

## ONBOARDING NEW EMPLOYEES: REVIEW OF CURRENT PRACTICES

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**Abstract.** New employees come in contact with an organization through onboarding programs. The author has studied strategic onboarding programs of world-known companies and recounted the most eye-catching features of them in the article such as suggesting newcomers money for not working at the company or meeting new employees with a bottle of wine. In conclusion, the author distinguishes some common features of successful onboarding programs.

**Keywords:** onboarding, employee, new hire, newcomer, onboarding program

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### Introduction

Every year, 25% of the USA population experiences a career transition. 50% of all hourly workers in USA leave new jobs within the first four months of employment. 50% of external senior hires fail within the first 18 months. 86% of newcomers decide within the first six months whether or not to stay at a company. In addition, this turnover can be expensive: the cost to bring on a new employee can be as high as 150% of that person's salary. New employees who go through a structured onboarding program are 58% more likely to be with the organization after three years (KPMG OnBoard).

Onboarding is the process of helping new hires adjust to social and performance aspects of their new jobs quickly and smoothly (Bayer, 2013). Experts of Aberdeen Group distinguish strategic and tactical onboarding. *Strategic onboarding* is a formalized approach to bringing new hires into the company. Such process requires support from all parties involved, from the new hires themselves, to HR, hiring managers, and coworkers. Comparatively, *tactical onboarding* consists of the more traditional activities associated with the process, such as new hire orientation or forms management (Lahey, 2016).

Effective onboarding program can improve:

- Employee retention – the percentage of hires that stay with the organization;
- Time to productivity – the percentage of new employees that meet their first performance on time;
- Manager satisfaction – the year-over-year change in hiring manager satisfaction with the employees that have come into the firm (Aberdeen Group, 2013).

For employees, long-term outcomes of good onboarding include job satisfaction and organizational commitment (Maier, 2001).

Onboarding has four distinct levels, the Four C's (Bayer, 2013; Talmundo):

- *Compliance* is the lowest level and includes teaching employees basic legal and policy-related rules and regulations. Refers to the all the paperwork and administrative tasks involved in getting new employees onboard. This can range from direct deposit or other

benefits documentation to getting an email account or login info for the various company tools they will need for their job.

- *Clarification* refers to ensuring that employees understand their new jobs and all related expectations. This means that performance and responsibilities are clear for not only the new hire, but also for his/her manager and team members.

- *Culture* is a broad category that includes providing employees with a sense of organizational norms— both formal and informal. Refers the spoken and unspoken “rules of the game” at an organization, how employees navigate and successfully achieve their work at a company.

- *Connection* refers to the vital interpersonal relationships and information networks that new employees must establish. Integration into the team and the company’s mission, making new hires feel as “a part of the family”.

All onboarding programs fall on one of three strategy levels: passive, high potential or proactive (Bayer, 2013; Talmundo):

- *Level 1. Passive Onboarding* is when an organization’s approach to formal onboarding focuses on Compliance. There is little to no formal action taken to address Clarification, Culture and Connection. This is a very functional view of onboarding.

- *Level 2. High Potential Onboarding* is when an organization’s onboarding strategy and program addresses both Compliance and role Clarification as well as touching on some Culture and Connection aspects formally.

- *Level 3. Proactive Onboarding* is when an organization formally and systematically addresses all four key aspects of onboarding.

Let us examine some examples of proactive onboarding in the following part of this work.

### **Onboarding practices**

*Massachusetts Institute of Technology (MIT)*—is a private research university based in the city of Cambridge, Massachusetts. We can study MIT’s online portal as an example of organizing onboarding program. MIT represents a guide for new employees and their managers on its special website [welcome.mit.edu](http://welcome.mit.edu) – “New Employee Orientation & Onboarding”. When you enter it, you can see a special inspiring message for newcomers: “Every individual who joins this extraordinary community changes our ecosystem in a positive way, with each addition making MIT a different, richer place. The extent of your impact, of course, is entirely up to you. Our job is to give you the tools you need to make your mark within this dynamic community”.

MIT’s website provides tools, checklists and other resources to help to create a positive onboarding experience for new employees.

It has special section for managers, from both Central HR and the local hiring departments, responsible for conducting onboarding process of an employee. There are checklists for every stage of onboarding: “Before the employee’s start date”, “First day”, “First week”, “First month”, “First three month”, “First year”. Each checklist consists of the following parts: schedule and job duties, socialization, work environment, technology access and related, training/development. To help with the onboarding effort, MIT HR’s created a variety of tools relevant to many components involved in this process. These tools are designed to cover the necessary bases for success from the first day to the first assignment and presented on the website. They provide information on buddy program, equipment & supplies,

new employee e-mail announcement, schedule for employee's first day, successful communication, successful first assignment, talking points for debrief meetings, working location tour and onboarding planning tool.

Welcome.mit.edu provides lots of information for new employees as well. "Before you start" page gives a newcomer tips about what would happen before his first day at work, for example: expect a call from your manager, discuss your computer needs etc. The next webpages are devoted to the first days, months and the first year of newcomers at the Institute. "Your first days" page contains checklists for the first day and first week on work, recommendations what to do to gain familiarity with new surroundings, and begin work projects. "Your first months" page provides checklists for the first month, three months and six months to keep the onboarding process under control. Newcomer should feel fully engaged in his (her) new role at a period of six to twelve month according to "Your first year" page. "Your MIT" is the page, presenting all the possible information about MIT community, MIT's jargon, food courts, events, growing and learning opportunities, discounts and perks and gives links to other different MIT's sites. And there is also page giving information on MIT's benefits programs.

Therefore, as we can see, onboarding process is thoroughly designed at MIT. A newcomer has a full access to the necessary information, he (she) is provided with a special "buddy" – a fellow employee (other than the manager) who gives advice and guidance on the different aspects of working at MIT. Besides the information presented on a special website, a newcomer has an in-person new employee orientation session. Managers are fully provided with the necessary guidelines, checklists, tools and resources for running a successful onboarding process. Every period of onboarding is outlined on the website and there are guidelines for both managers and new employees explaining what to do and what to pay their attention to.

*Zappos.com* is an online shoe and clothing shop based in Las Vegas, USA. Every new hire at Zappos has to go through four-week training program, which is a combination of technical training and culture immersion. Regardless the future position at the company (sales manager or developer), every newcomer is instilled with the Zappos mission to "deliver wow through service" during the training program. The first two weeks of program are in the classroom learning about the "wow tools" Zappos provide. After two weeks in the classroom, trainees begin taking calls from customers.

One onboarding tactic that Zappos has become famous for is "The Offer." When new employees finish the training period, they are offered a payout to leave the company. The amount has grown from \$2000 to \$4000 and continues to fluctuate with the economy, but it is designed to be enough that the financial pressure of being unemployed will not make someone stay at Zappos if they feel they are not a good culture fit. Employees have three weeks to try out their new role before deciding whether to stay on or take the payout and leave. Only about 1% of newcomers take on this offer (Cooper, 2016). This highlights Zappos' focus on protecting the company culture and ensuring they have the right employees who want to be there.

Even so simple thing as a reminding letter to hiring manager can improve onboarding. *Google* research shows that reminding the hiring manager to set up the first day gets new hires up to speed 25% faster (Sullivan, 2015).

This reminder email has five critical tasks, which the hiring manager should perform:

1. Have a role and responsibilities discussion.
2. Match your new hire with a peer buddy.

3. Help your new hire build a social network.
4. Set up onboarding check-ins once a month for your new hire's first six months.
5. Encourage open dialogue.

*Facebook* onboarding program focuses on the first 45 minutes of the employee's journey into the organization. Facebook's chief information officer Tim Campos says that if a company does not manage to arouse a level of interest among employees about the company culture and work and make them more productive in the very first 45 minutes, then something is certainly not done right (Bhattacharyya, 2016). However, there is thorough planning of activities behind the successful implementation of this 45 minutes rule. Such activities mostly focus on getting devices and systems right – from an employee's PC to their phones. All this is done much before the employee joins. Secondly, on the day of joining, they focus more on practical aspects of the job role – like how to set up a meeting or where the printer is. Another successful employee onboarding strategy of Facebook is the Bootcamp. Every engineer who joins Facebook has to participate in a six-week long Bootcamp at the Menlo Park headquarters. There, engineers get acquainted not only with Facebook's codebase, but they also get a glimpse into the culture of the company. As a tool of engagement, engineers are given to write codes to provide solutions to problems on their very first day. This gives them real, hands on experience. It also serves as a source of tremendous motivation and gives a sense of instant gratification. Bootcamp also ensures that the employees get a hang of all the opportunities that Facebook can potentially offer to its employees. This serves as a source of inspiration and motivation for the new recruits. Facebook also practices freedom of choice during its employee onboarding process. Instead of assigning each employee to a team, Facebook allows employees to choose their own teams and projects, which they feel most passionate about at the end of the six-week Boot camp. Facebook's employee onboarding.

*Twitter* also has some interesting onboarding practices. Once prospective candidates accept an offer at Twitter, a number of departments (recruiting, HR, facilities, and IT) begin a 75-step “Yes to Desk” process (Sapling). The goal of it is to make sure that desks are set up, email addresses are squared away, and documents explaining job expectations are available the moment employees arriving to the office on their first work day. They also makes sure company swag and a bottle of wine are prominently displayed on each new hire's desk to make newcomers feel welcome and part of the team. New employee desks are strategically located next to key teammates they will be working with. On the first day, new team members have breakfast with the CEO followed by a tour of the company office, before group training on the tools and systems relevant to their role. To keep the company culture vibrant, Twitter has a monthly new hire Happy Hour with the Senior Leadership Team, and a rotating schedule of presentations on Friday afternoons where employees can learn about other team projects.

*Pinterest* has its offices in San Francisco, New York, Chicago, Atlanta, Los Angeles, London, Paris, Berlin, Tokyo and Sao Paulo. Nevertheless, all new employees go through an onboarding process at Pinterest's HQ in San Francisco. Before new hires arrive, they receive an introductory email with their schedule and other details, and are given the opportunity to introduce themselves to the company. Everyone in the new hire class meets on day one for breakfast followed by some brief icebreakers. This gives new hires the opportunity to start absorbing the Pinterest value of “knitting” – a term used to mean collaborating with people and seeing the world from different points of view. This continues during the week with talks from the company's leadership, onboarding workflows like IT setup, laptop and a bunch of

essential tools (i.e. slack), and opportunities to get out into the neighborhood to volunteer (Sapling.).

*Quora's* onboarding program concentrates on mentorship by allocating a personal mentor to each new hire. Understanding the benefit of prioritizing new hires, Quora respects that mentors lose around 25% of personal output during the first weeks of training. New hires are pushed towards making meaningful contributions and tackling a manageable project by the end of the first week. First day activities are simplified. The focus is on tasks that communicate Quora startup culture and values. About ten onboarding talks are organized over the first few weeks. Quora also provide new hires with detailed documents on the key concepts and tools they need (Sapling).

*KPMG* – a consulting company, designed an employee onboarding solution called *KPMG OnBoard* and offers it for sale (*KPMG OnBoard*). *KPMG OnBoard* gives the flexibility to build the features one's business needs, enabling to engage, connect and empower new hires from the beginning. It reflects the way people interact digitally, helping to build relationships with new hires, from the day they get an offer through to their first three months on the job. *KPMG OnBoard* connects everyone involved in the process – from HR professionals and hiring managers to the new hires themselves – encouraging communication and enabling early productivity. *KPMG OnBoard* provides the platform to automate a manual process, decreasing time to productivity and alleviating the pain of traditional onboarding. *KPMG* simplified the process of onboarding into a flexible, user-friendly and highly interactive experience, focusing on the employee as the top priority.

### **Conclusions and suggestions**

Therefore, having studied the best onboarding practices of word-known companies and organizations, we can highlight their important features:

- Investment – companies invest their time and money in developing strategic onboarding programs. Successful onboarding pays for itself.
- Early beginning – successful onboarding should start before the first working day of a newcomer. According to Aberdeen Group 83 % of the highest-performing organizations began onboarding before the new hire's first day (Aberdeen, 2013).
- Memorable first day – lunch with the CEO or presenting a bottle of wine – make a new comers feel themselves welcomed. Nearly 4 % of employees leave a new job after a disastrous first day (Bauer, 2015).
- Structured schedule for first days – new hire should know exactly what to do and not wonder what is next. Employees in a well-structured onboarding program are 69 % more likely to remain at the company after three years (Bauer, 2013)
- Buddy – assigning newcomer with a buddy or mentor makes it easier to gain familiarity with the company's everyday life. 56 % of new hires say having a buddy or mentor is important to them when starting a new job. (BambooHR, 2014)
- Corporate culture – communicate values, mission and corporate culture as a whole for new recruits.

Well-planned onboarding relieve potential anxieties of newcomers and give them tools they need to enter the company feeling confident, inspired and fully prepared to meet the first milestones.

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