

Onboarding Materials

Onboarding materials and administrative processes are a huge hidden cost of hiring employers may not always think about. Onboarding requires a lot of paperwork, including benefits paperwork, tax forms, background checks, employee handbooks, non-competes, etc. Depending on your onboarding process, there are also costs in getting your new employee set up with specific tools, programs, or equipment, and some companies provide “welcome kits” for their new hires. These are all costs that are essential to keeping and retaining your new hire but can quickly add up when you consider them as part of the hiring cost.

Administrative Processes

Employers really should consider how much the administrative processes cost when it comes to actually processing the onboarding paperwork. Digital paperwork allows your new hires to “self-service” on their own time after the job offer has been made and before their start date. According to Aberdeen, “best-in-class” companies are 53% more likely to begin the onboarding process before day one.

New Hire Turnover

According to a study done by SHRM, nearly 1 out of 4 new hires will quit their job within the first six months, and nearly 25% of new employee turnover happens in the first 180 days after hire. It takes an average of 42 days or almost four weeks to recruit and hire a new employee. Protect your investment by preventing new hire turnover. If this happens, not only can it be frustrating from a productivity standpoint, but also from a financial one. If you hire and lose multiple, or even one new employee a year, the financial kick-back can be devastating to your bottom line.

Retention Solutions

To help mitigate new hire turnover, all the research points to having a structured onboarding process. A case study by Corning Glass Works, for example, found that employees who attended a structured orientation program were 69% more likely to stay with the company for three years. The sooner your new hires can learn the job and integrate into the team and company culture, the better for retaining your new hires. Employers should remember that proper onboarding sets clear expectations for your new hires and equips them for success.

Slowed Productivity of New Hires

During this time of learning and training, their productivity will be slowed, and other employees will have to take time away from their respective roles to train the new hire. Employers should expect new hires to get less tangible work completed since they are taking time to learn their responsibilities, figuring out communication flows, and forming relationships with their new co-workers. For example, a new business development representative might have to spend more time studying an existing account before reaching out to them. Some research suggests it takes as long as eight months for a new employee to become fully productive in their role.

Strong Employee Onboarding is Crucial

Again, we want to point back to how crucial the onboarding process is to the success of retaining your new hires. During the onboarding process, simply covering the basic paperwork is not enough. Employers should include check-ins, mentoring, and training programs as part of their onboarding process to ensure their new hire is succeeding and has the means to succeed.

About EG.

Since its founding in Battle Creek, Michigan in 1958, EG Workforce Solutions has become a leader in custom-designed solutions for businesses and job seekers. We handle everything from direct hires and staffing to Managed Services and Recruitment Process Outsourcing (RPO). For more information on EG

