

Best practices
for retaining new
employees:
New approaches
to effective
onboarding*

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About Saratoga®

Saratoga, a service offering of PricewaterhouseCoopers, teams with executives and HR departments to identify, quantify, and track the results of people initiatives in terms of dollars gained—or lost—because of the actions of managers and work teams. For more than 30 years, Saratoga has stood at the forefront of defining and optimizing talent and the workforce investment and has helped thousands of clients define the return on investment in HR.

To learn more about Saratoga, please visit our website:
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Introduction

Nearly one in three newly hired employees leave voluntarily or involuntarily before the end of their first year.

Companies today are facing sobering facts: Nearly one in three of newly hired employees leave the company voluntarily or involuntarily before the end of their first year. And this number has been increasing steadily for the last four years. Companies typically have little opportunity to recoup their investment in new employees who leave or are terminated after a short period of time, resulting in a negative impact on productivity, workforce stability, and ultimately, organizational results.

The costs of new-hire turnover are immediate and significant. Calculating the business impact covers many components, including the cost to hire a replacement, compensation and benefits paid to the departed employee, cost of training, cost of facilities, systems and tools, cost of on-the-job training (for example, lost time for the hiring manager and team), cost of hiring manager (and team), time to hire the replacement, and more. In total, Saratoga, a human capital consulting service of PricewaterhouseCoopers, estimates that costs can be 50 percent to 150 percent of the annual salary for the job. Often, the company gets only very limited productivity in the first year of employment, especially in comparison to its significant investment.

To address growing new-hire turnover rates, companies that apply leading practices are adopting new tactics and strategies to better select, assimilate, and retain this critical employee group. To succeed, companies know they must focus on improvements in efficiency and effectiveness. To achieve these goals, many are turning to onboarding programs to convert new hires into effective performers. Properly defined, onboarding includes sourcing, selecting, orienting, assimilating, and, ultimately, retaining new employees. Success in the onboarding process requires that new hires:

- Reach expected productivity levels
- Become acclimated to the company's culture
- Meet the company's compliance and documentation requirements

Properly defined, onboarding includes sourcing, selecting, orienting, assimilating, and, ultimately, retaining new employees.

Many factors can affect a company's new-hire retention rate. Problems born in the hiring process resulting in a poor quality hire include the following:

- Poor communication or understanding of the role and its responsibilities
- Inadequate recruitment sources and candidate pool
- Poor selections
- Poor coordination between the recruiter and hiring manager

Other issues arise in the assimilation and onboarding process. These include:

- Poor onboarding processes
- Poor coordination between the new manager and new hire
- Difference between the role and how it was advertised

Saratoga differentiates “orientation” from “onboarding.” Traditionally, companies have focused on orientation, which involves a wide range of administrative activities. These have included:

- Communicating information about pay and benefits
- Reviewing organizational rules and policies
- Completing paperwork
- Receiving and accessing systems and work tools

Saratoga research suggests that onboarding programs also stress the importance of:

- Understanding the competencies and cultural requirements of both the company and the role and assessing and selecting candidates most likely to succeed in the position
- Measuring hiring success not simply by the amount of time it takes to hire, or the cost to hire, but ultimately by the success of the new hire in the organization
- Coordinating multiple internal functions to seamlessly support both the new hire and the hiring manager, including functions such as human resources (HR) and employee records, payroll, benefits, information technology (IT) systems, and facilities
- Socializing employees and assimilating them into the company culture
- Soliciting the active participation of new hires and encouraging them to ask questions
- Involving management and new hires' peers in the onboarding process

Looking at all industries, the average cost of voluntary turnover for exempt employees is approximately \$106,000.

Involving management and peers in onboarding is particularly important as studies show that a major reason why newly hired employees struggle and ultimately leave employers is a failure to establish key connections and build strong interpersonal relationships within the company. Finally, leading companies avoid using a “one-size-fits-all” approach when onboarding their employees. They segment their new hires and develop onboarding programs that are geared toward needs and attributes of particular groups or departments, such as skill levels, background, age, role, and job, rather than having all new hires receive the same type of onboarding experience.

The benefits of effective onboarding are significant. As a part of its talent-management strategy, a company with well-designed and integrated onboarding processes can:

- Realize cost savings
- Speed up the time to new-hire productivity
- Improve retention rates through better employee assimilation
- Reduce the cost of turnover
- Increase efficiency
- Reduce process variances
- Provide better service levels for hiring managers
- Improve the consistency of the staffing process

While costs to operate an onboarding program can be significant, it is a worthwhile investment since onboarding gives new hires the support they need to do their jobs well and reduces turnover costs.

A. Measure and assess onboarding effectiveness.

Leading companies rely on fact-based assessments to help them decide how to improve their new-hire retention and engagement and to better assimilate workers into the company in a shorter time period. Instead of reacting to individual opinions or anecdotes about what is needed to improve the onboarding experience, effective companies first conduct baseline measurements and collect facts and data to support any actions put forward to improve the new-hire experience, such as implementing a mentoring program or offering more training.

To gather the information that will help them make an informed decision about how well their onboarding initiatives are working, companies identify efficiency and effectiveness metrics to help them monitor and report on the overall effectiveness of the process. Following are some key efficiency metrics for assessing onboarding effectiveness.

Key HR efficiency metrics

Metric	Definition
Cost per hire	Total hiring costs to fill existing requisitions— includes advertising, agency, travel and interview, new-hire relocation, employee referral bonus, and HR department recruiter compensation and benefits
Time to accept	Total number of calendar days between the date an approved requisition is received by the staffing department and the date an offer is accepted for all noncontingent positions
Cost to onboard	Cost to bring in noncontingent new hires— includes new-hire orientation program costs (including salary and benefits of trainers and support staff), costs of tools needed to perform the job (including computers and phones), IT support, start-up costs (including time to set up phone and computer), and uniform costs
Offer acceptance	Percentage of offers extended to candidates that were accepted

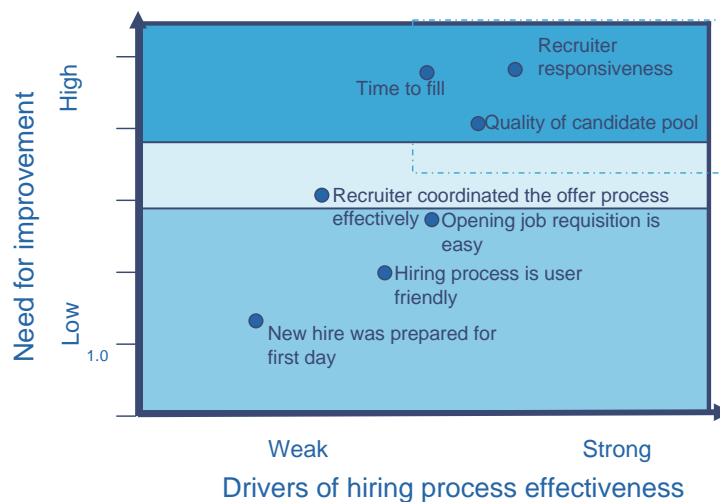
The following table shows some key HR effectiveness metrics:

Key HR effectiveness metrics

Metric	Definition
First-year separations	Percentage of new hires who voluntarily and involuntarily left the company within 12 months
90-day separations	Percentage of new hires who voluntarily and involuntarily left the company within three months
New-hire engagement	Percentage of new hires who are willing to give discretionary effort on the job and to go beyond what is expected for the success of the company

When evaluating onboarding effectiveness, companies create a measurement framework to identify areas where they might be experiencing difficulties. The measurement effort involves the entire onboarding process, beginning with sourcing. An assessment of the hiring process, for example, can help companies prioritize resources and investments to drive onboarding effectiveness. The following graph examines hiring process effectiveness and shows various factors in need of improvement. Information like this helps companies identify the drivers of hiring process effectiveness.

Saratoga driver matrix



Companies also have other important resources available to help them assess the effectiveness of their onboarding process. These resources include the various parties involved in the new-hire process, such as recently hired employees who have just experienced onboarding as well as their hiring managers.

To help collect facts and data about the onboarding process, leading companies use the following types of surveys shown in the table below:

Onboarding surveys

Type of survey	Purpose	Frequency and timing
New-hire assimilation	To obtain new hires' impressions of the processes involved in sourcing, recruiting, orientation, and assimilation	<ul style="list-style-type: none"> • Between 90 and 180 days after start date • Monthly or quarterly, depending on the volume of new hires
Hiring manager process assessment	To obtain hiring manager's opinions on the effectiveness of the onboarding process	<ul style="list-style-type: none"> • Surveyed monthly, beginning within the first 30 days after a new hire's start date
Hiring manager quality of hire assessment	To obtain hiring manager's input about the quality of new hires	<ul style="list-style-type: none"> • Surveyed monthly or quarterly, depending on the volume of newly hired employees, beginning within the first 90 to 180 days after start date

As the table of possible survey questions below shows, companies can draw up a list of questions for new hires that will help to gauge their feelings about the onboarding process.

Sample employee assimilation survey questions

-
- Were you provided the tools to do your job effectively?

 - Can you count on receiving help and support when needed?

 - Did you receive your first paycheck on time?

 - Was it clear to you what to do once you received your offer letter?

 - Do your managers take the time to coach you?

 - Were the instructions you received about benefits enrollment clear?

 - Did you receive enough detail to complete new-hire tasks?

 - Did you feel welcome on your first day?

 - Did you receive your computer and computer systems in a timely manner?

 - Is your job as it was described to you during the hiring process?

To analyze results of the surveys, companies can draw up heat maps, which show vulnerabilities they have in their onboarding processes by representing variables in clusters of colors. The heat map can be particularly helpful in understanding systemic problems that need to be addressed on a companywide basis versus those that are localized, involving a single location, manager, or recruiter.

Saratoga heat map

ABC Co - orientation heat map Average impact score low to high	All	BU1	BU2	Directors Sr. staff	Seattle office	Mfg.	Atlanta office	Mgr.	Exp. hires	Staff	Sales	Isolated issues	
												Dallas office	SJ office
No. participants =	12343		3794	1176	265	305	190	94	127	111	1745	389	569
I am able to achieve work/life balance in my current job.	0.71	0.77	0.74	0.77	0.69	0.56	0.95	1.02	0.72	0.78	1.06	1.12	1.24
I have been provided the tools to do my job effectively.	0.72	0.67	0.71	0.67	0.43	0.44	0.79	0.54	0.96	0.59	1.10	1.07	0.92
At ABC, I can count on receiving help and support when needed.	0.78	0.72	0.78	0.72	0.64	0.64	0.95	0.49	1.00	0.36	1.07	1.11	1.14
I received my first pay check on time.	0.80	0.52	0.79	0.52	0.71	1.08	0.61	0.98	1.15	1.09	0.96	1.35	1.31
Teamwork and cooperation are encouraged at ABC.	0.80	0.82	0.78	0.82	0.61	0.45	0.98	0.38	1.00	0.28	1.25	1.13	1.14
The people I work with cooperate to get the job done.	0.83	0.60	0.83	0.60	0.80	1.00	0.68	0.98	1.21	0.93	1.01	1.35	1.45
My colleagues are hard workers.	0.88	0.87	0.89	0.87	1.01	1.14	0.99	0.88	0.90	0.88	1.05	1.17	1.20
I feel it is important for me to help other departments.	0.90	0.79	0.90	0.79	0.83	1.02	1.08	0.86	0.72	0.76	1.56	1.24	1.40
ABC has a climate in which diverse perspectives are valued.	0.93	0.75	0.95	0.75	0.83	0.75	1.09	1.12	1.10	1.20	1.23	1.48	1.30
I can voice my opinion without fear of retaliation or retribution.	0.95	0.90	0.97	0.90	0.88	0.79	1.04	1.13	1.09	0.80	1.29	1.30	1.51
I feel safe in my work environment.	0.97	0.84	1.00	0.84	0.76	0.82	1.07	1.13	1.29	1.34	1.63	1.61	1.25
It was clear to me what to do once I received my offer letter.	0.99	0.88	1.01	0.88	0.93	0.90	1.18	1.12	1.17	0.89	1.40	1.22	1.56
My manager takes the time to coach me.	0.99	0.79	1.02	0.79	0.94	1.13	0.84	1.08	1.24	1.15	1.40	1.59	1.46
The incentive compensation plan met my expectations.	0.99	0.80	1.03	0.80	0.93	1.19	0.86	1.08	1.27	1.21	1.46	1.76	1.54
We are kept up-to-date during difficult times	1.05	0.92	1.05	0.92	0.95	0.94	1.18	1.20	0.94	1.10	1.61	1.54	1.48
Orientation was valuable to me.	1.07	0.93	1.08	0.93	0.92	1.00	0.97	1.25	1.36	1.43	1.46	1.72	1.58
I received information on the performance management process.	1.09	1.33	1.10	1.11	1.05	0.92	1.16	1.23	1.00	1.39	1.70	1.51	1.32
Instructions about benefits enrollment were clear to me.	1.10	1.00	1.12	1.00	1.05	0.98	1.26	1.39	1.37	1.15	1.56	1.30	1.60
Orientation provided me useful information about ABC's values.	1.11	1.04	1.13	1.04	1.15	0.81	1.20	1.17	1.42	1.15	1.52	1.40	1.60
I received to enough detail to complete new-hire tasks.	1.13	1.03	1.17	1.03	0.87	0.86	1.33	1.38	1.40	1.53	1.67	1.88	1.48
I felt welcome on my first day at ABC.	1.15	0.93	1.15	0.93	1.13	1.08	0.99	1.41	1.39	1.55	1.71	1.70	1.73
I received my computer and systems in a timely manner.	1.15	1.12	1.15	1.12	1.24	1.06	1.21	1.37	1.24	1.36	1.80	1.40	1.53
My coach has been a helpful resource.	1.16	1.11	1.16	1.11	0.90	1.20	1.32	1.30	1.20	1.29	1.57	1.35	1.69
I have received the training I need to do a quality job.	0.90	1.16	0.90	1.16	0.80	1.21	1.18	1.35	1.28	1.32	1.49	1.42	1.73
My job is what was described to me during the hiring process.	1.20	1.03	1.31	1.16	0.80	1.24	1.42	1.46	1.39	1.66	1.77	1.52	1.72
Your earnings potential with this company	1.35	1.20	1.38	1.20	1.20	1.50	1.61	1.62	1.66	1.71	1.69	1.63	1.89
Teamwork and cooperation are encouraged at ABC.	1.38	1.19	1.41	1.19	1.40	1.70	1.59	1.86	1.63	1.70	1.95	1.89	1.85
I can voice my opinion without fear of retaliation or retribution.	1.42	1.18	1.47	1.18	1.30	1.45	1.91	1.44	1.77	1.48	1.84	1.57	1.94
The company's basing rewards on good performance	1.51	1.33	1.56	1.33	1.68	1.51	2.00	1.95	1.87	1.73	1.92	1.72	2.07
Average score =	0.77	0.75	0.78	0.68	0.71	0.72	0.83	0.84	0.90	0.93	1.09	1.13	1.19

Unfavorable Very unfavorable

Systemic issues

Companies survey hiring managers to gauge their satisfaction with the hiring and onboarding processes. These surveys are short—typically 15-20 questions. The following graph shows some of the points a hiring manager survey touches upon:

Saratoga hiring manager satisfaction questionnaire



Forward-thinking companies expand upon traditional recruitment evaluations, which look at how many candidates recruiters source, and also assess the quality of employees selected by recruiters by reviewing and measuring employee effectiveness and quality on the job. Factors a hiring manager might be asked to comment on would include:

- How well the new hire fits into the company culture
- How well the new hire’s skill sets fit the job
- How well the new hire performed on the job

Other methods of collecting feedback to measure the effectiveness of onboarding include focus groups, roundtable discussions, and exit surveys. Focus groups and roundtable discussions allow employees to hear each other’s suggestions and concerns. When conducting group discussions on onboarding activities, a company might establish a theme for its onboarding focus group to give participants a point of reference for discussions—such as “What do I wish I had known?” To get the best range of responses, companies typically include 90-day, 6-month, and 1-year employees.

Exit interviews of employees who are voluntarily leaving give companies a chance to gain constructive information on any weaknesses in the recruiting, hiring, and onboarding processes along with ways to improve these processes and reasons behind employee turnover. For example, employees might say they left because the manager ran the department differently than the description they received during the interview process or because the environment was too fast paced.

B.

Forge social networks to help new employees become culturally acclimated to the company.

After identifying problems in new-hire retention, leading companies take steps to rectify the problem, for example, introducing activities that help acclimate new hires to the company culture. Socialization activities, such as group interactions or one-on-one contacts with other employees or assigned “buddies,” help employees absorb the information they need to become productive.

Even individuals with many years of work experience and valuable knowledge can be at a disadvantage when they start a new job because they might not know the various social nuances of the culture. Socializing newly hired employees helps embed them more firmly and quickly into the company culture, helping them become productive more rapidly and forge new relationships and personal networks.

A new hire can acquire valuable information and gain other significant advantages through social networks. These include the following:

- Knowledge, skills, and abilities needed to perform the job
- Successful and satisfying work relationships with other staff members
- Insights and information on formal and informal work relationships and power structures
- Specific technical language and acronyms, slang, and jargon unique to the company
- Details on the company rules, principles, and values and how they help maintain the company’s integrity
- Facts on the company’s history, traditions, and customs and backgrounds of key employees

Many companies assign a peer to a new employee to serve as a “host” or “buddy.” Generally, the buddy’s role is to provide information about the company, smooth the person’s transition into the company, and respond to questions. The buddy helps the new employee gain more confidence and become productive more quickly. It is also effective if the buddy is a person who is relatively new to the company, can relate to the new-hire situation, and is outside the reporting chain for the newly hired employee.

To make it easier for newly hired employees to ask questions, some companies give new hires a list that provides answers to commonly asked questions. Or, to underscore the fact that it encourages its new hires to ask questions, some companies hand out “dumb question” coupons, which new employees can “redeem” to get answers to their questions.

Technology can complement the social aspect of onboarding. For instance, new-hire onboarding portals allow employees to explore the company in greater detail. Some companies provide new-hire portals with links to company newsletters, while others provide streaming video of current employees explaining what a typical day at the company is like, talking about what their first days and months on the job were like, and offering up words of advice for the new employee. Still other companies use technology to post messages from the chief executive officer or other members of the senior leadership team welcoming the new hire.

Some forward-thinking companies use social networking software to assist with the onboarding process. New hires can access internal blogs or wikis where they can discuss their experiences in joining the company. Some companies have also established online social networks—similar to the popular Facebook or MySpace sites—that link new employees with veteran ones. This helps the newly hired employee achieve desired productivity levels more rapidly, provides a source for helping new hires locate expertise, and injects excitement into the company by exposing all employees—new and experienced—to new ideas and opinions.

C.

Provide training to help new hires become productive members of the workforce.

If not properly trained, employees can quickly become frustrated and self-select out of the company. Training helps employees become more technically prepared for a company's unique systems and work flow. Leading companies weave a career development and training component into the onboarding process to expose new hires to the company's training curriculum and show them how they can develop their skills and advance their careers. Training and development opportunities also help employees keep pace with change.

Training also acclimates new hires to the company culture and ensures that organizational knowledge is transferred to employees. Some companies require that new employees take training classes about the company's values, ethics, and diversity. Forward-thinking companies also include classes on company jargon and common acronyms used. And companies in certain industries provide specific training on processes or equipment used to help boost the acclimatization process and shorten the time frame for new-hire productivity.

D.

Maximize operational compliance by using technology.

Automating onboarding helps companies improve operational performance. Some companies, for example, send newly hired employees a link to a new-hire portal where they can obtain information about the company, such as the company's code of conduct, ethics, and compliance requirements. On these portals, new hires may also learn about orientation programs, employee benefits packages, and forms they will need to submit on or before their first day of work.

Directing new employees to the company's portal for benefits decisions gives them access to automated systems to guide them through critical employee life-cycle events associated with the new-hire process. Dealing with these questions in advance frees time in the day-one orientation session so that the company can focus on socializing the new hires into their team and the culture of their new company.

E.

Focus on federal and state compliance issues during onboarding to reduce regulatory risks.

Companies not in compliance with form collection and retention rules can face penalties ranging from \$100 to \$1,000 for each incorrect or missing form as well as negative publicity. Penalties can add up quickly. In California, immigration authorities accused a large employer of having more than 1,000 paperwork violations and issued a fine of \$395,000. A Georgia company received a fine of more than \$1 million from immigration authorities for a number of violations.

During the recruiting and hiring process, companies collect information that plays an important role in compliance activities. For example, recruiters turn over the background information they collect on job candidates to HR, which conducts background checks on the candidates. Information companies typically collect during background checks includes education, work history, financial records, criminal records, child support, driving records, and drug screening results.

Pre-employment background checks give companies such competitive advantages as reduced turnover rates and reduced liability for negligence by employees. Background checks also help to ensure a safe and secure workplace environment and protect company assets, including people, property, and information. Companies that employ a large number of contract employees also conduct background checks on these individuals to make sure they can be entrusted with the company's proprietary information and to check on the legality of their immigration status.

Another important compliance-related prehire task during the onboarding process is collecting the Employment Eligibility and Identity Verification Form (I-9), the U.S. Citizenship and Immigration Services form employers use to verify an employee's identity and to establish worker eligibility to work in the U.S. Federal immigration laws require that companies verify the employment eligibility of all employees hired after November 6, 1986. To be in compliance with this requirement, employers are required to collect completed Form I-9s from their employees and maintain them for a minimum of three years after the date of hire.

Focusing on automating the processes around mandatory work eligibility forms during onboarding helps companies deliver a consistent and compliant process throughout the company. It also gives organizations the ability to respond quickly to any changes in regulations.

While not mandatory, participation in a program called E-Verify, an Internet-based system operated by the U.S. Citizenship and Immigration Services (USCIS) in partnership with the Social Security Administration (SSA), allows companies to link this program to their web-based onboarding systems. Participating companies can electronically verify employees' work eligibility using employee information, such as name and Social Security number. The program then matches the information against information in the SSA or the U.S. Department of Homeland Security (DHS) databases to determine eligibility to work in the U.S. and sends an electronic confirmation or denial of work eligibility to the company.

F.

Assign someone to “own” the onboarding process and oversee all departmental stakeholders.

Onboarding is a complex process that spans many departments. To deal with this complexity, leading companies appoint an individual to “own” the process. While the onboarding process might reside in the HR function—which heads up an onboarding task force—it is essential that ownership of the process reside with someone with authority who can direct all departmental stakeholders in the onboarding process.

Functional areas involved in onboarding include HR, payroll, finance, governance, training, IT, facilities management, security, procurement, operations, and line management. For example, during onboarding the HR function would be responsible for employee benefits and health and safety regulations, and IT would ensure new hires have necessary equipment and services, such as a computer, network access, and e-mail accounts, while procurement would be in charge of securing other equipment newly hired employee need to do their jobs.

At leading companies, owners of the onboarding process take the candidate’s experience of onboarding into consideration. The candidate experience includes the time when an individual is an applicant, continues through the recruiting process, and ends when the employee has been with the company for a year. The job candidate or new employee can potentially interact with many different people and functional areas within the company, and depending upon the way they are treated or the service they receive, they may be delighted with the company or so disengaged that they want to seek employment elsewhere.

Experiences that can negatively affect a new hire’s onboarding can include not getting a paycheck on time, not being issued a computer on the first day, or not being given a badge to gain access to the facility. An onboarding process owner, who monitors how well functional stakeholders respond to new hires and job candidates, helps improve the candidate experience, speeds the time to productivity for a new hire, and increases new-hire retention rates.

G. Start onboarding during the recruitment process.

By moving the candidate's perception of working for the company from imagination to anticipation, a company can more effectively land desirable candidates.

Onboarding begins the day a recruiter posts a job opening, if not before.

To attract and hire hard-working, highly productive employees who will stay with the company for a long period of time, recruiters communicate the realities of the job and talk about the company culture so that job candidates understand the specifics of the job and what is expected of them. This is particularly important, as it is frequently during the recruiting phase that people confirm their expectations and decide how they think the company will treat them if they accept a job offer. Knowing that recruiters have explained the job specifics in detail, hiring managers can then feel confident that they are interviewing people who are truly a good fit.

Particularly in industries where employees have skills that are in great demand, early onboarding can help companies hire and retain the best possible employees. To onboard desired job candidates, some companies invite candidates to attend a company event or to sit in on a meeting to witness firsthand a "day in the life" of the company. Or, the company may assign an existing employee to describe the process the candidate will encounter starting the new job. Inclusion in company events and access to an employee who shows enthusiasm about the company can make job candidates more inclined to accept a job offer, increase the odds that they will be engaged in their work, and reduce the likelihood that they will leave for another job offer. Onboarding initiatives before a job offer also improve the connectivity between the new employee and the company, help employees begin the acclimation process sooner, and enable them to more rapidly contribute to the company.

H.

Pace the delivery of onboarding details to avoid information overload.

Gone are the days of first day orientation programs where new hires filled out copious amounts of forms and paperwork and sat through lengthy lectures that explained policies, procedures, and other job-related information in “information dumps.” Realizing that newly hired employees are frequently faced with information overload, which can overwhelm, confuse, and even disengage them, leading companies spread out the dissemination of information over a period of time.

Information that new hires retain within the first day on a new job is limited. By spreading out the information over a period of time, companies increase the likelihood that new employees will retain pertinent information and experience less information overload. To eliminate information dumps, some companies direct new hires to online resources instead of in-person orientation sessions.

Conclusion

As the old saying goes, “time is money.” And companies today are realizing the importance of ensuring that newly hired employees get up to speed rapidly and become productive members of the workforce. Studies show that it costs companies between 30 percent and 40 percent of an annual salary to hire an employee, and leading companies know that they need to guard that investment. Companies are under extreme pressure to retain the employees they recruit and hire, even in the face of several factors in today’s workforce that make retention efforts difficult. An effective onboarding process is a worthwhile investment that can help companies transform newly hired employees into dedicated members of the workforce and reduce the costs associated with turnover.

Changing workforce demographics worldwide affect workforce management. Companies now recruit employees from a more diverse, heterogeneous labor pool. Employees have very specific expectations of what they require from their employers and will seek employment elsewhere if their needs are not met. Employees today also tend to be more mobile than they were in the past and more apt to change jobs several times during their careers. For reasons such as these, companies face high turnover rates—especially among new hires. To address these factors, leading companies are adopting onboarding as a way to deliver necessary information to new hires and to help them be productive on day one. Onboarding also helps companies create a “stickier” work environment and establish more engaging places to work.

Onboarding incorporates several elements, for example, making job candidates and new hires feel welcomed into the company and providing information on the company’s mission, business strategies, and culture. Onboarding also facilitates relationships between the new hire and other members of the workforce and provides training to new employees.

When well planned and executed, onboarding programs can prevent failures in areas that often challenge newly hired employees: understanding the company culture, developing relationships with other members of the workforce, being productive, and delivering high-quality work.

