

## **EMPLOYER BRANDING: IDENTIFYING THE JOB COMPONENTS IN INDIAN I.T. SECTOR**

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### **ABSTRACT**

The purpose of this paper is to review the existing literature in the emerging area of employer branding and to connect with the theories of the field and get inferences from it. Further, it was tried to enumerate the job components which matter for the employees. A scale of employer branding is expected to be developed to measure the employer attractiveness in the IT sector. The approach involves reviewing conceptual and empirical research papers from academic journals and other available literature which particularly work upon the factors of job. The review provides the insight as to which factors are important for the employees and to what extent. The various facets of job components discussed by the various researchers were identified and analyzed. The main limitation of the review is that selected factors were included which are relevant to the IT industry in India. The capability to attract and maintain best talent in the IT sector is the key to any organization where specialized skill sets are in high demand. Various HR strategies are available which help the employers to not only retain the existing employees but also to capture the ones who will join later. The review provides the factors from various literature and further it can be empirically tested and their response can be an eye opener to the changing demands of the next generation of the employees. The uniqueness of the review is that it provides the base for a new scale in employer branding in the IT sector in the Indian context. A few new factors have been added which were not identified by authors and that are also important in the changing employment scenario.

**KEYWORDS:** Employer, Job Factors, Branding, Theory

### **INTRODUCTION**

The concept of employer branding had its beginning since 1990s and continued to draw the attention of the researchers and academicians. It is basically the application of the marketing principles to the concepts of human resource management (Cable and Turner, 2001).

Employer branding is the new educational theory with its beginnings visible since 1990s. Since then it has drawn the attention of the human resource academics. Employer branding has become a significant addition to the human resource practices (Barrow, 2007; CIPD, 2007; Martin, 2008). Organizations are gradually realizing that the name of the brand or the brand commitment is assured by people and not products as they are the core of any company. The employees who work very hard for the product or service have to be reliable and consistent and this feeling of commitment should be present in every level of the employees ranging from top level employees to the newly joined ones.

### **PROBLEM SCENARIO**

The capability to attract and maintain best talent in the market is the key to any organization, especially in

competitive sectors where specialized skill sets are in high demand. The increasing number of organizations provides the potential employees a good number of options for them to choose their employer. The increasing number of employers in the job market also provides the existing employees a good chance/ to change their employers according to their own needs. Employers compete among themselves in providing as attractive packages as possible to lure the employees. Besides attractive packages, the employers try to provide good working environment, career opportunities, job security, recognition of work and many other benefits for the employees to attract them. Owing to this situation many employees, present and would be, often either turn indecisive or panic on the issue of selecting the employer of their dream. As Lloyd (2002) states that employer branding is the sum of a company's efforts to correspond to the existing as well as the prospective employees. Also this view gets supported from Dell and Anispan (2001) as they advocate that the employer brand establishes the identity of the firm as an employer and having an intention of attracting, inspiring and retaining the company's present and prospective employees. Such young graduates are the new aim of the corporates as the better understanding of their expectations can help the organizations (Montgomery and Ramus, 2011)

## **REVIEW OF LITERATURE**

The aim of the study is to observe the concepts of employer branding and thereby various attractions of the employer which is a part of the internal marketing. Employer attractiveness is a gradual concept in the area of management and human resource management in particular. This paper is based on review of the studies made on employer branding by various experts in global context. The attention to the area of employer branding is apparent by many articles on the topic. Research works have been done on "employer branding" across the globe. A good number of researches on employer branding have been done in India as well. Now let us take a look on the various studies made on employer branding both in international as well as in national level.

Employer branding is the process of creating the reputation or fame of an organization as a cherished place where any prospective employee wants to work, primarily by adjusting recruiting and other HR practices with the 'brand' reputation or identity the organization wants to have. The employer attractiveness is the area of concern and much literature is available which links employer branding and employer attractiveness (Barber et al., 1994; Agarwal and Swaroop, 2009; Moroco and Uncles, 2009; Mandhanya and Shah, 2010). The idea is that to work here as a way to draw not only probable and excellent employees, but more exclusively the kind of employees who adjust well within the organization. The ever increasing competition in the knowledge economies and the dearth of talent in the in labor market with the demographical changes is an issue of concern while selecting and retaining the right talents (Ewing, M. et al.2002; Michaels, E/Handfield-Jones, H./Axelrod, B. 2001).

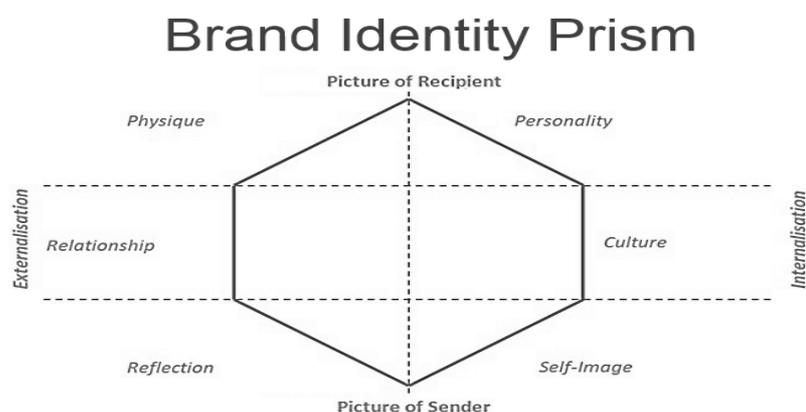
Academic research on the topic of employer branding is limited. Backhaus and Tikoo (2004) present two different definitions the first being "Employer branding is the package of functional, economic and psychological benefits provided by employment, and identified with the employing company whereas the other one is it is the employment brand establishes the identity of the firm as an employer. It encompasses the firm's value system, policies and behaviors' towards the objective of attracting, motivating, and retaining the firm's current and potential employees. Employer branding has also been linked to other areas like organizational behavior (Martin R. Edwards 2009) as it is related to various other facets in management. Backhaus.K, (2004) made a study on conceptualizing and researching employer branding. It is mentioned in the article that employer branding represents a firm's attempts to endorse a vision of what makes an employer special and popular. The analytical study was concentrated on USA and UK with the use of secondary data. The major findings

were managers could use employer branding as a wider application under which they can rationalize different human resource areas like recruitment, retention, performance of the employees after training and development. This will have a significantly different impact than each of the single process working alone.

Chhabra and Sharma (2012) worked on strategies for improving employer attractiveness. Also, the preferred channel through which organizations should promote employer attractiveness is studied. Bhatnagar.J, (2008) made a study investigating the process of developing effective employer brand intervention. Only primary data were being collected for the article thus it was a descriptive type of study. Organization B International, Inc, a pharmaceutical Organization in Delhi was concentrated for the research study. The major findings of the article were- the Indian operations are still at an evolving stage; the organization need to build its brand and create awareness of its existence in the market. A study in the Indian context was made by The major findings were- the escalating focus on profit making and competitive improvement is paving the way for many Indian firms to reorganize their employer brands. Also it was studied that employer branding ensures that the best employees stays on longer. Berthon, Ewing and Hah (2005) developed a 32-item Employer Attractiveness scale (EmpAt) and tested it on a convenience sample of 683 university students in Australia and finally after exploratory factor analysis labeled 5 factors named Interest value, Social Value, Economic value, Development value and Application value. Then by using SEM confirmatory factor analysis was done. Bhatnagar and Srivastava (2010) did a survey on MBA final year students and working managers in the NCR region and concluded after principal component analysis that there are 7 components viz. caring organization, enabling organization, career growth, credible and fair, flexible and ethical, products and services brand image and positive employer image which are responsible in employer branding. Arachchige and Roberson (2013) studied the difference in perception of undergraduate and postgraduate students in Sri Lanka regarding employee attractiveness. EmpAt scale of Berthon et.al was used and responses of around 220 respondents. Overall a similar perception was found to prevail apart from minor differences.

EmpAt scale was tested in the light of Structure Equation modeling and relationship between dimensions of this scale was analyzed. Also, the use of social media as a medium to apply for a job was studied. 366 respondents from 3 institutes were electronically questioned with the help of questionnaire and a positive correlation was found between the factors. Yakub and Khan (2011) studied the role of employer branding and talent management for organizational attractiveness. The perception of the university students was studied. 100 students from 3 universities were the respondents. Better career growth was the main factor which mattered mostly for the students. So, the HR managers can adopt better techniques to get the best talent as per the taste of the prospective employees.

## THE ORETICAL CONNECT



## VARIOUS FACETS OF BRAND PRISM WITH RESPECT TO EMPLOYER BRANDING

- Physique – Symbol of company, Office infrastructure, location in the city, which city?
- Relationship – Mutual benefits as in career development and challenging job for the employee and completion of work within deadlines for the employer to name a few
- Reflection – What the employers name represents in the employees mind? Self enhancement, image in the society
- Personality – Employer as a person. Example - Business leader, Role model (can be anybody known)
- Culture – Holistic view of the organization, its origin, shared values and beliefs, CSR
- Self Image – How employee sees himself with the brand. Like - I am a successful, confident, expressive employee thanks to my employer

## HERZBERG'S 2 FACTOR THEORY

- Motivators (e.g. challenging work, recognition for one's achievement, responsibility, opportunity to do something meaningful, involvement in decision making, sense of importance to an organization) that give positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth
- Hygiene factors (e.g. status, job security, salary, fringe benefits, work conditions, good pay, paid insurance, vacations) that do not give positive satisfaction or lead to higher motivation, though dissatisfaction results from their absence. The term "hygiene" is used in the sense that these are maintenance factors. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary.

So our aim is to find such motivators and hygiene factors in the Indian I.T. sector.

## PROPOSED MODEL



## INDIAN IT SECTOR

IT sector has makeover India's image on the global platform. India is foremost off shoring destination followed by China and Malaysia. The sector has increased its contribution to India's GDP from 1.2% in 1998 to 7.5% in 2012 and expected 9.5 in 2016 and the sector aggregated revenues of US\$147 billion in 2015 and employs 3.5 million employees making it the largest private sector employer in India. (NASSCOM: Strategic Review 2015). India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be its unique selling proposition (USP) in the global sourcing market. (India brand equity foundation, August 2015)

## MOTIVATION

India, one of the world's largest economies, has made giant leap in its economic and social development in the

past two decades and has proven itself to be a major economic and intellectual power (Kapur and Ramamurti, 2001). It is the major source of the world's largest English speaking low cost workforce, with a high level technical talent fuelled by world -class institutes in India like IITs, NITs and IIIT's. Being industrious, hard working and focused on merit based and education dependent advance, Indian human skills are in great demand (Nath, 2008). Indian workforce is most sought after by the multinational giants because of the global recognition of its people, their management capabilities and innovativeness. The availability of new jobs for the Indian talent resulting in a higher turnover has made the organisations to sit back and revamp their recruitment strategy to attract and retain the top talent.

## LITERATURE GAP

When the task of review of literature was undertaken in the initial round almost all types of researches conducted were consulted. The major among these include: The factor influencing employer branding, Significance of employer branding/theoretical formulations relating to employer branding, The sources of information to know about various employers (brands), Impact of employer branding on employee performance, Perceptions of various stake holders about employer branding, Translating employer branding into business success, The strategic issues involved with employer branding, Employer Branding as a tool for employee retention.

The focus of the literature survey was the factors which were capable for employer branding. Although most of the factors were discussed by the researchers a good number of them were uncovered. Only a few authors had worked on the students who were considered to be a prospective employee and that too with the limited factors (Collins and Stevens, 2002; Highhouse *et al.*, 1999; Knox and Freeman, 2006). The factors which were relevant to the IT sector in India like Flexitime, Performance based incentives, Employee stock ownership facility, Good work-life balance, Career advancement prospects in terms of specialization, Autonomy in job etc. were identified apart from the already available ones for developing the scale of employer branding. After careful analysis of the literature, few new factors were discovered. Moreover, the focus on Indian IT Industry was lacking. This gap in the literature turned to be an eye catcher and it was decided to address on this gap of literature and thus the selection of the area of study saw the light of the day.

## FACTORS INFLUENCING EMPLOYER BRANDING

After the detailed literature review, the various components which could be highlighted about an organization to make it distinctive from its competitors are - Reputation of the employer, Performance based incentives, Fame of the product/service, Canteen and recreational facilities, Financial soundness of the organization, Medical insurance, Equality in reward administration, Life Insurance premium, Employee stock ownership facility, Job security, Flexitime (Flexible timings of work), Location of the workplace, Innovative organization, Type of the industry the organization belongs to (Service/Product), Organization should have social commitment or good Corporate Social Responsibility (CSR), Scope for posting abroad, Autonomy in job, Conveyance allowance, Good opportunities for promotion, The sector to which firm belongs (Public/Private), The working conditions in the firm, The reach of the organization is regional/national/international, The leadership at the top management should be flexible, An above average basic salary, The work environment should be congenial in terms of industrial disputes, Career advancement prospects in terms of specialization, Opportunity to participate in decision making, Nature of job (Sitting/moving), Outplacement services (Employment provided elsewhere when downsizing), Nearness from the native place, Severance payment (package when an employee leaves the organization other than retirement), Having good relation with colleagues and seniors, Housing

facility, Leave with pay (casual, privilege, medical, holidays), Getting accolades/appreciation from the management for my work, A fun and happy working environment, Retirement benefits, Transportation conveyance facility, Free membership of corporate clubs, House Rent allowance, Good work-life balance, Organization should have a clear organizational culture and communication, Paid vacations and Scope for learning and training opportunity.

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