CHAPTER 1

Introduction
Chapter I

Introduction to Research

1.1 Introduction

This chapter will introduce the background of this doctoral thesis with an aim to provide the reader a broad overview of the chosen topic. Based on the problem statement and the research question, the purpose of the study is presented. The first chapter ends with demarcations and an outline of the upcoming chapters.

To be a magnet is to lure, to draw, to attract, and once a connection is made, is to engage, to maintain a hold. In a similar way, every organization, no matter its business, no matter its marketplace, no matter the economic conditions, needs the right people to be engaged for making right contributions. At the same time, every organization no matter its people needs, wants to be like a magnet, which consistently attracts, engages and retains the best of talent. (Schumann, Mark & Sartin Libby, 2009)

It is all about how organizations empower and enthuses its talent. The core argument is that this is best achieved by articulating a sense of the organization that is credible and motivating both internally and externally. However, simply stating the organization’s purpose and values by themselves is not enough. Organizations need to build meaning into the ideas so that employees can genuinely live the brand during workday. This is increasingly important if businesses, government and voluntary organizations want to make best use of the intellectual resources of all of their employees; to capture the most innovative ideas; to build strong and lasting relationships with customers; to use the enthusiasm and imagination of people. (Nicholas Ind, 2004)
With the advent of digital era, dramatic changes have taken place in employment scenario and talent demands world over. This has brought in great opportunities and challenges to Indian companies and the workforce. One of such challenge is faced by the organizations is high rate of turnover of employees or high attrition rate\(^1\). This has led many organizations to lay more emphasis in redefining guidelines to their human resources polices. Some organizations were successful in managing very low attrition rates probably due to the factors like leadership; image of the organization and consistent HR policies and many other attributes.

Development follows an increasingly competitive labor market, where companies will have to be aware of how they are perceived as employers in order to attract the right people. One of the companies noticing this growing competition is Organization X, named such to preserve its anonymity in this report. Based on their own experience, it is becoming more and more difficult to attract the desired group of students and young professionals. In order to address this, Organization X recently increased its efforts this arena. The strategy under development deals with the management and implementation of what is called Employer Branding, an increasingly important area for most of the companies today.

Amidst the drumbeat of business model change there is a growing recognition for the need of a shift in mindset amongst Human Resource professionals. The HR leaders who have more alacrity to the happenings in-and-out of the organizations are able to harness these insights in ways that improve business performance and employee engagement (CIPD, 2011)

\(^1\) HR Practice(06), "A creative solution to big problem", Human capital Magazine, Vol10, No.7, pp.28
As Human Resources Management begins to assume a greater role in Organizational Growth, there has been a rising debate about the need for the researchers to provide a more satisfactory means of accommodating workers’ interests in the modeling of employment relationship. This thesis builds upon these arguments, blending them with a critical review of the upsurge of interest in Employer Branding and its importance in enhancing talent attraction and retention in the corporate sector

1.2 Statement of the Problem

The emergence of sophisticated knowledge management systems and knowledge sharing process among the industries and between industry and society demands quality organizations to hire and retain the talents. The scenario of employment comprises knowledge based employees who prefer to choose their occupation by choice. While they select their organization for career profile they look for qualitative and quantitative dimensions possessed by an organization. In this aspect it is imperative for the organization position to themselves as prospective job providers with comprehensive benefit extended. This scenario demands Employer Branding, but majority of organizations circumscribe themselves with pressures to manage the Employer Branding process as via media for hiring and retaining talents. The tailor made HR practices need to be designed and delivered to balance as good branded employer from a management perspective and the promise delivered from a employee perspective. But in practice, most organizations are unable to cope-up with the situational theories required for hiring and retaining employees towards Employer Branding. In order to fill the gap, the particular study titled “The Study on the Importance of Human Resources, Allied Activities and Effectiveness on Retaining Talent – With Special Reference to Employer Branding” has been designed and carried out.
1.3 Need of the Study

With the advent of digital era, dramatic changes have taken place in employment scenario and talent demands world over. This has brought in great opportunities and challenges to Indian companies and the workforce. One such challenge faced by the organizations is a high rate of turnover of employees or high attrition rate. This has led many organizations to lay more emphasis in redefining guidelines to their human resources polices. Some organizations were successful in managing very low attrition rates probably due to factors like leadership; image of the organization and consistent HR policies and many other attributes.

Ambler, T. and Barrow, S have defined the concept of employer brand in the year 1996, and it is the package of functional, economic and psychological benefits provided by employment and identified with the employing organization. The main role of the employer brand is to provide a coherent framework for management to simplify and focus priorities, increase productivity and improve recruitment, retention and commitment.

The study proposes to define these factors after a sample survey through a questionnaire made to examine these factors. An effort is made to correlate the relationship of Employer Branding with talent attraction and retention using statistical techniques like Anova, Chi-square etc. The Researcher had been working on this subject earlier.
1.4 Objectives of the Study

1.4.1 To study the demographic profile of Employees working in IT / ITES sector

1.4.2 To understand the opinion of Employees in IT / ITES sector about the Talent Retention activities practiced by Employer

1.4.3 To identify the factors involved in Talent Attraction & Retention in IT / ITES Sector.

1.4.4 To understand the opinion of Employees in IT / ITES sector about the influence of various factors towards Talent Attraction and Talent Retention.

1.4.5 To understand the opinion of Employees in IT/ITES sector about the importance various factors of Employer Branding Communication

1.4.6 To evolve the opinion about the impact of Talent Attraction, Talent Retention factors on Employer Branding with the help of suitable model

1.5 Hypotheses

1. There is no significant difference between in the opinion of respondents about Talent Attraction Program employed by their organization based on demographic variables of gender, age, Educational Qualification, type of organization, number of employees, present level, joining level, experience with present organization, total experience and monthly income at 5% level of significance.

2. There is no significant difference between in the opinion of respondents about Talent Attraction attributes – internal factors employed by their organization based on Gender at 5% level of significance.

3. There is no significant difference between in the opinion of respondents about Talent Attraction attributes – internal factors employed by their organization based on type of the organization at 5% level of significance.
4. There is no significant difference between in the opinion of respondents about Talent Attraction attributes – internal factors employed by their organization based on 'present level' in the organization at 5% level of significance.

5. There is no significant difference between in the opinion of respondents about Talent Attraction external factors employed by their organization based on Gender at 5% level of significance.

6. There is no significant difference between in the opinion of respondents about Talent Attraction – external factors employed by their organization based on Age at 5% level of significance.

7. There is no significant difference between in the opinion of respondents about Talent Attraction – external factors employed by their organization based on Type of the Organization at 5% level of significance.

8. There is no significant difference between in the opinion of respondents about Talent Attraction external factors employed by their organization based on 'Present level in the Organization' at 5% level of significance.

9. There is no significant difference between in the opinion of respondents about Talent Attraction external factors employed by their organization based on 'Total Experience' at 5% level of significance.

10. There is no significance between in the opinion of respondents about the effectiveness of talent retention strategies employed by their organization based on demographic variables (Gender, Age, Educational Qualification, Organization Type, Number of Employees in the Org., Present Level, Joining Level, Present Experience, Total Experience and Monthly Income) at 5% level of significance.
11. There is no significant difference between in the opinion of respondents about the
effectiveness of Talent Attraction and Retention Plans employed by their organization
based on Gender at 5% level of significance.

12. There is no significant difference between in the opinion of respondents about the
effectiveness of Talent Attraction and Retention Plans employed by their organization
based on Age at 5% level of significance.

13. There is no significant difference between in the opinion of respondents about the
effectiveness of Talent Attraction and Retention attributes employed by their organization
based on Educational Qualification at 5% level of significance.

14. There is no significant difference between in the opinion of respondents about the
effectiveness of Talent Attraction and Retention attributes employed by their organization
based on ‘Total Experience of an employee’ at 5% level of significance.

15. There is no significant difference between in the opinion of respondents about the
effectiveness of employer brand dimensions in talent retention attributes employed by
their organization based on type of the organization at 5% level of significance.

16. There is no significant difference between in the opinion of respondents about the
effectiveness of employer brand dimensions in talent retention attributes employed by
their organization based on present level of the organization at 5% level of significance.

17. There is no significant difference between in the opinion of respondents about the
effectiveness of employer brand dimensions in talent retention attributes employed by
their organization based on joining level in the organization at 5% level of significance.
18. There is no significant difference between in the opinion of respondents about the effectiveness of employer brand dimensions in talent retention attributes employed by their organization based on Experience of an employee in the present organization (Present Experience) at 5% level of significance.

19. There is no significant difference between in the opinion of respondents about the importance of retention factors employed by their organization based on gender at 5% level of significance.

20. There is no significant difference between in the opinion of respondents about the importance of retention factors employed by their organization based on Educational Qualification at 5% level of significance.

21. There is no significant difference between in the opinion of respondents about the importance of retention factors employed by their organization based on Type of Organization at 5% level of significance.

22. There is no significant difference between in the opinion of respondents about the importance of Employer Brand Communication factors employed by their organization based on organization type at 5% level of significance.

23. There is no significant difference between in the opinion of respondents about the importance of Employer Brand Communication factors employed by their organization based on total experience of the respondent at 5% level of significance.
1.6 Scope of the Study

The study finds a great scope and opportunity; it builds the concept of Employer Branding further, as it is more relevant in Indian context where service sector is slated to grow exponentially\(^2\).

Talent attraction and retention is a challenge to organizations across the world, according to the annual talent shortage survey (Manpower Survey 2010). Close to one-third of employers worldwide find it difficult to fill key positions, appropriate within their organizations. The prospective candidates have become more specific about the combination of skill sets and organizational brand that they are looking for. Also the existing employee is on a look out for an alternative if not engaged properly. This has led organizations to improve their reputation in the employment market. From a supply point of view, talent as we know currently is changing and is multi-disciplinary.

The research aims to study the effect of Employer Branding in enhancing the attraction and retention of talent in corporate sector. The Researcher made an attempt to investigate how leadership, product (or service) brand influences new recruits to get attracted and fulfill the aspirations of existing workforce. As contributory measure to the fund of managerial knowledge in the realm of Employer Branding; thereby the study proposes to verify the validity of the proposed conceptual model on Employer Branding.

With this background, it is important to understand the concept of Employer Branding to attract and retain the talent. Eventually the importance and scope of Employer Branding application in the domain of Human Resources will enhance further.

\(^2\) [www.bpowatcindia.com](http://www.bpowatcindia.com) (January, 2012)
1.7 Research Methodology

In this section, the Researcher believes it is important to clarify perceptions of reality and science as well as the methodology adopted in this study. The study has been divided into two phases. Phase-1 devoted to the review of various literatures. Phase-2 devoted for data collection. The study period was from 2007 to 2012.

1.7.1 Research Design

The research design of the study is descriptive in nature. In this study, a combination of online surveys and personal administration of the questionnaire was carried out. Online surveys (e-mail) have a higher response rate with follow ups made easier.

1.7.2 Population of the study

A study of the population comprised employees working in IT and ITES sector in major cities of Chennai, Bangalore and Hyderabad in India.

1.7.3 Sampling Unit

The sampling unit of the study has been taken as the employees from both genders, belonging to 11 organizations, having mode of operations; both India and foreign companies operating in India. These organizations have come to know about its familiarity towards branded employers during the pilot study.

1.7.4 Profile of the Respondents

The survey was handed out and answered by 432 employees from Indian companies and foreign companies operating in India and population was limited to Information Technology and IT
enabled sectors only. The respondents held various positions across the segments.

The following list consists of various Organizations who responded in the present study.

✓ Accenture Indian Private Limited
✓ CA Technologies
✓ Deloitte Touche Tohmatsu India Private Limited
✓ HCL Technologies
✓ IBM
✓ Infotech Enterprises Limited
✓ Ittiam Systems (P) Ltd
✓ Microsemi India Private Limited
✓ Symphony Services
✓ Tata Consultancy Services Limited
✓ Volvo IT

The Researcher furnished the brief description of each organization (in alphabetical order) for better understanding of its existence in the forthcoming chapter of sectorial analysis.

1.7.5 Sampling Technique

The stratified random sampling technique was adopted for the present study. The total population for the study has been taken from 11 companies; they are divided into two categories (strata) namely male and female. From each category, from available population, a sample has been arrived.

1.7.6 Sample Size

A wide range of recommendations regarding sample size in statistical analysis have been made. These are usually stated in terms of either the minimum sample size (N) for a particular analysis or the minimum ratio of N to the number of variables, p i.e. the number of survey items being
subjected to factor analysis (MacCallum et al 1999). Gorsuch (1983) recommended five subjects per item, with a minimum of 100 subjects, regardless of the number of items. Guilford (1954) argued that N should be at least 200, while Cattell (1978) recommended three to six subjects per item, with a minimum of 250. In the present study, the sample size was 432

1.7.7 Sources of Data

The required sources for the study have been taken from both primary and secondary base.

1.7.7.1 Primary Data

The primary data of the study that have been collected from the employees belong to eleven organizations through personal interviews and online surveys with a structured questionnaire

1.7.7.2 Secondary Data

The secondary data relevant to study have been collected from various journals, periodicals, and published reports of the companies and prevailing research reports

1.7.8 Pilot Study

A detailed pilot study has been conducted with the help of relevant literature, focus group interviews and experience survey. Based on the outcome of pilot study, the research problem, research design, sampling design and questionnaire design have been structured.

A pilot study was conducted through a questionnaire to find out the opinion of respondents based on the objectives of the study. This approach has facilitated to reduce the communication gap between researcher and respondents. Based on the qualitative feedback, the researcher had incorporated changes in the final questionnaire.
This has enabled to improve the instrument to measure or procedure that has been used in the research study. The 13 item Talent Attraction Internal Factors assessment scale was tested among a sample of 50 randomly selected employees from 5 organizations. The Cronbach’s Alpha reliability statistics was 0.812; for 11 item Talent Attraction External Factors of Cronbach’s Alpha was 0.797; for 11 item Employer brand dimensions assessment scale to retain talent, Cronbach’s Alpha was 0.782; a 16 item Employer Branding Communication assessment scale was used and Cronbach’s Alpha was 0.848. The pilot study was used to test the model.

1.7.9 Type of Questionnaire

A structured pre-tested questionnaire has been used for the study which covered the required closed ended, multiple choice questions with suitable scaling.

Participation was completely voluntary and anonymity was guaranteed for each participant (Names were not requested). The results are analyzed in the aggregate without revealing the identity of the respondent.

1.7.10 Scales Used

The scales were self-explanatory and completed individually by respondents. Supervision was not necessary. The questionnaire provides clear instructions as to its completion. Respondents mark their rating or score of each item on the questionnaire itself. The following scales have been used in the present study.

- A Nominal Scale has been used for the questions like Gender, Age, Number of employees in the organization, Type of the organization, number of years of experience with current organization and total number of years of experience of the respondents.
- Ordinal Scales have been used for external & internal factors of Talent Attraction
- An Interval scale have been used for Employer Branding dimensions of Talent Attraction & 8Ps of Employer Branding
- The Likert scale has been used for organization characteristics of Talent Retention

1.7.11. Test of Validity

The validity of the questionnaire has been tested for its content, criteria and consistency. This is in order to check the validity an interaction held with top officials of the organization, experts in the field, academicians and some of the respondents

1.7.12 Test of Reliability

In order to check the reliability of scaling, a free test was conducted with selected ordinal and interval scales designed in the questionnaire. During the reliability testing, the obtained Cronbach Alpha value was found to be 0.73 or 73% and the reliability has been confirmed.

1.7.13 Frame work of Analysis

The cross table and frequency analyses have been used to analyze the demographic background of the respondents. The cross table and ANOVAs have been used to test the relationship, significance between Talent Attraction, Talent retention variables based on the demographic variables
1.8 Limitations

- Designation of the respondents have not been considered in the present study as the sector doesn’t have a structured designations within the verticals.

- Family owned businesses have not been part of the study due to non-availability of their responses.

- Data have been collected from employees who generally performed their role across the firm. The general staff respondents however were limited to single office locations in each firm. This has been done to limit the influence of geographic locations and capture the day-to-day nature of work across the sample.

- Although confidentiality was assured to the respondents, it is not sure if the social desirability factor was reduced.

- The study was limited to Metro cities of India, namely Bangalore, Chennai, and Hyderabad.

- The study was envisaged only in one perspective. i.e. the Employee Perspective

1.9 Chapterization

- Chapter 1 contains an introduction to the concepts and variables investigated in the study. It includes the origin, meaning and nature, definitions, and significance of the variables. The first chapter ends with the need and scope for the present study, objectives of the study and the characterization of the thesis.

- Chapter 2 has a detailed review of literature on Employer Branding which emphasizes the importance of recruitment, engagement leadership, employee loyalty, and commitment and organization characteristics. This chapter also details the methodology adopted for the present study i.e operational definitions, statement of the problem,
variables under investigation, research model adopted, hypotheses, sample size, sampling technique, and tools employed for data collection, description of the tools and administration of the questionnaire, and statistical techniques employed.

- Chapter 3 briefly explains over view of the Information Technology and its allied ITES sector
- Chapter 4 provides the analysis of data which was subjected to certain statistical tools and its interpretation.

- Chapters 5 studies and evaluates current Employer Branding models and discusses their efficacies and develops a more sustainable conceptual model based on the study / findings
- Chapter 6 contains the summary of the findings, conclusions and implications of the study and suggestions for future research.

In order to understand the concept of employer brand, its applicability, interventions and intricacies, it is important to peruse some of the literature that has been developed in academic and industry verticals. The forthcoming chapter would give an idea of Employer Branding and its importance in the present study through the literature review.