The ROI of Automated Employee Onboarding

Automate and simplify the entire pre-boarding, onboarding and off-boarding process

HIRING

SMART **ERP** Solutions®

ROI

Automated Employee Onboarding

BERSIN	Bersin by Deloitte

Why Onboarding Matters

Assimilating new hires into an organization starts not when the employee enters through the door, but when the employment offer is accepted. Every interaction with a company member from that time forward should reinforce the idea that that employee has made a good decision. Accommodated by technology, onboarding includes:

- The physical outfitting of the employee (i.e., computers, phones, office, supplies, security badges, et al);
- The collection of data for compliance reasons (i.e., proof of ability to work in the country); and,
- Importantly, the introduction of the new worker into the culture, procedures and processes of the new employer.

The goal of onboarding is compelling – to get the employee engaged and productive in the company and its culture as rapidly as possible. It is also the one chance to impress the employee and reinforce his / her decision to join the company – a kickstart to engagement.

Bersin by Deloitte, Deloitte Consulting LLP

Studies show that the cost
of hiring new employees
continues to grow annually.

Given this fact, many employers are looking for viable ways to improve their onboarding practices while boosting the return on their investment. To meet this demand, organizations are turning to automated employee onboarding systems to help streamline the process. These systems allow employers to vastly improve the onboarding process in an effort to cut costs, while simultaneously improving efficiency.

Automated employee onboarding systems offer a great ROI. Here is a look at how integrating automated employee onboarding solutions can benefit your bottom line.

Processing New Hire Paperwork

New hire paperwork is not only cumbersome for the new employees and your HR department, but it can also be quite costly. Your staff must make copies of training materials, personnel policies, benefit enrollment forms and tax forms, just to name a few. While the paper, ink and folders may seem inconsequential, the time your staff put in is not.

A report by the Center for Economic and Business Research showed that the administrative costs, including producing and processing paperwork for new hires, averages at about 2.3 percent of the full hiring costs. With experts stating that the average cost per

hire ranges from just over $4,000 to $240,000, administrative costs alone could cost you anywhere from hundreds to thousands of dollars per hire. This doesn't even take into account the cost and compliance issues associated with employee errors that may result from transferring data from the new hire paperwork into the company's system.

Automated employee onboarding solutions can help to reduce these costs by allowing your HR team to digitize nearly all of the necessary onboarding paperwork. By automating this new hire paperwork, your staff no longer needs to waste paper and valuable time copying and organizing orientation packets for your new hires. Allowing new employees to enter their own data automatically also minimizes the risk of costly errors and compliance issues.

Hiring by Non-HR Department Managers

Many smaller organizations have either a very small HR team or no HR department at all. In these cases, it's up to non-HR department managers to handle or at least assist with the onboarding process. This could not only increase recruiting costs, but it could also increase onboarding costs. Without HR support, non-HR department managers are responsible for assimilating the new hire into the workplace.

Unfortunately, many non-HR department managers lack the time, proficiency and resources necessary to onboard new hires properly. In addition, many non-HR managers are not trained in compliance issues, which could put your company at risk for hefty fines and legal repercussions. Having each department maintain its own new hire records can make tracking and analyzing hiring details difficult and costly.

This combination will greatly increase your overall onboarding costs, while oftentimes reducing the quality of the new hire onboarding experience.

Automated employee onboarding software can help by providing one centralized location to store and maintain employee records. In addition, the onboarding platform can be tailored to meet your organization's specific needs. You can create a helpful new hire checklist that guarantees compliance and creates standardized content to ensure each new hire obtains the same company information. This improves transparency and provides consistency throughout the company.

Time-to-Productivity

The average time-to-productivity is eight months, according to a study from HR.com. This timeframe has been linked directly to the quality of the onboarding process. For some organizations, the new hire process consists merely of a short orientation that may last for a few hours, while other organizations have an onboarding process that can last for 6–12 months.

According to the Aberdeen Group, more than 60 percent of the organizations with a well-developed onboarding process have been able to improve their time-to-productivity rates. These employees are better prepared to perform their duties faster than employees who do not complete an extensive onboarding process. According to one study, employers in the UK and the United States claim to lose as much as $37 billion every year on wages for employees who are unproductive simply because they do not understand their job duties properly. An improved onboarding process can better prepare new hires and minimize losses for the employer. Automated employee onboarding solutions can help to improve your organization's time-to-productivity rates by enabling your HR team to begin the onboarding process prior to day one. During the pre-boarding phase, your new hires can read the company's policies, complete new hire and benefits paperwork, watch custom-made videos and so on. This shortens the onboarding process by preparing your new hire for the first day on the job.

Automated employee onboarding solutions empower organizations to improve the onboarding experience for their new employees by streamlining the process. This, in turn, can improve time-to-productivity rates, boost employee satisfaction, reduce employee turnover and increase the company's bottom line.

Best of all, these solutions provide an excellent return on your investment.

Statistical Benefits of Using Automated Onboarding

The benefits of using a deliberate, thought out onboarding process are substantial. Employers using a structured onboarding program reported the below positive effects.

- Employees are more engaged (49 percent)
- More employee confidence (46 percent)
- Employees have greater trust in the organization (45 percent)
- Greater efficiencies (44 percent)
- Higher productivity (42 percent)
- Higher morale (38 percent)
- Lower employee turnover (31 percent)
- Contributes to meeting revenue targets (21 percent)

The preceding benefits were found through a survey conducted online within the U.S. by Harris Poll on behalf of CareerBuilder. The study was among 2,380 hiring and human resource managers (employed full-time, not self-employed, non-government including 231 HR managers) between February 16 and March 9, 2017.

If you haven't already, you can estimate your Smart Onboarding ROI with our SmartERP Onboarding ROI calculator.

smartonboarding.com/smart-onboarding-roi-calculator

SmartERP

SmartERP assists organizations with an end-to-end solution, offering design and implementation to post-implementation support. With comprehensive domain knowledge of business applications, SmartERP facilitates effective decision-making and enables customers to meet their business requirements, with a focus on quality, knowledge transfer and process simplification. SmartERP supports implementation engagements for clients large and small, across a variety of industries.

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To learn more or schedule a demo visit us at smartonboarding.com

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