If most HR professionals are focused on paperwork, but 62% are concerned with integrating new employees culturally, there is a significant gap between their priorities and actual activities. Additionally, this study also showed that the actual onboarding time focused on “people” was only 30% percent for managers and 27% for non-managers. It’s crucial to recognize that successful onboarding is not only about forms and processes, it involves communicating cultural values, integrating teams through community building activities, and ensuring that new employees understand what will make them successful in their new role.

Culture | The Way Things Actually Get Done

Why is there such a discrepancy from the perceived goal of integrating a new hire into the company's culture versus the actual time spent on "people"? Recently, Axios HR helped a client build a structured onboarding process and the project's result helped to directly answer this question.

The client (an urban charter school) had a dire need to fill positions, so the emphasis was on getting new hires "in the classroom" as quickly as possible. This is an issue that all industries face as the demand for help increases. Because of this push, the opportunity to successfully integrate a new hire into the organization's culture was lost, ultimately creating scenarios that are symptomatic of poor onboarding.

In 2016, before the onboarding process, the turnover rate was 30% and largely voluntary. In addition to this high turnover rate, the decrease in production was clear in measured performance outputs. Test scores decreased, absenteeism increased, and other critical metrics showed deteriorating numbers.

Since implementing a new orientation process the turnover rate for this client has decreased by 10%, and that number is expected to continue improving. Of all terminations, only 4% were voluntary and the school is currently 100% staffed. Staff attendance has dramatically improved, students' scores have greatly improved, and the other key performance indicators have shown better results.

Care | Communicate Your Values through Action

What did the charter school do to improve the onboarding process and change the focus from paperwork to people? To start, we helped the client review their full onboarding program and seek feedback from current and former employees. The process itself was a very hands on exercise and provided a helpful checklist that any employer can use. We hope that you find the tool below helpful when building your own process!



Pre-Arrival

- Contact employee to answer any questions and confirm first day
- Send new hire a list of what to bring on the first day
- Determine needs of employee to become productive as quickly as possible
- Prepare onboarding packet (includes organizational chart, resources, web sites, etc.)
- Create a training schedule
- Prepare new hire's work station
- Contact IT
- Email staff to announce new hire

First Day

- Manager welcomes and escorts employee to employee orientation
- Complete tax forms and i-9
- Review onboarding packet
 - Review employee handbook
 - Review finance procedures (travel and other business expenses)
 - Review IT procedures
 - Review security protocol
 - Review timekeeping procedures
- Tour facility and introduce new hire to employees
- Provide a list of local amenities (restaurants, ATMs, Pharmacy, etc.)
- Introduce mentor

First Week

- Manager meets with employee to develop goals
- Review training schedule
- Introduce performance review process
- Provide learning aids
- Review contacts that can help when needed
- Manager schedules a lunch with new hire

First 12 Months

- Provide feedback on performance
- Solicit informal feedback from peers
- Look for ways to integrate employee into groups/teams
- Encourage employee to share ideas for improving the operations, strategies, and/or culture of the organization

Form Completed by: _____ Date: _____