

# Onboarding 2020

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What you need to know to create an effective modern onboarding strategy



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# Introduction

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Although most organisations recognise that staff need time to get up to speed, research suggests many companies could do more to support employees during this initial 'settling in' phase. This is especially true for senior positions, with some studies suggesting there's almost no onboarding for new hires in managerial/executive positions.

In this whitepaper, we've drawn on research into the current state of onboarding to discuss the tangible benefits of a well-planned and structured onboarding strategy, what it requires and, with the help of technology, how to implement it effectively.

## What is onboarding?

Onboarding is the process where new hires are integrated into the culture and operations of their new employer. The aim is to promote engagement, ensure essential administration activities are completed and provide new employees with the right tools, knowledge, understanding and support needed to carry out their job successfully and feel welcomed into the organisation.

There is sometimes a misconception that induction = onboarding. This may have been true in the past, but it is certainly not the case anymore, and it's this confusion that makes an onboarding process incomplete.

## Induction vs. Onboarding:

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Whilst induction covers the activities that take place after the employee has joined the organisation, onboarding is the more thorough overarching process that starts well before the new hire takes up their position.

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## Why is onboarding important?

Studies have shown that if done right, a well-planned onboarding programme will have a positive impact on the overall performance of an organisation. The following are some key benefits of having an effective onboarding process in place:

**Increases retention rate** – A good onboarding experience will engage the new hire right from the beginning of their job lifecycle and will reduce their flight risk. This is significant due to the issue of 'Non-Starter Syndrome' where a high percentage of new hires fail to start work after accepting a job offer (more on this later).

- Organisations with a strong onboarding process improve new hire retention by 82% and productivity by over 70% (Glassdoor, 2015)
- 69% of employees are more likely to stay with a company for three years if they experienced great onboarding (SHRM, 2017)

**Reduces recruitment costs** – A higher retention rate as a result of investment in a great onboarding process means the costly and time-consuming process of recruiting is significantly reduced.

- The average direct cost of recruitment per candidate is £1739
- The average cost of onboarding per candidate is £290
- Onboarding expenditure is just 17% of recruitment spend but is key to lower churn and higher ROI (Cezanne HR, 2019)

**Gets employees up to speed quicker** – New employees can take up to eight months to settle into their new role. A comprehensive onboarding programme helps employees become more productive sooner.

- Longer onboarding programmes help new hires gain full proficiency 34% faster than those with shorter programmes (Urbanbound, 2018)
- 67% of high-performing companies have a structured onboarding process for new hires (Inc. com, 2018)
- 22% of employees said more training in their first few months would have helped them become more productive sooner (Cezanne HR, 2018)

**Promotes company culture** – Some argue that a company's culture is its only truly sustainable competitive advantage; a competitor can imitate everything you have – products, services, marketing strategies – but culture is extremely difficult to duplicate. You can develop and strengthen that advantage by integrating employees into the culture through onboarding, which may, in turn, help you in cultivating excellent brand ambassadors.

- Employees' overall ratings of their company's qualities – like collaboration, work environment, and mission and value alignment – are 20% higher at companies with strong cultures (CultureIQ, 2017).

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According to Oxford Economics, the cost to replace an employee could be more than £30,000 based on the lost output from the period the position is vacant and until the replacement employee is up to speed, and the logistical cost of recruiting a new worker (e.g. agency fees and advertising). This means the higher the base salary, the bigger the responsibilities the role carries, and the longer the position is vacant, the higher the potential cost.

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# The current state of onboarding and what we can learn from it

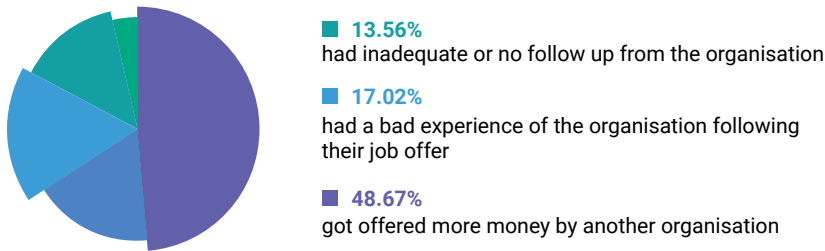
We surveyed 250 UK HR professionals and 1,000 UK office workers to find out the current state of onboarding.

## The view from HR:



## The employee perspective:

- 37.5% of office workers changed their mind before starting a new job (Non-Starter Syndrome)



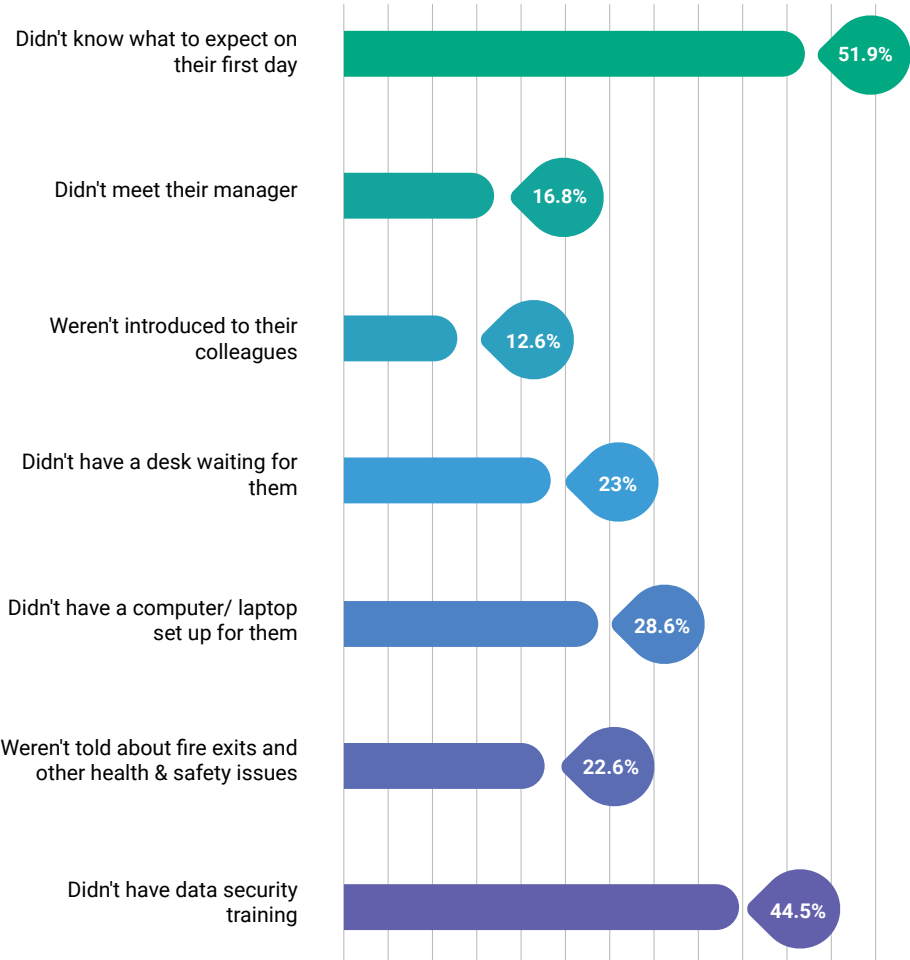
- 41.1% of employees left within the initial six months of starting



Before their first day,

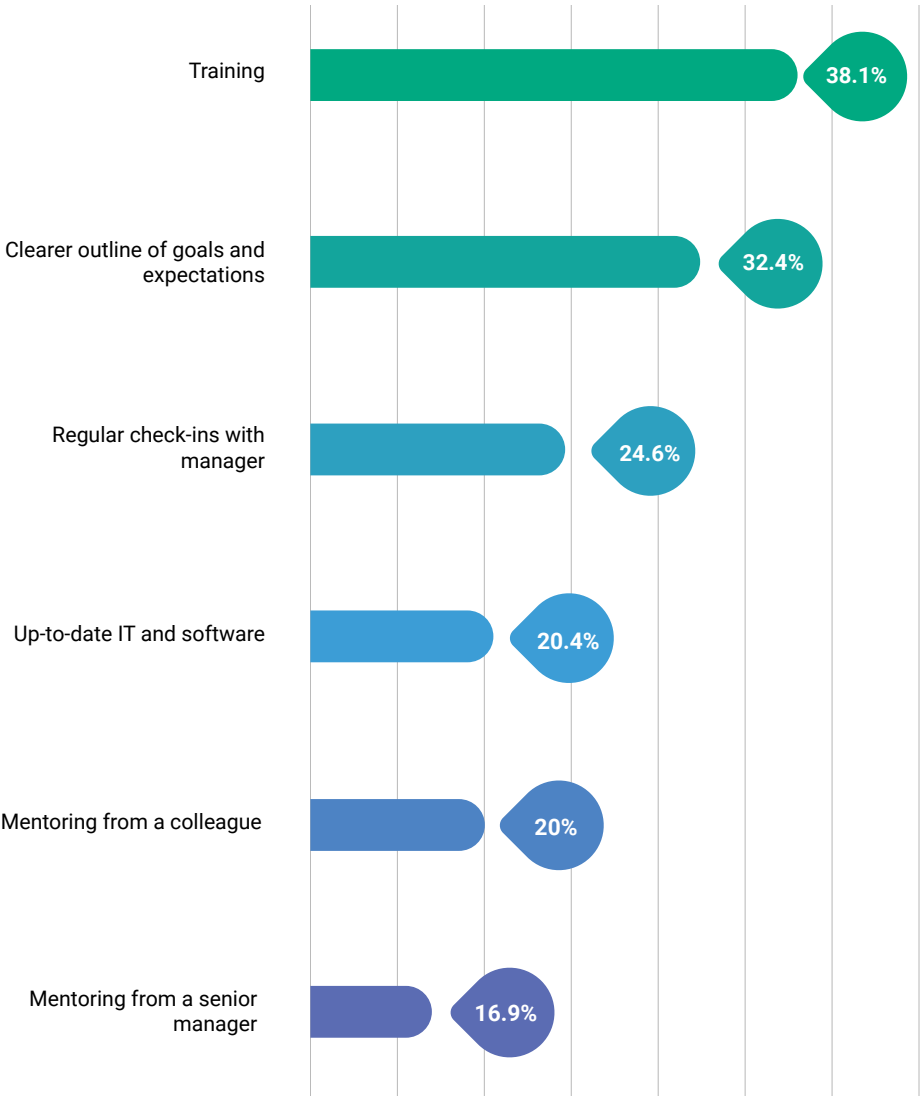
45.6% didn't hear a peep from their new employer after the initial job offer

On their first day,



How to improve:

In the end, only 13.61% said everything was perfect. So, we asked the others what would've made their first few months better:





# Key takeaways

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It's clear that poor onboarding is costing organisations time and money, and much of what is going wrong is relatively easy to fix. Common problems include:

## **Lack of preparation**

Not having a desk ready with all the necessary work equipment for the new hire screams unprofessionalism. It gives off the message that you don't care, so why should the employee care either?

## **Absence of clear communication**

More than half of the employees didn't know what to expect on their first day. It seems employers are missing out on the chance to provide relevant information that would help employees feel more welcome, and lay the foundations of a good relationship in this critical period.

## **Over-reliance on manual processes**

The majority of HR teams don't have an online tool to assist with onboarding. This makes the onboarding process enormously time-consuming, and runs the risk of missing out key activities, like setting up mandatory training.

## **Lack of support and inclusion**

For the respondents who said they felt unwelcome and could have benefited from regular check-ins with their managers or mentoring from colleagues, it's clear there's more that could be done to support new joiners in building relationships and feeling part of the community.

## **Training shortfalls**

A surprising find was that not all new hires are given mandatory training (e.g. health and safety procedures, data security) as part of their initial onboarding, which could put both organisation and employee at risk. However, the gap extends beyond essential compliance training, with a significant percentage of employees reporting that training would have helped them become more productive faster.



# How to design an effective onboarding process

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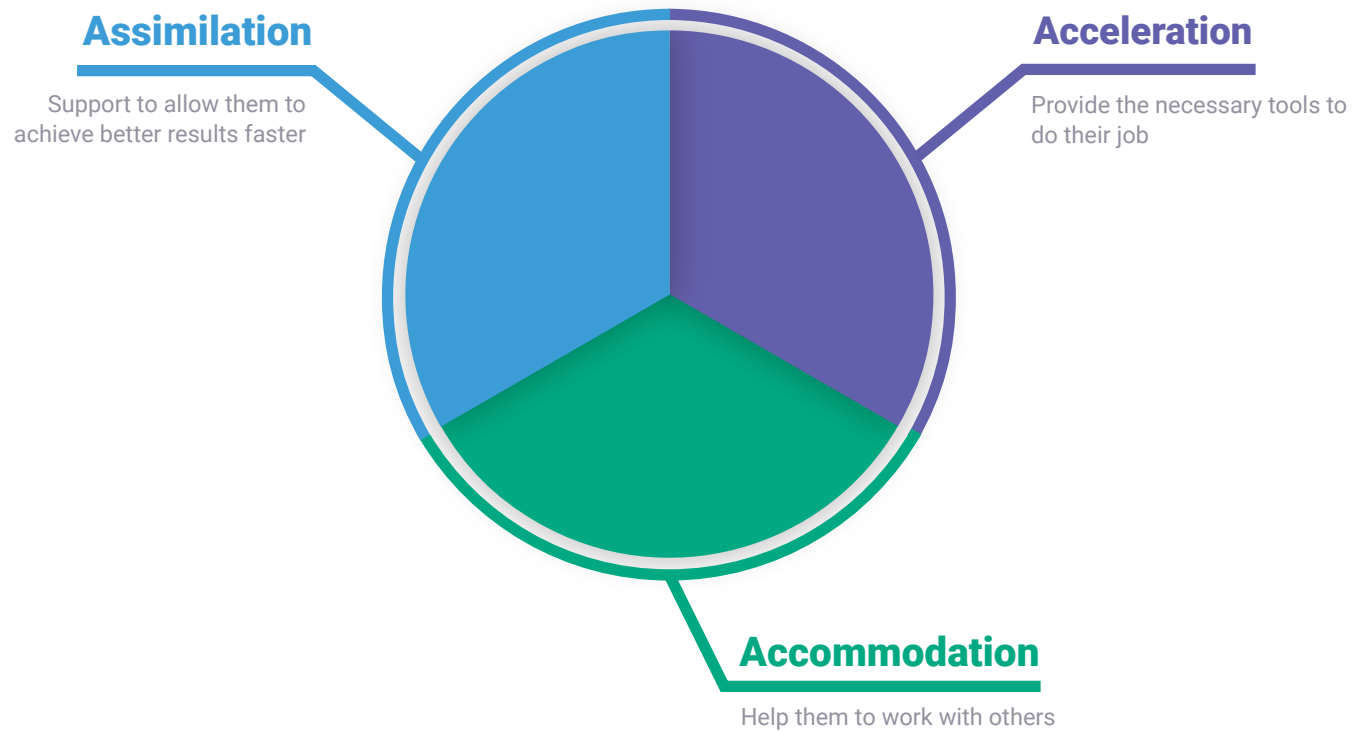
While effective onboarding programs contain similar elements, there is no one-size-fits-all. An onboarding strategy has to be designed with your specific company goals, culture and needs in mind. Chances are, you won't perfect it in one go – nor is it likely to stay the same for long. You'll need to adjust to the ever-changing demands of your company and employees.

It's important to ensure you have a complete onboarding process to reap its full benefits. Refer to the following models in the next pages to see if you have everything covered in your onboarding.



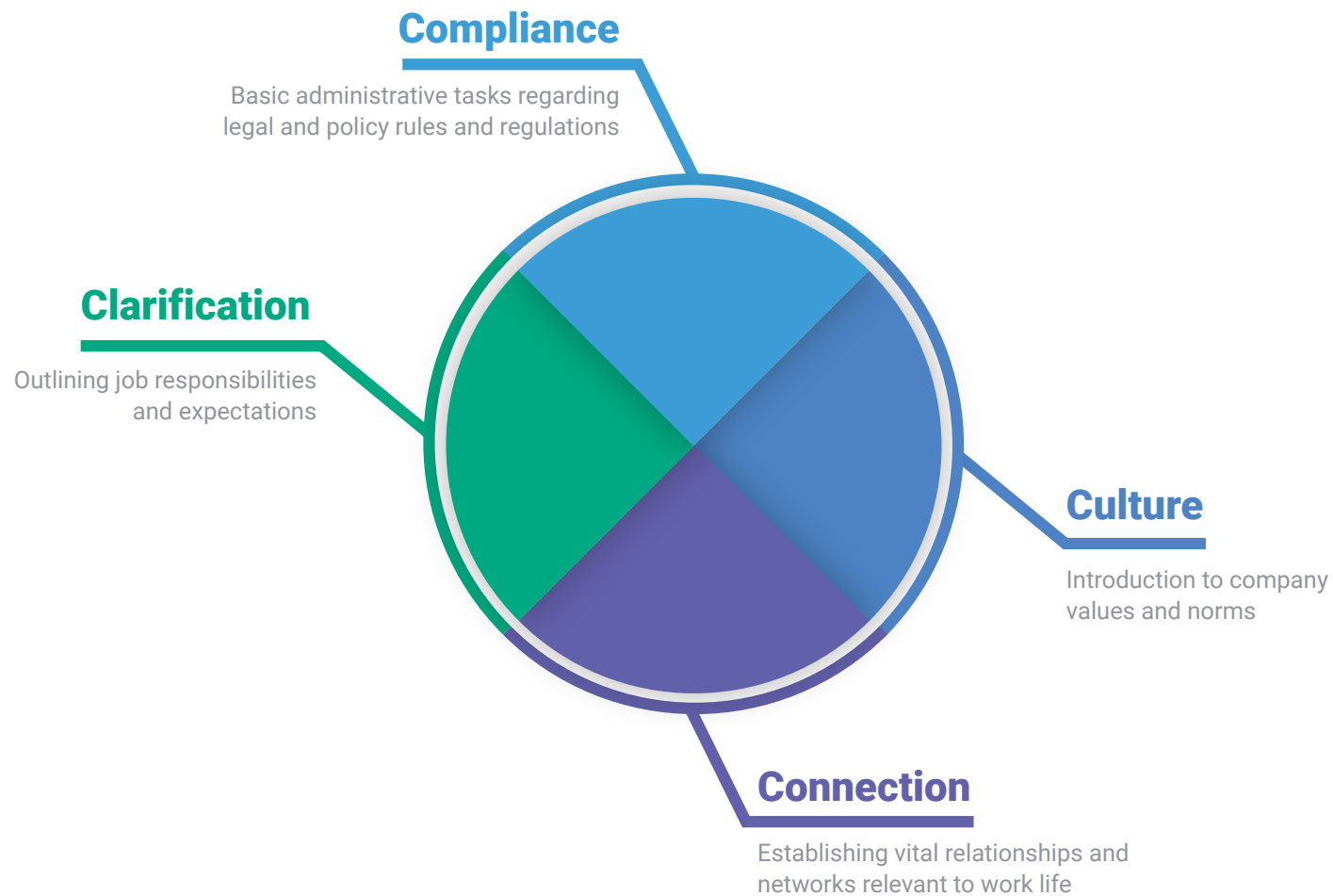
# Essential elements of onboarding

## The Triple A model



# Essential elements of onboarding

## SHRM's 4 C model





# When should onboarding start?

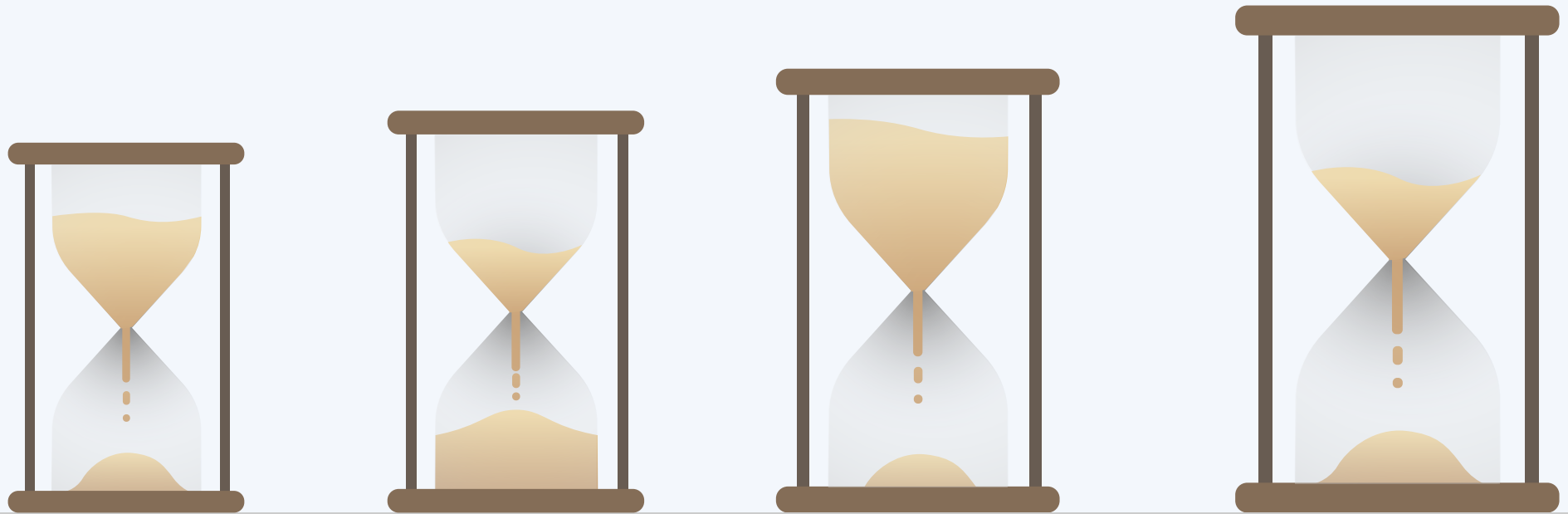
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In the past, many organisations began their onboarding on the new hire's first day of work. This was in part to do with the state of technology at the time (onboarding portals are still relatively new) and partly because the impact of good onboarding on employee engagement and productivity wasn't as well understood as it is now.

However, as [our research shows](#) organisations have a lot to gain from starting onboarding as soon as the

candidate has accepted your job offer, and possibly as early as the beginning of the hiring process.

Since the objective of recruitment is to find the ideal new employee, it makes sense to consider each candidate as the person you might hire, and ensure a smooth transition from their time as an applicant to when they become a formal employee.



## How long should onboarding last?

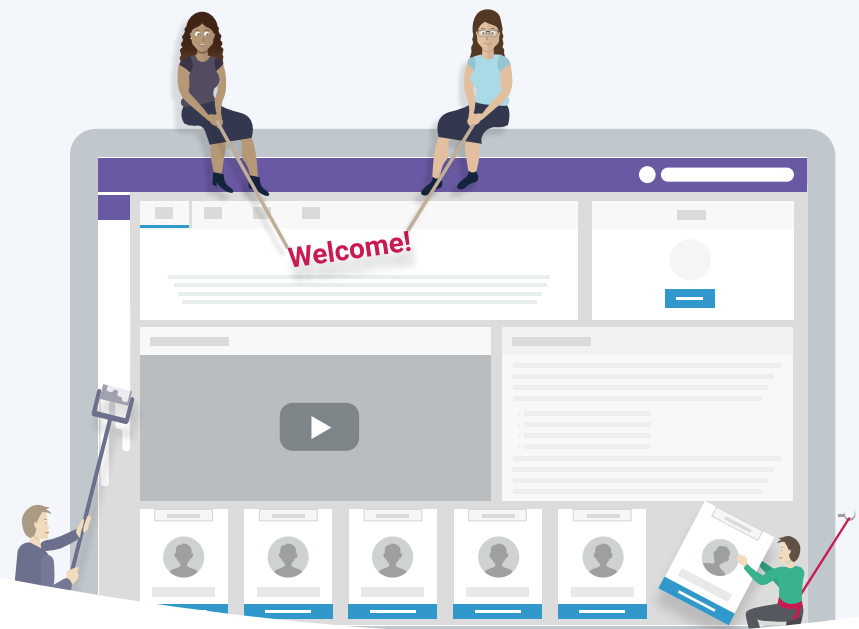
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A survey of 2,300 hiring managers and HR professionals by American job site CareerBuilder shows that almost 90% have onboarding programmes only lasting less than three months, with more than half lasting a week or less.

However, research suggests that new joiner onboarding programmes work best when they last at least three months, with some recommending as much as a year.

Although paperwork and initial inductions may only take a few days, leaving new employees to their own devices in the first two or three months is a high-risk strategy. Very few employees are going to thrive or even survive in the organisation without some input from line managers, or support in the form of training or mentoring in areas that are new to them.

An onboarding programme that extends for as much time as your resources allow, with several touchpoints through their integration period, will help employees get their bearings, be more engaged and increase work satisfaction.



# Do you need to personalise employee onboarding?

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Since the focus of onboarding is to make each employee feel welcome and provide them with the support they need, it's self-evident that you need to tailor your processes to reflect their different needs and expectations. That doesn't mean you must have a unique process for every employee, but you should make it feel personal and relevant.

Personalising doesn't need to involve a lot of manual work, either. With a well-structured onboarding programme, backed by the right technology platform, it's easy to tailor the individual employee experience to take into account factors such as:

- the role
- level of experience
- employment type (full-time or part-time, permanent or contract)
- department
- location (different cities or countries, or remote workers)



# What is the role of the line manager?

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Much of the success of onboarding relies on developing the relationship between the employee and their line manager, so managers must be encouraged and empowered to own the process and be proactive.

For example, Google found that these five small tasks enabled managers to help their new hires get up to speed 25% faster:

- Have a role and responsibilities discussion
- Match your new hire with a peer buddy
- Help your new hire build a social network
- Set up onboarding check-ins once a month for your new hire's first six months
- Encourage open dialogue

## Can technology make a difference?

With so much at stake and so many activities to manage, it is hardly surprising that more and more organisations are turning to Cloud HR technologies to help onboard their employees.

The latest onboarding solutions, which are either offered standalone or as part of an integrated HR suite, typically combine onboarding portals for new employees with tools that help orchestrate the other activities that go into successfully bringing new hires into the company.

By automating many of the tasks associated with onboarding, these systems will:

- Massively reduce administrative overheads
- Ensure that key activities don't get missed
- Reduce compliance risks
- Improve communication
- Provide future employees with a simpler and effective way to get to know your culture and their colleagues before they start
- Support other events, such as relocations or returning to work after an extended break



## Final thoughts

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With an intensely competitive job market, high cost of recruitment, and ever-growing employee expectations, revisiting and improving onboarding is a priority for HR professionals looking for better ways to resource, engage and retain key staff.

So, it's easy to see why many organisations are placing a great emphasis on onboarding. People are a company's biggest asset, so capitalising on a new employee's enthusiasm with an effective onboarding process can only benefit organisations in the long-run.



## Onboarding & Lifecycle Management

Cezanne HR's integrated Onboarding & Lifecycle management module combines easy-to-set-up employee onboarding portals with a smart task manager that makes it simpler to manage any kind of activity involving multiple people, tasks and deadlines.

- Create engaging personalised welcome portals
  - Help new joiners feel at home
- Take control of essential onboarding to-do lists
- Improve how employee lifecycle events are managed

**To find out how to manage onboarding smarter, faster and more effectively visit our website today.**

### About Cezanne HR

Cezanne HR is leading the way in delivering smart Cloud HR software solutions to mid-sized and growing businesses, both locally and globally, at a cost unthinkable just a few years ago. Cezanne HR's system is quick to deploy, easy to manage and packed full of features that save time and help everyone work together more productively and successfully.

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