



Employer Branding in IT Sector

KEYWORDS

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ABSTRACT *In the present competitive scenario the major challenge for the service based companies is to discriminate themselves successfully in order to attract and retain the talented employees within the organization. With the changing scenario of Liberalization, Privatization & Globalization and subsequent economic reforms, all the companies are becoming internationally strategic to utilize the employer brand to attract and retain talent which leads to expand and growth of a business. The magnificent competition in the IT sector is providing impetus to the concept of employer branding as companies are striving to attract the paramount talent and retain them for a longer duration. The present paper makes an attempt to elaborate the concept of employer branding and also tries to find out the important factors which are primarily considered by the potential employees before joining a company. The study was conducted on 100 employees of IT Companies working in NCR in India which includes trainees, lower level, middle level and senior level employees. The data were collected through a self administered questionnaire with the help of Google Docs and further analyzed with the help of PASW Statistics 18 by using frequency, percentage and cross tab. For checking out the interdependency of the factors which were considered by the potential employees, rank correlation test for agreement in multiple judgments was used manually. Job description is considered as the most important factor as the majority of respondents gives first rank to it which is followed by salary and benefits. A greater number of respondents revealed that they prefer fast growth with changing employer instead of slow growth with one employer. The majority of respondents articulated that they are enjoying their work in their present company but they might take a new job if a good opportunity would come to them.*

Introduction

Employer branding is a concept for understanding the perceptions and expectations of the employees, potential employees and related stakeholders by adopting the process of spotting the right and appreciable talent by creating awareness in a way of attachment of the employers with its employees just like an iron gets attracted with a magnet. With the liberalization of the Indian economy in 1991 and subsequent economic reforms, Indian companies are becoming internationally strategic to utilize the concept of employer branding to attract and retain talent which leads to expansion and growth of the business. In today's competitive environment employer branding is becoming essential. An effective employer is the one who can create a good image of the organization in the mind of their present and potential employees, confirming the organization to be the best place to work. Employer branding is therefore concerned with the attraction, engagement and retention initiatives targeted at enhancing any company's brand. It is the conscious effort for positioning of a company as a top level employer. The branding activity can be extended to all the sectors, including the IT sector. Information Technology sector of any country is a substantial indicator to gauge its economic growth and India is no exception.

In recent years, the world economy has witnessed drastic entrance and success of Indian corporations in the global market. The most significant growth contributor in putting India on the global map is information technology industries. According to NASSCOM, the IT-BPO sector in India aggregated revenues of US\$100 billion in FY2012, where export and domestic revenue stood at US\$69.1 billion and US\$31.7 billion respectively, growing by over 9%. The IT sector has increased its contribution to India's GDP from 1.2% in FY1998 to 7.5% in FY2012. By 2015, IT sector is expected to generate revenues of USD 130 billion (NASSCOM) which will create a transformational impact on the overall economy. Companies like TCS, Wipro, Infosys have made a huge contribution in providing services globally. Among all the sectors IT sector is the one which hires people in large numbers. A huge com-

petition in the IT sector is providing impetus to the concept of employer branding as companies tries to attract the paramount talent and retain them for a long period. Their long term association would lead to the success of the companies.

Literature Review

The term 'employer brand' was first publicly introduced to the management audience in 1990 and defined by Simon Barrow, chairman of People in Business, and Tim Ambler, Senior Fellow of London Business School, in the Journal of Brand Management in December 1996. This academic paper was the first published attempt to 'test the application of brand management techniques to human resource management'. Within this paper, Simon Barrow and Tim Ambler defined the employer brand as: the package of functional, economic and psychological benefits provided by employment and identified with the employing company. By 2001, 138 leading companies were surveyed by the Conference Board in North America, out of which 40% claimed to be actively engaged in some form of employer branding activity. In 2003, an employer brand survey conducted by the Economist among a global panel of readers revealed that 61% level of awareness of the term 'employer brand' among HR professionals and 41% among non-HR professionals. The first book on the subject was published in 2005 and the second in 2006. In 2008, Jackie Orme, the Director General of the UK Chartered Institute of Personnel Directors confirmed the growing status of the discipline in her opening address to the CIPD annual conference, with the observation that: "When I started out in the profession, nobody talked about employer branding. Now it's absolutely integral to business strategy - resonating well beyond the doors of the HR department". Similar recognition of the growing importance of employer brand thinking and practice has been seen recently in evidence in the USA, Australasia (Australia, New Zealand, Island of New Guinea and neighboring islands in the Pacific Ocean, Asia and Europe) with the publications of numerous books on the subject. In the year 2013, according to a survey by HR services firm Randstad, Microsoft has emerged as India's most attractive employer. The company has been followed

by Hewlett Packard and Google India in the second and third positions, respectively. Levering (1996) has opined that a good workplace is believed to produce higher quality products, support more innovation, has the ability to attract more talented people, and experience less resistance to change and lower turnover costs, all of which translate directly into a better bottom line. According to Sutherland et al (2002), in organization's skilled employees are hard to attract and difficult to retain and it has become critical to business success. The employer branding is used for corporate identity and reputation which communicates its image to current and potential employees. Luthans and Peterson (2002) have found, employees who are engaged in their organization with satisfaction demonstrate good performance and achieve success. According to Robert & Dowling (2002), superior performing firms have a greater chance of sustaining superior performance over time if they also possess relatively good reputations. It is consistent with the growing body of strategic research that links high quality intangible assets with sustained superior performance. Collins and Stevens (2002) have also stated that early recruitment and advertising may have beneficial effects on increasing the quantity and quality of applicants. Fulmer et al (2003) have analyzed employer branding policies on top 100 US companies. They found that employer branding policies were associated with not only stable and highly positive workforce attitudes but also had effect on organization's performance.

Objective of the Study

- To elaborate the concept of employer branding.
- To find out the important factors which are primarily considered by the potential employees before joining any company.

Research Methodology

Research design for the present study was descriptive. The study was conducted on 100 employees of IT Companies working in NCR in India which includes trainees, lower level, middle level and senior level employees. So far the employees' population is concerned; the study was confined to the 100 IT Companies employees. For the attainment of the objectives, both primary and secondary data sources of information were used. Published books, journals and periodicals, articles that were found in several databases constituted the secondary sources of information. For the primary data collection online survey was conducted with the help of Google docs. A self structured questionnaire was administered for conducting the study. A questionnaire was developed to obtain demographic information about respondent's sex, age, education level, designation and their experience within the organization. Second part of the questionnaire consists other information like what are the factors which are primarily considered by the potential employees before joining a company as per their importance to the factor. Convenience sampling technique was used for the collection of the data. The collected data were analyzed with the help of PASW Statistics 18 by using frequency, percentage and cross tab. For checking out the interdependency of the factors which were primarily considered by the potential employees, rank correlation test for agreement in multiple judgments was used manually.

Analysis and Interpretation

Demographics

Table 1

Table1.1 Gender of the Respondents		
	Frequency	Percentage
Male	62	62
Females	38	38
Total	100	100
Table1.2 Age of the Respondents		
	Frequency	Percentage
20-25 years	63	63
26-30 years	30	30
Above 30 years	7	7

Table1.3 Education level of the Respondents		
	Frequency	Percentage
Graduate	54	54
Post Graduate	36	36
Diploma Holder	10	10
Total	100	100

Table1.4 Designation of the Respondents		
	Frequency	Percentage
Trainees	20	20
Junior level	33	33
Middle level	38	38
Senior level	9	9
Total	100	100

Table1.5 Total no of years of experience of the Respondents		
	Frequency	Percentage
Less than 1 year	25	25
1-3 years	45	45
4-6 year	19	19
Above 6 years	11	11
Total	100	100

Elucidation

The above table no 1 exhibit the demographics of the respondents. Table 1.1 displays the gender of the respondents. Out of 100 respondents 62% were males and 38% females. 30% of respondents belong to 26-30 years age group while highest (63%) were in the age group 20-25 years age group and rest 7% belong to above 30 years age group (table 1.2). Table 1.3 depicts the education level of the respondents. Majority of respondents (54%) were graduates. 36 % of respondents were post graduates and 10% diploma holders. Table 1.4 exhibits that 38% of the respondents were from middle level which is followed by junior level employees (33%). Majority of the respondents (45%) were having 1-3 years of experience (table 1.5).

What are the important factors which are primarily considered by the potential employees before joining a company as per their importance to the factor?

Table 2

	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Total
Must be a multinational company	17	18	20	16	29	100
Salary and benefits	24	36	12	20	8	100
Flexible working hours	12	12	26	28	22	100
Company image	14	19	30	23	14	100
Job description	33	15	12	13	27	100
Total	100	100	100	100	100	500

Elucidation

The conclusion that can be drawn from the table no 2 is that majority of the respondent's gives first rank to the variable job description which proclaim that it is the most important factor for the respondents which they consider before joining any company among the all other important factors. The second rank by highest no. of respondents is given to salary and benefits. The largest category of respondents gives third rank to company image and majority of respondents provides fourth rank to flexible working hours. The company is multinational or national is the least important constituent for the respondents which they look before joining a company.

Hypothesis: The important factors which are primarily considered by the potential employees are independent to each other.

100 respondents had given rank number to 5 variables (factors).

Here

	Must be a Multi-national Company	Salary and Benefits	Flexible working hours	Company Image	Job Description
Total ranks	322	252	336	304	286
Mean	300	300	300	300	300
Difference	+22	-48	+36	+4	-14

No. of respondents (n) = 100

No. of factors (k) = 5

Degree of freedom: $v_1 = k-1 = 4$; $v_2 = k(n-1) = 495$
= 1000

S_D = the sum of squares of the differences between factors mean ranks and overall mean rank.

$$= (22)^2 + (-48)^2 + (36)^2 + (4)^2 + (-14)^2 = 4296$$

$$D_1 = S_D/N = 4296/100 = 42.96; D_2 = S - D_1 = 957.04$$

$$= /k-1 = 42.96/4 = 10.74$$

$$= D_2/k(n-1) = 957.04/5(100-1) = 1.93$$

$$F = / = 10.74/1.93 = 5.5647$$

Critical value $F_{4, 495, 0.05} = 2.37$

Reject the hypothesis because the value of F is less than the critical value. Hence factors which are primarily considered by the potential employees are dependent to each other.

Table 3

Table 3.1 From which source of information you came to know about your company		
	Frequency	Percent
Peers	9	9.0
Colleagues	25	25.0
Family Members	5	5.0
Online Search	14	14.0
Company personnel	5	5.0
Recruitment Consultant	13	13.0
Others	29	29.0
Total	100	100.0
Table 3.2 Why did you choose this employer		
	Frequency	Percent
Pay good salary	29	29.0
Support for employees training	9	9.0
Good leadership team	7	7.0
Good working environment	26	26.0
My friends work here	1	1.0
Provided me insight opportunities	7	7.0
I always wanted to work only with branded companies	16	16.0
This was the only option I had	5	5.0
Total	100	100.0
Table 3.3 My own image will improves if I work for a reputed employer		
	Frequency	Percent
Agree	96	96.0
Disagree	4	4.0
Total	100	100.0
Table 3.4 What would you prefer		
	Frequency	Percent

A really good job description	84	84.0
Compromise on job description but good company image	16	16.0
Total	100	100.0
Table 3.5 What would you prefer		
	Frequency	Percent
Slow growth but stick to your current employer	35	35.0
Fast growth but changing employer	65	65.0
Total	100	100.0
Table 3.6 What describes your current employment for better opportunities situation		
	Frequency	Percent
I enjoy my work and I am not looking for better opportunities	18	18.0
I enjoy my work but I might take a new job if a good offer would come	47	47.0
I enjoy my work but I am actively looking for better opportunities	30	30.0
I do not enjoy my work and I am actively looking for a new job	5	5.0
Total	100	100.0

Elucidation

Table 3.1 represents that only 5% of respondents came to know about their present employer from their family members which is same in the case of company personnel. The table also exhibits that 9%, 13% and 14% respondents came to know about their present employer from the peers, recruitment consultant and online search. 25% of respondents came to know about their present employer from their colleagues. The highest no of respondents reveals that they came to know about that from other sources which do not include the above mentioned sources. 29% of respondents reveal that they are working with their present employer because the company is paying them good salary and 26% of respondents said that the reason behind working with the present employer is the good working environment within the organization (table 3.2). 96% of the respondents reveal that their own image will improve if they work for a reputed employer. Only 16% respondents said that they can compromise on their job description but company image should be good (table 3.4). Whereas 84% of the respondents contradict the statement and reveals that a job description is more important to them instead of company image. In the table 3.5 65% of respondents betray that they prefer fast growth in their career and for the fulfilment of that they can change their employer. 47% of the respondents come out with the statement that they are enjoying their work in their present company but they might take a new job if a good offer would come to them (table 3.6).

Findings of the Study

- The present study has covered 100 respondents, working in IT companies in NCR. The highest number of respondent's gives first rank to the job description and second rank to salary and benefits. Company image comes as third important factor and which is followed by flexible working hours. By using rank correlation test for agreement in multiple judgments the researchers has found that the factors which are considered by the potential employees before joining any company are dependent to each other.
- On the basis of statistical results the present study affirmed that 29% of the respondents come to know about their company from other sources excluding peers, colleagues, family members, online search, company per-

sonnel and recruitment consultant. 25% of respondents revealed that they got information about their present company from their colleagues.

- The researchers have found that 96% of the respondents stated that their own image will improve if they work for an reputed employer.
- 84% of respondents revealed that a good job description is more important for them as compare to a good company image.
- 65% of respondents affirmed that they prefer fast growth by changing employer rather than sticking to their current employer with slow growth.
- 47% of the respondents revealed that they are enjoying their work in their present company but they might take a new job if a good opportunity would come.

Crux of the Study

According to the present survey conducted by the researchers, employer branding is not very prevalent in the Indian IT sector as the study reveals that 84% of the respondents prefer a good job description in comparison to good company image. Before joining any company the potential employee's first look for job description which is followed by salary and then a good company image comes. The study also signifies that the factors to be considered before joining an IT organisation are not independent to each other so an integrated

strategy should be adopted by a company to attract talent in present era of talent war. The case for taking Employer Branding is seriously imperative. Currently, it appears that not enough importance is being attributed to this concept. In an economic climate where business is tough there is pressure to cut costs and increase productivity. This arouses the need to get the right people in the right job which is even more crucial. Employer branding then becomes the only strategy, which helps in positioning the organization as the most attractive one in the corporate ecosystem. An attractive employer is the one who creates the image that there are no choices for their employees outside the organization and thus being the most desirable employer for potential employees. So in a marketplace like India, where there are high attrition levels, employer branding is very important as it provides a prevalence to attract and retain top talent. The employer brand is authentic only if it reflects the business and enlightens its identity, mission and values. This can only happen if the process of building employer brand initiates within the people of the organization and not just when recruiting. Companies will gain an emulous advantage by taking a long-term approach of investing in employer branding and developing their brands aligning to their future business needs.

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