2016 Talent Acquisition Research

Talent Pulse

Onboarding Outcomes: Fulfill New Hire Expectations

Human Capital Institute
The Global Association
for Strategic Talent Management

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About the Research Partner

SumTotal Systems, LLC, a Skillsoft Company, is the only HR software provider to deliver Talent Expansion™ solutions that help organizations discover, develop and unleash the hidden potential within their workforce. SumTotal goes beyond traditional talent management and HCM applications, offering contextual and pervasive HR solutions that actually help improve employee performance in real time.

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Talent Pulse from the Human Capital Institute (HCI) explores the latest trends and challenges in talent management. Each quarter, a new report is released in conjunction with one of the four HCI Communities.

Talent Pulse is designed to provide practitioners and decision makers with prescriptive methods to rehabilitate the health and wellness of human capital, and empower employees and leaders to effectively address future challenges.

Executive Summary

Onboarding programs enable new hires to quickly and easily become proficient in their roles by learning the knowledge, skills, attitudes, and behaviors needed to function in a given organization. For too long, onboarding has been an ignored or short-lived talent management practice. This is troubling because 20% of new hires leave in the first 45 days. HCI believes onboarding is an extension of the candidate experience and when executed effectively leads to sustained engagement and faster time to proficiency. In this research, we profile successful onboarding practices, budgets, stakeholders, challenges, and outcomes. We surveyed HR practitioners who are designing and implementing onboarding in order to determine the elements of a successful program.

In a study of more than 400 organizations, we found:
- Two-thirds report that onboarding practices have been underutilized. Only 40% say onboarding is effective at retaining new hires, which is most likely because it has been focused on paperwork and processes rather than people and performance.

- In most organizations, onboarding activities stop after the first week in the new role; this is not nearly enough time to orient, prepare, and develop a new hire to be successful in their new position.
- Most respondents believe that 're-boarding' an internal hire is just as important as onboarding an external hire, but only 27% report that they effectively re-board employees after they take on a new role.
- In most cases, HR designs and implements onboarding programs, but they are increasingly seeking input from business units and senior leaders to be more effective.
- One-quarter of respondents' organizations will invest in onboarding programs in 2016 and 65% report that their budget will stay the same.
- Organizations that invest in onboarding accomplish four things: emphasize people and performance over paperwork; make it a partnership among HR, the manager, and the employee; establish onboarding as a continuous process; and measure outcomes. Invested Onboarders are twice as likely to reduce new hire time to proficiency.

The Neglected, Current State

Onboarding programs need to deliver on the expectations set during the recruitment process about what it is like to work for the organization. Only half of respondents report that their programs are able to do this and only 40% state their onboarding program helps retain new hires.

Figure 1. *Percentage "strongly agree" and "somewhat agree."*

74% Onboarding practices have been underutilized at my organization.

47% Our onboarding program speeds up time to proficiency for new hires.

50% Onboarding delivers on the promises made during our recruitment process.

40% Our onboarding program is effective in retaining new hires.
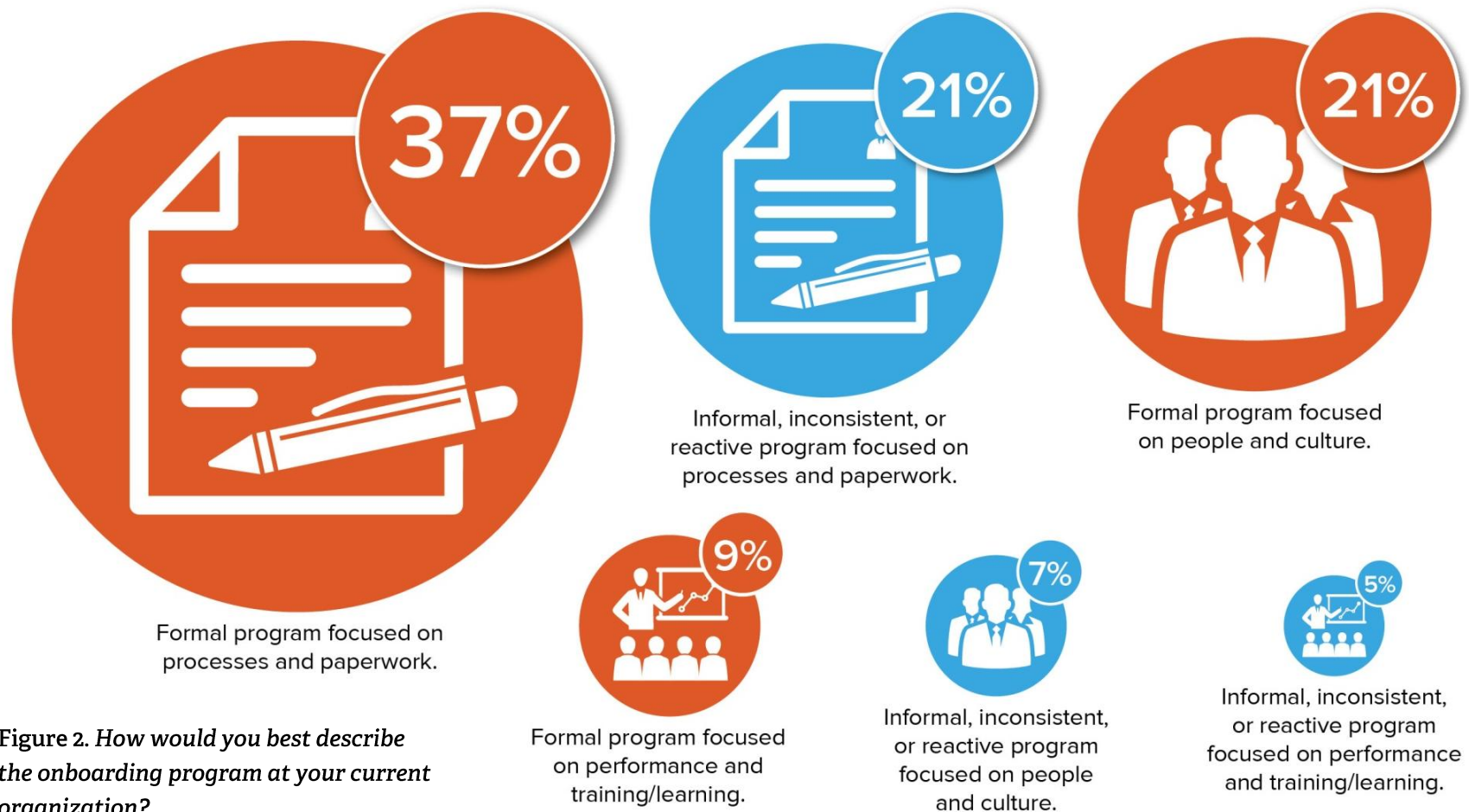
48% Onboarding is seamlessly integrated in our hiring process.

52% We are able to match specific onboarding practices to how much support the employee needs during the transition.

Classification of Programs

Onboarding at most organizations focuses on paperwork and process rather than the more important elements of people, culture, and performance.

37%

Formal program focused on processes and paperwork.

21%

Informal, inconsistent, or reactive program focused on processes and paperwork.

21%

Formal program focused on people and culture.

9%

Formal program focused on performance and training/learning.

7%

Informal, inconsistent, or reactive program focused on people and culture.

5%

Informal, inconsistent, or reactive program focused on performance and training/learning.

Figure 2. *How would you best describe the onboarding program at your current organization?*

Frequency of Onboarding Practices

Onboarding practices help new hires gain the knowledge, skills, attitudes, and behaviors needed to be successful in the organization. In most organizations surveyed, onboarding activities stop after the first week, which is not a best practice.
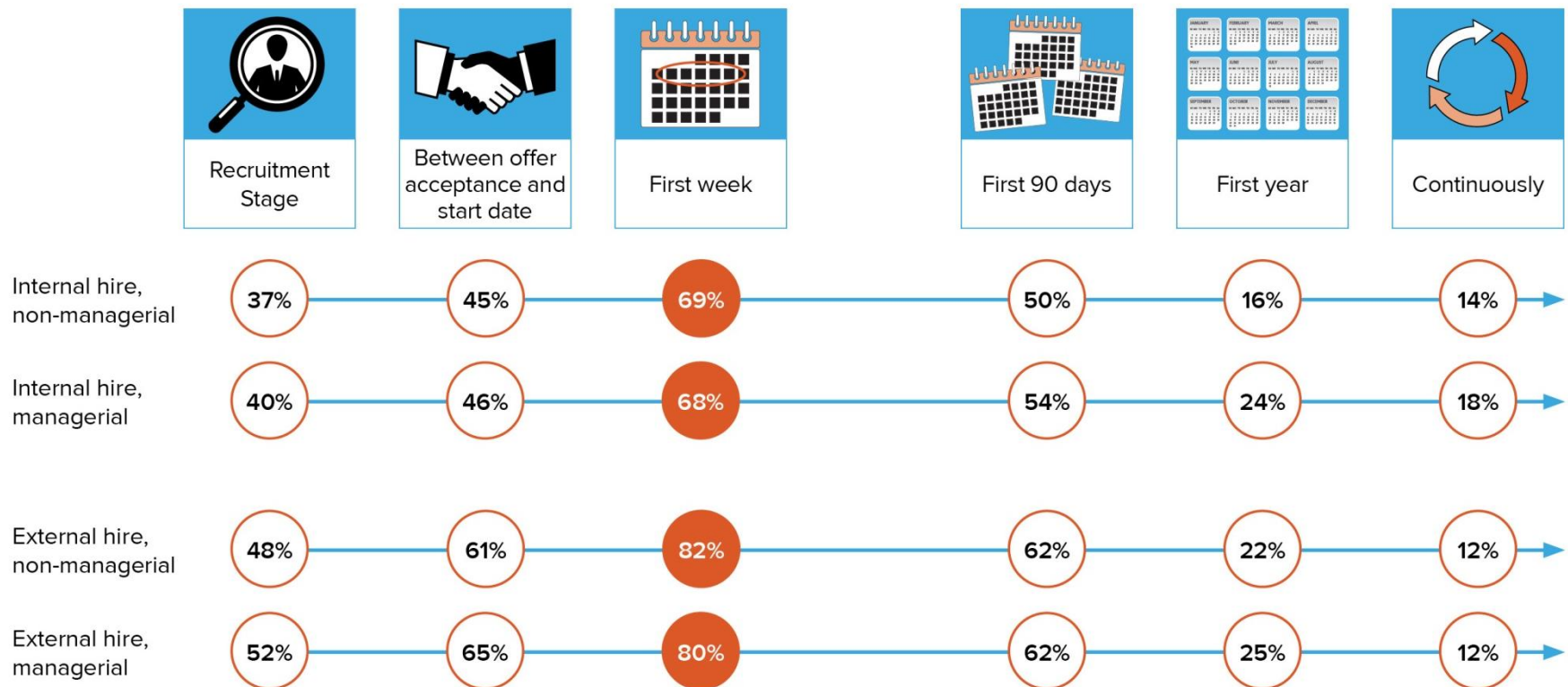
	Recruitment Stage	Between offer acceptance and start date	First week	First 90 days	First year	Continuously
Internal hire, non-managerial	37%	45%	69%	50%	16%	14%
Internal hire, managerial	40%	46%	68%	54%	24%	18%
External hire, non-managerial	48%	61%	82%	62%	22%	12%
External hire, managerial	52%	65%	80%	62%	25%	12%

Figure 3. *During what periods are onboarding processes extended to? (Select all that apply.)*

Processes and Paperwork

Although it should not be the main focus, new hire paperwork does have a part in any onboarding program. Orienting an employee to organizational rules, regulations, and resources reduces time to proficiency in the role.

Practice	Don't have	Not Effective	Moderately Effective	Extremely Effective
Rules and regulations orientation (legal, policies, employee handbook, HR documents)	2%	7%	58%	34%
Welcome email/call with first day agenda	26%	9%	34%	32%
Resources orientation (technology, workstation, building tour, contact information)	6%	5%	59%	30%

Table 1. *How effective are the following onboarding practices at reducing the time to proficiency for new hires?*

Performance and Training

During the onboarding process and throughout an employee's tenure, managers need to set performance expectations and provide feedback to them. Developmental coaching paired with training for skills gaps enable a new hire to become proficient much more quickly in his or her role.

Practice	Don't have	Not Effective	Moderately Effective	Extremely Effective
Performance feedback from manager	9%	11%	57%	23%
Training classes	17%	7%	55%	21%
Written performance goals and timelines	26%	13%	41%	20%
Peer mentoring or networking	47%	8%	29%	16%
Development needs assessed	31%	16%	38%	16%
Social event(s)	44%	6%	34%	15%
Discussion of career goals	30%	15%	40%	15%
Self-paced training resources/LMS	37%	8%	43%	12%
Professional coach practitioner access	78%	5%	11%	6%

Table 2. *How effective are the following onboarding practices at reducing the time to proficiency for new hires?*

People and Culture

A company orientation and meetings with the new team and senior leaders are the most effective people and culture onboarding practices. On this page and the preceding two pages there is not a single clear practice that is "extremely effective", thus we recommend a combination of practices necessary for onboarding.

Practice	Don't have	Not Effective	Moderately Effective	Extremely Effective
Company orientation (overview of industry, mission, values, and strategic objectives)	7%	9%	47%	37%
Meetings with key stakeholders/team	22%	9%	43%	26%
Meetings with senior leadership	36%	11%	31%	22%
Group onboarding	29%	10%	39%	21%
Job shadowing	42%	6%	33%	19%
Assign an ambassador or 'buddy'	47%	7%	27%	18%
Discuss new hire transitions with team	35%	15%	38%	11%
Regular check-in meetings with HR	52%	7%	32%	9%

Table 3. *How effective are the following onboarding practices at reducing the time to proficiency for new hires?*

Re-Boarding Internal Hires

Onboarding should extend to external hires as well as internal hires, a process that could be termed 're-boarding'. Moving to a new team or business unit within an organization can be just as unfamiliar as joining a company from the outside.

We found that 81% agree onboarding internal hires is equally as important as onboarding external hires, but **only 27% report they effectively onboard employees that are promoted or moved to a new position**. This lack of emphasis on re-boarding hinders effective internal mobility practices and sets inconsistent performance expectations across the organization.
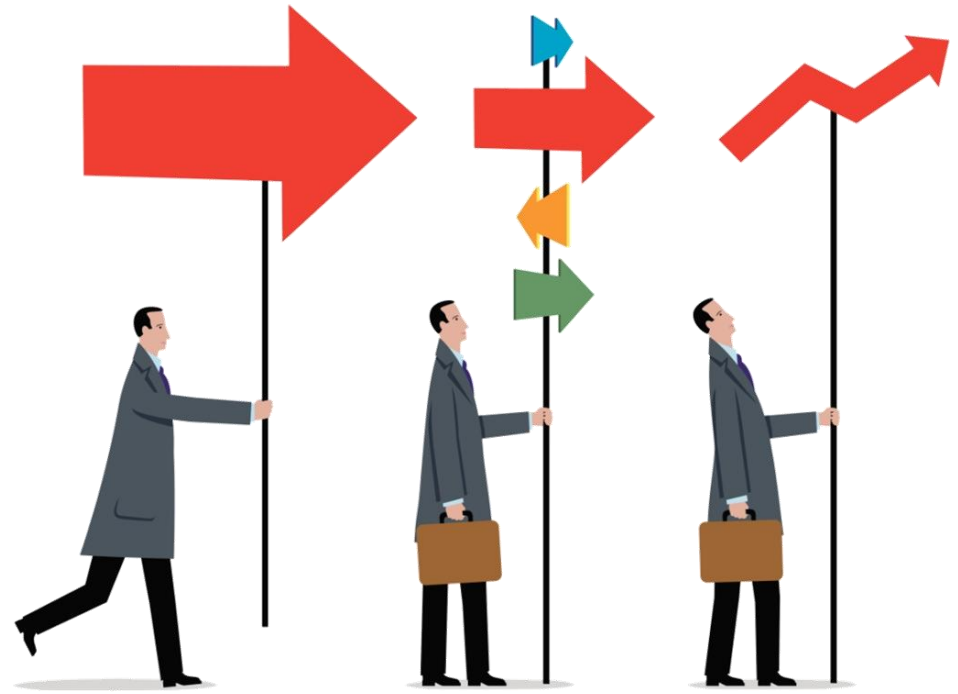
Onboarding Tips for That Lasting First Impression

Amy Hirsh Robinson
Principal at Interchange Group

Talent Pulse Podcast

> *Employers have really focused on finding that talent and making a good first impression through the recruitment process, but they're forgetting to think about what happens once the employee shows up ready to work. That is the most critical piece.* **Do they stay excited?** *Are we affirming their decision of coming to work for us in the first 30 to 60 to 90 days?*

Designing Onboarding Programs

Most organizations have HR and L&D functions design onboarding programs. Our survey respondents would like to receive more input from business units and senior leadership.
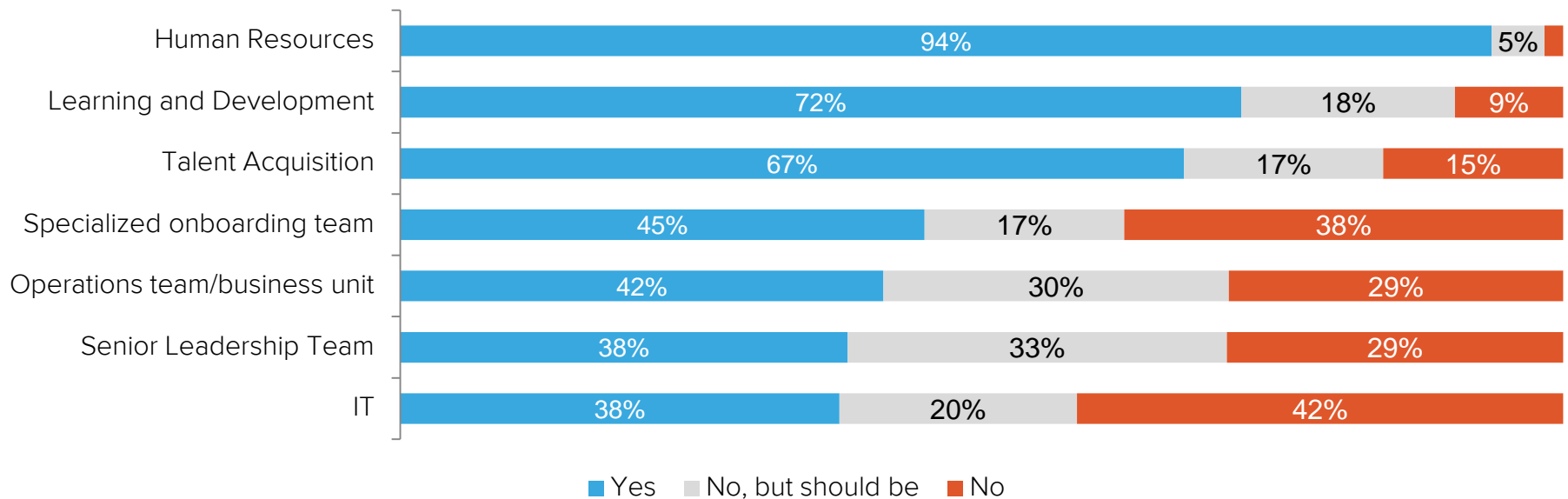
	Yes	No, but should be	No
Human Resources	94%		5%
Learning and Development	72%	18%	9%
Talent Acquisition	67%	17%	15%
Specialized onboarding team	45%	17%	38%
Operations team/business unit	42%	30%	29%
Senior Leadership Team	38%	33%	29%
IT	38%	20%	42%

■ Yes   ■ No, but should be   ■ No

Figure 4. *Is this group actively involved in onboarding strategy and design?*

Implementing Onboarding

In most cases, the HR function runs the onboarding program. One-third of HR respondents would like more involvement from their senior leaders in order for onboarding to be more successful.
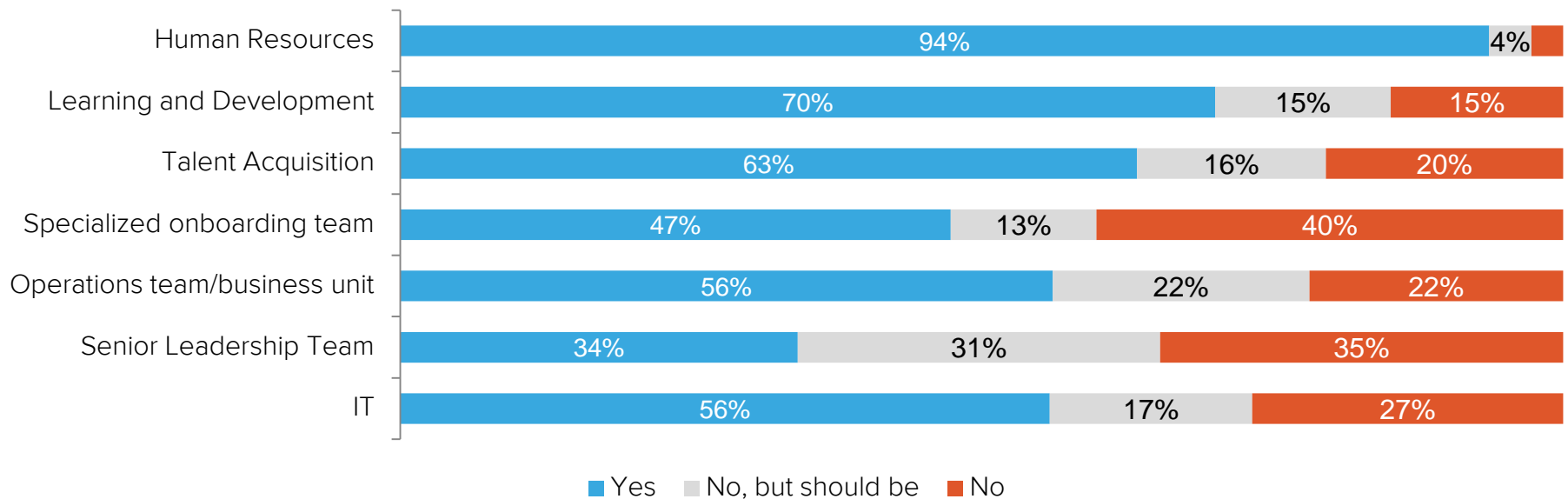
	Yes	No, but should be	No
Human Resources	94%		4%
Learning and Development	70%	15%	15%
Talent Acquisition	63%	16%	20%
Specialized onboarding team	47%	13%	40%
Operations team/business unit	56%	22%	22%
Senior Leadership Team	34%	31%	35%
IT	56%	17%	27%

Legend: ■ Yes   ■ No, but should be   ■ No

Figure 5. *Is this group actively involved in onboarding implementation?*

Technology and Investment

Thirty-eight percent of companies have an online onboarding platform and larger companies are more likely to utilize technology solutions. Onboarding programs will continue to be a priority as 26% of organizations will increase their investments in onboarding this year.
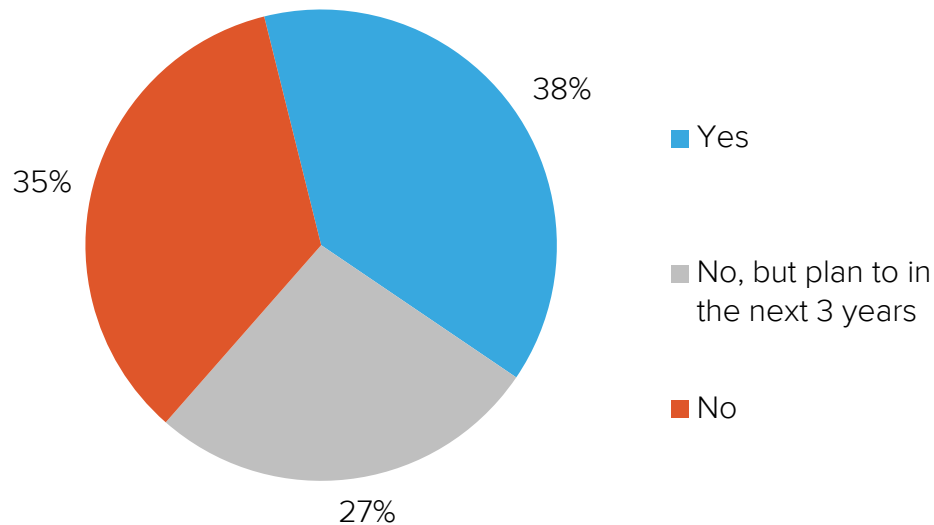
Onboarding Technology

38% — Yes

27% — No, but plan to in the next 3 years

35% — No

2016 Investments in Onboarding

26% — Budget will increase

9% — Budget will decrease

65% — Budget will stay the same

Figure 6. *Does your organization use a technology solution as part of your onboarding program?*
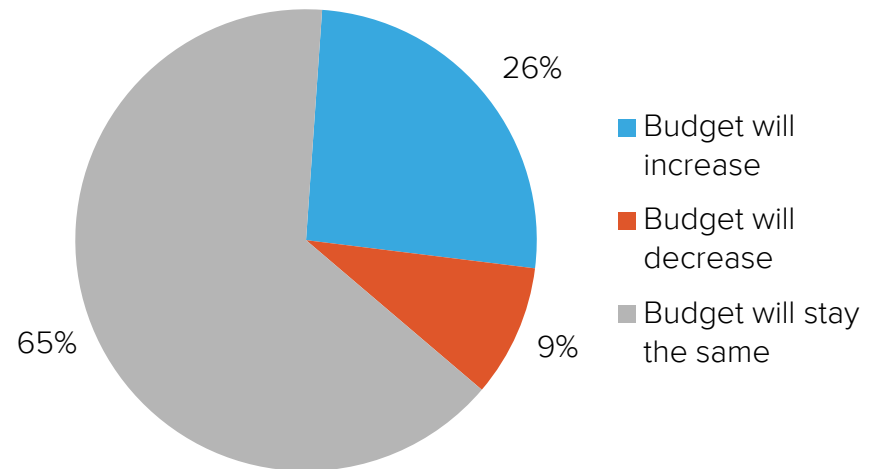
Figure 7. *How will your budget for onboarding change in 2016?*

Top Challenges

Organizations struggle with inconsistency in onboarding practices, competing priorities, and measuring the effectiveness of onboarding programs. Managers and HR need to work together to make sure all new hires are onboarded, and ensure they make time for this important work.
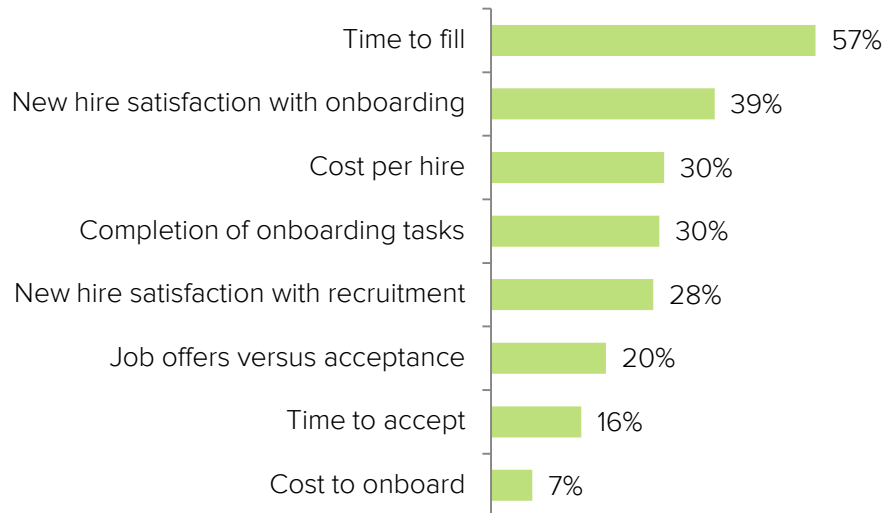
Challenge	
Inconsistency in application across the organization	44%
Competing priorities	39%
Measuring onboarding effectiveness, or ROI	36%
Line of business buy-in/manager accountability	34%
Insufficient technology to automate or organize the process	29%
Role ownership in onboarding program	27%
Following-up with new hires	26%
Building consensus around an onboarding strategy	16%
Lack of senior leadership support	13%
Communication among onboarding stakeholders	10%

Figure 8. *What are your top challenges for onboarding new hires at your organization? (Select all that apply.)*

Lack of Metrics

Lack of measurement of recruitment and onboarding effectiveness is a top challenge. Most survey respondents are able to measure some process outputs (time to fill) rather than important outcomes (time to proficiency and minimum productivity).

Process Outputs

Metric	Percentage
Time to fill	57%
New hire satisfaction with onboarding	39%
Cost per hire	30%
Completion of onboarding tasks	30%
New hire satisfaction with recruitment	28%
Job offers versus acceptance	20%
Time to accept	16%
Cost to onboard	7%

Outcome Metrics

Metric	Percentage
One-year turnover rate	47%
Performance review	40%
Hiring manager satisfaction	31%
90-day turnover rate	31%
Quality of hire	26%
High performer turnover rate	26%
New hire engagement	24%
Time to proficiency	9%
Time to minimum productivity	9%

Figures 9a and 9b. *What metrics are used at your organization to measure the success of recruitment and onboarding efforts? (Select all that apply.)*

The Four Principles of Onboarding Effectiveness

People and Performance over Paperwork

Partnership between HR, manager, and employee

Continuous **process**, not an event

Measure onboarding programs and time to **proficiency**

HCI has identified four principles of onboarding effectiveness and developed a measure to classify respondents' organizations as invested onboarders or not. **Invested Onboarders** score a 3 or 4 on the following composite measure:

1. There is a formal onboarding program focused on people and culture and/or a formal onboarding program focused on training and performance.

2. Onboarding is implemented by HR, TA, and/or L&D AND senior leaders and/or business units.

3. For all new internal or external hires in managerial or non-managerial roles, onboarding processes extend to the first year and beyond.

4. Respondents measure time to proficiency and/or time to minimum productivity.

Onboarding Outcomes

Invested Onboarders report better talent outcomes. They are twice as likely to report reductions in all or most new hires' time to proficiency, and 78% agree onboarding is a continuation of a positive candidate experience.
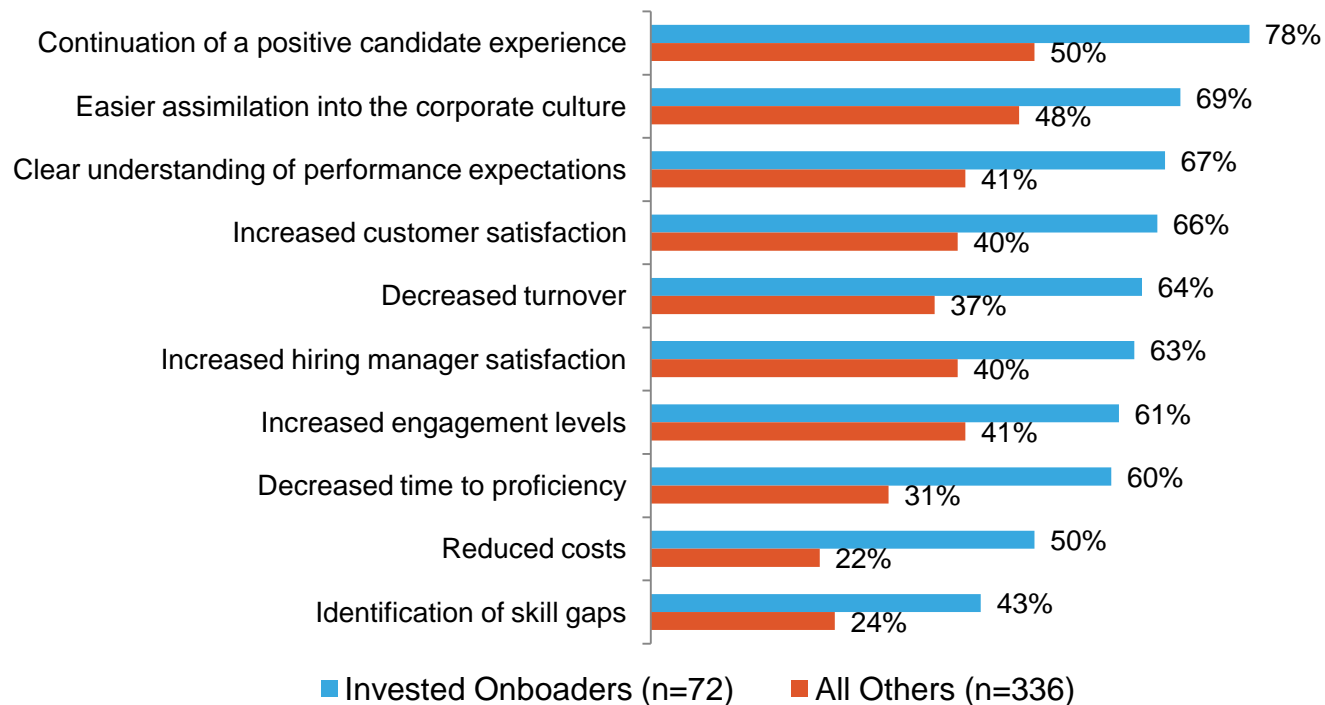

Outcome	Invested Onboarders (n=72)	All Others (n=336)
Continuation of a positive candidate experience	78%	50%
Easier assimilation into the corporate culture	69%	48%
Clear understanding of performance expectations	67%	41%
Increased customer satisfaction	66%	40%
Decreased turnover	64%	37%
Increased hiring manager satisfaction	63%	40%
Increased engagement levels	61%	41%
Decreased time to proficiency	60%	31%
Reduced costs	50%	22%
Identification of skill gaps	43%	24%

Figure 10. *Percentage of rating "always" and "most of the time" by onboarding effectiveness grouping.*

Prescribe and Apply

Our members share their onboarding best practices.

Design and Strategy

Include all important stakeholders for onboarding design and implementation.

- *"When **manager, team, and HR** were all involved in onboarding, over a period of 6-12 months, we were better able to implement, sustain, and measure effectiveness."*
- *"Implement a **written onboarding matrix** for each department/team by role. This includes: levels of proficiency, time fames for completion, and current status on all tasks, duties, responsibilities, systems, etc."*
- *"Strive for involvement from not only the hiring manager, but **all members of the team**. When it is a joint effort, everyone has a role to play in getting the new hire up to speed. The new hire not only learns their own role, but also how their role fits into the rest of the team/department."*

Make onboarding an extension of a positive candidate experience that extends past the first week.

- *"Realize that onboarding begins when you '**brand' your organization** in the marketplace and understand that orientation begins with the first communication with the applicant."*
- *"A **realistic job preview** before an employee starts can greatly reduce introductory period turnover."*
- *"It's helpful to include a formal structured process to help employees navigate the system **within their first year at a company**. They need a full year plan that includes clear expectations and has on-the-job training, classroom training, and even some technology courses. They need feedback and one-on-one meetings provided by managers and mentors. They also need a support system that allows them to feel like they are a part of the company and team."*

Pre-boarding

Get a head start to prevent an overwhelming first day.
- ▪ *"Utilize **pre-boarding,** week one and 30 - 60 - 90 day checklists to ensure consistency, and automate the pre-boarding process to complete paperwork."*
- ▪ *"Prepare in advance **new hire checklists,** orientation schedules, training curricula, and timelines. Small gestures make a big difference: introductions to everyone in the office, warm welcomes, nameplate on their workspace, etc. **Sincere interest** in the individual leads to increased employee satisfaction and retention."*
- ▪ *"The new hire binder, complete with to-do checklists, receives high compliments from every new hire. It feels personalized and the organization **provides a framework for self-orientation**."*

Communicate prior to day one and throughout the process.
- ▪ *"You need to keep in touch **between offer acceptance and first day,** and check in every 30-60 days for the first 6 months. You should ask open-ended questions and make orientation personal and share stories with them."*
- ▪ *"Have the recruiting team conduct **monthly check-ins** with the new hire and manager over the first 90 days and have informal check-ins with the new hire 1-2 times per year."*

Onboarding: People and Culture

Celebrate and extend a warm welcome.
- ▪ *"Set up an exceptional first-day welcome with **interactive and group** onboarding practices, planned social integration, and engagement activities."*
- ▪ *"Make the employee **feel proud** to join the organization by providing information on the company's history and give them a company logo item to make them feel welcome."*

Use your best employees to welcome new ones.
- ▪ *"Assign a **mentor or co-worker** to assist with implementing and beginning the onboarding process before the employee begins their first day at work."*
- ▪ *"Provide a peer co-worker for each new hire to assist with everyday issues. Implement **job shadowing** and a detailed new hire orientation day. Follow-up with new hires with support from management and HR."*

Help build the new hire's internal network in areas outside his or her department.

- *"Share **with the whole organization** when someone new starts via established communication platforms."*
- *"Use orientation sessions with **virtual tours to the different departments**, explaining what they do, and showcasing some of the executives, etc**.**"*

Concentrate on your culture and values.

- *"Being able to talk about **values, high performance, and culture** can increase employee engagement. We are frequently told that people come to work for us because of our reputation in the community, and how much this organization cares about its employees."*
- *"**Schedule time with the CEO/Senior Leadership** to meet with the new employee and learn first-hand about the vision and culture of the company."*

Onboarding: Training and Performance

Make time to train for performance.

- *"Consistency of training, competing priorities, and 'fire drills' can and will interfere, but it is important to **schedule and maintain** (as close as possible) training for highest results."*
- *"Onboarding has moved from being an event at the **front-end of a candidate's experience**, to being a process that extends for up to a year (and more in some cases). Competing priorities internally for colleague's and leadership's time to contribute to the onboarding process is one of the biggest challenges. Everyone involved knows it is important, but it is often **difficult to ensure consistency** depending on the day and what is the hot button of the moment."*

Set expectations for performance and career paths.

- *"**Explain the big picture** so that they can see opportunities beyond where they currently are. Listen and give an opportunity to have them share their aspirations; it is never too soon to begin that process. **Be clear about your expectations** and be prepared for them before their first day."*
- *"Utilize manager/new hire career, performance, and **development meetings**, and do some goal setting within the first 90 days."*

Build accountability for managers.

- *"Onboarding is a* **shared responsibility between HR and the hiring manager.** *There seems to be a lack of resources around this because HR cannot provide a clear ROI on onboarding procedures. The ROI cannot be clearly measured because the line manager has to take on most of the responsibilities. HR can provide a framework, but cannot enforce behaviors."*
- *"We have the basics covered and do a decent job for a small organization with few resources. Having tools such as email accounts, cell phones, and other equipment waiting for the new employee on day one has gone over very well with them. However,* **the follow-up from the line management is severely lacking**. *They do not understand the importance of an ongoing onboarding process as effective assimilation into the organization, as well as continued training."*

Don't neglect your virtual workers.

- *"Virtual teams are more prevalent now than ever. It is important to build orientation* **procedures that focus on them."**
- *"The CEO of our organization will have lunch with the new hires during orientation. He tells them about the history, goals, and direction of the company, and allows them ask questions. He stresses the value and importance each employee plays to our overall success. This creates a positive impression with the new hires. They are amazed that the CEO would come and meet with them (our organization has approximately 1800 employees, and we have orientation 2-3 times per month). Unfortunately, as we have continued to grow geographically*, **many new hires attend virtual training** *and are not able to meet the CEO."*

Evaluate to ensure success and to refine processes.

- *"Look to* **gain feedback** *from incoming employees on the effectiveness of the onboarding system."*
- *"We use stay interviews at 30 and 90 days, in addition to the* **new hire entrance interview**. *These* **scheduled touch-points** *from the supervisor guarantee some one-on-one time between the supervisor and new employee."*

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- [Onboarding Reimagined](#)
- [New Hire Blind Spots: Exposing the Most Overlooked Barriers to Onboarding Success](#)
- [Navigate a Successful Transformation from Orientation to Acculturation](#)
- [New Hire Onboarding: Next Practices for Boosting Performance and Retention](#)

About the Research

Level of Seniority

C-level	4%
VP-level	8%
Director-level	30%
Manager-level	34%
Individual Contributor	22%

Role

Human Resources / Talent Management	69%
Learning and Development	15%
Talent Acquisition	7%

Number of Employees

Fewer than 101	13%
101 to 1,000	40%
1,001 to 10,000	30%
Greater than 10,000	17%

Industry

Financial Services/Real Estate/Insurance	14%
Auto/Industrial/Manufacturing	11%
Business/Professional Services	10%
Healthcare	10%
IT Hardware/Software	7%
Non-Profit	7%

From May 2 to May 23, 2016, a survey link was distributed via e-mail to a 20-item questionnaire to opt-in members of HCI's Survey Panel and electronic mailings. The results of this questionnaire, subject-matter expert interviews, and secondary sources form the basis of this research.

Note. n = 446. Only categories with at least 6% of the sample are displayed and 83% of respondents' organization are headquartered in North America.

Human Capital Institute
The Global Association for Strategic Talent Management

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