

WELCOME TO THE 21ST CENTURY, ONBOARDING!

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Report Highlights

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Only 32% of companies currently have a formal onboarding process in place.

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Companies with shorter onboarding programs are 9% less likely to retain their first-year employees compared to those with programs that are a month or more.

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Best-in-Class businesses are 2.5x more likely to track their new hires' progress in the onboarding process.

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Firms that use pre-onboarding are 1.6x more likely to have a lower cost per hire than those without.

Let's face it: the onboarding process is in need of an overhaul. Too many companies still use paper forms, many are disorganized in their tracking of employees' progress, and too many wait until employees are just starting work to begin onboarding. This report will explain the importance of updating onboarding to a twenty-first century approach, one that transforms new employees into ready-and-able contributors.

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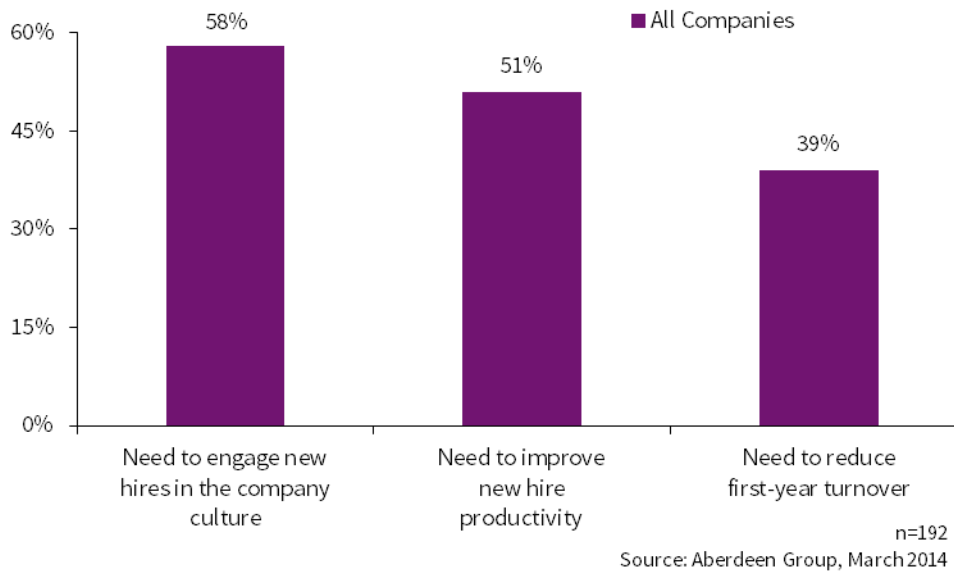
Considering all of the time, money, and effort that companies put into sourcing, interviewing, assessing, and hiring candidates, it may shock you to find that, per Aberdeen's recent [*Talent Acquisition 2014: Reverse the Regressive Curse*](#) (June 2014) research, only 32% of companies have a formal onboarding process in place. To complicate matters further, 71% of companies say they plan to increase hiring over the next 12 months, but how will they handle this new workforce? How will these new employees adapt to their new work expectations and environment without thorough, clear guidance ahead of time?

[The Importance of Onboarding](#)

Onboarding is one of the best points to align new employees with the expectations of their new employer. When onboarding is successful, new employees will feel more engaged, they'll be more motivated to perform well, and they'll be that much more ready to contribute to the bottom line. To be successful, enterprises need to make onboarding a top priority by interacting with new hires before their first day, by analyzing the value of transitioning to an automated, electronic new-hire orientation, and by providing new employees with everything they need at their fingertips.

The days before and after an employee's start date are vital to setting the standards for their future. When onboarding is obsolete or brief, there's a good chance it will lead to less engaged employees who might leave their new companies. In fact, per Aberdeen's [*Strategic Onboarding 2013: A New Look at New Hires*](#) (April 2013) report, 90% of businesses believe that employees make their decision to stay with their employers within their first year of employment. As a result, more than half (58%) of companies have sought out onboarding programs in order to better engage new hires and help them acclimate to the company culture (Figure 1).

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Figure 1: Biggest Influencers of Onboarding Efforts

Businesses looking to engage and improve the productivity of their new hires, as well as reduce first-year turnover, should consider the power that contemporary onboarding provides them. Companies must approach the socialization of their new employees as a way to support their potential productivity, and empower them with the tools they need to succeed.

Extend the Process with Pre-boarding

Businesses looking to demonstrate the importance they place on new employees and their engagement should extend the traditional onboarding process by beginning it even before new hires start and then continuing it beyond the first few days. The amount of time needed before employees start is company- and industry-specific, but it doesn't necessarily have to be weeks in advance. Instead, it should be just enough time to allow new hires to feel comfortable and ready to learn and then participate. Pre-boarding shouldn't be a complicated process either. The activities and applicable materials chosen for the process should be available online, either in a portal or sent over by email, so

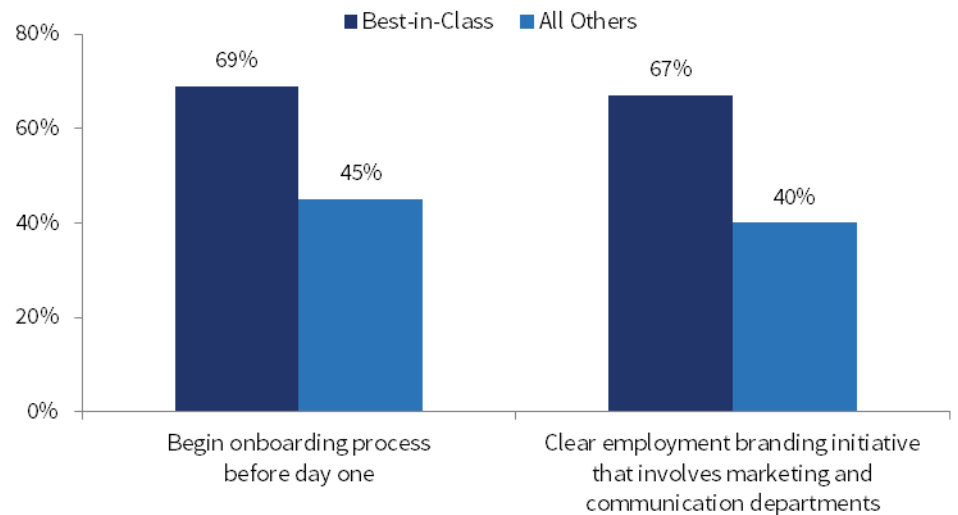
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Best-in-Class companies are 35% more likely to begin the onboarding process before day one as compared to All Other companies combined.

that new employees can absorb the information even before their first day.

Providing new hires with such an opportunity is especially important to top-performing companies. Notably, Best-in-Class companies are 35% more likely to begin the onboarding process before day one as compared to All Other companies combined (69% vs. 45%) (Figure 2). Best-in-Class companies are also significantly more in touch with their brand and what that it says about them to potential applicants, new hires, and customers.

Figure 2: Smart Companies Plan Ahead



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Source: Aberdeen Group, March 2014

Top businesses understand that it's important to show both candidates (through a clear employment brand) and new hires (through an early onboarding process) that their engagement with the company is top of mind. Organizations striving to identify and hire the best must clearly communicate their mission, corporate identity, and core values to candidates and new hires alike. Without an understanding of the company culture, neither candidates nor new hires will be able to easily

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connect with businesses. And yet, per Aberdeen's [Employee Engagement for Business Results](#) (February 2014) research, only 32% of organizations communicate their core values to candidates and new employees alike.

By pre-boarding employees, companies give their new talent insight into what's to come. It gives new hires an opportunity to interact with their future colleagues, to better grasp their future day-to-day activities and what to expect from their new employer, and to ensure they are engaged and ready to contribute from the very first day. Top companies are 18% more likely to provide information on the company's norms, everyday etiquette, and values to help ready new hires as compared to All Others (79% vs. 65%). Pre-boarding can also help companies differentiate the fun, more interactive aspects of joining, such as an electronic tour of the company, self-service portals with relevant information, and the ability to communicate with future colleagues, from the often less appealing aspects of starting a new job, most notably paperwork, which is a daunting, often unpleasant process.

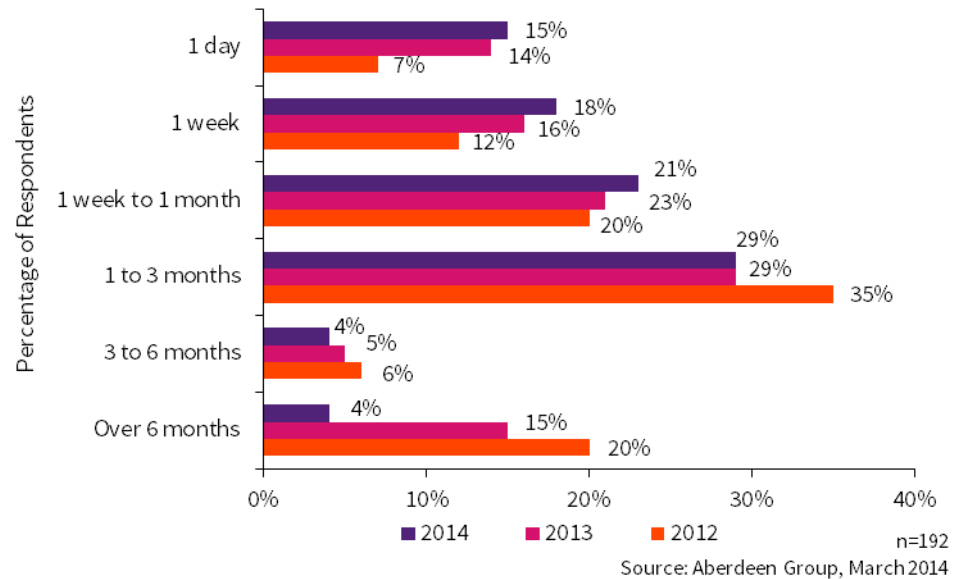
Don't Rush Onboarding

A great starting point for revamping onboarding is to consider the amount of time set aside for new-hire training. Per Aberdeen's [Talent Acquisition 2014](#) research, one fifth of companies' new-hire processes take a week, and for 15% of companies, onboarding takes just a day. These short onboarding programs are growing ever more popular: only 37% (compared to 49% in 2013, and 61% in 2012) of companies extend their programs beyond one month (Figure 3).

Only 32% of organizations communicate their core values to candidates and new employees alike.

Only 37% - compared to 49% in 2013, and 61% in 2012 - of companies extend their programs beyond the first month.

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Figure 3: Onboarding's Long-Term Progress

Short onboarding programs often make it harder for employees to build out the skill sets and comprehension necessary to be successful in their jobs. Shorter programs can also lead to lower employee retention. Companies whose employees participate in shorter onboarding programs (i.e., those that are a month or less) are 9% less likely to retain their first-year employees as compared to businesses whose employees' onboarding is a month or more (74% vs. 81%). An increasing percentage of companies—more than double the amount from 2012 (15% vs. 7%)—have reverted to a one day onboarding program. One day of training—no matter if the job is in retail, customer service, or accounting—is not enough time for most new employees to feel comfortable with their work expectations.

After all, onboarding is about getting employees acclimated and engaged, first, so that they can start being productive when they're prepared. Top companies understand this, and are 28% more likely to measure employee engagement with the onboarding process to ensure employees understand what's expected of them, than All Others (75% vs. 54%). Businesses

Companies with shorter onboarding programs are 9% less likely to retain their first-year employees than those with a month or longer program.

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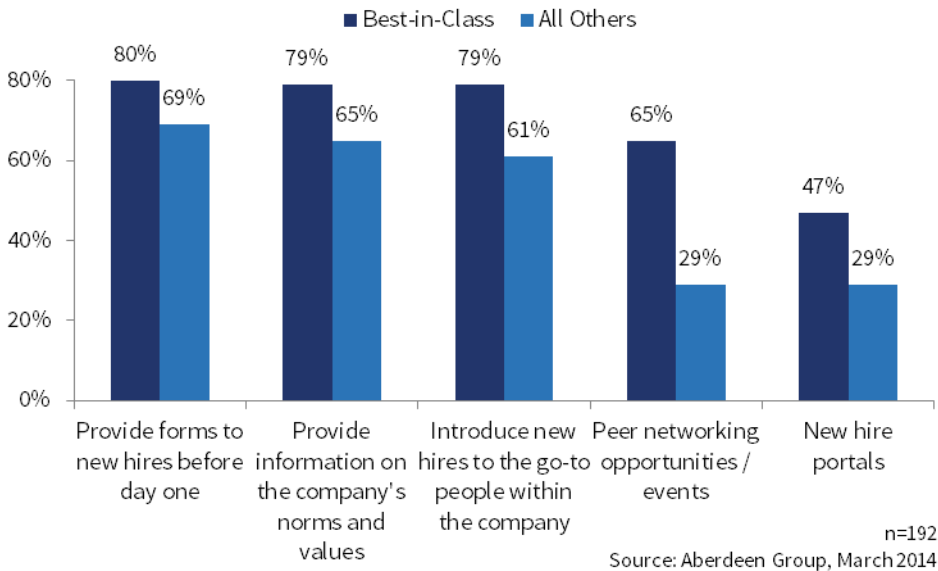
looking to establish a Best-in-Class onboarding strategy should blend engagement with other tactics to further illustrate their commitment to their employees' development and engagement, such as electronic forms, job-specific materials, self-service portals, and pre-boarding.

Welcome to the Twenty-First Century, Onboarding

Once the actual onboarding process commences, completing new hire forms and paperwork are a necessity, but that doesn't mean they have to be unwieldy and outdated. A good start is to ditch actual printed forms and documents and replace them with online, electronic ones. Also, don't overwhelm new employees by emailing them all of the paperwork right when they start; instead, ease them into the process and provide half in pre-boarding and half on their first day. Best-in-Class companies understand the importance of splitting up paperwork, and are 14% more likely than All Others to provide forms to new hires before day one (80% vs. 69%) (Figure 4).

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Figure 4: Onboarding Best Practices



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Best-in-Class companies are 1.6 times more likely to offer a portal to new hires where they can access forms and other relevant onboarding content.

Alternatively, automate this aspect of the onboarding process and make all of the forms available in a self-service portal. New employees appreciate when they're given control and can demonstrate that they can accomplish what's expected of them. Best-in-Class companies are 1.6 times more likely to offer a portal to new hires where they can access forms and other relevant onboarding content (47% vs. 29%). Charge new employees with exploring the site on their own, giving them the opportunity to access content when they need it.

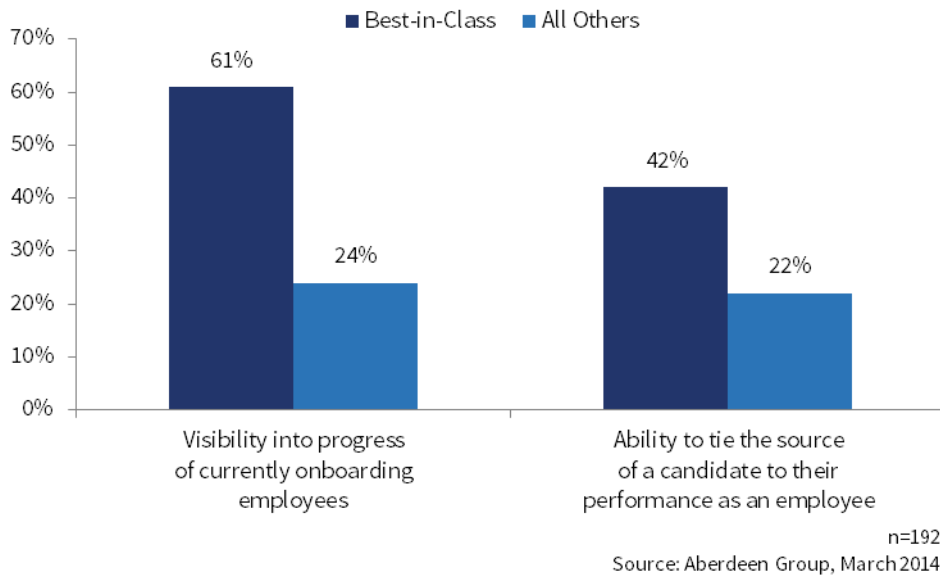
Don't limit the content in the portal to just tax and benefits forms, either; provide new hires with the opportunity to view learning videos, to see their upcoming training, and take surveys relating to their experiences so far. While soon-to-be employees in the pre-boarding process can't meet their new colleagues in person yet, portals can include helpful content such as a 'meet your teammates' page or an online peer network. Top businesses are more than twice as likely (2.24x) to offer their new hires peer-networking opportunities or events (65% vs. 29%). Resources like these ensure that the onboarding process is as fruitful as possible for new hires, and, in turn, that fresh talent is engaged and ready to contribute as soon as possible.

Connect the Process with Employees

Best-in-Class companies are 2.54 as likely to track their new hires progress in the onboarding process.

Onboarding can't be the same for all roles, so be sure to conduct programs, trainings, and activities that align with the roles and the employees' needs. Another way to maximize on the effectiveness of onboarding is to track the progress of currently onboarding employees to determine if changes need to be made to their own socialization, as well as for future employees. Best-in-Class companies are more than twice as likely (2.54x) to track their new hires' progress in the onboarding process (61% vs. 24%) (Figure 5).

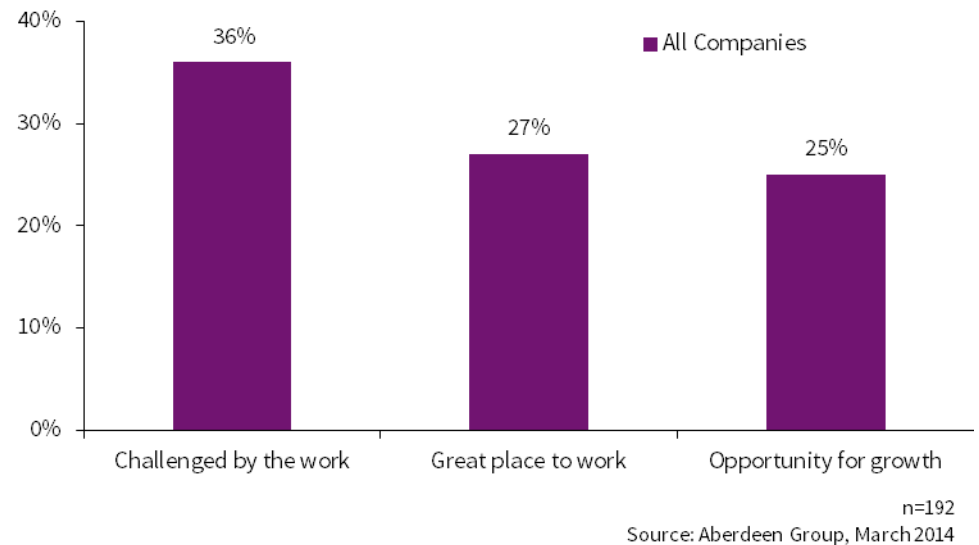
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Figure 5: Link Onboarding to Employee Success

Another method to make onboarding as beneficial as possible is to connect the candidates' source of hire with their overall performance. Top companies are almost twice as likely (1.9x) to tie their new employees' source of hire to their performance. If particular avenues continue to bring in enthusiastic, engaged, and capable employees, organizations can then invest more talent acquisition resources accordingly.

Keys to Committed Employees

In order for engagement to be more than just an aspiration, organizations need to better understand what motivates and excites their new hires, as well as what makes employees run in the first year. Aberdeen asked companies to identify why they believed candidates wanted to contribute to business-driven goals at their organizations, and the biggest reason was being challenged by their job (36%) (Figure 6).

Figure 6: How Do You Get Them To Stay?

Organizations that use pre-hire assessments experienced a 39% lower turnover among high-potential talent.

It might be difficult for new talent to fully grasp what the workload will be like while in the onboarding process, so companies need to be sure that their new hires' expectations are at least met if they hope to retain them. A great way to be sure of that is to include the results of pre-hire assessments in the onboarding process. That way, the onboarding owner—the HR department, the hiring manager, or whomever else – has a clear understanding of new hires' strengths, weaknesses, and general interests, and can adjust the process appropriately. Per Aberdeen's report, [*Getting the Most Out of Your Pre-hire Assessments*](#) (May 2014), organizations that use pre-hire assessments experienced a 39% lower turnover among high-potential talent. Employees are more likely to commit to their new employers when they recognize an opportunity for growth and when they can see that employees are treated well.

What's the Impact of Onboarding?

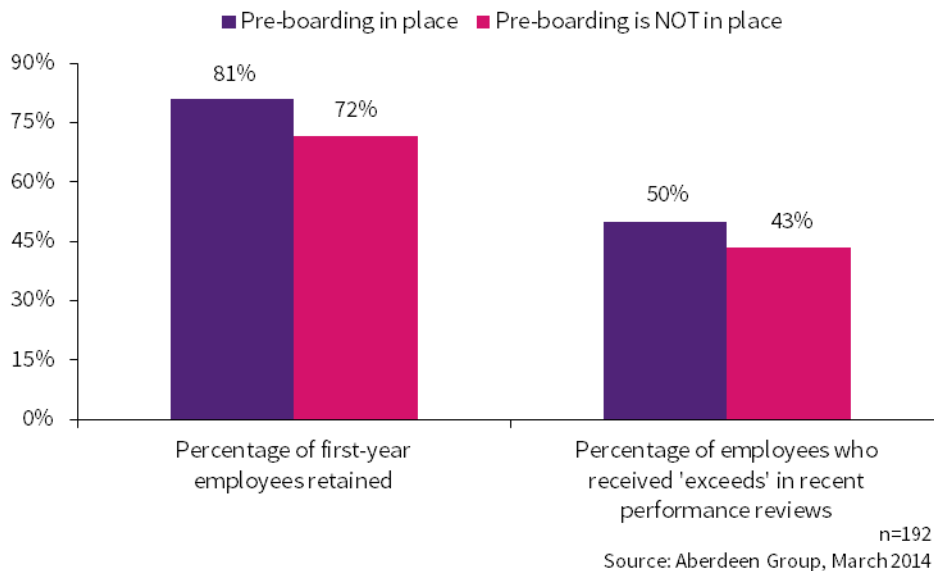
Despite the value gained from rolling out a thorough, well designed onboarding program, it's challenging to determine the

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exact return on investment. Since employee socialization is linked with both talent acquisition and talent management, it's hard to say which has the biggest impact on major, internal key performance indicators, such as employee retention, cost per hire, and time to productivity. What is easier to determine, however, is how valuable the onboarding process is for developing a workforce that is capable, comfortable, and engaged.

When it comes to tactics like pre-boarding, for example, there's a clear return on investment. Companies with pre-boarding in place are 11% more likely to retain first-year employees as compared to those without pre-boarding in place (81% vs. 72%). Companies with pre-boarding in place are also 14% more likely to have employees who exceed their performance expectations in their internal reviews (50% vs. 43%) (Figure 7).

Figure 7: Measuring the Impact of Pre-boarding



Even further to the point, organizations with pre-boarding in place are 17% more likely to have a higher rate of hiring manager satisfaction as compared to companies without pre-boarding in

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place (7% vs. 5.8%). And firms that use pre-boarding are 1.63 times more likely to have a lower cost per hire than those without pre-boarding in place (1.8% vs. 1.1%). Pre-boarding can be a very effective method to get new employees on the right track early on, but it may not be for everyone. In turn, competitors might already use such tactics, so it's important to have other means to expand the onboarding experience. As mentioned previously, longer onboarding initiatives can lead to higher employee retention. Specifically, companies whose onboarding process is a month or more are 9% more likely to retain their first-year employees compared to those with shorter programs (less than a month) (81% vs. 74%).

Next Steps

No matter what a company's current approach to onboarding looks like, these recommendations will help create a more mature, effective onboarding process.

- ➔ **Communicate the dos and the don'ts:** If not already in place, companies must communicate their core values, mission statement, and adhering principles to new hires as soon as possible. New hires will find it challenging to connect with their new employer without an understanding of the company culture. The sooner such information can be disseminated, the more likely employees are to understand what they can and can't do. According to Aberdeen's 2013 employee engagement research, only 32% of organizations provide communication around the core values. Don't be one of those companies, and be as transparent as possible from the beginning.
- ➔ **Support managers by sharing insight:** Managers often lack the tools, resources, and insights needed to engage

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new hires. While 61% of Best-in-Class businesses currently give their managers and other relevant stakeholders visibility into the status of new hires, only 24% of All Other companies offer such information and insight. Organizations looking to make the most of onboarding programs must empower managers by providing them with what they need to improve the new hire experience. In addition, managers should be seeking out direct feedback from their new hires in a greater effort to continue to improve employee socialization.

- ➔ **Connect new hires with their colleagues:** New hires will feel significantly more comfortable when they can interact, collaborate, and network with their future peers. Only 35% of all organizations provide peer networking opportunities for new hires; companies looking for greater employee engagement should increase such opportunities. Your new hires will thank you later.
- ➔ **Extend onboarding into learning and development:** As organizations build out their onboarding programs, the connection between onboarding and learning is hard to deny. Both of these processes share similar results, including increased productivity and stronger engagement. While only 26% of current businesses strive to link onboarding and learning initiatives together, Aberdeen's onboarding research shows that top-performing businesses link learning with onboarding most effectively. Through this connection, these organizations are better positioned to drive productivity and organizational growth. By integrating onboarding with learning, especially with resources like self-service portals in play, organizations enable new hires to begin training, building skill sets, and becoming certified, as

Currently, 61% of Best-in-Class businesses give their managers and other relevant stakeholders visibility into the status of new hires as compared to only 24% of All Others.

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applicable, well in advance, especially with the help of the pre-boarding process.

Final Thoughts

Businesses looking to transform their basic onboarding program into a new hire strategy that drives employee engagement and strong business results should consider starting the process before day one. Many organizations understand that engaging new hires is paramount to productivity and long-term retention, but only a few have the tools and insight to make it a reality. By sharing corporate core values, supporting management, establishing a dialogue between employees, and extending onboarding, any business can establish a culture where engagement is no longer ignored, and the new hire experience takes priority.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[*Can You See Me Now? What Video Talent Acquisition Can Do For You*](#); November 2014

[*Mobile Talent Acquisition: Adjusting to the Times*](#); June 2014

[*Talent Acquisition 2014: Reverse the Regressive Curse*](#); June 2014

[*Translating High Potential into High Performance*](#); April 2014

[*Human Capital Trends 2014: Developing a Critical Eye for Talent*](#); January 2014

[*Social Sourcing: Measuring Social's Effectiveness for Talent Acquisition*](#); September 2013

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