

# Employee Onboarding:

Your guide to building engagement, strengthening retention and enjoying bottom-line benefits



# Executive summary

One of today's most important strategic processes for employers, regardless of size, is employee onboarding. For some companies, it's about "integrating a new employee with a company and its culture, as well as giving a new hire the tools and information needed to become a productive member of the team."<sup>1</sup> For others, "Onboarding is the last stage of the recruitment process and the first step toward (employee) retention."<sup>2</sup>

## High-stakes experience

Onboarding is clearly a pivotal experience both for employers and new employees. It is a prime opportunity for employers to nurture a new-hire's interest in their new job and company. However, onboarding can also be a high-stakes experience for employers. By one estimate, "A positive onboarding experience can increase (employee) retention by 82 percent, whereas a negative one doubles the likelihood that the new hire may soon look for opportunities elsewhere."<sup>3</sup>

According to research, the core feelings of new employees toward the organisations they choose to join often take shape in the first days and months on the job. It's been defined as "a critical window of time ... too important to leave to chance."<sup>4</sup> In fact, employees who have described their onboarding experience as effective were 30 times more likely to be satisfied with their jobs — and more likely to remain with their employer.<sup>5</sup>

## The COVID-19 factor

As if the onboarding process itself did not come with its own share of inherent risks, quirks and challenges, almost overnight the emergence of the coronavirus pandemic (COVID-19) became the 500-pound gorilla in the room. It forced company recruitment processes to go online. Furthermore, when employers went all-in to create a remote-location workforce as the pandemic spread, so did their efforts to support an onboarding process that would serve remote-location employees.

That may prove to be an excellent investment as reportedly 40 percent of Canadian workers — who are already working from remote locations — could see even more opportunities working from their homes after the pandemic.<sup>6</sup> In fact, this investment may pay off earlier than expected. "Remote work has even become a main factor when employees are job hunting or deciding whether to stay in their current role as ... 38 percent said they'd accept up to a 20 percent reduction in pay if their new role offered remote-work models."<sup>7</sup>

1. "New Employee Onboarding Guide," Roy Maurer, SHRM, 2021.

2. Ryerson University Human Resources, "Leader's Guide to On-boarding: Preparing New Employees for Success. Organizational & Employee Effectiveness (2011).

3. "Modernizing your onboarding process," Khalid Hanif, KPMG in Canada Blog, March 11, 2021.

4. "How well does your company handle employee onboarding?" C&S Specialty Underwriters, <https://csunderwriters.com/how-well-does-your-company-handle-employee-onboarding/>

5. Council Post: Second Impressions: The Impact of Effective Onboarding; Peterson; <https://www.forbes.com/sites/forbeshumanresourcecouncil/2018/06/25/second-impressions-the-impact-of-effective-onboarding/?sh=794f2ae454b6>.

6. "The newest business necessity: Effective remote employee feedback," [www.hrreporter.com/white-papers/the-newest-business-necessity-effective-remote-feedback](http://www.hrreporter.com/white-papers/the-newest-business-necessity-effective-remote-feedback), 2021.

7. "58% of Canadian workers want hybrid work arrangements post-pandemic: survey," Benefits Canada, March 31, 2021.



# 69%

of workers are more likely to remain with their employer for three years if they were engaged by a robust onboarding experience.

Source: Society for Human Resources Management



## A dynamic, ongoing process

Onboarding is not a static program. It is a dynamic business process that continues to evolve. It is an ongoing process. It begins when the candidate accepts your job offer and, ideally, should continue deep into the employee life cycle. Effective onboarding thrives on feedback. These two-way discussions can range from one-on-one sessions to anonymous-responder online qualitative surveys. Both methods provide valuable insights for employers and their new employees. Effective onboarding is also customized, allowing managers to focus on individual strengths and shortcomings and more rapidly set highly targeted performance goals for the employee.

## Measure performance to derive benefits

There is also a bottom-line to onboarding. That's why it is vital to have a vibrant onboarding program with reliable metrics in place to measure its impact on your business. Effective employee onboarding can result in higher engagement and job satisfaction, increased productivity and a lower stress level for everyone.

On the flip side of the coin, ineffective onboarding will cost an employer in a number of ways — from the loss of exceptionally talented people to the hefty price tag it will take to replace them.

# Introduction

Successful companies share the same strategic desire: they want to attract, hire and retain the best available talent. However, there are instances when the strength of that desire falls far short, because it isn't matched by the commitment to make new hires feel welcomed and appreciated, having a genuine sense of belonging.

A major polling firm describes a typical shortfall: "So they woo candidates with promises of unique cultures, perks and opportunities during the recruitment phase ... Unfortunately, many organisations fail to deliver on the promises they make during recruitment, resulting in a poor onboarding experience and a setback to the connection they initially established with the new star (i.e., new hire)."<sup>8</sup>

In some cases, when new employees become so disillusioned after a poor onboarding experience, bad things happen. First, their disillusionment can rapidly put them on track toward disengagement. In turn, if they leave the company, employee turnover takes a costly hit. The Society for Human Resources Management (SHRM) estimates the cost to replace the loss of that employee can average about six-to-nine months of an employee's salary to find a replacement. Other metrics (described later in this guide) usually share in the suffering when subpar onboarding creates an involuntary loss.

The good news? Employee onboarding can be a golden opportunity for companies to transform new hires into employees that want to stay, share their talents and do great things. Highly motivated, new employees typically bring a positive energy and commitment to their new organisation. Effective onboarding may help to expand that positive energy over the span of an employees' career.

Employers can also make great things happen by building upon the momentum gained during recruitment. The key is to strengthen the emotional bond between each new hire and your company. It all begins with your organisation's commitment to a series of firsts: " ... the first day on the job, first time meeting a manager and coworkers, first work projects and tasks and first opportunities for new hires to share their talents with their new team."<sup>9</sup>

This guide provides tips and best practices that can either help you create a new onboarding program or improve an existing one.

**Only 12%**  
of employees strongly agree that their employer currently does a great job onboarding new employees.

Source: [www.gallup.com](http://www.gallup.com).

8. "Why the Onboarding Experience Is Key for Retention," Gallup.com.

9. Ibid. "Why the Onboarding Experience Is Key for Retention," Gallup.com.



# What is employee onboarding? Why do you need it?



Virtually all descriptions of employee onboarding share a lowest common denominator defining thought: It is an essential ongoing business process that aims, over time, to transform recruited talent into a loyal and productive employee with a long and productive life cycle.

Unlike employee “orientation” which many times is a single-day experience, think of employee onboarding as a longer-term experience that allows the employer and employee to “be in sync” regarding goals, responsibilities and expectations.

Never overlook the fact that employee onboarding is also a branding opportunity for your company. Your organisation’s brand is your employees’ perception of you, as their employer. The more attractive your branding is, the more likely you are to attract and retain top talent. That’s why it is essential for you to consistently communicate your company’s mission, vision, values and culture from recruiting to onboarding.

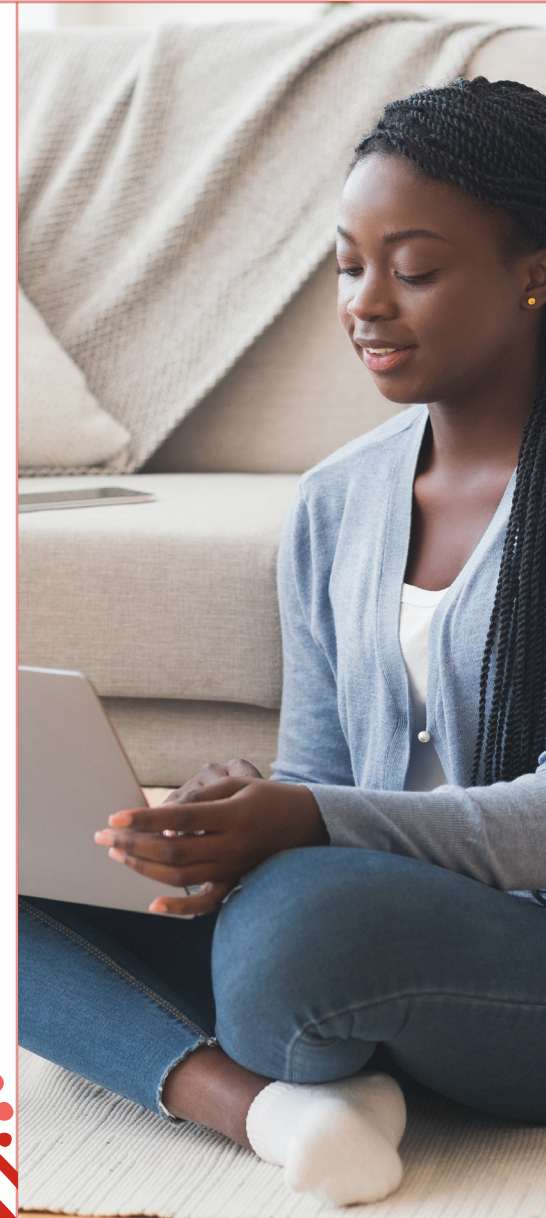
Onboarding should ideally involve the new employee’s peers, supervisors, managers and representatives of various departments of the company. HR, benefits and payroll not only bring practical expertise and

information to the table. Their participation reinforces the indispensable “team concept” of a new hire becoming an engaged and productive team member. The faster sustainable engagement takes place, the faster they can become a totally up-to-speed player for the team.

*The keyword in all this is employee engagement — the “secret sauce” that encourages an employee to do their best each and every day. It’s also what employers need to fuel their organisation’s recipe for success.*

**ENGAGEMENT:**  
“The emotional state of mind that causes people to do their best work, sustainably.”

Source: “The Definitive Series: Employee Engagement Full Research Report,”  
Dr. Mary Hayes and Marcus Buckingham, ADP Research Institute, 2020.



# Employee orientation is part of the onboarding process



## Orientation

## Onboarding

An event



An ongoing business process

1st day or week of activities



Could last 3 months to a year

Mostly an HR initiative



Shared responsibility of hiring manager, HR and the new employee

One-way information flow



Involves conversations and feedback

Provides mostly structural, non-customized information



Process is customized to fit the employee is still considered a new hire employee's specific role and responsibilities

Employee is still considered a new hire



Employee is considered integrated into the company and work role



# What does an employee onboarding plan look like



Let's look at an employee onboarding plan that optimally spans an entire year. It includes four milestones that can help employers monitor and assist new employees as they move from a new hire toward becoming fully engaged team members.

**Day 1 to week 1:** The new employee's manager sets expectations and introduces objectives. Employees should understand their job duties and responsibilities and start to become engaged with immediate team members as well as other members of the company to build rapport.

**First 30 days:** The manager should "check-in" with new employees to ensure they are comfortable, understand their responsibilities and are engaged. Review their accomplishments up to now and gather feedback. Ensure they have the equipment, knowledge and information to do their job. Provide needed on-the-job-training and provide them with a buddy or mentor to reach out should any questions come up.

**30 days to 6 months:** Have another check-in to ensure the employee remains engaged, happy and is meeting expectations.

Six months on the job is a critical time for both the employer and employee to determine if your company is a right fit for them — and vice versa. Introduce a performance management plan to gauge the employee's performance, understand their strengths and any areas that can be improved.

As a good practice, in addition to regular coaching sessions, consider having informal conversations from time to time with employees about their performance. For example, if an employee has completed a project recently, congratulate them on a job well-done. It's also important to make available ongoing input to help employees address and navigate challenges they may encounter.

In addition, create opportunities for collaboration with team members, provide any additional training the employee may require to fully access their skills and abilities, and continue encouraging employees and facilitating connections that can help them succeed.

**353 days:** By now, the new employee's performance should provide you with a good indication if they are productive and engaged. This is when onboarding transitions into long-term retention. Open one-on-one discussions to include topics relating to career goals and compensation going forward.

## Employee replacement costs

It can cost between

**30 and 50%**

of their salary to replace an entry-level employee. Senior and highly specialized staff can cost upwards of

**400%.**

Source: "Four ways to reduce staff turnover," Miklos Bolza, 24 Feb 2016, <https://www.hcamag.com/us/news/general/four-ways-to-reduce-staff-turnover/157267>.

# Who actually “owns” employee onboarding?



While Human Resources may “own” the design of the onboarding process and facilitate the program, it is a collective effort. Other company resources — from benefits to training — should contribute to an employee’s onboarding experience.

The Hiring Manager should especially have a key role in the onboarding process, regardless of the size of the organisation. “If you think about it, the hiring manager is the person who sets the stage for success or failure,” says Dr. Talya Bauer, author of *Onboarding: The Critical Role of Hiring Managers*. “He or she sets the culture and climate within the unit, assigns tasks, sets the tone for communications and cooperation ... Proactive organisations encourage managers to invest this time and even make it part of their performance evaluations to do it well.”<sup>10</sup>

The new-hire’s immediate supervisor, peers and mentor should also welcome the employee, as should a member of senior leadership, to actively demonstrate that the new hire is, indeed, part of the team.

Medium- to large-sized companies with more-complex HR and compliance needs are likely to have specialists on staff that can bring highly focused expertise to the process. A benefits manager, payroll person and others serve as an added-value resource for new employees by simply being available to answer questions.

Smaller employers — particularly those with 25 or fewer people on payroll — may involve, to some extent, the business owner or other senior leaders in onboarding. However, if an HR generalist is on staff (a trained person who generally wears many hats), he or she is typically the person who would orchestrate the onboarding experience and be the main point of contact for benefits, pay and other administrative matters.

10. “How Hiring Managers Can Make — or Break — Your Onboarding Process,” *Recruiter.com*, Sept 18, 2014.

**54%** of employers with active onboarding programs are seeing higher employee engagement.



# The COVID-19 factor: Now there is a new onboarding experience

The COVID-19 pandemic was a game changer that affected many business processes — including employee onboarding. After it forced recruitment to move online, onboarding was next.



The pandemic prompted many employers to initiate/upgrade/improve/revamp their onboarding process. In many instances they were also identifying and preparing to serve a “new” group of employees based upon where they worked — i.e., at a remote location, such as the employee’s home.

Although remote onboarding may be just as effective as a face-to-face interaction, thirty-eight percent of survey respondents indicate that remote onboarding has been more difficult than an in-person onboarding experience.

More than half (52 percent) cited the lack of relationship-building opportunities, while 20 percent of respondents faced difficulties with remote system technology.<sup>11</sup>

As the pandemic wanes, many businesses may not choose to return to a pre-pandemic normality. Surveys are indicating that remote employees are here to stay — to some extent. A Software Advice poll of HR leaders conducted in August 2020 revealed that 49 percent of respondents currently plan to hire more fully remote workers when the COVID-19 pandemic is over.<sup>12</sup> Clearly, employers will need to be proficient when it comes to both in-person and remote employee onboarding practices, as traditional offices return and remote locations remain a popular option for a number of workers and the organisations that employ them.

One CEO concluded, “Remote onboarding has forced us to get more efficient, effective and creative. Importantly, it’s not about recreating in-person onboarding, it’s about reconceiving the process. The result is an up-leveling that will ultimately reap returns whether office life resumes or we stay remote for the long haul.”<sup>13</sup>

11. <https://www.hrreporter.com/focus-areas/compensation-and-benefits/remote-recruitment-onboarding-a-challenge-for-hr/334787>.

12. “A Step-by-Step Guide to Onboarding Remote Employees,” Sierra Rogers, <https://www.softwareadvice.com/resources/author/srogers/February 4, 2021>.

13. “How To Give New Hires The Best First Week Ever...Remotely,” Greg Smith, CEO, Thinkific, [baystbull/how-to-give-new-hires-the-best](https://baystbull.com/how-to-give-new-hires-the-best).

# Things you should do now



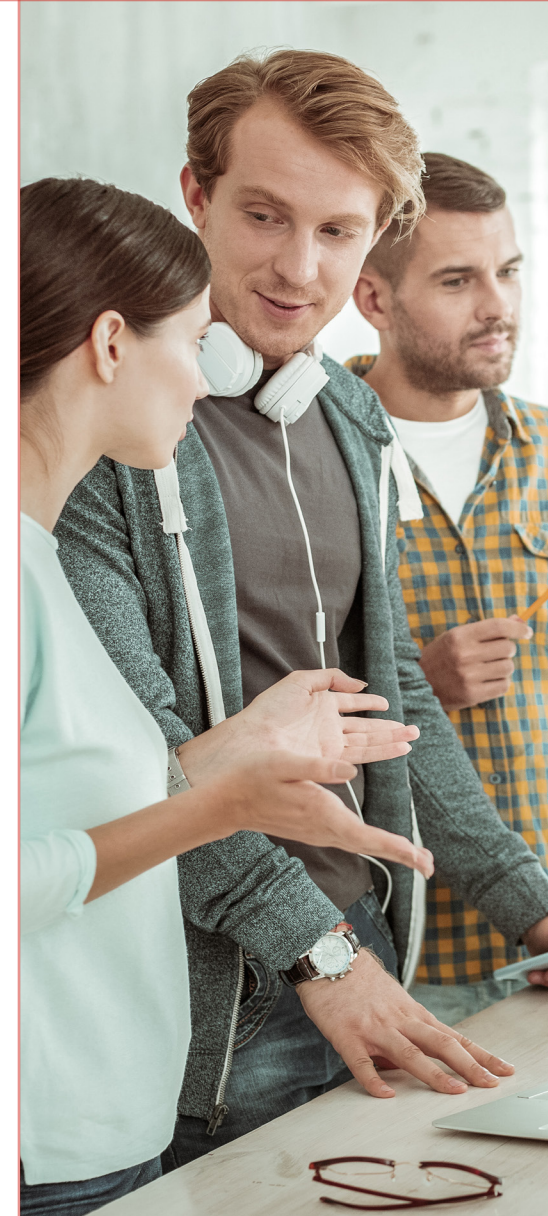
## 1. Create a new-hire checklist

Ideally, it should include, in a clear and direct way, all of the onboarding tasks for the employee on a weekly basis for their first month. Afterwards, as employees become more engaged in the company's culture, practices and individual tasks, employees and their supervisors should touch base through one-on-one and face-to-face (or Zoom call) conversations to gauge the employee's progress and comfort level within the organisation. Only 15 percent of companies continue onboarding after six months.<sup>14</sup>

## 2. Use key tools to enhance the onboarding process

- **Have a written onboarding plan.** This helps everyone on your staff to focus on transforming each promising candidate/new hire into an employee who is a long-term and valued contributor to your company. Your onboarding plan should be a flexible working document. When your onboarding plan needs to be updated, gather your stakeholders, agree on changes and publish a revised plan.

- **Engage all stakeholders.** Involve HR staff, company leadership, the employee's hiring manager, coworkers and peer mentor in the ongoing onboarding process. Each has a role and message to help the new employee feel welcomed, gain confidence as a team member and increasingly contribute to team and company goals.
- **Use technology to deliver, share and process information.** Send your new hires online tax-related and legal documents, payroll forms, nondisclosure agreements (if applicable) and employment contracts if possible. Do the same regarding training videos and customized courses that can enhance the onboarding process for the employee. Encourage employee feedback and input early on, so they will feel comfortable providing their input not only during onboarding but also well beyond.





### 3. Continually evaluate employees' changing expectations

ADP Canada Workplace Insights Surveys<sup>15</sup> provide insights about what many of today's employees are looking for in their relationship with their employers. Among the findings:

- **Modern work schedules are growing in popularity.** More than half (56 percent) of Canadian workers claim their employer allows them to work a modified work schedule.
- **Mental health and wellness initiatives are more important than ever.** About 46 percent of working Canadians indicated that their current employer has instated mental health or wellness initiatives throughout COVID-19. These can range from on-site medical support for staff to additional vacation or "mental health and wellness" days.

- **Pay equity needs to be a major priority.** Over four out of 10 (42 percent) of working Canadians say they would leave their current organisation if they learned that a colleague of equal standing, but of a different gender, made more than them.
- **Diversity and inclusion needs must be apparent in the hiring process and in the organisation, overall.** Nearly half (47 percent) of employed Canadians (from ages 18 to 34) say they would be more loyal to an organisation that would take a positive stand, publicly, on diversity and inclusion.

Survey findings can be especially helpful to employees, particularly if they can easily incorporate this information into their onboarding experience and use the information to meet new employee expectations.

For every

**\$1**

invested in **Canadian workplace mental health**, the medium yearly return was

**\$1.62**

and that rises to

**\$2.18**

for programs in place for **three or more years.**

## 4. Always strive to make new employees feel welcomed

This is an easy “win” for virtually any employer. Here are some suggestions:

1. **Send out a welcome announcement to the employee’s team.** This will remind them that their new team member is joining them.

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2. **A new employee’s first day should include meeting people and onboarding activities.** Have a business leader meet and introduce them to other team members and complete paperwork like benefits forms and compliance documents.

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3. **The new employee’s workstation should be ready on the first day that he or she arrives for work.** Provide the tools and equipment they need to get started — including a phone, computer and personal protective equipment.

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4. **Assign a “buddy” or mentor.** Provide the new employee with a team member who can serve as a guide to help them navigate the first few weeks on the job.

Employers with a standard onboarding process experience

**50% greater new-hire productivity.**

Source: Society for Human Resources Management



# Why is feedback so important to onboarding?



Feedback provides employees with an established channel of communication to their supervisors. Managers have access to a flow of information about how employees are doing. Fortunately, you can obtain feedback in a couple of ways.<sup>16</sup>

## One-on-one sessions at pivotal points in the onboarding process, such as the 30-, 60- or 90-day mark.

### Sample questions might include:

- How is everything going, so far? What are the highlights and challenges?
- Do you have enough time to accomplish your tasks?
- How does the actual experience compare with what was “sold” during the interview process?
- Is there anything unclear about your role?
- What would help you do your job better?
- What feedback would you like to share regarding the onboarding experience?

## Qualitative surveys (anonymous responses using “agree” or “disagree” as responses):

- The orientation experience provided me with a clear outline of my job description and responsibilities.
- I have a clear understanding of the company's vision and mission.
- I know who the points of contact are for different issues, such as benefits, payroll and expense reimbursement.
- I was introduced to managers from every department.
- I feel well-prepared to succeed in my job after attending orientation.

# Remember — onboarding has a bottom-line impact



Employers measure things that are important — especially programs that can adversely affect the bottom-line. That's why in today's competitive environment to attract the best available talent, employee onboarding should be at the top of every employer's "must-do" list. The results of an onboarding program can be effectively measured in a number of ways. Some examples of key metrics:

## Retention/turnover rates

Rates (90-day and year one, voluntary and involuntary, according to gender, and so forth) — have your employee turnover costs decreased since you implanted your employee onboarding program?

## Training completion rate

Scrutinize soft skills, technical training and company policies.

## Time to productivity

Measure the length of time it takes for each new hire to meet expected performance levels.

## Profit levels

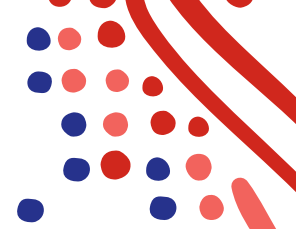
Have your profits increased? Is it because your turnover related to onboarding has decreased?

## Customer satisfaction rates

Many times, there may be a valid correlation that can be drawn between higher employee productivity and the increased willingness of your customers to purchase your products and services.

**Onboarding mistakes** can decrease staff morale and productivity by **30%** and increase stress on the employer by **15%**.

# Employee onboarding is evolving



## Continuous onboarding

Which may extend for up to a year at some companies, helps to build loyalty and confidence. During onboarding, employers can see if increasingly important tasks you assigned to employees help to widen their skillsets. You will also get a better understanding into whether they will want to stay and grow with your company.

## Consistent learning

Which is encouraged at many large and small companies — prepares all employees for what's next in their careers. A senior investment strategist for a mid-sized investment firm that has grown into an organisation that serves high-profile clients commented, "There was always an emphasis on lifelong learning that could help us become better as individuals."<sup>17</sup>

## Cross-boarding

The ultimate extension of onboarding — is also gaining traction. This practice enables companies to easily transfer an existing employee with the right talent and skillsets to a new job within the organisation. Cross-boarding reduces costs associated with recruiting, onboarding and basic training. "Unlike someone new, you can assign an existing person a new role and they are likely to know the ropes. They will have a bigger picture being aware of the company's vision, mission, goals, and values."<sup>18</sup>

17. Building leaders through insights, customized assessments and convenient online coaching, ADP, 2021.

18. <https://hr-gazette.com/top-five-benefits-crossboarding/>



# Conclusion



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for People®

Onboarding has become a core essential process for businesses that aim to attract, retain and develop great talent. For employers to gain the greatest benefits from onboarding, the onboarding process should be ongoing, allow for feedback and have the capability to be customized.

Just as good things at times emerge from bad situations, the advent of the COVID-19 coronavirus pandemic helped businesses to place a greater focus on improving the onboarding process for both remote-location employees as well as workers in the traditional office environment.

Successful employee onboarding requires the support of the team the new employee is joining — from hiring managers and employee peer groups to supervisors and company-level leaders. The faster the new hire can be transformed into an up-to-speed employee, the quicker his or her productivity can translate into a productive talent investment for the company.

Employee onboarding continues to evolve. In some environments, it embraces the entire employee life cycle. An emphasis on consistent individual learning at many companies prepares employees to have a stake in their advancement. Cross-boarding becomes the pathway for prepared employees to take on new roles within the company, while saving recruiting, onboarding and other costs for the organisation.

There is a bottom-line aspect to employee onboarding, as there is to many vital business activities. Statistics clearly show that effective onboarding plans can help minimize losses in talent and the amount of money it takes to replace staff members when they voluntarily leave.

Remarkably, the practice of solid employee onboarding, which can help employers in so many measurable ways, still remains an underutilized employee retention tool. According to Gallup, only 12 percent of employees polled strongly agree that their employer does a great job onboarding new workers.

