

# first draft

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Employee Onboarding

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**Abstract**

The purpose of this capstone is to provide an overview of onboarding as an important part of new employee integration into an organization. A strong onboarding process that fully integrates new hires into an organization in a way that is mutually beneficial to the individual being onboarded and the organization can have many positive effects. This paper will explore those effects. While onboarding is considered to be valuable for the individual being onboarded as an orientation tool, it can also improve job satisfactions, retention rates and performance. The development of strong onboarding procedures and a best practices guide can create large benefits for an organization.

*Keywords:* onboarding, acclimation, retention, job satisfaction

### **Introduction**

As a human resource professional, I have often wondered if the lack of strong onboarding was the reason new employees left their jobs. Knowing new hires are looking for guidance and ways to familiarize themselves within a new organization I have always felt strong onboarding was important. However, I have always wondered “What is strong onboarding” “What are the results of strong onboarding or lack thereof?”.

The purpose of this capstone is to study the potential benefits of onboarding and to propose a best practices model for new employee onboarding. This paper will answer the questions: What is strong onboarding and what does it look like? What are the results of strong onboarding or lack thereof? There is limited information in literature around best practices in onboarding that are specific to non-profit organizations and that focuses on the missions, vision and core value of an organization. This paper will also explore a best practices model.

The literature review that is part of this paper will focus on scholarly peer reviewed articles.

These articles are recent articles mainly from literature written in the last five years. The literature review will also focus mainly on literature published here in the United States.

## Literature Review

**General background employee onboarding**

A literature review shows that past studies on employee onboarding have been primarily focused on understanding the many aspects of onboarding and creating general models for onboarding. Much of the research focuses on what the areas of need are for continuous and intentional onboarding. Some of these areas includes acclimation to a community, understanding of corporate culture, norms and expectation of the organization and the individuals' role, as well as training on policies and procedures (Klein, 2015). Onboarding can be an important part of employee success. The process for onboarding often happens overtime.

Onboarding is such an important part of an employee's success. It starts well before the employee decides to apply with an organization in the forms of employment branding and the candidate experience. It includes sourcing, interviewing, background checks, and extending the job offer. Next comes new hire paperwork, orientation, and training. Lastly, performance management (Lauby, 2016).

Many sources of literature focus on the importance of new employee's ability to understand the corporate culture, norms and expectation of the organization and the individuals' role.

Onboarding needs to be specific and well thought out as "through onboarding, employees gain an understanding of the goals, responsibilities and legal implications of their roles within the greater structure of the organization" (Myer, 2017) This is critical because as Krasman notes "token attempts at onboarding will never mitigate the risk of high turnover rates and premature loss of new hires." (Krasman, M 2015) According to Krasman, the onboarding process should be

strategic, comprehensive, consistent and measured. (Krasman, 2015) This means onboarding truly needs to be thoughtful effort not simply a task.

“When it’s supported by ample planning and is incorporated into the organization’s larger business strategy, the onboarding process has the potential to serve as a pillar for organizational growth.” (Krasman, 2015)

According to Franceski there is need for companies to adopt a structured-practice of onboarding to help stave off early turnover. (Franceski, 2017) Onboarding can take time and cannot always be done all at once. In fact, many believe it needs to be done over time and cannot be done well in one sitting or just a few hours.

“Onboarding isn’t a onetime event; it’s a process that persists through all the early stages of an employee’s journey. Even more, it’s an investment in workers that helps them become more productive and more satisfied members of your organization.” (Krasman, M. (2015)

Lastly, onboarding should be consistent and measured. Just as any other organization plan, the plan for onboarding should be tangible and measurable. This way it can be evaluated and overtime it can be improved. “Onboarding should be monitored, evaluated, and measured regularly, with an eye toward constant improvement.” Krasman, M. (2015). Onboarding is often measured by survey. “Measuring an onboarding program uncovers valuable insights into the employee experience and shows if employees are getting the knowledge and resources they need to be successful. It can even uncover if they feel fulfilled and invested in the organization’s success.” ( Carmody, 2017).

There are many ways in which the onboarding process can be evaluated. Often times the following areas are looked at turnover rate, percent of new hires on new hires on a performance improvement plan, new hire surveys, manger feedback, exit interviews.

Research about onboarding has been compiled at many different types of organizations such as non-profit organizations, for profit organizations, fortune 500 companies as well as small companies with less than 100 employees. Research has also been done in different parts of the country as well as the world. Although the research is wide the findings have been similar. It is fairly easy to find studies that focus on onboarding of individuals. This is where the research is very strong and diverse. Having strong and diverse research allows for a broader view on this topic.

The typically onboarding process would include new hire paperwork, policy and procedures, tour of the building, information on company break rules, technical trainings, office assignment etc.

This training may be given by Human Resources or a hiring manger or in conjunction with both.

This training may be short or an ongoing process. Onboarding often focuses on compliance, clarification, culture, and connection.

In summary onboarding is an important process to help integrate new hires into an organization.

A large part of integration is integration into a company culture.

### **Employee integration into company and culture**

Integrating employees into the corporate culture is a large topic in the literature published about onboarding within the last five years. Integrating employees into the corporate culture is especially important when looking at new managers and high-level employees.

“According to a global survey of 588 senior executives who had recently transitioned into new roles, organizational culture and politics, not lack of



competence or managerial skill, were the primary reasons for failure. Almost 70% of respondents pointed to a lack of understanding about norms and practices—and poor cultural fit was close behind. When asked what would reduce failure rates, they emphasized constructive feedback and help with navigating internal networks and gaining insight into organizational and team dynamics.” (Byford,2017).

Culture and integration into company culture is important for all levels of employees. According to Myer and Bartels:

“If employees are able to identify and connect to the organizations culture and relationships as a newcomer during the onboarding process, it is likely that their organizational commitment will be positively related to their onboarding experience.”

In summary, onboarding is not just about job specific tasks but also Integration into the company and the community.

### **Role of Human Resources**

From someone who works in the field of Human Resource, I have often been told by other human resource professional and senior leaders that their companies they work at is strong at some points of onboarding, but many lack in specific areas such as acclimation to a team. Often times onboarding is the responsibility of Human Resources and focuses solely on policies and procedures.

“In a global survey, 198 HR executives assessed their organizations’ onboarding efforts. Most thought their companies did a good job with basic orientation and the legal and procedural formalities of signing up new hires. But only about half

said their organizations were effective at facilitating alignment between leaders and their teams, and fewer than a third said they actively helped executives adapt to the cultural and political climate.” (Byford,2017)

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In summary, Human Resources is often the center point of onboarding. However, active onboarding needs to include others and become an expanded role.

### **Expanded role**

Although traditionally much of the responsibility on onboarding has fallen under Human Resources this is not always the case. Much of the literature on onboarding focuses on the need of a joint effort on the part of human resources and management. There has been a shift in the recent years seen in this area.

“Another important trend we’ve noticed during the past few years is the shift of responsibility for the onboarding process from HR to hiring managers. Orientation, of course, remains the responsibility of the HR department. But evolved companies recognize that more of the control and supervision of the broader onboarding process belongs in the hands of managers. After all, it is these managers who will be working most closely with the new employees after HR hands them over after orientation. They’re also the ones who will be held most accountable for their onboarding success (or failures). Recognizing that HR loses control of new hires after the hand-off. (Ferrazzi, 2015)”

Often, it is the direct managers who have the largest impact on if an employee stays within an organization.

The person within your organization who has the power to make or break a new employee's success is the hiring manager.

“Hiring managers are the ones most likely to help or hinder a new employee's success within the organizations. It is critical to understand best practices for hiring managers because these functions include direct impacts on important organizational outcomes such as new employee job performance, job satisfaction, organizational commitment, employee referrals, intentions to remain, and turnover. Managers may be thought of as key to “setting the stage” for new employees where they play the multiple roles of producer, director, and stage manager. As much as other organizational stakeholders can help new employees to succeed, the more integrated that the hiring manager is in the linking pin role, the better.” (Baur, 2018)

In conclusion, this is why evolved companies see boarding as a shared role.

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### **Employee Satisfaction – Retention**

Onboarding is not just about integrating new hires into a company but about keeping new hires engaged and onboard. New employee turnover rates are a large concern for many organizations worldwide. This is true in the United States. As Bortz found:

“The war for talent isn't won when employees walk in your company's door. The challenge simply changes from hiring them to keeping them--and that battle begins on day one with effective onboarding (Bortz, 2017)”

The first weeks to months on the job can make a huge impact on an employee's job satisfaction and want to stay with an organization. This is why making sure their integration into a company is strong.

“Up to twenty percent of employee turnover occurs within the first 45 days of employment, according to research by O.C. Tanner, an employee recognition company based in Salt Lake City.” (Bortz, 2017)

Furthermore, additional research shows that onboarding is critical to both the success on an employee and the tenure of that employee.

“Research shows that the first six months of a new hire's tenure are critical to the employee's success and retention. While many companies have developed strong orientation and training programs for an employee's first few weeks on the job—“administrivia” as it is sometimes called—the overwhelming majority still do not have effective systems in place to provide proper guidance in the subsequent, crucial months. (Ferrazzi, 2015).”

Turn over happens at all stages of employment but most research on direct correlations between onboarding and retention focus on the first year of employment.

Nearly 33 percent of new hires look for a new job within their first six months on the job. (Among Millennials, that percent-age is higher, and it happens earlier.)  
Twenty-three percent of new hires leave before their first anniversary.” (Ferrazzi, 2016)

Some of this turnover is said to be easily avoidable by strong onboarding and acclimation into a new company.

In summary strong onboarding can lower new hire turnover rates. Lowering these rates can have a positive impact on an organization from a budgetary standpoint.

### **Financial aspect of onboarding**

Retention rates can have a financial impact on organization. This is true for all turnover especially turnover within the first year. Recruiting not only costs time but also money. This has significant impacts on companies of all sizes. Having vacancies can also cause stress within organizations and departments. **ADD LITERATURE** With the time it takes to fill a vacancy in most U.S. companies and the cost with having high turnover rates it is critical for companies to pay attention to retention.

“The stakes of going back to the drawing board are high, especially at small companies that can least afford the vacancies. It now takes a whopping 68 business days to fill a white-collar job in the U.S., compared with 42 days in 2010, according to a 2017 study by CEB, an Arlington, Va.-based management and technology consultancy. And the average company loses roughly \$407 each day a job remains open, CEB found.” (Bortz, YEARS, pg.48)”

Another study states that the organizational costs of employee turnover are estimated to range between 100 percent and 300 percent of the re-placed employee’s salary (Ferrazzi, 2015 p.4). These are large and often impactful costs on an organization.

In summary, turnover rates due to poor onboarding can negatively impact an organization financially.

### **Areas of growth**

Limited progress has been made on customized or comprehensive onboarding for classifications of specific types of organizations. For example, non-profit organizations, for profit organizations etc. Limited progress has also been made on a universal tool to access onboarding.

Many may believe that onboarding seems like a simple and effortless process. However, it is complex and takes times, money and a joint effort from those involved. Without a strategic and comprehensive approach there is not the support needed to establish strong onboarding.

Onboarding in the past and still currently at many organization is put on the new hire.

“On the face of it, onboarding would seem a simple solution to a long-established problem—how to get new employees acclimated to a network culture quickly and efficiently so a company can begin to take advantage of the skill set the new employee brings to the company. Historically, the process could be problematic—new hires were put under the tutelage of long-established company employees and whatever training was conducted would inevitably bear the impress of the biases and shortcomings of the mentor. In addition, the range of employee benefits and company policies were not always consistently or accurately presented. New hires were expected to learn from observation and by asking questions, sometimes relying on anecdotal information, advice, and warnings.”

(Dewey, 2015)

According to Hirsch, “new employees are prone to jump to premature conclusions. As they make their way through the organization, those early experiences get magnified and calcified.”(Hirsch, 2017)

According to Ferrazzi, only 28 percent of companies consider themselves highly successful at onboarding. This shows the vast opportunity for improvement within organizations in the

practice of active onboarding. Furthermore, according to Hirsch “69 percent of employees are more likely to stay with a company for three years if they experienced great onboarding.”

(Hirsch, 2017) This shows the vast opportunity for improvement within organizations in the practice of active onboarding.

### **Best practices**

In terms of best practices, much of the research that has been done thus far has focused on being strategic, comprehensive, consistent and measured. Furthermore, onboarding literature and best practices have focused on the need to be attentive to the individual needs of the employee and the organization. **INCLUDE PIECE OF LITERATURE.** Using best practices in onboarding and having strong onboarding processes and procedures is important from both the employer and employee. In a study by Meyer:

Participants who were onboarded at the highest level had higher perceptions of onboarding utility, organizational commitment, perceived organizational support, and job satisfaction. (Meyer, 2017)

According to Bortz there are five primary ways to improve your onboarding process. These include starting early, making it fun, preview the program creating informational videos and getting feedback.

“Give new hires as much information as possible in advance. Provide employees with an "onboarding road map"—a brief overview of the weeks and months ahead—so they'll know what to expect. Rather than lecturing employees, use games to jazz up standard company walkthroughs and less interesting compliance- related topics. For example, turn a tour of the office into a scavenger hunt, where new employees have to take selfies with certain people or in

particular rooms. Give new hires a taste of your company's culture through videos, such as footage of employees volunteering or bonding at a company retreat. Continuously improve your company's onboarding process by collecting feedback from new hires.” (Bortz, 2017)”

Using videos to show corporate culture has become popular over the last few years.

At Hulu, a subscription video-on-demand service in Santa Monica, Calif., new hires are shown videos of employees (who are called Hulugans) who demonstrate the company's character and commitment to fun. The profiles show how the company successfully merges its story with the stories of its employees.” (Hirsh, 2017)

Hirsch studied best practices as well and focused on Bauer’s four distinct levels on onboarding.

These are the following:

1. Compliance. At this level, HR teaches new employees about legal and policy-related issues.
2. Clarification. HR makes sure that new employees understand their new role along with the related expectations.
3. Culture. HR focuses on exposing new hires to the organizational values and norms.
4. Connection. HR connects new hires to personal relationships and information networks.

( Hirsch, 2017)

Compliance is the lowest level and connection is the highest. The higher level of connection between a new hire and the organization the stronger the onboarding. This connection could include connection to the organization itself, co-workers or the missions



### Conclusions

Onboarding is an important part of hiring. Research shows that investing the extra effort, or "onboarding," to capitalize on the enthusiasm of new hires pays dividends. (Hillman, 2010 pg. 1). Strong onboarding can have positive effects on the individual being onboarded as well as the organization. Strong onboarding can improve job satisfactions, retention rates and performance. It can also help reduce turnover rate which saves time, money and stress for organizations.

### Framework for Analysis

#### Methods

**INSERT CASE STUDIES**

#### Results

**ADD RESULTS HERE**

#### Discussion and Analysis

**ADD Discussion and Analysis here!**

#### Recommendations

### **Best Practices Proposal**

The following onboarding program proposal contains both recommend best onboarding practices, and the key elements intentional onboarding. This program is meant for human resource professionals as well as managers who work within non-profit organizations and are looking for an onboarding tool that has a focus on the missions, vision and core values of an organization.

### **Program Proposal**

**Purpose**

The purpose of this onboarding program is to create a formal onboarding program that will acclimate new hires into the organization. By doing this, the program is geared toward promoting a positive onboarding experience for all new hires and promoting new hire retention.

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