Chapter 23
Maximizing Employee On-Boarding: A Study in a Pharmaceutical Company

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EXECUTIVE SUMMARY

A pharmaceutical company faced with the challenge of high attrition of new hires, took the initiative of revamping its employee on-boarding program. The gaps in the existing processes were identified by the HR team and customized solutions were implemented ranging from operational to strategic solutions.

ORGANIZATION BACKGROUND

SNR Group of Companies is a leading pharmaceutical company based out of India. The Company provides pharmaceutical products and services across the value chain serving its customers globally with its ground presence in India, North America, Europe and China. The company has 7 manufacturing units and R&D units across PAN India with about 5000+ employees. The company has been growing at an increased rate of over 10% every year across the globe.

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Challenges Faced by SNR Group of Companies

The scope of this study extends to the Pharma Group in India. The organization was facing critical issues related to high attrition, low engagement and non-standardization of HR processes including on-boarding. Some of the key challenges faced by the organization particularly with respect to new hires are summarized below:

1. **High Attrition in The First Year of Joining:** On analyzing the attrition data of executives from April 2007 to October 2009 it was observed that of all the employees who left in this duration, 35% left within 3-6 months of joining and 60% left within 6-12 months of joining. The same applied for executives across junior, middle and senior levels. The reasons though could be manifold; the primary ones were identified as poor on-boarding experience and lack of role clarity.

2. **Lower Engagement Level for <1 Year Tenure Employees:** The Gallup engagement score for executives with less than 1 year tenure also declined from 40th percentile in 2008 (N=1510) to 30th percentile in 2010 (N=1000). The scores also saw decline in role clarity, managerial effectiveness and alignment to the overall mission/purpose of the company.

3. **New Hire Survey:** In view of the above facts, a new hire survey was conducted in October 2009 with all new hires who had joined six months prior to the survey so as to further validate the issue. Out of 100 eligible employees, 40% completed the survey. New Hire Survey indicated that 35% of new hires were not satisfied with the current on-boarding process. 40% of new hires expressed that their induction was not scheduled in advance while 25% indicated that they did not get complete information on compensation, benefits and other important policies during induction (**Refer Appendix 1 for questionnaire**). Some of the other key issues voiced by the new hires were:
   a. Inadequate information prior to joining
   b. Poor Day 1 Experience – Resource Provisioning (ID creation, Access Cards, Workstation, Computer)
   c. Inadequate/Delayed induction
   d. Delay in getting appointment letters
   e. Inadequate cross functional orientation
   f. Lack of Interaction opportunities with leadership team including Head of Businesses/Function Heads/Site Head

4. **Concerns Voiced by HR and Hiring Managers:** *Somewhat similar concerns were voiced* by the HR–Talent Acquisition team and Hiring Managers across sites during discussion with them. 20 Hiring Managers and 10 HR
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