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ONBOARDING:

ARE WE DOING ENOUGH?

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ONBOARDING

INTRODUCTION:

Onboarding is a critical aspect of any talent strategy. It is the first impression between an employee and employer and the transition between talent acquisition and talent management. According to Aptitude Research, onboarding has a significant impact on retention, employer branding, and quality of hire.

Retention: Eighty-six percent (86%) of employers believe that new hires make the decision to stay at a company in their first 90 days.

Employer Branding: Three-quarters (75%) of new hires share their first day of work experience on social channels.

Quality of Hire: Eighty-three percent (83%) of employers believe managers know if a new hire is a quality hire within the first 90 days.

But, as companies prepare for the future of work and invest in talent transformation, onboarding is often overlooked. Companies are twice as likely to spend on talent acquisition and employee experience than onboarding, and 42% of companies do not have a dedicated onboarding solution. Only 26% of companies are fully automating the onboarding process. Lack of clear ownership, limited technology capabilities, and poorly defined metrics make it difficult for companies to adjust their onboarding strategies. If companies want to maximize their investment in talent acquisition and employee experience, onboarding must be a priority.

Only
26%
of companies are fully automating the onboarding process.

This report, based on data collected in 2022, will look at how companies are reframing their views around onboarding, how they are investing in digital solutions, and strategies for measuring the impact on talent and the overall business. It will help answer the following questions:

CURRENT STATE OF ONBOARDING:

Are companies investing in onboarding?

How has onboarding changed over the past two years?

What challenges do companies face with onboarding?

What are the benefits of a successful onboarding program?

FUTURE STATE OF ONBOARDING:

Who is responsible for onboarding?

How can technology improve the new hire experience while ensuring compliance?

What capabilities will provide value?

Where should companies get started?

Research Methodology

Quantitative Research: 300+ responses for TA and HR Director Level and above roles.

Job Titles: HR and Talent Acquisition Director Level and Above
Company Sizes: SMB (250-999ees)=18%; Midmarket (1000-4999ees) =22%; Mid-Market (5K-999Kees)=28% Enterprise (10,000ees+) = 32%

Qualitative Research: Over 50 interviews with TA leaders at enterprise and mid-market companies.

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CURRENT STATE OF **ONBOARDING**

The pandemic permanently changed the onboarding experience. New hire start dates were delayed, orientations went virtual, and relationships developed over video. Some new hires in 2020 still have not met with their managers or teams in person. According to this study, 54% of companies are still onboarding remotely. While some companies rallied around onboarding and provided as much connection as possible, other companies failed to meet new hire expectations resulting in higher turnover and low engagement. A negative onboarding experience impacts every aspect of the business.

When asked to identify the top talent acquisition priorities this year, improving the new hire experience was top on the list, along with reducing time to fill and improving the candidate experience (see Figure 1). And, as talent acquisition is measured by retention, new hire onboarding is more critical than ever before.

Figure 1: *Top Three TA Priorities (Summer 2022)*

48%
Time to Fill

44%
Improving the Candidate Experience

42%
Improving the New Hire Experience

Although companies recognize the importance of the new hire experience, most companies are not investing in the right onboarding strategies or technology. While 73% of companies have increased their investment in talent acquisition technology over the past year and 64% have increased their investment in employee experience, less than 30% are increasing their investment in onboarding solutions (see Figure 2). Many of these companies are relying on traditional technology that does not support the future of work or changing expectations of new hires. This disconnect between the importance of onboarding and the willingness to invest in solutions results in a process that is inconsistent and transactional. It also makes it difficult to connect any talent acquisition and talent management strategy.

Figure 2: *Investment in Onboarding*

73%
**Talent
Acquisition**

28%
Onboarding

64%
**Employee
Experience**

CHALLENGES WITH **ONBOARDING**

While onboarding is a fundamental talent initiative, organizations often face many challenges when implementing a strategic process. Some of the challenges that companies face in the onboarding process include:

- **Lack of ownership**
- **Length of the process**
- **Poor understanding of its impact on retention**
- **Lack of tools and technology**

Lack of Ownership:

Onboarding is the intersection of several talent processes, including talent acquisition, talent management, IT and facilities, and learning and development. Additionally, managers and business unit leaders have their own process for onboarding new hires. Coordinating and scaling efforts among all stakeholders has been a roadblock to many onboarding initiatives in the past.

Length of the Process:

Onboarding needs to start before day one and extend beyond 30 days. Unfortunately, for many companies, onboarding is still an orientation. One in five companies stated that they have employees that do not show up on day one, and half stated that they had new hires not show up on day two. These individuals are often deciding about an employer even before they start. Companies can provide communication, forms, and information before someone joins so they are engaged before day one. Additionally, companies must extend onboarding beyond the first 30 days. Forty-nine percent (49%) of companies only include onboarding for two weeks. When onboarding extends beyond 30 days, companies are better able to see the impact of their efforts and new hires feel more supported in their careers. Companies will not be able to see the value of their onboarding investments if they last for only one week.

Measuring the Process:

One reason that more companies have not invested in an onboarding solution is that it can be difficult to gauge the return on investment (ROI). Only 40% of companies measure the ROI of their investments. Since onboarding is closely linked to talent acquisition and talent management, it is difficult to distinguish whether key performance indicators (such as retention and time to productivity) are associated with initiatives like performance management and internal mobility, or if they are a result of onboarding.

Lack of Technology:

Companies rely on existing systems that do not personalize the onboarding process or even automate it. Additionally, only 26% of companies are currently automating onboarding. For most companies, onboarding is a manual process that becomes inconsistent for employees. Technology allows companies to scale the experience – giving every employee a fair and equitable onboarding process. Companies must consider automating forms, provisioning, and new hire engagement and communication.
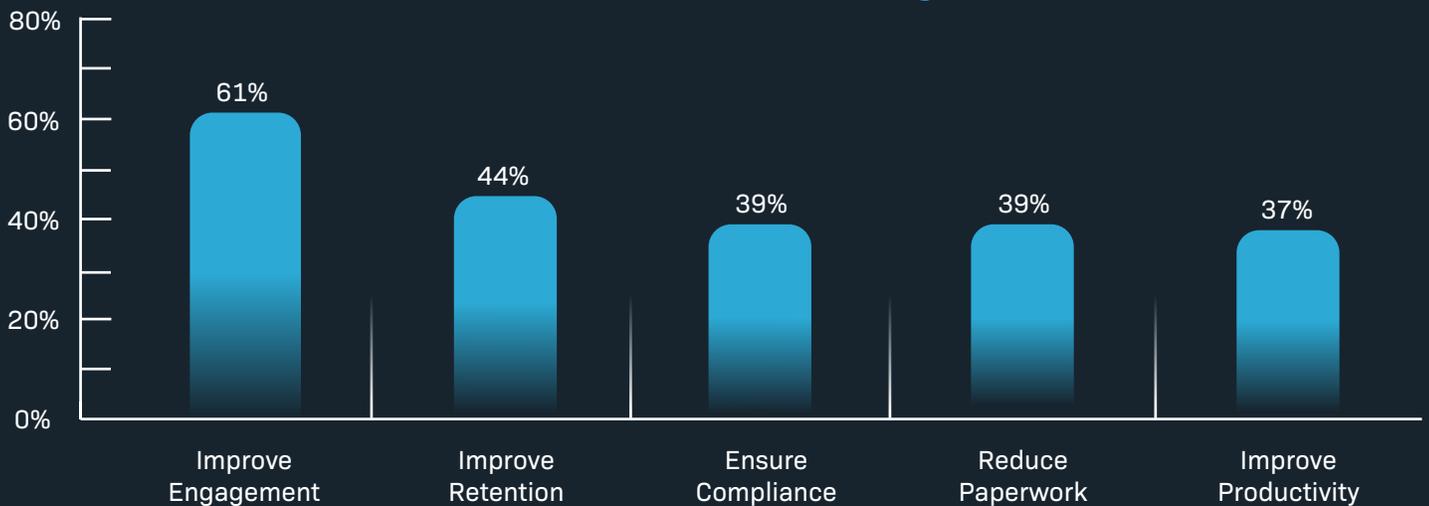
Only
40%
of companies measure the ROI of their investments

Benefits of Automation

Companies that automate onboarding see improvements in the tactical and strategic elements of onboarding. They can improve retention, engagement, and productivity while also ensuring compliance and reducing the amount of paperwork. Cost savings, experience, and efficiency are all benefits of automation. Automation also enables every new hire to have a consistent and fair experience – bias is reduced, managers are not focusing on certain new hires, and every individual has an opportunity to receive the same amount of attention. This study found that the top benefit of automation includes improved engagement and retention (see Figure 3).

Figure 3: *Benefits of Automation*

Benefit	Percentage
Improve Engagement	61%
Improve Retention	44%
Ensure Compliance	39%
Reduce Paperwork	39%
Improve Productivity	37%

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FUTURE STATE OF **ONBOARDING**

As companies look to improve their onboarding strategies, they must consider ownership, technology, and capabilities. This section of the report will look at how companies must shift to improve engagement, retention, efficiency, and compliance.

Shifts in Ownership:

Without formalized onboarding programs, organizations suffer from a lack of clear ownership and accountability in the onboarding process. Onboarding works best when one individual or group with executive sponsorship owns the process and can hold other parties accountable. For most organizations, onboarding falls under the responsibility of HR or TA. The scope of HR's responsibilities has expanded over the past year and onboarding is not always viewed as high priority, especially in a time when HR is feeling burned out. Nearly 70% of companies believe that employee burnout has increased this year and HR is no exception. With labor shortages and the pandemic, HR departments are being tasked to do more with less – resulting in greater turnover on HR teams.
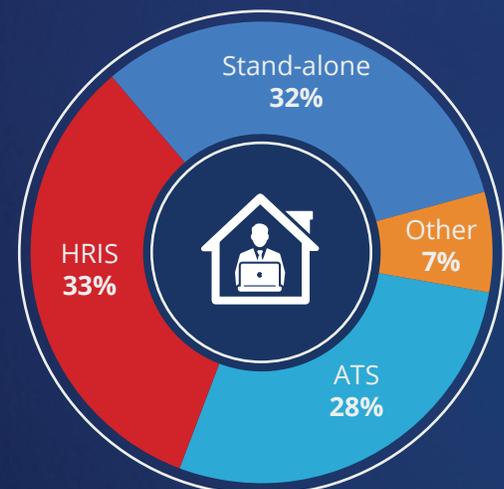
Other stakeholders are responsible for various aspects of the new hire experience, including IT providing information, managers ensuring new hires feel prepared, and team members providing additional support. Without a clear idea of who owns onboarding, companies will find it challenging to execute a strategy. Dedicated onboarding managers can help:

- Manage the gap between an accepted offer and the candidate's first day, including communication and provisioning

- Act as a central point of contact for all candidates and hiring managers

- Promote technology adoption and ownership to provide greater value and accountability

- Ensure a positive new hire experience

Shifts in Technology:

Sixty-four percent (64%) of companies are using technology to support their onboarding process. For many of these companies, they are relying on existing systems (including an ATS or HRIS) or using outdated solutions. Of the companies using onboarding technology, 28% are using their ATS provider, 33% are using their HRIS provider, and 32% are using a stand-alone provider. "Oher" solutions may include I-9 forms compliance, conversational AI, or talent management suites.

Figure 4: *Technology to Support Onboarding*

Stand-alone **32%**
Other **7%**
HRIS **33%**
ATS **28%**

Traditional technology includes LIMITED forms management, tasks management, and socialization in the company culture. Technology plays a role in coordinating requests for information necessary for new employees, and can also handle the collection of paperwork electronically through forms management tools. Traditional onboarding solutions handle electronic I-9 forms signatures, notifications, and reminders on tasks, as well as the creation of a new hire portal for integration to a company's work environment. Although these systems provided a workflow and some accountability to onboarding responsibilities, it still requires manual work.

Stand-alone onboarding systems provide deep domain expertise to understand how companies can improve efficiency, experiences, and ensure compliance. They are leveraging automation to ensure that new hires have the information they need in a more efficient and productive way.

Stand-alone Onboarding Systems

Stand-alone onboarding systems are independent of any existing system and provide deep domain expertise across all areas of new hire onboarding including forms compliance, provisioning, and socialization in the company culture. These systems are point solutions rather than a module in an existing HR suite of solutions.

The Role of Automation:

According to this study, 76% of companies believe automation would significantly improve the new hire experience, yet only 20% of companies are automating all aspects of onboarding. Automation is providing new hires with communication and consistency, and in many cases, a more human process. For many companies, onboarding is still very much a manual process – new hires are sent or emailed forms from managers; provisioning or tasks are done at the discretion of managers, IT, or HR; and engagement is inconsistent. Automation gives every new hire a fair experience to complete forms, understand expectations, and engage in the company culture. At the same time, it reduces the administrative burden placed on recruiters and hiring managers.

TRADITIONAL (MANUAL) ONBOARDING PROCESS

VS

AUTOMATED ONBOARDING PROCESS

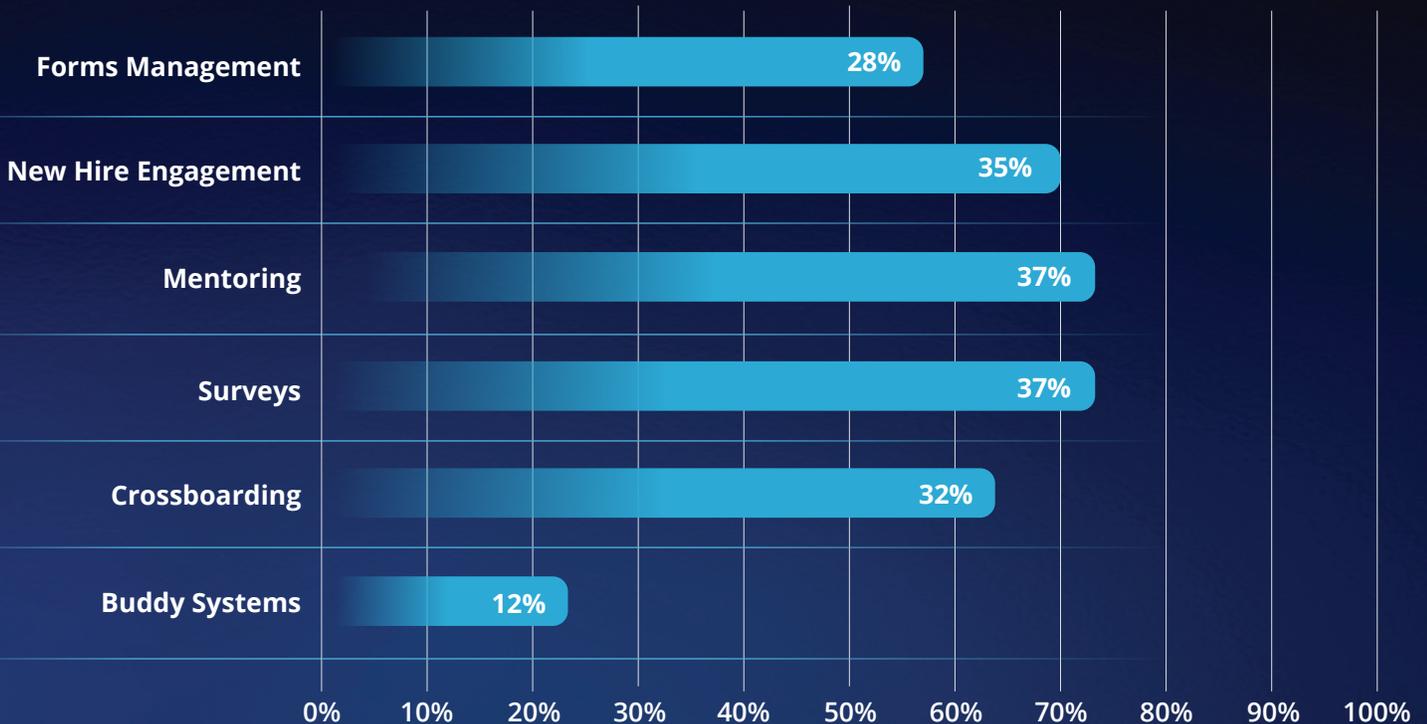| Traditional (Manual) Onboarding Process	Automated Onboarding Process
Lack of consistency	Consistent process throughout organization
Unclear ownership	Clear ownership of tasks and responsibilities; triggered notification and assignments
Excessive paperwork	Reduced paperwork, automated forms, and screening
Poor new hire experience	Positive new hire experience with clear expectations, improved speed to productivity, and consistent communication
Compliance challenges	Triggered notifications to endure compliance
Difficulty personalizing the experience	Ability to personalize the onboarding experience for each new hire

Automation enables onboarding for everyone. Hourly workers and gig workers get the same personalized experience and dedication as senior executives, and the same opportunities to receive communication and stay connected to their employer.

Shifts in Capabilities:

Companies using technology are three times more likely to improve first year retention and two times more likely to improve new hire engagement. When considering capabilities, companies focus more on forms and compliance when evaluating providers than the new hire experience. Companies should not have to sacrifice one for the other. Figure 5 shows the top capabilities that companies expect from their onboarding provider.

Figure 5

Capability	Percentage
Forms Management	28%
New Hire Engagement	35%
Mentoring	37%
Surveys	37%
Crossboarding	32%
Buddy Systems	12%

▶ **Forms Management:** Automate the completion and compliance of forms.

▶ **New Hire Engagement:** Ensuring new hires feel connected to the company culture during the onboarding process and engaged to team members.

▶ **Mentoring:** Capabilities to assign mentors and mentees during the onboarding process.

▶ **Surveys:** Surveys delivered to new hires and hiring managers can help diagnose problem areas and offer measures of success.

▶ **Crossboarding:** Onboarding process for internal mobility efforts.

▶ **Buddy system:** Automate assignment of new hires to peers.

KEY **REQUIREMENTS**

Key requirements for selecting an onboarding system include:

Forms Management:

Do you support Form I-9 compliance?

Do you have automated forms completion?

Do you have eSignature?

Do you integrate with ATS or HRMS providers?

Tasks Management:

Do you have automated scheduling?

Do you have manager dashboards?

Do you automate assignments?

Do you automate reminders and notifications?

Socialization:

Do you have a new hire portal?

Do you have new hire engagement surveys?

Do you have new hire communication (SMS, messaging, conversational AI)?

Do you have video capabilities?

Do you offer training, mentoring, and coaching?

Does it integrate with learning management systems and learning content?

Are there collaboration capabilities?

KEY **FINDINGS**

● **Companies are not investing enough in onboarding:**
While 73% of companies have increased their investment in talent acquisition technology over the past year and 64% have increased their investment in employee experience, less than 30% are increasing their investment in onboarding solutions. Many of these companies are relying on traditional technology that does not support the future of work or changing expectations of new hires. This disconnect between the importance of onboarding and the willingness to invest in solutions results in a process that is inconsistent and transactional.

● **Onboarding is not orientation:**
Onboarding needs to start before day one and extend beyond 30 days. Unfortunately, for many companies, onboarding is still an orientation. One in five companies stated that they have employees that do not show up on day one, and half stated that they had new hires not show up on day two. These individuals are often deciding about an employer even before they start. Companies can provide communication, forms, and information before someone joins so they are engaged before day one. Additionally, companies must extend onboarding beyond the first 30 days. Forty-nine percent (49%) of companies only include onboarding for two weeks.

● **Technology can impact engagement and compliance:**
Companies using technology are three times more likely to improve first year retention and two times more likely to improve new hire engagement. When considering capabilities, companies focus more on forms and compliance when evaluating providers than the new hire experience. Companies should not have to sacrifice one for the other.

● **Automation provides consistency:**
Automation enables onboarding for everyone. Hourly workers and gig workers get the same personalized experience and dedication as senior executives, and the same opportunities to receive communication and stay connected to their employer. Seventy-six percent (75%) of companies believe automation would significantly improve the new hire experience, yet only 20% of companies are automating all aspects of onboarding.

ABOUT US

aptitude research

Aptitude Research is a leading human capital management (HCM) research and advisory firm. Our in-depth research and vendor assessments help HR leaders develop a deep understanding of the HCM technology landscape, including talent acquisition and engagement, to ultimately make better purchase decisions.

Our flagship research, The Aptitude Index Report, delivers a comprehensive look at talent acquisition trends and technology. This knowledge, combined with ourconsulting and advisory services, enables companies to save time, money and improve the recruiting, hiring and workforce management experience.

Founded by leading analyst Madeline Laurano and based in the Boston area, Aptitude Research provides a wealth of HCM expertise to companies, vendors and investors. View our recent and upcoming research at **www.AptitudeResearch.com** or connect with us on **Twitter** or **LinkedIn**.

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Click Boarding's Employee Onboarding and Experience Platform provides the orchestration of guided, automated workflows for prescribed outcomes. Our configurable, employee-first processes offer intuitive experiences while driving valuable engagements during key employee transitions. Click Boarding puts the human back in Human Resources and automates the rest in a matter that's integrated and secure. As a result, your employees can find purpose in meaningful work.

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