

# **All Aboard: Effective Onboarding Techniques and Strategies**

January 2008



## Executive Summary

The need to retain new hires and enable them to more quickly perform productively in their new capacity and environment has organizations looking beyond traditional new hire orientation programs and towards formalized onboarding strategies. This report, a compilation of 794 survey responses (primarily from human resources and line of business managers), is a roadmap for organizations that desire to achieve superior performance through Best-in-Class use of onboarding with regards to strategy, capabilities, and technology utilization.

### Research Benchmark

Aberdeen's Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations

### Best-in-Class Performance

---

Aberdeen used three key performance criteria to distinguish Best-in-Class companies. Their resulting metrics are:

- 100% improved retention rate of new hires
- 60% reduced time-to-productivity for new hires
- 57% increased completion rate for onboarding tasks / activities

### Competitive Maturity Assessment

---

Survey results show that the firms enjoying Best-in-Class performance shared several common characteristics:

- Best-in-Class organizations are 35% more likely than all other organizations to provide a formal new hire training program as part of the onboarding process
- Best-in-Class organizations are more than twice as likely as all other organizations to clearly define the performance metrics assigned to their onboarding efforts
- Best-in-Class organizations are 78% more likely than all other organizations to extend onboarding up to or beyond six months for senior-level executives and twice as likely to do so for regular, full-time employees

"Onboarding of employees is a strategic, deliberate business process to enable, facilitate, and assure that each employee is successfully immersed into the company culture, quality, and operational systems."

~ Director, Large, North American-based Medical Device Company

### Required Actions

---

In addition to the specific recommendations in Chapter Three of this report, to achieve Best-in-Class performance, companies must:

- Make "socialization" a primary component of onboarding
- Begin the onboarding process before a new employee's first day on the job and extend it through the first six months of employment
- Identify business issues that can be addressed by onboarding and put in place programs and measures to reinforce those business issues

*Send to a Friend* 

## Table of Contents

Executive Summary.....	2
Best-in-Class Performance.....	2
Competitive Maturity Assessment.....	2
Required Actions.....	2
Chapter One: Benchmarking the Best-in-Class.....	4
Business Context.....	4
The Maturity Class Framework.....	5
The Best-in-Class PACE Model.....	5
Best-in-Class Strategies.....	6
Chapter Two: Benchmarking Requirements for Success.....	9
Competitive Assessment.....	10
Capabilities and Enablers.....	12
Chapter Three: Required Actions.....	16
** For All Organizations **.....	16
Laggard Steps to Success.....	16
Industry Average Steps to Success.....	17
Best-in-Class Steps to Success.....	17
Appendix A: Research Methodology.....	19
Appendix B: Related Aberdeen Research.....	21

## Figures

Figure 1: Top Pressures Driving All Organizations to Pursue Onboarding....	4
Figure 2: Top Onboarding Strategies.....	6
Figure 3: Best-in-Class Onboarding Process Differentiators.....	7
Figure 4: Best-in-Class Capabilities.....	12
Figure 5: Growth in Best-in-Class Adoption of Technology for Onboarding.....	15

## Tables

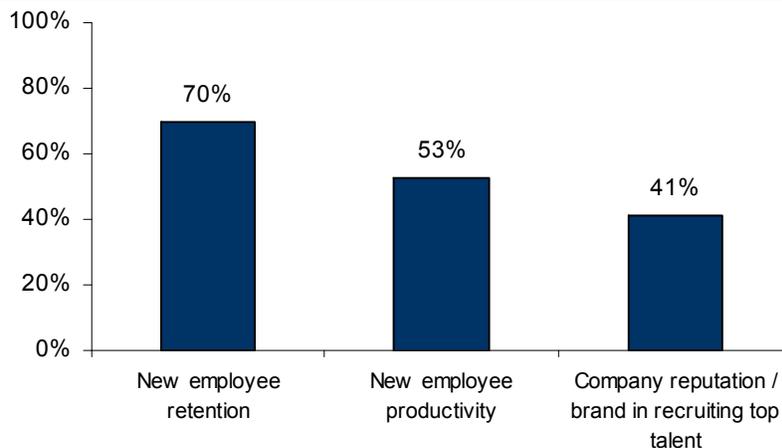
Table 1: Top Performers Earn Best-in-Class Status.....	5
Table 2: The Best-in-Class PACE Framework.....	5
Table 3: Start Onboarding Immediately After Offer is Accepted.....	8
Table 4: The Competitive Framework.....	11
Table 5: The PACE Framework Key.....	20
Table 6: The Competitive Framework Key.....	20
Table 7: The Relationship Between PACE and the Competitive Framework.....	20

## Chapter One: Benchmarking the Best-in-Class

### Business Context

We've all heard the expression: "First impressions aren't easy to erase." This statement holds true in talent acquisition where, according to this study, 86% of all respondents agree that new hires make their decision about whether or not to stay at the company within the first six months on the job. The pressure for organizations to retain the talent they worked hard to recruit and hire has never been greater, and is driving the vast majority of all organizations surveyed to pursue onboarding (Figure 1).

**Figure 1: Top Pressures Driving All Organizations to Pursue Onboarding**



Source: Aberdeen Group, January 2008

### Focus on Retention Reflects Ongoing War for Talent

Aberdeen's 2006 benchmark study on onboarding, titled [\*Technology Drivers Help Improve the New Hire Experience\*](#), showed that the driving pressure forcing organizations to adopt onboarding was new hire productivity. Our most recent data signals a strong shift in focus and reflects the global realities of the dwindling supply of talent, the increasing competition for this talent, as well as the diverse career expectations shared among a younger generation of workers. Organizations remain focused on facilitating a new employee's ability to contribute in his/her new role. However, they understand that providing a positive onboarding experience to newly acquired talent is essential to making them feel comfortable in their new roles and to reinforcing their decision to join the company. They also realize that the efforts to do so help build the company's employment brand. As a result, Best-in-Class companies are implementing processes and technologies that enable performance improvement across several metrics, including those used to determine Best-in-Class status for this report.

### Fast Facts

- ✓ **62% of all organizations** currently have a formal onboarding strategy - this will grow to 77% within 12 months
- ✓ **37% of all HR and line of business professionals** believe it takes six months for a new employee to make a firm decision to stay at the company
- ✓ **New employee "retention"** is the overwhelming pressure driving onboarding in 2008 - as compared to "productivity" which was the top pressure that drove onboarding in 2006

"Onboarding is the period in which we are giving the employee information about the job. We look at onboarding as the pre-hire process, the hiring process, and the first year of employment."

~ HR Consultant, Mid-sized, US-based Energy Provider

## The Maturity Class Framework

To assess organizational success with onboarding initiatives, Aberdeen used three key performance criteria to distinguish the Best-in-Class from Industry Average and Laggard organizations. These key performance indicators encompass strategy, productivity, and administration:

- Retention rate of new hires
- Time-to-productivity for new hires
- Completion rate for onboarding tasks / activities

**Table 1: Top Performers Earn Best-in-Class Status**

Definition of Maturity Class	Mean Class Performance
<b>Best-in-Class:</b> Top 20% of aggregate performance scorers	<ul style="list-style-type: none"> <li>▪ 100% improved retention rate of new hires</li> <li>▪ 60% reduced time-to-productivity for new hires</li> <li>▪ 57% increased completion rate for onboarding tasks / activities</li> </ul>
<b>Industry Average:</b> Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> <li>▪ 7% improved retention rate of new hires</li> <li>▪ 19% reduced time-to-productivity for new hires</li> <li>▪ 23% increased completion rate for onboarding tasks / activities</li> </ul>
<b>Laggard:</b> Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> <li>▪ 0% improved retention rate of new hires</li> <li>▪ 2% reduced time-to-productivity for new hires</li> <li>▪ 4% increased completion rate for onboarding tasks / activities</li> </ul>

Source: Aberdeen Group, January 2008

## The Best-in-Class PACE Model

Companies focus significant resources to recruit the right people to satisfy their human capital needs. Therefore, Best-in-Class companies adopt a mix of strategies, capabilities, and technologies that supplement successful onboarding initiatives and enable them to positively reaffirm the new hire's decision to join the company (Table 2).

**Table 2: The Best-in-Class PACE Framework**

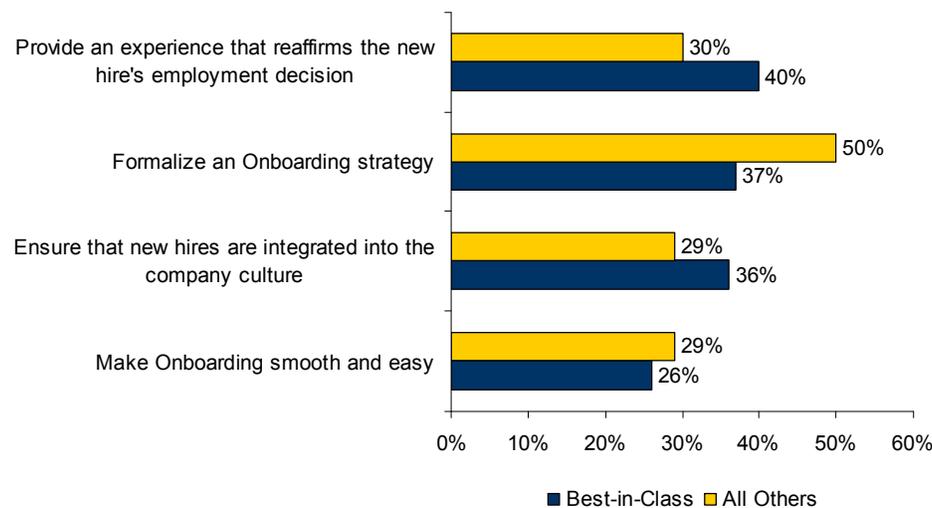
Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> <li>▪ New employee retention</li> <li>▪ New employee productivity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide an experience that reaffirms the new hire's employment decision</li> <li>▪ Formalize an onboarding strategy</li> <li>▪ Ensure that new hires are integrated into the company culture</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide a formal new hire training program</li> <li>▪ Pre-assign office space, supplies, and equipment</li> <li>▪ Formalize a structured orientation process</li> <li>▪ Gain support and buy-in from senior management</li> <li>▪ Managers set clear expectations and goals for new hires</li> </ul>	<ul style="list-style-type: none"> <li>▪ Employee performance management tools</li> <li>▪ Assessment tools for skills, knowledge, attributes, and behavior</li> <li>▪ Tools to track HR compliance rates</li> <li>▪ Tools that automate forms management</li> <li>▪ Competency management tools</li> <li>▪ Tools that automatically trigger email reminders and notices when status changes from applicant to employee</li> </ul>

Source: Aberdeen Group, January 2008

## Best-in-Class Strategies

In an effort to improve new hire retention and productivity, 62% of all organizations surveyed, including 72% of the Best-in-Class, currently have a formal onboarding program in place. Best-in-Class organizations acknowledge that onboarding initiatives begin by adopting a formalized plan. This in turn ensures that onboarding is regarded as an integral element of the overall human capital management strategy and is on the radar screen of senior management. As a result, Best-in-Class organizations are able to direct their onboarding efforts more towards elements that reaffirm the employee's decision to join the company and integrate the new employee into the company culture (Figure 2).

**Figure 2: Top Onboarding Strategies**



Source: Aberdeen Group, January 2008

## Socialization and Mentoring are Key

Standard elements of the onboarding process that cut across all organizations surveyed include: forms management (95%), orientation to company information (95%), and tasks management (94%). These elements are needed to help new employees get introduced to the company, entered into its systems (payroll) and programs (medical / dental), and scheduled to receive required office equipment. These elements may seem basic, but play a critical role in helping new employees get up to speed more quickly in their new jobs because they are not distracted by bottlenecks that may delay their eligibility for much needed benefits such as insurance or 401k.

The socialization aspect of onboarding, however, does not receive the same focus across all organizations, and the importance of providing it cannot be understated. Young talent today understands the value of its skill set and subsequently expects employers to cater to it. Additionally, this younger generation is a connected generation; they grew up with technology that has become their primary means of not only communicating with each other,

### Fast Facts

- √ **Of organizations with no current or planned Onboarding strategy, 38%** said its due to “lack of sense of urgency among senior management” and 37% said its due to “lack of awareness of what Onboarding is or its related benefits”
- √ **Human Resources claims ownership** of setting the strategic direction of Onboarding at 69% of organizations and of executing Onboarding strategy at 62% of organizations

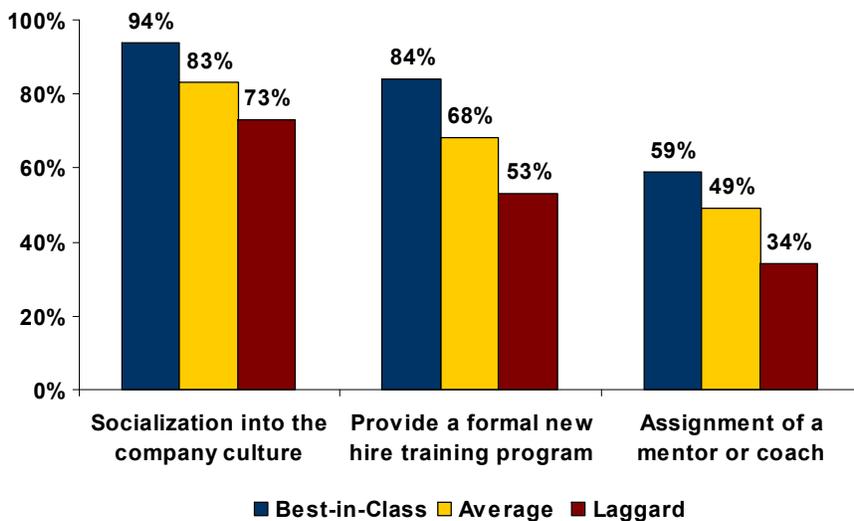
"At DSW, socialization to our company is critical. We approach onboarding as the process of introducing people, systems, and culture to a new employee to allow them to 'fit' within the organization in a manner equivalent to their peers."

~ Phil Mogavero, President / CEO, Data Systems Worldwide

but also meeting others and socializing. Also, consider employees that have joined a company through a merger or acquisition. They were attracted to a certain corporate culture, or perhaps grew accustomed to it, and the fear, uncertainty or doubt of a new environment can become a major point of distraction or dissatisfaction. Another group of employees that can benefit from corporate socialization (especially guidance from a coach) consists of new leaders. New leaders at organizations face pressures to make critical decisions early on. Any mistake that is made by these influential people can have detrimental impact on their career or the company.

Best-in-Class organizations understand the communication and cultural nuances of younger workers, and realize the benefits of providing new leaders with "trusted advisors". As a result, these organizations make sure these are addressed and incorporated into their onboarding programs. This is illustrated in Figure 3, which shows that Best-in-Class organizations are 29% more likely than Laggards to include socialization into the company culture, 59% more likely than Laggards to provide a formal training program to new employees, and 74% more likely to assign a mentor or a coach to new hires during the onboarding process. The latter is especially critical to help new employees understand who the "go-to" people are within their organization and the "do's" and "don'ts" of working at that company.

**Figure 3: Best-in-Class Onboarding Process Differentiators**



Source: Aberdeen Group, January 2008

### Onboard Early and Onboard Longer

Best-in-Class organizations realize the significance of starting the onboarding process before new hires begin employment. To this point, Best-in-Class companies are more likely than both Industry Average and Laggard companies to start the onboarding process upon the acceptance of an employment offer and before the first day on the job for all categories

"The term 'onboarding' is not yet used widely in the United States Federal government. We tend to call this process a combination of hiring, orientation, and retention. The hiring process is handled by both the HR office and the Hiring Official. The orientation process is an explanation of benefits and the completion of required employment forms and is handled by the HR Office. Orientation to everything else is handled by the selecting officials and HR is not involved with the new hire at all from that point forward, unless the new hire has questions about general employment and benefits information. This is often as much 'orientation' as many federal employees will get. Some offices will provide a general orientation about the agency as a whole, but there is no standard for this. Some agencies are exploring or using tracking software but only to track completion of hiring documents. I am not aware of any formal programs to socialize and integrate new employees to their new organization, and certainly nothing is being tracked along these lines."

~ HR Specialist, Department of the Interior

tracked in this report (Table 3). By doing so, the Best-in-Class further enhance the likelihood of reducing new hire turnover, shortening time-to-productivity, and improving the completion of onboarding tasks. This also helps these organizations strengthen their employment brand.

**Table 3: Start Onboarding Immediately After Offer is Accepted**

Category of Worker	Onboarding Starts (after offer is accepted)	
	Best-in-Class	All Others
Senior-level executives (SVP and higher)	66%	50%
New, full-time employees	51%	43%
Contract labor (professional, long-term)	20%	17%
Contingent labor (short-term or part-time jobs)	18%	16%
Internal job transfers	30%	22%

Source: Aberdeen Group, January 2008

**Aberdeen Insights — Strategy**

There exists a significant gap between the length of time that organizations perceive that employees make a decision to stay with the company and the duration that organizations extend the onboarding process. Despite the fact that 86% of organizations agree that employees decide whether to stay with their employer within the first six months of their employment, 61% all organizations either don't offer a formal onboarding program or end their onboarding program within just one month. Best-in-Class companies, on the other hand, are 30% more likely than all other organizations to extend onboarding beyond one month for senior-level executives and regular, full-time employees.

However, Onboarding must not be isolated solely to new hires. An often overlooked population within companies is made up of new employees that have come into the corporate fold via merger or acquisition. Another group of employees that can easily be taken for granted is comprised of current employees that may never have been Onboarded in the first place. Both of these groups can benefit from an Onboarding (or re-Onboarding) program.

In the next chapter, we will see what the top performers are doing to achieve the performance gains outlined earlier in this report.

**Fast Facts**

- ✓ **Best-in-Class companies are twice as likely** as all other organizations to extend the onboarding process to six months
- ✓ **79% of the Best-in-Class** offer a formal onboarding program to internal job transfers as compared to 68% of Industry Average and only 51% of Laggards
- ✓ **Best-in-Class companies are 25% more likely** than all other organizations to have a formal onboarding program in place for at least one year

## Chapter Two: Benchmarking Requirements for Success

The alignment of an Onboarding strategy with specific business objectives, integration with business processes and supportive technologies plays a crucial role in the ability to turn these strategies into business advantage.

### Case Study — MWH

Headquartered in New Zealand, MWH is a leading global provider of consulting, engineering, construction and management services in water, natural resources, and infrastructure sectors. MWH has more than 7,000 employees located in 35 countries worldwide.

In 2006, in order to support rapid growth and remove manual processes associated with onboarding new employees, MWH sought to ensure all employee-related logistics were completed before their start date and also to bring its new hires up to speed more quickly in order to achieve higher levels of productivity in a shorter amount of time. The problem was that the company's process to distribute new-hire forms and information, and collect all relevant data was entirely manual. As a result, the process was slow and needed to be repeated for every new hire; it was prone to errors and lost data, and provided numerous bottlenecks that delayed completion of the entire process. Also, no formal socialization process existed. Thus, the ability for new workers to navigate the corporate landscape and leverage established workers for best-practice knowledge was limited.

Additionally, recent graduates from New Zealand traditionally travel for six months or more to explore the world within a couple of years of their hire. This causes a higher turnover among recently graduated new-hires. This turnover would negate the initial investment companies would make in these recent graduates and result in lost corporate knowledge. To overcome these challenges, MWH pursued an aggressive strategy focused on two concurrent initiatives:

- **Automation.** MWH put in place an onboarding system that would allow the company to move to a centralized source for all new-hire data versus the current, decentralized manual approach. As part of this, an employee web-portal was established where all employees could access and submit forms, and view the career development system.
- **Standardization of new hire processes.** As a global company, MWH faced challenges such as process and information consistency. By standardizing and automating the processes, MWH employees benefited by receiving specific information in a consistent manner. New hires were presented with key new-hire information immediately upon acceptance of the job. They had access to information such as "what to expect on day one" and also had the opportunity to read about employee benefits and career development plans, before they actually started the job.

"As a group manager in a tight labour market, it's important that I know that the induction experience for my new hires is efficient and runs smoothly.

Prior to implementation of an Onboarding Solution, I found it difficult to keep abreast of the number of steps involved in the process and to be confident that everything that needed to be done was in hand. When a new hire accepts a position with our company, our Onboarding Solution guides the new employee and me through a structured and easy to follow process. It's made bringing in new people into our organisation a lot easier and more efficient, and my staff is able to become productive from day one."

~ Tom Burkitt, Grp Manager  
for Science and Planning Team,  
MWH, Christchurch, New  
Zealand

### Case Study — MWH

To accomplish this, the architect of this plan (Pam McDiarmid) first presented a business case to a committee that consisted of IT, finance, HR, and business unit representatives. With this committee's buy-in, she was able to elicit the support of her IT and HR management to present the business case on her behalf to seek global management approval to implement this solution. The results that MWH has experienced in the past 18 months have been:

- **Faster throughput.** The entire process to setup and bring a new-hire up to speed has improved substantially as a result of eliminating manual efforts, while also reducing administrative time and costs. This is especially critical because these new hires become productive faster.
- **Return on Investment (ROI).** The ROI statistics for MWH highlight that savings of approximately \$1,100 per new-hire have been achieved through the elimination of paper based forms, cutting administrative time, combined with the accelerated time-to-productivity of the new hire.
- **Improved new-hire retention among recent graduates.** These new hires can now embark on travels outside of New Zealand while they maintain employment within another division of MWH.

"Our company views onboarding as the process of getting new employees fully up to speed in the job, the culture, and organizational processes so that their value can be fully felt as quickly as possible in the organization."

~ Director of HR, Mid-sized,  
US-based Financial Services  
Company

## Competitive Assessment

Aberdeen Group analyzed the aggregated metrics of surveyed companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard.

In addition to having common performance levels, each class also shared characteristics in five key categories:

- (1) **Process.** The approaches they take to execute their daily operations
- (2) **Organization.** Corporate focus and collaboration among stakeholders
- (3) **Knowledge management.** Contextualizing data and exposing it to key stakeholders
- (4) **Technology.** The selection of appropriate tools and effective deployment of those tools
- (5) **Performance management.** The ability of the organization to measure their results to improve their business

These characteristics (identified in Table 4) serve as a guideline for best practices, and correlate directly with Best-in-Class performance across the key metrics.

**Table 4: The Competitive Framework**

	<b>Best-in-Class</b>	<b>Average</b>	<b>Laggards</b>
<b>Process</b>	Provide a formal training program for new hires		
	84%	68%	53%
	Define clear metrics to measure effectiveness of onboarding		
	43%	28%	8%
<b>Organization</b>	Gain support and buy-in from senior management		
	80%	69%	57%
	Identify business issues that can be addressed by onboarding		
	70%	47%	18%
<b>Knowledge</b>	Maintain forms and tasks records at individual and aggregate levels		
	75%	58%	50%
	Integrate onboarding process with company's hiring management system		
	50%	43%	18%
	Track and report progress of new hires		
	53%	44%	19%
<b>Technology</b>	The following technologies are used for onboarding:		
	<ul style="list-style-type: none"> <li>▪ 69% employee performance management tools</li> <li>▪ 52% assessment tools for skills, knowledge, attributes and / or behavior</li> <li>▪ 48% tools to track HR compliance rates</li> <li>▪ 41% tools that automate forms management</li> <li>▪ 41% tools that leverage data collected in recruiting process</li> </ul>	<ul style="list-style-type: none"> <li>▪ 60% employee performance management tools</li> <li>▪ 38% assessment tools for skills, knowledge, attributes and / or behavior</li> <li>▪ 23% tools to track HR compliance rates</li> <li>▪ 38% tools that automate forms management</li> <li>▪ 30% tools that leverage data collected in recruiting process</li> </ul>	<ul style="list-style-type: none"> <li>▪ 49% employee performance management tools</li> <li>▪ 27% assessment tools for skills, knowledge, attributes and / or behavior</li> <li>▪ 15% tools to track HR compliance rates</li> <li>▪ 20% tools that automate forms management</li> <li>▪ 12% tools that leverage data collected in recruiting process</li> </ul>
	Assess overall performance of onboarding initiative at least once annually		
	72%	54%	36%
	Verify that new employees have a positive experience after joining the company		
	63%	50%	30%

Source: Aberdeen Group, January 2008

## Capabilities and Enablers

Strategy alone will not satisfactorily address the pressures to retain and get new employees up-to-speed more quickly. Based on the findings outlined in Table 4, Aberdeen’s analysis of Best-in-Class organizations demonstrates the group’s dexterity in supplementing strategy with capabilities and technologies that enable them to maximize the return realized from their onboarding investments. They understand that the process begins with formalizing and standardizing a new hire orientation process that goes beyond traditional elements (such as office space setup) and includes organizational buy-in and accountability (i.e. managers setting clear expectations for the new hires). Figure 4 shows the top capabilities adopted by the Best-in-Class.

**Figure 4: Best-in-Class Capabilities**



Source: Aberdeen Group, January 2008

## Process

Best-in-Class organizations look comprehensively and extensively at onboarding. As noted earlier in this study, these organizations extend onboarding programs to a wider group of stakeholders than other organizations and also extend the length of onboarding programs much longer than all other organizations. In addition, these organizations go beyond traditional forms and tasks management. They realize that organizational "fit" as well as personal relationships correlate strongly with employee satisfaction and retention. The vast majority of the Best-in-Class have a formalized orientation process and 84% provide a formal new hire training program as part of that process. This helps to ensure consistency in delivery and subsequent program measurement. Also, it enables Best-in-Class organizations to ensure consistent transfer of organizational knowledge to new employees. All of this helps Best-in-Class organizations

### Fast Facts

The frequency at which companies measure new employee retention:

- ✓ **One month after start date:** 27% of Best-in-Class versus 26% of all other organizations
- ✓ **Three months after start date:** 48% of Best-in-Class versus 38% of all other organizations
- ✓ **Six months after start date:** 45% of Best-in-Class versus 39% of all other organizations

to provide a new employee with an experience that meets their personal expectations.

### Organization

80% of Best-in-Class organizations have support and buy-in for onboarding from senior management. This top level buy-in is crucial. It signals to all throughout the organization the importance placed on new employee satisfaction and implies real business value that senior management correlates with the onboarding. Within Best-in-Class organizations, hiring managers and HR executives work to identify business pain points that can be addressed via onboarding. Additionally, in recognition of the fragility of new hires and the importance of communication, Best-in-Class organizations have managers schedule routine meetings with their new employees during the onboarding process. This not only reinforces Best-in-Class companies' focus on the socialization element of onboarding (via relationship building) and helps ensure consistency between a new hire and his / her manager when it comes to expectations of job performance and responsibilities, but also provides an opportunity to gauge the employee's satisfaction in their new role.

### Knowledge Management

As new employees come on board, managers at Best-in-Class organizations work with new hires (and internal job transfers) to set clear expectations and goals. These expectations and goals are then reinforced by providing appropriate learning and development programs, as well as by tracking and reporting on their progress against these goals. Additionally, for Best-in-Class organizations that provide mentors or coaches to these new hires, they ensure that the roles and expectations of a mentor / coach are clearly defined and communicated to both the mentor / coach and the new employee.

### Technology

Given that 56% of Laggards describe their onboarding solution as paper-based versus 68% of Best-in-Class that describe it as automated (either partially or fully), it is hard to argue against technology's impact on onboarding. Given this, only two types of technologies are currently used by the majority of Best-in-Class companies to impact onboarding. The predominant technology used by all organizations (including 69% of the Best-in-Class) to support onboarding is employee performance management tools. These tools help these organizations track and manage employee development plans as well as progress against these plans. They also help promote consistent performance reviews and appraisals - which correlates to employee satisfaction and retention. The only other technology currently used by more than 50% of Best-in-Class organizations is assessment tools for skills, knowledge, attributes and / or behaviors. These tools help Best-in-Class companies align new hires with managers and mentors that provide the best fit given their personal preferences and characteristics. Also, they help define knowledge gaps that can then be eliminated by appropriate

#### Fast Facts

Top strategic action:

- ✓ **40% of the Best-in-Class** seek to provide an experience that reaffirms the new employees' employment decision

Top capability:

- ✓ **89% of the Best-in-Class** pre-assign office space, supplies, and equipment

Top technological enabler:

- ✓ **69% of Best-in-Class** organizations currently utilize employee performance management tools to support their onboarding program

learning / development programs - which correlates to improved productivity as well.

While, for the most part, the automation of onboarding is still in its infancy, automation is expanding rapidly - especially in the areas of forms management and career development.

### **Performance Management**

While 72% of Best-in-Class organizations assess the performance of their onboarding program at least once per year, 56% of Best-in-Class assess this performance at least every six months. In addition to assessing the performance of the process, Best-in-Class are also more inclined than all other organizations to measure the frequency of new hire retention after the first three months and after the first six months of the employees start date. This, in part, demonstrates that the Best-in-Class take a proactive approach to managing the expectations and perceptions of those taking on new roles in their organizations. All of this sheds light on why Best-in-Class companies are far more likely to see a specific ROI against key KPIs, including:

- 36% of Best-in-Class companies improved new hire retention by more than 10% over the previous year compared to 1.3% of all other companies
- 17% of Best-in-Class companies experience at least 20% year-over-year improvement in the completion rate of onboarding tasks / activities compared to 4% of all other companies

"We consider onboarding as the whole process of: introducing the employee into the company; informing them about the company strategy, objectives, processes and procedures; discussing the expectations of the company for the employee; and making them as comfortable as possible in the new role."

~ Director of Human Resources, Large, North American-based Transportation / Logistics Company

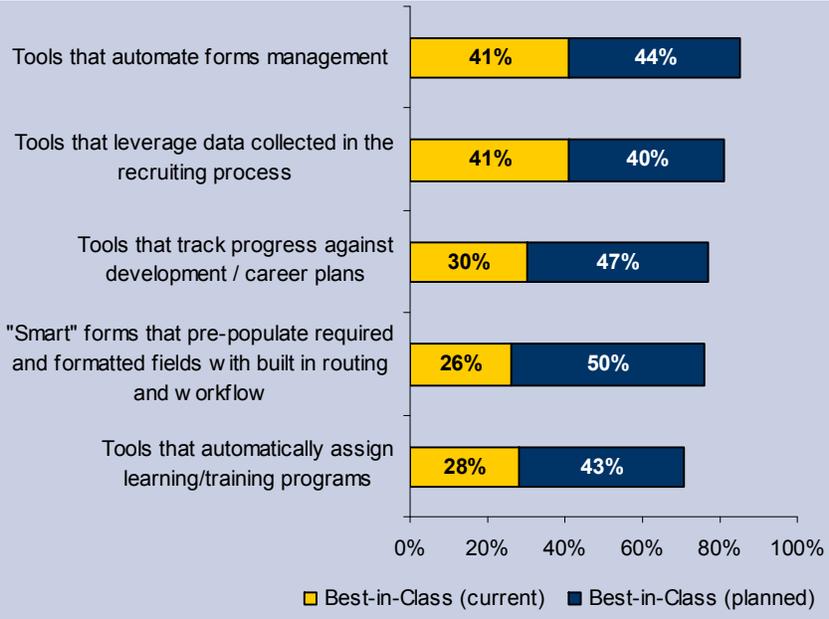
### **Aberdeen Insights — Technology**

68% of Best-in-Class organizations describe their onboarding system as partially automated or fully automated. Of the remaining 32%, more than half plan to automate their onboarding efforts over the next year. However, there exists a significant gap between the percentage of companies that include forms and tasks management as part of their onboarding process (more than nine in 10 Best-in-Class organizations) and those that automate those elements (less than four in 10 Best-in-Class organizations).

Projected growth in technology adoption among the Best-in-Class is focused on improving accuracy, timeliness, and awareness of new hire or internal job transfer data, as well as the proactive pursuit and management of career development. This will not only help the Best-in-Class collect faster, more accurate new employee data, but will also help managers prepare timely and relevant development and mentoring / coaching plans (Figure 5). All of this will enable the Best-in-Class to provide a more complete and consistent onboarding experience for each new employee.

**Aberdeen Insights — Technology**

**Figure 5: Growth in Best-in-Class Adoption of Technology for Onboarding**



Source: Aberdeen Group, January 2008

Automation of Onboarding processes and programs can consist of several different types of technology tools. As organizations extend Onboarding’s automation in order to garner greater efficiencies and reach a larger portion of their stakeholders, they should also consider tools that can integrate these systems into an orchestrated Onboarding solution.

## Chapter Three: Required Actions

Whether a company is trying to move its performance in onboarding from Laggard to Industry Average, or Industry Average to Best-in-Class, the following actions will help spur the necessary performance improvements:

### \*\* For All Organizations \*\*

All organizations need to make Onboarding part of any strategy that is focused on workforce retention and productivity, as well as brand management. All organizations should begin the Onboarding process before the actual employment start date and extend (at least portions of) the process up to six months for select stakeholder groups.

In addition, all organizations need to focus on the "human" element of onboarding and include socialization as a primary focus. A significant part of this is to assign new employees a mentor or coach – the role of the mentor/coach should vary based on need.

Specific recommendations for organizations that fall into either Laggard, Industry Average, or Best-in-Class categories follows.

### Laggard Steps to Success

- Identify the business issues that you want to improve and can be addressed in the early stages of a new employee's career with your company. Then, assign specific metrics and measure performance against these metrics routinely. A good starting point is to get HR executives and staff to meet with line of business managers (hiring managers) so they can understand the business pain points that may be addressed by Onboarding. For example, if your organization is experiencing lost or untimely data collection, then look to automate the distribution and submission of new employee forms. If your organization is experiencing slower time-to-productivity, provide a formal new hire training program with related development plans.
- Gain senior management (non-HR c-level) buy-in and formalize an Onboarding strategy that addresses the desired business improvements. In addition, ensure that the hiring manager schedules routine meetings with the new employee regularly to verify new employee satisfaction and seek recommendations to further enhance their experience.
- Measure and monitor the overall performance of onboarding process. Laggards must assign clear metrics to measure the effectiveness of the onboarding initiative and regularly assess the performance of the process. Currently only 36% of Laggards evaluate their onboarding initiative at least once annually. The value of regularly assessing a program provides the ability to measure

### Fast Facts

- ✓ **Best-in-Class companies** are 37% more likely than other organizations to make socialization part of their onboarding process
- ✓ **Best-in-Class companies** are 34% more likely than other organizations to assign a mentor / coach for new hires during the onboarding process
- ✓ **Best-in-Class companies that currently assign mentors / coaches** are 58% more likely to improve time-to-productivity of new hires than Best-in-Class companies
- ✓ **More than two-thirds of Laggard organizations** currently do not measure time-to-productivity for new employees and the completion rate of new employee tasks

progress and also to adapt or tweak a program in order to perform better.

## Industry Average Steps to Success

---

- Develop or adapt programs to engage and connect dispersed and younger workers. Create engaging, interactive content that appeals to younger workers and make social networking tools (i.e. wikis, blogs) available to foster collaboration, communication and relationship building.
- Further automate and look to integrate with other HCM elements. Look to utilize assessment tools for both "hard" and "soft" skills. These tools will allow your organization to bring onboard people who are more likely to succeed within your organization and will allow you to identify and outline more appropriate learning and development plans for each individual. Leverage employee performance management tools to provide manageable career / development plans and track new employee progress against those plans. Also, look to automate processes pertaining to forms and tasks management – this will be instrumental to get new employees to ideal productivity levels sooner.
- Manage expectations of stakeholders and gauge employee engagement. Managers must work proactively with new employees to set clear expectations and goals - the same should be done for those who have accepted internal job transfers. This line of communication between manager and employee helps create trust; a critical element to overall worker satisfaction and retention. Also, schedule 1, 3, 6 and 12 month reviews in order to gauge employee satisfaction and measure new employee retention.

"Onboarding is the whole new-starter process from interviews and selection through to induction processes. It's actually the emotional bond we create to our work lives / places - it never stops. Onboarding is a continuous ever-changing cycle of needs being met."

~ Learning Consultant, Large, Asia/Pacific-based Telecommunications Company

## Best-in-Class Steps to Success

---

- Use Onboarding as part of your organization's recruiting strategy. Look to apply Onboarding even before an offer is extended. Through a public-facing employee portal, your organization can make available information about the culture of its company, the benefits extended to employees, the real-life experiences of current employees, etc. All of this will help your organization create more excitement about its employment opportunities and help attract more and better candidates.
- Track new employee performance and respond proactively. Currently only 53% of Best-in-Class companies regularly report on the performance of new hires. This step provides managers with agility by enabling them to adjust development plans for new hires and respond to certain areas that require the new employee to focus their efforts. Data shows that Best-in-Class companies that have instituted this element are 71% more likely to improve time-to-productivity than Best-in-Class companies that have yet to do so.

- Broaden the horizon of onboarding initiatives. Expand the audience to all stakeholder groups, including employees that have been with the company but may never have been Onboarded. Look to create or affirm affinity with your company and its brand with all stakeholders.

### Aberdeen Insights — Summary

Onboarding is not a nice-to-have, but rather a need-to-have. Organizations spend large amounts of time and money to fill job vacancies, and competition for human capital talent does not go away with an accepted job offer. In addition, for many people, cognitive dissonance rears its ugly head whenever a new decision is made. An initial employment experience that does not align with preconceived employment expectations does nothing to quell the unknown and build confidence.

Organizations can and must leverage new employees' experience into competitive advantage. In addition to the efficiencies and time savings that will result from standardizing and automating the data collection elements of onboarding, organizations will also experience retention and productivity gains, as well as improved employment brand, that result from a more engaged, motivated, and satisfied workforce.

*Send to a Friend* 

## Appendix A: Research Methodology

Between December and January 2008, Aberdeen examined the use, the experiences, and the intentions of almost 800 enterprises using onboarding in a diverse set of enterprises.

Aberdeen supplemented this online survey effort with telephone interviews with select survey respondents, gathering additional information on onboarding strategies, experiences, and results.

Responding enterprises included the following:

- *Job title / function:* The research sample included respondents with the following job titles: Senior Management – VP and higher (19%); Middle Management – Managers and Directors (60%); others including staff and consultants (21%). In terms of job function, the majority of respondents (76%) work in human capital - including HR, organizational development, talent management, and learning.
- *Industry:* All industries were represented in the sample with hi-tech (12%), finance / banking (11%), health / medical services (9%), and the public sector (8%) having the most showing.
- *Geography:* The majority of respondents (87%) were from North America. Remaining respondents were from Europe-Middle East-Africa (6%), Asia-Pacific (6%) and South / Central America (1%).
- *Company size:* Thirty percent (30%) of respondents were from large enterprises (annual revenues above US \$1 billion); 40% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 30% of respondents were from small businesses (annual revenues of \$50 million or less).
- *Headcount:* Sixteen percent (16%) of respondents were from small businesses (headcount between 1 and 100 employees); 31% were from midsize companies (headcount between 101 and 1000 employees); and 53% of respondents were from large enterprises (headcount greater than 1,000 employees).

Solution providers recognized as sponsors were solicited after the fact and had no substantive influence on the direction of this report. Their sponsorship has made it possible for Aberdeen Group to make these findings available to readers at no charge.

### Study Focus

Responding HR and business unit managers completed an online survey that included questions designed to determine the following:

- √ The degree to which a formal onboarding program is deployed in their operations, and the financial implications of the technology
- √ The structure and effectiveness of existing onboarding implementations
- √ Current and planned use of onboarding to aid recruiting, retention, development, operational and promotional activities
- √ The benefits, if any, that have been derived from onboarding initiatives

The study aimed to identify emerging best practices for onboarding usage and to provide a framework by which readers could assess their own management capabilities

**Table 5: The PACE Framework Key**

Overview
<p>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</p> <p><b>Pressures</b> — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</p> <p><b>Actions</b> — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy)</p> <p><b>Capabilities</b> — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing)</p> <p><b>Enablers</b> — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</p>

Source: Aberdeen Group, January 2008

**Table 6: The Competitive Framework Key**

Overview	
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the following three levels of practices and performance:</p> <p><b>Best-in-Class (20%)</b> — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance.</p> <p><b>Industry Average (50%)</b> — Practices that represent the average or norm, and result in average industry performance.</p> <p><b>Laggards (30%)</b> — Practices that are significantly behind the average of the industry, and result in below average performance.</p>	<p>In the following categories:</p> <p><b>Process</b> — What is the scope of process standardization? What is the efficiency and effectiveness of this process?</p> <p><b>Organization</b> — How is your company currently organized to manage and optimize this particular process?</p> <p><b>Knowledge</b> — What visibility do you have into key data and intelligence required to manage this process?</p> <p><b>Technology</b> — What level of automation have you used to support this process? How is this automation integrated and aligned?</p> <p><b>Performance</b> — What do you measure? How frequently? What’s your actual performance?</p>

Source: Aberdeen Group, January 2008

**Table 7: The Relationship Between PACE and the Competitive Framework**

PACE and the Competitive Framework – How They Interact
<p>Aberdeen research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.</p>

Source: Aberdeen Group, January 2008

## Appendix B: Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report include:

- *Mid-sized Companies Lag Larger Counterparts in Succession Planning*  
January 2008
- *Employee Performance and Talent Acquisition in Larger Companies*  
December 2007
- *Integrated Human Capital Management: Over-hyped or Over-due?*  
December 2007
- *The Looming Leadership Void: Identifying, Developing, and Retaining Your Top Talent* November 2007
- *The Strategic Development of Core HR Systems*; September 2007
- *Learning and Development: Aligning Workforce with Business Objectives*; September 2007
- *Competency Management: The Link Between Talent Management and Optimum Business Results*; August 2007
- *Onboarding Benchmark Report: Technology Drivers Help Improve the New Hire Experience* August 2006

Information on these and any other Aberdeen publications can be found at [www.Aberdeen.com](http://www.Aberdeen.com).

Authors: Kevin Martin, Research Director, Human Capital Management,  
[kevin.martin@aberdeen.com](mailto:kevin.martin@aberdeen.com)  
Jayson Saba, Research Associate, Human Capital Management,  
[jayson.saba@aberdeen.com](mailto:jayson.saba@aberdeen.com)

Founded in 1988, Aberdeen Group is the technology- driven research destination of choice for the global business executive. Aberdeen Group has 400,000 research members in over 36 countries around the world that both participate in and direct the most comprehensive technology-driven value chain research in the market. Through its continued fact-based research, benchmarking, and actionable analysis, Aberdeen Group offers global business and technology executives a unique mix of actionable research, KPIs, tools, and services. This document is the result of primary research performed by Aberdeen Group. Aberdeen Group's methodologies provides for objective fact based research and represent the best analysis available at the time of publication. Unless otherwise noted, the entire contents of this publication are copyrighted by Aberdeen Group, Inc. and may not be reproduced, distributed, archived, or transmitted in any form or by any means without prior written consent by Aberdeen Group, Inc.

As a Harte-Hanks Company, Aberdeen plays a key role of putting content in context for the global direct and targeted marketing company. Aberdeen's analytical and independent view of the "customer optimization" process of Harte-Hanks (Information – Opportunity – Insight – Engagement – Interaction) extends the client value and accentuates the strategic role Harte-Hanks brings to the market. For additional information, visit Aberdeen <http://www.aberdeen.com> or call (617) 723-7890, or to learn more about Harte-Hanks, call (800) 456-9748 or go to <http://www.harte-hanks.com>