



Why is Onboarding so Important?

An Onboarding Program can dramatically improve the performance, fit, and readiness of every person who takes on a new role in your organization. As a result, onboarding helps build, sustain, and perpetuate high-performing teams and leads to sustained, organization-wide competitive advantage.

Benefits of onboarding programs include the following:

- Increases employee engagement
- Integrates new hires(personnel?) into the corporate culture, thereby enhancing that culture
- Improves current employee morale
- Prevents future spending on re-recruiting and re-training
- Reduces new hire turnover
- Reduces time-to-productivity

Research suggests that effective onboarding programs can improve an organization's bottom-line as follows:

- Improve Employee Performance—Research conducted in 2005 by The Recruiting Roundtable reveals that effective onboarding programs can improve employee performance by up to 11.3%.
- Reduce New Hire Turnover—Hunter Douglas found that by upgrading the company's onboarding process, it was able to reduce new hire turnover from 70% to 16%.
- Heighten Employee Engagement—Research conducted in 2004 by The Corporate Leadership Council, reveals that effectively onboarding new hires can increase an employee's discretionary effort in excess of 20%.

Research from Reed Consulting Company cited in 2005 reveals that every salaried employee that leaves an organization costs that organization up to 150% of his/her annual salary, while every departing hourly employee costs an organization up to 75% of his/her annual wages. In particular, new hire turnover requires that companies re-recruit for a position that has been vacant for an extended period of time. As such, it will take the company longer than necessary to fill the vacant position with a fully productive employee, causing losses to existing employee morale and company productivity.