



Human Capital Management
& Payroll Software/Services

The War for Talent and Onboarding

It's no exaggeration to say that there is a war for talent. Every organisation advertises vacant positions hoping to attract the best and most talented applicants. But they do not win the war by appointing a candidate to a role. They win it by also using onboarding technology to engage new employees in the time leading up to their first day - and beyond

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Understanding today's talent

A recent study¹ by the Australian online recruiter SEEK sought to understand the expectations new employees have of an employer. They conducted the study against a backdrop of COVID-19, which has shaped the way candidates are thinking about work location, hours, support systems, connectedness, etc.

Among them are:

- An expectation that they will feel engaged at work.
- The ability to form relationships: more than 50% of those surveyed wanted a role where their colleagues were also their friends.
- Meaning and purpose: employees want to make a difference in the world.
- Support for their goals via a clear career path: multiple paths are expected, e.g., leadership vs. specialist.
- Ongoing learning: candidates seek organisations that create employee growth opportunities through training.

Your recruitment campaigns will need to adapt to ensure these benefits are promoted to candidates. Still, it may not be fair to assume you've won the war for talent yet.

The reason for this may lie in technology. Applicants - millennials and Generation Z's in particular - are avid users of technology and consumers of data. Their employment search is done online, on devices, via alerts, social media and other emerging platforms for recruitment. So, to assume that a newly appointed candidate is *not* still connected or reviewing new opportunities and alerts would be naïve.

Why? Because of something that marketers used to call "post-purchase dissonance". These days it's better known as buyer's remorse. When making important decisions of any kind, humans review their final decision and look for confirmation that it was the right one. That means we are predisposed to consume messages that confirm our choice, but your competitors are still casting the net, and a new hire may still take the bait.

So how do you ensure that a new hire stays excited and committed to your role, and your company in the time leading up to Day One and beyond? Onboarding might be the answer. Especially when you consider that new hire turnover is greatest within the first 90 days of employment.

Emerging studies show that great onboarding processes help engage and keep the talent you fought so hard to get. Done right, it means your investment in recruitment will pay off with an excited and engaged new employee. Poorly done, and you may be re-advertising and investing yet again in the time and effort to recruit.

So why is onboarding so important?

To answer that question, you need to consider some hard statistics.

- A recent study uncovered that 35% of companies in the US and UK do not invest in any onboarding activities.²
- One risk for any organisation when hiring new employees is turnover. Statistics indicate that up to 20% of turnover happens within the first 45 days of employment.³
- Another study by Robert Half reported that over 60% of respondents had experienced a new hire resignation during their probationary period.⁴
- On average, turnover costs in Australia are estimated to be around 3.8 billion dollars, not including the cost of recruitment, which adds another \$385 million.⁵
- According to studies, an effective onboarding program has a significant impact on staff retention. An oft used statistic shows that effective onboarding can improve employee retention by up to 82%.⁶ That means you could save up to 82% of your share of 3.8 billion dollars by developing an onboarding process that works.
- Other more anecdotal evidence speaks to the power of productive and engaged employees. They are reported to achieve goals earlier than less supported peers, with suggestions that the time taken to be productive and competent can be reduced by 20 – 50%.

In short, an effective onboarding process leads to higher staff retention, better productivity and higher levels of engagement. All of which makes for employees who are advocates for your organisation.

As a driver of employee engagement, onboarding cannot be underestimated, especially in a pandemic and post-pandemic world where remote work is becoming a norm. A study done by Software Advice found that 49% of HR managers plan on hiring more remote workers as the COVID-19 pandemic eases.⁷ These figures are set against a backdrop of 44% growth in remotely located employees in past years.⁸

When considering this emerging trend and the obvious benefits conveyed by onboarding programs, organisations must adapt to embrace the process.



What are the benefits of onboarding programs?

1. Savings and Compliance

Effective onboarding delivers operational efficiencies. Using onboarding software removes the reliance on paper and the need to re-key data. It is a repeatable process, removing the reliance on internal resources each time you make a new hire.

When employees understand their role and how it fits within an organisation, performance improvements follow. Historically, employees were thought to need about a year before their competency level resulted in productive output. Current statistics suggest onboarding can shorten the time period to productive competence by between 20 and 50% when an employee understands their employer's expectations of their role from the outset.

By engaging new hires before their first day of work (a process sometimes referred to as pre-boarding), organisations can defend against the cost of losing new hires to other opportunities.

By exposing new hires to important policies and procedures, such as internet usage policies, employees can be apprised of corporate governance and compliance requirements. When doing so, ensure only those items critical to their success are explained in the early stages of onboarding. Rule clarity reduces the likelihood that they will be unintentionally broken.

2. Organisational Gains

Employees taken through a formal process of induction and training learn faster. Shorter learning curves lead to productivity gains as employees are more able and equipped to meet employer expectations.

Employee retention is a universal organisational goal. Turnover is expensive, especially when an employee has not yet been productive enough to deliver a return on your investment. Good onboarding improves employee retention by up to 82% compared to companies without an onboarding program.

Onboarding can ensure new hires are exposed to information and experiences that will lead to greater commitment to organisational goals. Programs that expose new hires to the four "C's" promote higher levels of engagement.

These are:

- **Compliance;** rules and regulations.
- **Clarification;** what is my role, and what is expected of me?
- **Culture;** what are the organisational norms, both formal and informal?
- **Connection;** establishing interpersonal relationships and networks.

Organisations that get onboarding right earn a reputation. They become a place that attracts the best talent. When organisations don't need to exert great effort to attract talent, they can focus on developing exceptional onboarding experiences. Candidates that become employees then become advocates for the company and brand and the cycle repeats itself.

Onboarding software ensures that employee data is gathered and stored securely. Impeccable data security cements an organisation's reputation, further increasing its attractiveness to new talent.

3. Individual Gains

When new hires are provided a mentor or buddy, they build vital social networks that enable their productivity and embed their sense of belonging. Buddies and mentors can also provide feedback about a new hire's experience so that onboarding programs can be adapted to improve individual experiences.

Employees that have been onboarded well experience higher levels of job satisfaction. The associated gains in productivity, retention and advocacy benefit both employee and employer alike.

Onboarding takes the stress out of the new hire process. Managers have a clear onboarding path and are not required to oversee the completion of new hire forms or other administrative tasks. This enables them to focus on equipping the new hire to succeed in their role. Employees that are given sufficient support and direction from their first day are less stressed and more able to focus on productive output.

Onboarding software allows organisations to develop personalised onboarding journeys for roles, departments or divisions. The focus on what is relevant to the new hire allows them to grasp the role requirements and build the networks necessary for success.



Onboarding challenges

According to a Gallup report⁹, 88% of new hires thought their employer did a poor job of onboarding them. Considering the benefits of getting onboarding right, this is a troubling statistic.

Getting your onboarding program right depends on you overcoming several challenges, one of which is corporate buy-in. If you cannot muster the support of internal resources to adopt the program and meet the delivery requirements, you are likely to be one of the 88% of organisations mentioned above.

Assuming all resources are aligned, here are five things to overcome when designing your program.

Information overload

New hires have a great deal to learn. Be sure your program delivers what they need to know to make their first few days a success. More information can be provided in time.

Lack of clarity

Make sure your program puts your employee's new role in a context. Explain what the role delivers, how it interacts with its team member roles and what success looks like. Clarity engenders confidence and engagement.

No training plan

New roles look daunting and detailed when we first begin them. By developing a training plan, you are showing your employee that they aren't expected to know everything at once. Mapping out the way you will help them succeed will ease anxiety.

Ambiguous onboarding

If an onboarding journey is not tailored to a division, department or role, an employee will not see how the information and experience fits their role. An administrator won't immediately need sales information, but would benefit from a system orientation and process flow training. Similarly, a salesperson doesn't need to know how to process a new account in their first days.

Assumed knowledge

Every organisation is different. Every organisation has language or terminology peculiar to it. Assuming someone who has done a similar role to be competent in your process, jargon and technology risks disengagement. It is best to assume all new starters require familiarisation.

Five tips for successful Onboarding planning

1. Start at the start

Start by detailing your current onboarding process, even if it isn't formally documented. If you don't have one, start by identifying what you need to do to welcome a new employee. Include tasks, introductions, equipment requirements, etc. Identify stakeholders for each task. Identify the type of content you wish to provide to new employees, e.g. policies, inductions, and training. Identify the data required by your HR, Payroll and IT departments. Then categorise all of your data into tasks, messages, resources, etc. and allocate owners for these. Ensure the owners know and are supportive of the process and their role within it.

2. Refine and organise content

You may have a great number of documents, tasks and other requirements. Sift through them to identify those fundamental to every onboarding journey and those that relate to specific roles, groups, or locations. Do not be afraid if you have a lot of content. You can decide when to introduce it (see next step). Consider how to convey and gather information in ways that are varied and interesting, e.g. video, infographics, links to existing systems, online learning content.

3. Decide on timing

Many organisations think that onboarding is a brief process after which the employee is set adrift to fend for themselves. Others view the process as ongoing, potentially for months. Consider what data can be gathered before the employee begins, e.g. payroll and bank details. Also consider whether you supply policy and compliance documentation for review and acknowledgement. What can wait and what is essential for the employee's first day? Can you offer online training around work health and safety or similar? Map out how information will be gathered and provided to determine a timeline for your onboarding program.

4. Humanise the process

Onboarding is as much about welcoming a person as it is about information exchange. The data gathering can be automated using onboarding software so you have time to focus on the welcome. New employees are naturally nervous and won't always be familiar with the area where the place of work is located. Think about what they may like to know beforehand, e.g. public transport or parking information, availability of services such as food and medical. Provide information about office facilities, e.g. kitchen and gymnasium. Also consider how you can connect the new hire with their manager, their team, trainers, buddies and mentors. Is it via web meeting platforms, social media, or invitations to lunch? Remember, one driver of employee engagement and retention is a sense of connectedness.

5. Decide on delivery

Is onboarding something you will do using existing systems, such as HR portals, is it better done via phone and web meetings, or is purpose-built onboarding software a better option? Depending on the design and length of your program and the goals you seek to achieve, it's likely that combinations of these approaches will work best.

Things to consider when choosing an onboarding software system

When investing onboarding software, there are several things to consider when comparing systems. By ensuring your chosen onboarding solution meets your needs, you will be well placed to achieve the benefits discussed earlier in this whitepaper.

Personalisation

Can you configure an onboarding journey for an admin manager that is different to an IT manager or salesperson? We know successful onboarding programs individualise the content to best suit the new hire.

Automation

Can you automate the admin tasks so that forms can be completed and data gathered easily? One benefit of automation is the freeing up of HR and line management resources to focus on welcoming and connecting new hires with internal resources.

Integration

Can you exchange gathered data with your payroll and HR system without needing to employ integration programmers? Onboarding software eases the administration burden on HR and payroll. It should not transfer the burden to other internal resources, such as IT support.

Deployment

If your solution is not mobile-enabled, it's no good to a millennial or Generation Z employee. These people grew up with technology and will be discouraged if systems are not accessible via smartphone or tablet devices. This leaves you vulnerable to offers from competitors that do.

Communication

In the emerging world of work with remote and hybrid arrangements, new hires must feel as though their employer is accessible to them. If your solution doesn't permit contact via a mobile app, your new hire may feel isolated and unsupported, leading to disengagement.

Reporting

Your onboarding solution should enable you to analyse and report, providing statistics around employee progress and identifying potential bottlenecks. Refinements to onboarding processes should be data-driven.

Analysis

Can you engage your new hires during and after the onboarding process to get their feedback?

Conclusion

Candidates are operating in a market where employers are vying to impress them with cultural and benefit-driven offerings. Candidates expect to be enticed and have a greater appreciation of their value than ever before.

Make no mistake, candidates expect potential employers to have an onboarding process and software. Perfecting the process means finding the balance between information exchanges and enabling the employee to have social connectedness.

Well-planned onboarding programs create compressed timelines for employee competence and productivity. Capable, resourced employees remain engaged and will reduce your turnover figures.

Employees who think well of your onboarding program become advocates for your company and brand, which attracts more talent to your organisation.

By using onboarding software, the administrative, box-ticking tasks take care of themselves which frees you to focus on welcoming and engaging your newest employee. The investment in your new hire will be repaid by reduced turnover and a faster return on your investment.

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Commitment to customer service is our number one priority.

Michael Howard, Founder

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