CHAPTER – 1
INTRODUCTION

1.1 INTRODUCTION

Increasing knowledge-based work, shortage of qualified and competent applicants, workforce diversity, difficulties attracting and retaining desired talent (Ployhart, 2006) means that the ability to attract, select and retain right employees has become a key to the future organizational success. Competition for retaining the best employees becomes almost as challenging as competition for customers (Michaels, Helen, & Beth, 2001; Berthon, Ewing, & Hah, 2005), hence organizations needs to differentiate themselves from their competitors in order to be regarded as an attractive employer among prospective applicants (Lievens & Highhouse, 2003) and current employees. Employer’s attractiveness or organizational attractiveness is defined as “the envisioned benefits that a potential employee sees in working for a specific organization” (Backhaus & Tikoo, 2004; Berthon et al., 2005) and is becoming the most important response to the staffing challenges modern organizations in the 21st century are struggling with. Employer attractiveness or simply being a “great place to work” helps an organization to outperform and achieve financial success. Berthon et al. (2005) argued that the concept of employer attractiveness is closely resembles to the concept of employer branding while Vlerick Brand Management Centre (2008) mentioned that employer brandings is the company’s image as an employer. ‘Employer brand’ stemming from the application of marketing principles to people management (Backhaus & Tikoo, 2004) was first coined by Ambler and Barrow (1996) and defined as “the package of functional, economic and psychological benefits provided by employment, and identified with the employing company”. The concept of employer branding and employer/organizational attractiveness have evoked considerable research attention ever since (Cable & Turban, 2001; Lievens & Highhouse, 2003; Backhaus & Tikoo, 2004; Berthon et al., 2005; Lievens, Van-Hoye, & Anseel, 2007; Kapoor, 2010; Schreurs, Derous, Van- Hooft, Proost, & De Witte, 2009; Jiang & Iles; 2011; Kausel &
In the current employment scenarios it is becoming a top challenge for the organization to attract and retain the appropriate employees (Lyon & Marler, 2011). Therefore, organizations are trying their best to attract the skilful and talented employees to achieve competitive advantages. The authors argued that employer branding has the ability that leads the organization to become an employer of choice in the employment context and Employer branding is a set of package of different activities that helps the organization to attract and retain the best talent the organization is striving to retain. Dimensions of employer attractiveness have been explored, codified and are evaluated in a number of global and national ‘hot’ lists and rankings (e.g. World’s Most Attractive Employers by Universum, Gallup Great Workplace Award or Fortune’s 100 Best Companies to Work For list produced by the Great Place to Work Institute). Employer attractiveness is the power that draws potential employees’ attention to the employer brand and encourages existing employees to stay attached with the organization (Jiang & Iles, 2011).

1.2 BACKGROUND OF THE STUDY

In an increasingly competitive recruitment market, organization focus on developing strategies to increase the number of applicants per advertised vacancy by becoming an employer of choice assist the recruitment of suitable employees the organization looking for and provides a strategic advantage to the firm. McKinsey consultants brought the term ‘War for talent’ in the mid-1990s and highlighted that companies are already battling to recruit and retain talented employees due to a global shortage of talented employees (Michaels et al., 2001). A survey conducted by Accenture highlights that sixty percent chief executive officer awake at night worrying about talent attraction and employee retention (Rosethorn & Mensink, 2007). This indicates that organizations are forced to look into the engagement level they have with their employees and revamping their recruitment and talent retention strategies to win the war for talent(Rosethorn & Mensink, 2007). The importance of human capital as a source of competitive advantage as suggested by the concept of resource based view (RBV) becomes a strategic imperative for the organizations (Amit & Schoemaker, 1993; Hanson, Dowling, Hitt, Ireland, & Hoskisson, 2002).
There are a number of different marketing inputs that contribute towards the formation of the employer brand (Ambler & Barrow, 1996). This includes the development of an employer value proposition to recruitment marketing plans, and the outputs that may require advertising, sponsorship, press coverage, word-of-mouth endorsement and contacts with employees (Kennedy, 1977; Dowling, 1994; Dowling, 2001). Advertising play a vital role in the efforts that firms make to identify, acquire and retain skilled employees and therefore, advertising may be considered as a critical tool. Building and sustaining a compelling employment propositions that differentiate an employer from it’s competitor is referred as “employment brands” by popular business press (Sherry, 2000).

Employer branding has emerged from applying marketing principles to human resources management in the USA and the UK in the end of 20th century (Barrow & Mosley, 2005; Jenner & Taylor, 2007). The concept of employer branding is vital for the organizations for credibility, current labour market environment and employee engagement (Jenner & Taylor, 2007). In an era where firms are putting importance on intangible assets and intellectual capital along with overall importance of corporate branding, employer branding became a strategic must rather than a option (Martin, Beaumont, Doig, & Pate, 2005). Brand management as a new performance discourse for HR professionals is used to attract applicants and retain current employees assuring their engagement in the culture and strategy of the company they work for (Beckhaus & Tikoo, 2004).

The concept of employer band relies on existing thoughts such as brand management and differentiation, internal marketing, image management, employee attraction, employee retention and motivation, and the organizational culture (Moroko, 2009). Applying the marketing principles, employer brand management suggests that firms should promote both internally and externally a clear message of what makes a firm exceptional and attractive as an employer (Cable & Turban, 2001; Backhaus & Tikoo, 2004; Jiang & Iles, 2011).

Ambler and Barrow (1996) defined the employer brand in terms of functional, economical, and psychological benefits employees receive as part of their employment with the employing company. Marketing these benefits to position the organization in the minds of the prospective employees, existing employees as a desirable place to work or an employer of choice is the motive of employer branding (Branham, 2001). Lloyd (2002) has described employer branding as the ‘sum of a company’s efforts to
communicate to existing and prospective employee that it is a desirable place to work’. An employer brand has both personality and positioning just like a traditional brand (Lloyd, 2002). Employment branding is also focused with building an image in the minds of the potential employees that the company is a ‘great place to work’ (Ewing, Pitt, De Bussy, & Berthon, 2002). Sullivan (2004) defined employer branding as “a targeted long term strategy of a firm to manage awareness and perceptions of existing employees, prospective employees and allied stakeholders with regards to the firm”.

Employer Branding International (2012) based on a global survey on employer branding recommends that employer should improve their employee value proposition attributes with respect to the geography location. The reports (EBI, 2012) states that employees in India and Indonesia move frequently amongst employers based on who offers more money where as countries such as Russia and Ukraine are more connected to the global economy; they are less rely on salary as a key driver of talent attraction and retention. Employer brand is founded on a number of basic functional benefits and performance guarantees an employee will look for in return to his service for the organization (Barrow & Mosley, 2005). Today’s employees are looking for functional and performance benefits such as opportunity to work on current edge technology, an attractive payment, a secure and striking working environment along with high tech equipments to carry out the roles and responsibilities (Barrow & Mosley, 2005).

1.3 EVOLUTION OF THE CONCEPT OF EMPLOYER BRANDING

The concept of brand management was created by Procter & Gamble in 1931 and the notion has remained the basis for running successful customer facing businesses ever since. There are a number of significant advantages of an effective brand management. Strong brands offer clearly defined functional and emotional benefits and are characterised by continuing values and personality traits and clearly positioned on the target audiences and differentiates from their competitors (Barrow & Mosley, 2005). It seemed reasonable to see what could be done to apply the concept of brand management thinking to the employer brand experience and thus the birth of the idea employer brand has come to HR literature (Barrow & Mosley, 2005). Past research reveals that brands and human capital are the most significant assets of the firms (Aaker, 1991; Backhaus & Tikoo, 2004), and hence, it is an important task for
marketing and human resource managers to align and execute strategies for the
development of these intangible assets in order to achieve competitive advantages
(Sutherland, Torricelli, & Karg, 2002).

1.3.1 Branding

According to the American Marketing Association, brand is “a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors” (Schneider, 2003). Earlier the term branding was referred to differentiate tangible products, but today it has been applied to distinguish firms, places and people (Peters, 1999). Until the late twentieth century the term branding was associated with consumer goods and services. Today, the term is universally used to depict almost anything that carries a distinct identity, and the positive or negative reputation associated with that identity (Barrow & Mosley, 2005). Referring to common brand it is evident that brand definitions focus on customers including the employees of a firm and potential employees, who are also influenced by brand messages (Wilden, Gudergan, & Lings, 2010). Brand management is an important task of all the firms no matter how large or small a firm is as brand is one of the important assets of any organization (Backhaus & Tikoo, 2004). Brand have different audiences and needs to be treated as different target groups (Green Lion, 2007) and these target audience is segregated into four groups; customer, supplier, stakeholders and employees.

**Fig 1.1**

**Target Audience of Brand**

(Source: Green Lion, 2007)
Marketing literature supports the basic principle that the brand audience looks for the instrumental functions and psychological (symbolic) benefits of the brand (Shavitt, 1990; Keller, 1993, 1998). Product-related traits is referred as the instrumental benefit of a brand and are linked to brand audience’s fundamental need to exploit benefits and reduce costs (Katz, 1960). On the basis of the consumer needs fulfillment brands can be divided into three categories: (a) functional needs, (b) symbolic needs, and (c) experiential needs (Park, Jaworski, & MacInnis, 1986). Functional or instrumental brand benefits describe the physical and tangible attributes that a product either has or does not have. These product-related attributes facilitate consumers to maximize benefits and minimize the product costs (i.e. consumption-related problems). Symbolic aspects describe the product in terms of prejudiced, abstract and intangible attributes that accumulate from how people perceive a product and make presumption about it instead of what people think a product does or has. Symbolic attributes are linked to people’s need to maintain their social status, self-identity, to enhance their self-image, or to express themselves (their traits, their beliefs and their personality) (Aaker, 1997, 1999; Katz, 1960; Shavitt, 1990). Experiential brand concepts give emphasis to the brand’s effect on sensory satisfaction and emotionally influence people’s preferences. According to Wilden et al. (2010), if the potential employee has insufficient, inconsistent, or incorrect beliefs about a prospective employer, potential employees may perceive high risks associated with joining the organisation and consequently remove them from their consideration set of prospective employers, selecting an alternative employer for which they perceive less risk.

Although much attention has been dedicated to examining the role of branding from a customer perspective and associated customer-based brand equity (e.g. Taylor, Hunter, & Lindberg, 2007), relatively little research has explored the role that branding plays in retaining and attracting employees that constitute the firm’s human capital and, ultimately, contribute to the efficient and effective delivery of products and services (Wilden et al., 2010).

1.3.2 Internal Marketing

Internal marketing has been related to HRM (Berry, 1981; Berry & Parasuraman, 1991; Mumby-Croft & Williams, 2002) but has primarily been translated
into positive employee attitudes towards their work including work motivation and satisfaction (Ewing & Caruana, 1999). Employees of an organization significantly affect customer satisfaction (Dunlap, Dotson, & Chambers, 1988) and business performance of an organization (Suter, 1995). Kelemen and Papasolomou-Doukakis (2004), and Joseph (1996) demonstrate that internal marketing should be used in marketing and human resource management in order to stimulate, encourage, mobilise, recruit, and manage all employees within an organization. The internal marketing concept argues that the organisation’s personnel are the first market of any company (George & Gronroos, 1989; George, 1990) with an underlying principle that employees are internal customers and jobs are internal products. Straughan and Cooper (2002) argued that a job is a service product which consists of any number of intrinsic and extrinsic components which employees exchange for their time, effort, commitment, expertise, creativity and numerous psychological costs. Job as a product should attract, develop and motivate employees, thereby satisfying the needs of these internal customers, while addressing the overall objectives of the organisation (Berry & Parasuraman, 1991). Internal marketing is defined as ‘the task of successfully hiring, training and motivating able employees to serve the customer well’ (Kotler, 1994). The basic principle of the internal marketing approach is that an excellent customer service is only possible if the level of employee satisfaction and motivation are high (Berry & Parasuraman, 1992). Consequently, internal marketing suggests that jobs are managed in a similar manner to products, and that the company should use marketing techniques to design jobs to meet both the employees’ and the firm’s needs, and to communicate the benefits of employment to internal and external markets. Creating a strong employer brand will have positive consequences for communicating these benefits (Wilden et al, 2010). Without introducing the belief of ‘internal customers’ it is extremely difficult for a firm to sustain its external oriented marketing (Ewing & Caruana, 1999).

In the internal marketing and branding literature, it has been recognized that HR plays a potentially important role in embedding the desired brand ethos and culture; however, their role has often been restricted to communication support, rather than playing a more strategic role in shaping people management practices to reflect the desired brand experience (Mosley, 2007). In their review of the relationship between
branding and people management, Martin and Beaumont (2003) highlighted that marketing literature is rooted in the belief that communications are the main source and solution for all organizational problems. It tends to restrict the role of HR to communicating brand values, rather than being the source of such values and the driver of key aspects of strategy (Martin and Beaumont, 2003). Berry (1981) argue that treating the employees as internal customers and the jobs as products presented to employees using marketing techniques inside the organization will bring about the employee satisfaction. Heart of internal marketing is that employees constitute the internal market of an organization (Papasolomou-Doukakis, 2002). The employee satisfaction will improve services rendered to customers that would be of better quality and, as a result, bring about the creation of a sustainable competitive advantage inside an organization (Javadein, Rayej, Estiri, & Gorbani, 2011).

### 1.3.3 Internal Advertising

Berry (1981) appears to have been the first to recognize the potential impact of advertising on current employees. Gilly and Wolfinbarger (1998) highlighted that marketers are still overlooking an important internal or ‘second audience’ for their advertisements: their own employees. Advertisements influences employees and thus companies should make every effort to ensure that this influence is positive. Consequently advertising decision-makers need to understand the effect that advertising has on current and potential employees. Current employees enjoy an ‘insider’ role and want information in advance of marketing communications (Gilly & Wolfinbarger 1998) and that future employees can be influenced by mainstream advertising (Ewing et al. 2002). Advertising decision-makers should not underestimate the importance of the employee audience for advertisements. Employees are becoming central to the process of brand building and their behavior can either reinforce a brand’s advertised values or, if inconsistent with these values, the credibility of advertised messages will be undermined. It is therefore, important to consider how employees’ values and behaviour can be aligned with a brand’s desired values (Harris & de Chernatony, 2001). According to Bergstrom, Blumenthal, and Crothers (2002), internal advertising refers to three things: effective communication of the brand to employees;
convincing them of its relevance and worth; and linking every job in the organization to delivery of the ‘brand essence’.

1.4 EMPLOYER BRANDING PROCESS

The link between marketing and HRM relies on the two types of experiences, one focusing on external stakeholder groups whereas the other focusing on internal stakeholder groups (Bondarouk, Ruel, & Wendy, 2012). A number of general marketing concepts would appear to be relevant, including relationship marketing, corporate branding, culture and identity, emotional, internal marketing and corporate reputation. In addition, concepts from human resources and organizational behaviour literatures, as well as industry journals, are also relevant, illuminating the relationship between prospective employees, employees and employers. This viewpoint is supported by Tuzuner and Yuksel (2009), who stated that the employer brand is consistent with the corporate brand, however with two major differences. First, the employer brand is employment specific and explains the characteristics of a firm’s identity as an employer. Second, employer brand is targeted for internal and external audiences where as corporate branding efforts are primarily targets external audience”. Employer branding has evolved with the combination of marketing principles in recruitment activities (Lievens, et al., 2007).

According to Backhaus and Tikoo (2004), employer branding is essentially a three-step process. First, a firm needs to establish the particular value it can offer to potential and current employees. This value proposition is the central message that is communicated by the employer brand. The value proposition needs to be derived from a thorough audit along with management buy-in as these value propositions makes the firm a great place to work. Once the firm determines the value proposition, the second step is to market this value proposition to the external world or to be more specific the potential employees in order to attract the targeted applicant population. The third step of employer branding is to incorporate these value proposition to the organizational culture of the firm and to ensure that the brand “promise” is kept to the organization’s employee. In other words, the third step is to internally marketing the employer brand.

Hewitt Associates proposes a five step approach to develop a strong employer brand: first, the management team understand the organization; second, establish a
‘compelling brand promise’ for employees that reflects the brand promise for customers; third, develop standards to measure the fulfillment of the brand promise; fourth, ‘ruthlessly align’ all people practices to support and reinforce the brand promise; fifth, execute and measure employer brand.

While a small body of employer branding literature exists, the focus of these studies has been to define the phenomenon (Ambler & Barrow, 1996; Ewing et al, 2002), consider its foundations (Ambler & Barrow, 1996; Backhause & Tikoo, 2004), or examine the outcome of the process with respect to recruitment, i.e. employer brand attributes or positioning (Ewing et al, 2002; Freeman & Knox, 2003; Lievens & Highhouse, 2003; Backhaus & Tikoo, 2004). To establish what may constitute the employer branding process, a broader review of the literature is required.

1.5 OUTCOMES OF EMPLOYER BRANDING

The literature and initial anecdotal evidence shows that organizations are keen to undertake the employer branding experience positive outcomes, particularly with respect to attracting and retaining the talent pool. Sunday Times in its report “100 Best Companies to Work For” highlights that being a munificent employer is not only limited to good HR practice rather it's also good for business, especially during turbulent time. A strong employer brand can improve employee motivation as well as assist organization to retain the top talent during the hard time.

Rousseau (1990) explains a psychological contract as individual beliefs in mutual obligations between employers and employees. Brand contains a promise of performance for the target audience (Feldwick, 1991). If this promise is unfulfilled in the eyes of the employees, may potentially bring negative consequences for the employees. Negative outcomes of the process may arise when employees find their experience of employment different from the values promised by the company in communication of the employer brand (Moroko, 2009). This negative outcome will include reduced job satisfaction, decreased job performance, reduced organizational trust, and increased turnover among employees (Robinson & Rousseau, 1994; Robinson & Morrison, 1995; Mosley, 2007). Past research does not shed light on whether there is such a thing as an unsuccessful employer branding process, i.e. a process that results in negative or counterproductive outcomes. In addition, the
characteristics of a successful or unsuccessful employer branding process have not been completely identified within academic research (Moroko, 2009).

Retaining the loyal and satisfied employees of the organization is critical for an organization to sustain and excel in the company’s business performance. Past research reveals that satisfied employees share good views about the company with each other and prospective employees (Reichheld, 1996; Sullivan, 2004) and this category of employees stay attached to the organization (Heskett, Jones, Loveman, Sasser Jr, & Schlesinger, 1994) during turbulent times. A camaraderie environment within the organization evolved when there is positive word of mouth amongst employees within and across teams and will lead to great employee loyalty to the firm and to team members (Herman, 1991), thus improving staff retention. Existing employees have significant impact on prospective employee’s attitude formation about an employer (Rynes, Heneman, & Schwab, 1980). Thus Positive word-of-mouth has significant contribution to employer brand as this help in contextualizing the employment experience for potential employees, attracting them with values that the brand offers (Chambers, Foulon, Handfield-Jones, Hankin, & Michaels, 1998; Sullivan, 2004).

Strong employer brands are believed to attract, retain high-quality people, and engage to build innovation, meaning radical and incremental changes in any or all of a focal firms’ financial and business models, products or services, processes and delivery mechanisms (Subramaniam & Youndt, 2005; Todtling, Lehner, & Kaufmann, 2009).

1.6 EMPLOYEE ENGAGEMENT

Financial measures or the company balance sheets are traditionally used to gauge the performance, value, and health of a firm. Although, metrics on revenue, profitability, and cash flow remain important financial indicators of effective performance of a firm, the “soft”, human-oriented measures such as employee traits, attitudes, and perceptions are also now being recognized as important predictors of employee behaviour and firm’s performance (Pfeffer, 1998). Researchers have found a significant positive relationship between employee’s psychological attitudes on their employer and performance (Petty, McGee, & Cavander, 1984; Ostroff, 1992), emotions and favourable job outcomes (Staw, Sutton, & Pelled, 1994), and personality traits and job performance (Barrick and Mount, 1991). A meta-analysis conducted by the Gallup
Organization pointed out that the most profitable work units of companies have the culture of allocating people to the task what they(employee) can do best, along with people/team they(employees) like, and with a strong sense of psychological ownership for the outcomes of their work (Harter, 1999). Gallup has empirically determined that “employee engagement” is a significant predictor of desirable organizational outcomes such as employee retention, employee productivity, customer satisfaction, and firm profitability (Buckingham and Coffman, 1999). CIPD (2006) research shows that happy and engaged employees perform better than others, are more likely to provide positive word-of-mouth to others, take less sick leave, and are not excited to quit (Truss, Soane, & Edwards, 2006).

When employees believe that a psychological contract is fulfilled within their employment experience, a virtuous circle of predictability, credibility, loyalty and trust is created (Morrison, 1994) and this lead to a strong platform for employee engagement (Moroko, 2009).

Employee engagement is the psychological attachment of organization members to their work roles (Kahn, 1990). For Seijts and Crim (2006) employee engagement means a person who is fully involved in, and enthusiastic about, his or her work. Engaged employees care about the future of the company and are willing to invest the discretionary effort to see that the organization succeeds. Engaged employees employ and express themselves physically, cognitively, and emotionally while executing their role. The physical aspect of employee engagement refers to the physical energies put forth by individuals to carry out their roles (Kahn, 1990; Konrad, 2006). The cognitive aspect of employee engagement refers to the employees’ beliefs about the firm’s organization culture, working conditions and the leaders of the firm (Kahn, 1990; Konrad, 2006). The emotional aspect refers how employees feel about each of those three attributes (organization, working condition, and leader) and whether they (employees) have positive or negative attitudes toward the organization and its leaders (Kahn, 1990; Konrad, 2006). Thus, engagement means to be psychologically as well as physically present when occupying and performing an organizational role (Kahn, 1990; Konrad, 2006).

Employee engagement is an elusive force that motivates employee’s levels of performance in their role (Wellins and Concelman, 2005). This elusive energy is
similar to commitment to the organization, more discretionary effort such as time and energy, job ownership, pride for the job, passion and excitement for the job. Wellins and Concelman (2005) also refer to it as feelings or attitudes employees have toward their role and organizations. Robinson, Perryman and Hayday (2004) define engagement as a positive attitude held by the employee towards the organization and its values. Engaged employee works with colleagues to improve performance within the job for the benefit of the organization and is aware of the organization’s business context. The Business Communicator (2005) reports definitions of engagement from three people they label experienced employee engagement practitioners. These definitions are: the knowledge needed to do one’s job effectively and the motivation to apply that knowledge; Workforce dedication to achieve a business outcome; A social process by which people become personally implicated in strategy and change in their daily work (Business Communicator, 2005).

Firm’s senior management has a significant role to bring a high level of employee engagement across the organization (Deci and Ryan, 1987). Management team need to ensure that the employees are provided supportive work environments, allow to voice their (employees) concern and address those concerns positively, needs and feelings are understood, provides honest positive feedback, allow them to develop new skills and address work related problems (Deci and Ryan, 1987). Self-determined employees experience typically has sense of choice in initiating and controlling their own actions. As a result, these self-determined employees are eager to engage themselves completely, try out novel ways of doing things by bringing value addition to the organization and open to discuss their mistakes (Edmondson, 1999). Supportive management team, which respects and supports an employee’s self-determination, helps the organization to establish a high level of trust between employee and employer (Deci and Ryan, 1987).

Purcell, Kinnie, Hutchinson, Rayton, and Swart (2003) study highlighted that a number of factors to be strongly associated with high levels of employee engagement. One common thing that is connected to all these factors is employee’s involvement in a practice related to their work. For example, efficient communication appeared as a factor as engagement levels were affected by the amount of information employees received on company performance and their (employees) contribution to the firm
achieving its business objectives. In addition, employees having involvement in decisions’ affecting their job or work was also allied with high levels of engagement.

1.7 PROBLEM STATEMENT

A global presence creates challenges and conflicts for multinational information technology organizations in general (Jireh, 2010) and in specific to attract recruits and retains employees. To develop a more competitive employer value proposition that would position the organization globally as an employer of choice within their markets, the IT organizations need to have a stronger employer brand to counter competitors who are stealing quality people with not only higher financial incentives but with a constant presence and communication (Rosethorn, 2009).

Theory, practice and experience each agree that a company’s employees are key to an organization’s success. Employer brand thinking had only become relevant for major employers since McKinsey’s ‘War for Talent’ and many similar papers that have highlighted the difficulty of recruiting and retaining capable people were published. However, due to numerous corporate challenges and in a very competitive corporate global arena where each employer wants to add the best talent, a scarcity of highly qualified technical people along with qualified and experienced managers does not make it an easy task for the HRM team. There are not much research has been carried out in the area of employer branding and the count is extremely small with respect to Indian context.

Indian software industry has experienced a healthy growth in 2010 with substantial growth in core markets (USA and Europe) followed by a significant contributions from emerging markets such as Asia pacific and domestic (CXO Today, 2010). Indian information technology (IT) and business process outsourcing (BPO) industry is expected to cross USD 70 billion in year 2011. In a demand constraint environment, the Indian IT-BPO industry saw a 9% employment growth in 2010 which is promising. There are 200,000 new vacancies are expected this year which is almost double that of last year, leading to 2.5 million direct employments. Poised to become a US$ 225 billion industry by 2020, the Indian information technology industry has played a key role in putting India on the global map (India Brand Equity Foundation [IBEF], 2011; Pattnaik, 2011). Therefore, the IT organization plays a crucial role on the
country’s economical growth where the deliveries are made by it’s human resources. Kennedy (2003) emphasized that employee efficiency as a key factor for the success of organizations and it is influenced by several organizational factors. India is referred as the electronic housekeeper of the world (Budhwar, Varma, Singh, & Dhar, 2006). Although this sector is increasing in economic significance, it continues to be scarcity of research especially in the field of employer branding. Therefore, the problem statement for the present research mentioned below;

What are the significant employer value proposition (EVP) attributes that contribute to employer branding of Indian IT companies?

What is the consequence of employer branding on Employee Engagement?

The next section addresses the fundamental objective of this research.

1.8 OBJECTIVE OF THE STUDY

Given the background of the study and overview of the research problem, there seems to be an imminent need and opportunity to understand the key driver of the employer brand, the Employer Value Propositions which employees and potential employees seek during their employment experience. This study explores the cognitive and affective EVP attributes for which people join, stay or leave the employer and the consequence of these EVP attributes.

Hence, the central objective of this study is:

1. To study the EVP attributes that facilitate in understanding employer branding.
2. To explore the relationship between employer branding and employee engagement.
3. To recommend the Employer Branding attributes Indian IT companies should focus to build a strong employer brand and creating a high-level of employee engagement.

1.9 THESIS OUTLINE

The study proceeds by outlining the broad view of employer branding that leads to the focus of the research issue. This problem identification follows a conceptual
framework having support from theory and literature to test empirically and conceptual validation. The overall outline as well as organizational pattern of this thesis is discussed in this section. The thesis comprises five chapters and each of the chapters is introduced as follows.

**Chapter 1:** Introduction explores the research background, employer branding process, outcomes of employer branding, Employee Engagement, Problem Statement, Objective of the Study and the outline of the thesis.

**Chapter 2:** Literature review general focus is to synthesize different types of past studies conducted on employer branding and indentify the core propositions that leads to employer attractiveness. This section presents on seven major dimensions relevant employer value proposition and also focuses on employer attractiveness. This chapter additionally discusses the literature related to employee engagement and describes how the factors of employer branding drive employee engagement in an IT organization. On the summary part of this section explains the literature review findings and the basis of arriving the hypotheses of the study.

**Chapter 3:** Methodology of the study covers all the relevant issues of the research approaches to be followed in this study. This chapter includes the rationale for the approaches for this study, population and sample, response rate, unit of analysis, selection of key informants, measurement of constructs, research instrument, survey data, and analytical tools of quantitative data. This chapter also covers the scale validation and standardization for the proposed employer value proposition scale, employer attractiveness scale, and the modified employee engagement scale.

**Chapter 4:** Data analysis is discussed in two major sections; demographics and descriptive statistics on the sample, and hypotheses testing by establishing the relationships among the three research variables Employer Value Proposition, Employer Attractiveness and Employee Engagement.
Chapter 5: This is the final chapter of the thesis and provides the summary and implications of the study. To consolidate the answer of the research question and objective, this chapter synthesizes the overall findings, which follows the research implications for researchers and practitioners. Detailed contributions to the theory and the body of knowledge are also discussed. As directed by the present research findings and background, several future research directions are suggested. Finally, the limitations of this research are addressed. The research problem, research question and objective, and justification of the study clearly signify the importance of this research.