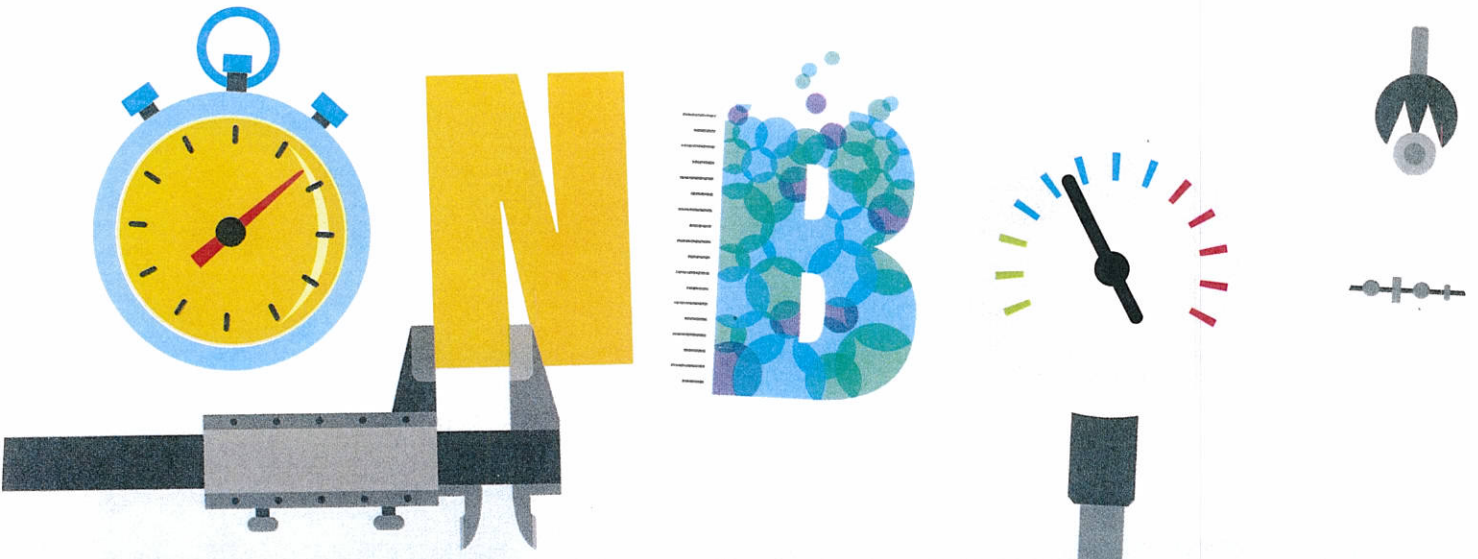
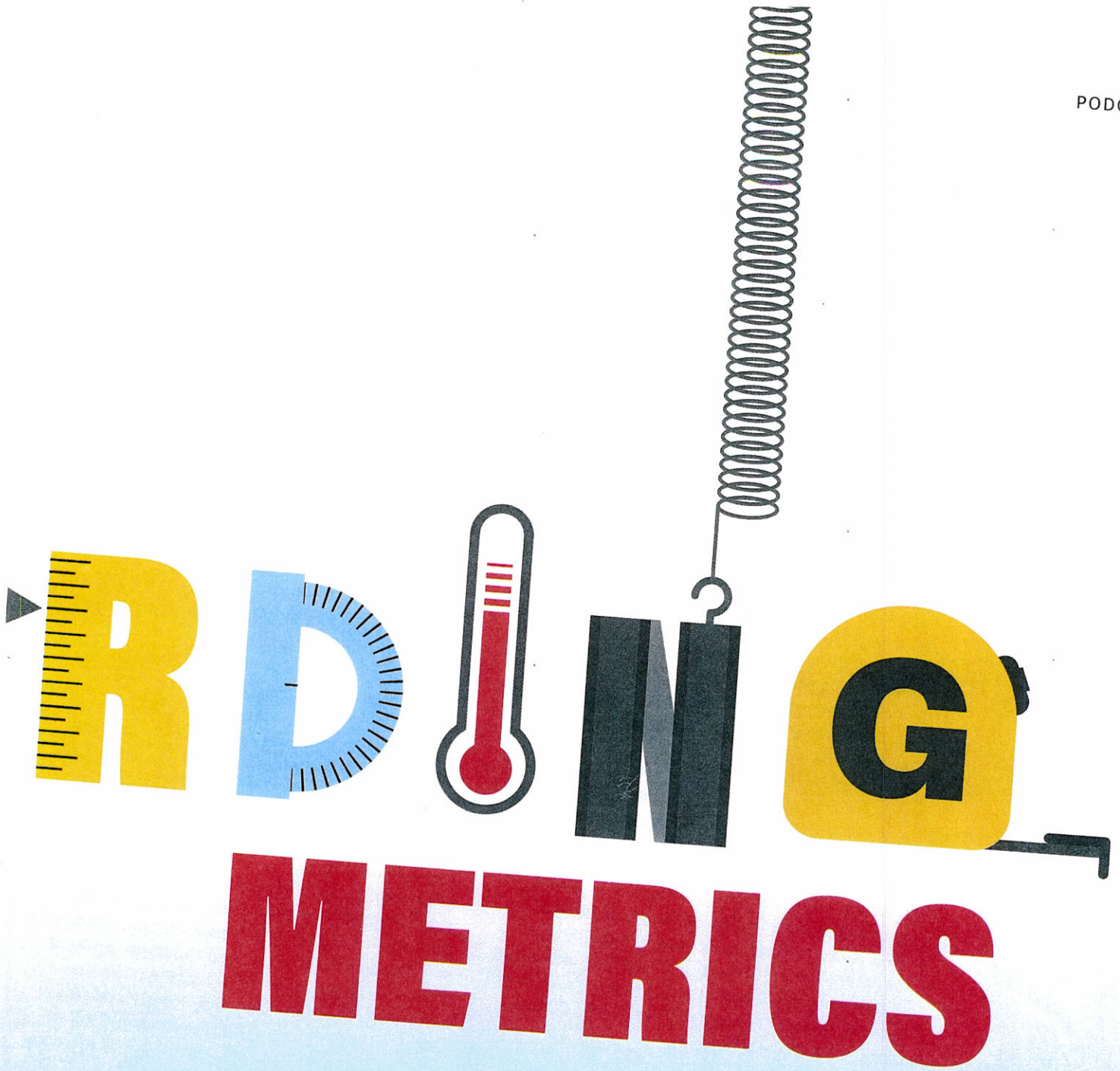


# LET'S TALK ABOUT



Something as important for  
the business as onboarding  
demands measuring.





# R.D.N.G. METRICS

BY NORMA DÁVILA AND WANDA PIÑA-RAMÍREZ

▶ In a society as transparent and interconnected as ours, the onboarding process becomes a key business and brand component. From this point of view, onboarding can either become a new employee's source of pride about how and what was done well or the source of criticism when onboarding goes wrong.



Onboarding's purpose is to reduce the time that new hires need to make a positive impact on the organization. Onboarding becomes a fundamental element in an employee's employment life cycle and helps organizations design the employee experience and cultural fit.

Even though it is often considered synonymous with orientation, onboarding is different because it is the process through which organizations engage new employees or new-to-role employees in the company's culture and with their roles. In contrast, orientation is an event.

### What matters

When employees fail, companies have financial losses in terms of hiring and rehiring costs, disengagement, and possible terminations—which organizations can avoid by stepping back and devising how to gather information about what matters. Let's consider two examples:

Nelsi is vice president of finance at a bank. At a recent executive committee meeting, she questioned Iván, the director of onboarding and engagement, about why the turnover rate among bank tellers had been increasing sharply, reaching 12 percent. She had requested information from HR and was told that exit interviews did not provide any data about the reasons why bank tellers were leaving before reaching two years on the job. The bank's general manager started asking questions about what he called the "new-hire orientation," even though he should have called it the company's onboarding program.

Iván knew that his team had collected participant feedback from different program components over time, yet he also knew that no one had even taken a cursory look at those metrics.

Sound familiar? Here's the second example:

Teresa is the HR leader at a technology solutions development company. The number of employees who did not meet performance standards increased while the number of those who exceeded performance standards decreased when compared with the previous year. Teresa's team analyzed the available data and found that first-year employees were either meeting or almost meeting performance standards.

Teresa decided to conduct focus groups with a representative sample of first-year employees. Participants said that their onboarding process had lasted only a week, was too fast-paced and overloaded with content, and lacked follow-up and support. Participants also shared that they were doing their work, but they were learning what to do as they went along without any formal training.

The examples of Nelsi and Teresa emphasize the importance of having metrics, analyzing them, and making them come alive for the business at the right time.

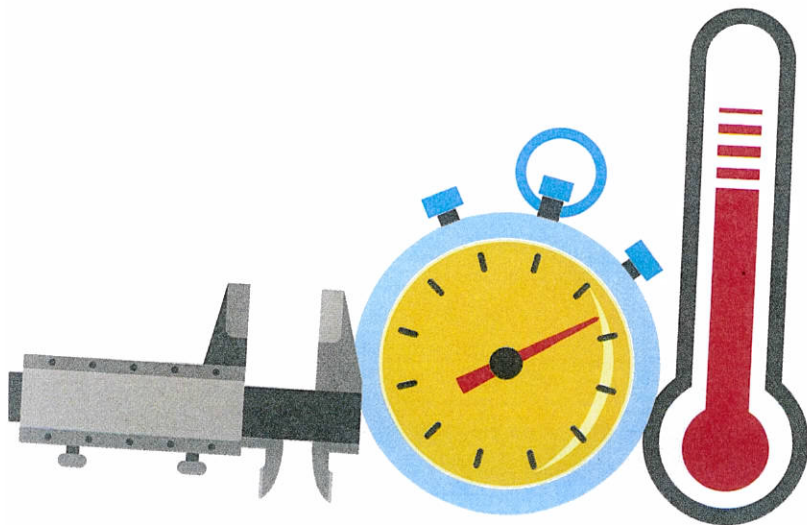
### Why measure onboarding?

Today's businesses are reluctant to spend time in activities that do not add value to the bottom line—they want to increase output and maintain controlled costs. Therefore, because onboarding should be part of the business strategy to attract and retain top talent, its results deserve close attention and monitoring.

Companies that collect data at the beginning of their onboarding programs establish strong baselines. Thus, measuring the results of onboarding over time enables them to see trends in those results. By quantifying the impact of onboarding, talent development functions can justify current and future investments in their programs, because these data give decision makers a real sense of program bearing for the business.

Without specific onboarding metrics, your company will miss an important opportunity to find out how well the program is doing. As talent development professionals uncover insights into the employee onboarding experience, they will find out whether employees have the knowledge and resources they need for success when they need them and even if these employees are invested in the organization.

Results of measuring onboarding also point out what aspects of the program need improvement. Measuring and tracking onboarding enables you to know whether you are failing or encountering unexpected results, either positive or negative.







The first step to measuring an onboarding (or any) program is understanding the differences between metrics, measurement, and evaluation. Metrics are quantifiable standards of performance and progress in the organization, such as onboarding program costs, that will tell you whether the company is investing instead of spending resources. Measurement is the process of attributing value to those metrics—for instance, in calculating those costs, make sure that they include venues' overhead costs as well as in-house facilitators' hourly rates. Evaluation is what you do when you analyze the information obtained from measurements either over a period of time (formative evaluation) or at the end of a program (summative evaluation).

### **How do you determine what you should measure?**

At first, you may be inclined to measure everything that you can measure; however, we recommend that you focus on those metrics that will give you the most useful information to make decisions in your organization. Begin by selecting the most crucial metrics to measure based on their impact on the business, then gradually build a more robust evaluation program with comprehensive long-term measures. As you and your stakeholders begin to see the results of measuring and the benefits of doing so, the organization will become more open to and confident in the value of onboarding metrics.

Keep in mind that your metrics should address components of role-specific onboarding for employees who are new to the company and for those who transfer within the site and to another site, as well as employees who experience promotions, demotions, relocations, and lateral changes.

### **How should you measure onboarding?**

Before you decide how to measure onboarding, take a step back and identify what you want to measure, why, and for whom. The answers to those three questions will drive your choices, which, in turn, should be aligned with the company culture. For example, if your company is more numbers-driven, focus on quantitative metrics. In contrast, if the company's culture is story-driven, include more qualitative metrics such as examples of ideas that you would like employees to remember. However, ultimately, you will want to combine quantitative and qualitative metrics to obtain a more encompassing picture of the onboarding program.

What you want to measure should be directly related to your program goal. For example, if the goal of your onboarding program is employee retention, then employee turnover and employee culture fit are appropriate metrics. If, instead, the goal is employee engagement, then include employee referrals as a metric.

Why you are interested in those metrics will determine which ones you choose and when you will collect the information. For instance, if you are interested in whether your program is contributing to retaining employees to justify having the program, then select employee turnover as a metric and measure it at intervals of six and 12 months. If, however, you are interested in providing evidence for how effective specific facilitators are when they deliver parts of the program, then measure satisfaction at the end of each session at the reaction level of Kirkpatrick's evaluation model.

The audience for your program evaluation will determine which metrics to use, when to measure them, and how to communicate the results. For instance, executives are likely more interested in quantitative business metrics. In contrast, managers likely are more interested in qualitative data that show examples of what works and doesn't work so that they can become involved in discussions about components to continue and those to do differently, especially in role-specific onboarding. Be ready to speak your audience's language.

**By quantifying the impact of onboarding, talent development functions can justify current and future investments in their programs.**

## When should you measure onboarding?

The best time to begin measuring results of onboarding is before the program starts so that you can acquire a baseline to measure the program's return on investment. Tracking the effectiveness of onboarding initiatives over time provides more compelling evidence to show the value of onboarding for the business.

At a minimum, establish checkpoints to measure impact after program milestones, such as at the completion of the general new-employee orientation; at the end of the general onboarding program; and at 30, 60, 90, and 180 days within role-specific onboarding focusing on changes in overall productivity.

Here are examples of short-term metrics you could use:

- selection and recruitment costs per employee
- terminations at 90 and 180 days
- total cost of new hires
- participant satisfaction with the onboarding program
- evaluations of program components, such as sessions within the general orientation, using Kirkpatrick's model at the reaction and learning levels
- onboarding participants' impressions of the organization
- types of participant questions not addressed during the onboarding program
- average time spent in online onboarding content
- participant ratings of program quality, content, and relevance of online onboarding
- completion rate of online onboarding walk-throughs or courses
- user-friendliness ratings of the online onboarding program
- on-the-job application of specific online onboarding content
- new-employee and new-to-role employee survey scores and feedback.

You also could use these long-term metrics to assess your onboarding program's value:

- employee cultural fit of those who stay versus those who leave
- employee retention, including resignations and terminations
- participant time to proficiency versus team average
- results of manager stay interviews after 90 and 180 days focused on how onboarding contributed to the program participant's decision to remain at the organization
- turnover rate
- cost of employee turnover

- changes in number of employee candidate referrals who receive offers
- employee productivity
- new-employee engagement
- role-related business outcomes, such as customer claims, product conversion rates, and quality issues
- results of exit interviews among employees who leave the organization focused on whether their onboarding experience prepared them for their roles
- 360-degree assessments
- program ROI.

## After you measure, then what?

Your plan must include a communications component for the different stakeholders interested in program outcomes. Even though you likely will be sharing similar types of information, your choice of coverage depth and breadth will depend on your stakeholder's information needs, preferences, and role in the onboarding program.

Always be specific, connect metrics to business results, identify lessons learned, and define next steps. Leverage the company's media to share results while allowing for as much personal contact and interaction as possible—especially at the beginning. Garner the support of those informal leaders who will reinforce the key messages of onboarding's value to your multiple audiences to increase the likelihood of its sustainability. At the end, communicating results will add visibility to the onboarding program, which will be useful to optimize the company's employer value proposition and leverage it to drive business results.

Be ready to take action based on the results and to involve your stakeholders as you do so. Consider task forces to address areas such as refreshing training content, supporting managers whose employees are getting the highest and lowest scores in metrics, creating milestones and rewards, and incorporating company memorable moments in the program. Always address whatever suggestions arise from analyzing data and trends—even if the business is not ready to adopt them at the time.

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