



# THE ULTIMATE EMPLOYEE ONBOARDING GUIDE FOR SMALL BUSINESS

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Every small business leader wants to get the most out of new team members as fast as possible and then keep them as long as possible. If that is the case, then why do so many companies not have a formalized onboarding process?

Researchers have found that the new hire onboarding process is a point in the employee lifecycle that has a tremendous impact on the long-term success of employees.

As a matter of fact, many of your employees know in the first ten days if they will be looking for work in the next 18 months.

Most organizations find it challenging to stick with an onboarding program even when they know how important it is. I hear a lot of excuses such as “we’re too busy” and “we tried, but it didn’t stick.”

I am going to give you all of the resources and guidance you need to create an employee onboarding program that you can put on auto pilot and will have a big impact down the road.

Sound good?



# PART I

## Understanding Onboarding

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### What is onboarding?

Onboarding, also known as organizational socialization, refers to the mechanism through which new employees acquire the necessary knowledge, skills, and behaviors to become effective organizational members and insiders.

It has been proven, across large cross-sections of industries, that a formalized new hire onboarding process has an impact not only on employee performance but also on employee retention and engagement levels.

### What impact does onboarding have on my business?

Employee attitudes and experiences when they join a new company shape how productive they are at work and how long they will stay with an employer. First impressions make a difference.

Employee turnover is costly for employers, and the commitment level of employees to the organization can greatly impact profitability. Being able to more effectively onboard and assimilate team members has proven to decrease turnover.

If an organization has high turnover and does nothing to solve the issue, the repercussions could be very expensive (up to two times an employee's annual salary) due to high training costs as you continually bring on new employees and poor morale amongst your team.

All of these outcomes will do one thing: **decrease profitability.**

You are trying to remain competitive, and it takes top talent to do this. When your employees are constantly changing, getting ahead of the competition becomes very difficult.

## Is there a solution?

The effect of employee turnover on your business can be catastrophic. Therefore, it is imperative to focus your efforts on retaining top talent.

There is not one way that is guaranteed to decrease turnover, but there are several strategies that have been proven to have a positive effect on the desired outcome of decreasing employee turnover and increasing employee engagement.

By implementing a formalized employee onboarding process, you can expect to see a decrease in turnover and an increase in employee engagement. The achievement of decreased turnover is a result of the socialization process helping new employees to become a member of the “team” earlier and nurturing acceptance into the workforce as a productive member of the team.

Combine a formalized process with the right technology and you have a solid framework for reducing employee turnover and making your people more productive, faster.

## Why is onboarding the key?

The new hire onboarding process has been proven to have a direct correlation to each of the aforementioned performance indicators. Companies that have formalized onboarding processes see a 60% year-over-year improvement in productivity versus those that do not have a formalized onboarding process.

The new hire onboarding process is critical as it provides a first impression of the organization to the new hire. New hire onboarding provides an opportunity to develop a relationship that can either be highly productive and engaged or “just another job.”



This relationship may enhance employees' commitment levels which are important and should be established early on through proper new hire processes.

The formalization of assimilation and socialization of new hires as part of the onboarding process has proven to increase the speed at which these employees achieve performance milestones.

Companies that have more progressive human resources (HR) practices such as mentorship programs and assimilation measurement should expect to see a higher operational performance from the organization.

Higher operational performance is a result of the employees feeling more "at home" in their work environment and this comfort produces greater employee output.

Combine a formalized process with the right technology and you have a solid framework for reducing employee turnover and making your people more productive, faster.

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## PART 2

# Creating An Employee Onboarding Program

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### Define the Goals of Your Onboarding Program

This is the most important part:

**Have goals. I repeat. Have goals.**

Sample Goals for Onboarding Program:

- Improve employee retention by 15%
- Improve Net Promoter Score by 5% (customer satisfaction)
- Reduce labor costs by 5%
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Once you have defined your goals, there are three main areas that you need to focus on when creating your onboarding program:

- *Education and Training*
- *Assimilation and Socialization*
- *Documents and Tasks*

### Education and Training

Teaching someone how to do a job effectively and setting proper expectations is something that most companies struggle with. The biggest mistake that most small business owners make when establishing a training program for their employees is not setting a defined goal or having a goal that is poorly defined.

We set goals like “sell more” or “have better customer service,” but the lack of definition and specificity can be your downfall.



The target should not only be measurable, like increasing sales by 10% for Product A or improving employee retention by 25%, but the training program should allow you to attain it.

Add the training that is going to make the biggest impact towards the success and achievement of your goals to the sample calendar below and to the checklists.

[Here](#) is a quick video on how to create an effective training program along with a post below that will help.

## **Assimilation and Socialization**

Assimilation into a new organization affects more than just the happiness and productivity of a single employee. When people are not onboarded properly, it can affect others around them and the profitability of the entire company. By finding ways to better assimilate new hires, organizations help to increase their productivity and reduce turnover.

When companies have employees that are highly engaged and stay with the organization for a longer period of time, productivity increases and the ability to increase profitability increases for the company.

Find ways to quickly assimilate the new employee with the team. Team trivia, scavenger hunts, and mentorships are great ways to do this.





## Resources

- [Scavenger Hunt Template](#)
- [Team Trivia Examples](#)
- [Mentor Program Example](#)
- [Sample Documentation and Checklist](#) (use onboarding software to easily complete and report)

## How Can You Measure Progress?

- Track progress in an onboarding system to easily view tasks.
- Track your Scavenger Hunt in excel, Trello, or on paper.
- Review with new teammate on the third day to ensure everything is complete.

## Mentor Programs as Part of Onboarding

An additional method of dealing with the challenges of employee turnover is to create mentorship programs as part of the new hire onboarding process. Mentoring programs have been proven to help develop more productive employees and have a positive impact on the profitability of the company.

Organizations could make it required that every employee (regardless of tenure and position) have a mentor inside the organization to provide assistance in improving work-related skills, but also have someone to confide in if issues arise within the workplace. Mentorship programs provide value in that many people “don’t know what they don’t know” and do not know what questions to ask to take them to the next level.

Work can sometimes be a lonely place, and it helps to have an advocate both personally and professionally.

## Documents and Tasks

There will always be a list of documents and tasks that need to be completed by new hires. Below are a sample list and ideas on how to measure progress.

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## PART 3 SETTING MILESTONES IN THE ONBOARDING PROCESS

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### First Week

Test the new hire on first-day knowledge. Why does your role exist? What do we stand for? What is our mission? You can do this at a one-week “check-in” meeting.

### One Week Check-in Template

#### 30 Days

Define the goals that an employee should accomplish by the end of thirty days and share with them during the first week. Define three strong goals that can be measured that are related to the role and assimilation.

For example:

- Complete 5 payrolls with little oversight
- Complete 6 hours of HR training
- Lead a team meeting

Have another “check-in” meeting with the employee to determine progress and adjust 60-day goals as necessary. Some employees will be ahead, which is great. If they are behind, identify why and how to fix it. Ask lots of questions in this meeting. Check in with the mentor and see how you can help.

#### 60 Days

Define the goals that an employee should have completed by the end of 60 days. Use the same format as above. Test engagement with an Employee Survey.





## 90 Days

Review the employee Scorecard. Grade the employee against the Competencies and establish goals for the next 90 days that will help the employee to improve on key competencies and achieve the outcomes for the year.

## 6 Months

Execute a survey of what the employee remembers from their first 90 days. Look for trends to emphasize or de-emphasize what is working.

Evaluate employee's performance against Scorecard Outcomes and measure the performance in key Competencies.

## 1 Year

Have defined goals for the role at the one year point. These should be outlined in the employee Scorecard prior to making the hire.

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## PART 4 CONCLUSION

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Research and experience point to one key event in the life of a new hire that impacts all of the aforementioned issues: the new hire onboarding process.

The impact of a properly conducted and formal new hire onboarding process impacts engagement, retention, and productivity.