THE BUSINESS CASE FOR TALENT ONBOARDING

5 KEY SUCCESS FACTORS TO ATTRACTING AND RETAINING TOP TALENT

> A company is people … employees want to know… am I being listened to or am I a cog in the wheel? People really need to feel wanted.
>
> The way you treat your employees is the way you treat your customers.
>
> — *Richard Branson*

- Employees get about 90 days to prove themselves in new jobs

- Half of all hourly employees leave their jobs after 4 months

- Half of senior professional hires fail within 18 months

Source: Society for Human Resource Management

First impressions really do make a difference. Onboarding is one of the most important processes an employee goes through; it is their introduction to the company, their opportunity to start contributing quickly, and the point at which they decide whether or not they made a good career decision.

Onboarding isn't an event; it's an ongoing process requiring learning, experience, practice, mentoring, and reinforcement. And onboarding isn't just for new employees. When an existing employee moves to a new role, they need to be onboarded to that role. When an individual contributor moves into a leadership role, they need education and orientation to their new responsibilities.

Statistics show that an effective onboarding program leads to improved time to performance, higher employee satisfaction, and improved talent retention.

What is Strategic Onboarding?

Strategic Onboarding is an approach to Talent Onboarding that addresses the long-term needs of the employee while also addressing the business needs of the organization. It creates a win-win situation, providing value to both the business and the employee. Strategic Onboarding:

- Increases employee productivity and engagement levels, reducing turnover, and elevating a company's Employment Brand

- Is a deliberate, consistent process that creates optimal value for a company while providing more value for new hires

- Benefits employees by giving them the tools they need to succeed and grow into more fulfilling careers

- Inspires employees and gives them the sense that they are performing meaningful work

- Goes beyond a traditional orientation process by striving to meet new hire needs throughout the entire first year of employment.

Best in Class Strategic Onboarding has one goal in mind: drive business results by optimizing the productivity of an organization's employees. So how does your organization get to Strategic Onboarding?
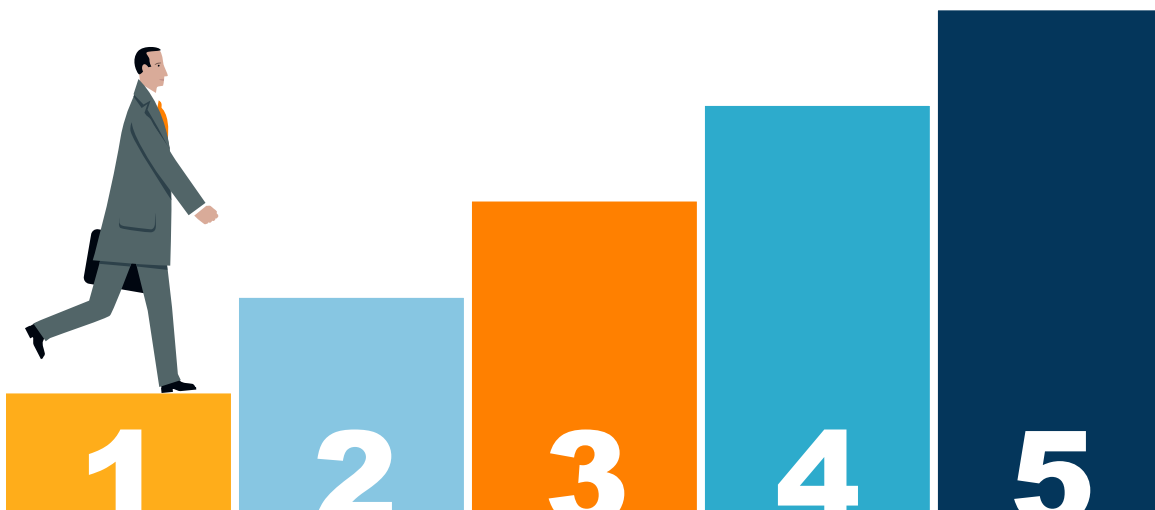
The Importance of an Employment Brand

Whether you mean to or not, your organization has an Employment Brand. Your Employment Brand is a clear message to employees and potential employees about what your organization values and what the employee experience is like. Often a new employee's exposure to the Employment Brand begins long before their first day. Every contact they have with an organization demonstrates the brand. How were they treated in the recruitment process? What have they seen on television or read online about your business? How is the organization welcoming them to the team? Do they know what their first 90 days are likely to look like? Six months? Their first year?

Your Employment Brand will have an enormous influence over the talent you attract and the talent you retain. The Employment Brand is typically the embodiment of your organization's culture. Unsurprisingly, Culture is the first of the Five Pillars of Strategic Onboarding.

The Pillars of Strategic Onboarding

When an employee is in a new role, there are key components that drive their success. This is true whether they are new to the organization, or a current employee assuming a new job. These Pillars of Strategic Onboarding help define employee success in that critical first year on the job.

Culture: As Peter Drucker famously said, "Culture eats strategy for breakfast." Drucker meant that an organization's culture is often more of a driver of behavior than their stated strategy is. An employee who doesn't comprehend culture can easily become lost and frustrated. Therefore, orienting new employees to culture is a key requirement of onboarding.
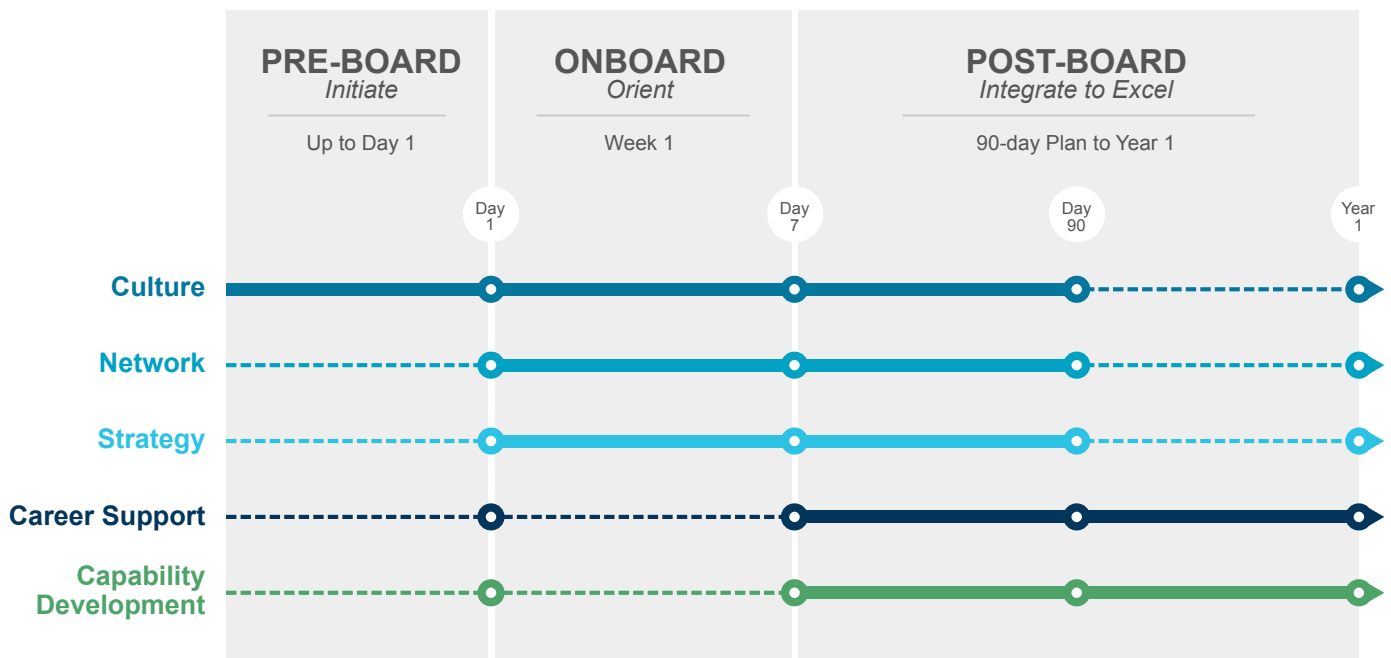
Network: Businesses are made up of people, and individual success often requires us to know the right people. New employees often know virtually nobody in the organization; those who have shifted roles may not know anybody in their new discipline. Research indicates that the most successful onboarding initiatives introduce employees to key decision-makers and gatekeepers, provide an opportunity to build a network of peers, and provide formal and informal opportunities for mentoring.

Strategy: Strategy is a journey, not a destination. If you expect employees to impact your business goals, you need to align them to your strategy from the very beginning. Immersing employees in strategy is a critical component of onboarding. While Mission, Vision & Values are important, there's much more: What are we trying to accomplish? How do we plan to get there? Where do I fit in? What do you expect me to do? How will I know I am succeeding?

Career Support: Getting a job is the first step in a long journey. Succeeding in that job and in your career is a lifelong pursuit. Research indicates that the first year is critical to job success, and the first 90 days even more so. What tools and systems is the organization providing to help employees succeed in their careers? A long-term professional development plan starts on Day 1. Training, performance support, mentoring, networking, and feedback are key tools to growth, but the professional development plan is the roadmap to success.

Capability Development: An employee gets hired because they've demonstrated intelligence, resourcefulness, and the basic skills to get the job done. An employee grows and prospers in their job by constantly growing those skills and capabilities, and keeping them current with changes in the market and technology. Employees who fail to grow their capabilities often get left behind—or worse, keep your organization from growing. Effective onboarding provides a clear path forward for Capability Development and career growth.

While the Five Pillars are important throughout onboarding, the graphic below indicates the phases where they are most critical:

PRE-BOARD *Initiate*	ONBOARD *Orient*	POST-BOARD *Integrate to Excel*
Up to Day 1	Week 1	90-day Plan to Year 1

Day 1   Day 7   Day 90   Year 1

Culture
Network
Strategy
Career Support
Capability Development

# 5 Key Success Factors to Attracting and Retaining Top Talent

Talent Onboarding is more than a good idea; it's a proven strategy for creating productive employees who grow with the organization. The following 5 success factors demonstrate how Strategic Onboarding leads to enhanced success.

1 Accelerate time to productivity using engagement strategies

89% of new hires say they do not have the optimum level of knowledge and tools necessary to do their jobs.

Every day an employee cannot be productive is a day that money is wasted and goals remain unattained. It's also a day where an employee becomes frustrated and may question whether they've chosen the right employer or even the right industry.
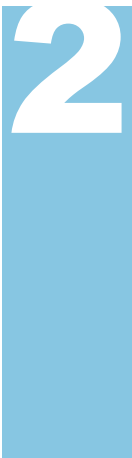
2 Treat onboarding as a process, not an event

90% of the material shared in introductory sessions is usually not reinforced at a later date.

Onboarding is often treated as an event that lasts a day or two; even enlightened organizations rarely extend onboarding past the first 90 days. According to research from the Society for Human Resource Management, best-in-class organizations extend onboarding touchpoints from pre-hire to at least the first year of employment, integrated with each employee's professional development plan.

3

Leverage your Employment Brand

Only 32% of organizations communicate their core values to new employees.

Each employee only has one career, and they want to believe they've made the best decision possible. A committed and engaged employee is more productive, stays longer, and provides more value. Every organization has an Employment Brand, a set of messages that tell employees and potential employees what the company is all about, and what their career is likely to look like. What is your Employment Brand, and how is it integrated into your onboarding?

4

Focus on delivering onboarding at the point-of-need, not all at once

90% of the content is typically delivered so early that the new hire does not have the context required to understand and internalize it in a meaningful way.

In many onboarding experiences, hundreds of points of information are jammed into just a few days, and sometimes just a few hours. Rather than feeling energized and prepared, employees often walk out feeling dazed and overwhelmed. Research suggests that it takes about a year to fully onboard an employee, so why do we deliver everything in the first few days? Using multiple learning modalities and performance support methods over the course of the first year is more pragmatic and useful, and puts information closer to the point-of-need.

5

Increase retention in the first year.

Companies that leave onboarding to chance experience higher than 50% failure rates when it comes to retaining new talent.

Every time an employee leaves your company, it costs you money; in time, lost knowledge, lost productivity, and recruiting costs. No organization has 100% retention, but keeping your best talent is a goal that pays big dividends. Even in tough job markets, the best talent has choices; every day, your top people are deciding whether they are in the right company, and whether their career is going in the right direction. A consistent, long-term onboarding process demonstrates commitment and growth, and greatly enhances retention.

Measuring the ROI of Talent Onboarding

Some think that Onboarding is about making new employees happy. However, effective onboarding has a very real business impact.

Faster Time to Productivity

Without effective onboarding, it can take a new hire a year to reach 100% productivity. That's thousands of dollars invested before we get full productivity

With effective onboarding, we can reduce that to 3 months, a savings of thousands of dollars per employee. If your organization onboards 50 people per year, your savings could extend in the millions.

Improved Productivity and Decreased Talent Acquisition Costs

Conservatively, let's say it costs you $1000 in recruiting costs for each new hire. And that each day a job remains open, it costs you $1000 in lost revenue. That means a job that stays open for 20 days costs $20,000 in revenue and at least $1000 in recruiting costs

Reducing the attrition rate in a 1000 person organization from 20% to an industry standard rate of 12% saves $80,000 in recruiting costs and saves $1.6 Million in lost revenue.

PERFORMANCE DEVELOPMENT GROUP

7 Great Valley Parkway Suite 128
Malvern, PA 19355

Phone: 610.854.4400
Email: sales@performdev.com

www.performdev.com