The job market is unpredictable. The economy is ambiguous. Yet, organizations are constantly adding employees and contractors to their growth agenda for the business. The speed with which our people go from novice to contributor can be a big competitive differentiator.

However, many companies ignore the impact of not having an onboarding program, despite spending more money and time on recruiting. According to the Aberdeen Group, 90 percent of employees make their decision to stay at a company within the first six months. If organizations are going to the trouble and expense of finding and signing people, why are they not investing in getting them going and creating the experience that makes them want to stay?

This paper delves into the “whats,” ”whys,” and “hows” of developing a strong onboarding program that can deliver the business results you need most, including a more engaged and satisfied employee right from the very beginning.
Onboarding is not orientation

When we talk about “onboarding,” we need to distinguish it from its more administrative counterpart – “orientation.” Orientation primarily encompasses signing up for benefits, understanding payroll, and getting a corporate identification badge. Onboarding, on the other hand, has a business impact and a results perspective. It includes everything a new hire needs to reach the minimum expected productivity level and become a valued contributor to the business.

A great onboarding experience is relevant, timely, and meaningful. It’s designed to build employee engagement in the company as quickly and effectively as possibly, assuring that they feel comfortable in their new roles and, most important, understand how that role can make an immediate contribution to the company strategy and goals. And, it’s a relatively easy way to keep the talented people you’ve recruited and reduce turnover throughout the organization.

Onboarding means money in your pocket

According to a 2010 Aberdeen group study, organizations with structured onboarding programs enjoy a 60 percent year-over-year improvement in revenue per full-time employee and a 63 percent year-over-year improvement in customer satisfaction.

Their study further explored companies ranked “best-in-class” at onboarding – defined as companies where 89 percent or more of the employees who had been with the company less than a year rated themselves as highly engaged. Eighty-seven percent of those employees achieved first performance milestones within the agreed-to time period, and 67 percent of them achieved a rating of “exceeds” in their first performance review.

When companies clearly understand the connection between onboarding and the operational and financial success of their organization, they are more likely to create a great program that delivers a solid return on investment (ROI) and many benefits, including:

- Engaged employees who are motivated and connected to the company culture
- Lower turnover and higher retention at a fraction of the cost of recruitment
- Employee loyalty and satisfaction
- Productive new hires adding to the bottom line quickly
- Employees who feel valued and have bought in to contributing from the start
- A better customer experience
- Increased revenue
How to develop a great onboarding program

There is no single design or approach that's right for every organization. However, research shows that best-in-class onboarding programs:

• Have a formal process to ensure all stakeholders know what is expected
• Make certain new employees arrive on Day 1 ready to be productive
• Leverage a formal process to solicit feedback
• Maps specific competency requirements or development plans
• Can be directly connected to changes in profitability

Of particular importance is the delivery platform, which should ideally be a combination of tools that can range from in-person or, at minimum, live discussions with key stakeholders to digital solutions. With today’s technology – from social media, to gaming, to traditional eLearning solutions – there is great potential to enhance traditional content delivery and reach a broader or more disparate group of individuals and maintain consistent and regular touchpoints with ongoing information and reinforcement.

Remember, however, that it's a balancing act. Do not rely too heavily on slide presentations, videos, and other computer-facing activities. Much of the onboarding journey and content is best experienced in small-group discussion, either face-to-face or through video chats if, possible. Nothing can substitute for a great face-to-face session.

The five steps to a winning onboarding strategy

1. Begin the onboarding process before Day 1.
   A well-designed onboarding program continues the messages delivered during recruitment. From recruitment, through signing, to onboarding, a company has an opportunity to make a great first impression and convince valuable new hires they made the right decision. To ensure that employees feel valued and important, the best time to start onboarding is before they start the job.

   For onboarding to begin before Day 1, you should:

   • Send a welcome package with information about the business, a personal note, and perhaps a treat – such as a company-branded item. This makes people feel valued and also allows them to formulate questions and gain context before they come to work.
   • Publicize the arrival of the new employee, send an all-company email, and if possible, post a picture or place an article in an internal newsletter – whatever works in conjunction with your company’s culture. Ask new employees for some personal trivia they wouldn’t mind sharing with the company so there is a “fun fact” that people can ask the new person about when they meet.
• Initiate computer support and order business cards.
• Set up the new workspace.
• Schedule the onboarding meetings, including those with senior leaders.
• Prepare an onboarding toolkit and itinerary.
• Assign a mentor to serve as a trusted advisor during onboarding.
• Schedule welcome lunches with managers, peers, senior leaders, and others across the organization.
• Take time to find out how new hires like to learn, what motivates them, and their expectations of training and communication from the company.

2. **Link onboarding to the whole organization – not just the role.**

   A great orientation experience allows the new hire to experience the company at the heart of everything it does – not just from the perspective of that specific new hire’s role. It’s where an employee starts to identify with the organization and feel the sense of belonging that is vital for true engagement.

   *These topics should be explored with new hires in their initial onboarding session:*

   • The history of the company, including its origin, barriers that were overcome and victories won, and awards and other reasons to be proud. Share compelling stories about the business that are repeatable and representative of the company.
   • An overview of strategy and corporate goals – ideally, presented by a member of the senior leadership team
   • The vision, mission, and values, and how they connect to the strategy
   • The marketplace and how the company works, including products and services, customers, and organizational functions
   • An overview of finances, including how the company makes money
   • An explanation of the employee’s financial compensation and benefits package
   • The performance management system and other development tools

3. **Make onboarding a process, not an event.**

   Best-in-class organizations approach onboarding as a process over a period of time – not just a two-week trial-and-train period, or a one-time meeting with Human Resources (HR). Because onboarding is learning, the initial messages must be memorable. And although onboarding should be somewhat formal, it can also be fun.

   *Be sure that:*

   • The stage is set for productive work that will support business goals
   • The new employee knows what is expected at one week, two weeks, a month, and so forth
• The new hire knows what to expect from management and peers

• A growth plan is set for the new employee. Most people want to be challenged. The best onboarding programs learn where people want to be in one, two, and three years, and help new hires to set up career paths that are realistic, motivating, and effective.

• The onboarding program is tailored to the role and department

• The new employee understands the key business issues the company is targeting for improvement and how these align with their particular role

• Regular checkpoints are in place to gauge the progress of the transition, see what’s working and what’s not, adjust speed or emphasis, and learn where more knowledge would help. Checking in frequently prevents the new hire from being overwhelmed between touchpoints and ensures that problems are dealt with before they become serious.

• The new hire is brought up to productivity as soon as possible

• There is a formal debrief at the end of the formal onboarding program. Ask for things that kept the onboarding from being optimal or that may have been more motivating. Feed this information back into the program to improve it.

4. Involve as many people as necessary.

Effective onboarding requires many people to play many roles. A great plan incorporates the wisdom of the entire company. The major players, however, will be managers, mentors or role coaches, the new employees themselves, and HR.

• The new hire’s manager, of course, has perhaps the most important role. Most surveys recognize the manager is the most significant force in any employee’s work life. This is the person who provides primary support, partnering with HR to be sure tools and knowledge are available.

• Best-in-class onboarding programs partner a new hire with a mentor or role coach (separate from their manager) for at least the first 90 days. This is the person responsible for modeling the company’s culture and desired behaviors. This is also the person who will meet informally and formally with the new employee, answering questions, sharing information over coffee or lunch, and explaining the things that aren’t in any official rule book. In many cases, a mentor relationship can increase productivity more quickly with less risk of turnover.

• The new hire should be expected to take a lead in the development process. They should be responsible for asking for help, assessing personal strengths and weaknesses, and helping to adjust plans as necessary.

• HR oversees the entire process, planning and facilitating as needed, scheduling meetings, and maintaining materials and the onboarding schedule.
5. Networking

The best onboarding programs make socialization, or networking, a primary component. The most potent networks are forged during shared cross-functional activities, which bring a variety of individuals together around a common point of interest or project. This allows topics to arise that may never come up at a business lunch or meeting within a certain group or line of business. The faster a new hire is able to build a network within the company, the higher the likelihood of early and continued success on the job.

*Networking has advantages like these:*

- It provides a means of getting information that can’t be found in company publications.
- It helps people develop more creative and complete views of issues. Listening to those with different experiences and perspectives helps new people form their own views and allows them to see where they have a special opportunity to contribute.
- It allows rapid information transfer with just a small chance of disagreement. (However, too much of this can get in the way of creative problem solving.)
- It perpetuates ongoing networking, as one network leads to another. People tend to introduce work contacts to personal contacts.

Assessing an onboarding program

An essential, but often overlooked, component of a great onboarding program is reliable reporting. Best-in-class organizations measure, monitor, and report on their programs, so they know if they’re achieving the intended results. Knowing the dollar impact of onboarding on the business is also a solid way to prove its worth to senior leaders.

To be sure of the return on investment resulting from effective onboarding, 66 percent of best-in-class organizations assess their programs at least once a year. This allows them to adjust and improve the process and makes it more likely to see financial results.

Here are some suggestions about how to measure success with the parties involved.

**Questions for the manager:**

- Was onboarding completed in the prescribed timeframe?
- How long did it take the new hire to reach what you judge to be minimum productivity?

**Questions for the new hire (at the six-month checkpoint):**

- How many barriers did you encounter in learning your new role, and how long did it take to reduce or eliminate them?
- How long did it take you to reach what you judge to be minimum productivity?
- Has your onboarding experience been a major contributor to your performance thus far?
Questions for the onboarding manager:

- What are the average retention rates during the first three months of employment, including voluntary departure and terminations?

- How much essential business information do new hires retain after one month?

- How many new hires who left the company within six months said that onboarding contributed to their decision?

- How many referrals have new hires provided in the first six months of employment?

When assessing your onboarding program, aim high. Compare your program to award-winners and then use it as a competitive advantage in the marketplace.

Reaping the rewards of a world-class onboarding program

With employee engagement at record low levels and organizations focused on rebounding from tough economic times, leaders need to be proactive in addressing the challenges surrounding bringing on new employees. Companies that get new people up to speed and adding value sooner, eliminating long learning curves, are those that will attract and retain top talent. Creating a standardized onboarding program that leverages best practices, supports the company strategy, and connects people to their role in executing that strategy will mean the difference between success and poor results.

Case study:

AEP ranks among the nation’s largest generators of electricity. AEP’s 22,000 employees are spread across 11 states, seven operating companies, and multiple locations. This vast, diverse network of operations created the need for an engaging and consistent “big picture” view for its employees – especially when bringing new employees on board.

AEP’s new employee process includes a wide range of information. The challenge was that HR offices across the system used a variety of approaches to present this information to new employees. As a result, new employees’ understanding of the company was sometimes inconsistent and often incomplete.

The company also wanted a better way to convey the company’s culture – “how we do things around here” – to help new employees feel welcome and more readily become a part of the organization. AEP wanted to share its rich 100-year history of innovation and technology, along with its vision of what it will take to succeed in the future.

The solution

AEP had completed previous projects with Root on safety. Gen Tuchow, VP of HR, concluded that the visually engaging Root methodology would enhance AEP’s new program across the company and make it a more consistent process.

Basically, AEP was looking for an educational yet entertaining way to showcase and summarize the entire AEP Corporation and all it has to offer without totally overwhelming new employees.
AEP leaders chose to use a Strategic Learning Map® module because they felt that a critical component to establishing a strong relationship with new employees was to have the opportunity to sit with them and have a conversation about the company. In this way, the experience would feel welcoming and personal, rather than simply academic and “required.”

To accommodate the large number of locations that may hire only one or two people at a time, Root also developed an electronic version of the Strategic Learning Map® module. This allowed AEP to invite new employees from remote locations to participate in a web conference to provide a positive group experience in a virtual learning format. It also saved time and travel costs.

Implementation
The initial plan was to roll out the module for employees who had been with AEP less than a year. However, focus groups recommended that more individuals in the organization could benefit from the learning. As a result, the module is mandatory for new employees, but is also available to others who want to use it.

The Strategic Learning Map® module is one of the very first things a new employee experiences at AEP, helping to reinforce a positive first impression of the company.

Overall, the feeling was that these solutions created not just engagement but “epiphanies,” even for more-tenured AEP employees. Some employee quotes included:

- “You get the whole picture of how everything works!”
- “I like the interactivity. It’s good to be involved and active.”
- “The visual makes it fun and interesting – more than just words.”
- “I had no idea we owned barges, and that we were the second-largest dry bulk carrier in the country!”