Cornerstone
ONBOARDING

Strategic Employee Onboarding:
First Impressions Are Everything

Cornerstone OnDemand
Whitepaper Series

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Strategic Employee Onboarding: First Impressions Are Everything

When companies hire a new employee, they often think of it as orientation. When the employee comes in on his or her first day, he or she is introduced to as many co-workers as possible, and then meets with someone from human resources to fill out forms and other necessary records so that the company has all the information it needs about its new worker.

The new employee might watch videos regarding various company policies, listen to a presentation about what the company does, and even do networking or icebreaking activities with other new employees. Although the atmosphere is one of welcome, the activities are mostly tasks for the company's benefit: signing acknowledgements of policies, filling out emergency contact information, and signing various payment or legal forms.

Often, people use the term "onboarding" when they really mean "orientation." The terms are used interchangeably, but onboarding is a completely different process. Orientation can be the beginning of onboarding, but the actual onboarding process is for the benefit of the company and the employee. It is also much more essential to your company's long-term success.

Onboarding: More than orientation

The goal of onboarding is to help link the employee to the employer and to create a bond between them. Onboarding is a strategic process, usually at least a year in length, which incorporates orientation but is aimed at a much larger goal: immersing that new employee in the company's culture and vision. It focuses on experiences rather than tasks. These experiences might include certain training programs, job shadowing assignments, and other real-life experiences that help new hires to understand not only what they do, but also how it fits in with what the company does.

> " Ninety percent of employees make their decision to stay at a company within the first six months. "
>
> - Aberdeen Group, August 2006

Onboarding becomes a set of processes that aim to create an experience that makes the employee want to stay and contribute to the organization. If the employee's experience of the company is consistently positive and enlightening about the company's mission and purpose, he or she is much more likely to want to stay. But if an employee's first experience of a new employer is consistently negative, that employee may be much more likely to jump ship when something better comes along.

The high stakes of tight labor markets

The consequences of a poor orientation process are serious enough. Companies that cannot manage the simple process of completing an employee's record won't have the information they need or the necessary compliance documentation. But the consequences of a poor onboarding process are much more significant in terms of cost, lost productivity, and ongoing recruiting costs. Onboarding is about keeping talented people around, and companies that are more strategic with their onboarding process are more likely to keep talented people and reduce turnover organization-wide.

Impacts of Baby Boomer Generation Retirement

The stakes for losing talented people are getting higher all the time. Companies in all markets must now put more thought into how they will keep top performers – or any performers at all – in the next few years. In 2011, the oldest members of the baby boom generation—the largest generation in American history—will turn 65. Not every baby boomer is going to retire at 65 and many plan to work into their retirement years. But as 78 million people begin to turn 65 and at least consider retirement, no company can afford to be complacent about what they plan to do to replace their baby boomers. And with a considerably smaller generation following behind—Generation X estimates vary, but 49 million is a common figure—it becomes clear that in the coming years, the labor market will get tighter and tighter. That means employees will have more and more choices about who to work for – and who not to work for.

In a tight labor market, any company that delivers the value of a strategic onboarding process is a company where employees are going to stay. This includes consistent training, communicating clearly job roles and expectations, aligning daily activities with business goals, providing consistent feedback and appraisal, handling routine form processing quickly, and giving the employee immediate access to information about company policies, history, and mission. Employees who think highly of a company and believe in its mission are going to spread the word, which makes it easier to attract other top performers. Onboarding, with its emphasis on introducing the employee to the company's strengths and broad significance, is a valuable way to show that employee why he or she should stay.

Best Practices

What practices will make an onboarding process best-in-class and most effective? To begin with, orientation lasts only a few days, sometimes only half a day, and begins when the employee arrives on site. In contrast, a strategic onboarding process should provide iterative value for up to a full year. That's how long the best companies take to immerse their new employees in the company's culture, structure, and vision. The goal is to make sure that every contact the employee has with the company—even before he or she starts working—is both informative and positive.

Direct Benefits of Strategic Onboarding

✔ Faster time to competence

✔ Costs a fraction of high turnover and constant recruiting

✔ Higher employee satisfaction and long-term retention

✔ Connects employees to corporate strategy and company culture

✔ New hires feel more integrated, more quickly

✔ Reduces burden on managers and peers

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High Touch.
An ideal process is both high-touch and highly individualized. New employees who get a lot of contact, either with a specific mentor or with a series of leaders from their own part of the organization and other divisions, are going to learn a lot about how the company works. They're also going to feel a sense of connection to those leaders and feel networked with others who can help them, both in their time at the organization and their career overall.

Targeted.
A canned experience will not do. Onboarding processes should be targeted to the role the employee fills. A standard set of experiences that every employee goes through will inevitably contain information that does not apply. For example, a company might send each new employee through a series of job shadowing assignments throughout the company. But that process will make more sense to the employee if the sequence is tailored to start with his or her role, and then show how each department is related to that role. Without context and proper orientation, a standard series of job shadowing assignments could be more confusing than informative.

Pre-boarding.
It is also helpful to push the onboarding out in both directions. No company has to wait until an employee starts working to begin showing them that they have chosen wisely. For example, by sending a new hire package out to the employee before the first day, a company demonstrates that it takes employee development, assimilation and success seriously. If your company has an onboarding system, allowing the employee to log on before his or her first day allows the company experience to begin at the employee's leisure and allows them to formulate questions and a sense of context before they ever set foot on-site. Then, when the employee arrives and his or her desk is set up, business cards have been ordered, and managers already know the employee's name, an impression has already been set that the employee is known, expected – and valued.

Multiple Modalities.
A good onboarding process has both breadth and depth. For example, one of the most common aspects of onboarding is the training that an employee must complete. But within training, there are other experiences that capitalize on that training and maximize its impact. Job shadowing can reinforce the learning. E-learning can provide supplemental information for instructor-led training or take the place of instructor-led training and allow the employee to absorb the material at a self-determined pace. Systems like the company intranet and a dedicated onboarding portal can deliver consistent and meaningful information.

Aligning Goals.
Strategic onboarding does more than just educate new hires on the basics of working at the company and the core responsibilities associated with a job. Taking it to the next level means providing the employee with a goal framework – what are the key goals for any given job over the next quarter or year. Onboarding can communicate expectations right at the outset by aligning an employee's daily activities with departmental or organizational goals. And the company wins big when employee goals are aligned with corporate objectives.

Processing Paperwork.
Reliable onboarding also includes sorting through piles of required paperwork. While this part of the process can rarely be eliminated, a good onboarding process can make it more bearable. A dedicated onboarding portal is often a perfect way to pre-load basic HR, tax, and payroll forms (and often to pre-populate them with certain basic information).

Reliable Reporting.
Finally, the best onboarding processes are measured, monitored and reported on. Without measurement, there's no way to know whether the process is structured the way it should be, or if it's having the desired effect.

Making the Case for Strategic Onboarding – Key Data Points

Before improving or revamping your orientation process to include onboarding, there are some questions you ought to ask.

How many hires does your company do each week/month/year?

If your organization only brings one person onboard per month, there is not an imperative to put resources into a complicated process that may or may not improve what you're doing already. But if you're hiring 40 people a week and your company tends to make a significant number of new hires, an onboarding process might increase your chances of retaining those new employees.

What's your turnover rate?

If the rate is high, and you are not in an industry with expected high turnover (such as retail), you obviously will be interested in anything that might bring it down – which includes onboarding. But if your turnover is low or within expected benchmarks, your company is probably already giving new employees an experience that makes them want to stay. The costs of any onboarding program are typically much lower than the high price tag associated with high turnover and constant recruiting.

What's the needed scope of onboarding at your company?

Consider the complexity of your company. Are there many different departments that work with each other and processes that an employee needs proper context to understand? Then an onboarding process might be necessary to more effectively contextualize the business for the employee. Also, what training, evaluation, and even competency assessments are necessary for the employee to get up to speed? The degree of knowledge that the new hire must acquire, as well as the complexity of the company overall, help determine the needed scope of an onboarding process. If your onboarding isn't much more than orientation and the necessary skill training, a complex onboarding process probably isn't necessary.

What aspects of onboarding are manual, and which are automated?

Many orientation processes are automated through a human resources management system, and training is often automated through a learning management system. If these processes are already in place and happening automatically, then there may be no need to create an overall onboarding process. Then again, onboarding is not intended to be a series of tasks to be checked off. You may have automated everything but be missing a key experience that makes your onboarding process not only efficient but effective.

Do you measure onboarding effectiveness?

Like any business process, strategic onboarding requires consistent measurement and reporting. Companies can only reliably measure the impact of a good program if the relevant data is being captured.

Best Practice Scenario: Front-Line Focus

Existing Situation:

The client was hiring 100+ employees per week through a manual, labor-intensive process. As a result, the error rate was unacceptably high and completion of some critical paperwork was being missed. New hires were faced with a full day of filling out paperwork (one less day to productivity). The client was simply faced with too much volume of new hire activity to successfully handle the core concepts – not to mention turning the onboarding process into a differentiator. In the jumble of volume and poorly defined process, things were getting lost and the company was failing to meet compliance deadlines.

The client recognized that orientation could be converted to onboarding and become a source of real competitive advantage. By training and training quickly they could reduce time to employee productivity and turn 100+ new hires into successful members of a thriving business.

Process:

The client's HR team selected a leading provider of onboarding technology and process solutions to help realize this improved vision. In order to bring real, immediate value, the system had to cover the following key areas:

- Electronic forms management
- Customizable new hire learning management and curricula
- Complete compliance reporting

Results:

Within weeks, the client could see the benefits of automating the core processes around employee onboarding. They had taken a messy and highly tactical and reactive set of processes and turned the program into a strategic and cost-saving advantage.

With new hire forms handled electronically, the new system eliminated paperwork and administrative costs. The new hire curricula and reporting tools accelerated on-boarding process by:

- Automating routing of information
- Obtaining approvals faster
- Reducing paper handling
- Reducing data entry errors

In the end, the total process improvement contributed to a better initial experience for new hires, increased communication, increased visibility, and better risk management through improved government and regulatory compliance.

The Smart Solution: Cornerstone Onboarding™

Cornerstone OnDemand has functionality to deliver a total onboarding experience, from filling out forms to new hire training to goal management to reporting. And everything in between.

Where other products help you automate the orientation aspect of onboarding, Cornerstone OnDemand is a total talent management solution and Cornerstone Onboarding is a focused set of tools to let organizations build strategic, impactful onboarding processes.

New Hire Curricula. Cornerstone Onboarding can help you to automate the training programs that make up the learning component of onboarding. For example, a new employee who is enrolled in the system might have three programs to complete as part of onboarding, and the system can automatically enroll the employee in each program, alert the employee and his or her manager that the course is coming up, track the employee's progress and any test scores, and document compliance if the training is also regulatory or mandated by an auditing agency. New hire curricula can be built from a wide range of learning activities (including free form) and can be branched and structured to accommodate the most demanding multipart processes.

Forms Management. Cornerstone OnDemand allows you to automatically enroll new employees in the system, generate any forms online that you need, and create whatever record-keeping activities for the orientation aspect of onboarding that you need.

Development/Career Planning. Cornerstone's integrated Individual Development Plan features let companies plan a new employee's long-range development at the organization. This goes beyond simple orientation planning to drive a new hire's experience over the first quarter, first six months, first year. Development planning is a collaborative process that evolves over time, but setting a new employee on the right path from the first day is a great way to communicate expectations and let people know that development is important.

Self-Service Portal. Cornerstone Onboarding gives every new hire web-based, 24x7 access to personalized portal. Onboarding portals can be configured in a million different ways, but strategic uses include providing immediate access to required forms and paperwork; distributing information on company policies and procedures; providing access to moderated threaded discussions to allow the new hire to interact with other employees and seek out answers to pressing questions. And, of course, the personalized, self-service portal contains all the new hire's training and development activity, whether in the form of an e-learning module, a calendar of instructor-led training, a virtual classroom session, or just about any other type of learning.

Appraisal & Assessment. Cornerstone Onboarding includes complete performance review and goal management functionality as an option for organizations who want to manage the initial and ongoing performance of new employees. Performance reviews do not have to be a dreaded annual event – with Cornerstone Onboarding, interim appraisals of performance and goal achievement can be scheduled as part of the new hire experience.

Reporting & Analytics. Cornerstone Onboarding provides managers and administrators with packaged reports or custom report generation so that the organization can make data-driven decisions about training effectiveness, business unit or organizational performance, compliance, or a new employee's place in the onboarding process. Dashboards can give senior management snapshot views into key onboarding metrics.

Transforming orientation into strategic advantage

The advantages of strategic onboarding start to shine through as organizations see turnover fall, productivity rise, and employee (and manager) satisfaction jump. These kinds of benefits go straight to the bottom line as recruiting costs fall; endless cycles of paperwork processing and replaced by smoothly automated systems; and employee competence and goal achievement climbs. In the end, strategic onboarding is about building and developing relationships with employees and sensibly using technology to transform an age-old process.

About Cornerstone Onboarding

Cornerstone OnDemand provides a specific, tested and rapid response to the troublesome issue of effective onboarding. Employees are given the tools and knowledge they need to succeed in their roles, which benefits both the employee and the organization. Cornerstone Onboarding helps to improve and streamline onboarding processes, reduce inefficiencies and forge lasting relationships with new hires.

About Cornerstone OnDemand

Cornerstone OnDemand helps organizations to empower their people and optimize workforce productivity by offering a comprehensive suite of talent management solutions for learning, compliance, performance, compensation, and succession management, as well as robust reporting and analytics. Cornerstone also provides over 30,000 pre-integrated training titles. The Company's multi-tenant, multi-user software as a service (SaaS) architecture provides customers with rapid deployments, minimal IT costs, flexibility, reliability and a lower total cost of ownership. Cornerstone's triple-digit growth has been supported by a market-leading customer retention rate. For more information, please visit www.cornerstoneondemand.com.