

ANTECEDENTS TO EMPLOYER BRANDING: A STRATEGIC FOCUS ON THE INFORMATION TECHNOLOGY (IT) SECTOR IN INDIA

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Abstract: There is a paradigm shift in the nature of employee –employer bonding in the present dynamic business context. It is moving from a strong long term relationship to an instable short term association. This change is primarily observed among highly skilled knowledge workers of the information technology industry as they seek the best organizational environment that will suit their needs. In the present operating business environment where organizational growth is an outcome of innovative and technological progressions, human capital has emerged as one of the most valued assets of the organization. Skilled human capital can be a source of competitive advantage to companies and be a significant antecedent to its success. The challenge for the information technology industry is therefore to design a work environment that not only attracts but retains such talented human capital. Hence, it is imperative for the companies to explore the attributes that such skilled talent expect and operationalise them to effective employer branding strategies. This study is an attempt to explore the important attributes that IT specialists aspire in an organization of interest which will be beneficial design employer branding strategies.

Key words: employer branding; IT sector; employee attraction; employee retention

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Introduction

There is a paradigm shift in the nature of employee–employer bonding in the present dynamic business context. It is moving from a strong long term relationship to an instable short term association. This change is primarily observed among highly skilled knowledge workers of the information technology industry as they seek the best organizational environment that will suit their needs. In the present operating business environment where organizational growth is an outcome of innovative and technological progressions, human capital has emerged as one of the most valued assets of the organization. Skilled human capital can be a source of competitive advantage to companies and be a significant antecedent to its success (Chhabra and Mishra, 2008). The challenge for information technology industry is therefore to design a work environment that not only attracts but retains such talented human capital. Hence, it is imperative for the companies to explore

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the attributes that such skilled talent expect and operationalise them to effective employer branding strategies. This study is an attempt to explore the important attributes that IT specialists aspire in an organization of interest which will be beneficial to design employer branding strategies.

Literature Review

The concept of 'knowledge workers' was first elucidated by Peter Drucker in 1989, who described them as those qualified employees who have the ability to acquire and apply theoretical and analytical knowledge. Tulgan (2001) stated that the knowledge workers add value to the business process hence manifesting it into intellectual capital, which is one of the most valued assets for any organization (Alvesson, 2000). They possess skill sets that cannot be harnessed in a traditional structured organizational hierarchy. They prefer leaner structures coupled with autonomy to uptake tasks that are absolutely result oriented (Vogt, 1995). The role of knowledge workers is critical to the success of an organization, as these new age organizations are driven by their intellectual capital. Engineers, IT specialists, human resource managers, marketing managers are the professionals who fit into the definition of knowledge workers described above. Hence, it is imperative to organizations with the above human resource profile to design and structure the human resource policies that attract, motivate and retain the best skill sets in the industry. This paper is an attempt to investigate the factors that drive IT specialists in choosing an employer of their choice which will serve as a significant input to the employer branding process of companies in the IT sector.

Theoretical Framework

The Emergent institutional knowledge based theory proposed by Thompson and Heron (2002); best illustrates the association between knowledge workers and their employers of choice. This theory states that knowledge based organizations manage their human recourse by designing HR practices that are conducive to knowledge creation. These new generation knowledge based organizations are characterized by having forms customized to their requirement, flatter organizational hierarchies softer culture and differentiated organizational practices. All these dimensions collectively integrate to attract and retain knowledge workers. These factors also serve as significant antecedents to the level of motivation of knowledge workers. It is argued that knowledge workers, as in the IT sector, are ranked high on cognitive output and analytical skill sets required (Hertzenberg et al., 2000), they require a flexible work culture that encourages creativity.

Expectations and Attributes of IT specialists

Employer branding has become the need of the hour in the IT sector. Ambler and Barrow (1996) define employer brand as 'the package of functional, economic and psychological benefits provided by employment, and identified with the employing

company'. The process of employer branding is defined by Lloyd (2002) as the organizations efforts to communicate to the current and potential employees that it is a desirable place to work. There is considerable amount of research undertaken to explore the antecedents of 'employers of choice' by IT specialists as this will be instrumental in designing HR practices that attract and retain talent. Suntherland et al. (2002) concluded that knowledge workers aspire for career growth opportunities and stimulating work environment in an employer of choice. In an extended research initiative of Gaylard et al. in 2005, three prominent factors emerged in retaining the employees of the IT sector globally. They were equity and environment enabling high performance; empowered work culture and effective communication across hierarchy. A similar finding was reported by Copeland (2000). Other dimensions of 'employer of choice' reported in literature are fun place to work, best work life balance, innovative company, access to new technology, appropriate job design and monetary incentives based on performance (Benson and Kinsella, 2002; Chhabra and Mishra, 2008; Thomson and Heron, 2002).

The HR practices of an organization have to be aligned with the employer brand promise. In case of nonalignment, with the brand promise, employees enter into a phase of dissonance with their decision and may result into increased turnover (Schein, 1996; Backhaus and Tikoo, 2004). Consequently, brand messages have to accurate be and appropriate, communicating the essence of employer brands, that is reflected in the HR policies of the company.

Problem Statement

The design and structure of HR policies in every sector has undergone a paradigm change. Sectors, specifically employing knowledge workers, have taken cognizance of this issue as 'employer branding' has been labelled as a strategic HR tool and has taken over the driver's seat across sectors. The challenge confronting knowledge organizations today is how to device a secret formula that will not only attract but retain their intellectual capital, which forms the core of their existence and success. Brit et al. (2004) opine that knowledge organizations need to continuously explore the attributes that influence knowledge workers on their employer of choice as they are not static and constantly evolve subject to the micro and macro environmental factors. Failure to continuously monitor these attributes might weaken market attractiveness of the knowledge organization. Taking a step in this direction, this research endeavor attempts to explore the significant attributes that the professionals of the IT sector aspire in their employer of choice.

Research Methodology

Research Approach

A present research adopts a descriptive research design and a structured questionnaire is used to obtain data from the respondents. The research philosophy

of positivism rationalizes the quantitative approach adopted in this research endeavour. Target population considered for the study were employees of companies IBM, WIPRO, Infosys, Mind tree ltd, and Accenture located in Bangalore, which are pioneers of the IT sector in India. Judgmental sampling technique was implemented to identify the samples. Special permission was obtained from the HR team of every organization to obtain data from their employees. 225 questionnaires were distributed through the HR managers of the organization and 165 were returned (response rate = 73 per cent). Data was collected between July and August, 2016.

Research Instrument

The research instrument was designed in the backdrop of the employer branding framework proposed by Backhaus and Tikoo (2004). It was divided into two sections. The first section captured demographic data on a nominal scale. Demographic data captured was age, gender, educational qualification and designation. Subsequent sections captured data on attributes that IT sector professionals aspire in the employer of choice. The constructs were corporate environment(both internal and external), job structure, social commitment, and social environment at workplace, organizational dynamism, opportunity for growth, employee reward and scope for work enjoyment. 5 point Likert scale was employed to measure the variables of all the constructs. The scale was validated by estimating the Chronbach Alpha. Wherever there was a lapse on the internal consistency (Cronbach alpha <0.7), such questions were reframed and improvised.

Statistical Analysis

Descriptive statistics was employed to analyse the demographic variables captured in the questionnaire. Factor analysis is done to explore interrelationships among variables captured. This statistical tool enables researchers to condense the variables of the study into smaller grouped meaningful dimensions. In this research, factor analysis with Varimax rotation has been implemented.

Ethical Considerations

The researcher has obtained permission from the all the participating knowledge organizations of the IT sector. All the participants were briefed the objectives of the study and assured on the confidentiality of the data collected from them.

Results

Descriptive analysis of the demographic data captured in the questionnaire reveals that 57 per cent of the respondents were male and 43 per cent were females. 36 per cent of the respondents had work experience of less than one year, 15 percent had 2 years of experience, 18 percent were in the IT sector for the past 2-3 years, 19 percent had experience in the range of 3 to 5 years and 12 per cent were in the industry for more than 5 years. Among all the 21 variables considered for the study, male respondents scored high on 'happy work environment'(Mean: 4.75, SD±0.55) where are the female

respondents ranked job security as the top priority attribute (Mean: 4.38, SD±0.90). Overall results indicate that knowledge workers in the IT sector look for a happy enjoyable work environment in their employer of choice (Mean: 4.45,SD±0.62).Factor Analysis was performed with an objective of obtaining a more precise view of the attributes that IT sector professionals consider while evaluating a prospective employer. Using the principal component analysis approach, using Varimax rotation, 21 variables were reduced to 6 major factors (Table 1). Attributes appearing in more than 2 attributes were eliminated and they were measuring the same variable. In this case, variables eliminated were innovative employer, nature of reporting system, quality of peers and type of product or service offering. Variables coming in the same category with a factor loading above 0.4 were grouped into one variable and were assigned a name (Table 2)

Table 1. Factor analysis: Rotated Component Matrix

	Components					
	1	2	3	4	5	6
Belongingness	.708	-.027	-.075	.280	-.013	.173
Innovative employer	.595	.405	-.049	-.044	.101	.189
Recognizes performance	.402	.075	-.005	.039	-.114	.103
Fun work culture	.681	.378	.088	.416	.079	-.121
Opportunities for growth	.743	.298	.063	.203	.236	-.038
Builds Self-esteem	.694	.373	-.032	.055	.117	.071
Help is career advancement	.088	.735	.374	-.137	.067	.209
Reporting system	.426	.710	.093	.102	.283	.009
Quality of Peers	.625	.434	.178	.290	.150	-.041
Encourages creativity	.640	-.066	.433	-.038	.228	.355
Product / service offering	.197	.164	-.133	.434	.288	.612
Promotion opportunities	.041	.682	.244	.175	.134	.093
Socially responsible	.091	.013	-.021	.246	.088	.816
Offers Job security	.073	.293	.057	.746	.293	.252
Work diversity	.315	-.048	.404	.471	-.149	.390
Happy work environment	.157	.044	.118	.861	.089	.157
Market based pay	.058	.220	.822	.027	.084	-.034
Overall package	.069	.014	.886	.172	.163	.007
Profitable organization	.095	.362	.411	-.040	.144	.535
Size of the company	.125	.013	.147	.109	.898	.111
Brand name of the company	.205	.229	.144	.162	.805	.152

Extraction Method: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalization

Table 2: Factor Grouping of Attributes

Factor	Attributes	Factor	Attributes
Work culture	Belongingness Fun work culture Opportunities for growth Builds self esteem Encourages creativity	Performance Management	Recognizes Performance Promotion Opportunities Helps in career advancement
Compensation and Benefits	Market based pay Overall package Profitable organization	Career anchors	Offers Job security Happy work environment
Company Brand	Size of the company Company Brand Name	Stakeholders value proposition	Socially responsible

Results of factor analysis revealed the variables converging into six factors (Table 2) with Eigen values greater than one accounting for 78 per cent of the variance of the dependent variable of ‘employer of choice’. The first factor, ‘work culture’, accounted for 23 per cent of the variance, performance management (19 per cent), compensation and benefits (13 per cent), company brand (10 per cent) and stakeholder value proposition accounted for 13 per cent variance.

Discussion

The objective of this research was to investigate the attributes considered by knowledge workers of the IT sector in India while selecting their employer of choice. It is of pivotal importance to periodically explore these attributes to tune the HR policies of the organization to the needs of the market place. The research findings indicate that the professionals of the IT sector prioritize on fun work environment, opportunity for career advancement, compensation package offered while choosing their employer of choice. They also choose a company that encourages and appreciates creativity in their job delivery. This output is consistent with the output of previous research undertaken by Sutherland and Kinnear (2000) and Mengel (2001), Benson and Kinsella, (2002). The findings are also consistent with research output of Neeti et al. (2014) who highlighted ‘fun place to work’ as a critical attribute in employer choice. Kaye (2000) opined that career advancement opportunities were the key triggers for IT professionals as resonated in this research too. Consequently it can be concluded that knowledge workers give prime importance to the work culture adopted in a company which is reflected in the sense of belongingness it offers, fun work culture, opportunities for

individual advancement and display of creativity which invariably boosts employee self-esteem. This output further authenticates Herzberg's theory of motivation which advocates that intrinsic factors are key influencers in employee attraction and retention. Research evidence indicates that job security is not a significant factor driving employer choice among knowledge workers. This research output contradicts this finding and reveals that knowledge workers of the IT sector in India still look for job security in the offer. This could be attributed to the dynamic nature of the work fabric of the IT sector, especially among the core IT professionals in the industry.

Managerial Implications

Literature review and the results obtained from this present study reveal that mobility of the knowledge workers is a significant challenge in this knowledge based economy. This unveils the fact that the knowledge workers are a significant source of competitive advantage and thereby all companies have to strive not only to attract the best talent but also to retain their human capital. This implies that companies should design and implement attractive employee proposals that necessarily have to be communicated to their existing and potential employees through effective employer branding strategies.

Conclusion

Significant findings have emerged in this study that has a substantial impact on the design and structure of HR policies of the IT sector in India. This should translate into effective employer branding strategies that attract, motivate and retain knowledge workers who are instrumental in determining growth and success trajectory of an IT organization. In spite of the transformation encountered by the knowledge era, knowledge workers are still triggered by intrinsic factors like work culture, compensation and benefits, performance Management systems and career anchors. IT professionals not only aspire for career advancement opportunities but also require work to be 'fun'. Every IT company, in order to attract and retain the best talent pool, has to position itself as a company that offers as a balance of both work and fun. As the antecedents of employer branding are dynamic in nature, continuous research in the new age knowledge era is essential to ensure that there is empirical evidence to management in practice.

Directions for Future Research

This research endeavor has enabled us to explore the significant influencers of mobility of knowledge workers in the IT sector. A paradigm shift is observed the nature of demand moving from a demand based knowledge economy to a supply based structure. The strategic implication of this outcome is that knowledge based companies have to emphasize on their branding strategies in order to attract and retain the best talent. The scope of this research endeavor is the IT sector in India. Similar studies could be undertaken in the other knowledge

based sectors. This will further facilitate in redefining the management theories pertaining to human resource management and employer branding for the current knowledge era.

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DOTYCHCZASOWA STRATEGIA MARKI PRACODAWCY: STRATEGICZNY NACISK NA SEKTOR TECHNOLOGII INFORMACYJNEJ (IT) W INDIACH

Streszczenie: W obecnym, dynamicznym kontekście biznesowym obserwuje się zmianę paradygmatu w relacji pracownik-pracodawca. Jest to przejście od silnej relacji długoterminowej do niestabilnego krótkoterminowego powiązania. Zmiana ta jest przede

wszystkim obserwowana wśród wysoko wykwalifikowanych pracowników branży IT, szukających najlepszego środowiska organizacyjnego, które będzie odpowiadało ich potrzebom. W obecnym otoczeniu biznesu operacyjnego, gdzie wzrost organizacyjny jest wynikiem postępów innowacyjnych i technologicznych, kapitał ludzki stał się jednym z najbardziej cenionych aktywów organizacji. Wykwalifikowany kapitał ludzki może stanowić dla firm źródło przewagi konkurencyjnej i być znaczącym czynnikiem ich sukcesu. Wyzwaniem dla sektora IT jest więc zaprojektowanie środowiska pracy, które nie tylko przyciąga, ale i zatrzymuje utalentowany kapitał ludzki. W związku z tym konieczne jest, aby przedsiębiorstwa zbadały atrybuty, jakich spodziewa się od nich wykwalifikowany personel i wdrożyły je do skutecznych strategii marki pracodawcy. Niniejsze opracowanie jest próbą zbadania ważnych atrybutów, do których specjaliści branży IT aspirują w organizacji, co będzie korzystne przy projektowaniu strategii marki pracodawcy.

Słowa kluczowe: strategia marki pracodawcy; sektor IT; zainteresowanie pracownika; utrzymanie pracowników w firmie

對雇主品牌的保護：印度信息技術（IT）行業的戰略重點

摘要：目前動態業務背景下，員工與僱員聯繫的性質發生了轉變。它正在從一個強大的長期關係轉向一個不穩定的短期協會。這種變化主要是在信息技術行業的高技能知識工作者中觀察到的，因為他們尋求適合他們需要的最佳組織環境。在目前的經營業務環境中，組織發展是創新和技術進步的結果，人力資本已經成為組織中最有價值的資產之一。熟練的人力資本可以成為公司的競爭優勢的來源，是其成功的重要前提。因此，信息技術行業面臨的挑戰是設計一個不僅吸引但保留了這樣有才華的人力資本的工作環境。因此，這些公司必須探索這些熟練人才所期望的功能，並將其實施為有效的雇主品牌策略。本研究旨在探索IT專家在有興趣的組織中所追求的重要特徵，這將有利於設計雇主品牌戰略。

關鍵詞：雇主品牌；IT部門；員工吸引力員工保留