Corporate Learning *Watch*

Employee Onboarding

Good First Impressions Can Lead to Long-Term Retention

Watch List

- Effective onboarding programs have been tied to significantly higher employee retention rates.

- The cost of replacing an employee can be more than double the employee's salary, so onboarding programs provide a strong return on investment: A key concern during times of economic strain.

- By 2014, almost half the US workforce will be made up of people from the Net Generation. Onboarding programs need to be flexible in order to accommodate the different learning needs of this population.

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Key Takeaways

- Onboarding refers to all aspects of the process of bringing new hires "on board" and helping them become productive, long-term employees.

- Orientation, which includes administrative details like payroll, benefits, and compliance issues, is a subset of onboarding.

- Onboarding can take anywhere from six months to a year; however long it takes for new hires to be fully integrated into the organization.

- Effective onboarding leads to happier employees, who are more productive and more likely to stay in the same company.

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Executive Summary

Onboarding is a blanket term that encompasses all aspects of bringing a new employee on board: Recruiting, hiring, orientation, training, and long-term integration. Onboarding should be distinguished from traditional orientation programs; while orientations are short-term, operationally-driven events, onboarding programs are part of a more strategic process, focusing on helping the new hire adapt to company culture and become a productive and long-standing employee.

Effective onboarding is crucial for nurturing productive, enduring employees. First impressions speak volumes to new hires, and if they feel that their new employer does not value or support them, they will already be planning their exit strategy by the end of their first week on the job. It can cost more than twice an employee's salary to replace him or her, so although onboarding programs can be costly, they still cost less than the price of high employee turnover. Onboarding programs may require the training of supervisors or peer mentors to effectively support new hires as they grow into their new roles.

Formal onboarding programs usually last from six months to a year, and they include the more traditional aspects of orientation programs. Basic orientation covers mostly administrative details like payroll, benefits, vacation, policies and procedures. Orientation is often done in conjunction with the Human Resources (HR) department, and it is usually universal for all employees. Many aspects of onboarding, on the other hand, are tailored specifically to the individual employee. The new hire's immediate supervisor is the one who is most involved with the onboarding process; it is the supervisor who works most closely with the new hire, shares job-critical information, and helps set attainable goals so that the employee can become productive as soon as possible.

There is no universal onboarding program that all companies should follow. Rather, a series of best practices should inform how each organization sets up its own program. The overall goal of onboarding is to make new employees feel welcome, productive, and sure of their place in the company, as well as aware of the culture and mission. This cannot be accomplished in one day of Power Point presentations; rather, thought and planning can lead to happy employees who contribute to their organizations quickly and for many years to come.

Business Options & Best Practices

What is Onboarding?

Onboarding refers to all of the factors that lead to a new employee being hired, oriented, trained, and "mainstreamed" into an organization (Lofstock, 2008). The term orientation is understood to refer to the process that a new hire goes through when beginning his or her job. In recent years, the term onboarding has gained popularity as a concept that more broadly covers the ways that organizations integrate new employees into their jobs.

Although the terms are sometimes used interchangeably, the differences among these terms are not just semantic. In particular, experts note several differences between what is meant by onboarding and what is meant by orientation:

- Content: Orientation programs cover all administrative issues like payroll, benefits, vacation and sick time, technology assignment and policies, and any relevant HR issues. It may also broadly cover issues relating to company mission, history and culture. Onboarding involves a more tactical plan for the employee's ongoing success in their role and in the organization (South Carolina Budget and Control Board Office of Human Resources, n.d.).

- Timing: Orientation programs may last for a day or even for a week, but onboarding programs should last from six months to a year.

- Personnel involved: Orientation is often carried out by or done in collaboration with the HR department. Onboarding requires more substantial participation from the new hire's direct supervisor and teammates.

- Focus: orientation's focus tends to be operational, while onboarding's focus is more on the employee's overall integration into the company and adaptation to the culture ("What is the difference…," 2009).

Benefits to Onboarding Programs

"You never get a second chance to make a first impression," and nowhere is this adage more true than during a new hire's earliest days or weeks on the job. One survey found that 44 percent of new employees did not feel that they were given the support they needed in their first few weeks on the job (Morris, 2005). Even in a slow job market, new hires want to know that they have made a good choice in their new organization, and it is up to these organizations to welcome the new employee and help him or her get fully integrated for the long-term.

Successful onboarding programs are not cheap, so why implement extensive integration initiatives during times when budgets are tight? Simply put, replacing employees is far more expensive than onboarding them effectively. Numerous studies have shown that replacing an employee can cost more than double that employee's salary (Morris, 2005). Meanwhile, the organizations with the lowest employee turnover rates (under five percent) are those that have formal onboarding processes in place (Van Dam, 2007). Companies are certainly never looking to spend extra money, but in times of tightened budgets, it is more important than ever to make sure that training money is well-spent.

The purposes of integration programs are manifold:

1. Introducing company culture: New hires should be introduced to the organization's history, mission and vision and given a sense why he or she is a good fit with company culture.

2. Creating a good impression of the organization: This may seem overly straightforward, but an important purpose of onboarding programs is convincing new hires that they made a good choice.

3. Easing the transition: An employee's entrée into a new job can be incredibly stressful. Proactive com-

panies will ease new employees' anxiety through structure and support. This is particularly relevant to the new hire's immediate supervisor and teammates.

4. Discussing performance expectations: People feel more secure – and perform better – when they understand exactly what is expected of them. An important function of the onboarding program is setting goals and measures for the employee's performance and then following up regularly.

5. Fulfilling administrative requirements: Once the sum-total of an employee's introduction to his or her new company, the completion of administrative duties still must form a part of a new hire's integration. These requirements usually include signing paperwork and going over policies for many of the following issues: Payroll, benefits, vacation, telecommuting or flex-time rules, insurance, ethics, technology and social media, retirement plans, and others (list adapted from Caruth, Caruth & Pane Hayden, 2010).

Best Practices for Onboarding Programs

There is no one set onboarding program that will guarantee success. Rather, there exists a series of best practices that can be combined to improve the new hires' chances of success. Components from the following list may be mixed and matched to create the most effective program:

• Welcome new hires warmly: This simple piece of advice is often ignored. Managers and teammates, busy with their own work and deadlines, often greet new hires with a brief handshake and curt "welcome aboard." In fact, it is often noted that there is more celebration for the retirement of a veteran employee than for the hiring of a new one (Traynor, 2008). Reverse this trend by arranging a lunch to celebrate the employee's first day or week of work. If the company budget won't sup-

port paying for the endeavor, organize a potluck for the team, department, or entire company.

As part of the welcoming activities, make sure that the new employee gets to meet a wide range of his or her new colleagues from different departments, including HR, IT, and other important functions. One fun activity is to give the employee a passport that he or she needs to have "stamped" by different people throughout the company (Hacker, 2004). A similar way to get the new hire familiar with the physical layout of the organization is to arrange a scavenger hunt, where the employee needs to find prizes at each of the locations. Such activities are fun, engaging, and help to get the new employee acclimated to his or her environs.

• Make sure equipment is assigned and functional: This too should be simple and straightforward, yet many employees tell of first days of work where they had neither phone nor computer nor sometimes even desk (Morris, 2005). A corollary of making employees feel welcome (see above) is letting them know that they are coming to a job that is ready and excited to have them start work. There is no excuse for not being ready for a new hire, so make sure to give the relevant departments (IT, Security, Maintenance) ample warning to prepare what is needed. This includes office furniture (desk, chair, filing cabinet), office supplies (pens, paper, files, paper clips), technology (both equipment and relevant access and passwords) and anything else that the employee will need in order to get to work.

• Maximize technology: Many of the clerical details that surround new hires can be managed with technology, thus saving time, money and energy. For a new employee to become productive and integrated as soon as possible, he or she should not have to spend the first few hours at the company filling out paperwork. Instead, make this

paperwork available online, so that the employee can access it from home. Software now exists for the express purpose of making onboarding and orientation processes easier (Moscato, 2005).

Technology can also help manage the administrative process for any training that new hires need to attend. Learning Management Systems (LMSs) and Learning Content Management Systems (LCMSs) are large-scale software programs that help organizations manage attendance, enrollment, participants, instructors, assessment, and all other management aspects related to the training process.

A strong LCMS automates many factors of employee learning. For most new hires, there are going to be standard trainings that they need to attend. In addition, an individual's new supervisor might identify specific, department-related information that the employee needs to attain. So a new employee may log into the LCMS to find a learning plan that contains several self-directed learning modules as well as a way to sign up for face-to-face trainings, which are also scheduled and managed by the LCMS. As the employee moves through the company, the LCMS continues to manage and keep track of the employee's learning plan as well as the learning plans of all the organization's employees. This allows managers to use learning trends and needs to make better decisions.

Web 2.0 tools are also gaining popularity as a way to foster informal learning. The term Web 2.0 refers to internet-based applications that allow for, and are focused on, user interaction and participation. Such applications include open-source software development, wikis, video- and media-sharing sites, chat rooms, social networks, and other forums for collaboration and communication. As discussed further below, Net Generation employees are accustomed to using these tools to build their own learning.

- Train managers appropriately: One of the biggest disconnects can occur when the new hire's

immediate supervisor cannot provide the support and guidance that the employee needs. In many cases, the employee's supervisor is his or her closest contact at the company, at least for the first few weeks, so the importance of this role cannot be underrated. Experts suggest making sure that all managers understand the importance of successful onboarding in reducing employee turnover and improving employee productivity (Caruth, Caruth & Hayden, 2010). With that in place, supervisors can work on how they present the organization, the department, and the way the new employee fits in. In some organizations, managers are assessed not only on how well they do their own jobs, but also on how well they support new employees in their growth (Gustafson, 2005).

- Consider an On-the-Job Coaching (OJC) model: Many companies have a mentor or buddy system in place so that new employees can learn by shadowing a veteran employee who is familiar with the job and its requirements. There are sound reasons for such an approach; it cuts down on training costs, it doesn't take as much time out of work, and the learning has the capacity to be much deeper and more effective as the employee learns by doing instead of just watching. However, just randomly assigning new hires to veteran employees can doom such a program to failure; rather, experienced employees need support and training so that they can provide the best support to new employees.

With an OJC model, the first step is to make sure that potential coaches fit three key criteria:

- They have worked in their function for at least one year
- They have been nominated by a supervisor
- They are willing to participate (Bruno, 2010).

With these factors established, coaches should receive some training on how best to communicate job-critical information to their charges. The

training should include basic relationship-building skills as well as how to model and teach the specific content.

- Have a universal Day One orientation: Onboarding is tailored to the individual employee, on-going, and long-term. Orientation, on the other hand, is more universal and is usually more of an event than a process. There is certain information that all new employees need and certain tasks that all new employees need to fulfill. Standardize this process, so that all new hires have the same experience; hopefully, it is a good one (Traynor, 2008). The HR department should coordinate this process with individual department heads to make sure that the orientation meets all of the company's needs.

- Clarify expectations and schedule check-ins: Keep new employees on track by discussing short-term and long-term goals for him or her to reach. This should be done during the first week on the job and repeated frequently. Use this time to develop a learning plan, giving the employee a sense of the opportunities for growth and support. The goals and measures discussed should be a collaboration between the employee and manager: A chance to assess strengths, weaknesses, and priorities.

- Engage the Net Generation: the Net Generation (born between the late 1970s and the 1990s), also called the Millennial Generation or Generation Y, is the first generation to truly grow up with technology. By the time most Net Gens entered high school, education was already infused with technology. As children and young adults, Net-Geners learned to depend on technology not only to aid their productivity, but also to support their learning and to communicate with each other. That communication and collaboration comes more naturally to them than it might to people who didn't grow up with sites like Facebook and MySpace to keep them connected. Net-Geners expect to be able to both build their own learning independently and also collaborate with others.

Since Millennials will make up over half the workforce by 2014, it is important for proactive companies to recruit and onboard these tech-savvy individuals with care (Meister, 2010). Because Net-Geners value communication, flexibility, and feedback, programs should be designed to incorporate these elements as much as possible. Web 2.0 tools like wikis and threaded discussions should be available for instant communication and collaboration. If possible, games and simulations should be included in the onboarding program, along with other engaging activities (Meister, 2007).

Acronyms

HR: Human Resources
LCMS: Learning Content Management System
LMS: Learning Management System

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