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How Kelly Services Implemented Onboarding To Retain Quality Workers

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EXECUTIVE SUMMARY

Kelly Services did not have a formal onboarding program. New hires spent a few hours hearing about the company, its policies and procedures, and then learned on the job — some succeeded, others didn't. Even with good recruiting, succession planning, and learning opportunities, the retention rates and the ramp-up rates were not acceptable. The learning department was tasked with reversing this trend. With the introduction of a formal onboarding program, the employee retention rate increased, and employees were happier and more productive.

KELLY SERVICES SERVES THE EMPLOYEE PLACEMENT INDUSTRY WORLDWIDE

Kelly Services (Kelly), headquartered in Troy, Mich., (2008 revenue of $5.5 billion) provides temporary staffing, permanent placement, outsourcing, and consulting services. In 2008 Kelly assigned 650,000 workers around the globe. In the past year, Kelly has upgraded its human capital management (HCM) technology to serve several areas of employee development. Kelly has implemented the learning, succession, goal, career planning, and compensation modules from Cornerstone OnDemand, which Kelly has internally rebranded Talent City.

Recruiting Locates New Employees, And Succession Planning Helps Employees Advance

In addition to standard recruiting approaches, Kelly has introduced proactive recruiting with social networking. LinkedIn and Facebook are the most used social networking resources, with some use of Twitter and Virtual Worlds.[1] The top 200 employees and high potentials are targeted in succession planning. Employees must keep an updated career profile along with the employee information that is imported from the human resource information system (HRIS). When new positions become available, these self-profiles are the first resource to be searched.

Learning Provides Opportunities To Gain New Skills That Impact The Business

Kelly provides more than 600 free courses and more than 2,000 fee-based courses for full- and part-time employees. These are carefully selected by product leaders in a variety of verticals like science, finance, IT, law, healthcare, education, and engineering, and they are provided in as many as 15 languages in the Americas, EMEA, and APAC. All employees have a My Learning page with selected or required learning modules or courses. If new recruits stay with Kelly, they have opportunities to learn and advance. Those who took training coupled with their on-the-job experience made significant contributions to Kelly's revenue and gross profit in comparison with those who had no training (see Figure 1). But retention of new employees was a challenging problem that needed to be addressed.

Figure 1 The Impact Of Training On Performance

Base: 186 Kelly employees with training
*Base: 266 Kelly employees without training

Source: Kelly Services

55478   Source: Forrester Research, Inc.

KELLY'S FIRST ONBOARDING PROGRAM DRAMATICALLY IMPROVES EMPLOYEE RETENTION

Before 2008, Kelly did not have a formal onboarding program. But Kelly executives wanted to see an improvement in new-employee retention rates. Many new recruits were Millennials who had different work expectations from their older colleagues.[2] The Kelly executives challenged the Learning department to: 1) reduce employee turnover by 40%; 2) improve time to productivity; and 3) create a consistent onboarding experience.

Millennial Needs Differ From Other Generations

From internal research, Kelly knew that young hires come to work with different desires and needs from older employees. Millennials especially want to understand the company and how they will contribute and make a difference. They're interested in opportunities for growth and advancement. They also want to understand the company goals and experience the work atmosphere to help them make a good decision about the company they join. Flexibility in work hours, up-to-date work technologies, and an opportunity for team work are important to them. To address these needs:

- **Kelly piloted an onboarding program in two formats: face-to-face and virtual.** The onboarding pilot program was launched in the Americas to a total of 186 new hires, with 94 in a physical location and 92 in virtual locations. The virtual program helped reduce travel expense but still supported the new hires using the same content as at the physical training locations. The virtual sessions met online in small groups for 2 hours a day for the first week. The face-to-face group met all day for their first four days at a Kelly facility.

- **The onboarding sessions were tailored to Millennials.** The Kelly training team developed content to help new hires understand how they fit into the Kelly picture. Executives and employees shared their personal stories and inspirational Kelly stories. The team presented the Kelly history, career development opportunities, Kelly technology, and the excellence in service requirement (see Figure 2).

Figure 2 Sample Onboarding Pilot Content

Session 1: Welcome	Executive greeting
	Welcome/Overview
	Key items • "Kelly Now" video followed by goals of day
Session 2: Benefits	Benefits overview
Session 3: Company Overview	Company overview • Overview of Kelly's business lines and strategic initiatives
Session 4: Kelly & You	Perks/Policies
	Key to Talent City • Understand and practice using the Kelly technology (customized for the audience)
Session 5: The Path To Success	Career development
	History of Kelly

55478   Source: Forrester Research, Inc.

Results Are Positive: Lower Turnover And Greater Productivity

After six months of the new onboarding program, fewer employees turned over, and productivity increased by 27% to 50%. The pilot program was held the first and third week of every month for six months with a limit of 15 participants per session. All employee results were recorded in the Cornerstone Learning Management System:

- **The pilot program increased retention compared with the nonpilot group.** Approximately half of the pilot group participated in a live pilot onboarding in a meeting room in the regional office. Results showed a 2% turnover for the group. The virtual onboarding program showed a very similar increase in retention. The other half of the pilot group participated virtually in locations around the Americas but used the same new onboarding content as the regional office onboarding. The virtual onboarding results showed a 3% turnover rate. In contrast, new hires during that same time period who didn't participate in either kind of onboarding had a turnover rate of 15% (see Figure 3).

- **Onboarding success carried through to productivity on the job.** In the pilot onboarding group, 53% of new supervisors in the commercial business and 27% of new recruiters had documented fill success within the first 30 days of hire. Among the nonpilot new hires, this fill

activity was 50% for new supervisors in commercial but 0% for new recruiters. Kelly believes that because the nonpilot group didn't have the onboarding experience, members of that group were still concerned about new-hire questions and were not as confident as they tried to focus on the job (see Figure 4).

- **Surveys of face-to-face versus virtual classroom onboarding showed minor differences.** New-hire surveys using a 1 to 5 scale (1 [strongly disagree] to 5 [strongly agree]) showed that both groups benefited from the onboarding program (see Figure 5). The corporate in-person sessions were rated slightly higher because participants got to know and interact with their mentors. The virtual approach was also a new learning approach for many new hires. The learning program director commented on this factor: "Results indicate that the experience is more important than the delivery method. Some people prefer the face-to-face approach, but we were surprised by how successful they found the virtual training. Here's a comment from a new hire: 'I think the process and design of this portion of the training was handled very well, and it was a virtual experience. When first experiencing a new company and industry, it can be an overwhelming experience and this training really helped.' "

Success Brings Expansion

Because of the success of this onboarding program, it is fully deployed in the Americas and is now deploying in EMEA and APAC. Kelly continues to refine and tweak the program to ensure that it meets current requirements and new hires' ever-changing needs. Kelly has also developed a supplemental onboarding program for employees who are part of the Kelly Outsourcing and Consulting Group. These new hires complete the standard onboarding and then will spend 3 hours using an online training program to gain an understanding of the history, culture, and key systems pertaining to the consulting part of the organization. Then these new hires begin six to nine months of formal job-related training, which they take a few hours each week while working.

Figure 3 New-Hire Turnover
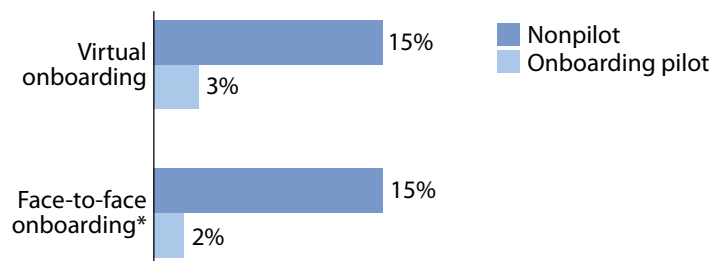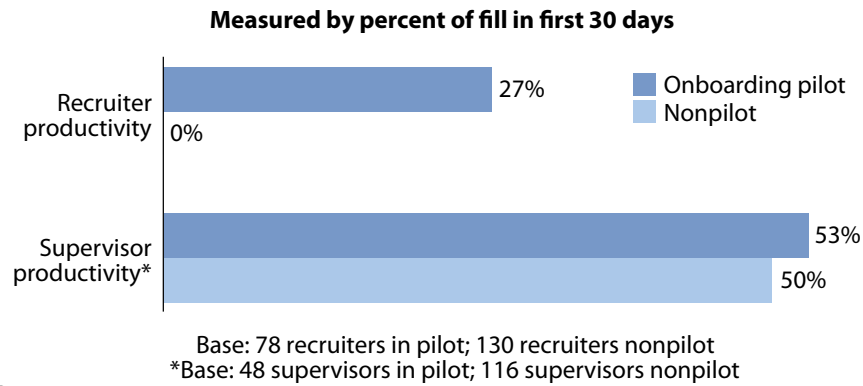

Base: 266 employees nonpilot, 92 employees in pilot
*Base: 266 employees nonpilot, 94 employees in pilot

Source: Kelly Services

55478   Source: Forrester Research, Inc.
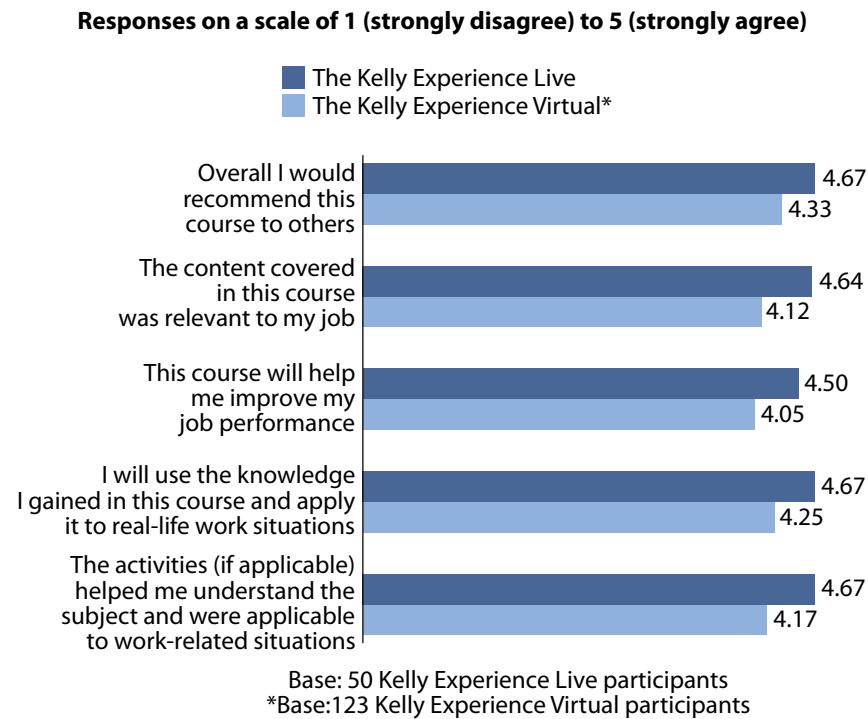
Figure 4 New-Hire Productivity

Measured by percent of fill in first 30 days

Recruiter productivity — 27% (Onboarding pilot)
Recruiter productivity — 0% (Nonpilot)

Supervisor productivity* — 53% (Onboarding pilot)
Supervisor productivity* — 50% (Nonpilot)

Legend: Onboarding pilot / Nonpilot

Base: 78 recruiters in pilot; 130 recruiters nonpilot
*Base: 48 supervisors in pilot; 116 supervisors nonpilot

Source: Kelly Services

55478   Source: Forrester Research, Inc.

Figure 5 New-Hire Survey Results

Responses on a scale of 1 (strongly disagree) to 5 (strongly agree)

Legend:
The Kelly Experience Live
The Kelly Experience Virtual*

Overall I would recommend this course to others — 4.67 (Live) / 4.33 (Virtual)

The content covered in this course was relevant to my job — 4.64 (Live) / 4.12 (Virtual)

This course will help me improve my job performance — 4.50 (Live) / 4.05 (Virtual)

I will use the knowledge I gained in this course and apply it to real-life work situations — 4.67 (Live) / 4.25 (Virtual)

The activities (if applicable) helped me understand the subject and were applicable to work-related situations — 4.67 (Live) / 4.17 (Virtual)

Base: 50 Kelly Experience Live participants
*Base:123 Kelly Experience Virtual participants

Source: Kelly Services

55478   Source: Forrester Research, Inc.

RECOMMENDATIONS

IMPLEMENT AN ONBOARDING PROGRAM TO HELP DRIVE RETENTION

Superb talent is essential to a successful business — you can't make it without the right people. Business process and application professionals must encourage human resources departments to look at alternative ways of finding and onboarding new employees. The cost of hiring good employees is high. To find and keep these new hires:

- **Make sure recruiters are using social networking.** It's necessary to use resources like LinkedIn, Facebook, and Twitter in addition to the traditional recruiting tools. Have a presence on a social networking site like Facebook that talks about and shows what it's like to work in your company.

- **Implement an onboarding program.** Don't try to give new recruits all of the information in one day. Take care of paperwork before the first day and give new employees bite-sized information over the first few days of employment. Have check-in meetings with these employees every few weeks for the first 90 days on topics like benefits, payroll, technology, mentors, etc.

- **Give employees opportunities to grow within your organization.** Record appropriate learning experiences and make them available in the learning management system. This application becomes the source of truth for employee compliance and certification data and soft skills completions like leadership development or training experiences in employees' specific content/subject area.

ENDNOTES

[1] Virtual Worlds, Facebook, and LinkedIn are popular recruiting tools to attract new talent. See the October 8, 2009, "The Millennials Are Here! Are You Prepared?" report.

[2] To avoid putting their businesses at risk, organizations must work with human resources and business managers to plan for the future. See the March 4, 2008, "The Workforce Is Changing; What Are You Doing About It?" report.