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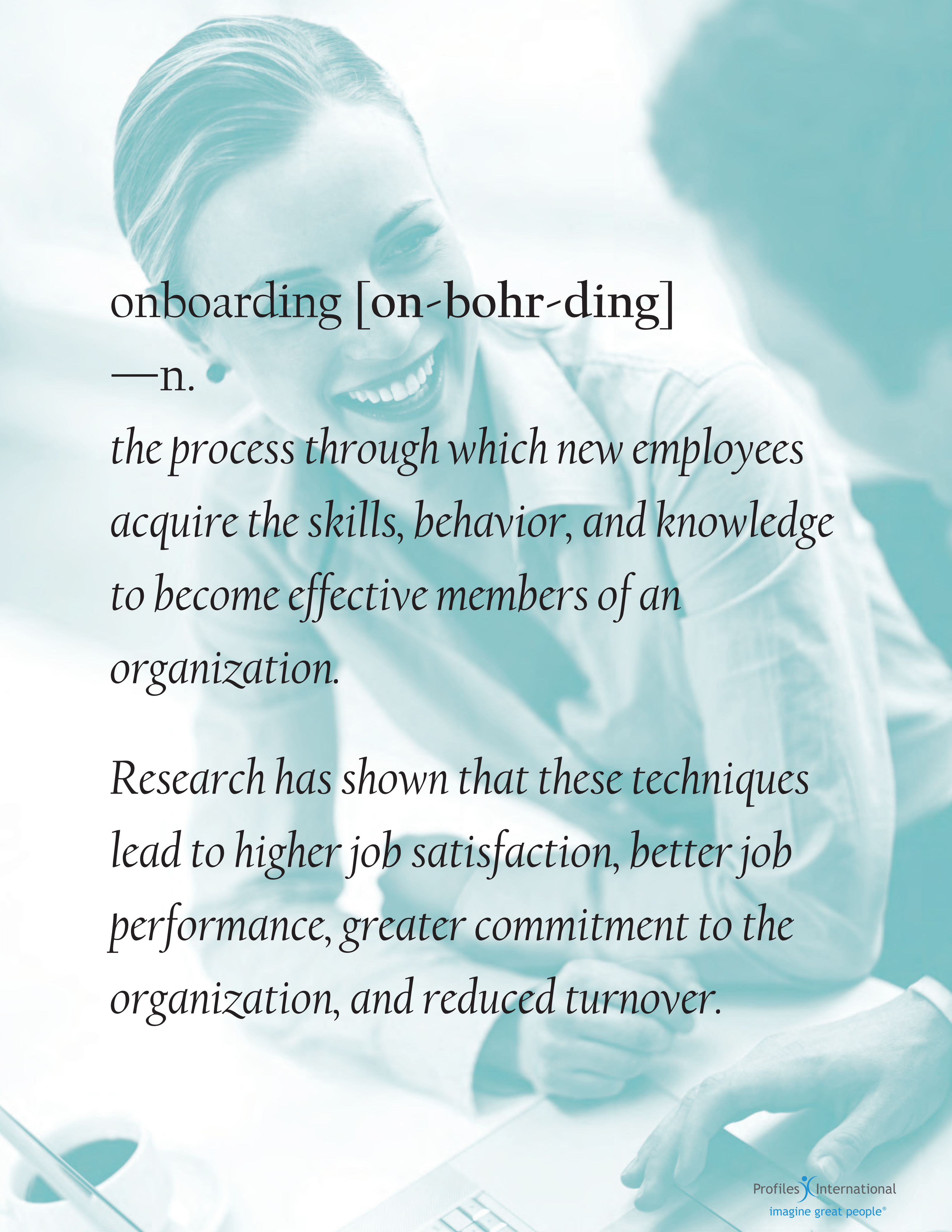
Onboarding Excellence: Everything You Need to Know

contents



onboarding [**on-bohr-ding**]

—n.

the process through which new employees acquire the skills, behavior, and knowledge to become effective members of an organization.

Research has shown that these techniques lead to higher job satisfaction, better job performance, greater commitment to the organization, and reduced turnover.

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introduction

Are your hiring and onboarding processes costing you unnecessarily? Don't let your company become another statistic! Candidate selection and onboarding is an important part of every company. When you select the right person for the right job, you save on training costs, turnover, and productivity. With the constant growth and development in technology, and a diverse working population, attracting and retaining the best people is becoming significantly more difficult; organizations are now being forced to update their onboarding programs. In the book, *Successful Onboarding*, authors Mark Stein and Lilith Christiansen share:

- Nearly 1/3 of people are job searching within less than six months of employment
- Almost 1/3 of externally -hired executives miss expectations in the first two years
- With 10-15 percent annual attrition, companies lose about 60 percent of their entire talent base within four years.

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WHY YOU
Should Implement an Onboarding Program

Introducing an onboarding program into your hiring process can mean the difference between retaining a top employee for a lifetime and watching them walk out the door after two months. Companies who implement an effective onboarding program during the first three months of the new-hire employment experience 31 percent less turnover than those who don't, according to the **Aberdeen Group.** Onboarding is important because it introduces the employee to the company's culture and expectations, and gives the employee the vital training and information needed to succeed in their new position. A new hire's company compatibility will likely be determined during the onboarding process, which can save the employer from prolonged investment in the wrong employee.

If your organization is experiencing high turnover rates, you may be telling yourself "the employees of today are not loyal like they were in the past," or thinking, "there's nothing I can do about it." However, a more likely answer is that you've simply been hiring the wrong people, and implementing a strategic onboarding and training plan can dramatically impact your business.

All Aboard!

Do you remember your first day of school? Standing at the bus stop, lunch box in hand, waving your mother good-bye, and your heart beating faster than ever. Starting at a new job can feel the same way. We've all been there—dressed in your finest business attire with butterflies in your stomach as you enter through the doors of a brand new job.

That's why investing in a welcoming and structured onboarding process will help reduce turnover and increase new-hire effectiveness. An effective onboarding process isn't just a routine checklist; it should be a comprehensive process that makes the new employee feel comfortable and acquainted. When a new-hire anxiously walks in the door, they need an extra boost of confidence—and a structured, friendly introduction will help. A successful onboard leads to a successful organization! Here are five factors your onboarding process should have:

1. **Team involvement**
   Onboarding a new employee should involve the entire team. It's not just the HR department or the hiring manager's concern, but all team members should be involved in welcoming new hires. Taking new employees to lunch or assigning a mentor will help build relationships and show the newbie that the company values them.
2. **Consistent structure**
   Whether you're onboarding a new secretary, associate, or top manager, the process needs to be consistent for all employees, and reflect the company values. A set structure helps the employee, as well as the team and administration. Remember, it's all about making the transition as smooth as possible.
3. **Prepared desk and equipment**
   In addition to structure, make sure that everything—from the desk, office supplies, security badges, computer passwords, phone numbers, and access keys—are prepared for the new hire. You want them to feel at home!
4. **Information**
   The most important part of the onboarding process is making sure the new employee has access to all the information they need to succeed in their position and become familiar with the company. It's a good idea to set up meetings with subject-matter experts so the new employee can grasp the organization's goals, policies and practices.
5. **Check-ups**
   The onboarding process doesn't stop after the first day, or the first week. It's important to have regular "check-ups" with your new employee, ensuring they are comfortable and offering them the support they need to be successful.

At the end of the day, the onboarding process is the employee's first impression of the company culture, and it should introduce the organization values. Now that you have a successful onboarding process in place, it's time to focus on training and developing these new employees to succeed!

5 Factors of a Successful Onboarding Process

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GET A GREAT RETURN ON YOUR TRAINING & DEVELOPMENT INVE$TMENT

More than likely for an employee, the first few days or weeks on the job is consumed with training, training, and more training. They must learn everything from company policies and procedures to how the computer system works; not to mention all the responsibilities of their job. However, as the months pass the training becomes less and less; and may eventually become non-existent.

Many companies provide an abundance of training in the beginning, but fail to provide ongoing professional training for their employees. Profiles' Workplace 101 Blog states that one of the main reasons employees choose to leave their jobs is because they are bored. They want to expand and polish their skills, abilities, and experience. When employees feel like they cannot do that in their current position, they start looking for opportunities outside the company to fulfill developmental needs.

Training and development programs are important and can play a serious role in reducing employee turnover, but they can also be a large investment for a company. As with any large investment, companies that invest in training and development want to ensure that their investment will pay off. The success of training is measured by how the participants apply their new knowledge to regular work. It is a manager's responsibility to make certain that the skills employees learn in training are applied effectively, ensuring professional on-the-job behavior and an increase in productivity.

So, how do managers and trainers ensure that employees apply the knowledge and skills taught during onboarding training to their jobs? Managers and trainers must reinforce learned skills before, during, and after training. They must also address three essential issues prior to training:

1. **Identify training needs.**
   Before a company can implement a training program, the skills that are most pertinent to the employee's specific challenges and success must be identified. Improving or enhancing an employee's professional on-the-job behavior, knowledge, and skills should be the primary objective when identifying training needs.
2. **Ensure that management is prepared to support the use of new skills on the job.**
   Management must be able to recognize value before supporting an investment in training. Managers must decide if they are willing to provide the required time, money, and support necessary for training. Effective training can increase revenue, improve market penetration, and increase employee retention.
3. **Trainers and managers must understand employees' key job-match characteristics.**
   People tend to be more motivated to learn when they know that the skills they are learning can be applied immediately. Employees will be more interested in training that teaches skills that are applicable to a specific daily task, because it will solve an issue they face constantly. Broad topics—such as effective listening—are often found less interesting, and can have a lower return on investment.

Training and development provides skills, knowledge, and the potential for success on the job. The extent to which the learned skills are implemented in on-the-job situations reveals the effectiveness of the training. Reinforcement of the use of the learned skills on the job determines whether or not the skills will continue being used in the future.

SLOW & STEADY WINS THE TALENT MANAGEMENT RACE

There are copious amounts of unemployed Americans out there—10.2 million, to be exact. Still, 4 million jobs remain unfilled in the U.S. With so many people actively seeking jobs, why are there still so many unfilled positions?

Certain industries and positions that require hard-to-find skills, like IT and engineering, can account for a portion of these unfilled jobs, but many others have a surplus of candidates to choose from. Vacant positions can put a strain on organizations, as they try to do more work with less people. Thus, one would think that employers would want to fill open positions as quickly as possible.

However, it is becoming increasingly common for employers to purposefully take their time when going through the hiring process. We've all been job seekers before, so most of us are familiar with the frustration of lengthy interview processes, waiting to hear back from a potential employer, and rigorous onboarding programs. In fact, positions remain vacant for an average of 23 business days—much longer than the 2009 average of 15—and it's not unheard of for a company to have interviews of nine rounds or more. The reason? Organizations want to hire the right person, the first time.

You're only as strong as your weakest link.

A team of the most talented workers in the industry can be rendered useless with the addition of one misfit. When a weak link is added to the bunch, others have to take time from their own tasks to help them learn skills they should already possess, and often have to take on more work from underperforming coworkers. Teams rely on each other to contribute to projects, and one underperformer can bring the office to a stand-still, holding-up the entire team from meeting deadlines. While the rest of your employees may do great things for your organization, the weak link can cause issues that counteract the progress of other employees. Essentially, you'll be taking one step forward and two steps back. It may seem like employers have candidates jump through hoops to get a job—and it might be painstaking—but considering 43 percent of employers report that quick hiring decisions led to bad hires, it's a necessary precaution to avoid adding a weak link.

Company culture—one bad egg spoils the bunch.

Company culture has become a highly-valued factor in the workplace, by both employees and employers. The culture of a workplace can significantly impact the productivity and morale of your talent, and ultimately, turnover rates and revenue. Knowing this, many organizations invest big money into remodels, trainings and meetings, perks, and consultants. It can take years to build the right culture, and only one bad employee to tear it down. When the culture of a company and the values and characteristics of a new hire don't match-up, things can go downhill in a hurry. Your all-star employees who loved coming to work now dread it, and it shows in their work. There is gossiping around the office, frequent visits to your office to complain, and before you know it, things have gotten out of control. Hiring for cultural fit might sound silly at first, but on closer examination, it becomes clear just how important it is in hiring decisions and the success of your organization.

No one wants to make a bad investment.

Employees are a business' most important asset, and as such, there are significant investments that come with them, including: training, time, screening, wages, travel costs, onboarding, benefits, relocation costs, and much more. If you make a bad hiring decision, you can add "unemployment compensation" to the list, along with the cost of recruiting and hiring a qualified replacement.

Investments are time sensitive, as the up-front cost they require are recuperated with additional gains over a period of time. However, when a bad employee investment is made, the employee often leaves before the costs have been recovered, or they don't possess the skills to give a return on investment over any amount of time. As a result, the employer is out of a lot of money. To put things into perspective, a recent **survey** reported that 27% of employers have lost $50,000 or more per bad hire they made. That's why Zappos' CEO, Tony Hsieh, **offers** new hires a $2,000 bonus to quit after only one week on the job. Sound crazy? Maybe, but it's much less costly to weed-out job-hoppers and the uncommitted before investing more into them. The sooner you can identify a bad investment and cut your losses, the better. Making a bad hire may be unavoidable every now and then, but the more selective you are—and the more time you take to hire—the more likely you are to avoid hiring mistakes.

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While there may be plenty of unfilled jobs out there, and even more job seekers, employers aren't willing to hire the first person that comes for an interview, and it's easy to see why. Sure, it may seem inconsiderate to encourage slow hiring with so many unemployed Americans seeking jobs, but putting a person in a job role that they aren't capable of fulfilling will only make things worse for both the employer and the worker. Besides, wouldn't you rather work in a position where you'd be successful, and with a company culture you'd enjoy?

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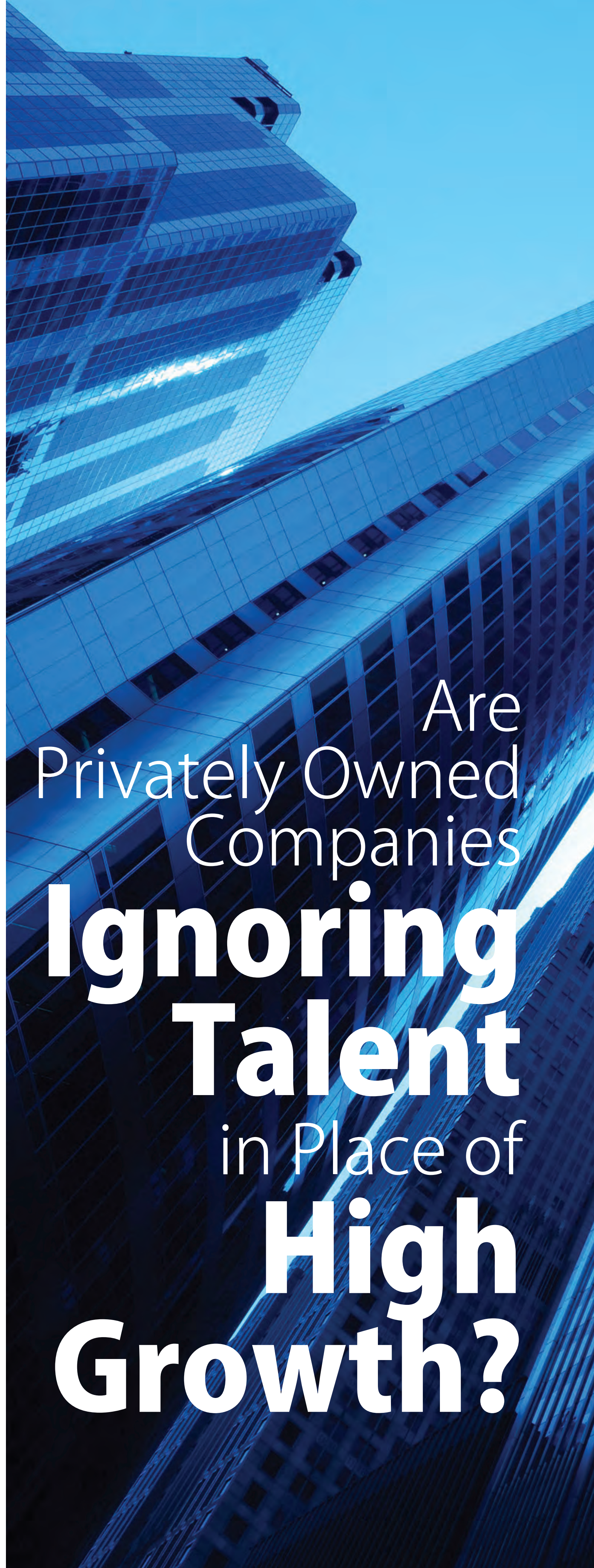

Are Privately Owned Companies Ignoring Talent in Place of High Growth?

Privately owned companies in the US have an enormous impact on our economy. Some of the largest—such as Cargill—rake in revenues of over $133.9 billion! With a business of any size, private companies have their perks and downfalls. They don't have to worry about quarterly reporting, and they have more time to focus on growth opportunities, but are they neglecting to focus on talent?

According to Ana Dutra, CEO of Korn/Ferry Leadership and Talent Consulting, "Executives at these fast-growth private companies are very confident leaders, and they're very good at seeing what needs to be done and getting it done. But talent issues are often not clearly visible until you start to have business consequences."

Forbes Insights report, The Talent Imperative, noted that in 48 percent of companies, talent management was either not aligned, not at all aligned, or neutral (neither aligned or misaligned) with strategic planning. This didn't seem to be a major concern to the majority of the group. When asked, "How are you performing," 47 percent stated they were busy executing growth strategies. It seems aligning talent management with strategic planning is not part of their growth strategies.

One could question whether or not executives at these organizations appreciate the value of strategic talent management; however that assumption would be incorrect. Eighty-three percent of said executives agreed that "Having the right talent in place is critical to growth strategy," and 81 percent agreed that "Having the right talent has a direct impact on revenue."

Finally, only one percent of the 311 survey participants describe their talent mapping efforts as rigorous. Talent

mapping—for those of you who are unaware—is the means of comparing your existing talent with the prospected talent needs of the future.

So, these executives and organizations believe in the power of having the right talent, and are aggressively executing growth strategies. Yet, many of the same groups are making little effort in talent-mapping and are aware of the serious misalignment between talent management and strategic plans.

If your business is growing fast and becoming successful, can you really afford to procrastinate on your strategic talent management?

C. Darley, CEO of W.S. Darley, speaks on functioning amid high growth in a private company: "If you're looking for a polished model of how to handle talent, we may not be your case. So far, talent hasn't proven to be an issue – as voluntary turnover is under 2%." We are so focused on growing new markets and taking care of customers that we can't really afford to spend too much time planning our talent needs and training," said Darley. "Our model is we find the best people, spend half a day trying to get them oriented—assign a buddy to help them along, point them at the battle, and throw them into action." Darley is aware there is a need to integrate some greater planning and discipline to the talent process, but states that the company is growing so fast that they've had other priorities.

The good, the bad, and the ugly!

Many private companies believe they face significantly more challenges than publicly traded companies; however, I believe there are positives and negatives on both sides of the field. Positives include things like: more

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control over the future, commitment to employees, and limited liability. Survey respondents believe disadvantages include things like: relatively smaller sizes and possible conflict as many private companies are family-run.

According to Jennifer Pugh, CHRO at Scentsy, "Being private, we're able not only to make longer-term business decisions, but we can take steps to benefit our people that public companies can't. It's the little things," says Pugh, "that integrate life and work—like having a company store, so people don't have to stress about grabbing a gallon of milk on the way home. If we had shareholders, they'd be asking, 'Where's the ROI in that?'"

A Forbes report states that three key and closely related areas of focus include recruitment, retention, and development.

Regardless of astronomic growth, I believe any company—public or private—would be wise to invest the time and effort into strategic talent management plans. What better way to boost your business to be the best it can possibly be? People are your business!

The research report sourced in this article shares the tools for sound talent management. They are as follows:

- **Talent mapping—**linking the talent on hand to the talent that will be needed to support growth, in order to assess shortfalls or gaps.
- **Targeted training and development—** creating programs and processes to build the talent needed to achieve the strategic plan.
- **Targeted recruitment and retention—** making certain the most valuable employees stay; focusing recruitment efforts on essential capabilities.
- **Career-pathing—**providing individual workers with a clear view of what opportunities are available and how to achieve them.
- **Objective metrics—**defining roles and responsibilities and creating clear means of evaluating competency, performance, and advancement.
- **Work-life balance—**recognizing that all work and no play will eventually cause Jack or Jill to underperform and leave.

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