Get On Board with Onboarding

Onboarding is the process of welcoming new employees into an organization's company culture. It's unique from the traditional orientation programs of the past, because whereas orientation has been primarily focused on training employees about company policies and procedures and the skills needed for their particular job assignment, onboarding focuses on building relationships and company commitment.

Most traditional orientation programs of the past have left out this critical piece of assimilation. The focus of onboarding is not only to train employees how to work for your company, but shows them why they should work for your company. The "why" part is fostered through a commitment to developing strong bonds between employees and their leaders.

What is Employee Onboarding?

Don't assume that this commitment building is simply a people-oriented HR strategy with no concrete benefits other than creating a more pleasant work environment. Building a strong organizational culture is a business strategy with real business payoff.

Not only does building a strong sense of employee commitment and trust improve job satisfaction and morale, but it also improves overall performance and leads to higher retention. Committed, engaged employees then become advocates for your organization who are active leaders in the retention effort.

Think of it this way: if you invest the time, energy, and financial resources to develop new employees into productive, high-performing team members, why wouldn't you want to protect your investment by insuring that these newly developed assets don't trickle out your back door?

A strong relationship between employees and their leader is the foundation by which the aforementioned positive chain reaction occurs, with the ultimate outcome of increased organizational success. When companies fail to recognize this connection, they are losing a valuable opportunity to "stop the bleeding," so to speak.

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Turnover Drivers

According to TalentKeepers' 2019 Workplace America^{SM} research, one of the main reasons 32% of employees leave is due to leader issues such as low trust, little feedback or coaching, and/or lack of support or career guidance. Ouch. It hurts to realize the loss was preventable.

The reason that organizations should take an active interest specifically in onboarding is due to the number of employees that leave during or shortly after the orientation process.

The Drivers of Unwanted Turnover

A Troubling Pattern of When Turnover is Highest

Data from TalentKeepers' 2019 Workplace America research shows that 20% organizations say their of turnover is highest within the first 90 days of employment.
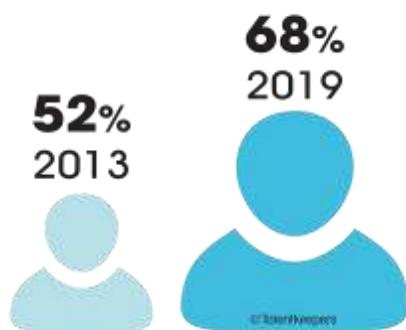
31% Increase in Early Turnover in 6 Years

The 20% is a frightening figure, especially because at this point the company has already spent a great deal of financial resources and energy training these employees, but has received almost no return on their investment. This also shows how crucial it is to start building commitment early in the employee life cycle.

Cost and productivity gains can be significant with the implementation of an onboarding program that focuses on building commitment, which will reduce turnover during those first 90 days. It also sets the stage to prevent further turnover, as the 2019 Workplace America research also shows a full 68% of organizations say turnover is highest during employees first year on the job up from 52% 6 years ago.

Of course it is understood that a company cannot keep its employees forever in this labor market, but the goal is to build connections and commitments that *increase* the length of stay.

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Onboarding is NOT an *Event*, but a *Process*

Mutual trust and commitment between a leader and his or her employees cannot be viewed as a goal to be obtained, but as a dedication to fostering the environment and ideals that **allow** commitment and trust to develop. Therefore one cannot simply implement an onboarding program, hope that trust develops, and then move on.

The idea with onboarding is that relationship building needs to start early, but it doesn't end after orientation is complete. The organization must have a dedication to upholding these principles throughout the employee life cycle.

So what does an onboarding program consist of? How does one build trust and commitment between leaders and their employees?

To understand this, we need to look at the factors influencing employees to leave within, and after, the first 12 months on the job – excluding pay. When employees leave within the first year on the job it is most often due to missed expectations on job duties and/or work schedule (31%), followed by poor fit based on the skills required (20%), and inadequate assimilation/coaching (17%). This means 68% of all first-year turnover can be tied to issues within an organization's recruiting, selection, and onboarding functions. These statistics demonstrate why you should be focused on both Job/Career and Leadership strategies with specific plans like Stay Interviews— introduced during onboarding and continuing throughout the tenure of the employee. For career discussions to be effective, the immediate leader must be talking directly with their employees.

It starts with understanding employees as individuals and what they expect from their leader. This can only be done by asking employees what values and behaviors are important to them in a leader and using this information as a platform from which to start building a relationship. Of course then the employee must also hold up their end of the bargain and commit to behaviors that help to foster this relationship. Focusing on building this relationship involves leaders meeting with each of their employees on an individual basis to discuss these expectations. This must be completely separate from any other work-related priorities, such as a performance review, as not to cloud the message. Meeting with employees for the sole purpose of relationship building is something that few companies require their leaders to do, but the payoff is significant.

In a past case study with a major U.S. communications retailer conducted by TalentKeepers, it was found that of leaders that conducted relationship building meetings with 80% or more of their employees, 43% of these employees reported a satisfaction increase and 87% of these employees planned to stay with the company one year or more. And these changes in satisfaction and expected length of stay translate into real dollar figures.

Data taken from this same retailer shows that the average monthly revenue increase amongst 22 retail outlets was nearly $16,000 per store. And this doesn't even take into account the revenue saved from the reduction in turnover brought about by this focus on relationship building and commitment.

Conclusion

Needless to say, onboarding has serious business payoffs. The hope is that this new focus on onboarding is in due to a realization that developing high performing, committed employees and retaining them must start from the very beginning.

Organizations that wait until they have a productivity or turnover "problem" have already lost a valuable opportunity to protect their human capital investment. Implementing an onboarding program will increase employee moral, satisfaction, and performance, which means higher profitability and success for the organization. With the multitude of data showing the merits of onboarding, it is a business strategy everyone should get "on board" with.

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