

Onboarding New Employees: An Opportunity to Build Long-Term Productivity and Retention

By Anne E. Herman, Ph.D., Kenexa Research Institute

Until recently, there has not been significant focus on the onboarding of new employees into organizations. Sure, most companies host new hire orientations where benefits are reviewed, codes of conduct are presented, and basic tools such as phones, computers and office supplies are ordered or confirmed. But for many new employees, this is where the efforts stop.

Now, however, many organizations are recognizing that onboarding is more than just processing paperwork and completing the checklist for a new hire to start. True onboarding involves making sure employees have the information needed to be effective in their jobs. This needed information often comes in the form of two efforts—training and socialization.

Training can involve formal classroom opportunities or can occur when employees model behavior, work with a more experienced colleague, or assist with small portions of larger projects while being “monitored” by someone with the end goal in mind.

During the onboarding process, it is also important to consider how to evaluate the performance of new employees. Most existing performance management system criteria do not apply. Instead, it is advantageous to set training and performance benchmarks for new employees that focus on learning rather than performance during the first six to 12 months, depending on the requirements of the employee’s role. This learning orientation allows the new employee to take more risks while learning, which based on understanding of the examinations of effective learning methodology, is a necessary element for training success. In addition, organizations would be well served if they worked to reward these new employees on achieving learning goals.

Socialization of new employees is the other primary component of successful onboarding processes. This involves introducing new members to the culture and to the accepted practices of the organization, division or business unit in which they now belong. The development of this shared understanding of the organization’s formal and information structures and processes can be accomplished in several ways.

Organizations may choose to employ formal mentoring programs, where each new member is assigned to partner with one or more tenured peers. Some organizations who are more advanced may choose to create mentoring programs where a newer employee is assigned to a team of mentors from various tenures, job roles, etc. At a minimum, new employees should be assigned one point person to whom they can ask questions, raise concerns or simply exchange information with.

Other, less formal opportunities for socializing employees include communicating facts related to the organizational structure, providing relevant contact information or sharing other pertinent information by publishing go-to phone lists and organizational charts.

Another important component of socialization for onboarding is helping new members build their own organizational network. Though some employees may do this more naturally, many new hires may need assistance. Employees of all tenure will be more effective when they know who to call, practical turnaround times for assistance, and where to find important information.

In addition to creating opportunities that enhance the learning and socialization of new employees, another practice gaining momentum is surveying new hires to better understand their experiences. These surveys are occurring within organizations that either do or do not offer these formal practices for bringing new employees into organizations.

Onboarding surveys are typically constructed to ask new employees about integrating into the organization. Specifically, the surveys seek opinions on job tasks, direct managers/leaders and team members to determine if the employees' experiences are meeting the expectations they held when entering the organization. These surveys provide organizations with a means to evaluate how well they are able to retain and engage newer employees and can provide opportunities to explain performance differences at the employee and work team levels.

Regardless of where your organization stands in bringing new employees into the fold, or your level of effectiveness in executing on these processes, the importance of a successful onboarding, or enculturation process can no longer be overlooked. In fact, the potential consequences that an effective, or ineffective, onboarding process can have on new employees, their retention in the organization, and ultimately, their performance, should provide the justification for you to consider examining the ways that our organization can improve its onboarding processes.

Figure 1 below provides a brief illustration of the ROI of an effective onboarding program that develops new employee learning, socialization, etc.

An employee on a rigorous three month onboarding program will bill at 30 hours per week at \$300/hour after three months of employment. This is relative to an employee on a less rigorous program. Because the individual is less proficient and the company

is not billing the client for the learning curve, it is only billing 18 hours per week at \$300 per hour. In this simple example, the revenue gain for the rigorous onboarding program is approximately \$65,000 per employee per year. ■

About the Author

Anne E. Herman, Ph.D.

Anne E. Herman, Ph.D., serves as a research consultant for the Kenexa Research Institute. Dr. Herman worked previously for two years as a research consultant for Kenexa's survey team. She has extensive consulting experience in performance management, organizational assessment and change, creativity and innovation, employee selection and promotion, organizational strategy, program evaluation and statistical methodology. Her research interests include problem solving and decision making, creativity and innovation, leadership, organizational motivation, survey design and program effectiveness. Dr. Herman has spoken at many conferences and her research has appeared in several publications. She has taught graduate and undergraduate courses in leadership, business strategy, organizational behavior and behavioral statistics.

Dr. Herman is a member of the Society for Industrial and Organizational Psychology, Academy of Management, American Psychological Association and the Organization Development Network. She holds a Master of Arts degree in psychology and a Doctorate in industrial and organizational psychology from the University of Nebraska-Lincoln.

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Figure 1: Cost of Onboarding

