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ORGANIZATIONAL DIFFERENTIATION THROUGH EMPLOYER BRANDING

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ABSTRACT: Employer brand represents the core values of an organization. Companies that are considered good employers have a strong identity and an image in the marketplace. The goal of employer branding is to create loyal customers; i.e., employees both current and prospective. The Information Technology Sector comprising of the knowledge workers has to constantly reinvent itself and its strategies. Branding practices held them differentiate from one other and enhance their chances of getting talented workforce. The current paper tries to compare the employee branding practices of three top Information Technology companies- TCS, Infosys and Wipro and understand their similarity and dissimilarity with respect to various branding practices. Further, it reveals that branding practices of TCS and Wipro are significantly different while Infosys has practices common to both the organizations

KEY WORDS: Employer brand, Information Technology, Branding Practices.

I. INTRODUCTION

The term “Employer Brand” was initially used in the early 1990s to describe an organization’s reputation as an employer. Minchington defines employer brand as “the image of organization as a great place to work in the mind of current employees and key stakeholders in the external market (active and passive candidates, clients, customers and other key stakeholders). Ambler and Barrow define employer brand as follows: “The package of functional, economic, and psychological benefits provided by employment, and identified with the employing company” It can be stated that an employer brand differentiates it from other competitors in the employment market. In addition it is a long strategy adopted by organizations so as to build their identity in the market place which would define the personality of the organization as the most desired employer.

Employer branding is central to the concept in Human Resource Marketing. With competition hottening up, organizations are constantly vying for the attention of good employees and this technique is considered to be a potent tool for attracting; engaging and retaining the right talent/culture fit that helps in the growth an organization. Employer branding activity is also about the image creation or perception of the organization in the minds of the internal and external stakeholders. Harris considers the main components of employer branding are employee engagement, employee communication, training and development, and external reputation. In fact it is opined that employer branding, if implemented well can provide an identity to an employee. The other benefits of a strong brand include greater retention, improved job performance and lower degree of salary sensitivity. In other words it is often referred to be DNA/fingerprints, unique and which cannot be imitable. So organizations are trying harder to ensure that create an organizational fabric that is special so they can better compete for people which is a scarce resource.

Today, an effective employer brand is essential for providing that differential edge. Indian corporations are becoming intentionally strategic to utilize the employer brand to attract and retain talent, to expand and grow. The employer brand is a prime example of a progressive HR practices in India.

India's Information Technology sector is set to cross a milestone: revenues to exceed \$100 billion this year. This milestone is better appreciated when 20 years ago, its size was only about half-a-billion dollars and about 10 million people (including 2.8 million directly employed) being employed, it is the largest recruiter in the organized private sector. Further it is expected to add 230,000 jobs in FY2012. It is also amongst the biggest foreign exchange earners for the country. The top players of the sector include TCS, Infosys, Wipro, Cognizant etc. The study has been undertaken in three organizations namely Tata Consultancy Services Limited (TCS),

Wipro Limited and Infosys Limited, all of them operating in the areas of IT, business consulting and outsourcing services.

Tata Consultancy Services Limited (TCS) is the largest Asia based provider of business process outsourcing services. It is the largest IT service company in India by revenue and market capitalization for the financial year 2012. The company became the first Indian IT company to cross the ten billion dollar milestone posting annual revenues of \$10.17 billion.

Wipro Limited as of 2012 is the second largest IT services company by turnover in India with revenue of \$ 7.30 billion. It has clients spread across 54 countries.

Infosys Limited considered global leader in the "next generation" of IT and consulting services has posted annual revenues of \$ 6.99 billion in the financial year 2012. It has offices in 30 countries and development centers in India, US, China, Australia, UK, Canada, Japan and many other countries.

LITERATURE REVIEW

The concept of 'employer brand' has become an important development since the early 1990s. [1] define the term employer branding and considers it a package of functional, economic and psychological benefits provided by employment and identified with the employing company. [16] states it to be 'the hottest strategy in employment' and also feels that it is fundamental to employer branding that the employer brand be consistent with all other branding efforts of the firm.[9] supports that branding was originally used to differentiate tangible products, but over the years it has been applied to differentiate between people, places and firms. [10] opine that it is commonly thought that plant, equipment and capital are resources that create competitive advantage; human capital has also been shown to operate as an important resource creating competitive advantage. [14] state that employer branding is how a business builds and packages its identity and what it promises to deliver to emotionally connected employees so that they can deliver what the business promises to customers. [12] reveals that effective employer branding is about building the overall image of the organization, both internally and externally. At all levels of building the image of the employer, it requires involvement of the employees and their views on continuous improvement in the organization. The success of employer branding depends on the prevailing culture in the organization. The employer brand image has its impact on the brand image of the product/services. According to [17], skilled employees are hard to attract and difficult to retain and they have become critical to business success. [5] have found that employees, who are engaged in their organization with satisfaction, demonstrate good performance and achieve success. According to [2], employer branding creates two principal assets: Employer brand associations and Employer brand loyalty.[14] stated that in order to really see if an employer brand is working, a company needs to assess itself as a place to buy (customer experience) and a place to work (employee experience). [3] revealed that good employer brands are built from inside out and the process usually starts at the top. The fight for talent is a continuous process as organizations want to inch past each other and attracting and retaining the talented work force becomes the key differentiator. According to ([6],[18],[7]) organizations operating in the same industry and offering more or less similar jobs have a tough task.

OBJECTIVES OF THE STUDY

To compare Employee branding practices of specific IT companies.

RESEARCH HYPOTHESIS

H₁: There is significant difference in Employer Branding of TCS, Wipro and Infosys.

RESEARCH DESIGN

A structured questionnaire was designed to collect the data. Fifteen factors were identified through exploratory study the affect employee branding of the company. Validity of the questionnaire was checked through face validity method and was found to be high. Items were rated on likert scale of five points which is the most popular choice for ordinal scale; the opinion indicated as 'strongly agree' has been assigned a weight of 5. To evaluate overall branding of companies total (summed) score was calculated for each respondent by summing across items. The final questionnaire was pre-tested on 25 employees from each of the three companies then reliability test was carried out using SPSS17.0 .The Cronbach's alpha is 0.87 for 15 items.

SAMPLING AND DATA COLLECTION

The study was conducted on employees of Infosys, TCS and Wipro. A proportionate sample 100 employees from each company, through convenience sampling was collected. The effective sample size in each of the categories turned out to be 100.

DATA ANALYSIS AND RESULTS

One Way ANOVA was applied to test the difference between branding of three companies on identified factors. Table 1 shows comparative analysis of three companies on all fifteen factors.

TABLE 1: COMPARATIVE ANALYSIS

		Sum of Squares	df	Mean Square	F	Sig.
Work life balance	Between Groups	17.520	2	8.760	7.726	.001
	Within Groups	336.760	297	1.134		
	Total	354.280	299			
Reference for future career	Between Groups	23.707	2	11.853	12.055	.000
	Within Groups	292.040	297	.983		
	Total	315.747	299			
Flexible working hours	Between Groups	40.127	2	20.063	15.152	.000
	Within Groups	393.260	297	1.324		
	Total	433.387	299			
Quality of work	Between Groups	5.227	2	2.613	2.332	.099
	Within Groups	332.760	297	1.120		
	Total	337.987	299			
Organizational culture	Between Groups	6.447	2	3.223	2.893	.057
	Within Groups	330.900	297	1.114		
	Total	337.347	299			
Overseas opportunities	Between Groups	5.307	2	2.653	1.753	.175
	Within Groups	449.610	297	1.514		
	Total	454.917	299			
Compensation parity	Between Groups	25.807	2	12.903	9.698	.000
	Within Groups	395.180	297	1.331		
	Total	420.987	299			
Career advancement	Between Groups	34.207	2	17.103	14.318	.000
	Within Groups	354.780	297	1.195		
	Total	388.987	299			
Employment Security	Between Groups	.560	2	.280	.223	.800
	Within Groups	372.570	297	1.254		
	Total	373.130	299			
Learning outcomes	Between Groups	3.407	2	1.703	1.460	.234
	Within Groups	346.390	297	1.166		
	Total	349.797	299			
Management practices	Between Groups	17.407	2	8.703	6.925	.001
	Within Groups	373.260	297	1.257		
	Total	390.667	299			
Financial position	Between Groups	38.447	2	19.223	15.339	.000
	Within Groups	372.220	297	1.253		
	Total	410.667	299			
Ethical orientation	Between Groups	11.387	2	5.693	4.944	.008
	Within Groups	342.010	297	1.152		
	Total	353.397	299			
Innovative products / services	Between Groups	8.327	2	4.163	3.568	.029
	Within Groups	346.590	297	1.167		
	Total	354.917	299			
Corporate social responsibility	Between Groups	1.500	2	.750	.681	.507
	Within Groups	326.980	297	1.101		
	Total	328.480	299			

Table 1 explains that there exists a difference between branding factors of the three companies. The factors are Work Life Balance, Reference for Future Career, Flexible Working Hours, Compensation Parity, Career Advancement, Management Practices, Financial Strength, Ethical Orientation and Innovative Products /

Services. The companies do not differ significantly on the following factors: Quality of Work, Organizational Culture, Overseas Opportunities, Employment Security, Learning Outcomes and Corporate Social Responsibility. Further a Tukey Post Hoc test was conducted as we were aware that there exists a difference amongst the means for which a comparison was carried out.

TABLE 2: POST HOC TESTS:-HOMOGENEOUS SUBSETS

Factor		Company Name	N	Subset for alpha = 0.05	
				1	2
Work life balance	Tukey HSD ^a	Wipro	100	3.6200	
		Infosys	100	3.6800	
		TCS	100		4.1600
		Sig.		.916	1.000
Reference for future career	Tukey HSD ^a	Wipro	100	3.4800	
		Infosys	100	3.6400	
		TCS	100		4.1400
		Sig.		.490	1.000
Flexible working hours	Tukey HSD ^a	Wipro	100	2.9200	
		Infosys	100		3.5900
		TCS	100		3.7700
		Sig.		1.000	.511
Compensation parity	Tukey HSD ^a	Wipro	100	3.1100	
		Infosys	100		3.6000
		TCS	100		3.8100
		Sig.		1.000	.403
Career advancement	Tukey HSD ^a	Wipro	100	3.0400	
		Infosys	100		3.5900
		TCS	100		3.8500
		Sig.		1.000	.214
Management practices	Tukey HSD ^a	Wipro	100	3.2400	
		Infosys	100	3.5300	3.5300
		TCS	100		3.8300
		Sig.		.162	.143
Financial strength	Tukey HSD ^a	Wipro	100	2.9700	
		Infosys	100		3.6300
		TCS	100		3.8000
		Sig.		1.000	.531
Ethical orientation	Tukey HSD ^a	Wipro	100	3.4300	
		Infosys	100		3.8900
		TCS	100	3.7700	3.7700
		Sig.		.066	.709
Innovative products/ services	Tukey HSD ^a	Wipro	100	3.2600	
		Infosys	100	3.5300	3.5300
		TCS	100		3.6600
		Sig.		.182	.672

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 100.

Table 2 is a summary of the major differences among the means. It organizes the means of the three groups into "homogeneous subsets". Subsets of means that do not differ from each other at $p < .05$ go together, and subsets that do differ go into separate columns. Groups that do not show up in the same column are significantly different from each other at $p < 0.05$ according to the Tukey Multiple Comparison Procedure. It has been observed that Wipro and Infosys show up in separate column than TCS for Work Life Balance, Reference for Future Career and Innovative Products/ Services. Also it has been observed that TCS and Infosys show up in separate columns in comparison to Wipro on the mentioned factors: Flexible Working Hours, Compensation Parity, Career Advancement and Financial Strength. This indicates that these groups are significantly different. For the factor of Ethical Orientation, presence of Wipro and Infosys in separate columns indicates they are

significantly different, while TCS shows up in each column indicating that it is not different from either of the groups. And for the factor Innovative Products / Services, TCS and Wipro have been seen in separate columns indicating that they are significantly different with Infosys showing up in each column indicating that there exists no difference from either of the group.

TABLE 3: ANOVA TABLE

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2579.547	2	1289.773	5.398	.005
Within Groups	70965.290	297	238.940		
Total	73544.837	299			

Table 3 explains the overall comparison of branding of TCS, Infosys and Wipro .It shows that there is a significant difference between overall branding of three companies.

TABLE 4: POST HOC TESTS:-HOMOGENEOUS SUBSETS

	Company Name	N	Subset for alpha = 0.05	
			1	2
Tukey HSD^a	Wipro	100	50.3100	
	Infosys	100	54.6900	54.6900
	TCS	100		57.4300
	Sig.		.113	.423

Table 4 shows homogeneous subsets of branding of TCS, Wipro and Infosys, with WIPRO and TCS seen in separate columns. This indicates that these groups are significantly different. Infosys shows up in each column, indicating that it is not significantly different from either of the other two groups. Further it also shows that TCS leads the pack followed by Infosys and Wipro. The current standing of the companies wherein TCS has emerged as a leader in the IT sector for the year 2011-2012 justifies that its branding practices are better in comparison to the others.

CONCLUSION

Employer branding is gaining popularity as a new age tool designed to attract and retain the employees. The competitive edge to organizations is being provided through their employees as high-quality talent is expensive and in demand. [15] states that Gen Y, who is on high demand on the global market. Their perceptions and expectations differ from their predecessors. In the current times organizations need to manage them and their aspirations lest they lose to competitors. The current study identifies that branding practices of TCS and Wipro being significantly different while Infosys has practices common to both the organizations. The organizations need to act on a continuous basis and have to develop an ability to attract not just from within the country but also outside as all the organizations have expanded globally. Popular channels of brand promotion should include the corporate websites, on-campus activities and social media. With India Inc creating its own niche in the world, the employer brand as a strategic HR tool will be a potent tool in all sectors and aid in the sustainable development of organizations of today and tomorrow.

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