

# **Reimagined onboarding process as a tool to avoid attri- tion of Millennials and Gen Zs in companies in Finland**

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## ABSTRACT

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The purpose of this research is to offer a solution to companies in Finland for reducing attrition rates of Millennials and Gen Zs through the improved and customized onboarding process. The findings will eventually assist the author in the process of developing her business idea and service design. On these grounds, the research has aimed to gather information about onboarding practices in Finland from the perspective of Millennials and Gen Zs.

The primary data that was used was collected in the period from January to July 2020 in two ways. One way was a survey that was launched online through social media platforms and e-mail, and another way was semi-structured interviews that were conducted with the participants face-to-face or via online video calls on Skype and Zoom. The sample of the respondents counted 58 persons in total, of whom 51 answered to the survey and 7 to the interview. All respondents were between 18 and 39 years old, males and females who have had an experience of working in Finland.

Since the collected data was quantitative and qualitative, several analysis methods were used. Quantitative data were analyzed through descriptive statistics and inferential statistics and for analyzing qualitative data, methods that were used were content analysis and narrative analysis.

The results revealed that the onboarding process does have a significant impact on the Millennials' and Gen Zs decision to work for a company long term. Therefore, companies in Finland were advised to have a formal onboarding process in place for each new Millennial and Gen Z employee. However, the onboarding process needs to be for at least 6 months long and it should include orientation, job training, career planning, and frequent follow-up and feedback sessions.

Further research may be needed to understand the perspectives of companies and HR professionals in Finland on this topic. It would also be beneficial to research the recent events related to the Covid19 pandemic and its impact on the onboarding process planning and HR Management in general.

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Key words: onboarding process, attrition, millennials, gen z, finland

## Contents

1	INTRODUCTION .....	5
1.1	Research objectives.....	7
1.2	Background of the topic and the research .....	7
1.3	Who are Millennials and Gen Zs? .....	12
1.3.1	Millennials .....	13
1.3.2	Gen Z .....	15
1.3.3	Cultural impact .....	17
2	CONCEPTS AND THEORY .....	19
2.1	Onboarding process.....	19
2.1.1	Stages of the onboarding process .....	20
2.1.2	The common mistakes companies make in the onboarding process .....	22
2.2	The significance of Agile approach in HR management for Millennials and Gen Zs .....	23
2.2.1	Steps in the agile process .....	25
2.3	Employee engagement .....	26
2.3.1	Measuring employee engagement .....	28
2.4	Performance management .....	30
2.5	Synthesis of the theory .....	32
3	DATA COLLECTION AND METHODOLOGY.....	34
3.1	Methodology definitions .....	34
3.1.1	Data collection methods and sources .....	35
3.1.2	Data analysis methods .....	36
3.1.3	Data collection process .....	38
3.3	Participants' profiles.....	39
3.4	Validity, reliability & limitations .....	41
4	DATA ANALYSIS AND RESULTS.....	42
4.1	Survey results .....	42
4.1.1	Work experience and satisfaction.....	42
4.1.2	Onboarding process experience and satisfaction .....	45
4.2	Interview results .....	48
4.2.1	Work experience and satisfaction .....	48
4.2.2	Onboarding process experience and satisfaction .....	50
4.3	The overall look at the survey and interview results.....	52
5	DISCUSSION .....	54
5.1	Addressing the research questions.....	54
5.2	Recommendations .....	59

5.3 Conclusion .....	61
REFERENCES .....	64
APPENDICES.....	69
Appendix 1. Gallup questions .....	69
Appendix 2. Survey questions and answers .....	69
Appendix 3. Interview questions .....	84
Appendix 4. Correlation test.....	85

## 1 INTRODUCTION

Looking back about a decade and more ago, at the times before technology has emerged and made a significant impact on the business and labor market, it was very desired among professionals to get employed and stay to work for the same company for a long time and even until the retirement. Working trends among Baby Boomers and Generation X were in many ways different from the labor and organizational trends nowadays. Generations born before 1980 were seeking stability, routine, and continuity in their employment. Staying at one company until retirement was perceived as honor, loyalty, and success. However, this is not the case anymore. Factors like changes in the lifestyle and education, technological advancements, customer and talent needs, and shareholder's needs have shaped the values and standards of the contemporary workforce in a way that pushes organizations to go through continuous changes as well. As a consequence, professionals are expected to constantly learn and expand their knowledge and skills to be able to keep up with these changes and stay competitive in the labor market and at the same time, companies are expected to provide the environment that would support and facilitate this process and open opportunities for the employees. This has ultimately affected career trends and goals among emerging generations of professionals- Millennials and Gen Zs. (Meister & Mulcany, 2016, 15-22 min.) It is predicted that by the year 2025 Millennials will occupy 75% of the global workforce (Aperian Global, 2019), and right now in Finland, about 35% of all employees were born between 1980 and 1998 (Statistics Finland, 2019). With these numbers in mind, companies have no other choice, but to adapt to these trends to attract and retain the best talent and avoid attrition (Meister & Mulcahy, 2016, 15-22 min).

A research report conducted by Aberdeen Group in 2013 suggested that a well-designed onboarding process is a key to employee productivity, engagement, and retention (Laurano, 2013). However, only 32% of companies globally practice formalized onboarding process despite its benefits. More than half of the organizations with a formal onboarding process have reported 50% higher new-hire productivity and retention than those who do not have it. (Aberdeen, 2016) Besides, companies that give a good onboarding process experience to the new

hires get even 2.5 times higher revenues and 1.9 times higher profit margins than those who have poor onboarding practices or do not provide onboarding at all (Perucci, 2019).

The purpose of the onboarding process goes beyond initial orientation and induction programs where new employee merely gets acquainted with the colleagues, job responsibilities, and company policies. The purpose of the onboarding process is also to consistently provide enough support and measure the progress of the new hires along with building relationships with colleagues and superiors over the time. Therefore, moving forward, companies will need to adapt their employment practices and reimagine onboarding programs to meet the needs of the new generations of employees, stay competitive and keep high-quality human capital (Laurano, 2013).

As Millennials and Gen Zs are shifting towards gig-economy and tend to change jobs frequently, the attrition of employees from these generations has become one of the biggest global challenges for companies nowadays. At the same time, since a well-developed and designed onboarding process has been recognized for one of the main tools for companies to keep the attrition rates low (Laurano, 2013), it is worth exploring this possibility more in-depth. Therefore, following up on the hypothesis that the attrition rates of Millennials and Gen Zs can be reduced by the adequate onboarding process, this research will aim to address three core questions:

- 1) Does the problem of attrition among Millennials and Gen Zs exist in Finland?
- 2) What do these generations expect from the onboarding process and employers in general?
- 3) Can implementation of reimagined and customized onboarding process be a solution to the Millennial and Gen Z attrition rates in companies in Finland and how?

This research will look closely at the onboarding practices in Finland from the perspective of Millennials and Gen Zs. It will aim to understand the objectives and

needs of these generations in the corporate setting and offer a solution to the companies in Finland for possible improvements and innovations concerning the design and implementation of the onboarding process.

### **1.1 Research objectives**

The objective is to get information about the overall job satisfaction and career needs of Millennials and Gen Zs in Finland and see if the companies can meet their needs better with the well-designed onboarding process to keep them at the company long-term and decrease attrition rates. The research is aimed at the experiences they had in the workplace and during the onboarding process, what was missing in their opinion, and their general needs when it comes to the onboarding process, career and workplace. The gathered information will ultimately help in identifying in which ways can onboarding practices be improved when hiring Millennials and Gen Zs in Finland and provide a foundation for the author's business idea.

### **1.2 Background of the topic and the research**

The need for this research has been identified based on my personal professional experiences during the year 2019. During these experiences, I had the opportunity to understand the magnitude of the problems companies around the world are facing concerning Millennials and Gen Zs high attrition rates. This was the time when I began to develop a business idea aimed to solve this issue. The outcome of this research will eventually help me in designing a service targeted towards middle and big size companies in Finland struggling to retain young talent long-term.

I have started thinking about this issue more in-depth when I participated in the Heavener International Case Competition at the University of Florida in February 2019. As a team of four members representing Tampere University of Applied Sciences in this competition, we were assigned to work on two cases for two big

American companies- Northrop Grumman and SESCO Lightning. Both cases were related to attracting and retaining Millennial and Gen Z talent long-term. HR representatives from these companies said that they have tried everything, from conducting engagement surveys, giving support with career advancement, flexible working arrangements, boosting the pay and incentives to meet the needs of these young professionals to keep them in the company for the years to come, but despite their efforts, the problem has persisted. It has been causing attrition and inevitably created more costs for the companies.

While working on the cases, I have started questioning myself what would make me stay to work for one company for many years or until retirement. After the extensive discussion and research of the issue with my colleagues who are all representatives of Millennial and Gen Z generations from Finland, we concluded that indeed, none of us have seen themselves working for one company until retirement. Instead, we all imagined our careers involving a variety of experiences from different industries and companies. We all agreed on the thought that getting experiences from different companies is the best way to grow as a specialist because it would give us the possibility to see things from different perspectives and continuously learn new skills. Eventually, as we believe, we would be able to tackle a wider spectrum of problems and apply different strategies on solving corporate challenges that we would get acquainted with while working in a variety of fields and organizational environments. Besides, we simply felt that we are experience-hungry, and we are not ready to settle for one company, even if that company would offer ideal conditions and opportunities. At the same time, we also ascertained that none of us felt that we have received enough support with training, learning, and career planning upon joining a company and that if improved and adjusted, these factors might change our minds.

Researching further this issue, I have learned that in the USA this has been a major problem among middle and big size companies. Many of them have struggled with attrition rates ever since Millennials and Gen Zs have started taking over the organizational life. In the "Global millennial survey 2019" conducted by Deloitte, the report was based on the views of 13,416 Millennials questioned

across 42 countries and territories and 3,009 Gen Zs from 10 countries. 49 percent of all respondents said they would if they had a choice, quit their current jobs in the next two years. Moreover, about a quarter of those saying they would leave within two years reported leaving an employer in the past 24 months. (Deloitte, 2019) KPMG research (2017) found that on average, Millennials stay within one role for a maximum of three years. With all the possibilities that are available today such as online job search, networking, and exploring, it's not a surprise that Millennials become restless and hungry for the next opportunity. This, however, presents a challenge for companies who are looking to have a stable workforce. (KPMG, 2017)

Later, during summer 2019 I have done my internship in a middle size company with more than 100 employees in Hong Kong. I was employed as an HR assistant. While working in this role, I had the opportunity to learn about HR practices and issues in Asia. The first thing I have noticed upon my arrival at the company was that there was no formalized onboarding process in place. On my first day, I was introduced to the people from the HR team, because I was about to share the office with them, and I was shown my desk. In the morning my supervisor asked me to have lunch with her and the other colleagues from the team, but at the time of the lunch, she had canceled it, saying that they had too much work. This was understandable to me because people sometimes do get busy with commitments and priorities should come first, but even later this lunch was never rescheduled. I was looking for other occasions to get to know the people on my team better and introduce myself properly, but these occasions were very scarce, so I felt that building trust and relationships among employees were not one of the company's priorities.

During my first days and weeks at the company, I was not officially shown around the office by anyone or introduced to the people from other departments, even though, as I learned later, one of my responsibilities was to collaborate with them on some projects. I did not receive proper training for my tasks either and I was not clearly explained what will exactly my responsibilities be and what was expected of me. Even less did I have an opportunity to express what my expectations were from this internship and the company, and ask questions. My manager

would hand me tasks and expected me to find out on my own how to perform them. Questions were not very welcome, because they were considered interruptive and feedback sessions were almost non-existent. During three months of my internship, I only had one feedback session with my supervisor, and it was on my initiative. She barely found the time for it, so the session lasted for only 15 minutes with mostly her talking, leaving me again no opportunity to ask questions and express my thoughts. Adding to this high-power distance in Hong Kong between employees and superiors, superiors were not easily available for any kind of discussion. After some time, I was clearly feeling the lack of support and coaching. In addition to this, only a few weeks after I joined, the company hired a 31 years old legal audit from France who had just moved to Hong Kong. She went through the same experience as I did with no proper introduction, no coaching, and very little support. She was on 3-month probation, however, after one month she decided to resign and left the company for another employer. As I was handling her resignation papers, we had a conversation about her reasons to leave, when she told me that the company did not in any way fulfill the promises they made in the beginning and ultimately failed to meet her expectations. She also didn't feel that the company focused enough on the employees' needs.

Besides working in the office, I also attended a few HR conferences and workshops in Hong Kong on behalf of my company, where attraction and retention of generations Y and Z were hot topics. *"Attrition rates among Millennials are one of the biggest problems facing organizations in Asia today"*- Emma Reynolds, co-founder of 'Ask gen-Y' consulting agency, talking about 'Employer Branding, thinking of staff like customers to be serviced' at the HR Magazine Conference (2019).

Taking into account everything I have learned first-hand from my recent experiences in the USA and Asia and information I have gathered from other relevant sources and people from the industry, once I returned to Europe, I got even more interested in this topic and I wanted to learn more about the situation in Europe and particularly in Finland in this regard. I also became passionate about finding a possible solution that companies and recruiters could benefit from in the future. If the need for this kind of assistance would exist in Finland, I would consider

starting a business based on it. The main idea behind it would be to provide consultancy services in a form of customized onboarding process packages to the companies in Finland, that would be designed according to their specific needs and be monitored for progress over time.

As I was eager to develop this idea further, I have started asking the feedback from my fellow students, former colleagues, and business coaches. I even conducted a short trial survey, where I got responses from 16 people from three cities in Finland- Tampere, Helsinki, and Jyväskylä. The age range among respondents was between 21 and 39 years old of whom 7 male and 9 female. 12 of them have graduated or are currently pursuing their bachelor's degrees, 3 have graduated from a master's program, and 1 from vocational training. One of the questions in the survey was "What career path would you prefer?", where three answers were suggested and the answers were as follows:

- To find an ideal company where you can work until retirement, 3 have chosen this answer
- To change companies once in a while to gain more experience, 7 have chosen this answer
- To start your own business and become an entrepreneur, 6 have chosen this answer.

Only 3 out of 16 respondents said they are willing to work for one company until retirement, even if that company meets all their expectations and needs.

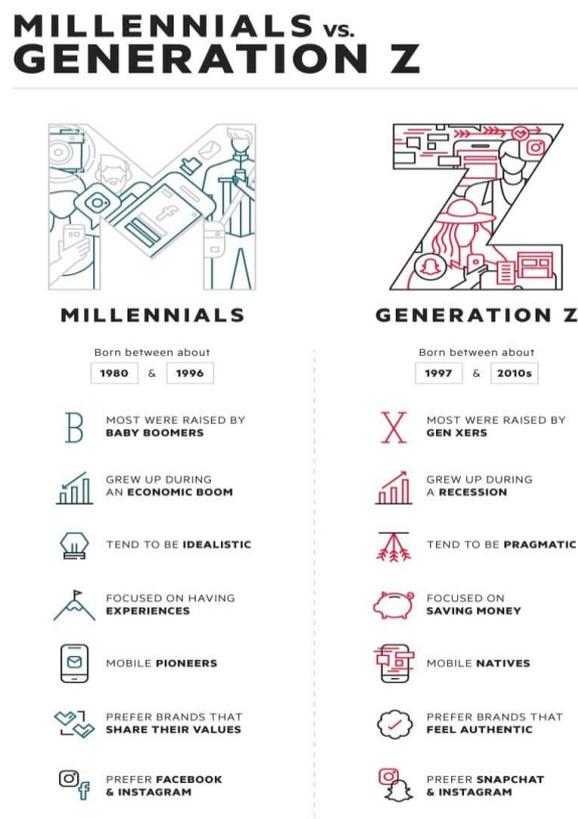
When asked if they had a formal onboarding process upon starting their most recent position at a company, only 4 said yes and only 1 of those 4 had it for longer than a week.

Even though the sample was small, the results showed that this could potentially be significant research if taken further. Based on the feedback and the information I have collected, rather in a casual manner through discussions and the short trial survey, this problem likely does exist in Finland and if properly addressed, it can help both, the companies and the young talent. Consequently, I

decided to take the next step in the research and make it official. I focused exclusively on the Y and Z generations in Finland and I conducted a survey and interviews among them from which I received altogether 58 responses. The research was conducted only in Finland because even though these generations on a global level have many things in common, the cultural background still plays an important role in their behavior and decision-making process. Another reason is that Finland is the target market for my business idea and the results will be used for the development and realization of it.

### 1.3 Who are Millennials and Gen Zs?

Millennials and Gen Zs, also known as Generations Y and Z are the two youngest generations of the workforce currently. These generations have many characteristics in common, as far as the lifestyle and needs are concerned. However, there are as well some differences, as presented in the Picture 1. that will be further explained in this section.



Picture 1. Millennials vs. Generation Z (Business Insider, 2018)

### 1.3.1 Millennials

According to the demographer David Foot, Millennials were born between 1980 and 1995 (Foot & Stoffman, 1998). Some authors like Zemke (2000) and Bencsik (2016) suggest the span between 1980 and 1994., but generally, most authors agree that Millennials were born roughly between 1980 and 1996.

Millennials were the first generation to grow up in the technologically advanced world and take advantage of information that is available on the internet. They are also the first generation to live in a seamlessly connected world thanks to social media. Assimilated with the digitally equipped environment and highly versed at using different devices, programs and software are helping them progress more efficiently at work and in everyday life. They are so used to living in a digitally navigated environment that the absence of technological tools makes them feel uncomfortable. (Bencsik, Horvath-Csikos & Timea, 2016)

Adaptable, future-oriented, and open-minded by nature, Millennials have no difficulties embracing change. They are highly ambitious and strive to achieve a lot in life. For this reason, they tend to put a high value on education and work ethic. At the same time, because they have a variety of interests, the life-work balance appears to be more important to them than to the generation of their parents, Baby Boomers. Besides personal goals, often related to career advancement and monetary wealth, they also have global awareness and they want to contribute to society. They care about social and environmental issues, such as economic empowerment, gender equality, sustainability, animal rights, etc. Being used to diversity around them, they have likely experienced going to school or working with people who have different racial or cultural backgrounds than them. As a result, they are more accepting of minority groups in their surroundings compared to the previous generations. (Bencsik et al., 2016)

According to the Deloitte Global Millennial Survey (2019), things that Millennials appear to value the most in the work setting are monetary incentives, support in career planning and advancement, work-life balance, building relationships, and the overall company culture, mission and vision. However, even though monetary

incentives top the list of their values, they are ready to walk away and leave a company that does not have a higher purpose other than the profit. They perceive leaders and managers as the key component in creating and modeling company culture and they tend to lose confidence in an institution whose leaders and managers are lacking integrity and are not aligned with its culture and mission. (Deloitte, 2019) According to Manelius (2020), for Finnish Millennials in particular, it is important to have their values in line with the work they do. Additionally, their work should have a positive impact on the society around them and even globally. This is to say that they need to have a higher purpose and constantly learn new things when working towards a goal. (Manelius, 2020)

Overall, Millennials' trust in public institutions seems to have declined drastically in recent years. Economic crises and stock market crash have caused many Baby Boomers to lose their jobs and face hard times. Seeing their parents struggle for survival after being loyal for years, even decades to one company has affected the way Millennials think of the employment and corporate world in general. Knowing that no matter how educated, skilled, or committed they are, at some point everything can crash again, and the history can repeat itself, but this time they would be the ones who struggle. The thought of not being able to feel completely safe and secure within one organization and understanding that the situation can always change, for better or worse, has brought an unsettling feeling about the future. The way that many of them are coping with this is by working hard and saving, further investing in education, gaining degrees and certificates hoping that this would add an edge to their resume, and help them stay ahead of the competition. The pressure they feel to get ahead is intense. On the other hand, many of them have a hard time getting over the negative events in the past and believing in a brighter future. Witnessing inequality in their immediate environment, where social mobility is very difficult, and in some cases, even impossible and companies with the lack of ethical values that are ready to destroy the planet for profit, has left them feeling uncertain and skeptical about political and corporate leaders and generally very pessimistic about the future. For these reasons, instead of being overly ambitious and trying to climb the corporate ladder, they decide to give up on the career pursuit altogether. They would rather go and travel the world or pursue a cause they care about. Many Millennials tend to value

freedom and experiences more than security and material possessions. In this case, they may decide to work part-time, remotely, or not at all. Some of them decide to volunteer for a cause or a movement they consider to be important while traveling, in return for accommodation and food. (Deloitte, 2019)

The rise of the sharing economy might have been a direct response to this shift in the lifestyle, where possessing things is less desired than having access to things. Paying a lower price to get temporary access to something in the moment when there is a need for it like a car, accommodation or clothes becomes more convenient than possessing a lot of expensive items that will be used several times and eventually get disposed of. Companies like Airbnb and Uber are perfect examples of this. Valuing freedom and sustainability has resulted in many Millennials not to strive towards stuff accumulation, but rather towards the lifestyle that supports circular economy. With this kind of mindset, holding on to a single job opportunity has become difficult and even not desired. (EU H2020 Research Project, 2017, 51)

### **1.3.2 Gen Z**

Generation Z includes people born between 1994 and 2010 (Randstad, 2016), while some sources, such as a report by Kearney (2017) suggest that they were born between 1998 and 2016.

So-called digital natives or Gen Z are the first generation to be born into a time when technology has already become a norm of every-day life. Similar to Millennials, they are characterized by online communication through smartphones and social media, but they appear to be even more impatient and agile compared to the previous generation. Because they are constantly seeking out new challenges and experiences, by some they are perceived as the generation with a short attention span. Being bombarded by tons of information from multiple devices and channels, they tend to be information sponges. Thanks to this, many of them become versed multitaskers and because they are so tech-savvy, they may be able to adapt to technological innovations at work more quickly than their counterparts. At the same time, some of them may feel

overwhelmed by the responsibilities and requirements that are imposed on them by employers, schools, and society in general. In the time of agile organizations, constant learning and improvement are necessary. The business environment particularly requires quick adjustments and shifts. This causes stress in some of them, that if not addressed appropriately, might cause depression and loss of motivation. Another downside is also that, because this generation is so used to communicate via digital platforms, they may be less skilled at jobs that require a lot of interpersonal interaction. (Gassam, 2018)

Another similarity with Millennials is that Gen Zs have also grown up in uncertain times, which made them less trusting of authority figures, organizations, and brands. Schneider (2015) has found that even though they are accustomed to consuming vast amounts of information from many different platforms simultaneously and communicate online with their peers, this generation values face to face engagement with the organizational leaders and they appreciate support and guidance from the more experienced colleagues. These preferences indicate that companies could benefit more from hiring this young workforce if managers would be actively involved in the progress of their careers. Creating a strategy that would provide them with mentorship, coaching, and one-on-one feedback sessions with the leaders and managers may be the right approach to keep this generation engaged and earn their trust back in the institutions. This strategy could of course be more costly and it may require more investments from the companies, but compared to the costs of attrition, this strategy may prove to be just what companies need to do to achieve long-term success. (Schneider, 2015)

In the survey conducted among more than 4000 Gen Zs by a consulting firm Rainmaker Thinking (2018), results showed that building relationships with the leaders topped the list of factors that respondents indicated as important in their future workplace, as it can be seen in Figure 1. This may sound contradictory, considering their reliance on technology, but Gen Zs appear to prioritize human connection in the workplace. Good relationships with supervisors are the most desired, followed by relationships with coworkers. They want bosses who are approachable, supportive, and present. (Rainmaker Thinking, 2018)

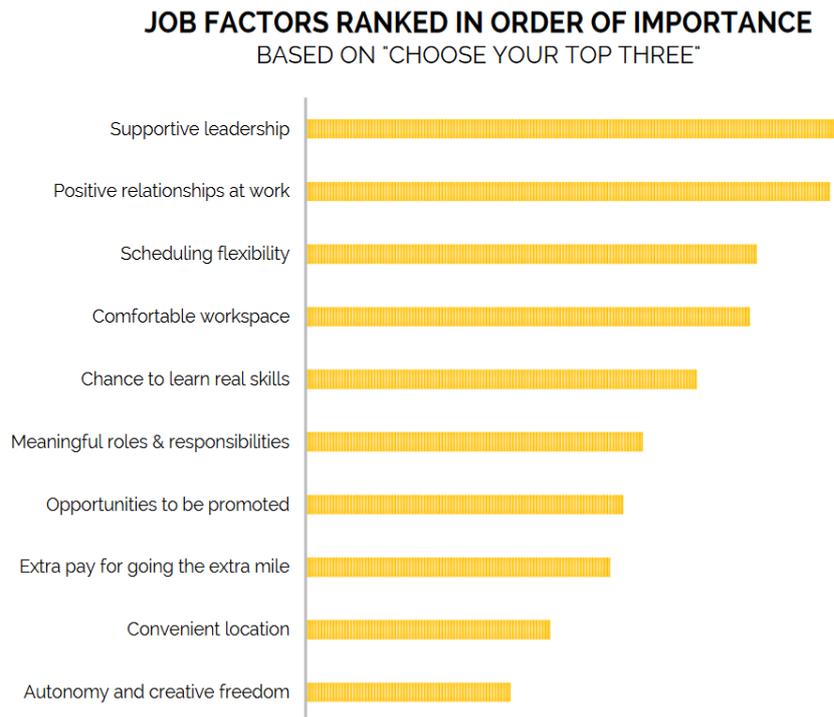


FIGURE 1. Gen Z Job Factors Ranked in Order of Importance (Rainmaker Thinking, 2018)

### 1.3.3 Cultural impact

No matter how much the world is becoming global and how much multinational companies tend to practice a standardized approach when it comes to talent recruitment and management, the cultural differences still do play a role in this process. Therefore, Millennials and Gen Zs living in different parts of the world, even though having many things in common, may have different needs regarding employment practices. For example, in Asian cultures, power-distance is high (Hofstede Insights, 2020), which means that the bosses and superiors are not easily approachable by employees. At the same time in the US, the communication at organizations usually flows easily in different directions, be it top-down or down-top, but employees have been complaining about being overworked and lacking work-life balance (Daft, 2013). Based on these facts, we could assume that Millennials in Asia would hope for more approachable bosses and those working in the US would appreciate more paid leave per year and better life-work balance.

Another example is a study by Kuron et al. (2014), which showed that to Canadian Millennials extrinsic work values such as high pay, benefits, and job security are the most important, whereas Kultalahti and Viitala's (2015) study indicated that Finnish Millennials appreciate more intrinsic factors at work, such as flexibility and continuous learning. Even though on the surface these two cultures may seem to be similar, Millennials still have different needs.

To be able to understand the cognitive perception of Finnish Millennials and Gen Zs and factors driving their decision-making process, it is necessary to understand their cultural background as well. Taking into consideration Finnish culture in a business setting, it is noticeable that Finns value modesty. Besides that, being a low-context culture, it is important in communication to present information in a form of straightforward facts. Work and private life are kept separate, which means they do not need to build personal relationships before doing business with someone. Relationship building is reserved for free time, outside of the office. The organizational structure is rather horizontal, where senior and junior managers equally participate in the decision-making, and freedom of speech is actively practiced. This is not only the case at work but also at schools and other institutions in Finland. Other key values in a Finnish workplace include equality, honesty, individualism, personal space, and punctuality. (Business Finland, 2019)

## **2 CONCEPTS AND THEORY**

This chapter will aim to present the concepts and theories that will be used as tools for the implementation of a successful onboarding process in companies in Finland and the reasons behind their utilization. It will also introduce the onboarding process as a concept, its purpose, and the main stages of it.

### **2.1 Onboarding process**

Onboarding is the process of helping employees get introduced to a new job, company policies and procedures, performance expectations, and workplace culture. It contributes to the process of a new hire getting adjusted to the organizational environment quickly and smoothly, paving the way towards achieving the company's goals and personal career goals. The onboarding process includes, but it is not limited to orientation, job training, learning about company culture, getting acquainted and building relationships with colleagues, getting the necessary support, filling out the paperwork, getting around the company, etc. (Bauer, 2010, 1)

Once the HR department of a company has made a selection and successfully hired new people, the next crucial step is the onboarding process. This is one of the most important tools that companies can utilize in improving their talent management performance and achieving better results. A study by HR tech company Hibob found that 64% of new employees are less likely to remain at a job after a negative onboarding experience (Campiere, 2019). Also, SHRM Foundation's research in 2010 found that half of all hourly workers leave within the first 120 days and half of all senior hires leave within the first 18 months. This indicates that the first months in the new employee integration into the company are crucial in deciding whether they will stay long-term or not. This is a process that requires serious efforts from both sides- an employee and the management. (Bauer, 2010, 1-9)

Employee orientation is an important part of the onboarding, but as Decenzo et al. (2015) suggested, the entire process should be more comprehensive and inclusive. Besides helping employees start excelling at the tasks and responsibilities as soon as possible, the approach should also be aimed at engaging them by helping them make connections right away and feel welcomed and comfortable being a part of a new team.

Organizations with effective onboarding procedures not only reduce turnover, but they also increase new employee productivity, engagement, and ultimately the company's success. (Decenzo, Robbins & Verhulst, 2015, 174) Aberdeen Group's research found that 77% of employees who go through a formal onboarding program succeed in meeting their first performance milestone. (Aberdeen Group, 2016)

### 2.1.1 Stages of the onboarding process

As suggested by DeCenzo et al. (2015), a successful onboarding process should be designed so that includes three main stages: **Pre-arrival, Encounter, and Metamorphosis.**

- **Pre-arrival stage** means starting before the day one, usually, 2 weeks to 3 months before an employee officially shows up at work for the first time.

*"If we don't worry about onboarding before the employee starts, then we're way behind"*- Ben Peterson, CEO of BambooHR, an HR technology company. (SHRM, 2020)

Every candidate tends to have a set of expectations about values, culture, and reputation of the company they apply to already before they officially occupy an assigned role. Thanks to the information available on the internet, candidates can easily research a company beforehand. If they are under a positive impression, the company's goal should be to deliver what was promised. Otherwise, it will run a risk of disappointing a candidate.

That is why an employer must engage a new hire as soon as the offer is accepted, even before their arrival. This stage is as significant as the rest of the integration program. An employer can do this for example by getting in touch with an employee, sending the informational package about the company and the contacts of the people a new hire will immediately be involved with upon arrival, sending them a small gift like a T-shirt with the company's logo, asking if they have any special needs regarding their new position, etc. The pre-arrival stage of the onboarding helps to ensure that the chosen employee will fit the organization's culture and it helps them feel more comfortable and engaged before starting in the new role. (Decenzo, Robbins & Verhulst, 2015, 176)

- **Encounter stage** is a stage in which an employee gets the opportunity to experience first-hand what was initially promised to them. They get introduced to the company's mission and culture, receive job training, get acquainted with the new colleagues, and eventually get to decide whether they would be a good fit or if the company fulfills their expectations. This is the learning stage where an employee gets to discover the environment and familiarize themselves with the role. Ongoing support from the immediate mentor, supervisor, and the HR department is of the utmost importance at this point. Relationships between a new employee, the management and the colleagues should be built gradually, but steadily. A new hire should feel comfortable asking questions or asking for help. Good communication is key in this process. Making everyone in the company available and approachable contributes to the feeling of belonging and it makes the work environment a positive experience for them. This stage can take anywhere between 6 months to a year. (Decenzo, Robbins & Verhulst, 2015, 176)
- **Metamorphosis** is a stage where the change or metamorphosis occurs, approximately after one year of working for a company. At this point, an employee is fully settled in their new role. They are completely integrated into the company's customs, norms, and culture and they feel comfortable in the working environment and accepted by their team-peers and the

management. They understand the operations and KPIs clearly, they are performing confidently and independently, achieving the goals and complying with the regulations. Ultimately, in the metamorphosis stage, an employee should be completely engaged, productive, and committed to the company. They are emotionally connected to the organization and appreciate its values and mission. If this stage is successfully accomplished, the likelihood of the employee leaving should be reduced. (Decenzo, Robbins & Verhulst, 2015, 176-177)

### **2.1.2 The common mistakes companies make in the onboarding process**

According to Sapling, a company from San Francisco that provides an HR platform for mid-market companies, the biggest mistake that employers make during the onboarding process is that they focus too much on the needs of the organization and not on the employee's needs. What they try to accomplish is completing the paperwork and introducing the new employee to the tasks and processes as quickly as possible, so that there would be no time wasted in the employee's contribution to the company's goals. Even though these formalities help in ensuring the new hire's compliance to the company's rules and regulations and getting familiar with the tasks and responsibilities, it is less productive in the long run, because their expectations and concerns are not taken into consideration. Not allowing them to express their thoughts, ask questions, and give feedback can lead to misunderstandings, lower engagement, poor performance, and eventually high turnover. Immediate support to a new employee is a key factor during this transitional period and it is something that the managers should be dedicated to. (Sapling, 2020)

## **2.2 The significance of Agile approach in HR management for Millennials and Gen Zs**

Traditional management practices have become obsolete. Old ways of managing and leading people are not producing the most effective results anymore and organizations have recognized the need to implement faster response in all segments of the organizational environment. The only way to achieve this is by constantly learning, improving, and innovating. (Project Management Institute, 2017, 10-23)

Agile businesses approach helps companies work more efficiently and deliver greater results. The way it works is by responding quickly to the changes coming from the external or internal environment, rather than strictly following the pre-established rules and procedures. It promotes flexibility, adaptability, learning, and innovation. It requires constant improvement to minimize loss and maximize value and profit. It was initially used in the software development process, but nowadays it is applied to many fields of business, including HR management. (Agile Business Consortium, 2019; Project Management Institute, 2017, 98-112)

Agile HR stands for innovating, testing, and taking small steps forward while adjusting the process for the best results. When applying the agile concept to Human Resource management, managers are no longer responsible just for setting the standards and overseeing the execution, but they are rather in a role of a facilitator for achieving goals through implementing innovation, collaboration, and decision-making among team members. Managers are there to coordinate and navigate towards creating an environment in which people can thrive and be free to express their ideas and make decisions. (GSA, 2019) By organizing people in self-managed multidisciplinary teams, instead of working in a strictly hierarchical environment, the agile approach is not only accelerating profitable growth but it is also helping to coach and support employees in being skilled to manage themselves and their goals and tasks. This approach is radically different from the management that is merely based on giving orders and supervising the processes and decisions. (Rigby, Sutherland & Takeuchi, 2016)

Agile culture might not be suitable for every business model and organization, but for managing Millennials and Gen Zs, it is a very desired and even necessary

approach, because in many ways it fits their values and simulates their fast-paced lifestyles, giving the endless possibilities for professional advancement and growth. Agile supports instant action and reaction to the events and demands. (Alton, 2017) For example, the instant reaction can be applied in the form of immediate feedback and support during the onboarding process.

Flexibility, collaboration, autonomy, fewer formalities are just some of the things that make agile very appealing to these generations. Moreover, agile work environments give the possibility for flexible schedules and remote working, so people can work at the times of the day when they are the most productive, which also leaves more time for personal life and other interests and hobbies. (Sneider & Singhal, 2020) As BBC article suggested (2019), these factors are even more significant in Finland, because the country is sparsely populated and many people live in the countryside, so they may prefer to work remotely over traveling every day to big cities for work. Also, long, dark periods in wintertime and long days in the summertime may cause the feeling of exhaustion and some people may be more productive at different times of the day, which does not exactly fit into the regular 8-16h office times. (Savage, 2019)

Since the strict division of labor is not a part of the agile approach, this means that within a team some roles may overlap and people can collaborate more, help each other and have more variety of tasks, rather than doing the same routine every day, which can at the same time very well meet the Millennials' and Gen Zs' needs for variety at work and opportunities to learn new skills. Agile also tends to eliminate any kind of a waste of resources and time is one of them. Unnecessary formalities are lowered to the minimum, which means that bureaucracy and paperwork are organized in a way that does not interfere with productivity. People do not have to waste time on handling large amounts of documents before they can proceed with the plan execution. Plans can also be changed in the last moment if that is perceived to be more beneficial for the outcome. With Millennials and Gen Zs being dynamic and hungry for change and knowledge, the agile approach might be just what they need to keep them engaged throughout the time (Alton, 2017)

### **2.2.1 Steps in the agile process**

The agile process is based on iteration and it usually consists of four main steps in the following order: 1. Plan, 2. Work, 3. Test, 4. Repeat. (Sharma, Sarkar & Gupta, 2012)

#### **1. Plan**

In the planning phase the goal is to define the vision and mission of a project or an action. The involved actors and participants are responsible for the open and transparent communication about strategies towards achieving the common goals and making sure that everyone involved has a clear picture of the desired outcomes. Roadmap with the steps at every stage of the project, timeline, and schedules are set. (Sharma et al., 2012, 892-893)

#### **2. Work**

This phase is reserved for putting in the effort, applying the knowledge, skills, and experience to create something of value. In the first phase, the foundation has been laid out and the strategy has been developed. Now it is the time for implementation. (Sharma et al., 2012, 893-895)

#### **3. Test**

In this phase, the outcome is measured at every stage against the pre-established KPIs to see if the goals have been met or if the adjustments and changes need to be made. It is about the observation and reflection on the process and making decisions for further improvements. (Sharma et al., 2012, 895-896)

#### **4. Repeat**

Once it is established what improvements are needed to be made, the entire cycle is repeated starting with planning, followed by the implementation and testing. It is a cycle where learning and improvement do not end but are constant. (Sharma et al., 2012, 896-898)

Following these steps in the onboarding process could help companies design dynamic, efficient, and customized onboarding process and measure the new

hire's progress and engagement level at different stages. By applying the planning phase, managers will be able to communicate the company's goals to the employees, and employees will have the opportunity to discuss their career goals and expectations with managers. After the common goals are set, plans towards the implementation are made and the considerable amount of work is invested, the progress is followed up for the improvements and changes. Ultimately, this entire process repeats.

### **2.3 Employee engagement**

Employee engagement is a concept strongly linked to the onboarding process. As the main purpose of onboarding is to help new employees thrive and perform seamlessly in their new role, onboarding becomes one of the main tools for increasing employee engagement. Starting with the new hires in a positive manner and providing them with enough support will make them feel good about deciding to work for the chosen company. This lays the foundation for a long-lasting commitment and eventually higher retention rate. (Peterson, 2019)

The concept of Employee Engagement was first defined by William Kahn in the 1990s. Kahn conducted two qualitative studies, where he explored the conditions at work in which people personally engage or disengage themselves. (Kahn, 1990, 694)

**Employee engagement** refers to employees who are self-motivated and proactive at work. They are loyal and committed to the company. They initiate action and take on the tasks and responsibilities without being asked to do so. They do it because they believe that their efforts will be beneficial to their organization, to themselves, their families, and the community they are a part of. They see the big picture and they work towards a collective goal. As employee engagement tends to fluctuate, employers have the responsibility and the power to create environments where engagement can flourish. (Kahn, 1990, 694-724)

**Employee disengagement.** As opposed to an engaged employee, a disengaged employee is not motivated to perform well and does their bare minimum. They do

not enjoy their work, may reject the tasks, and find it challenging to stay consistent in their promises. Putting extra effort feels like a burden to them. Many factors can cause employee disengagement. It is management's responsibility to find out why an employee struggles to perform at their best potential, and help them get on the right track. Sanctions, as a consequence of such behavior, may apply in the organization, but only after finding the root causes first and addressing them. (Kahn, 1990, 694-724)

Kahn (1990) further argues that individuals become engaged through three psychological states that he has identified and described as **psychological safety**, **psychological availability**, and **psychological meaningfulness**, also known as the abbreviation SAM.

**Psychological safety** refers to feeling safe and comfortable expressing one's true self at work without fear of negative consequences. In this state, employees experience their organizational environment as secure and predictable. Trustworthy relationships are built between employees and superiors and communication is open and honest. Psychological safety is created by consistency and integrity. Aspects that influence psychological safety at work are interpersonal relationships, group and intergroup dynamics, organizational norms, management style and process. (Kahn, 1990, 708-703) Bekker (2011) suggests that management style sets the tone for the employee psychological safety and engagement because support, consistency, trust, and codependency initially come from the leadership of the company.

**Psychological availability** is the level of employee engagement at work when distracting factors are taken into consideration. Factors that are said to negatively affect psychological availability are lack of physical energy, lack of emotional energy, insecurity, and the liabilities outside of the work. These factors may come from the employees' personal lives or from the society they live in and can reduce employee's performance and focus at work, consequently affecting negatively their psychological availability, which at the same time decreases work engagement. On the other hand, if employees have enough space and time to

deal with these distracting factors, they are likely to be more efficient at work, which indicates that good life-work balance is needed (Kahn, 1990, 714-719)

**Psychological meaningfulness** is a state in which workers feel appreciated and acknowledged for their efforts. Besides monetary incentives, a job they do must have a higher purpose and must hold meaning to them. Kahn suggests that psychological meaningfulness can be influenced by the incentives or disincentives for one's contribution. To increase psychological meaningfulness among employees, employers should examine what motivates employees in their company the most and what makes them feel valued. The compensation should be provided accordingly. This is to say that compensation does not necessarily have to include monetary value, but it can be in the form of days off, education, professional training, a package for a newborn, etc., depending on the individual needs of an employee. (Kahn, 1990, 703-708)

### 2.3.1 Measuring employee engagement

Companies may use different tools to measure employee engagement, such as interviews, questionnaires, or one-on-one discussions. Each company may adjust the tools to its specific needs, but Sapling (2020) suggests that the KPIs should not change drastically from company to company and the most common KPIs that tell about employees' engagement level are employee **Turnover Rate**, **Absenteeism**, and **Net Promoter Score**. (Sapling, 2020)

**Turnover rate** is a term that refers to the percentage of employees who leave an organization within a certain period. The reasons behind employees' decision to leave may be different, but generally, they include voluntary resignations, layoffs, non-certification, etc. However, they do not include internal movements like promotions or transfers. (Pavlou, 2020)

**Absenteeism** is an employee's absence from work. This absence may be justified due to certain circumstances or it may be habitual or intentional. Even though it is expected that employees will miss some number of workdays each year, if

absences become excessive, this will affect productivity negatively and it can escalate to bigger problems and ultimately profit loss for a company. (Cucchiella et al., 2014)

**Employee Net Provider Score** or **eNPS** is a tool for determining how likely are the employees to recommend their company as a place to work to other candidates on the scale from 0 to 10. These scores also reveal their level of engagement and satisfaction with the job. If the company gets high eNPS, it means that employees are generally engaged and satisfied. The high scores also contribute to the company's employer brand building, which makes it attractive to the top talent. (Yaneva, 2018)

In the late 90s Gallup had developed a survey, known as **12 Gallup Questions** meant for employees to answer that would help managers measure employee engagement, which has proved to be a very helpful tool to this day. Besides employee engagement, this survey also measures managers' accountability in how successfully they create an environment in which employees can be the most productive and how to improve it in the future. The survey is comprised of 12 questions (Q12) related to overall employee satisfaction and performance outcomes. (Russell, 2020) The overview of the topics that Gallup 12Q addresses can be seen in the Gallup Engagement Hierarchy in Picture 2.

### Gallup Engagement Hierarchy



Picture 2. Gallup Engagement Hierarchy (Oakland Advisory Group, 2016)

In the Q12 Survey Implementation Guide (2013), Gallup provides steps for the implementation process. The first step is to choose the target group of employees that will answer the survey, the second step is to announce the survey and launch it. The next step is to collect the answers and analyze them. In the end, managers discuss the findings with the employees, within groups, and individually. Finally, they create an improvement plan and identify the KPIs for the progress to be followed. (Gallup, 2013)

## **2.4 Performance management**

Performance management is the process of establishing clear Key Performance Indicators and expectations to be met while measuring the progress and milestones towards those goals. This process helps HR managers in setting and communicating the company's goals to employees and making sure that everyone on the team understands clearly what is expected of them, in which due time and in which way. Being aware of the final expectations, motivates employees to have a sense of accountability and urgency to meet them, follow the deadlines, and at the same time be able to evaluate their performance success. (Engaged, 2018)

Numerous studies have shown that Millennials and Gen Zs highly value learning new skills at work and getting support and feedback in their learning process from managers, mentors and seasoned colleagues, particularly during the first year in the new role. This process requires appropriate performance management. (Rainmaker Thinking, 2018, Deloitte, 2019 & KPMG, 2017). Manelius (2020) highlights that, based on the research conducted by Reiss Motivation Profile, Finnish Millennials are no different in this sense and they thrive in the environment that provides the opportunities for constant support and feedback. It is also important to them that their values are in the line with the work they do, and at the same time, that their work has a positive impact on the society around them and even globally. This is to say that they need to have a higher purpose and constantly learn new things when working towards a goal. (Manelius, 2020)

The first year would exactly be the period when the onboarding process and training take place in most companies. It is also estimated that a company starts making ROI from a new employee contribution approximately after one year of employment and before that it is just investing in them, which includes the recruiting and training costs, tools, space, and other benefits (Blakely-Gray, 2017). In practice, this means that if an employee leaves a company sooner than one year, the company will make losses. Moreover, some researches found that the only way to have a successful onboarding process and meet the milestones is to extend it to one year. The reason for this extension is that besides the orientation and training it should provide a detailed integration program, professional development, and constant support in learning, which involves regular follow-ups and supervision. Therefore, if the onboarding process is to be extended, good performance management will be a necessity for managers to assess the new employee progress and make needed improvements to create a win-win situation for both sides involved- company and employee. (Boston Consulting Group, 2012, Paul, 2018)

Ernst & Young, a successful consulting company whose two-thirds of the workforce are Millennials and Gen Zs has recognized their needs for feedback and support and it has addressed it in a very successful way. According to EY, creating a high-performance culture within a company is done by adapting the agile approach to leading and coaching. To provide fast feedback and the possibility for constructive communication at all times within the company, EY had launched a performance management system called LEAD. The purpose of LEAD is to speed up the process of learning and performance evaluations and give real-time feedback to Millennials and Gen Zs. Instead of doing it retrospectively after, figuratively said “the damage is done”, feedback and support are available on the spot with no delays. Moreover, the feedback can be given by anyone in the organization, which gives the possibility for employees to hear opinions and views of their colleagues, managers from other departments who may be more competent on certain topics and issues, and in general have more constructive conversations that will assist them in the career development, long-term aspirations achievement and growing as leaders. In addition to this, Millennials and Gen Zs at EY have meetings with their counselors every 90 days to discuss issues and

concerns raised in the feedback. At the end of the year, the platform also gives the possibility to follow up on their overall performance and compare it with their peers. That way they get a clear picture of where exactly they stand as far as their skills are concerned and where they need improvement. Managers at EY said that this concept has resulted in a higher overall performance, improved leadership skills, and increased engagement in Millennials and Gen Zs. (Jenkins, 2020)

## 2.5 Synthesis of the theory

As the onboarding process was recognized to be a key step in the new hires' integration process, engagement and finally retention (Section 2.1), the focus of the research will be to see how the companies in Finland have been practicing onboarding and if it has been successful from the Millennials' and Gen Zs' perspective. This information will further be used to identify the best practices and approaches in designing an efficient onboarding process that will meet the needs of employees as well as companies in Finland.

One of the indicators of a successful onboarding process is high employee engagement. Therefore, to analyze the engagement of the respondents during and after onboarding and what motivates them the most, Khan's model of **three psychological states of engagement** will be used. Depending on the findings, the **Gallup 12Q survey** may be recommended as a tool to measure the engagement level at different stages of the onboarding. (Section 2.3) If an employee feels excited and engaged about working in the assigned role starting from the pre-join period, and they keep the same enthusiasm during the first year, they will likely decide to stay at that company. Because of this, the research data will be looked at to find out if any of the stages of the onboarding process, **Pre-arrival**, **Encounter**, and **Metamorphosis** has been missing. (Section 2.2.1)

Taking into consideration the **common mistakes** in the onboarding process that companies have made in the past will serve as a learning tool for establishing new, more efficient practices in the future. (Section 2.1.2)

Referring to section 2.2, **the Agile approach** helps managers create an onboarding process where employees will be able to self-manage while getting the necessary support in learning and executing the tasks effectively. The collected data will reveal if this approach has been utilized by the companies in Finland and if it had a positive impact on the Millennial and Gen Z employees.

As explained in section 2.4, **Performance Management** is a necessary tool to follow up on an employee's progress over time. Also, it was suggested that the length of onboarding should be extended even up to one year, which makes it even more important to have appropriate performance management in place. Therefore, from the data, we will look at the common length of the onboarding processes and performance management practices that the respondents have experienced in Finland and accordingly provide the recommendations.

### 3 DATA COLLECTION AND METHODOLOGY

This section will address the data collection and analysis methods used to conduct this research. The sample of the respondents will be described as well. Data were collected through two methods- survey and interviews. For both methods, the respondents were chosen by the same principle, because the questions were to some extent repeated. The main difference was that the survey answers provided more generic information and the interview answers more in-depth insights.

#### 3.1 Methodology definitions

Burns (1990, 1) has defined the research process as a "systematic investigation to find answers to a problem". There are two main types of research- **quantitative** and **qualitative**. Both types are valid and useful, and they are not mutually exclusive. It is possible to use both methods in one research (Williamson, 2002, p.7).

**Quantitative research** is usually conducted when a more precise, detailed, and bias-free analysis is needed. This type of research tends to emphasize relatively large-scale data and there is not much flexibility in terms of data collection and interpretation. Quantitative research is based on statistical and numerical information and its results tend to be easier to analyze and interpret because they are supported by concrete data. Numerical data can be collected for example through questionnaires, surveys, and polls. (Surbhi, 2016)

In **qualitative research**, the data is more of a descriptive nature. Qualitative data can be collected in different ways, such as observations, open interviews, and discussions. It is usually used to scientifically describe the events, persons, appearances, and so forth without the use of numerical data. Qualitative research is more open for interpretation because there is not only one correct way to approach it. The results often depend on the researcher's subjective perception of the issue. (Kabir, 2016)

### 3.1.1 Data collection methods and sources

Different sources can be used in research to gather information and they are divided into two main categories, **primary** and **secondary** data (Douglas, 2015). Primary data is collected by the researcher and it represents the source of data that has never been collected before. Secondary data is the data that has been previously collected and interpreted by other collectors and authors, but it is now used and analyzed for a new purpose. (Oluwatosin, 2017)

For this research, only primary data was used, and it was collected in two ways, **survey**, and **one-on-one interviews**.

**Survey** is a method where the sample of respondents is chosen to answer questions related to a researched topic. It is suitable for questioning a big sample. This method is usually used to reflect the views and attitudes of a questioned group of people, whose answers are in the end classified, analyzed, and interpreted. The results are further used for example to establish new concepts, get clarity on the satisfaction level of respondents related to certain events and situations, and provide a solution to a problem. The survey method can be used to collect both types of data, quantitative, as well as, qualitative. This method has two main purposes. One is to describe certain characteristics among a population, social group, or community and another one is to test a hypothesis or nature of factors and their impacts among the questioned group. The advantages of this method are that the data can be relatively easily collected and analyzed and the downsides are bias of respondents and sometimes unwillingness to provide accurate and complete information. (Jackson, 2011, 17) For this research, survey questions were in the form of multiple-choice questions, Liker-scale, and open questions.

**Interviews** are the most effective method of data collection when the observed sample is small. The main advantage of interviews is that they can offer a deeper insight into understanding and interpreting a researched subject because the responses are not limited only to the predetermined answers as it is often the case in a survey. During interviews, participants can openly discuss an issue and share their perspective on it. Interviews allow participants to give more details behind

their answers. It is possible to use **structured**, **semi-structured**, or **unstructured interviews**. **Structured interviews** are similar to a survey, because every participant answers the same questions in the same order, often with multiple choice answers. In **semi-structured interviews**, questions are predetermined to some extent, but they can differ from participant to participant, depending on the flow of a conversation or previously answered questions. In **unstructured interviews**, the discussion can be completely open and give an interviewee the possibility to navigate it. The set of questions is not fixed, and it can be adjusted to a participant. In any case, it is important to have a specific goal in mind before conducting an interview. (Madziwa, 2016)

### 3.1.2 Data analysis methods

Data analysis is the next step after the data collection. It is a process that involves data preparation, data categorization, data analysis and eventually providing insights based on the findings. (Bhatia, 2018)

For analyzing **quantitative data**, two methods are commonly used, and they are **descriptive statistics** and **inferential statistics** (Bhatia, 2018). Because of the small sample, in this research, the descriptive statistics will be predominantly used.

**Descriptive statistics** is the most efficient method when the researched sample is small and specific. It is used to explain certain features of the targeted group of respondents and does not address the population in general. Through this method, the data can be summarized and categorized, which in the end helps researchers to find and understand the patterns behind the answers. (Bhatia, 2018)

**Inferential statistics** is a method that is more complex than the descriptive statistics because it is usually used for analysis that handles a large amount of data. The addressed sample can be big and may for instance represent the entire population. However, this method can also be used for analyzing a smaller sample of respondents. The advantage of it is that it shows a relationship between two

or more variables for a better understanding of the cause and effect pattern and it can provide predictions. (Bhatia, 2018)

In **qualitative data** analysis, it is nearly impossible to get absolute results, such as with quantitative data, because qualitative data is collected in the form of discussions, observations, events, pictures, videos, or other forms that cannot be measured by numbers. It is therefore necessary for a researcher to be familiar with the collected data and identify patterns and connections. The data can be then categorized into several groups based on the things that they have in common. For instance, they can be divided based on behaviors specific to one group of respondents or based on some other features, such as age, social status, profession, etc. (Bhatia, 2018)

To analyze qualitative data in this research two methods have been recognized as the most suitable due to the nature of the data. These methods are **Content analysis** and **Narrative analysis**.

**Content analysis** is a very common method used to analyze collected and documented information derived from interviews, discussions, or other observations. This information can be delivered in many different forms, such as texts, audio, or video recordings. (Bhatia, 2018) In this research, content analysis will be used to analyze answers to open questions from the survey that were delivered in a form of text, and from the interviews conducted live with the respondents, where answers were collected in the form of audio recordings and notes made by the researcher.

**Narrative analysis** is a very useful method to analyze the stories and experiences shared by respondents. This method can be used when more personal insight is needed from respondents because it allows them to go in-depth in explaining the thoughts and reasons behind their behavior. (Bhatia, 2018) To analyze more profoundly the interview discussions with the participants in this research, this method was applied.

### 3.1.3 Data collection process

Because of the lack of relevant secondary sources and because of the specificity of the topic, only primary data was used in this research. This data was collected through quantitative and qualitative methods, which are survey and interviews. The survey questions were in the form of multiple-choice, Likert-scale, and open questions, so the data collected through this method was quantitative and qualitative. The interviews were conducted in a semi-structured manner through open-ended questions and discussions with participants, where they had the opportunity to introduce new topics, so the data collected from the interviews were qualitative. Quantitative data will be used to understand the big picture of the issue and qualitative data will be used to go deeper into the reasons behind the answers respondents have given to the questions of quantitative nature.

The survey was launched between January and July 2020 and the survey link was sent to the respondents via e-mail, phone, and other digital channels and it was shared on social media platforms, such as LinkedIn and Facebook. The survey was answered anonymously and Interviews were conducted face to face and through video calls on Skype and Zoom in the period between March and July 2020. The data collection process can be seen in Table 1.

TABLE 1. Data collection process

Method	Number of respondents	Timeline	Channels
Survey	51	January- July, 2020	e-mail, Whatsapp, LinkedIn, Facebook
Interviews	7	March- July, 2020	Face to face, Skype, Zoom

The qualitative data will be analyzed descriptively and numerical or quantitative data will be analyzed through the figures.

### 3.3 Participants' profiles

The sample counted 58 respondents altogether of whom 51 answered the survey and 7 the interview. Most respondents were people between 20 and 39 years old, born roughly between 1980-2000 with 2 exceptions. As presented in Figure 2., more than half (53%) of the respondents were between 18 and 25 years old, the next biggest group (34%) were people between 25 to 35 years of age and the rest are people between 35 to 39 with 2 exceptions who were older than 39.

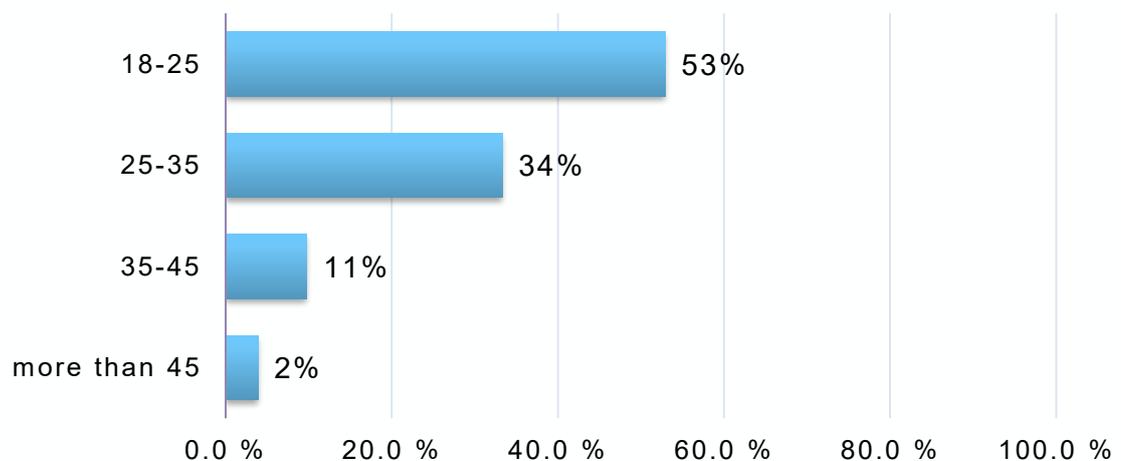


Figure 2. Age

All respondents are currently, or have at some point lived and worked in Finland. Male and female genders were almost equally represented with slightly more female respondents. The majority of these people are alumni of Finnish universities, students, recent graduates, and professionals who have been in the working life for not longer than 10 years. Figure 3. shows that 95% has graduated or is currently pursuing a degree in higher education with bachelor's degree holders/pursuers making 61% and master degree holders/pursuers 30%. The rest are vocational degree and Ph.D. degree holders or pursuers. The average graduation year was 2019.

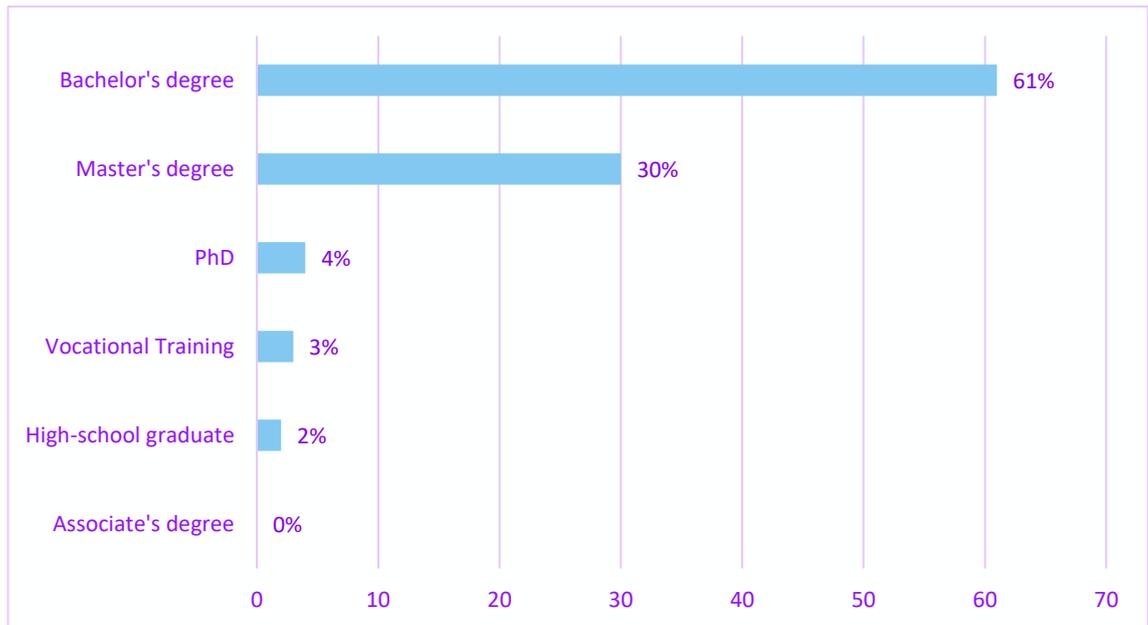


Figure 3. Level of education

69% of the respondents are currently studying of whom about half are working at the same time. Therefore, the second biggest group, a bit less than half are people who are currently employed. The rest are unemployed and looking for a job, while only 2 said that they are self-employed and one said that they are unemployed and not looking for a job. This can be seen in Figure 4.

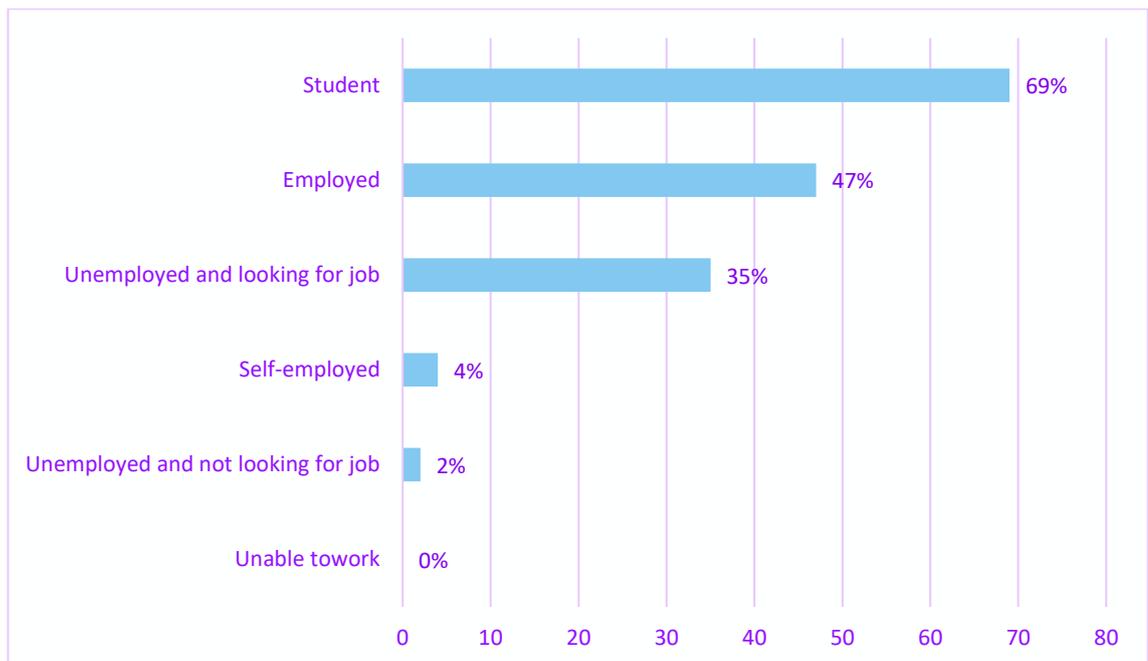


Figure 4. Employment status

### **3.4 Validity, reliability & limitations**

Because there was no possibility to collect a large number of answers and reach out to more people due to the limited resources and tools, the data was mostly collected from the author's network and contacts. As the number of participants was rather small and the participants are predominantly living in Tampere, Helsinki, and Jyväskylä, the results can not accurately represent the entire population of Millennials and Gen Zs in Finland. Another limitation is that not all respondents answered all questions in the survey and interview, which again can give incomplete results. Also, the answers were analyzed and interpreted by the author alone, so the findings may be biased to some extent.

## **4 DATA ANALYSIS AND RESULTS**

This section will present the main findings of the obtained data. The results will be used to identify the issues that should be addressed. As the data was collected through two methods- survey and interviews, the results from both methods will be presented in two separate sections. Both of these sections will further address separately two categories of data because there were two groups of questions. The first group addressed topics related to work and career and the second group of questions was specifically focused on the onboarding process.

### **4.1 Survey results**

#### **4.1.1 Work experience and satisfaction**

The significant information was that 85% have not worked for the same company for longer than 3 years, which indicates that attrition among Millennials and Gen Zs in Finland does exist. It is also more likely that the big and middle-size companies are having this issue, since almost half of the respondents said that the size of a company they have worked for was big, meaning more than 250 employees and about 30% have worked for a middle size company. The rest worked for a small company. What makes this contradictory is the fact that almost all of these same people, rated the satisfaction at their current job with 3 and 4 out of 5 on the Liker-scale, except only a few who rated it with 1, 2, and 5. This shows that level of satisfaction may not be crucial for employees to stay.

24 people who said that they are currently employed were asked how likely are they willing to stay to work for their current employer in the next 5 years of whom 60% or 14 people rated their willingness on the Likert-scale with 0-1 out of 5. Additionally, they were asked if they had a formal onboarding process at their current company. Interestingly, most of those who rated higher the willingness to work for their current employer in the next 5 years, also said that they had some form of the onboarding process upon joining. Based on this, we can see that likely there is a correlation between having onboarding process and employees' willingness to work for a company 5 years or longer. To support this statement,

the Chi-Square test was performed in statistical software SPSS to determine the correlation between these two variables. Even though the Chi-Square test result confirmed the existence of the relationship, as shown in Figure 5, it can not be fully relied on due to the small sample of respondents.

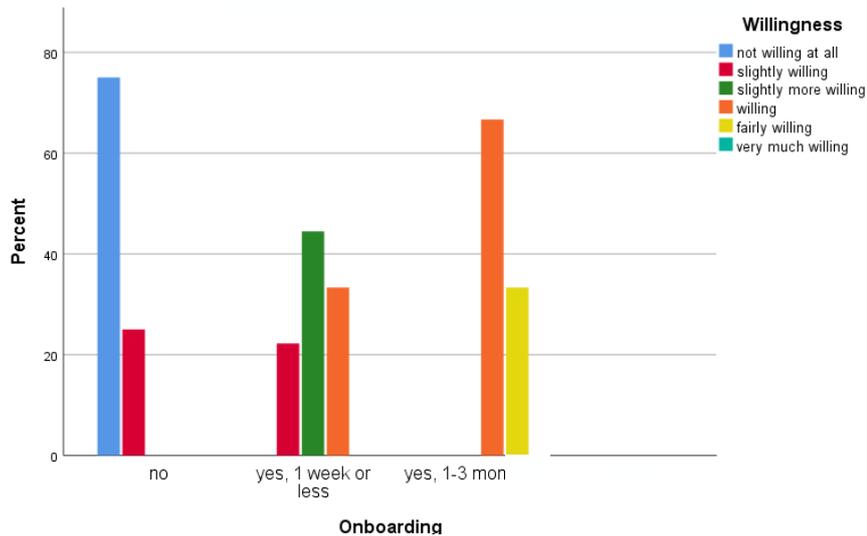


Figure 5. Willingness to work for a company long-term based on the length of the onboarding process

Referring to section 2.4, Khan (1990) suggested that employees stay committed to their tasks and employers if they feel engaged. If we analyze the research results through the Khan's **SAM model**- safety, availability and meaningfulness, it did not come as a surprise that "money and rewards", "work-life balance" and "becoming a specialist in your field" are the factors that motivate the participants the most at work, as shown in Figure 6.

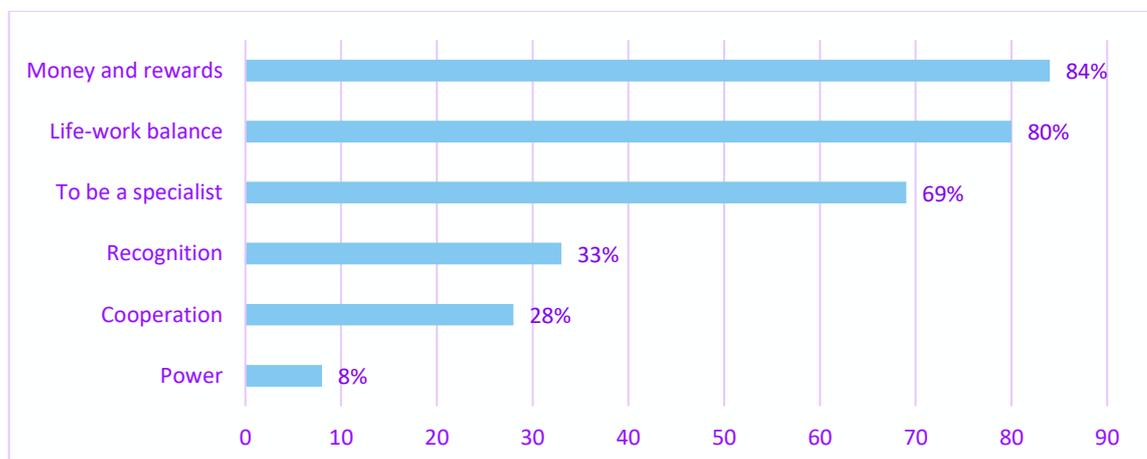


Figure 6. What motivates respondents the most at work

- When **safety** is concerned, it seems that Finnish Millennials and Gen Zs feel fairly safe at work, because more than 90% said that they feel free to express their opinions and give suggestions at work without having a fear of consequences, which is a very positive thing. This could again have the roots in the Finnish culture that values freedom of thought and individualism.
- Finnish Millennials and Gen Zs, besides career, like to pursue hobbies, spend time with family, and relax, which is why they highly value a work-life balance. **Availability** of an employee and their dedication at work can be seriously distracted if they do not have enough time and energy to achieve their goals in personal life as well. However, only a few respondents have reported having been overworked, so this does not appear to be a major issue in Finnish companies.
- **Meaningfulness** is strongly linked to compensation and a higher purpose at work. The higher purpose refers to the employees seeing their job as meaningful and having the opportunity to grow professionally. Research results revealed that Finnish Millennials and Gen Zs do not always see the higher purpose behind their contribution at work. They reported that the company's goals and KPIs are often not clearly communicated with them and that they sometimes lack the information about the career perspectives and well-being at the company. This causes them to lose motivation over time and be less engaged.

70% said that they would prefer to change companies once in a while to gain a variety of experiences, while 80% said they would not work for the same company until retirement, which additionally indicates attrition. Those who said they would consider staying longer stated they would only do so if a company constantly provides them with the opportunity to learn new skills, supports them in achieving the career goals and compensate them appropriately, which would require regular performance reviews. Therefore, the reason for them leaving the company, may not be the level of satisfaction or dissatisfaction, but the hunger for learning, new experiences, and ambition to advance in a career. This was also confirmed by the answers to the open question "If you have ever left a job, what was the most important reason for that?" Some respondents said:

*"I reached a saturation point, where I understood that I could not grow anymore in the company. My work increased, but neither my title nor my salary changed."*

*"Not enough challenging tasks."*

*"Not enough opportunity for self-development."*

Based on this, what may be crucial in keeping Millennial and Gen Z talent long-term is the implementation of appropriate performance management, as suggested in Section 2.4. It would allow them to regularly measure their milestones and progress together with the supervisors, learn new skills and become better specialists, and ultimately meet their career goals. Tools for measuring employee engagement, such as Gallup Questions and Employee Net Provider Scores can support this process.

#### **4.1.2 Onboarding process experience and satisfaction**

In many ways, the findings of onboarding practices in Finland proved that the situation in Finland is not much different from other countries around the world. However, as far as the needs of Millennials and Gen Zs are concerned, some things appeared to be more important to Finnish respondents than to others.

It was somewhat shocking to find out that 62% of all respondents have not had a formal onboarding process at their most recent job, while 34% said they had it, but not longer than a week. Another shocking information was that more than 80% out of those who did have some form of the onboarding process, rated their satisfaction level with it with 1 or 2 out of 5 on the Likert-scale. This means they were not satisfied with it and it did not meet their expectations. Based on these figures, it seems that in Finland the onboarding process is just as neglected as in other countries.

As explained in section 2.1.1, according to DeCenzo et al. (2015) successful onboarding process should include 3 main stages: **Pre-arrival**, **Encounter**, and **Metamorphosis**. The first thing that was evident from the research results was that the **Pre-arrival** stage was completely missing from the onboarding practices

in Finland. Employees were introduced to the company and new colleagues exclusively starting from day one on the job which was already the Encounter stage.

Another thing that the research results revealed was that the **Encounter stage** was not structured. Participants reported that formal training and orientation were missing. They did not get enough support and guidance, there was absolutely no timeline as to how long would the onboarding process be and how long would it take before they start working more independently and achieve the first performance milestones. Feedback sessions were scarce and the KPIs were not clearly defined. Career plans and perspectives were not even discussed. All this had led to the new hires feeling confused, lost and disengaged. It also implies that performance management was not in place and the steps of agile approach were not followed.

Since the first two stages were not successfully implemented, in the **Metamorphosis** stage employees were not feeling engaged, and this is usually when they would start considering other employers as an option.

When asked about what they have found to be the most challenging during the first year of working for a company, the respondents have given different answers, since this was an open question, but almost all of these answers belong to one of the following categories:

- No training, meaning not enough support in learning about how to perform the tasks and what was expected of them
- Not getting enough feedback from the supervisors and no performance management in place to track the progress
- Lack of communication with the supervisors and teammates
- No support in career planning

Other than the above-mentioned categories, 2 respondents said they had a problem with working overtime, so this would indicate no life-work balance and one answer concerned learning about the company culture and integrating to it. These are yet some aspects in which a well-planned onboarding process can be

of help. Since answers in the survey were mostly short to this question, because they were given in the written form, more in-depth answers were obtained from the respondents who participated in the interview sessions, which will be explained in Section 4.2.

When it comes to the needs and expectations, people were asked what is the most important aspect of the onboarding process for them, where among suggested answers they could choose up to 3 answers. What they appeared to value the most, as presented in Figure 7. was "having the opportunity to ask questions" and "having adequate training". The other two factors that were highly ranked as well were "building relationships with new coworkers" and "support in accomplishing the tasks". It was interesting to see that "freedom to make decisions" came the last with only 8% of answers. This question was followed up by the question "What have you lacked the most during the onboarding process?". Respondents had to choose one of the two suggested answers or give their own answers in the open field. From the two suggested answers, 88% of people answered they felt the lack of "support and guidance", while only 6% chose "freedom to express your ideas and give suggestions". 2 persons gave their own answers and they were "basic information" and "training".

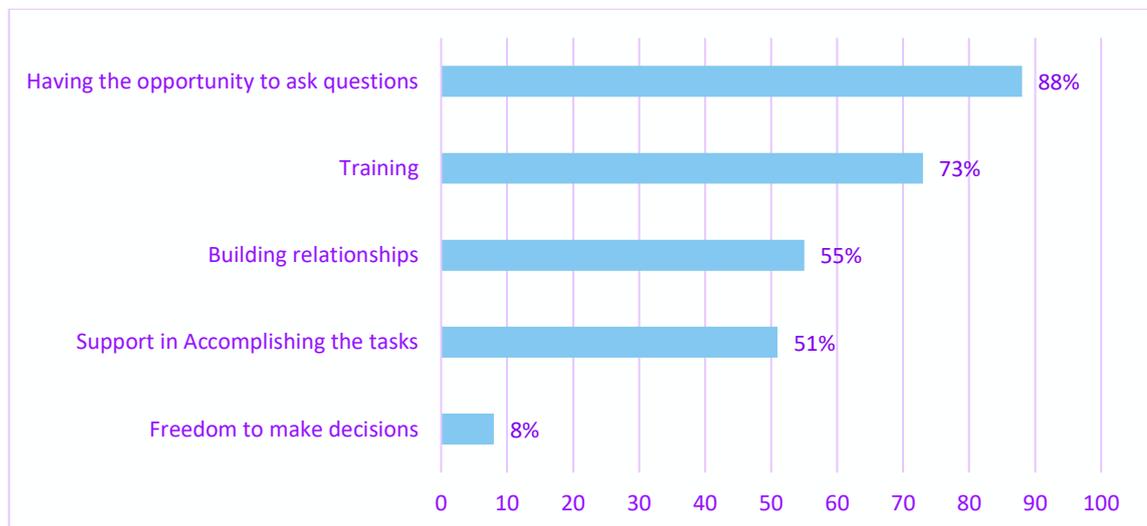


Figure 7. The most important aspects of the onboarding process

These results again indicate that freedom of speech and making decisions is not lacking in companies in Finland, but it is rather support and guidance that Finnish

Millennials and Gen Zs are missing during the onboarding process. Based on this, it appears that the companies in Finland have not completely followed through with the needs of employees, but were rather focusing more on the needs and goals of the company. If we refer to the Sapling's (2020) suggestion in Section 2.1.1, we can conclude that the **common mistakes in the onboarding process** were not successfully avoided by the companies in Finland.

## 4.2 Interview results

During the interviews, the conversations were conducted in a semi-structured manner. The participants were asked the same type of questions as in the survey, but some conversations went more in-depth on particular issues and less on the others. This very much depended on the participant's personal experience and the topics they considered to be important to talk about. Even though the conversations flowed in different directions, the answers still followed certain patterns and they were categorized accordingly, which will be further explained.

### 4.2.1 Work experience and satisfaction

The answers from the interviews in many ways supported the answers from the survey, but the additional information was obtained as well.

None of the respondents worked for one company longer than two years and none of the ones who are currently employed (4 of them) could see themselves working for their current employer in the next five years. However, they all were fairly satisfied with their current employer. As the reasons why they wouldn't stay at the same company in the next five years, despite the high satisfaction level, all answers had one thing in common and it was a hunger for learning and new experiences. One respondent had put it this way:

*"It would be less likely that I would consider working for the same company for 5 years or until the retirement, because I know that I would reach a saturation point,*

*where either I cannot learn or gain anything more from the company, in terms of personal growth for example”.*

Another, more positive answer, but with the same connotation was:

*”I would maybe stay, but only if the work stays versatile and I get more money with more experience.”*

The follow-up question was if there would be any condition under which they would consider staying at the same company for 5 years or longer, what would it be. Even though the idea of working for the same company for more than 5 years or until retirement was generally not appealing to the respondents, they provided the answers that were narrowed down to four main categories, which were:

- **Career advancement plan and support-** Everyone said that the opportunity to meet their career goals is necessarily for them to consider staying at one company long-term. Clear and carefully planned performance management would, therefore, be needed to support them in achieving their career goals.
- **Salary raise-** As their seniority level raises and they are gaining new skills and competence, they expect their salary to be raised accordingly. If they feel that their contribution and efforts are not noticed and compensated, they would be on the lookout for new opportunities.
- **Work-life balance-** Achieving personal goals and having enough time to relax and recuperate appears to be equally important to the respondents as it is achieving their career goals. Millennials and Gen Zs possess dynamic personalities and they will not be satisfied if they do not feel fulfilled in other segments of life, such as family, health, and fitness, or have enough leisure time to pursue hobbies.
- **Learning new skills-** Having the opportunity to develop their competence and specialty in the chosen field or even new fields is highly important to

the respondents. Having the same routine every day does not seem to be appealing, a variety of tasks and support in learning does.

#### 4.2.2 Onboarding process experience and satisfaction

Only one out of 7 respondents had a formal onboarding process at their most recent job, and they had it for only one week.

Based on the answers, the common scenario that the respondents had experienced upon joining a company in Finland would start with the introduction to the immediate colleagues on the team on the first day, the next day they would likely be shown around the office or other facilities where their work would take place, and from the third day on, they would assist a more experienced colleague on a project until they eventually get to work on a project individually.

Everyone said that at some point within the first month at a new company they felt the lack of support and guidance. When asked what exactly was missing from their onboarding process and what would they hope to have as a part of it next time, 3 key things came up in some context by all participants. They were:

- **Training-** All respondents said that no official training was provided or that it was too short, and no mentor was assigned to them. They mostly learned from colleagues, which was time-consuming and not very organized. If they needed instructions or assistance with something, they had to ask colleagues who would assist them when it was suitable for them and usually not promptly.
- **Communication and support-** Everyone said that they did not get all the necessary information upon joining a company and they had situations when they did not know who to ask if they had questions related to their tasks, responsibilities, or anything else that would concern their well-being at the company. For example, one respondent said:

*"I did not get any information about the employment contract and perspectives in the company. My manager said that the administration is responsible for it, but in reality, I did not know who to ask and everyone acted as if it was not their responsibility to help me".*

Another respondent said:

*"I received only 40% of my first salary because everyone including my boss missed telling me that I should have shown my tax certificate from Vero to the people in accounting. When I asked my boss why I didn't get the full salary, she said maybe my salary was paid in two parts, so she advised me to wait. So, I waited until one colleague randomly told me that I should have brought my tax certificate to the accounting department upon my arrival".*

- **Feedback-** None of the respondents had a planned and scheduled time for feedbacks with their supervisors. The feedbacks were given spontaneously and mostly on the request of the employee, which they perceived not to be enough for them to continue performing at their best potential.

All respondents agreed that one week of the onboarding process is not enough and that 3-6 months or more would be more appropriate for them to go through the adequate training and assess their progress and satisfaction.

As explained in Section 2.2.1, there are four steps in the Agile process. Those steps are plan, work, test, and repeat. (Sharma et al., 2012) If what was missing from the onboarding process, as per the respondents, is analyzed through the steps of Agile, it appears that the **Agile approach** was not practiced during the onboarding process.

Lack of communication and support indicates that the 1st step of Agile, which is **planning** was not included. Employees felt that important information about their role, the company, and other necessary steps were not clearly communicated with them and that support during the integration was lacking. They were

not properly introduced to the tasks beforehand, and the paperwork was not handled properly. Therefore, the foundation for them to proceed to perform efficiently in the new role was not laid.

When it comes to the 2nd step- **working**, employees felt that they couldn't perform at their best potential, because they did not get appropriate training for their position. They also felt that the time was not used efficiently, since they had to ask colleagues for assistance, which often required them to wait on their response when it was convenient for them and not always at the moment when assistance was needed. This caused delays in meeting the targets.

The 3rd step of Agile would be **testing**. Since the respondents said that the feedback sessions were scarce, that means that they did not have the opportunity to evaluate their progress with the supervisors and the team. Consequently, they found it difficult to assess their progress and understand where they would need improvement. Therefore, the 4th step of Agile- **repeat** was completely disregarded since the improvement plan and further steps were not established.

### **4.3 The overall look at the survey and interview results**

In many ways, the information collected through the survey and interviews supported each other. The answers did not drastically differ and looking at the results as a whole, we can conclude that overall, the outcome was the same among both groups of respondents.

In both groups, the respondents did not work for the same company for longer than 3 years, even though the job satisfaction was high. The idea of working for one company for 5 years or longer was not appealing to them, but they agreed that they would consider it if a company allows them to advance in a career, provide support in learning new skills, and be appropriately compensated.

When it comes to the factors that motivate the participants the most at work, as the highest-ranked by both groups were: money and rewards, learning new skills, life-work balance, and support in career planning.

The majority did not have a formal onboarding process upon joining a company and most of those who had it, reported not having it for longer than a week. In both groups, participants mentioned the same issues during the onboarding process, and they were the lack of training and coaching, feedback, and communication.

## 5 DISCUSSION

This section will give insights into the findings from the research and address the research questions, provide recommendations, and conclude the research.

### 5.1 Addressing the research questions

Based on the data analysis, in this section research questions from section 1. will be addressed.

#### 1) Does the problem of attrition among Millennials and Gen Zs exist in Finland?

As explained in Chapter 4, there are several findings that indicate the existence of attrition among Millennials and Gen Zs in Finland. These findings are:

- majority of respondents have not worked for the same company for longer than 3 years
- about two-thirds of those who are currently employed did not see themselves staying to work for the same company in the next 5 years
- 80% would not work for the same company until the retirement

The survey has also revealed that big and middle-size companies in Finland are more likely to cope with attrition rates since most respondents reported that they have worked for a big or middle-size company.

Deloitte (2019) has found that Millennials and Gen Zs have generally lost trust in corporations and public institutions and they do not feel comfortable putting their entire career and the future of their lives into one's company's hands, so they seek alternatives. On the other hand, in the survey results we have seen that Finnish Millennials and Gen Zs may not be craving stability, but change and new experiences and that even being fairly satisfied with their current job will not guarantee them staying. The reason behind this behavior may be that

Finland is a country with a high standard of living, a good social system, and education that is available to everyone equally regardless of social status. Therefore, Finnish Millennials and Gen Zs are not worried about the mere existence, which gives them the freedom to explore and look for the most suitable employer or go back to study and change a profession if they feel so. Even if that means they would remain unemployed for some time, they can still allow themselves to take the time off, consider different options, and decide what will be the next step in their career. They do not need to hold on to one employer in a fear of losing financial support and benefits, because they know that their basic needs will be taken care of thanks to the good social system in Finland.

## **2) What do these generations expect from the onboarding process and employers in general?**

Research results showed that **feedback and support** topped the list of factors that Millennials and Gen Zs in Finland appreciate during the onboarding process, and at work in general. Reiss Motivation Profile research (2020) found that Finnish Millennials thrive in an environment that provides opportunities for constant feedback and support, which indicates that they appreciate learning and improving their professional skills. However, we have seen in Chapter 4 that almost 90% of the participants did feel the lack of support and guidance upon joining a company, and in the latter stages as well.

How is it possible that on one hand Finnish Millennials and Gen Zs have enough freedom to express themselves at work, but on the other hand they appear not to have enough support and guidance? For the reasons why the respondents did not rate "freedom to make decisions" and "freedom to express your ideas and give suggestions" as highly important aspects of their onboarding process, we can look again at the Finnish cultural background. We have seen in Section 1.2.3 that Finnish organizations are in most cases flat and the freedom of speech is highly valued, so having the freedom to make decisions and express personal thoughts may already be given in the

Finnish environment and the respondents do not see it as something that is missing. On the other hand, they reported a lack of training and support in accomplishing tasks. This could mean that even though freedom of speech and making decisions are good values that an organization can have, a young or inexperienced person may feel intimidated to openly express their thoughts and views right upon joining a new company. They may initially prefer to observe the practices and the culture in their new environment and see how they can contribute to it before giving the insights. This may seem contradictory and it can confuse some managers because, on one hand, we have seen earlier in Section 1.2 that Millennials and Gen Zs want autonomy and independence, but at the same time they crave support and feedback. However, this might not be as unreasonable as it seems. Even though they want to be given the freedom to be creative, think out of the box and express their innovative ideas, they are also motivated by learning and improving as professionals. They want to understand how things have been done so far and what was the factor that has been bringing success to the company before they joined, so to know better what they can bring to the table. Therefore, they are open to hear and consider suggestions from more experienced colleagues, be trained, and mentored, while having the opportunity to ask questions.

Having freedom in all segments of life is very important and highly valued in Finnish society, which is generally a positive trait, but can there be sometimes too much freedom? It seems that finding a balance between giving freedom to employees to make decisions and express their thoughts, and at the same time providing them with enough support, guidance, and regular feedbacks may be a challenge for some Finnish managers. It could be that Finnish managers are focusing too much on encouraging new hires to think out of the box and express their ideas that they forget that it is just equally important to focus on training and supporting a person by giving them clear guidelines and instructions to follow before gaining the necessary knowledge and confidence to express their ideas and think more creatively. According to Sapling (2020), if a company does not provide a new employee with training, allow asking questions and give regular feedback, this can eventually lead to low

engagement, poor performance, and high turnover, and so did this research find to be true for Finnish Millennials and Gen Zs.

**Versatile tasks and learning new skills** proved to be crucial to keep Millennials and Gen Zs engaged. As we have seen in Section 4.1.1, during the onboarding process, as well as in the later stages, Millennials and Gen Zs must be stimulated by a variety of tasks and opportunities to upgrade their knowledge and skills. It is a constant sense of goal pursuit and the excitement of achieving it that captures their attention. It motivates them to invest more time and effort into performing efficiently and meeting the company's objectives, provided they are getting enough support and feedback during the process.

**Support in career development** is another factor that appeared to be highly important for the respondents to stay at a company for a long time. Young people and professionals at the beginning of their careers as Millennials and Gen Zs want to understand their perspectives in the company they are joining. They want to know if it will be worth it for them to dedicate years of their working lives to this company and how will the company contribute to achieving their career and personal goals. Besides, a job must have a meaning. They want to work for a company with a mission and purpose that they can relate to. This is why it is important to discuss career goals already during the onboarding process.

**Communication and relationship-building** need to be considered as well. Respondents reported they felt the lack of communication and information-sharing during the onboarding process. They value building connections and do not wish to feel alone, especially during the transitional period such as joining a new company. For example, if other employees would be involved in the process of integrating and training a new person, this would allow them to build personal relationships with new coworkers and it would help them feel more comfortable expressing their ideas naturally and spontaneously, rather than feeling forced to do so.

Gallup report (2016) has very well summarized how employee needs have evolved, based on the needs of Millennials, as shown in Picture 3.



Picture 3. How Millennials want to work (Gallup, 2016)

### **3) Can the implementation of a reimagined and customized onboarding process be a solution to the Millennial and Gen Z attrition in companies in Finland and how?**

Based on the research results explained in Section 4.1.1, implementation of reimagined and customized onboarding process can potentially be a solution to keeping Millennials and Gen Zs long-term and avoid attrition at the companies in Finland. However, as the theoretical part and the research results suggested, onboarding process practices in Finland will have to be changed, improved, and readjusted to the needs of these generations.

As seen in Section 4.1.2, steps of the onboarding process were not planned and the Pre-arrival stage was completely disregarded. This means that employers were missing the opportunity to start getting a new hire familiar with the company culture and making them feel comfortable in the new environment already before their arrival. This can be considered as a waste of time, because if new hires would come to the first day prepared about what to expect, what will their schedule look like during the first week, having the essential information about the company, their specific tasks, and tools needed to perform in the new role, they would in many ways already feel like they are a part of the company and they would be more comfortable and confident once they physically come to the office. Knowing clearly what to expect and what is expected of them before joining would take some stress off of them and it would also help HR managers with the process of training and integration. HR managers could save a lot of time if they wouldn't have to start from scratch by integrating a new person from day one, but they could

just continue building upon the knowledge that a new hire already has about the company and their specific role. Adding to this that the Encounter stage was not well structured, it is clear that the onboarding process did not serve its purpose.

Since the first two stages, Pre-arrival and Encounter were not done successfully, at the time when employees should be in the Metamorphosis stage, fully engaged and committed to the company, this is when they start to consider leaving. This coincidentally happens also to be exactly at the time when as mentioned in section 2.6, according to Blakely-Gray (2017), the company starts making ROI from a new employee contribution, which is after one year of employment. In other words, instead of starting to make a profit from the employee's contribution, the company starts making losses.

## **5.2 Recommendations**

To provide a more effective onboarding process targeted towards Millennials and Gen Zs in Finland, there are several steps that companies can follow.

The onboarding process needs to be more structured. There should be a clear timeline and stages of it, where each stage will have its purpose and defined goals to be achieved. Only this way the progress can be measured. New hires, managers, and HR department should all be actively involved in the onboarding process. Managers and particularly the HR department should not leave the training and integration to happen spontaneously and without a structured plan and supervision. However, this plan should remain open for possible changes and readjustments, depending on the process outcomes at every stage, meaning that an agile approach should be implemented during the entire process.

The three main stages of the onboarding- Pre-arrival, Encounter, and Metamorphosis stage should be carefully planned and followed. The introduction to the company, new role, and the colleagues should start in the Pre-arrival stage. There are many ways to arrange this, which will also depend on the company's goals and culture. For example, the company can send a welcome email to the new joiner together with informational materials about the company, their role,

immediate coworkers, schedule for the first week, asking if they have any special needs, etc. This is the company's opportunity to build its employer brand and start engaging a new employee before day one.

Upon the first day, in the Encounter stage, the orientation should start. Employees will get introduced to the environment, tools, colleagues, and get any necessary information and assistance with getting started. If there was no possibility to handle the paperwork in the Pre-arrival stage digitally, then this is the time to do that. Some time should also be reserved for relationship building, particularly within the first week. A new employee should be given a chance to introduce themselves, grow network within the company, and feel accepted. This can be done for example during the breaks or on other occasions that a company can arrange. Lunch break meetings are a good opportunity for staff to welcome a newcomer and get acquainted with each other more casually. This will have a positive impact on a new person, giving them a sense of being a part of a great team, and acknowledging their presence in a friendly and welcoming way.

Right after the initial orientation, which approximately takes one week, formal training should start. A mentor or a buddy should be assigned to a new joiner, who they can shadow, ask any questions related to the role, and who will guide them through the process of integration. Depending on the role, the requirements, and new employee's previous knowledge and experience, managers, and HR can decide on the length of the training. However, it would be advisable to dedicate at least about 3 months to it. This would make sure that a new person has enough time to integrate and feel comfortable performing in the new environment, even if they had experience from a similar role in the past. At this stage, a new employee should also be presented to the career perspectives that they can have and achieve within the company. HR managers should discuss the career goals with them and together create a plan that would identify the KPIs and milestones so they can be aware of what it takes to get to where they want to be in the career, how to pursue those goals and how long will it take them to get there.

Throughout the entire onboarding process, the steps of the agile approach should be applied- plan, work, test, repeat. This means that managers and HR department should plan the entire process, follow the plan, and remain open and

flexible for any changes and adjustments if there is a need for them. Periodically applying Gallup 12 questions to measure employee engagement and the success of onboarding will also help to determine if changes and adjustments are needed. This can be helpful to do also in the later stages, after the Metamorphosis.

Since orientation, formal training, and success measurement can not happen effectively in a short time, the length of the onboarding should be at least 6 months with additional follow-ups and feedback sessions up to a year. This is also not where follow-ups and feedback sessions should stop. However, during the first year, the frequency should be intensified and these sessions should be held at least every 3 months, or even monthly if there is a need for it. For example, in the first 6 months, they can be held monthly, and after that quarterly. This will depend on other factors, such as the nature of the role, individual employee's needs, and the company's goals and resources.

Once an employee gets into the Metamorphosis stage, which is approximately after 6 months to a year, the company will want to make sure that this employee will stay after this checkpoint. To make sure they stay, the company needs to have efficient performance management in place, which will include regular feedback sessions, engagement measurement, additional training and support, career plan, etc. Overall, onboarding is not a period that should be separated from the rest of the employee's stay at the company. It is rather the first step of successful talent management that provides direction and sets the foundation for both, achieving the company's goals and employee's career goals.

### **5.3 Conclusion**

This research focused on learning about onboarding practices in Finland from the perspective of Millennials and Gen Zs and finding out in which ways these practices can be improved to keep them at one company for a long time.

The research found out that a well-structured onboarding process can be an answer to Millennials and Gen Zs attrition rates in Finland, because no matter how experienced and competent an employee may be, adapting to a new environment will always cause a certain amount of stress. Adding to this the fact

that a Millennial or a Gen Z employee may likely be at the beginning of their career and many of them are starting in a new position straight out of college, will likely increase the insecurities and stress level even more. Mentors and managers are the key persons at this stage because they can help make the process of integration easier and more efficient by providing sufficient support and a follow-up plan. Therefore, going from here, companies in Finland are advised to pay more attention to planning and implementing a formal onboarding process. If they do not have resources or adequate knowledge to do this, the help may be available from other sources, so they may want to consider outsourcing this service to a company or a professional who can assist them in this regard. Investing in an appropriate onboarding process will likely pay off. Some authors like Koshy (2018) and Mitchel & Schreiber (2020) even go that far to say that the success of the onboarding process can be directly recognized from the company's revenue.

The purpose of the onboarding process is to empower and motivate employees to grow themselves and the organization. Even though Millennials and Gen Zs have an insatiable need for new challenges and opportunities, this does not mean they necessarily have to change an employer every time they feel restless. We have also seen from the research results that Finnish Millennials and Gen Zs will sometimes change a company even if they feel satisfied. Therefore, instead of just letting them go, a company can develop strategies to keep them engaged and provide them with the experiences they seek for within a single company, so they don't have to look elsewhere.

Further research will be needed to focus on companies and HR Management representatives in Finland to understand their views and experiences on this topic. It would be interesting to see what they think of the Millennials and Gen Zs attrition rates in Finland, what strategies and tools they have been using to cope with it so far, and if they have thought of the onboarding process as one of the solutions. Another important event that would also need to be taken into consideration in future researches is the impact of Covid19 on the onboarding and HR practices in general. This thesis was written during a crucial time when extreme changes in the way people live and work have occurred. "New Normal" was happening right at the time when this thesis was finalized and new topics

concerning the future of work rose rapidly, which will have to be addressed accordingly.

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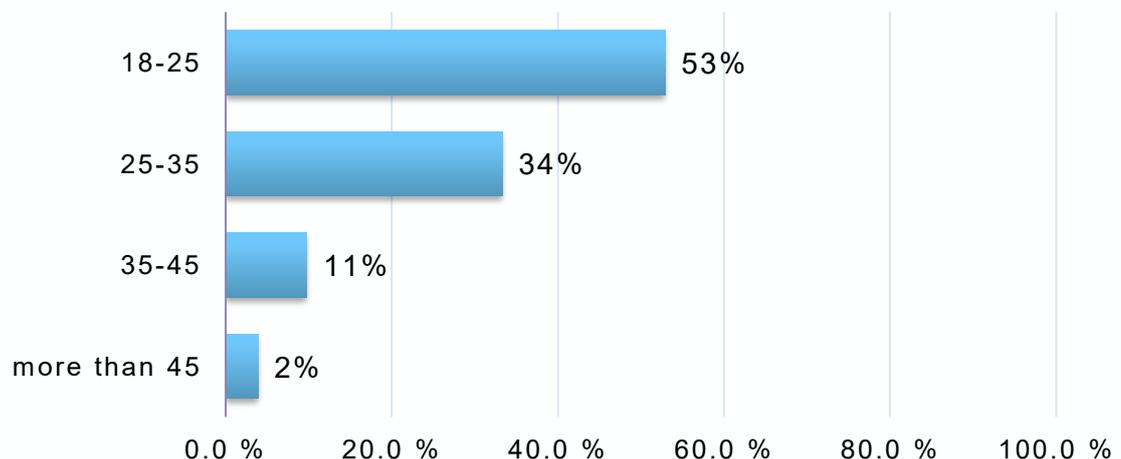
## APPENDICES

### Appendix 1. Gallup questions

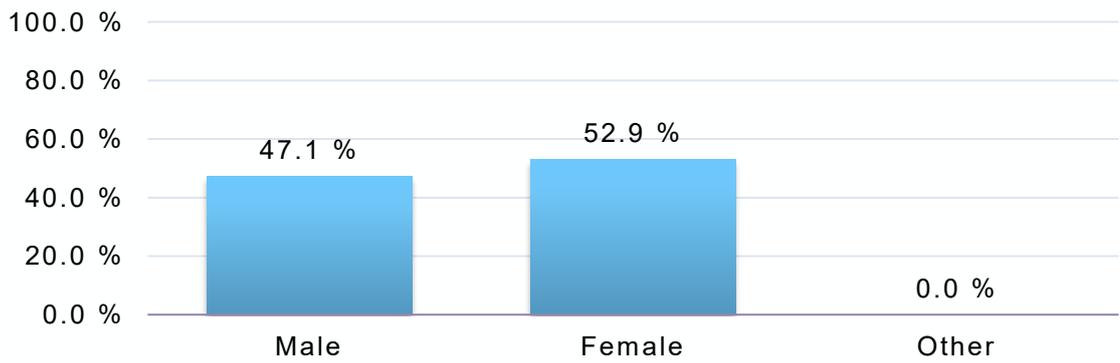
1. Do you know what is expected of you at work?
2. Do you have the materials and equipment to do your work right?
3. At work, do you have the opportunity to do what you do best every day?
4. In the last seven days, have you received recognition or praise for doing good work?
5. Does your supervisor, or someone at work, seem to care about you as a person?
6. Is there someone at work who encourages your development?
7. At work, do your opinions seem to count?
8. Does the mission/purpose of your company make you feel your job is important?
9. Are your associates (fellow employees) committed to doing quality work?
10. Do you have a best friend at work?
11. In the last six months, has someone at work talked to you about your progress?
12. In the last year, have you had opportunities to learn and grow? (Gallup, 2013)

### Appendix 2. Survey questions and answers

1. What is your age?

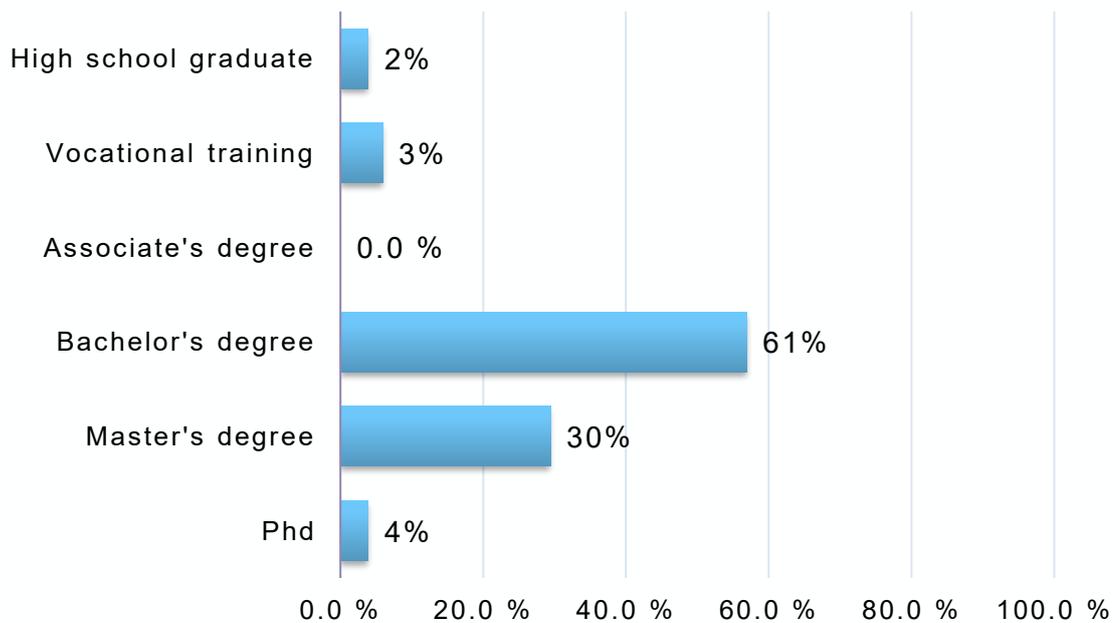


2. What is your gender?



■ All responses (Mean:1.53, Deviation:0.5) (Responses:51)

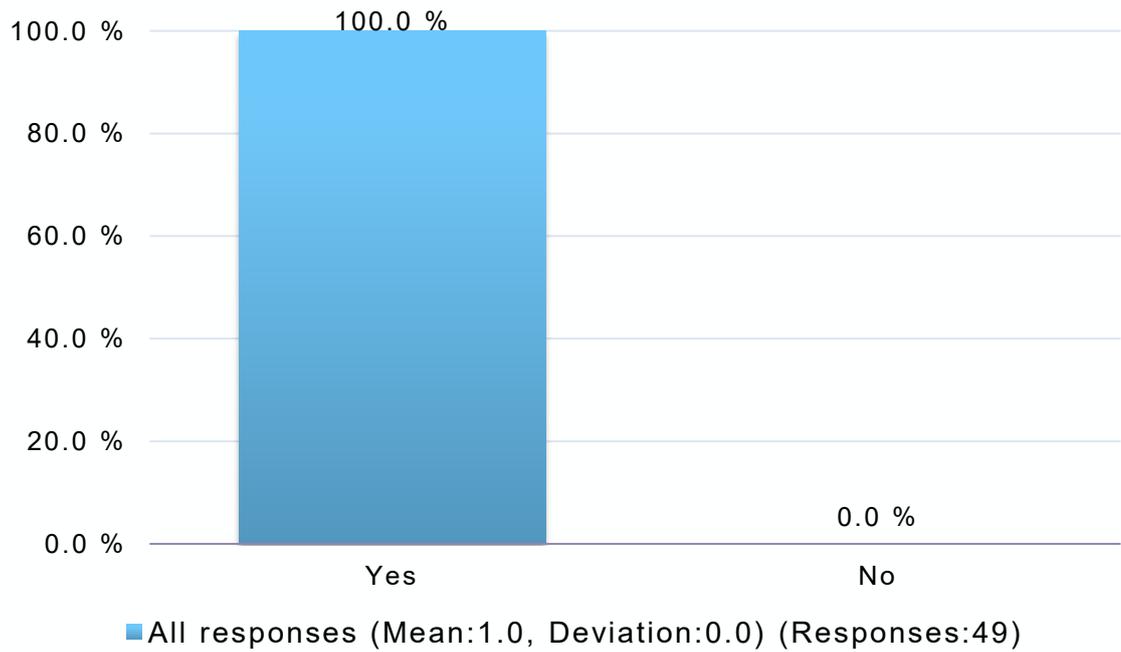
3. What is the highest level of education you have completed? If currently enrolled, please specify the degree you are pursuing



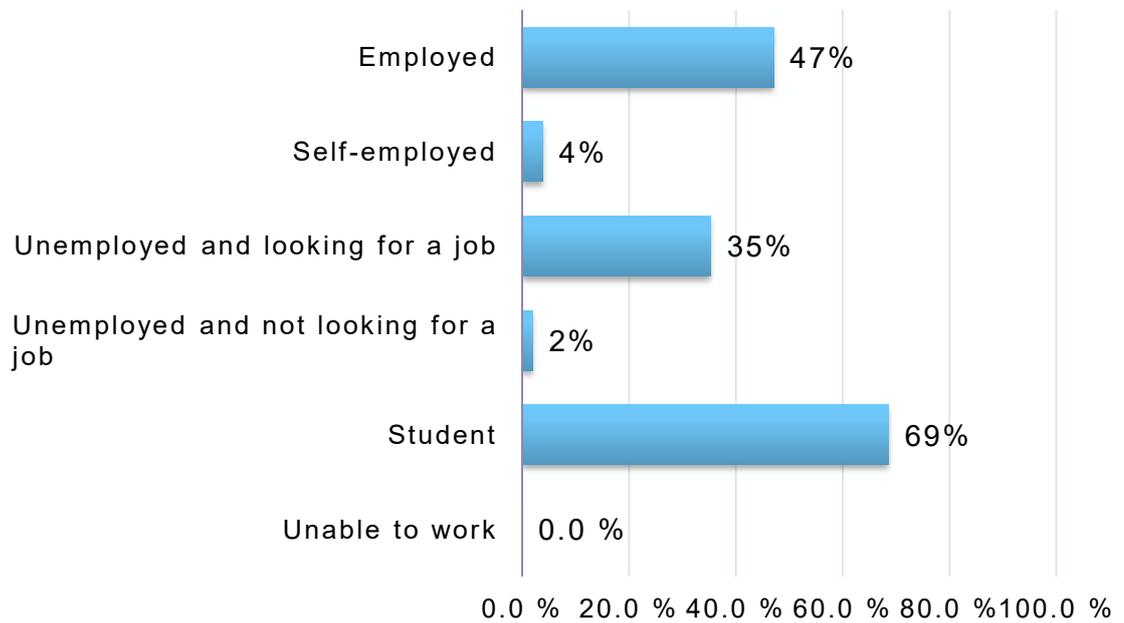
4. What was/will be the year of your graduation?

Sum	102971
Mean	2019.04
Standard deviation	4.68
Minimum value	1996
Median	2020
Maximum value	2024

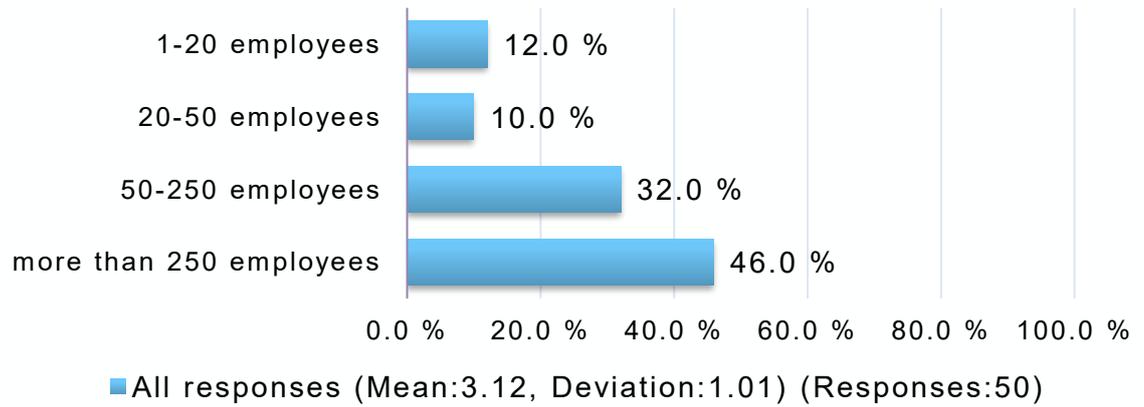
## 5. Have you ever worked in Finland?



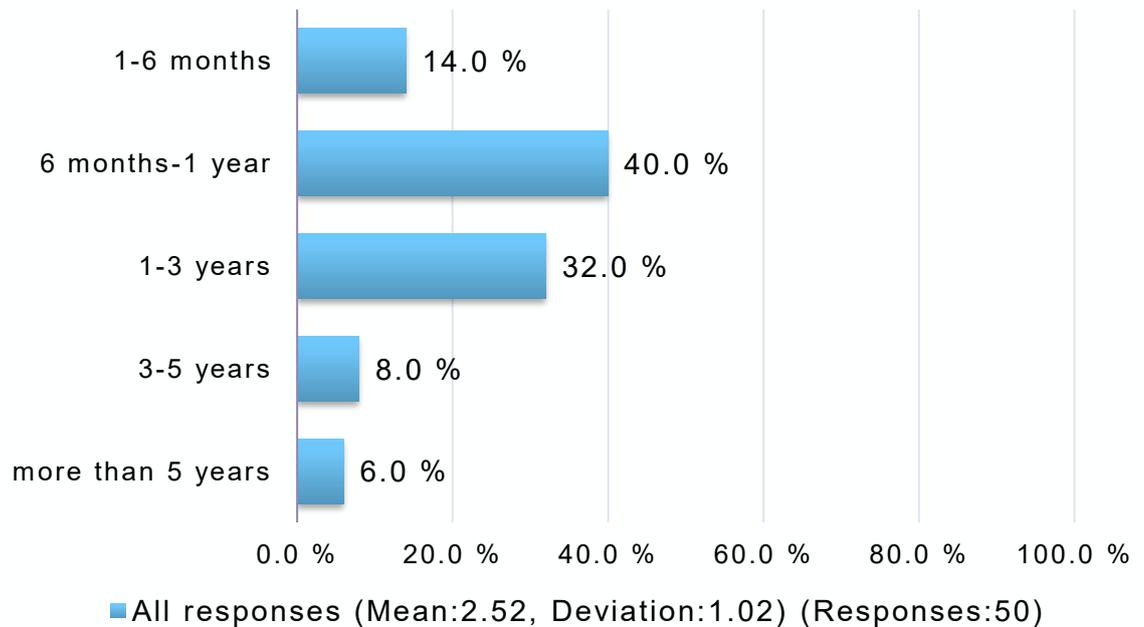
## 6. Employment status (you can select up to 2 answers)



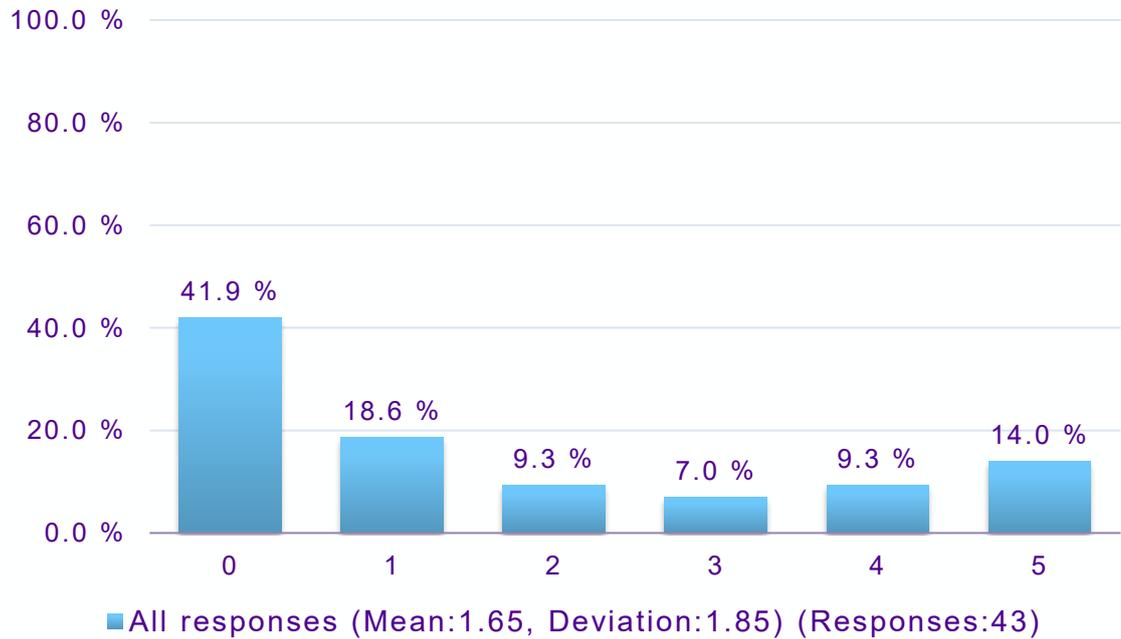
7. What has been the biggest size of a company you have worked for?



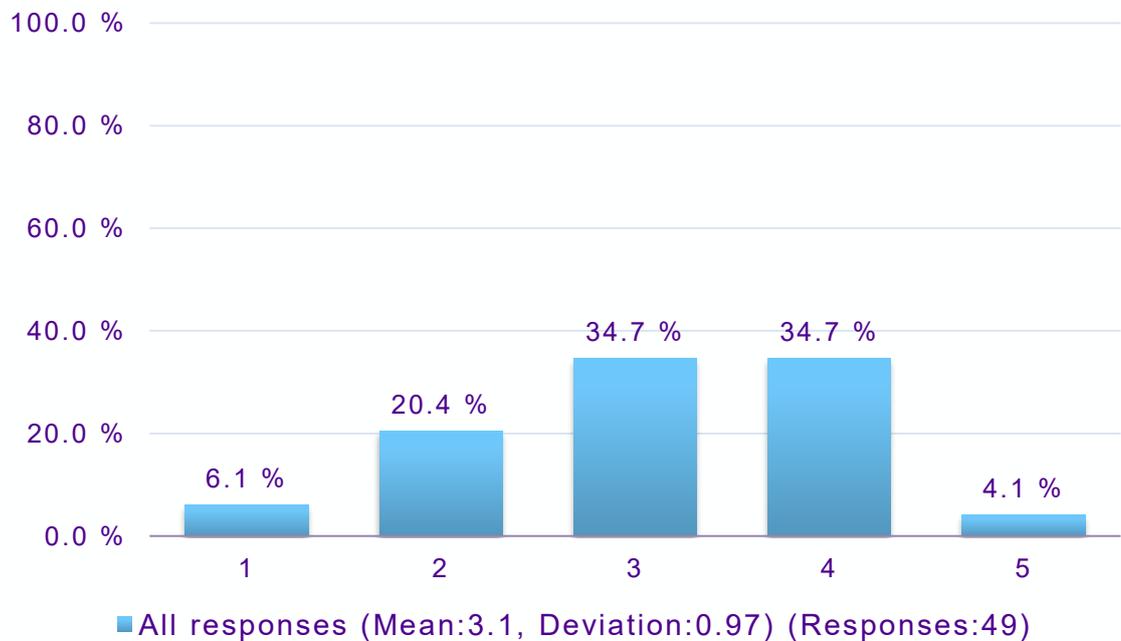
8. What has been the longest period of time you worked for one company?



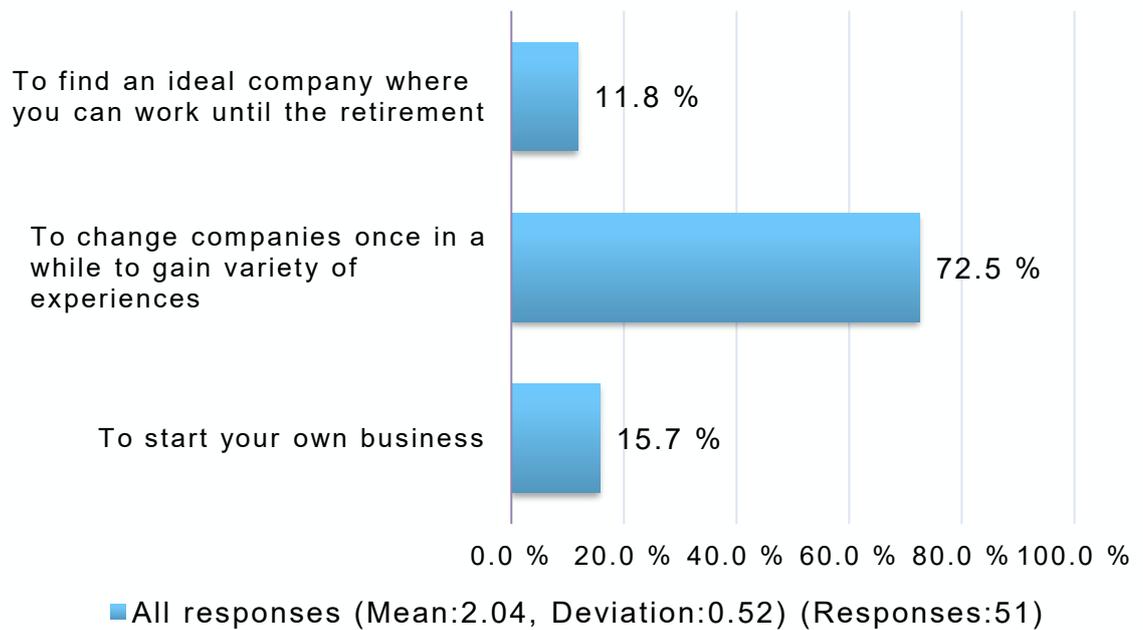
9. If employed, how likely are you willing to stay to work for your current company in the next 5 years on a scale from 0-5 (0 not likely at all and 5 most likely)?



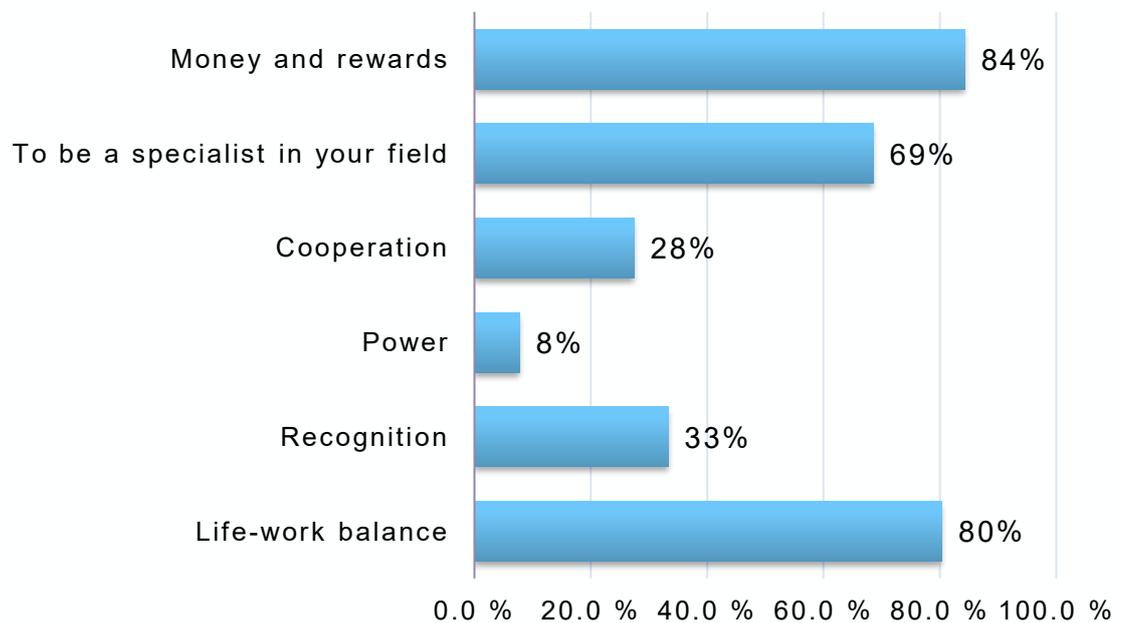
10. How satisfied have you been with your most recent job (including the current one if applicable)?



### 11. What career path would you prefer?



### 12. What is your main motivation at work? (you can select up to 3 answers)



### 13. What have you found to be the most challenging within the first year of working for one company? (All responses)

- Not enough support and coaching, bad communication
- Adjustment, Time management

- overload work (more than 8 w/h)
- To get over my imposter-syndrom
- Integrating into the company's culture; Integrating with my colleagues; Learning how the company works; Trusting my colleagues; Making your boss trust you
- The boss
- -
- Maybe in previous jobs that the tasks were simple and boring.
- Changing schedules and teams
- Not enough support and feedback from the supervisor
- Miscommunication and no chance for advancement
- Unavailable boss, not enough communication
- No performance management at all
- No support and feedback on my performance
- No training and bad communication
- No career plan. I couldn't see myself achieving my professional goals with this company.
- Adjusting to the new environment
- No integration plan
- Unapproachable boss, bad communication
- Learning the job that I was hired for, because there was no training
- The job was not what I expected
- My needs were not given any attention, such as I needed assistance with some tasks that I was not familiar with how to accomplish
- Corporate environment is not for me
- There was no training and support. The manager was not giving me any guidance with my tasks and if I asked for more support she would say that she does not want to affect my way of thinking by giving me suggestions. I was entry-level and I need more guidance from experienced colleagues

- My boss
- Not enough support with learning new things at work
- Even though I already had few years of experience behind me, my boss would give me mostly to do the operational and entry-level stuff, even though they presented my role differently. So after 3 months I had to quit
- I didn't like the job
- Lack of communication and support
- Working overtime
- Boss who does not like talking with employees
- Lack of communication among team members and no transparency
- No support with learning
- I was feeling alienated from the team
- I couldn't clearly understand my responsibilities
- There was a absolutely no orientation period. I had to jump straight I to the tasks with literally no training or coaching
- Unorganized management. I was not sure what my responsibilities are
- No training, bad communication and no support from boss and team colleagues
- Bad communication
- Not very clear what my tasks are
- Very strict rules and working overtime

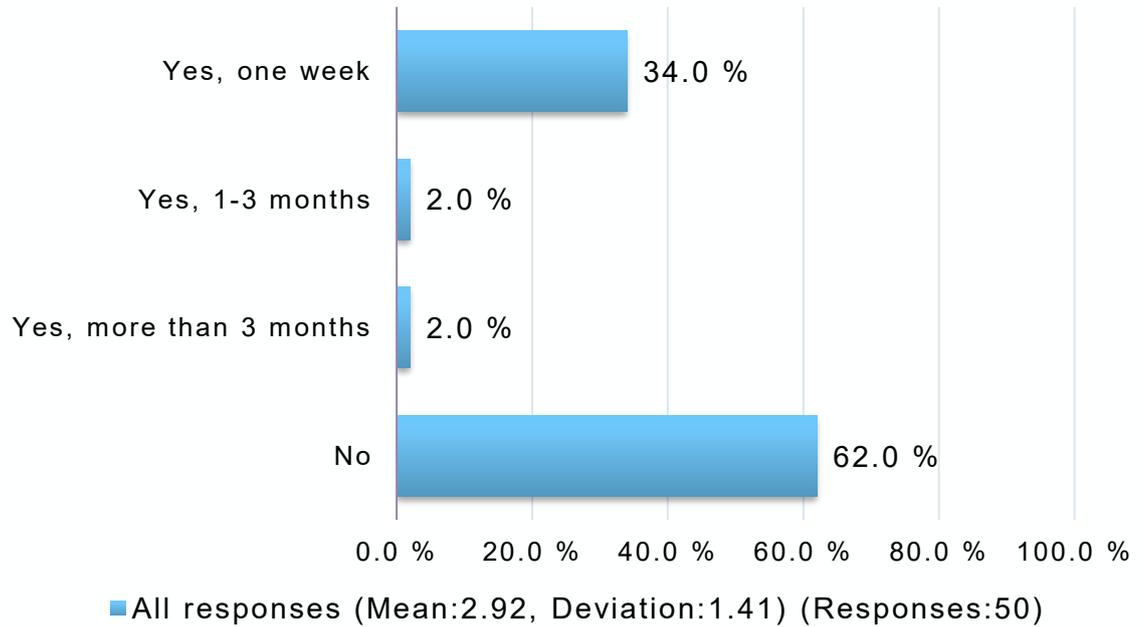
14. Would you consider working for the same company until the retirement and under what circumstances? (All responses)

- Maybe, if I get the opportunity to achieve my career goals and good life-work balance, so that I have time to achieve my personal goals too.
- Probably not, but I would consider it if the situation is comfortable and offer reachable perspective of evolution (including benefits and salary raise).

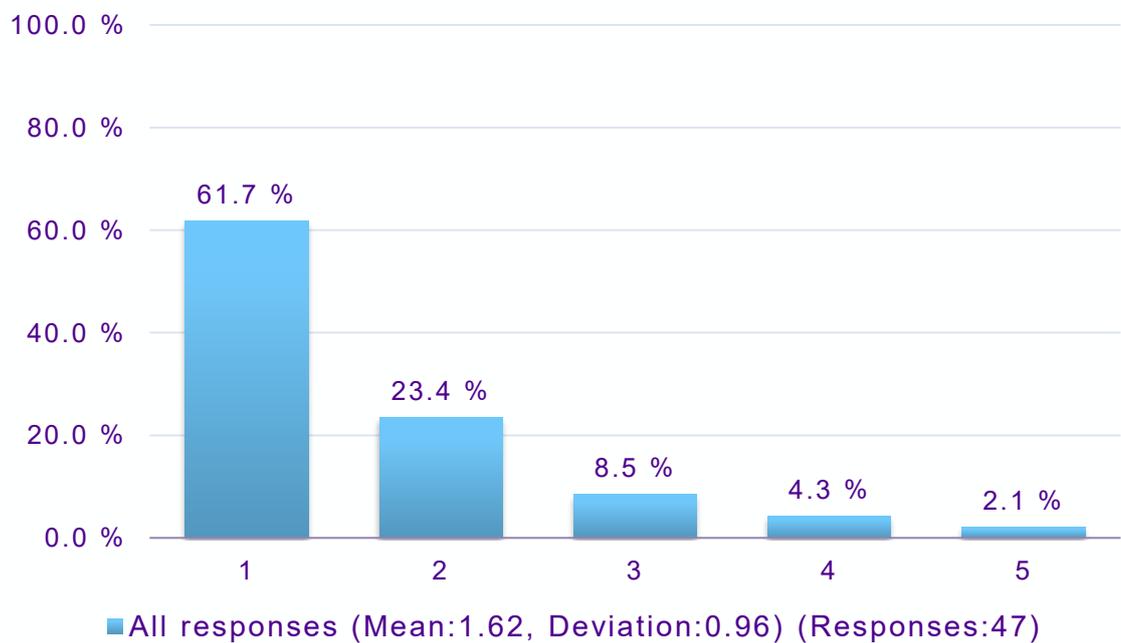
- NO
- Yes, if the company is very versatile and has outstanding values and also practices what they preach in regards to their values.
- Perhaps, but the boss must be different one than it is now.
- Would not.
- Yes why not, if the work stays as versatile as it is now and I get more money with more experience.
- No
- Probably not
- No
- No, because I want to develop my skills in different fields
- Maybe, if they provide clear career plan for me that will support my goals
- No
- No
- Probably not. If I do, the company needs to have a good performance management in place that includes good communication and at least quarterly feedbacks
- Maybe if the company gives me the opportunity to achieve my personal goals, both professional and financial.
- I don't think so
- Maybe if it's well paid and if there is good life-work balance
- I wouldn't
- Maybe, but only if I achieve my career goals and the company gives me the opportunity to develop myself as a professional
- Nope
- Maybe if the company has good values and supports their employees professionally
- Yes, but only if it is my company
- Maybe if there would be a proper onboarding process in place that would include training and feedbacks

- Probably not, maybe later
- Only if I can reach my personal goals with this company
- Maybe later, but not right now
- Yes, if the company gives me the opportunity to do the job that I like and pays well
- No
- No
- I would not
- Probably not
- No
- No
- Most likely not
- No
- Maybe if the company responds to my needs
- I would if the job is well paid with constant opportunities to learn and make a progress in my career
- Probably not, at least not from now
- No
- Maybe, if the company gives me the opportunity to advance in my career and earn enough
- I don't think so
- No
- No
- Probably not
- I wouldn't

15. Have you had a formal onboarding process at your most recent job and for how long?



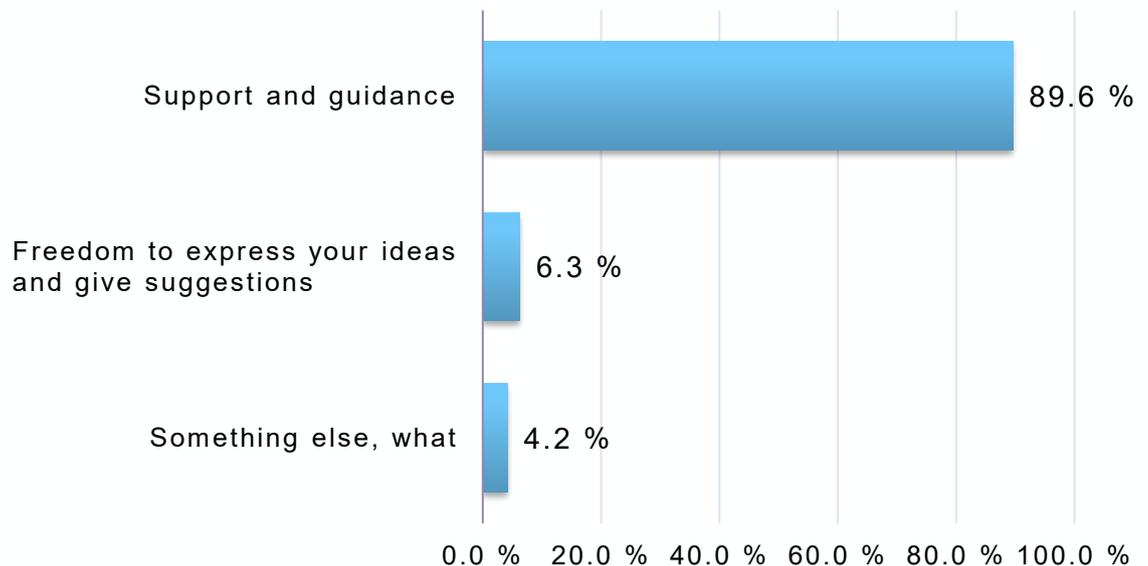
16. How satisfied have you been with your most recent onboarding process?



17. What is the most important aspect of the onboarding process for you?  
(you can select up to 3 answers)



18. During the onboarding process in a company, have you ever felt the lack of

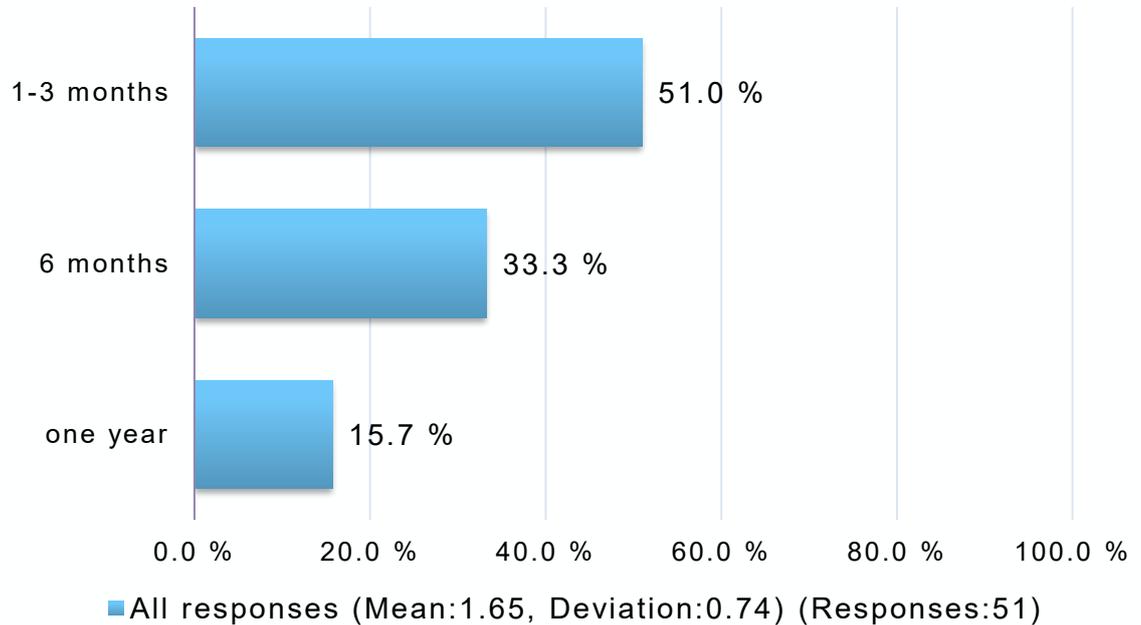


■ All responses (Mean:1.15, Deviation:0.46) (Responses:48)

Something else, what (All responses)

- Basic information
- Training

19. How long should the onboarding process last for you to be able to measure your personal progress and satisfaction at the company?



20. If you have ever left a job, what was the single most important reason for that? (All responses)

- Bad communication, high power distance
- I was unhappy with the management in general. Lacks of communication, irrational decisions and felt not valued.
- overload work (more than 8 w/h)
- Lack of compatibility in my values compared to the company's
- I reached a saturation point, where I understood that I could not grow anymore in the company. My work increased, but neither my title nor my salary changed.
- Management
- Not enough challenging tasks.
- I worked as a housekeeper for over three years. For three years it worked well, everyone cooperated and it was quite easy to come into agreement in who works and when. Then after this I had to change hotel and all this chaged, I did not have any say on when I can get to work, so they scheduled me shifts for my school days and for example my sister's

graduation. So instead of working on that graduation day I quit the job - and have not missed it for a day.

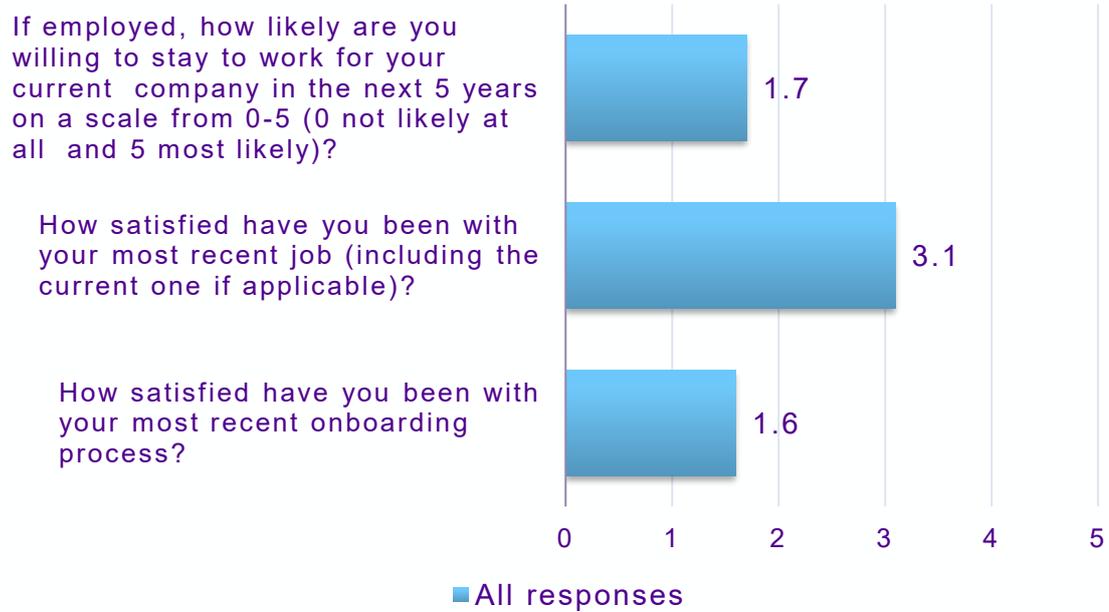
- higher education
- New job was more suitable for my professional knowledges
- Lack of communication
- I needed more challenge and career advancement
- Disrespect
- Unfair working conditions
- New opportunities and experiences
- Miscommunication and no chance for advancement
- Inappropriate behavior from colleagues
- Improving in my career
- Manager and team atmosphere
- Variation
- No interest in the work
- Not enough opportunity for self-development
- I was not getting any assistance and help with the tasks that I was not familiar with
- Too much pressure
- Not enough support
- Communication problems within the team
- The company did not care about my personal career goals
- When I started working I didn't get any training at all, so I wasted a lot of time going around the office and asking people for help
- No opportunity to do the job I was hired for
- I needed new challenges
- Boring tasks
- Working overtime

- It was difficult to communicate with the boss
- It was a boring job, no opportunity to learn new things
- Lack of communication
- Not enough support
- No support and no training for my new role
- No clear plan for my progress
- Too much pressure and too high expectations, but no professional support at all
- Bad organization and communication
- No support, no variety. The company promised me more exciting projects in the beginning, but I ended up doing just the operational stuff
- The boss was inconsistent with his promises and plans
- I had other plans
- The company culture
- I needed new challenges

21. Do you have any additional comments? (All responses)

- Organization's working culture and leadership culture is one the most influential aspects in working life for me
- Onboarding process should involve training and regular feedbacks
- Onboarding process should be longer, because it should follow up on the employee progress and satisfaction, not just if the employee met the company's goals
- The onboarding process can be even longer and it should include training and support
- Companies should invest more in proper onboarding process that provides training and support system
- Companies should provide the official training at the beginning, no matter of the education or background of employee

- Companies should be honest from the beginning and not give false promises
- I think that onboarding process should be at least 6 months
- I think that onboarding should be at least 6 months long to measure the progress



### Appendix 3. Interview questions

The questions in the interview were semi-structured, giving the possibility to the respondents to introduce new topics. Therefore, the following questions should rather be considered as a guideline, not a strict agenda.

1. What is your employment status currently?
2. What have you found to be the most challenging within the first year of working for one company?
3. Did you have an official training during the onboarding? How long? Did you gain necessary skills through the training?
4. Did you have feedback sessions during onboarding? How often?

5. Did you have a mentor or a coach during onboarding?
6. What conditions would make you stay to work for one company long-term (at least 5 years)?

#### **Appendix 4. Correlation test**

##### **Chi-Square test**

The purpose of the correlation test, in this case, the Chi-Square test, was to determine if having a formal onboarding process has an impact on the respondent's decision to work for a company 5 years or longer. The test was performed in the statistics software SPSS and the results were measured based on the P-value.

**SPSS** is a statistical software package, which is commonly used for analyzing data by researchers and companies (IBM SPSS, 2020). **Chi Test** is a bivariate statistical test that measures the strength of association or relationship between two qualitative variables (Statistics Solutions, 2020). **P-value** is a value that determines in statistical tests if the null hypothesis is accepted or rejected. The lower the 'P-value', the stronger the evidence that the alternative hypothesis is true, where P-value must be lower than the critical value for the null hypothesis to be rejected and for the alternative to be accepted (Investopedia, 2020).

With this test, we aimed to accept or reject the null hypothesis:

**Null hypothesis-** having the onboarding process does not have an impact on the employees' decision to stay to work for the same company for 5 years or longer.

**Alternative hypothesis-** having the onboarding process does have an impact on the employee's decision to stay to work for the same company for 5 years or longer.

The test result showed that P-value is equal to zero. With a critical value of 0,05, we will, therefore, reject the null hypothesis and accept the alternative hypothesis,

meaning that having a formal onboarding process does have a significant effect on the employees' decision to stay at one company for 5 years or longer.

**Chi-Square Tests**

	Value	df	Asymptotic Sig- nificance (2- sided) P-value
Pearson Chi-Square	29.600 <sup>a</sup>	8	.000
Likelihood Ratio	33.307	8	.000
Linear-by-Linear Association	13.371	1	.000
N of Valid Cases	24		

a. 15 cells (100.0%) have expected count less than 5. The minimum expected count is .13.

### Chi-Square test results

The data was coded in the following manner:

- 1) How likely are you willing to work for your current company in the next 5 years? The data coding is shown in the table 1.

TABLE 1.

<b>Likert scale answer</b>	0	1	2	3	4	5
<b>Code</b>	0	1	2	3	4	5

- 2) Have you had a formal onboarding process at your current job and for how long? The data coding is shown in the table 2.

TABLE 2.

<b>Answer</b>	No	Yes, 1 week or less	Yes, 1-3 months	Yes, more than 3 months
<b>Code</b>	1	2	3	4

The answers:

	Willingness	Onboarding	var
1	.00	1.00	
2	.00	1.00	
3	.00	1.00	
4	.00	1.00	
5	.00	1.00	
6	.00	1.00	
7	.00	1.00	
8	.00	1.00	
9	.00	1.00	
10	1.00	1.00	
11	1.00	1.00	
12	1.00	1.00	
13	1.00	2.00	
14	1.00	2.00	
15	2.00	2.00	
16	2.00	2.00	
17	2.00	2.00	
18	2.00	2.00	
19	3.00	2.00	
20	3.00	2.00	
21	3.00	2.00	
22	3.00	3.00	
23	3.00	3.00	
24	4.00	3.00	
25			
26			
27			
28			

1

Data View Variable View