

Onboarding 2013

A New Look at New Hires

April 2013

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Executive Summary

The first impression an organization makes is often the most critical — not only with customers and key stakeholders but, more importantly, with its employees. As a result, employee onboarding has become a key business initiative and an accelerator of company growth and performance. Today's leading organizations are thinking more proactively about the way they onboard talent by adopting new practices and investing in both traditional and innovative technology solutions to achieve results. This study of 230 organizations, conducted in January and February 2013, will explore the best practices organizations use to transform basic new hire orientations into strategic initiatives and how they leverage world-class technology to boost productivity, engagement, and retention.

Best-in-Class Performance

Aberdeen used the following three key performance criteria to distinguish Best-in-Class companies:

- 91% of employees were retained, as compared to 30% of employees at Laggard organizations
- 62% of employees hired in the last 12 months met first performance milestones on time, as compared to 17% at Laggard organizations
- 33% year-over-year improvement in hiring manager satisfaction, as compared to a 3% increase among Laggard organizations

Competitive Maturity Assessment

Survey results show that the firms enjoying Best-in-Class performance shared several common characteristics, including:

- Deep commitment to aligning onboarding objectives to overall business goals
- Combination of both tactical and strategic onboarding initiatives to drive productivity and engagement
- Investment in world-class technology throughout the onboarding process

Required Actions

In addition to the specific recommendations in Chapter Three of this report, to achieve Best-in-Class performance, companies must:

- Define metrics and ensure agreement from key stakeholders
- Consider innovative technology options such as gamification
- Balance both the tactical and strategic elements of onboarding

Research Benchmark

Aberdeen's Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations.

How Does Your Performance Compare to the Best-in-Class?



- Compare your processes
- Receive a free, personal PDF scorecard
- Benefit from custom recommendations to improve your performance, based on the research

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Chapter One: Benchmarking the Best-in-Class

Business Context

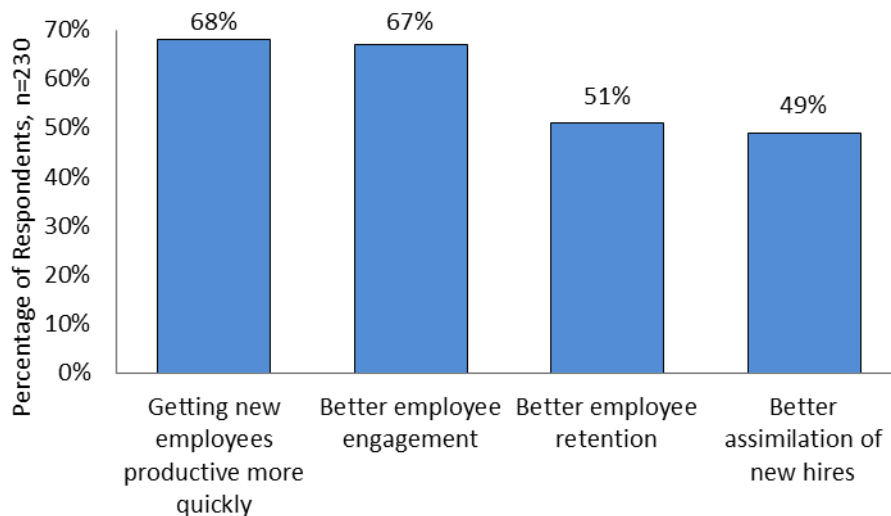
Despite the buzz around strategic onboarding, the majority of organizations are still immature in their approach to the new hire experience. In fact, only 37% have invested in a formal onboarding program for longer than two years. One reason that onboarding has not advanced beyond the early adopter phase is that organizations find it difficult to discern the return on investment (ROI). Instead, onboarding focused on basic orientation activities or, more recently, socializing new hires into the company culture — an initiative that, while important, has been difficult to measure. As a result, many onboarding programs have fallen short and become little more than a transition from recruitment to employee development. Organizations looking to gain competitive advantage must adopt a new approach to onboarding — one that not only engages new hires but also drives business outcomes.

Aberdeen research conducted in January and February 2013 found that organizations are reevaluating their onboarding strategies in order to improve new hire productivity. Figure 1 reveals that the top objective for initiating an onboarding program is getting employees productive more quickly (68%).

Fast Facts

- √ Only 37% of organizations have invested in strategic onboarding for longer than two years.

Figure 1: Key Drivers for Onboarding



Source: Aberdeen Group, March 2013

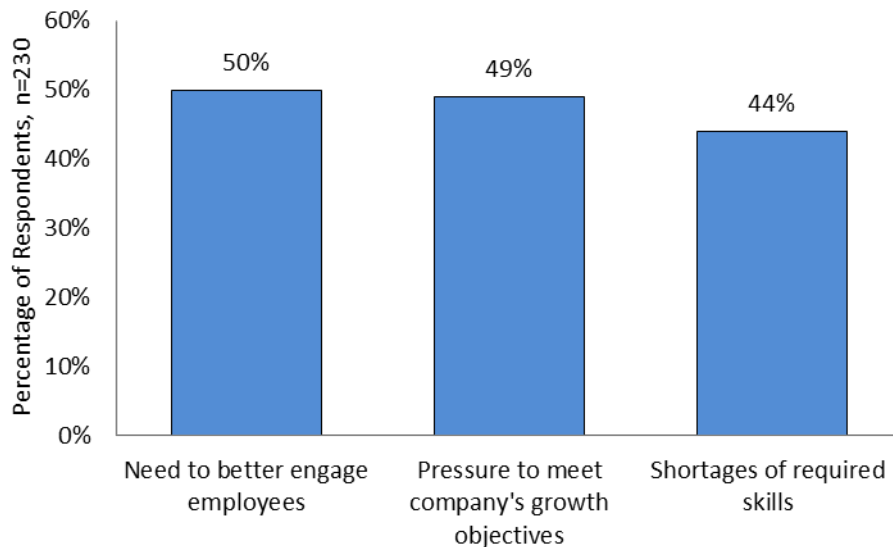
In order to achieve this goal, organizations must rethink their processes and technology options in order for new hires to get up to speed quickly and

contribute to business-driven initiatives. By improving efficiencies, organizations should not abandon efforts to engage employees but instead should view socialization activities as a way to drive productivity and empower new hires with the tools they need to succeed. The following pages of this report will help to uncover the challenges, strategies, and technology enablers impacting the way organizations onboard new hires.

A New Look at New Hires

Given today's economic uncertainty, many organizations are finding that what worked in the past, no longer works today. Onboarding is no exception. Over the past few years, many organizations have either stuck with traditional orientation programs that fail to assimilate new hires or embraced innovative programs that offer little impact on the bottom line. Although the ultimate goal is to improve the new hire experience, many of these programs fail to connect the dots between onboarding initiatives and business objectives. As a result, organizations face intense pressure to improve engagement (50%), meet company growth objectives (49%), and address shortages of critical skills in the market (44%).

Figure 2: Top Pressures for Onboarding



Source: Aberdeen Group, March 2013

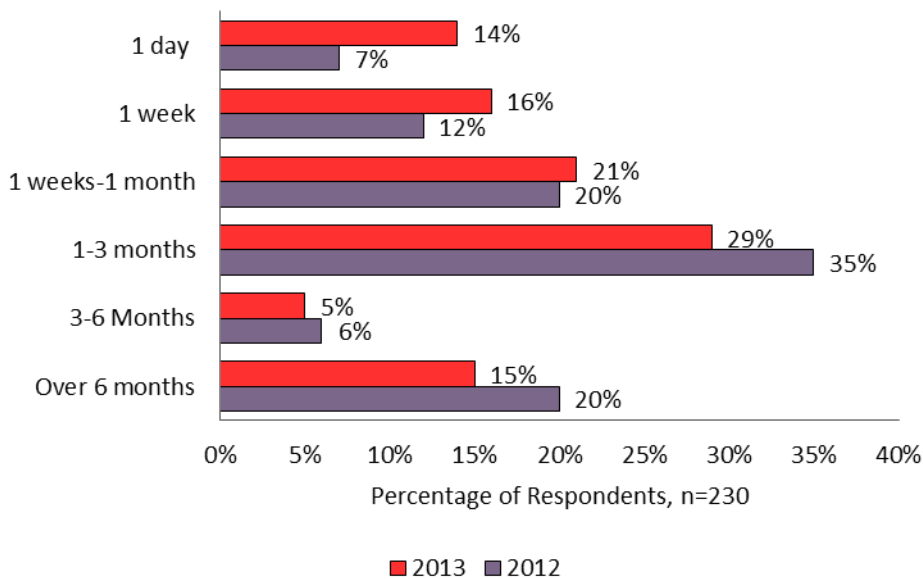
In order to overcome these challenges, organizations must start by reconsidering the length of their onboarding initiatives. Traditional new hire programs last for one week or, in some cases, a single day. These short-term strategies fail to improve areas such as retention, productivity, and engagement. Aberdeen research found that 90% of organizations believe that employees make the decision to stay at within the first year. Organizations thus have one year to make a positive impression on top

Fast Facts

√ 90% of organizations believe that employees make their decision to stay within the first year.

talent, but many do not take advantage of this long term opportunity. In fact, organizations have reduced the timeline of their onboarding programs over the past year. Today, only 15% of organizations extend onboarding beyond six months compared to 20% that had an extended process in 2012 (see Figure 3). Even more startling is that only 2% of organizations extend the process to a full year.

Figure 3: Timeframe for Onboarding



Source: Aberdeen Group, March 2013

As this report will show, these challenges are not insurmountable. Organizations have achieved dramatic gains not only in their ability to create a more efficient process but also in their ability to link onboarding to business goals.

The Maturity Class Framework

Aberdeen used three key performance criteria to distinguish the Best-in-Class from Industry Average and Laggard organizations:

- **Employee retention** — measured as the percentage of hires that stay with the organization.
- **Time to productivity** — measured as the percentage of new employees that meet their first performance milestone on time.
- **Hiring manager satisfaction** — measured as the year-over-year change in hiring manager satisfaction with the employees that have come into the firm.

Table 1: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
<p>Best-in-Class: Top 20% of aggregate performance scorers</p>	<ul style="list-style-type: none"> ▪ 91% of first-year employees were retained ▪ 62% of employees hired in the last 12 months met first performance milestones on time ▪ 33% year-over-year improvement in hiring manager satisfaction
<p>Industry Average: Middle 50% of aggregate performance scorers</p>	<ul style="list-style-type: none"> ▪ 70% of first-year employees were retained ▪ 29% of employees hired in the last 12 months met first performance milestones on time ▪ 11% year-over-year improvement in hiring manager satisfaction
<p>Laggard: Bottom 30% of aggregate performance scorers</p>	<ul style="list-style-type: none"> ▪ 30% of first-year employees were retained ▪ 17% of employees hired in the last 12 months met first performance milestones on time ▪ 3% year-over-year improvement in hiring manager satisfaction

Source: Aberdeen Group, March 2013

The Best-in-Class PACE Model

Excellence in onboarding results from a combination of strategies, capabilities, and enabling technologies. The Best-in-Class display a number of common core characteristics:

- Deep commitment to align onboarding to overall business objectives
- Combination of both tactical and strategic onboarding initiatives to drive productivity and engagement
- Investment in world-class technology throughout the onboarding process
- Integration between onboarding and other areas of talent management, including recruitment, performance, and learning and development functions

Table 2: The Best-in-Class PACE Framework

Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> Company growth objectives require more strategic new hire experiences 	<ul style="list-style-type: none"> Assign metrics to quantitatively measure the effectiveness of onboarding and its impact on the organization Better involve hiring managers and other line of business stakeholders in the onboarding process 	<ul style="list-style-type: none"> Clear accountability given to all stakeholders involved in ensuring that the employee is set up and ready to go on day one Localization of onboarding practices, forms, and technologies Onboarding is centralized — one dedicated resource has oversight and decision authority over the organization's entire onboarding process 	<ul style="list-style-type: none"> Automated benefits enrollment Tools to enroll new hires into learning and development programs Assessments to determine appropriate career / development track for new employees Automated new employee forms (e.g., W2, non-compete, direct deposit, medical / dental) Automated provisioning tools to manage the process for granting system and facility access Automated workflow and tasks management

Source: Aberdeen Group, March 2013

Best-in-Class Strategies

Best-in-Class onboarding is comprised of three major components: forms management, tasks management, and socialization in the company culture.

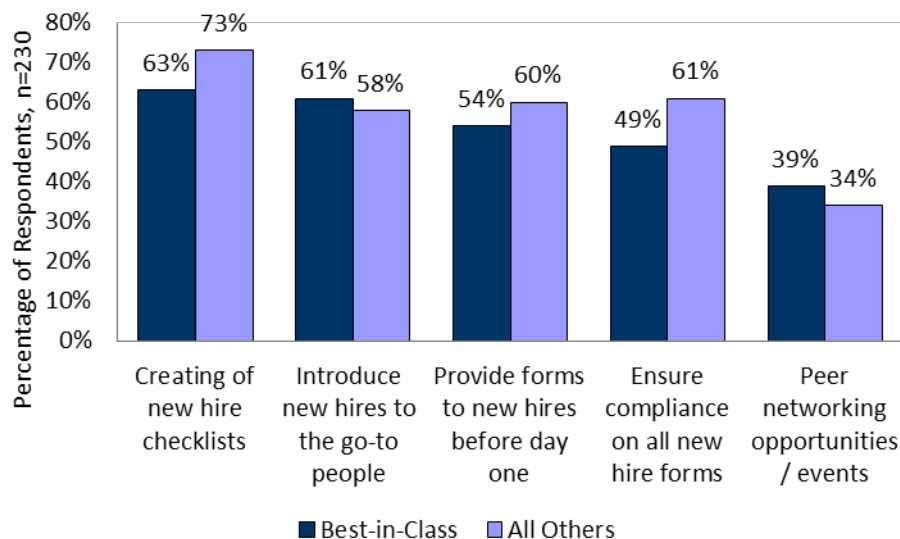
- **Forms Management** includes the collecting, tracking, and managing of all internal and external new hire forms.
- **Tasks Management** ensures that all the activities around onboarding the new hire are completed, including activities such as meeting with managers, receiving a computer, and gaining access to systems.
- **Socialization** engages new hires in the company culture and provides personal information to individuals in order to create a positive experience.

Over the past few years, socialization has been considered the top priority for organizations looking to improve existing onboarding initiatives. Yet, by embracing socialization, many organizations have neglected the tactical side of onboarding (forms and tasks management). These two areas are necessary for the success of any new hire initiative. For example, a new hire is more likely to contribute to business-driven projects if he or she has completed all new hire forms in a time-efficient manner. The tactical components are critical to improving productivity and organizational performance and should be enhanced — not replaced — by engagement strategies.

Aberdeen identified a significant contrast between how Best-in-Class organizations and All Others (Industry Average and Laggard combined) approach onboarding strategies (Figure 4). Best-in-Class organizations

have focused primarily on socialization for onboarding new hires (relationship-building and peer networking) while All Others have implemented more tactical practices such as forms compliance and new hire checklists. However, the real top strategies for onboarding today must include a mix of both strategic initiatives to engage new hires and tactical components that will ensure they can get up to speed on day one.

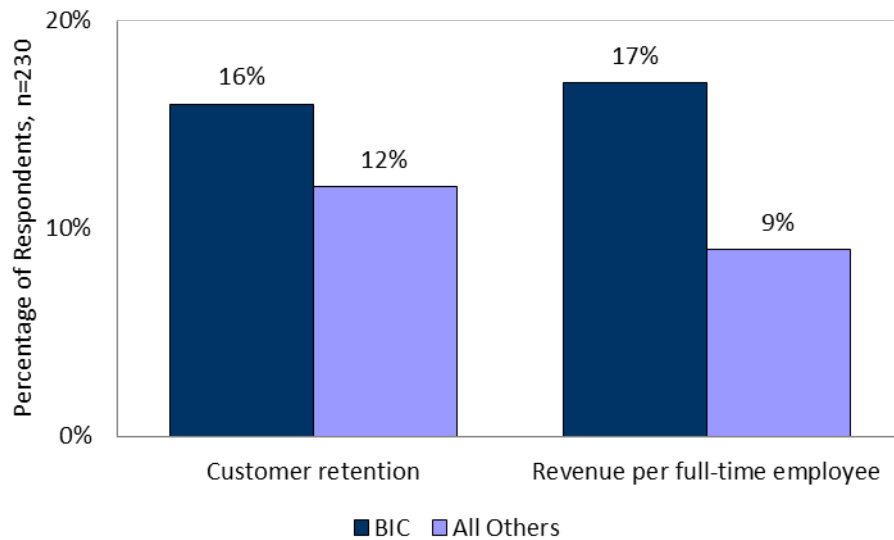
Figure 4: Onboarding Strategies



Source: Aberdeen Group, February 2013

Organizations that execute on these tactical and strategic activities are able to achieve business results such as customer retention and revenue per employee. Best-in-Class organizations improved customer retention by 16% and revenue per full-time employees by 17%. By implementing a program to create efficiencies and also engage new hires, Best-in-Class organizations also improve the business (Figure 5).

Figure 5: Year-Over-Year Improvement of Business Metrics



Source: Aberdeen Group, February 2013

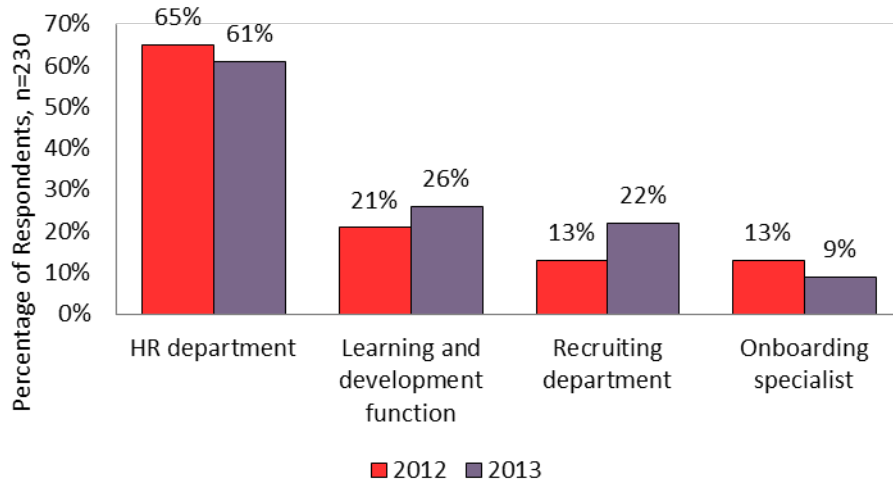
One of the key tactics that allow Best-in-Class organizations to significantly improve these business metrics is to establish clear ownership of onboarding initiatives and to extending onboarding to include internal mobility, something that Laggards sorely lack.

Establishing a Clear Owner

It may seem like a fundamental concept, but the majority of onboarding programs fail due to a lack of ownership. Although HR has long held primary responsibility, various departments and key stakeholders are typically involved in the creation, implementation, and measurement of these efforts. This situation makes establishing a clear owner challenging at best. In the past, recruiting functions have had the greatest influence in new hire efforts. Today, Aberdeen research found that learning and development departments have a greater role in how these programs are executed (Figure 6). Twenty-six percent (26%) of organizations indicate that learning and development functions own onboarding compared to 22% of recruiting departments. Recruiters are responsible for establishing the relationship with the candidate and ensuring that the hand-off between candidate to employee is a smooth one. Learning professionals, on the other hand, are responsible for training new hires and setting the stage for employee development.

Currently, only 9% of organizations invest in an onboarding manager compared to 13% in 2012. In a recent Aberdeen interview with one Fortune 500 company, one reason organizations eliminate this role is because they feel onboarding is linked to learning and falls naturally under this function.

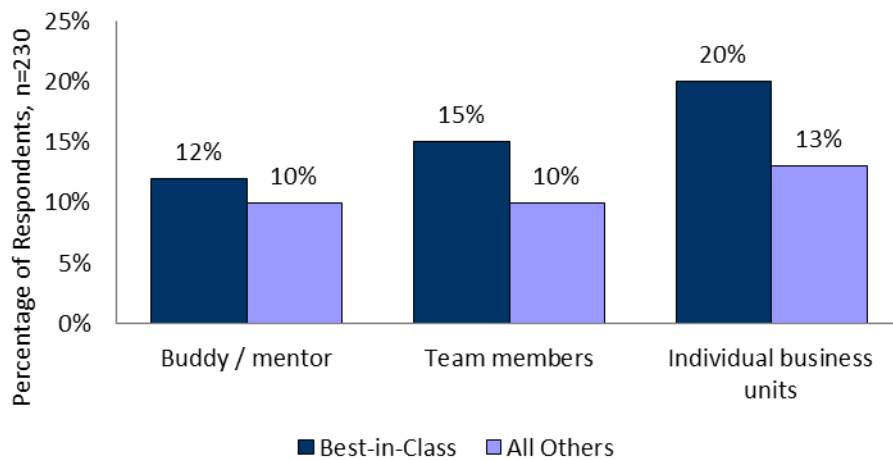
Figure 6: Ownership of Onboarding



Source: Aberdeen Group, March 2013

Although Best-in-Class organizations are moving away from the role of an onboarding manager, they are assigning non-traditional roles to own the onboarding process, such as mentors, peers, and individual business leaders. These organizations recognize that in order for onboarding to become long-term, HR and recruiting departments should not be the primary owner and need to collaborate with individual employees and business leaders. These roles will help engage new hires and empower them to become productive through their first year of employment.

Figure 7: Ownership for Best-in-Class Organizations



Source: Aberdeen Group, March 2013

Consider Cross-boarding

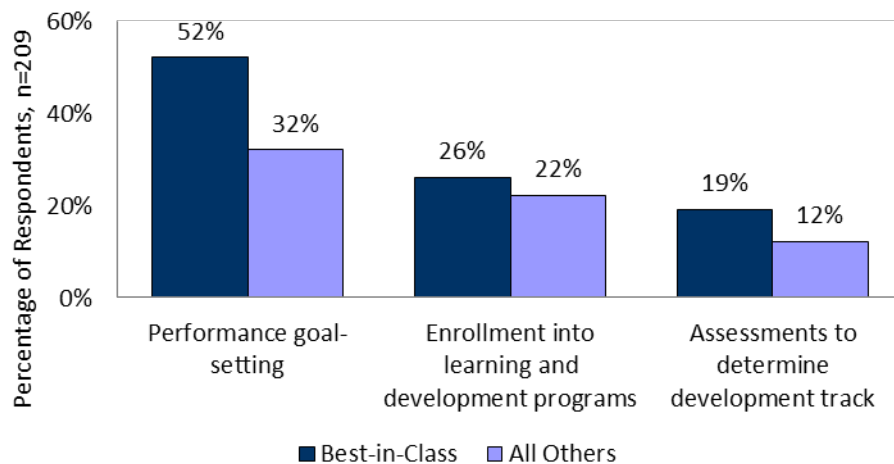
As learning and development functions take a greater role in onboarding, Best-in-Class organizations are more likely to include performance goal-setting (52%) and assessments to determine employee development tracks (19%) in the onboarding process (Figure 8). They also encourage stronger cross-boarding initiatives, which are the process of onboarding someone from an individual contributor to a leadership position. Since cross-boarding involves a process for transitioning individuals already working at an organization, it requires less tactical activities than traditional onboarding. Rather than forms and benefits management, organizations focus on the following activities:

- Role-specific learning activities — 50%
- Coaching and mentoring programs — 44%
- Leadership skill development — 42%
- Leadership assessments — 36%

Definition

Aberdeen defines **cross-boarding** as the process for moving individuals from sole contributor role to a **leadership** role within the organization.

Figure 8: Activities that Link Onboarding to Learning

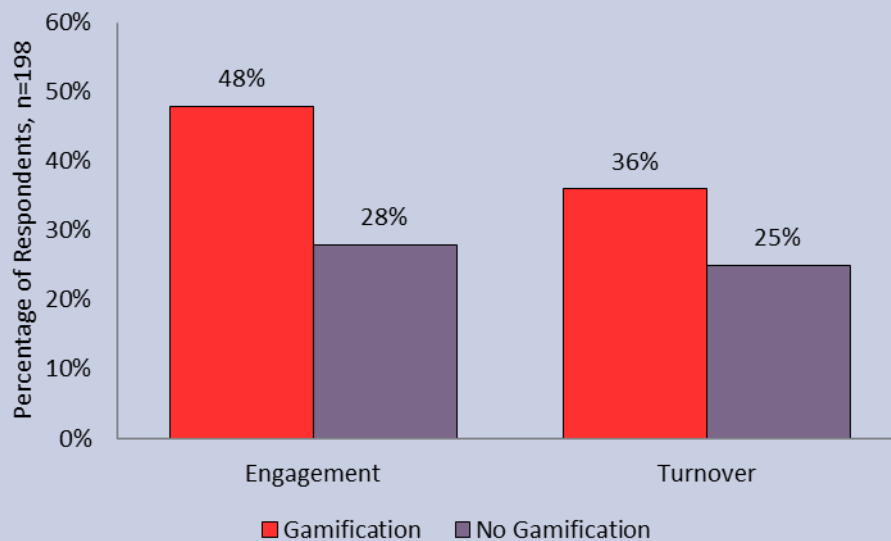


Source: Aberdeen Group, March 2013

Aberdeen Insights — Strategy: Gamification

Although many business areas are rapidly adopting the concept of gamification, HR has been slow to respond. In fact, only 17% of organizations apply gaming techniques to the new hire experience. As organizations struggle to engage new hires in the company culture and strengthen the employer brand, gamification is one strategy they should consider as a way to drive business outcomes such as performance, engagement, and retention. Additionally, organizations with gamification in place are better positioned to align onboarding more closely with learning and development initiatives. Organizations with gamification in place improve engagement by 48% compared to 28% that do not have use gamification and improve turnover by 36% compared to 25% of organizations without gamification (Figure 9).

Figure 9: Year-Over-Year Improvement of Business Metrics for Gamification



Source: Aberdeen Group, March 2013

In the next chapter, we will see what the top performers do to achieve these gains.

Chapter Two: Benchmarking Requirements for Success

The selection and implementation of onboarding solutions and their integration with various talent management systems plays a crucial role in the ability to turn these strategies into performance and growth.

Case Study — eBay

Founded in 1995, eBay is one of the leading Internet consumer-to-consumer companies, operating in 28 countries around the world. With approximately 33K employees and with significant need for additional talents in 2013, recruiting, developing, and retaining top talent is paramount. Although eBay's strong employer brand has helped create a stellar recruitment program, onboarding new hires has presented several challenges over the past few years. eBay recognized that in order to maintain competitive advantage, it would need to rethink its approach to onboarding and invest in a comprehensive technology solution.

The Challenge

In the past, eBay faced two significant challenges when onboarding new hires. The first was creating a positive new hire experience that accurately reflected the culture and value at eBay. As a technology company, individuals joining the organization expected some level of automation during their onboarding experience. Yet, every aspect of eBay's onboarding program — including forms management, tasks management, and socialization activities — were conducted manually. The second challenge involved a lack of resources. In 2010, eBay moved to an HR shared services model and reduced a large number of regional HR professionals that previously owned onboarding. Without clear ownership or regional support, a strategic onboarding program was difficult to implement.

Continued

Case Study — eBay

Current Strategy: A Journey

In 2011, under the HR Leadership and direction of Ramesh Murugan, Senior Manager, Global HRIS, eBay Inc. decided to revamp its approach to onboarding by investing in one of the leading technology providers in the market. The strategy for rolling out this new solution would involve several stages and begin with automating the forms management component of onboarding throughout North and South America. The top priority was to improve the new-hire experience and change the perception employees have of eBay when they join the organization. Secondly, eBay plans to automate both the tasks and socialization aspects of onboarding. When evaluating the “right” provider, product leadership, deep domain expertise, and strong customer support proved to be key differentiators. Additionally, eBay conducted several customer reference calls to validate their selection.

The Results

eBay achieved significant results from automating the onboarding process in a short period of time. It was able to eliminate administrative cost of onboarding by 25%. These cost savings included distributing forms, communication, and redundancy. Additionally, eBay was able to save significant operational costs and improve productivity by reducing the no of onboarding process steps by 60%.

Competitive Assessment

Aberdeen Group analyzed the aggregated metrics of surveyed companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard. In addition to having common performance levels, each class also shared characteristics in five key categories: (1) **process** (the approaches they take to execute daily operations); (2) **organization** (corporate focus and collaboration among stakeholders); (3) **knowledge management** (contextualizing data and exposing it to key stakeholders); (4) **technology** (the selection of the appropriate tools and the effective deployment of those tools); and (5) **performance management** (the ability of the organization to measure its results to improve its business). These characteristics (identified in Table 3) serve as a guideline for best practices, and correlate directly with Best-in-Class performance across key metrics.

Table 3: The Competitive Framework

	Best-in-Class	Average	Laggards
Process	Process to ensure clear accountability given to all stakeholders involved in ensuring that the employee is set up and ready to go on day one		
	77%	56%	50%
Organization	Onboarding is centralized — one dedicated resource has oversight and decision authority over the organization's entire onboarding process		
	69%	56%	48%
Knowledge	Localization of onboarding practices, forms, and technologies		
	62%	57%	54%
	Integration and enrollment of new hires in learning programs		
	58%	43%	11%
Technology	Onboarding technology currently in use:		
	<ul style="list-style-type: none"> ▪ 55%: Workflow management ▪ 59%: Provisioning ▪ 48%: New Hire Portals ▪ 45%: Assessments to determine new hire satisfaction 	<ul style="list-style-type: none"> ▪ 41%: Workflow management ▪ 48%: Provisioning ▪ 33%: New Hire Portals ▪ 39%: Assessments to determine new hire satisfaction 	<ul style="list-style-type: none"> ▪ 43%: Workflow management ▪ 42%: Provisioning ▪ 29%: New Hire Portals ▪ 36%: Assessments to determine new hire satisfaction
Performance	Metrics to measure effectiveness of onboarding have been agreed to by all relevant stakeholders		
	29%	18%	20%

Source: Aberdeen Group, March 2013

Capabilities and Enablers

Based on the findings of the Competitive Framework and interviews with end users, Aberdeen's analysis of the Best-in-Class indicates that the following factors are critical to success:

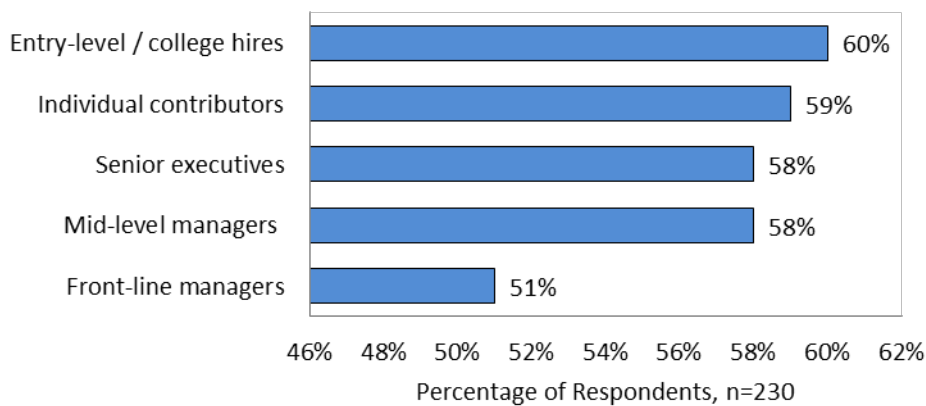
- Creating a centralized onboarding process in order to foster greater visibility, analytics, and collaboration around onboarding initiatives;
- Ensuring accountability and strong communication to key stakeholders in the process;
- Investing in technology solutions that will help organizations improve both the tactical and strategic elements of onboarding;

- Defining key metrics in advance and ensuring that these metrics meet both HR and business objectives.

Process

Process capabilities involve greater visibility, accountability, and collaboration. Onboarding is not a "one size fits all" program and can vary greatly based on department, job role, and even generational group. For example, organizations that onboard Generation Y may include activities that focus on corporate social responsibility and team building more heavily than programs geared towards Generation X and Baby Boomers. This is an important consideration, as today's organizations include a wide range of employee groups from college grads to senior executives (see Figure 10).

Figure 10: Employee Groups Included in Onboarding



Source: Aberdeen Group, March 2013

As a result, providing visibility and accountability to key stakeholders is necessary to ensure that onboarding is both consistent through the organization and customized to meet these different expectations and attitudes. Hiring managers, in particular, are often left in the dark when it comes to new hires. Sixty-three percent (63%) of Best-in-Class organizations provide visibility to hiring managers on the status of new hires compared to 53% of Industry Average and 48% of Laggard organizations.

Organization

Organizations looking to align onboarding with business objectives are not only rethinking the onboarding process, they are also rethinking the management of the onboarding function. A centralized approach to onboarding is at the heart of this transformation. Aberdeen's 2011 onboarding report found that Best-in-Class organizations were twice as likely to have a centralized onboarding program (61% versus 30%). Data from 2012 revealed that Industry Average and Laggard companies are

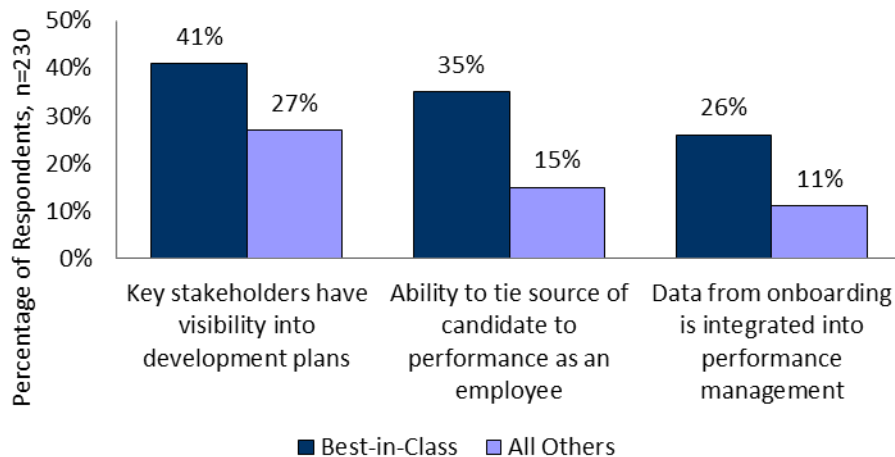
aggressively moving to a similar model. Sixty-eight percent (68%) of Best-in-Class organizations have a centralized model compared to 54% of All Others (Industry Average plus Laggard). This year's data continues this trend as 73% of Best-in-Class indicated a centralized model compared to 70% of All Others.

The shift in onboarding models represents the importance of onboarding when driving business results. It is particularly relevant for global organizations that need to balance complex needs and also localize practices, tools, and technology based on regional needs. Fifty-nine percent of Best-in-Class organizations include the localization of onboarding methods compared to 51% of All Others. A centralized approach can help organizations find a balance between "thinking globally and acting locally" and tackle challenges such as having a hiring manager in one country and a new hire located in a different country.

Knowledge Management

Onboarding requires involvement and collaboration between multiple areas of talent management including recruitment, learning, and performance management. On the pre-hire side, organizations tie onboarding to areas such as screening and hiring. When considering an integrated approach to screening and onboarding, organizations need to broaden their view of these processes. Screening is not a reactive approach. It does not start and stop with a background check but rather, provides a snapshot of a candidate's background and authentication of information at any given point in the hiring process. Fifty-five percent (55%) of organizations surveyed in June 2012 believe that the screening process is conducted during the period after the offer is extended to the candidate and before the candidate is onboard. This timeframe can range anywhere from one week to several months. On the post-hire side, Best-in-Class organizations are more than twice as likely than All Other organizations to integrate data from onboarding into performance management, providing key stakeholders with development plans of new hires and to tie the source of a candidate to their performance as an employee (Figure 11).

Figure 11: Onboarding and Performance Management



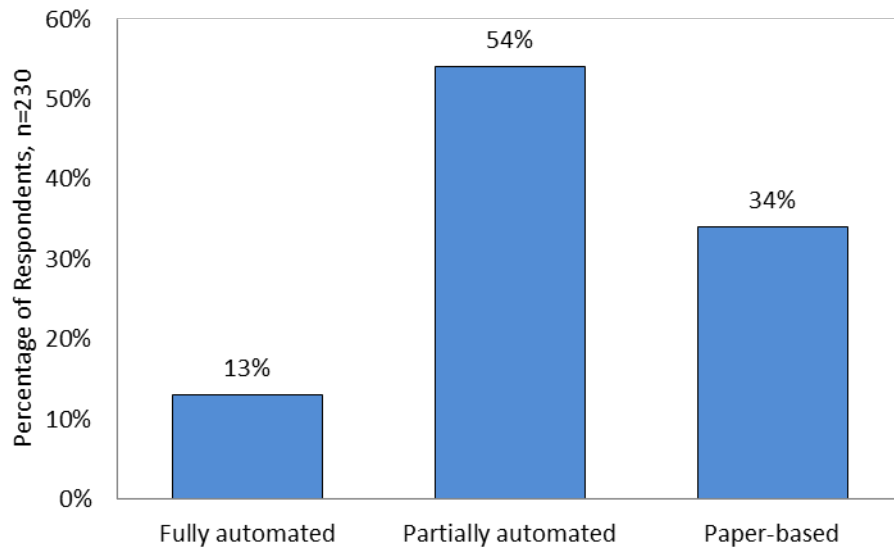
Source: Aberdeen Group, March 2013

The correlation between onboarding and learning is hard to deny. Both of these processes share similar objectives, including increased productivity. Aberdeen's onboarding research over the past few years found that Best-in-Class organizations link learning with onboarding more seamlessly. Through this connection, these organizations are better positioned to drive productivity and organizational growth. By integrating onboarding with learning, organizations enable new hires to begin training, coaching, and certification programs well in advance and in some cases, before day one. Twenty-six percent (26%) of Best-in-Class organizations enroll new hires in learning and development programs compared to 11% of All Others.

Technology

Onboarding is one of the most immature markets in talent management technology. While areas such as recruiting and learning are now considered commoditized, onboarding is still evolving. Currently, only 13% of organizations have a fully automated process, 54% have a partially automated process, and 34% still have a paper-based process (see Figure 12). Of those organizations that have automated the process, only 9% integrate data with other areas of talent management. Fortunately, a large number of talent management providers are expanding their capabilities in onboarding to meet an increased demand. Forty-eight percent (48%) of organizations plan to increase their investments in onboarding technology, compared to 24% in 2012.

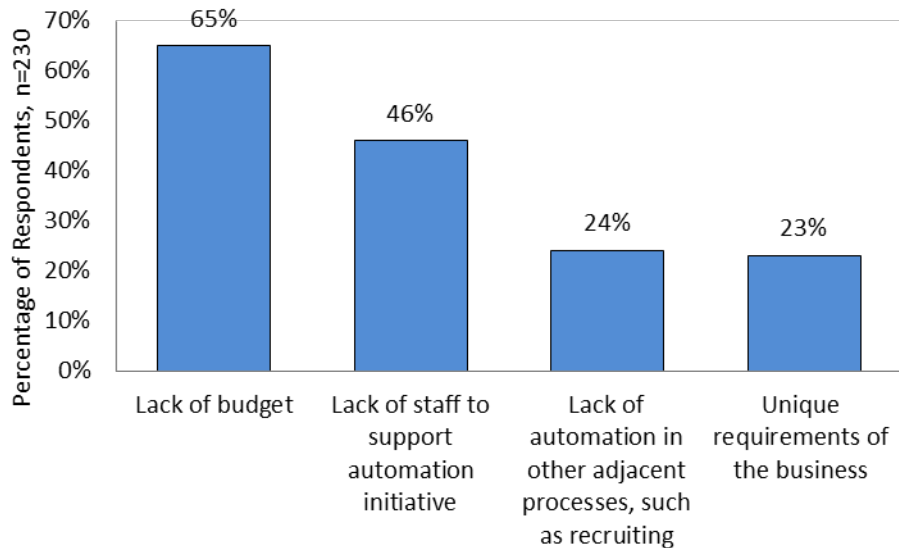
Figure 12: Onboarding Automation



Source: Aberdeen Group, March 2013

Organizations cited limited budget and resources as the top barriers to automating the process. Unsurprisingly, as organizations recover from a weak economy, cost and resources are typically of great concern. Unique business requirements were also cited as a top barrier by 27% of organizations (Figure 13). As companies go through mergers and acquisitions or expand globally, requirements are often difficult to define and can create roadblocks when investing in technology. Organizations can overcome these barriers by centralizing the onboarding function and ensuring alignment with organizational objectives to create buy-in from senior leaders.

Figure 13: Barriers to Automating Onboarding



Source: Aberdeen Group, March 2013

Performance Management

Onboarding is one of the most difficult areas of talent management to determine the Return on Investment (ROI). Since onboarding is closely linked to talent acquisition and talent management, it is difficult to determine if key performance indicators such as retention and time to productivity are associated with other talent initiatives such as performance management and succession planning. Best-in-Class companies are nearly twice as likely as All Others to have these metrics defined (29% versus 19%).

Although difficult to measure, hiring managers and HR departments are held accountable for accelerating productivity through onboarding initiatives. Unsurprisingly, in Aberdeen's [*Onboarding 2012: The Business of First Impressions*](#), engagement and time to productivity were cited as the top HR metrics used to demonstrate the value of onboarding. Best-in-Class organizations ranked engagement (4.49), retention (4.44), and time to productivity (4.42) as having the greatest value (1 being the least valuable and 5 being the most valuable) to both HR and the business.

Aberdeen Insights — Technology

Identifying the "right" technology provider is a challenge when considering an onboarding investment. Organizations typically have two options: existing HR technology providers or stand-alone solutions. In the past, most HR technology providers offered limited capabilities for forms and tasks management. Few offered new hire portals for engagement. Today, many providers have improved their onboarding offerings either through an extension of their existing solutions or through the development of separate modules. Human Resource Management Systems (HRMS) are one example. Aberdeen found a significant increase in the number of organizations leveraging their HRMS for onboarding over the past year, from 44% to 65% of organizations. Several HRMS providers offer a comprehensive forms management and compliance solution as well as workflow management. As these providers move into talent management, they are also including ways to engage employees. Given the enhancements from existing providers, organizations are also decreasing their investment in Best-of-Breed onboarding solutions (6% to 3%).

Chapter Three: Required Actions

Whether a company is trying to move its Onboarding performance from Laggard to Industry Average, or Industry Average to Best-in-Class, the following actions will help spur the necessary performance improvements:

Laggard Steps to Success

- **Establish a Clear Owner:** Onboarding is one area of talent management that falls between pre-hire and post-hire initiatives. As a result, establishing ownership can be a daunting challenge especially for Laggard organizations. When a clear owner is established, organizations are more likely to design, implement and measure an onboarding process that directly aligns with business objectives.
- **Provide Strong Visibility:** Providing visibility and accountability to key stakeholders is necessary to ensure that onboarding is consistent through the organization. Sixty-three percent (63%) of Best-in-Class organizations provide visibility to hiring managers on the status of new hires compared to only 48% of Laggard organizations. In order to create greater visibility, organizations need to involve key stakeholders, hiring managers and employees in the communication and execution of onboarding initiatives.
- **Extend the Onboarding Process:** In order to drive business results, onboarding should extend beyond a one day or one week orientation... Today, only 15% of organizations extend onboarding beyond 6 months compared to 20% that extended the process in 2012. Even more startling is that only 2% of organizations extend the process to a full year. Onboarding should be given the same rigor as other talent processes.

Industry Average Steps to Success

- **Align Onboarding with Learning Initiatives:** Industry Average organizations need to create a stronger correlation between onboarding and learning.. Both of these processes share similar objectives including increased productivity. Twenty-six percent (26%) of Best-in-Class organizations enroll new hires in learning and development programs compared to 11% of All Others.
- **Define Metrics in Advance:** Without a way to measure onboarding initiatives,, these programs become difficult to gain senior buy-in. Onboarding is one of the most difficult areas of talent management to discern the ROI. Best-in-Class companies are nearly twice as likely as All Others to have these metrics defined (29% versus 19%).

Fast Facts

- √ 63% of Best-in-Class organizations provide visibility to hiring managers on the status of new hires compared to only 48% of Laggards organizations.

How Does Your Performance Compare to the Best-in-Class?



- Compare your processes
- Receive a free, personal PDF scorecard
- Benefit from custom recommendations to improve your performance, based on the research

Take the Assessment

Receive Your Free Scorecard

- **Invest in Onboarding Technology:** Whether leveraging existing technology or investing in an onboarding system, organizations are able to reduce costs, engage new hires, establish consistency across the organization and extend the onboarding process. Full automation will help organizations deliver on both the tactical and strategic elements of onboarding.

Best-in-Class Steps to Success

- **Consider Gamification:** Only 17% of organizations apply gaming techniques to the new hire experience. As organizations struggle to engage new hires in the company culture and strengthen the employer brand, gamification is one strategy they should consider as a way to drive business outcomes such as performance, engagement, and retention.
- **Include Cross-boarding:** When linking onboarding with learning, Best-in-Class organizations should invest in stronger cross-boarding initiatives. Since cross-boarding involves a process for transitioning individuals already working at an organization, it requires less tactical activities than traditional onboarding programs.
- **Balance Tactical and Strategic Elements:** Best-in-Class organizations have focused primarily on socialization for onboarding new hires (relationship-building and peer networking) while All Others have implemented more tactical practices such as forms compliance and new hire checklists. In order to improve productivity as well as engagement, these organizations need to take a complete view of onboarding and look at tactical as well as strategic elements.

Appendix A: Research Methodology

Between January and February 2013, Aberdeen examined the use, the experiences, and the intentions of more than 230 enterprises using strategic onboarding initiatives.

Aberdeen supplemented this online survey effort with telephone interviews with select survey respondents, gathering additional information on HCM strategies, experiences, and results.

Responding enterprises included the following:

- **Job title:** The research sample included respondents with the following job titles: CEO / President (29%); EVP / SVP / VP (27%); Director (24%); Manager (13%); Consultant (7%); Engineer (3%); and other (10%).
- **Department / function:** The research sample included respondents from the following departments or functions: procurement, supply chain, or logistics manager (29%); operations manager (27%); IT manager or staff (24%); sales and marketing staff (13%); and senior management (7%).
- **Industry:** The research sample included respondents exclusively from retail industries. Consumer Packaged Goods (CPG) was the largest segment with 42% of the sample.
- **Geography:** The majority of respondents (74%) were from North America. Remaining respondents were from the Asia-Pacific region (13%) and Europe (9%).
- **Company size:** Twenty-three percent (23%) of respondents were from large enterprises (annual revenues above US \$1 billion); 37% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 40% of respondents were from small businesses (annual revenues of \$50 million or less).
- **Headcount:** Twenty-three percent (23%) of respondents were from large enterprises (headcount greater than 1,000 employees); 37% were from midsize enterprises (headcount between 100 and 999 employees); and 40% of respondents were from small businesses (headcount between 1 and 99 employees).

Study Focus

Responding human capital and line of business executives completed an online survey that included questions designed to determine the following:

- √ The degree to which HR technology is deployed and the performance implications of the technology
- √ The structure and effectiveness of existing HR and talent management implementations
- √ Current and planned use of HCM solutions
- √ The benefits, if any, that have been derived from HCM initiatives

The study aimed to identify emerging best practices for HCM technology usage, and to provide a framework by which readers could assess their own management capabilities.

Table 4: The PACE Framework Key

Overview
<p>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</p> <p>Pressures — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</p> <p>Actions — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy)</p> <p>Capabilities — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing)</p> <p>Enablers — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</p>

Source: Aberdeen Group, April 2013

Table 5: The Competitive Framework Key

Overview	
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the following three levels of practices and performance:</p> <p>Best-in-Class (20%) — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance.</p> <p>Industry Average (50%) — Practices that represent the average or norm, and result in average industry performance.</p> <p>Laggards (30%) — Practices that are significantly behind the average of the industry, and result in below average performance.</p>	<p>In the following categories:</p> <p>Process — What is the scope of process standardization? What is the efficiency and effectiveness of this process?</p> <p>Organization — How is your company currently organized to manage and optimize this particular process?</p> <p>Knowledge — What visibility do you have into key data and intelligence required to manage this process?</p> <p>Technology — What level of automation have you used to support this process? How is this automation integrated and aligned?</p> <p>Performance — What do you measure? How frequently? What’s your actual performance?</p>

Source: Aberdeen Group, April 2013

Table 6: The Relationship Between PACE and the Competitive Framework

PACE and the Competitive Framework – How They Interact
<p>Aberdeen research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.</p>

Source: Aberdeen Group, April 2013

Appendix B: Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report includes:

- [*Human Capital Management Trends 2013: It's a Brave New World*](#); January 2013
- [*The Rules of Employee Engagement: Collaboration, Communication and Alignment with the Business*](#); August 2012
- [*Strategic Talent Acquisition: Are You Prepared to Hire the Best*](#); September 2012
- [*Onboarding: The Missing Link to Productivity*](#); April 2012

Information on these and any other Aberdeen publications can be found at www.aberdeen.com.

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For more than two decades, Aberdeen's research has been helping corporations worldwide become Best-in-Class. Having benchmarked the performance of more than 644,000 companies, Aberdeen is uniquely positioned to provide organizations with the facts that matter — the facts that enable companies to get ahead and drive results. That's why our research is relied on by more than 2.5 million readers in over 40 countries, 90% of the Fortune 1,000, and 93% of the Technology 500.

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