Onboarding and Knowledge Transfer

TRAINING INDUSTRY

TABLE OF CONTENTS

OVERVIEW

Many companies are currently struggling with high employee turnover rates, shorter retention, and the lack of an effective knowledge transfer process – each of which could have detrimental effects on the success of an organization. Prior research has shown that an employee's onboarding experience can impact whether they become initially invested in their new company and new position. And, if they make it to the median 4.6 year tenure[1], the next feat is figuring out how to successfully transfer their knowledge to their successor and back into the company's knowledge pool.

The purpose of this study is to explore the challenges associated with onboarding and knowledge transfer, and to ultimately identify best practices for overcoming those challenges. In October 2012, 210 learning leaders participated in a survey to evaluate their organizations' current practices and to pinpoint particular areas that demand improvement.

This report not only identifies challenges and best practices for onboarding and knowledge transfer, but also examines:

- The contrast between effective and ineffective organizations
- The impact and cost of turnover on business
- Industry trends and strategies for the future

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[1] Bureau of Labor Statistics, "Employee Tenure in 2012," U.S. Department of Labor, September 18, 2012, Web.

ONBOARDING refers to the process through which *new employees* acquire the skills, knowledge and behaviors to become effective contributors to an organization.

KNOWLEDGE TRANSFER refers to the process through which experienced employees share or distribute their knowledge, skills, and behaviors to the employees who replace them.

KEY FINDINGS

Onboarding

- Sixty-six percent (66%) of learning leaders said that their training organizations are either *very effective* or *somewhat effective* at onboarding.

- Learning leaders from effective organizations list coaching programs and mentor networks as a best practice for onboarding *twice as often* as those from ineffective organizations.

- Learning leaders estimate that the majority of their organizations' onboarding investment goes toward entry-level onboarding (43.7%), followed by technical skills onboarding (23.1%), middle management onboarding (14.8%), leadership onboarding (14.7%), and onboarding in other areas (3.7%).

- Human Resources and Learning/Training & Development teams are the groups most often involved in the design and support of onboarding programs.

Knowledge Transfer

- Only 39% of learning leaders said that their training organizations were *very effective* or *somewhat effective* at transferring knowledge from transitioning employees to their replacements.

- The greatest knowledge transfer challenge reported by learning leaders is the lack of a formalized knowledge transfer approach. This was reported more than *twice as often* by learning leaders from ineffective organizations.

- Learning leaders from effective organizations report using coaching programs and mentor networks for knowledge transfer *twice as often* as those from ineffective ones.

- When seeking onboarding or knowledge transfer resources, learning leaders consider Training & Development services companies most often.

Turnover

- Learning leaders indicated Customer Service, Sales and Information Technology (IT) as the three departments with the highest turnover within their companies.

- Learning leaders state that a high turnover in the Sales Department would have the greatest negative impact on their company's business.
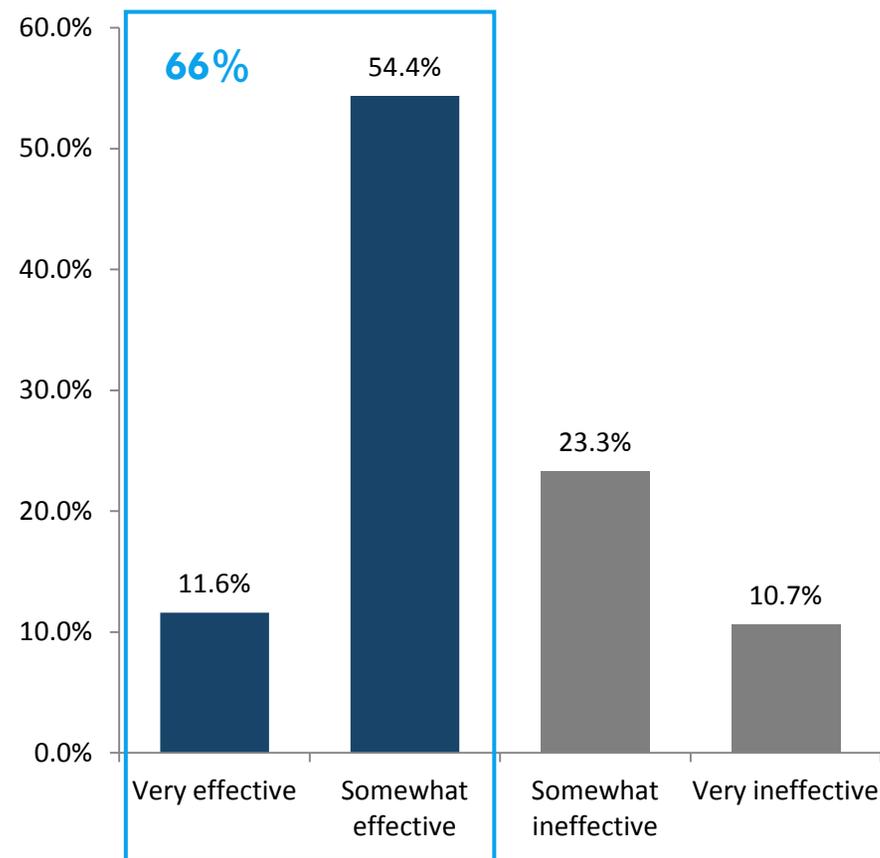
ONBOARDING

Onboarding Effectiveness

Onboarding is a crucial process for organizations to educate employees about their business and culture, and to ensure that they acclimate quickly to their new roles. An employee's onboarding experience will shape their perception of the company, and can ultimately affect their decision to stay or to look for employment elsewhere. Without an efficient onboarding strategy, organizations could be fueling disengagement and turnover.

When learning leaders were asked to rate the effectiveness of their own training organizations at onboarding, 66% said that their organizations were either *very effective* or *somewhat effective*. See Figure 1.

> 66% of learning leaders said that their training organizations are either *very effective* or *somewhat effective* at onboarding.

Figure 1

Percentage of Respondents, N=206
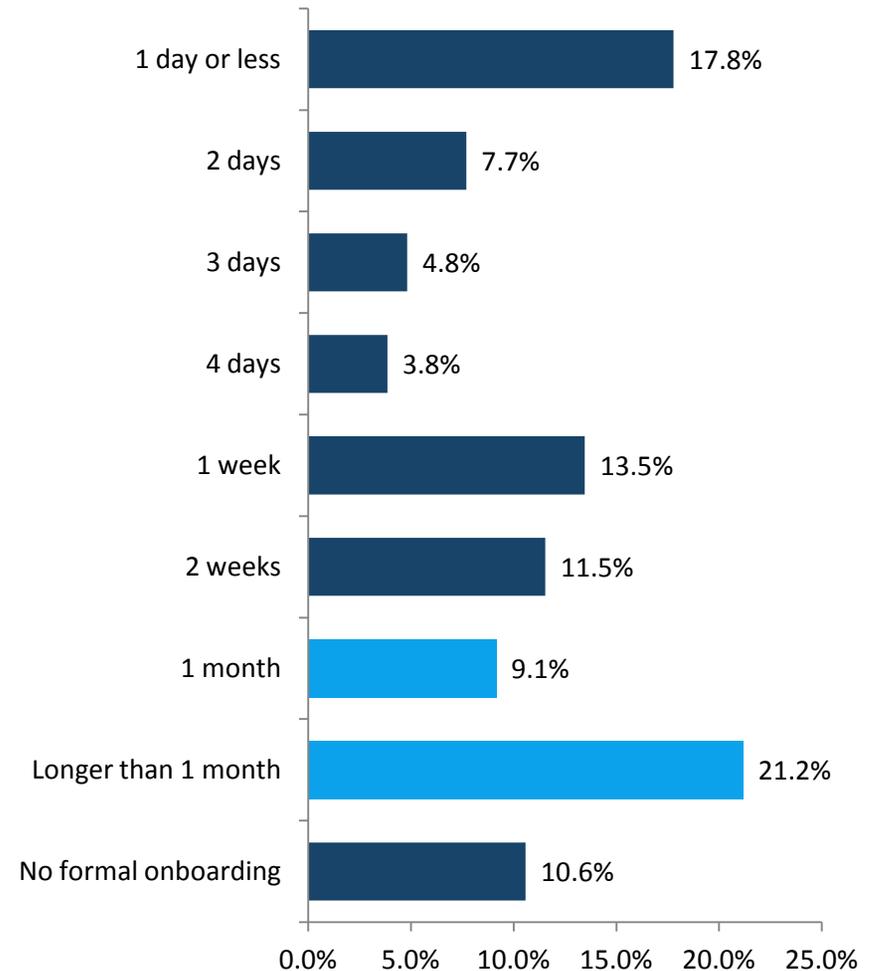
ONBOARDING

Onboarding Duration

The duration of onboarding can vary greatly depending on the size of the organization, the industry, and the role for which an employee is hired. Our results are consistent with additional research, which found that of those surveyed, the majority train entry-level employees for 30 days or less.[2]

However, approximately 30% of learning leaders report formal onboarding programs for entry-level employees lasting one month or longer. See Figure 2.

In order to further understand the results, we examined responses from only the top six industries represented: Technology, Banking/Finance, Business Services/Consulting, Health Care, Education (K-Graduate), and Insurance. Onboarding programs lasting one month or longer were most often found in Health Care, Insurance, and Banking/Finance companies.

Figure 2

Category	Percentage
1 day or less	17.8%
2 days	7.7%
3 days	4.8%
4 days	3.8%
1 week	13.5%
2 weeks	11.5%
1 month	9.1%
Longer than 1 month	21.2%
No formal onboarding	10.6%

Percentage of Responses, N=208

[2]David C. Hoffmeister & Dr. Richard A. Rocco, "2011-2012 Sales Effectiveness Survey," DePaul University Center for Sales Leadership, 2011, 31.

ONBOARDING

Design & Support

Learning leaders were also asked to describe who is typically involved in the design and support of onboarding programs. Not surprisingly, learning leaders cited Human Resources and Learning/Training & Development teams as the groups most often involved.

Group	Percentage
HR/L&D/T&D Teams	67.8%
Department/Unit Leaders	55.3%
Team members	46.2%
Hiring Manager	45.7%
Senior Leadership	27.9%
Mentor	21.6%
Other*	1.9%
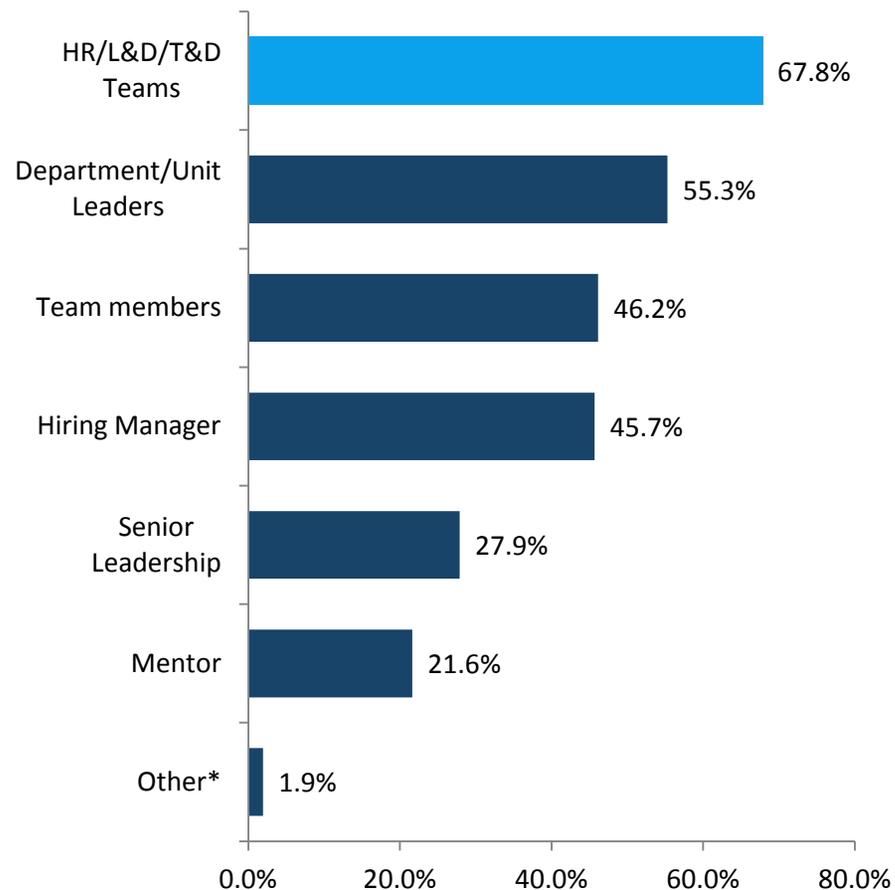
*Other groups involved in onboarding include Corporate University or Education teams and Administrative Staff.

Percentage of Respondents, N=208

ONBOARDING

Onboarding Investment

Onboarding investment will vary, much like the duration of onboarding programs, based on the specific responsibilities and skills that a position requires. Learning leaders were asked to estimate the percentage of their total onboarding investment that is allocated to each of the following areas:

- Entry-level onboarding

- Middle management onboarding

- Leadership onboarding

- Technical Skills onboarding

- Other (please specify)

The average percentages for each area are noted on Figure 4, with entry-level onboarding receiving the highest (estimated) level of onboarding investment.

Figure 4

Other*, 3.7%
Technical skills onboarding, 23.1%
Entry-level onboarding, 43.7%
Leadership onboarding, 14.7%
Middle management onboarding, 14.8%
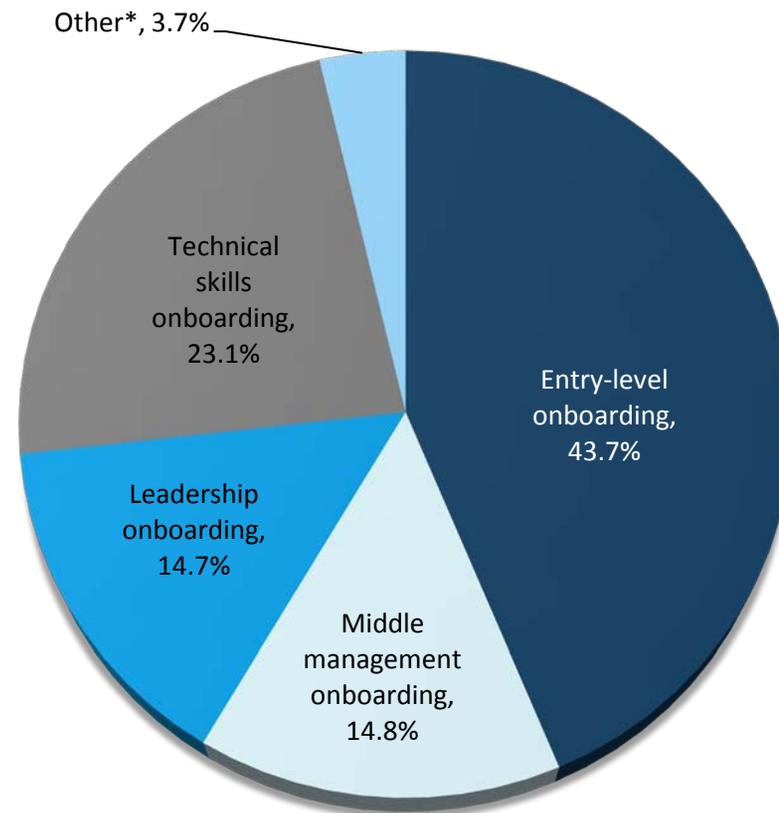
*The other areas of onboarding investment that were most often mentioned include: business-related onboarding (e.g., strategy, processes and procedures) and company culture.
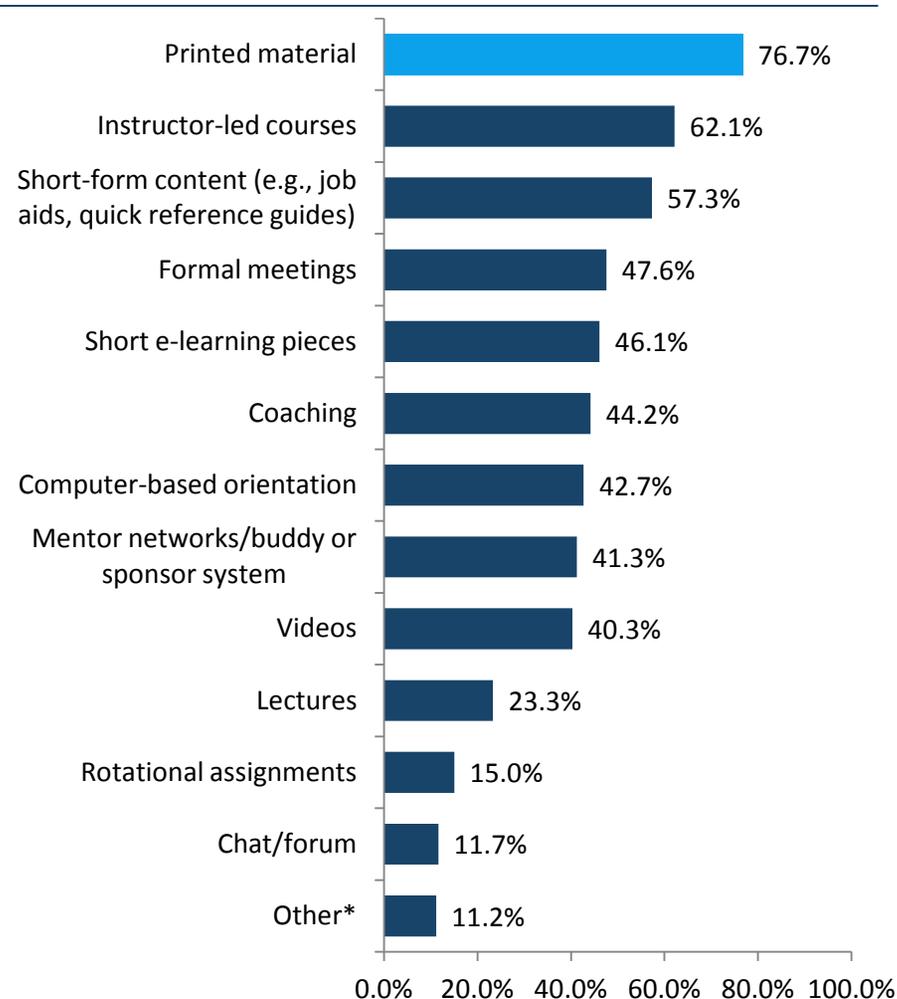
Percentage of Respondents, N=200

ONBOARDING

Onboarding Tools

With the influx of young and diverse employees joining the workforce, many business environments are evolving to incorporate new technologies and training methodologies that will appeal to this audience. Since onboarding is the employee's first glimpse into a company's culture and business processes, the type of tools used during the onboarding program can be vital for engaging and retaining new employees.

Learning leaders were asked which tools their organizations currently employ as a part of their onboarding strategies. As seen in Figure 5, printed materials were cited as the most commonly used tools for onboarding, followed by instructor-led courses and short-form content. The results signify that more traditional tools are still used to support onboarding, as opposed to more social tools like chat or forums.

Figure 5

Tool	Percentage
Printed material	76.7%
Instructor-led courses	62.1%
Short-form content (e.g., job aids, quick reference guides)	57.3%
Formal meetings	47.6%
Short e-learning pieces	46.1%
Coaching	44.2%
Computer-based orientation	42.7%
Mentor networks/buddy or sponsor system	41.3%
Videos	40.3%
Lectures	23.3%
Rotational assignments	15.0%
Chat/forum	11.7%
Other*	11.2%

*The other tools that were mentioned most often were: social, collaboration tools, on-the-job training, and work shadowing.

Percentage of Respondents, N=206

ONBOARDING

Challenges

Learning leaders were asked to describe their training organization's greatest onboarding challenge. In order of most to least often mentioned, learning leaders cited the following challenges:

- Ensuring consistency across roles, departments, geographic regions, backgrounds and languages

- Lack of, or limited resources (e.g., time, budget, staff)

- Lack of leadership/management support

- Lack of a formalized or structured approach

- Monitoring and assessing the quality and relevance of onboarding programs

While these are significant challenges for learning leaders to overcome, they are also consistent with those faced by organizations that have mastered the training program basics. Consistency across regions and program assessments are vital to sustaining the quality and impact of onboarding or training programs that are already in place.

Learning leaders reported ensuring consistency across roles, departments, geographic regions, backgrounds and languages as their GREATEST onboarding challenge.

The onboarding challenges reported are consistent with those faced by organizations that have already mastered the basics of a training program.

ONBOARDING

Best Practices

A continuous challenge for learning leaders is to ensure that onboarding programs are current and aligned with business goals. When learning leaders were asked to share a best practice for doing so, they revealed the following, in order of most to least often mentioned:

- Ensure leadership involvement and support before, during and after onboarding.

- Continuously evaluate training to make sure it is both current and effective, making changes accordingly.

- Involve all departments/functional areas in the design, development, delivery and review of onboarding.

- Agree on business goals beforehand and develop an onboarding/training framework for those involved to follow.

- Plan and implement coaching programs or mentor networks for new or transitioning employees.*

- Implement consistent and ongoing onboarding and training programs.

*Learning leaders from effective organizations reported mentoring/coaching programs as best practices twice as often as those from ineffective ones.

Learning leaders cite leadership support and involvement, continuous evaluation, and departmental/functional area involvement throughout each stage, as the *top three best practices for onboarding.*

Learning leaders from effective organizations reported *mentoring/coaching programs* as best practices twice as often as those from ineffective ones.

KNOWLEDGE TRANSFER
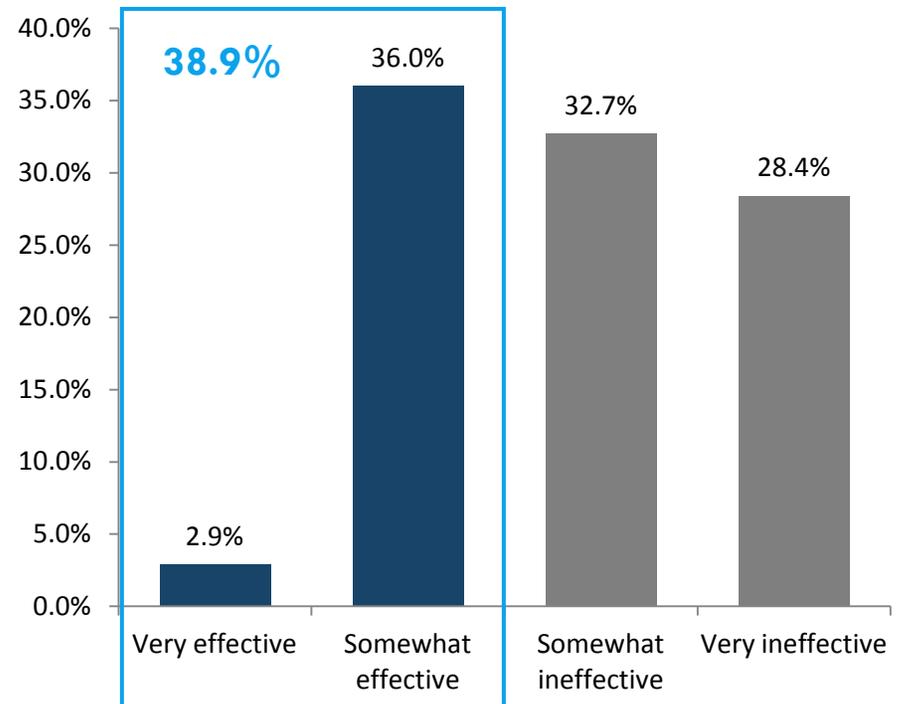
Knowledge Transfer Effectiveness

The importance of onboarding has been established in both academic and corporate settings. On the other hand, knowledge transfer is a relatively new term in the Training and Development space. For many companies, knowledge transfer is becoming increasingly critical, especially considering the large population of Baby Boomers moving toward retirement.

For companies that are preparing for this mass exodus, many are struggling with how to effectively transfer the information and skills that 'Boomers' possess to the employees who will eventually replace them. When asked to rate the effectiveness of their training organization at transferring such knowledge, only 39% said that their training organizations were effective. See Figure 6.

> 61% of learning leaders said their training organizations are *very ineffective* or *somewhat ineffective* at transferring knowledge from transitioning employees to their replacements.

In comparison to onboarding, learning leaders state that their current knowledge transfer practices leave significant room for improvement.

Figure 6

Percentage of Respondents, N=208
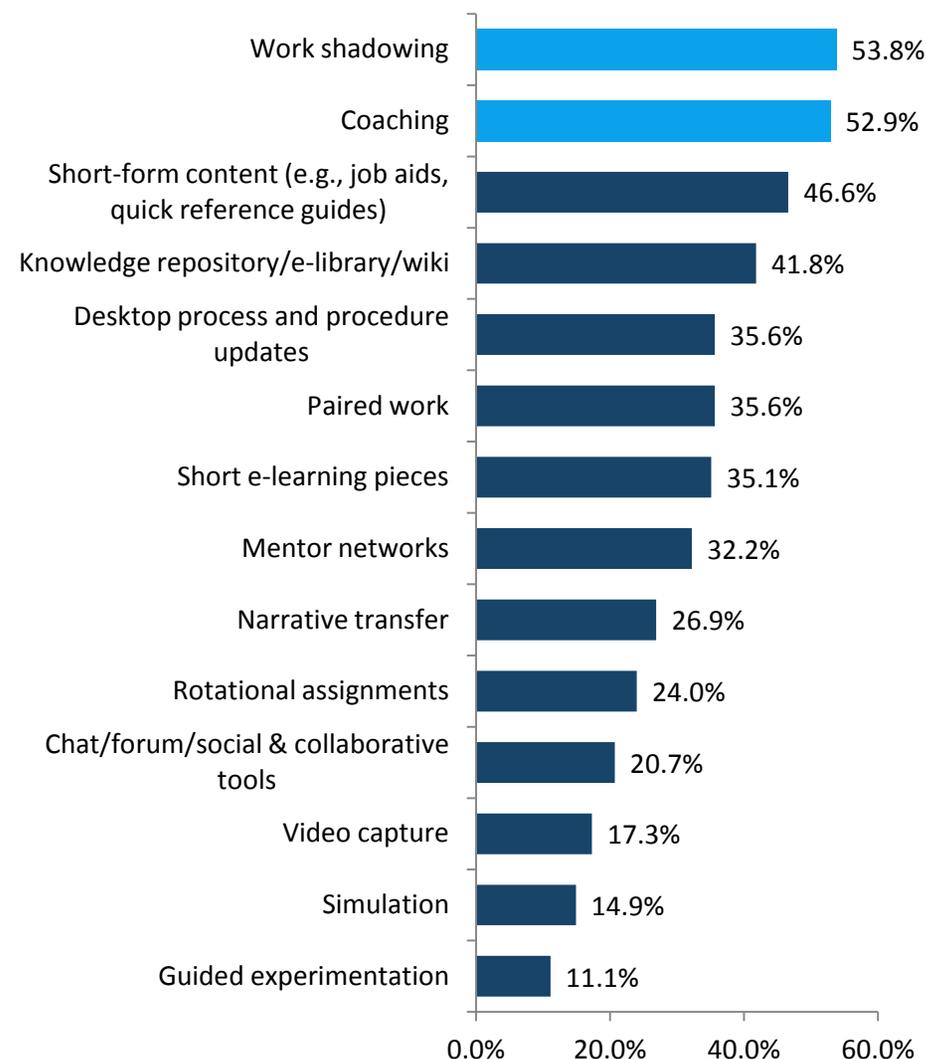
KNOWLEDGE TRANSFER

Knowledge Transfer Practices

With a majority of learning leaders stating that their training organizations are ineffective at knowledge transfer, there are several factors that should be explored to determine areas for improvement.

Learning leaders were asked to define which practices and tools they currently employ as part of their knowledge transfer strategy. As Figure 7 demonstrates, learning leaders reported work shadowing and coaching as the most prevalent practices used for knowledge transfer.

While cited as the most common practice for knowledge transfer, work shadowing requires an overlap of new and senior employees in the workplace. Unfortunately, this may not be an option for some companies; if employees leave abruptly, or if the company is unwilling to fund this type of job overlap, learning leaders are forced to employ other knowledge transfer practices that may be less effective.

Figure 7

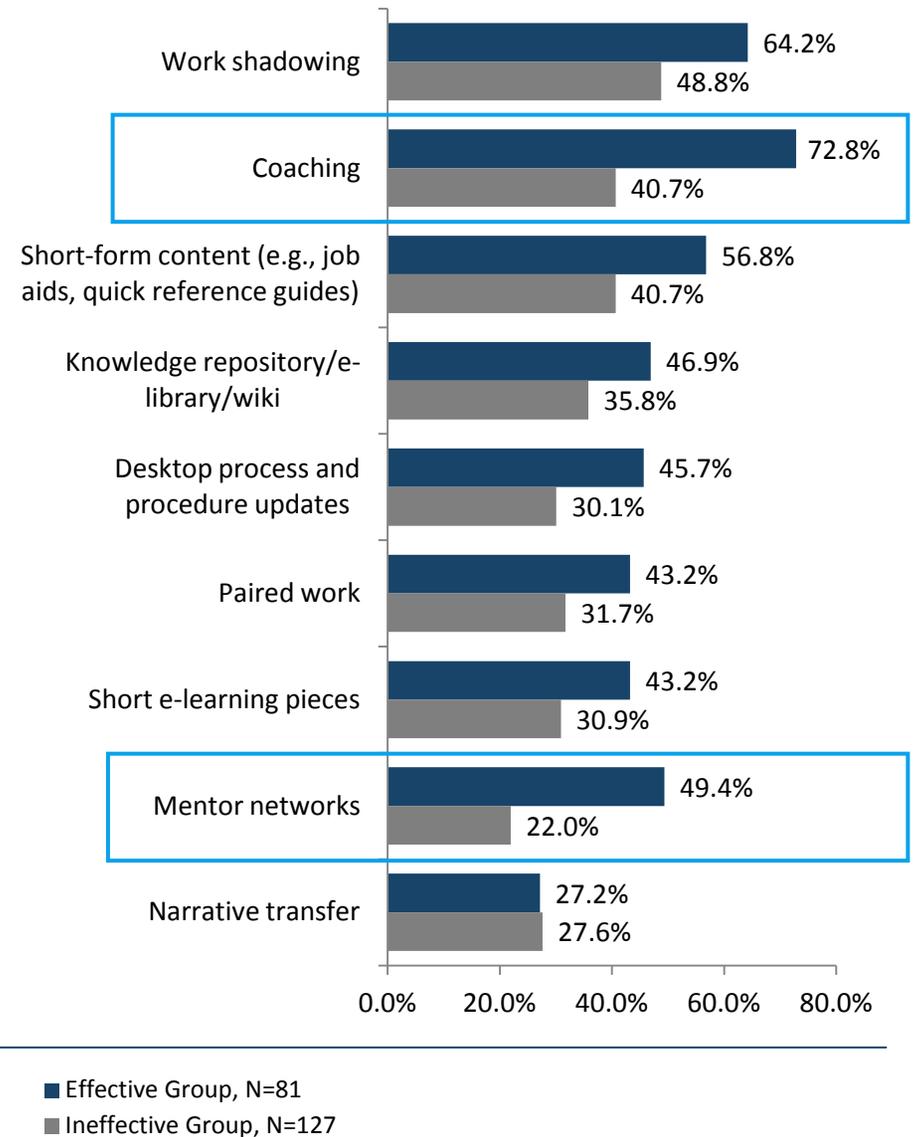| Practice	Percentage
Work shadowing	53.8%
Coaching	52.9%
Short-form content (e.g., job aids, quick reference guides)	46.6%
Knowledge repository/e-library/wiki	41.8%
Desktop process and procedure updates	35.6%
Paired work	35.6%
Short e-learning pieces	35.1%
Mentor networks	32.2%
Narrative transfer	26.9%
Rotational assignments	24.0%
Chat/forum/social & collaborative tools	20.7%
Video capture	17.3%
Simulation	14.9%
Guided experimentation	11.1%

Percentage of Respondents, N=208

KNOWLEDGE TRANSFER

Knowledge Transfer Practices

Why do the majority of learning leaders consider their training organizations ineffective at knowledge transfer? Their responses could partially be due to the tools and practices that they currently use. To further examine this data, we compared the approaches of effective organizations to those of ineffective organizations. See Figure 8.

Overall, learning leaders from effective organizations report employing tools as a part of their knowledge transfer strategy more often than those from ineffective organizations. In addition, learning leaders from effective organizations describe using coaching and mentor networks approximately *twice as often* as those from ineffective ones.

Figure 8

	Effective Group, N=81	Ineffective Group, N=127
Work shadowing	64.2%	48.8%
Coaching	72.8%	40.7%
Short-form content (e.g., job aids, quick reference guides)	56.8%	40.7%
Knowledge repository/e-library/wiki	46.9%	35.8%
Desktop process and procedure updates	45.7%	30.1%
Paired work	43.2%	31.7%
Short e-learning pieces	43.2%	30.9%
Mentor networks	49.4%	22.0%
Narrative transfer	27.2%	27.6%

12

KNOWLEDGE TRANSFER

Knowledge Transfer Challenges

To better understand the struggles that learning leaders experience with knowledge transfer, they were asked to explain their training organization's greatest knowledge transfer challenge. Learning leaders cited the following as their primary challenges, in order of most to least often reported:

- No formalized knowledge transfer approach

- Limited, or lack of, resources (e.g., time, staff, budget)

- Collaboration and consistency across roles, departments and geographic regions

- Accurately and efficiently capturing, translating, organizing, and storing information

- Employee cooperation and involvement

- Keeping information and Knowledge Centers/Repositories organized, relevant and current

Learning leaders cite the *lack of a formalized knowledge transfer approach* as their GREATEST knowledge challenge.

A formalized approach could improve the amount of resources allocated to knowledge transfer, as well as collaboration, consistency, and efficiency across departments and regions.
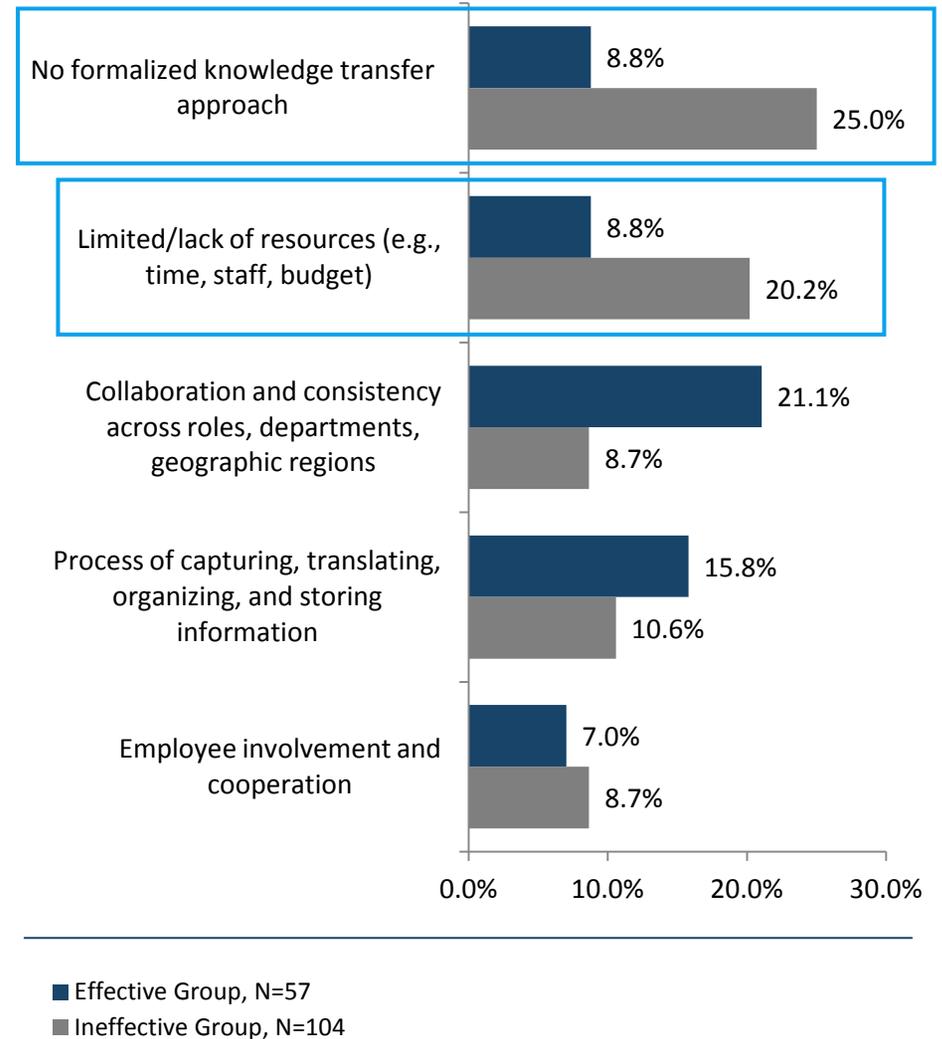
KNOWLEDGE TRANSFER

Knowledge Transfer Challenges

With a majority of learning leaders stating that their training organizations are ineffective at knowledge transfer, distinguishing which challenges are more common for effective and ineffective organizations may be useful.

As Figure 9 reveals, learning leaders from ineffective organizations report the lack of a structured knowledge transfer approach and a lack of resources as their greatest challenges – more than twice as often as those from effective organizations.

> Learning leaders from ineffective organizations cite *the lack of a structured knowledge transfer approach* as their GREATEST CHALLENGE almost three times as often as those from ineffective organizations.

Figure 9

No formalized knowledge transfer approach: 8.8% / 25.0%

Limited/lack of resources (e.g., time, staff, budget): 8.8% / 20.2%

Collaboration and consistency across roles, departments, geographic regions: 21.1% / 8.7%

Process of capturing, translating, organizing, and storing information: 15.8% / 10.6%

Employee involvement and cooperation: 7.0% / 8.7%

■ Effective Group, N=57
■ Ineffective Group, N=104

KNOWLEDGE TRANSFER

Knowledge Transfer Best Practices

With the many challenges that accompany the knowledge transfer process, the lack of a strategy or formalized approach is the most daunting – and the most important. Learning leaders were asked to provide a single best practice for improving a company's knowledge transfer strategy. Learning leaders revealed the following best practices, in order of most to least often mentioned:

- Facilitate peer-to-peer and team training, including: mentor networks, coaching, shadowing, paired work, etc.

- Develop a knowledge transfer strategy, integrate it into daily operations, and formalize it.

- Deliver information and training in a variety of methods that are engaging and easy to use and understand (e.g., social learning, narrative transfer, video, lunch & learn).

- Have a single knowledge repository that is relevant, organized, and constantly monitored and updated.

- Continuously review and measure the effectiveness of knowledge transfer practices and revise them as necessary.

- Ensure leadership support and involvement.

23% of learning leaders revealed *facilitating peer-to-peer and team training* as a BEST PRACTICE for improving a company's knowledge transfer strategy.

16% of learning leaders reiterated the importance of *developing a formalized knowledge transfer process*, citing it as one of the top three BEST PRACTICES.

TURNOVER

Departmental and Role Turnover

Turnover is considered a key indicator of employee engagement. Decreased employee engagement can be driven by ineffective onboarding and knowledge transfer practices. In addition, those employees who decide to leave the company may be taking a portion of the company's knowledge pool along with them.
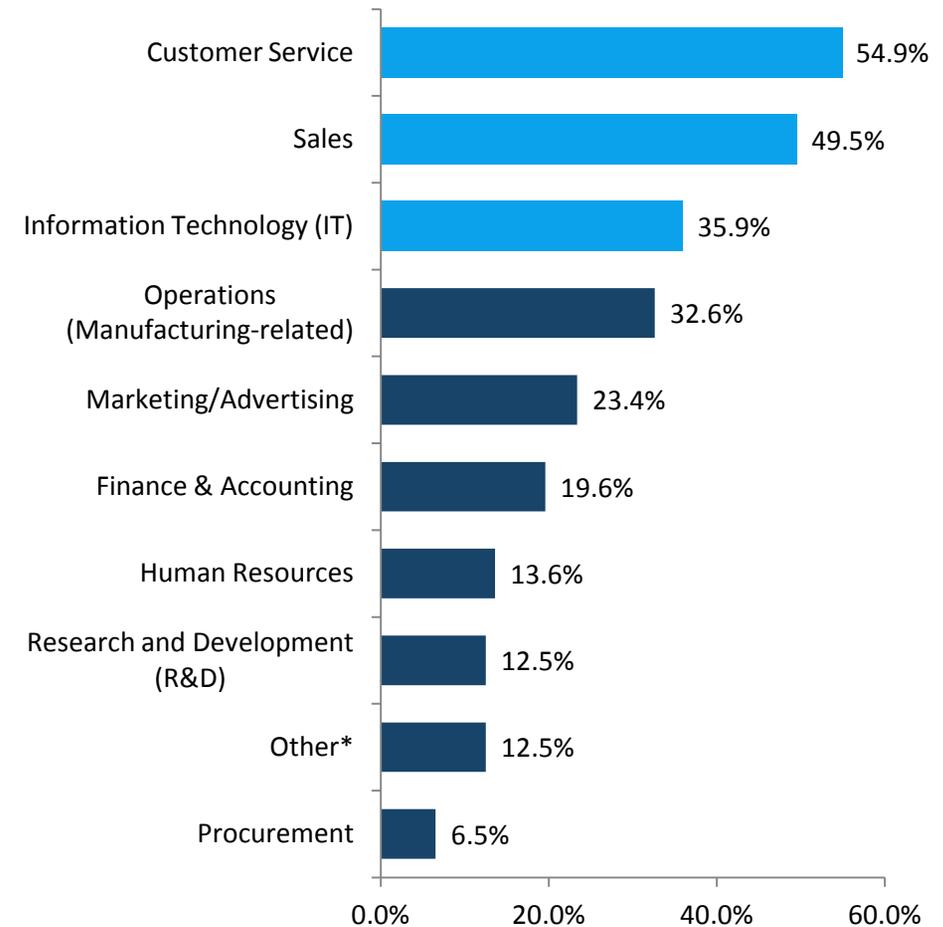
To identify which areas experience the greatest turnover, learning leaders were asked to select the three departments within their companies that have the highest turnover. Figure 10 indicates the top three departments with the highest reported turnover: Customer Service, Sales, and Information Technology (IT).

For their top three departments, learning leaders were also asked to describe the roles within them with the highest turnover. Learning leaders reported the following roles, in order of most to least often mentioned:*

- Customer Service Representatives
- Sales Representatives
- Entry Level/Inside Sales Representatives
- Technical/Desktop Support
- Production/Front Line Employees
- Account Executives

*Entry-Level/Inside Sales Representatives and Technical/Desktop Support roles were reported equally, as were Production/Front Line employees and Account Executives. (N=132)

Figure 10

Department	Percentage
Customer Service	54.9%
Sales	49.5%
Information Technology (IT)	35.9%
Operations (Manufacturing-related)	32.6%
Marketing/Advertising	23.4%
Finance & Accounting	19.6%
Human Resources	13.6%
Research and Development (R&D)	12.5%
Other*	12.5%
Procurement	6.5%

*The other departments that were mentioned the most often include: Facilities Services/Maintenance, Consulting, and Clinical Staff/Nursing.

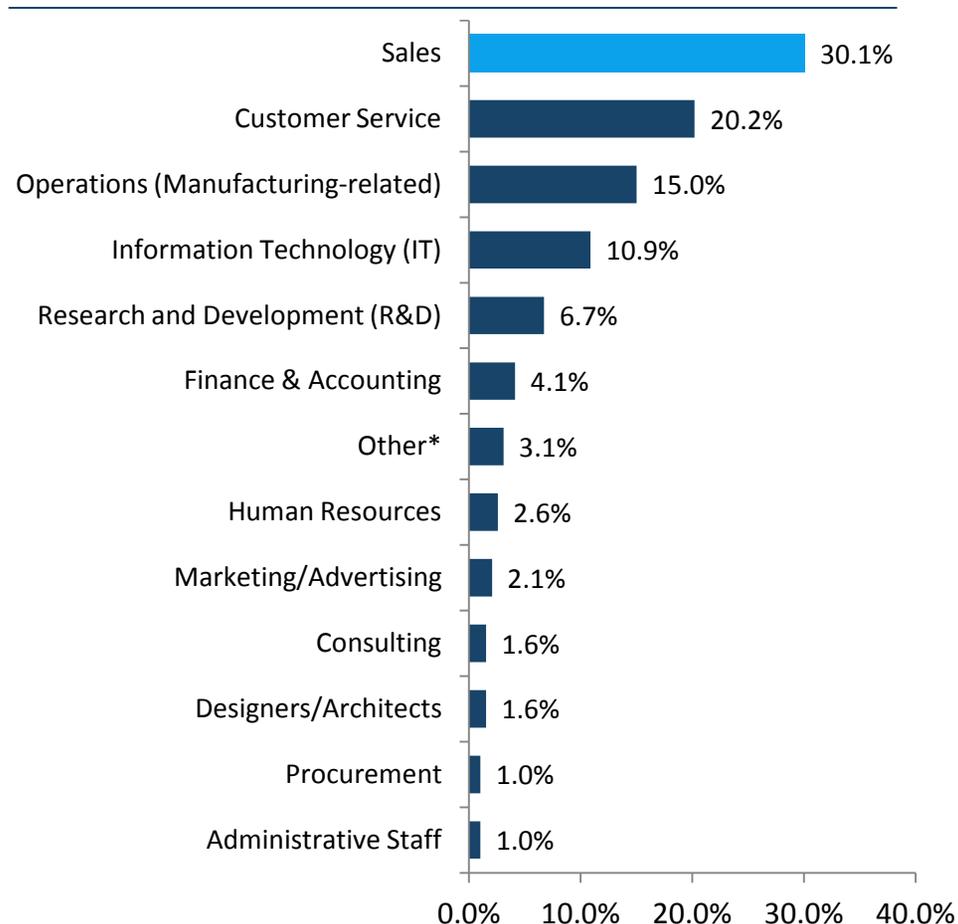Percentage of Respondents, N=184

TURNOVER

Negative Impact of Turnover

With the average cost of a single turnover approaching $115,000[3], learning leaders understand the impact turnover can have on business. Learning leaders were asked to select the department in which high turnover would have the *greatest negative impact* on their business. Their response? Thirty percent (30%) of learning leaders said a high turnover in Sales would have the greatest negative impact on their business. Refer to Figure 11.

When examining the departments and roles with the highest turnover (Figure 10), the Sales Department, and the roles within it, were some of the highest reported. With this in mind, learning leaders need to consider whether their current onboarding and knowledge transfer practices can handle this level of transition on the Sales team.

Figure 11

Department	Percentage
Sales	30.1%
Customer Service	20.2%
Operations (Manufacturing-related)	15.0%
Information Technology (IT)	10.9%
Research and Development (R&D)	6.7%
Finance & Accounting	4.1%
Other*	3.1%
Human Resources	2.6%
Marketing/Advertising	2.1%
Consulting	1.6%
Designers/Architects	1.6%
Procurement	1.0%
Administrative Staff	1.0%

*The other departments that were listed the most often include: Facilities Services/Maintenance, Consulting, and Clinical Staff/Nursing.
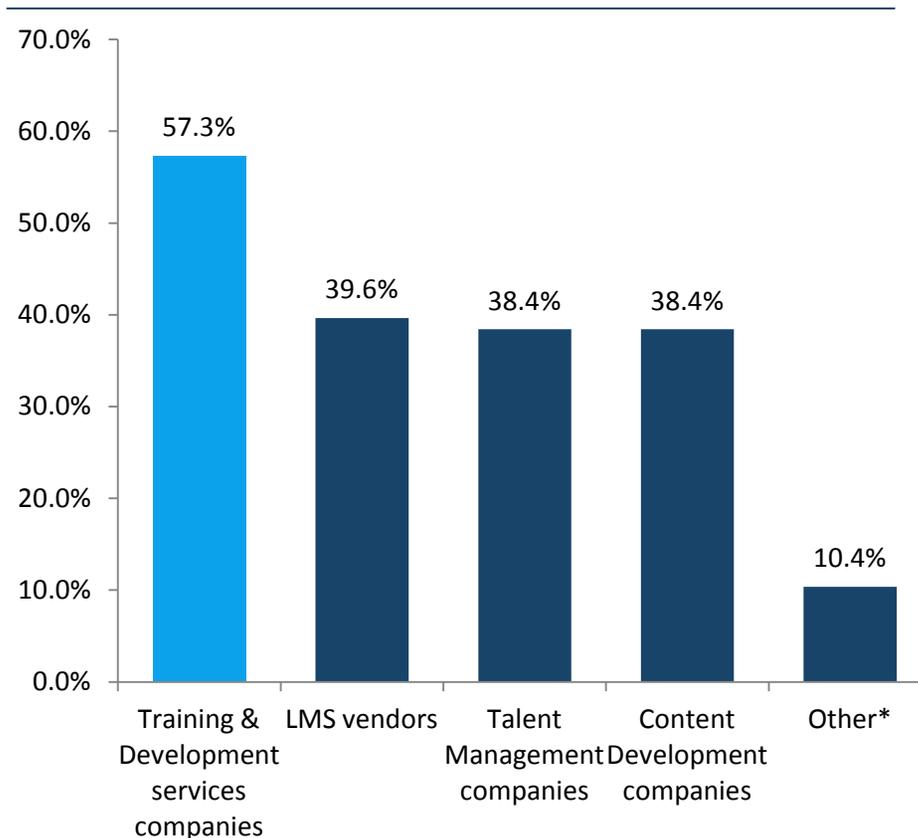
Percentage of Respondents, N=193

[3]Includes acquisition, training, and replacement costs for sales employees. David C. Hoffmeister & Dr. Richard A. Rocco, "2011-2012 Sales Effectiveness Survey," DePaul University Center for Sales Leadership, 2011, 27.

EXTERNAL RESOURCES

Onboarding & Knowledge Transfer

While some companies excel at both onboarding and knowledge transfer practices, many learning leaders are still looking to the market for resources, partners and ideas. Learning leaders were asked which type of companies they typically consult when seeking onboarding or knowledge transfer resources.

As Figure 12 depicts, the majority of learning leaders consider Training & Development services companies when seeking external resources for onboarding or knowledge transfer.

Figure 12

*Learning leaders also consult publically available industry research and trends, industry associations, or peer companies.

Percentage of Respondents, N=164

PREPARING FOR THE FUTURE

Industry Trends & Best Practices

Learning leaders are not naïve to the costs of turnover, regardless of whether they are related to financial expenses or employee engagement. An effective onboarding strategy will not only prepare employees for their new role within the company, but will also give them a clear picture of the business – and hopefully their place within it.

Many of the challenges that learning leaders reported with onboarding are consistent with more mature training programs. Therefore, the best practices focus on ensuring support and consistency across the enterprise, and measuring and assessing the effectiveness of onboarding programs. The best onboarding programs will define business and training goals, and develop a framework for everyone involved to follow.

In addition, learning leaders continuously stress the importance of garnering leadership support, along with the involvement of departmental and functional groups, during each phase of training. This guarantees that training is comprehensive, and that it complements each area of the business.

Coaching programs or mentor networks can also be implemented to supplement onboarding or knowledge transfer programs. Since learning leaders from effective organizations report using these practices twice as often as those from effective ones, their use could easily improve less effective programs.

In comparison to onboarding programs, learning leaders cite a variety of challenges for knowledge transfer that signify relatively new programs. The greatest challenge for both effective and ineffective organizations is the lack of a formalized knowledge transfer approach. Many organizations are realizing the importance of developing and implementing a formalized knowledge transfer strategy.

In doing so, training organizations will likely see improvement in the amount of resources allocated to knowledge transfer, along with increased collaboration, consistency, and efficiency across departments and roles. To further improve knowledge transfer processes, learning leaders suggest facilitating peer-to-peer and team training, which incorporates work shadowing and coaching, among other practices.

PREPARING FOR THE FUTURE

Industry Trends & Best Practices

Revisiting the turnover data, learning leaders state that a high turnover in the Sales Department would have the greatest negative impact on their business. With this in mind, learning leaders have the opportunity to focus improvement efforts on onboarding and knowledge transfer programs for Sales employees, or similar employees in Customer Service.

Both onboarding and knowledge transfer programs allow organizations the opportunity to educate, engage and retain valuable employees and their respective knowledge and skills. By developing and implementing a formalized strategy, and focusing on areas of improvement, companies are already combating the negative effects of turnover – and welcoming a successful future.

ADDITIONAL SOURCES

Bureau of Labor Statistics, "Employee Tenure in 2012," U.S. Department of Labor, September 18, 2012, Web.

David C. Hoffmeister & Dr. Richard A. Rocco, "2011-2012 Sales Effectiveness Survey," DePaul University Center for Sales Leadership, 2011, 27 & 31.
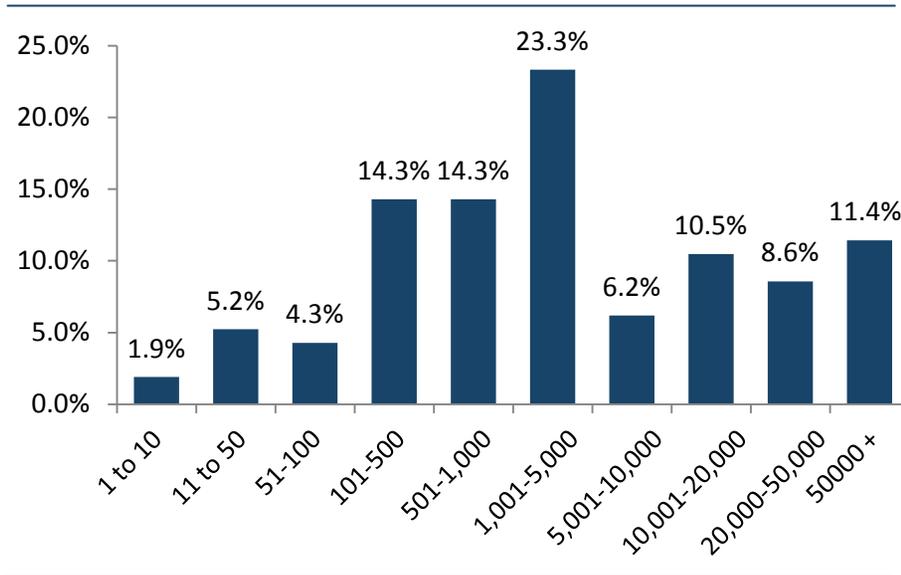
DEMOGRAPHICS

Industries Represented

Among 210 respondents, approximately one-third (1/3) represented the top four industries: Technology, Banking/Finance, Business Services/Consulting, & Education. See Figure 15.

Company Size

Seventy-four percent (74%) of respondents are from companies with 500 employees or more.
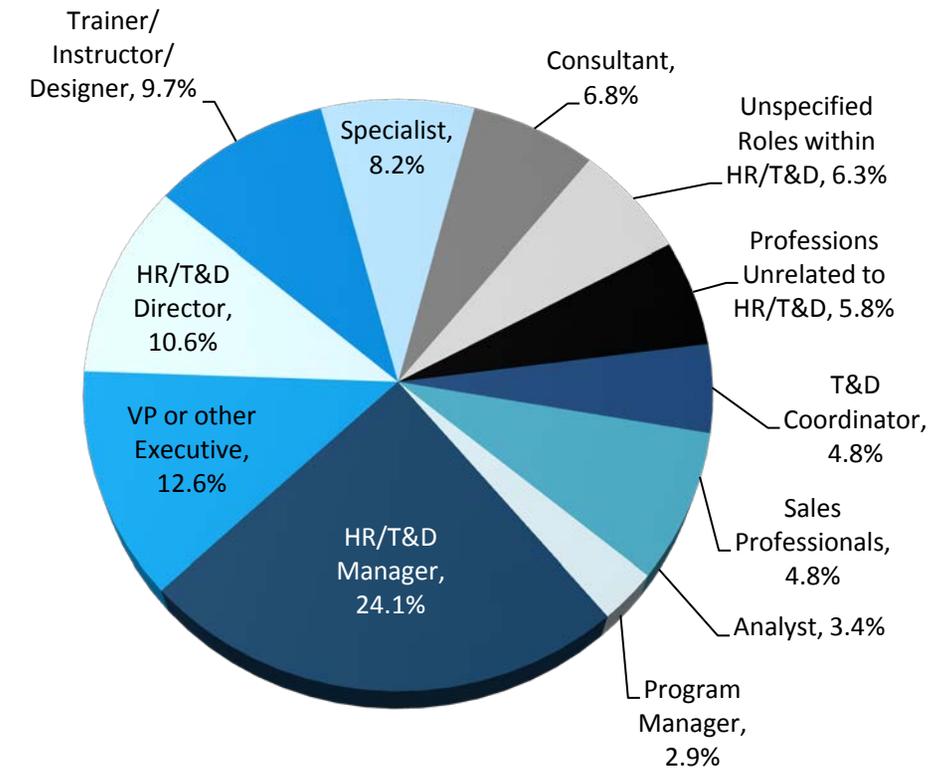
Figure 13

Percentage of Respondents, N=210

Job Roles

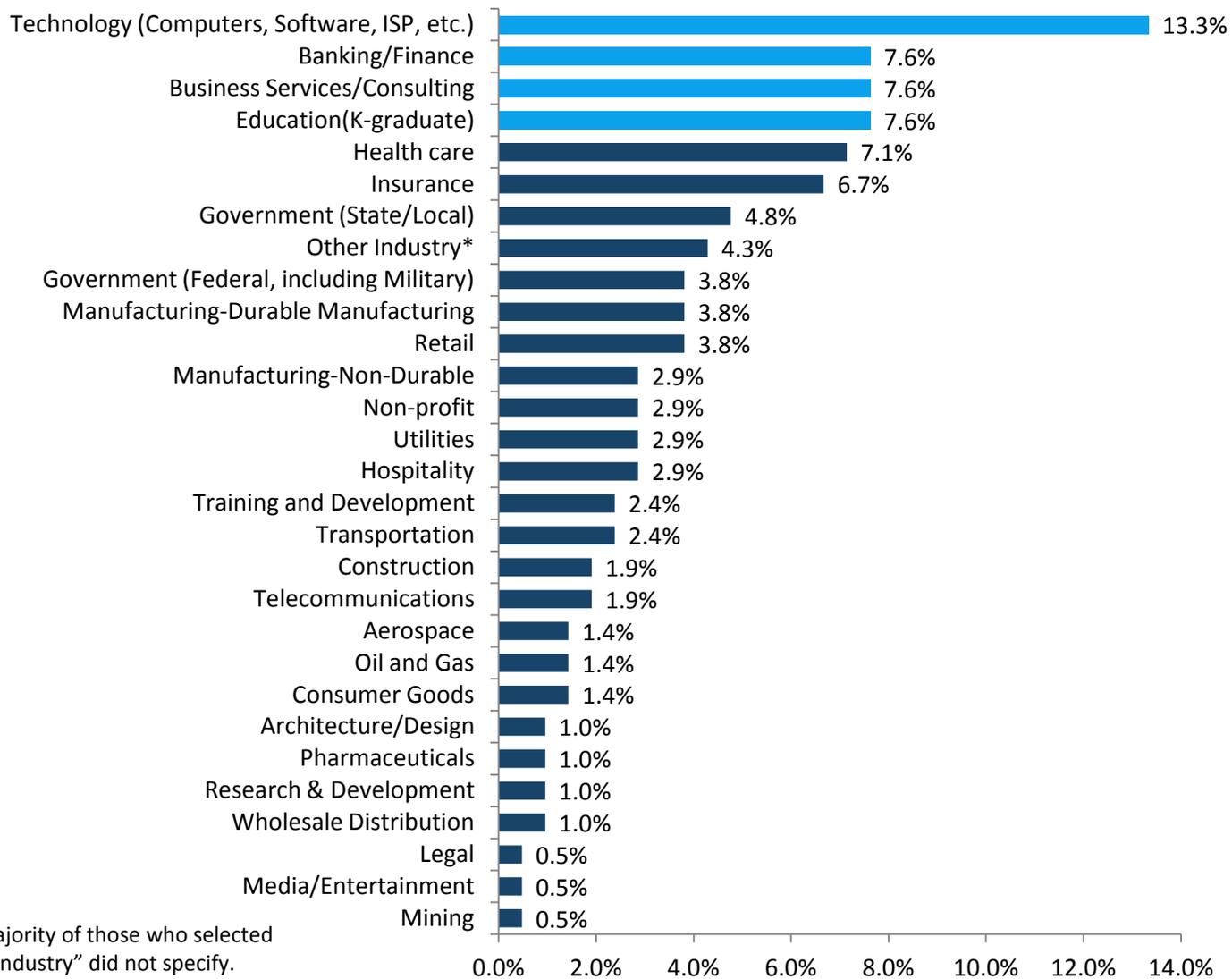Approximately 47% of respondents hold leadership titles within the Training & Development space.

Figure 14

Percentage of Respondents, N=207

Figure 15

Industry	Percentage
Technology (Computers, Software, ISP, etc.)	13.3%
Banking/Finance	7.6%
Business Services/Consulting	7.6%
Education(K-graduate)	7.6%
Health care	7.1%
Insurance	6.7%
Government (State/Local)	4.8%
Other Industry*	4.3%
Government (Federal, including Military)	3.8%
Manufacturing-Durable Manufacturing	3.8%
Retail	3.8%
Manufacturing-Non-Durable	2.9%
Non-profit	2.9%
Utilities	2.9%
Hospitality	2.9%
Training and Development	2.4%
Transportation	2.4%
Construction	1.9%
Telecommunications	1.9%
Aerospace	1.4%
Oil and Gas	1.4%
Consumer Goods	1.4%
Architecture/Design	1.0%
Pharmaceuticals	1.0%
Research & Development	1.0%
Wholesale Distribution	1.0%
Legal	0.5%
Media/Entertainment	0.5%
Mining	0.5%

*The majority of those who selected "Other Industry" did not specify.

Percentage of Respondents, N=210

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