

Research on Fresher Onboarding and its Long-term Impact¹

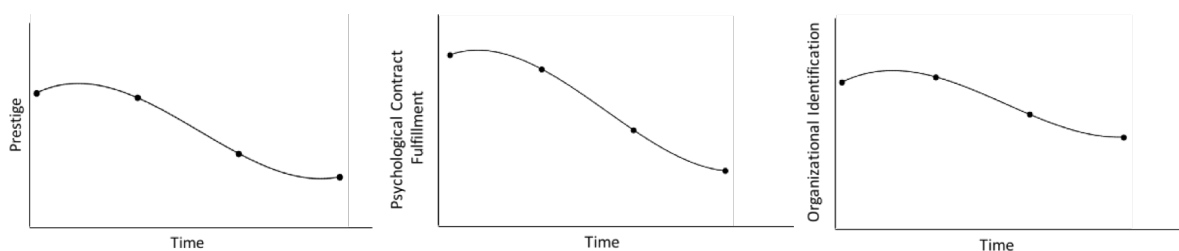
An executive summary

Fresher onboarding is a critical process for an organization in converting outsiders to insiders. The onboarding experience at this early career stage can leave lasting impressions² on the freshers. Negative impressions may prove costly to the organization years later if these employees leave – cost of onboarding, cost of hiring a replacement, lost productivity, training costs – which can be up to twice the annual salary.

Our research examined changes in organizational identification among 1,346 freshers at critical milestones during their first year of employment in an Indian IT services company and its impact over three years. The five-wave results reveal that perceptions of prestige, psychological contract fulfillment and organizational identification rise during institutionalized socialization. These then fall immediately after this period, and finally recover and stabilize as employees settle into their first assignment. Freshers' personal prestige markers, including academic qualifications, the proportion of in-group members in the socialization group and preferential treatment impact these change patterns. The change patterns subsequently predict the speed and occurrence of their voluntary turnover over three years of employment.

Key findings

1. The freshers' perceptions of prestige, fulfillment of psychological contracts and identification with the organization rise during institutionalized onboarding. They then drop immediately after and later, after time in the project, stabilize and show slight upward movement. These are milestone related impacts on the psychological parameters of freshers.

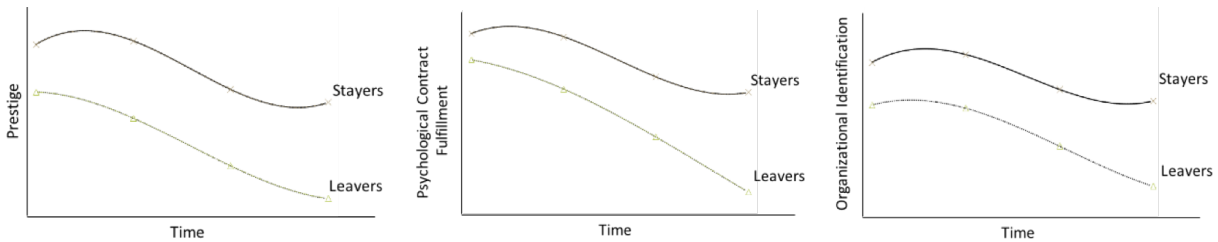


2. Looking at longer term impacts of these initial experiences it was found that higher levels of these positive perceptions during onboarding were related to slower attrition over three years. The level of perceptions of being identified with the organization directly contributed to the attrition outcomes.

¹ Based on our research paper “Zhu, J., Tatachari, S., & Chattopadhyay, P. Forthcoming. Newcomer Identification: Trends, antecedents, and consequences. *Academy of Management Journal*.”

² <https://hbr.org/2015/11/the-powerful-way-onboarding-can-encourage-authenticity>

- The freshers who left the organization within three years of joining had started out with lower levels of perception of prestige, psychological contracts fulfilled and identification with the organization and also had a smoother decline of these perceptions while those who stayed back in the organization had a slight increase of these perceptions and a fall after training and recovery during project work.



- More specifically, the feeling of psychological contracts being fulfilled changed the feeling of identification with the organization over time. Also having a mix of engineering and non-engineering freshers impacted these trends. The mix of freshers from the same region in the training also impacted the trends of these perceptions.

Organizational Implications

- From these findings organizations can benefit by understanding the long term implications of initial experiences of freshers in explaining their attrition. Interventions at milestones can be brought in play to increase freshers' perceptions and improve their loyalty over longer horizons.
- Specifically highlighting positive aspects of the organization, reducing uncertainty during the period immediately after training could mitigate the decline of perception levels.
- Organizations could also look at separating the freshers by qualification during the training to reduce personal prestige related negative perceptions.
- The training could also have a larger mix of same-region people to help reduce uncertainty and negative impact on perceptions.
- Finally, by matching treatment of freshers as per their expectations based on their prestige status – for example by getting them allocated to projects in the locations of their choice – can help arrest negative trends in the perceptions and therefore likely delay their attrition.

Contact for further details

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