

EMPLOYER BRANDING IN IT/ITES UNITS – AN EMPIRICAL STUDY AMONG PROFESSIONAL STUDENTS

P. Vaijyanthi ¹, K. A. Shreenivasan ², Sangeetha K ³ & Preetha H ⁴

Abstract: *This paper envisages examining empirically the Employer brand status in the IT/ITES (Information Technology/Information Technology Enabled Services) units under study and determining, if any, the differences in the Employer brand and its components /elements among the IT students. This study is limited to analyzing the Employer brand in terms of the perceived Employer brand image and the Employer brand expectations in the selected units of the IT industry in India. The findings would help to picturize the Employer brand image and expectations and provide policy makers and HR consultants a starting point to look individually into the various labor segments and evaluate their Employer brands.*

KeyWords: Employer branding, perceived employer brand image, employer brand expectations.

¹ Senior Assistant Professor, School of Management, SASTRA University, Thanjavur. vaijyanthi@mba.sastra.edu,

² Assistant Professor II, School of Management, SASTRA University, Thanjavur. shreenika@mba.sastra.edu

³ II MBA, School of Management, SASTRA University, Thanjavur, Sang060989@gmail.com

⁴ II MBA, School of Management, SASTRA University, Thanjavur, pree.kavi@gmail.com

1. INTRODUCTION

"There is no truth. There is only perception." - Gustave Flaubert

Employer Brand concept has gained momentum, and in the international scenario has entered the turbo mode, in the context of the emergence of China, India and Brazil as economic powers and with the aging work forces in the U.S., European Union and Japan. As the big multinationals scout about the developing world for fresh talent, the importance of differentiating from a company's rivals is rising to the top of the HR agenda. The rapid growth of new industry sectors (including nanotechnology, biotechnology, digital & wireless communications) have increased dramatically the demand for skilled, specialised, value-adding employees.

Gone are the days when only the marketing professionals were concerned with branding. Today's HR experts have become the crafters and propagators of their organizations' employment brand. Organisations serious about attracting and retaining the creamy, are trying to influence what people say and talk about them as employers. Thus Employer branding is about becoming the employer of choice for the employee of choice. Potentially, those firms that nourish and foster employer branding will have a competitive edge.

The *IT* industry chosen as the universe for this study accounts for a 5.19% of the country's GDP and export earnings as of 2009, employing more than 2.3 million people either directly or indirectly, making it one of the biggest job creators in India and a mainstay of the national economy[1]. The global talent crisis in the western world has apparently infected the Indian IT industry, which will probably intensify, since demographic trends make it increasingly difficult for companies to replace valued employees when they retire.

2. CONCEPTUAL FRAMEWORK & REVIEW OF LITERATURE

Employer branding is defined as 'the sum of a company's efforts to communicate to existing and prospective staff that it is a desirable place to work'.[2] The 'employer brand' concept was first defined by[3] as 'the package of functional, economic and psychological benefits provided by employment and identified with the employing company, 'with the primary role

of the employer brand being' to provide a coherent framework for management to simplify and focus priorities, increase productivity and improve recruitment, retention and commitment'. It is a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders [4]. It therefore puts forth an image showing the organization as a good or desirable place to work [2]. Companies have long divided consumers into segments. They should do the same with potential and current workers. Ref [5] recommend that employers use the same tools and techniques employed to market to segments of consumers to reach out to potential and current workers. They argue that it is more profitable to treat certain groups of workers and potential workers differently based on a segmented marketing approach.

In this context it is imperative to learn the factors that undermine the Employer choice in the Indian IT industry which is heavily interspersed with strong international players. Previous studies indicate that employer brands are seen to display groups of attributes. These attributes, or packages of functional, economic and psychological benefits, underpin the brand 's positioning in practice, serving as a firm 's employer value proposition.[6],[7].

The Corporate Leadership Council (1999) deconstructs employer branding in more applicable terms. It describes employer branding as the "employment offer" or "job offer", as a sign of value to the labor market. At the heart of employer branding is a compelling employment offer or employment value proposition. This is looking beyond the opportunity to work for an organization with a leading product or company brand, as these offers are composed of selected levels of compensation and benefits, work environment, product/company brand strength work-life balance and company culture & environment. These five elements of the Job offer are essential since the two constituents of Employer brand image namely the Internal brand and the External brand image revolve around these basic elements [8], which is noted by the researchers in the rest of this paper as 'Employer brand components'.

Ref. [9] reinforces this concept holding that Employer branding can be described at two levels. The first level being the employer brand identity, which is the actual employment offer or job offer that is designed and provided by the organization. This is the wanted projected version of the employer brand that the organization sends out to the labour market. This employer brand identity is created with the intention of being the most compelling employment offer. The Internal employer brand image is conceptualized to be the actual offer

of employment or job offer that is perceived by the employees. The second level would be the External Employer Brand Image (EEBI), which is what is perceived by employees and prospective employees based on the employer brand identity that is projected to the labour market by the organization.

Employer Brand is a function of the perceived offer of employment shaded by factors such as cultural, social, personal and psychological background of the employee [9]. The “employer of choice” framework [10] delimits the wide meaning that employer branding has come to encompass. The “Employer of Choice” framework speaks to answer what exactly is the employment value proposition an organization should seek in designing its employment offer or job offer which forms the core of employer branding and thus the projected employer brand identity. An organization should brand itself to become an “employer of choice” as this is the reason of employer branding. The employment offer must constitute an offering package of the various factors in the “employer of choice” framework that is, quality and balance, procedures, compensation, people, work and opportunity.

Thus Employer brand is a function of the ‘actual offer’ (which is actually the ‘Job offer’ by the company-noted in this study as Employer brand components), the ‘perceived offer’ (which is the job offer as perceived by the potential employees including the students and young professionals called technically as the External Brand Image - termed as Perceived employer brand image in this study, and Internal brand image, which is the job offer as perceived by the Internal employees, namely the grand professionals and the ‘expected offer’ (which includes what the potential employees, and might be the current employees seek in the offer- their expectations of the offer -termed as Employer brand expectations in this study)[15].

There exist a very limited literature on Employer branding and the focus of these studies have been to define the phenomenon [3]. [11], consider the foundations [12], or examine the outcome of the process with respect to recruitment [13].

3. PURPOSE OF THE STUDY AND RESEARCH QUESTIONS

Therefore the primary purpose of this quantitative study was to examine empirically the Employer brand status in the IT/ITES units under study and determine, if any, differences in

the Employer brand and its components among the students ,former IT professionals, and former Non-IT professionals.

Since the Internal brand Image is a reflection of the ‘job offer’, and yields to control by the employer, this study focuses only on examining the External Brand Image which is a perceptual phenomena partially influenced by the marketing expertise of the employer and hugely influenced by various psychological functions (including perceptual distortion, selective perception, and congruence, to name some), and is thus less controllable. Based on the literature and in conjunction to the above mentioned study purpose, the following research questions were framed.

Research question 1: The status of Employer brand in terms of the Perceived employer brand image of the IT/ITES units in the study, among students ,former IT professionals, and former Non-IT professionals.

Research question 2: The status of Employer brand in terms of the Employer brand expectations of the IT/ITES units in the study, among students ,former IT professionals, and former Non-IT professionals. **Research question 3:** Do the students ,former IT professionals, and former Non-IT professionals differ in their Employer brand perceptions in terms of the Employer brand components of the IT/ITES units .

4. METHODS

4.1 Instruments & Measurements.

A survey Instrument consisting of a detailed questionnaire was prepared based on the literature review .The Employer brand components were conceptualized based on the Corporate Leadership Council’s Model of the Employer brand and the questions were framed by applying these components on the Universum Communication’s Universum Graduate survey instrument. Employer Brand was conceptualized in terms of the Employer brand expectations and the Perceived employer brand image. The questionnaire thus had three parts: a general component covering the demographic details of the participants, Employer brand expectations, and Perceived employer brand image.

4.2 Survey Data &Sample

The sample for the study 150 students were chosen from among the students of the professional programs including MBA, MCA& M.Sc., of Colleges in and around Bangalore (questionnaires were circulated to 220 students). Three categories of students were identified for the study – the final year and pre-final year students of professional programs(without prior work experience), students who have had one or more years of work experience in IT/ITES units, students who have had one or more years of work experience in non-IT units. The opinion of these sample students with regard to the three major players in the IT industry - IBM, Infosys and Wipro , were collected. Thus ‘employer’ in this study denotes these three select units and ‘employer branding’ denotes the employer brand image of these three units as perceived by the professional students. The students were contacted personally for collecting the data (response rate 68%)

4.3. Statistical tools

Descriptive statistics were used to describe the variables -participants’ Employer Brand perceptions and Employer brand expectations. Wilcoxon rank- sum test was used to determine the difference of perceptions between the three group of participants namely the students ,former IT professionals, and former Non-IT professionals. Since Employer brand is a function of the perceived offer of employment shaded by factors such as cultural, social, personal and psychological background of the employee (Melin, 2005), the influence of demographic factors of the participants on the variables were also examined applying Chi-square test.

5. RESULTS & DISCUSSIONS

Answer to Research question 1 & 2:

The Employer brand gauged in this study in terms of Employer brand expectation and Perceived employer brand image, conceptualized to consist of the five Employer brand components ,as perceived by the the three sample groups of professional students have been presented in Table:1 .

Table 1: Descriptive statistics - Percieved employer brand image , Employer brand expectations & participant demographics

Employer Brand Dimensions	Students		IT Professionals		Non-IT Professionals	
	Mean	Std.dev	Mean	Std.dev	Mean	Std.dev
Perceived employer brand image						
Balance between private life & career	4.41	.845	4.42	.844	4.42	.841
A good reference for your future career	4.73	.575	4.75	.570	4.70	.574
Flexible Working hours	3.72	.883	3.70	.880	3.75	.881
Few hours overtime	3.56	.737	3.56	.737	3.56	.737
learning opportunities	3.94	.744	3.93	.742	3.90	.741
International career opportunities	4.01	.855	4.01	.855	4.01	.855
Competitive compensation	3.79	.799	3.80	.800	3.72	.794
Continuous follow-up of your work	3.52	.673	3.55	.675	3.50	.671
Possibilities of work from home	3.17	.523	3.19	.530	3.18	.527
Possibilities for advancement/promotion	4.76	.501	4.78	.503	4.77	.502
Secure employment	4.89	.394	4.90	.396	4.89	.394
Task that mean bigger challenges	3.99	.807	3.99	.807	3.95	.802
Interesting job profile	4.07	.795	4.08	.797	4.05	.794
Less bureaucratic systems	2.92	1.000	2.92	1.000	2.92	1.000
Composite score	3.962		3.97		3.737	
Employer brand expectations						
competitive working environment	4.19	3.49	4.20	3.50	4.17	3.45
varying background	3.49	.632	3.49	.632	3.49	.632
Good Leadership/Management	4.80	.418	4.82	.420	4.80	.418
Dynamic Organization	4.85	.408	4.87	.409	4.85	.408
Financial strength	4.87	.473	4.87	.473	4.87	.473
Good ethic and high moral	4.47	.598	4.50	.599	4.47	.598
Good reputation	4.79	.678	4.79	.678	4.79	.678
Innovative solutions	3.95	.758	3.98	.760	3.96	.759
Conservative working environment	3.49	1.021	3.50	1.022	3.48	1.020
Market success	4.29	.729	4.30	.730	4.27	.727
Environmental friendly policy	4.65	.533	4.65	.533	4.65	.533
Only recruiting the best	3.97	.709	3.99	.710	3.95	.703
Clear focus on competence development	4.15	.721	4.17	.724	4.15	.721
Strong clear organization culture	4.18	.831	4.20	.833	4.19	.832
Composite score	4.295		4.309		4.292	

The Employer brand in terms of both Employer brand expectations and Perceived employer brand image were quite high in all the three student groups as shown by the composite means (Mean scores ranging between 3.7 and 4.3 – well above the mid-point of 2.5 in the 5 point likert scale) Though the Employer brand status of the IT units was highest among the former IT professionals (composite mean scores of Employer brand image and employer brand expectations were 3.97 and 4.309 respectively) , and lowest among the Non-IT professionals (composite mean scores of Employer brand image and employer brand expectations were 3.737 and 4.292 respectively), there were meagre difference in the perceived employer brand status among the three groups. The qualitative differences did exist in light traces among the 3 groups. In a good number of employer brand dimensions, the students who were former IT professionals had relatively higher scores. For example, they had relatively higher image of the employers in terms the competitive environment, the system of following-up of work, flexibility of working from home, advancements and promotion , employment security, and the interesting nature of the jobs. The third category of students (the former non-IT students) were found to be more expecting the flexible working hours from their employers.

Answer to Research question 3:

The Employer brand components which are actually the ‘job offer’ were analyzed for differences in how they were being perceived by the potential employees namely, the students. Table 2 shows the Mean scores and the standard deviations of the employment offer components among the students.

Table-2 Descriptive statistics-Employer Brand Components

Profession	Students		IT-Professionals		Non-IT-Professionals	
	Mean	Std. dev	Mean	Std. dev	Mean	Std. dev
Work Environment	3.776	3.943	3.78	3.954	3.774	3.938
Organizational Culture	3.873	2.245	3.916	2.246	3.863	2.243
Product / Company Strength	4.536	1.776	4.546	1.778	4.513	1.77
Work Life Balance	3.79	1.368	3.79	1.374	3.8	1.368
Compensations	3.79	.799	3.80	.800	3.72	.794

Table:3 Wilcoxon Test Scores For Employer Brand Components Among Students And Professionals Test Statistics^b

	Z	Asymp. Sig.
Perceived Employer Brand Image	-10.626 ^a	.000
Employer Brand Expectation	-10.590 ^a	.000
Work Environment	-10.580 ^a	.000
Organisational Culture	-10.656 ^a	.000
Product / Company Strength	-10.646 ^a	.000
Work Life Balance	-10.576 ^a	.000
Compensations	-9.911 ^a	.000
a. Based on negative ranks.		
b. Wilcoxon Signed Ranks Test		

The descriptive analysis confirm that the Work Environment ,Organisation culture and Compensation were the important factors influencing the employer brand among the IT professionals and product/company strength and work life balance were more important influencing factor among the Non-IT professionals.

Since traces of qualitative differences were found in the perception of both the employer brand image and employer brand expectations Wilcoxon test application was done to identify the nature of differences among the student groups.

The results of the application of Wilcoxon rank- sum Test has been summarized in Table-3

The P-scores were null, signifying noticeable differences in the employer brand components in the form of perceived employer brand image and employer brand expectations among the three groups of students. Weighted average method was further applied on the statistics to determine the finer elements of difference in the perceptions and expectations.

Table-4 summarizes the results of the application of the weighted average method on the Employer brand components statistics obtained in terms of the Employer brand expectations and the Perceived employer brand image.

Table 4:

Employment Brand components – Student				
	Mean	Weight	Weighted Score	Std. Deviation
Work Environment	3.776	0.357	6.742	3.943
Organizational Culture	3.873	0.214	2.49	2.245
Product / Company Strengths	4.536	0.214	2.916	1.776
Work Life Balance	3.79	0.142	1.082	1.368
Compensation	3.79	0.071	0.270	.799
Employment Brand components - IT Professional				
	Mean	Weight	Weighted Score	Std. Deviation
Work Environment	3.776	0.357	6.75	3.954
Organizational Culture	3.873	0.214	2.517	2.246
Product / Company Strengths	4.536	0.214	2.922	1.778
Work Life Balance	3.79	0.142	1.087	1.374
Compensation	3.79	0.071	0.271	.800
Employment Brand components – non-it professionals				
	Mean	Weight	Weighted Score	Std. Deviation
Work Environment	3.776	0.357	6.739	3.938
Organizational Culture	3.873	0.214	2.483	2.243
Product / Company Strengths	4.536	0.214	2.901	1.77
Work Life Balance	3.79	0.142	1.085	1.368
Compensation	3.79	0.071	0.265	.794

The employer brand status (in terms of the five employer brand components measured in the form of Perceived employer brand image and Employer brand expectations) was relatively higher among category 2 students ,namely the students who were former IT professionals. Though the differences in the employer brand component weighted scores for the three group of students were not very high, the scores were exhibiting qualitative differences.

6. CONCLUSION & RECOMMENDATIONS

The differences in Employer brand perception and expectation of IT/ITES units among the three sample student groups were nominal. The Employer brand expectations were slightly higher in the students who were former IT professionals than the former Non-IT professional and students without work experience , and the Perceived employer brand image was relatively higher among the students without former work experience.

6.1 Theoretical contributions, Limitations of the study , and Implications for further research:

The employer branding notion demands for alignment between marketing and human resources functions, as interaction between these two disciplines occurs throughout the entire employer branding process, thus substantiating the conceptual marketing- human resources nexus.

This study has tested the concepts on first-time job seekers and those who had 1-3 yrs work experience. This group may have greater desire to find a job than well experienced, employed job seekers do. There exist possibilities that image congruency and social norms will impact the latter group's attitudes regarding the employer. Moreover the research design has not considered the grand professionals with working experience of more than five years. Final-year students may have more naive perspectives of job attributes, as they have not yet experienced 'real' working life. Hence caution should be applied when generalizing on certain oddball attitudes by this less experienced respondent groups.

This study partially covers the research gap identified by Pierre Berthon et.al [14] with regard to the perceptions of final-year students before and after entering the workforce, the identification of which would signify the changes in perceptions of job attributes over time.

Employer brand segments can be further extended to identify and analyse the employer brand in terms of internal employees (internal employer brand image), which is significantly important for perpetual employer branding , resulting in the desired work place behaviours.

6.2 Managerial implications

For managers who need to differentiate their Brand offering the findings of the study shed light on brand building in the labor market .Since the findings of the study confirm qualitative differences in the employer brand in terms Percieved employer brand image and Employer brand expectations, the employer brand components (the actual job offer) should be carefully planned and might be customized by using segmentation approaches , and human resources managers can determine the specific employee groups to target for attraction and retention, and focus on evaluating their responses to their Brand offer ,paving way for successful attraction and retention of the desirable staff .Even greater benefit would be achieved by investigating successful and unsuccessful employer brands. The psychological contracts between the job offer, perceived job offer and the expected job offer implicates the importance of senior management behavior to be consistent with the projected brand image ,meaning,there should be little gap between the employer brand and the employment experience .

This implies a down-to-earth differentiations in the job offers , which can appropriately be done even right from the bargaining stages of recruitment when the initial contract with the employer is being laid.

6.3 Summary

The primary purpose of this study was to examine empirically the Employer brand status of the IT/ITES units under study and determine, if any, differences in the employer perceptions and expectations among the three professional student categories. The statistical findings show differences in their perceptions and expectations of the employer brands indicating the need for policy makers and HR consultants to look individually into the various labor segments and evaluate their Employer brands.

Since Employer branding involves gross psychological contracts, it is imperative that practitioners assess the position of their employer brands periodically using various HR metrics to make meaningful marketing of their Employer Brand.

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