

# Electronic Employee Onboarding Isn't it Time You Caught Up?

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Ian Halliday and Bruno Zalubil

It used to be that the first day or two of a new hire's employment was all about waiting, filling out paperwork, waiting, maybe getting a tour, waiting, sitting through a talk about company policy, and waiting. Regardless of how well-planned, it was still a grind—for both employee and employer. Most importantly, the new hire was not actually working.

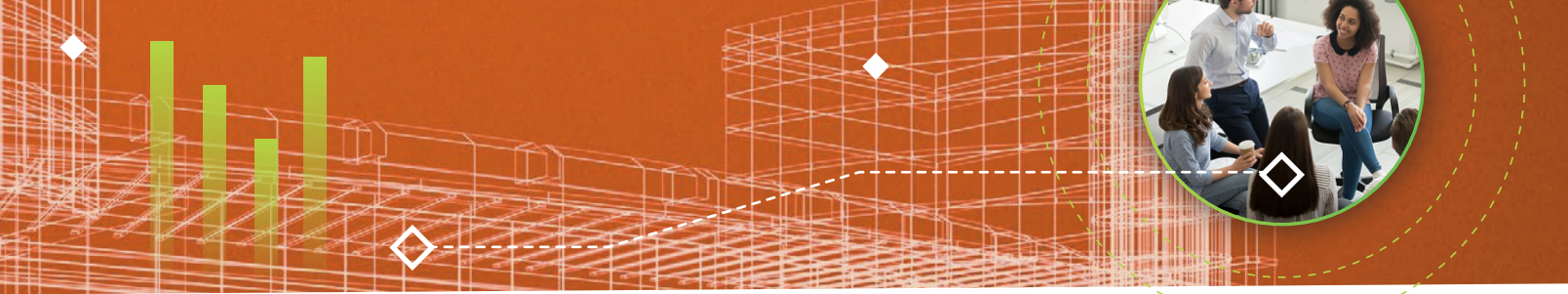
Not anymore. Electronic employee onboarding is not new—and many software providers offer sophisticated versions—but it is a valuable tool that many PEOs still do not use to streamline their clients' internal hiring processes, to create automated communication (thus eliminating writing multiple emails), to get employees to input their own information (perhaps from the comfort of their own homes), to allow for online signatures (to save a significant amount of time and paperwork), to automatically update the central database (to eliminate busy in-house work), and to reduce errors throughout.

Electronic employee onboarding is a must-have in this day and age. Clients are now starting to expect it. In a nutshell, electronic employee onboarding takes the new-hire employee from “You're hired!” to actual work as quickly and effectively as possible, with the use of online procedures that streamline document completion, signature gathering, and basic introductory information dissemination.

## Capabilities to Look For

As electronic onboarding has developed, more robust and flexible capabilities and features are helping to overcome the obstacles PEOs have faced in the past. These include:

- **A simple step-by-step process.** Most onboarding programs take the new-hire through individual steps, such as verification of the employment agreement, contacts, Form I-9, and Form W-4. Intuitive systems make it easy even for technological neophytes.
- **Flexibility for position types.** All types of employees and employment situations can be accommodated. Better systems can be customizable to the client.
- **Paperwork elimination and process acceleration.** Documentation in digital form means not only no printer, no paper, no toner, no paper jams, no paper cuts, and no physical mailing, but also a safe and secure online repository instead of walls of filing cabinets. It also means no frantic searches for lost and misplaced documents. Keep in mind, however, that there are statutory requirements for going digital, so look for systems that have those requirements built-in and updated regularly.
- **Ability to provide an audit trail.** Look for systems that track every step with times and dates, and even notes. Forcing a new-hire to click “I Agree” provides evidence of acknowledgement.



- **Online employee files.** When employees enter their data directly into the database, there is no need to hand-enter or manually file anything, thus saving time and eliminating errors, plus, the new-hires pull easily into the first payroll run.
- **File variety.** Employees actually have many files. Personal information that they update, personnel information that their supervisor updates, disciplinary information, medical information, salary information—it is important to keep everything together and organized, and control access.
- **Communication with the new-hires.** Getting information out is just as important as getting information in. Welcome notes, the company handbook, and company guidelines are all deliverable online. It establishes the communication protocol and the level of professionalism before the employee has even arrived at work.
- **Employee access.** Employee access eliminates errant keystrokes from those not familiar with the data: hyphenated last names, unique addresses, phone numbers, Social Security numbers, and direct deposit information.
- **Internal communication.** As soon as new hires complete their documentation, an automated email can be sent off to their managers to prepare for day one. There is no need to write an email or make a phone call.
- **Preparedness for audits.** Nobody wants audits, but they come—and when they do, electronic employee files are much easier to deal with and search through than traditional filing cabinets of paperwork.
- **Employee convenience.** Clearly, there are many positives for the employer, but it is also a better process for new-hires: They

can onboard themselves from anywhere, 24/7, from home or smart phone.

- **Complex PEO legal and regulatory requirements.** Many statutory and regulatory guidelines define the legal relationship between the PEO and worksite employees. Every state is different and many have unique forms. Electronic signatures, for example, are strictly regulated. Look for solutions that can comply with different state requirements for electronic signatures, how they are gathered, and what the PEO does with them.
- **Control of the process.** Will the PEO shepherd the new-hire through the process, or will it be the client? The responsibility often goes back and forth as the PEO and client agree on specifics. Look for systems in which a click of the mouse can change responsibility and send an automated email, all while maintaining a full audit log of who did what and when.
- **Incorporated applicant tracking system.** Compatibility and digital capability with online job application is important, as many resumes do not go directly to HR, but rather are scanned by an applicant tracking system.

## Challenges

While considering all the capabilities of employee onboarding systems and how they integrate with your platform, also be aware the inherent challenges.

- **Loss of human contact.** For many worksite employees, the only meaningful connection they have to the PEO is through the HR department while onboarding. Something is lost when that interaction is online and employees only know their

immediate teams, so be prepared to make up for that lost direct contact.

- **Spectrum of clients/employees.** The technology must cover the entire spectrum of the PEO's clients and worksite employees. Different industries have different needs and requirements. Some employees work in multiple states and for multiple clients. The system must deal with all levels of client and employee technological capabilities, including employees without Internet access.
- **Integration.** Software costs money and it needs to work with your existing infrastructure. Some comprehensive platforms include onboarding as a seamless connection to the rest of their modules, such as payroll, benefits, and time off tracking. Research options carefully to find the perfect fit.
- **Customization.** Costs can mount quickly if you have unique requirements for specific clients. Fitting in features not core to the application requires a significant amount of work, too.

- **Consider storage and security.** There are many nuances to different types of paperwork. Some documents, such as the Form I-9, require advanced procedures for storage and keeping track of access. Consider the PEO's position on different documents, such as who does the I-9s, the PEO or the client. In addition, many clients have forms of their own for different reasons.

Onboarding new employees is clearly a complex task with many moving parts and it is fraught with potential risk and liability. When it is moved online, the complexities can be reduced to an efficient step-by-step process and the risk and liability significantly mitigated. It is a great example of how technology helps companies save time, save money, and become more efficient, and that is a wonderful thing for PEOs to offer their clients and worksite employees. ●

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## Outside Innovations Force PEOs to Adapt

In 1999, the global employment company Monster.com made a memorable splash during the Super Bowl with a commercial titled, "When I Grow Up." It showed children describing their dreams:

- "When I grow up, I want to file all day."
- "I want to claw my way up to middle management."
- "I want to be a 'Yes' man."

The tag line was: "What did you want to be? There's a better job out there."

That ad, given its huge audience, got people talking and accelerated online applications while the Internet grew exponentially throughout the world.

The PEO industry, which employs 3.7 million people through 175,000 small and mid-sized businesses, according to NAPEO, still used newspaper classified ads 20 years ago. Online resumes clearly prompted many changes. LinkedIn started in 2003. Applicant tracking systems became essential for many companies during the Great Recession of 2007-2009. "You-never-know" submissions led to the development of artificial intelligence systems to screen resumes and pre-qualify candidates. Now, job boards like ZipRecruiter and Indeed are marketing heavily. Companies who were slow to adapt missed out on potential employees—many of whom were probably, given their advanced technology knowledge, the cream of the crop.

This same rising-tide-lifts-all-boats pattern is evident throughout the business world and, especially, within the

technology sector, and it all moves quickly. As soon as one company offers a touch screen, others quickly add it to their products. Within no time, touch screens are improved, ubiquitous, and no big deal. Smart phones have all but replaced landlines. Widespread Internet access and laptops have allowed employees to break from their desks during the workday, and even work from home.

Similarly, whenever larger companies such as SAP or Oracle make forward leaps, the innovation is noticed and it trickles down—sometimes faster, sometimes slower—but definitely, inevitably, changing the zeitgeist. Then, when one PEO software provider adds a feature, it is incumbent upon the others to add it, too. Fully integrated applications now make it possible to use all-in-one systems instead of cobbling together "Frankenstein" solutions. Single sign-on systems eliminate the need to remember dozens of passwords. Bank-grade security is now common. Self-serve options empower users. Electronic onboarding has changed the first day of work and electronic signatures save time and paper.

Technology is moving forward and forcing PEOs to adapt.

It is unclear where the children from the "When I Grow Up" commercial have ended up two decades later. Perhaps they are happily helping PEOs and PEO client companies. If so, it is a good bet that they did not use the classified ads to find their jobs.

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