Chapter VII

Findings, Suggestions and Conclusion
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The present study has hitherto discussed in detail, the impact of employer branding on employee retention in Indian IT companies in Chennai city. The study emphasises the importance of employer branding as a strategy of employee retention. The findings of the study have several implications for Indian IT companies in an increasingly challenging business environment. The analysis of the primary data collected has led to a few significant observations and conclusions. The current chapter provides the main findings and conclusions of the present study along with strategic suggestions to enhance employer branding practices and thereby improve employee retention.

In the challenging environment that businesses are today operating, Employee Retention is an important aspect that cannot be ignored. IT industry is totally dependent on its employees and therefore, the employees should be given priority of all factors of production. The fact that retention is more cost effective than recruitment is now being brought out strongly in research as well. The cost of replacing an employee ranges from 29% to 46% of the person’s annual salary. Expenses are also incurred when someone else is doing the job in the interim, leading to a domino effect on employee cost. Employer branding as a tool can be used to retain employees in an organisation. Employer branding may be understood as the distinctiveness of the organisation as an employer which is attractive to existing employees and helps in retaining them.

Many research works have documented the role employer branding can play in an organisation. Most of them have focussed only on the recruitment aspect taking students as sample. Students’ perception differs from the perception of employees as prior knowledge about the company is important in determining the role of employer branding in retaining current employees. Very few empirical research studies have been carried out in this direction in India. Thus, this study to assess the impact of employer branding on retention of employees in Indian IT companies is warranted. The results of the study emphasise the importance of employer branding in the retention of employees in IT organisations. More
specifically, it derives the factors of employer branding and also studies the influence of certain demographic variables on employer branding.

Expressly, the current study addresses the following research questions based on which study objectives have been framed:

- Does the rationale of using employer branding as a strategy address the concerns of employers with regard to employee retention?
- What can be construed as employer branding factors?
- What are the employees’ perceptions regarding their organisation’s employer branding practices?
- What are the employer branding factors that make the current employees stay with their organisation?
- Does familiarity with organisation alter perception about employer branding practices of the organisation?
- How does Employee Identification with the Organisation, Employee Satisfaction and Employer Brand Loyalty intervene in the relationship between Employer Branding and Employee Retention?

Based on the above research questions, the current research aims to examine the perceptions of current employees about employer branding practices of their organisation and whether these factors influenced them to stay with their organisation. Thus, the specific objectives of the study can be outlined as follows:

- To derive the employer brand dimensionality.
- To ascertain the influence of select demographic variables on employer branding.
- To study the association between employer branding and employee retention.
- To construct an empirically tested model of employer branding.
- To suggest appropriate strategies for employee retention through employer branding.
In an attempt to obtain the torrent of results desired in the objectives, the present study has been conducted using both descriptive and diagnostic type of research. Collection of primary data was done by means of administering a structured questionnaire. The first section of the questionnaire aims to identify the demographic information about the respondent. The second section was designed to capture the views of the respondents with regard to employer branding factors. The third section questioned the respondents on Employee Identification with the Organisation and Employee Satisfaction. The fourth section captured the observations of the employees on Employer Brand Loyalty and the fifth section on Employee Retention. The sixth section seeks to determine the most important factor which influenced the employees to stay with their organisation by ranking the employer branding factors. The seventh and final part of the questionnaire was constructed to obtain suggestions from the respondents.

The top 20 IT companies as ranked by NASSCOM were selected as sample units and responses were obtained from a total of 600 IT employees from the top 20 IT companies. Judgement sampling was adopted to collect primary data. To ensure strict confidentiality of responses, names of respondents were not insisted upon. The review of literature in the related field provided a scope for identifying the employer branding factors and accordingly the questionnaire incorporated these variables in the form of questions. The primary data collected were analysed using SPSS 18. Percentage analysis, t-test, Chi square analysis, ANOVA, Correlation, Regression and Structural Equation Modelling (SEM) were employed in the study to obtain the desired results.

7.1 CONTRIBUTIONS OF THE STUDY

The contributions of this study are two-fold- theoretical and practical.

**Theoretical implications**: This study has theoretical implications on the literature in the staffing domain of Human Resources Management where employer branding is emerging as an important construct. The current study exemplifies the variables under employer branding leading to building a robust instrument which will enable researchers in this field to measure the strength of the employer brand. Scholars can make use of employer branding to integrate many different but related
theories in the realm of recruiting, selection and retention literature under one umbrella.

As it concentrates on the current employees and not on students unlike in earlier researches, it adds to the generalisability of the results.

This work also has implications on emerging fields such as ‘great place to work’ and ‘employer of choice’ as they are basically outcomes of employer branding.

Practical implications: HR practitioners would find this research of immense importance as it will help define the expectations of employees and would help the industry to build their strategies to suit the ever changing needs of the employees. The study would be beneficial to practitioners in the search of an organised structure for strategic human resource management.

This study would also provide important cues for designing HR policies and interventions in making their organisations a ‘great place to work’.

7.2 SUMMARY OF FINDINGS

The major findings which emerged from the data analysis and conclusions drawn from are summarised and presented below:

7.2.1 Overview of the profile of IT employees.

Percentage analysis was used to analyse the demographic profile of the respondents.

- Majority of the respondents belong to the age group of 31-40 (50.3%). The sample of employees contains more male (66%) than female (34%).

- As far as educational qualification is concerned, most of the respondents have a professional degree (41.2%). An ample size (74.4%) of the respondents is married.

- 35.3% of the IT employees of this study occupy middle level positions in their organisations and 77.3% of employees perform technical work. With regard to the domain areas, the sample respondents are scattered over
different domains such as BFS, Insurance etc., with the maximum (35.2%) in “others” category comprising of retail, education etc.

- 48.8% of the respondents of this study have over 20 years of experience in their field. As regards the number of years spent in their current organisation, 37.7% of employees have between 5 and 10 years of experience, 32.8% have more than 10 years of experience and 29.5% of the respondents have less than 5 years of experience. Majority of the employees (60.3%) draw a monthly salary of more than Rs. 50,000 with only a negligible percentage (4.8%) of employees drawing a monthly salary of less than Rs. 30,000.

7.2.2 Opinion of IT employees on constructs of Employer Branding and Employee Retention.

The study investigates the impact of employer branding on employee retention of employees of IT companies in Chennai. Mean and Standard Deviation are used to understand the opinion of IT employees with regard to the employer branding practices of their organisation and also about the constructs of employee retention.

- Analysis of Employment Encounters reveal that IT employees in Chennai city are highly satisfied with the availability of resources to do their work but are moderately satisfied with regard to empowerment in taking decisions.

- The dimension of Work Environment points out that IT employees are not given any autonomy of work but are highly satisfied with their team and colleagues.

- With regard to the Values and Culture of IT organisations, employees agree fully that their companies’ culture is driven by quality but also feel that they are not able to express themselves freely.

- IT employees feel that their organisations enrich their capabilities through competency mapping, training and counselling. They are also highly satisfied with their organisation’s performance and the quality of services which they offer.
- Element wise analysis of Compensation and Location reveals that IT employees are highly satisfied with their annual compensation but have some concerns related to international career opportunities.

- The Work Life Balance dimension clearly indicates the high satisfaction levels in employees’ ability to address personal and family matters. With regard to Communication also, employees are highly satisfied with their organisational communication network.

- IT companies do not score well in the case of performance appraisals and giving constructive feedback about the quality of work though their employees feel that their organisation has fair and consistent management practices.

- Employees of IT companies are very happy with their leadership and the way in which their creativity is made use of by their organisations as also with the case of diversity in their organisations.

- The dimension of Corporate Social Responsibility reveals that employees of IT companies are highly satisfied with the monetary and non-monetary contribution of their organisation to the society but feel that they are not given paid leave to take part in CSR activities.

- The construct of Employee Identification with the Organisation reveals that employees of IT companies feel that their organisation’s success is their own success and are able to identify themselves with their organisation.

- Analysis of the construct of Employee Satisfaction reveals that employees feel very strongly about recommending their organisation to others and are motivated to perform their best.

- Employees’ Loyalty scores the highest under the Employer Brand Loyalty construct. They also feel strongly about speaking positively about their organisation and choosing to work in the same organisation if starting again.

- Element wise analysis of the construct of Employee Retention reveals that employees feel very strongly that the work they do is important and that they love working for their organisation.
IT employees are highly satisfied with their compensation package, opportunities for growth, work environment, recognition of performance, training and development and work life balance. They seem to be moderately satisfied with values and culture of the organisation, employment encounters, reputation of employer and quality of management.

7.2.3 Influence of independent demographic variables on Employer Branding and Employee Retention constructs

The present research focuses on the dimensions of employer branding which are considered as independent variables and employee retention is considered to be dependent variable. The demographic variables are considered to be independent in nature. Influence of these independent variables on dependent variables are measured through t-test, and ANOVA. In particular, age, gender, marital status, educational qualification, designation, type of job, years of experience and monthly income are considered as influencing variables.

- With regard to the employer branding dimensions, female employees highly appreciate Employment Encounters, Career Progression, Reputation of Employer, Fair and Consistent Management Practices, Communication and Creativity. With regard to Employee Retention aspects also, female employees are better satisfied than male employees.

- Employment Encounters, Values and Culture, Career Progression, Fair and Consistent Management Practices, Work Life Balance, Leadership and Diversity in Workplace are perceived better by married employees. Likewise, married employees perceive Employee Identification with the Organisation, Employee Satisfaction and Employee Retention with more agreement.

- Compensation and Location is more important to employees belonging to age group of below 30 years but employees of other age groups differ. Similarly, the above age group differ with the other age groups with relation to Employee Identification with the Organisation and Employee Satisfaction.
- The dimensions of Career Progression, Work Life Balance and Creativity do not vary significantly among employees with different educational qualifications. Likewise, employees with different qualifications do not differ significantly with respect to Employer Brand Loyalty.

- Employment Encounters, Values and Culture, Compensation and Location, Work Life Balance, Fair and Consistent Management Practices and Diversity in Work Place are perceived with more agreement by middle and senior level employees as also with the dimension of Employee Retention.

- Employees doing technical jobs feel differently about Employment Encounters, Work Environment, Communication and Diversity in Work Place. However, the type of job does not influence their Employee Identification with the Organisation, Employee Satisfaction and Employer Brand Loyalty.

- Employees having experience of below 10 years perceived differently with employees having experience of above 10 years with respect to Compensation and Location and Work Life Balance.

- Employees staying with their organisation for different periods of time are not of the same view with regard to Employment Encounters, Work Environment, Values and Culture, Reputation of Employer, Compensation and Location, Fair and Consistent Management Practices, Leadership and Diversity in Work Place. Similarly, they also differ in their opinions about Employee Identification with the Organisation and Employee Satisfaction.

- Employees of varying categories of monthly income agree differently with regard to almost all the dimensions of employer branding except Career Progression and Work Life Balance. With regard to the constructs of Employee Retention, employees having a monthly income of less than Rs. 30,000 have a different opinion with employees having a monthly income of Rs. 30,000-Rs.40,000 but not with the employees drawing salary of above Rs. 40,000.
7.2.4 Relationship between Employer Branding and Employee Retention

This study aims to establish a relationship between employer branding and employee retention. For this purpose, chi-square test, correlation analysis and regression analysis are deployed.

- Using chi-square test, it is established that there is a strong relationship between employer branding and employee retention.

- There is a significant association between levels of employer branding dimensions namely Employment Encounters, Work Environment, Values and Culture, Career Progression, Reputation of Employer, Compensation and Location, Work Life Balance, Communication, Fair and Consistent Management Practices, Leadership, Creativity, Diversity in Workplace and Corporate Social Responsibility. Each dimension strongly predicts the other employer branding dimensions.

- There is a significant association between Employee Identification with the Organisation, Employee Satisfaction, Employer Brand Loyalty and Employee Retention and each construct strongly predicts the other. When levels of Employee Identification with the Organisation, Employee Satisfaction and Employer Brand Loyalty are high, Employee Retention levels are also high.

- Correlation analysis reveals that all dimensions of Employer Branding have a positive relationship with Employee Identification with the Organisation, Employee Satisfaction, Employer Brand Loyalty and finally Employee Retention.

- There also exists a positive relationship between the different dimensions of Employer Branding which indicates that all these factors are necessary for Employer Branding to be successful in Employee Retention.

- There is also a significant positive relationship between Employee Identification with the Organisation, Employee Satisfaction, Employer Brand Loyalty and Employee Retention.
Multiple Regression analysis helps in determining the statistical relationship between two or more variables. Employee Retention is treated as dependent variable and all other variables are treated as independent. The multiple correlation coefficient indicates that the relationship between Employee Retention and the other independent variables is quite strong and positive.

Multiple Regression equation is derived and based on Standardised Coefficients, Employer Brand Loyalty is the most important factor followed by Employment Encounters, Values and Culture and Work Environment to extract Employee Retention score.

7.2.5 Factors Influencing Employee Retention

To find the most preferred choice of Employer Branding factors of employees which influences them to stay with their organisation, Friedman test is used.

Employees of IT companies have ranked Attractive Compensation Package as the most influential employer branding factor which influences them to stay with their organisation. This is followed by Opportunities for Growth and Recognition of Performance as the preferred choice of Employer Branding dimension that makes them to remain with their organisation.

7.2.6 Empirical model of Employer Branding and its impact on Employee Retention

An empirical model has been created to establish a relationship between Employer Branding and Employee Retention. The model establishes the relationship between Employer Branding, Employee Identification with the Organisation, Employee Satisfaction, Employer Brand Loyalty and Employee Retention. Employee Identification with the Organisation, Employee Satisfaction and Employer Brand Loyalty are antecedents to Employee Retention and is a consequence of Employer Branding.
7.3 SUGGESTIONS TO IMPROVE EMPLOYEE RETENTION THROUGH EMPLOYER BRANDING

Based on the findings, a few modest suggestions are incorporated in the study. They are:

1. In order to support their aging workforce, IT companies should give such employees more opportunities as they would bring in their rich and varied experience to handle complex and challenging assignments.

2. IT companies should be supportive to women employees. Women friendly policies such as flexible timings, child care, and work from home options should be adopted in order to attract and retain women employees.

3. IT companies should encourage their employees to pursue higher education by giving them opportunities and assistance by way of scholarship, sabbatical etc.

4. IT companies should involve its employees in more managerial work rather than just technical jobs. This will make them stay with their organisation as they can perceive employer branding practices better.

5. IT organisations should empower its employees to take decisions. Consultative decision making style would improve the decision making process in IT companies.

6. IT companies should endeavour to support autonomy in its work environment in order to brand themselves effectively as the need for autonomy and flexibility is felt more by employees for their work environment to be supportive and nurturing.

7. Employees of IT companies should be encouraged to express themselves freely. Employees should be able to communicate openly to their managers without any fear of repercussions. Lines of communication should be open, free and operate both ways.

8. IT companies should endeavour to help employees achieve clarity in goals. They should be encouraged to contribute to larger organisational
goals which would ensure a high sense of ownership resulting in better employee retention.

9. IT organisations should adopt a holistic performance management framework which addresses the multiple needs of the employees. Such a performance management system should make use of latest trends such as analytics to help make current and future decisions and also cater to employees’ aspirational needs and development. It should enable employees to identify their future needs too.

10. Performance appraisals in IT organisations need to be sensitive to the needs of the employees. Employees need to be made comfortable and expectations should be clearly communicated. Superiors need to be trained in conducting performance appraisals which are sensitive in nature.

11. Compensation should be linked to performance. Rewards and recognition programmes should be tweaked such that it is linked directly to performance. This will motivate employees to contribute better to the productivity of organisations.

12. In people intensive industry such as the IT industry where human capital makes up the largest chunk of investment, it is critical that organisations embrace a suitable rewards and recognition programme wherein, not only top performers are recognised and rewarded but also identify poor performers so that they could be reskilled or upskilled or redeployed in suitable roles.

13. Appreciation for one’s work from employer is the most important activity that an organisation should do. Heart felt appreciation of good work done by employees can go a long way in retaining them. Quarterly promotion system instead of annual promotions, sending employees to premier B-schools for short term programmes, rewarding achievers in the presence of their family members are some recognition programmes that IT companies can adopt. Organisations should not wait for anniversaries or special occasions to reward a good work.
14. Organisations need to refurbish their retention programmes and policies. For companies to future proof their human resource, bridging the gap between employers and employees’ expectations is of utmost importance. According to the Mercer-Global Talent Trends study 2016, this will hold the key to a company’s success in retaining its employees. According to this report, besides mismatch of expectations, a lack of development opportunities, outdated processes and uncommunicative managers were the reasons for employees’ dissatisfaction resulting in them leaving the organisation. While promotion and compensation are key drivers of retention, skill development opportunities within the organisation are very important.

15. Employees of IT companies should be provided with avenues of growth. A sense of purpose should be attached with their jobs. Existing assignments that push them to their limits and re-skilling programmes such as sending employees to technical and management programmes in premier institutions would help in imparting greater meaning to their jobs.

16. Managers of IT companies should play a critical role in bridging the expectation gap between the employers and employees. They should improve their ability to coach and develop employees. Employers must create a framework of career paths and opportunities available for employees and managers must communicate this to the employees so that they can make use of it.

17. Opportunities should be provided to employees to help them mould their careers in accordance with their aspirations and interests. Training needs to be tailor made to the employees’ aspirations and needs.

18. IT Organisations need to actively encourage their employees for volunteering in corporate social responsibility related activities. They have to be generous with incentives, both monetary and non-monetary to promote volunteering spirit among their workforce. Reward programmes can be initiated to recognise employee contribution to social initiative or community service programmes. Employees’ stories can also be shared
in the in-house portals of organisations. When employees are encouraged
to contribute to society by choosing and executing projects cherished by
them, they feel empowered. This would make them feel more attuned
with their employer brand.

19. Organisations should focus on inclusion programmes and promote
diversity and inclusivity in their work place. Gender diversity can be a
strategic differentiator. Gender diversity can be enhanced by offering
mentoring and peer group support, women leadership programmes,
hiring women in a specific business unit or for critical skills, creating
communalities etc. This will allow women at various educational levels
to build and boost their career in the IT industry. IT industry has been
haunted by allegations of lack of diversity, gender gap being a major one.
Hence, IT organisations need to take conscious efforts to bridge gender
gap across levels and take initiatives to retain women professionals.

20. Organisations should also abolish gender inequality. Gender inequality as
far as compensation is concerned should be abolished as both men and
women have the same expectations.

21. IT companies need to embrace work place flexibility programmes as it
boosts the employer brand and curbs attrition. These flexibility
programmes need to be tailor made to suit individual employee needs.

22. Concepts such as job rotation and job sharing need to be introduced so
that employees have better work life balance.

23. IT Organisations need to adopt innovative practices to encourage
creativity in their employees by offering challenging assignments and
adopting an informal culture.

24. Organisations in the IT sector should focus on employer branding
practices such as employment encounters, reputation of employer, values
and culture and quality of management. Concentration in these areas
would result in better retention of employees.
7.4 SCOPE FOR FURTHER RESEARCH

1. The depth and scope of the analysis could be further enhanced by examining the relationship between employer branding and other outcomes such as organisational performance, organisational commitment, employee engagement, motivation, trust etc.

2. Segmentation of employees would help IT companies to frame retention policies which would be tailor made to suit the requirements of the employees.

3. It is strongly suggested that a longitudinal study be carried out to identify significant trends in recruitment and retention.

4. Relationship between corporate branding and employer branding can be explored.

5. Role of employer branding in influencing psychological contract, organisational support and other similar concepts could be investigated.

6. It is suggested that a study on influence of psychographic factors such as attitude, personality, interests etc. on employee perception about employer branding be carried out.

7. Since perception of different generations varies, studies to measure such perceptions about employer branding would help practitioners to tailor make their policies.

8. Since the study reveals that employees in age group of above 40 years were low, exclusive study on employer branding factors influencing such a group could be carried out.

9. Moderating and mediating factors between employer branding and its various outcomes may be studied.

10. Comparative study between two industries can be undertaken. Other sectors need to be studied. Researchers may compare and contrast results to increase generalisability of findings.
11. Low turnover may be a misleading indicator of employer branding success as employees may stay with their organisation to receive tenure based rewards or may have limited opportunities. Therefore, low turnover or long tenure should be assessed in combination with other metrics such as engagement.

7.5 CONCLUSION

The Indian IT industry is undergoing rapid changes and is constantly challenged from within and from outside as it is knowledge intensive and depends entirely upon its people to succeed. In a VUCA world, an organisation with much of its workforce attached to it for long, inspires trust and confidence, especially if it is in the service sector. Retaining employees is a challenge that every IT organisation faces regardless of its size and operations. The most attractive feature of IT companies, offering competitive and attractive salary is also one of its problems when it comes to retaining its employees as they feel that shifting from their organisation to another one over a short span of time is the way things are done. It is vital that the employer is able to retain its employees as the cost of retaining employees is much lesser as compared to the cost of recruitment and training. It takes at least 3-6 months for a company to fill a critical position and another 3 months for the new recruit to be productive. As a result, the company loses around 6 to 9 months of productivity. In such a scenario, organisations have to think innovatively and be sincere in meeting the expectations of its employees. Organisations have to invest heavily their efforts, time and resources on its employees to retain them. IT companies need to strategize effectively by adopting employer branding practices in their organisations.

Employer brand is a set of attributes and qualities that makes an employer distinctive, promises a particular kind of employment experience and appeals to employees who will thrive and give their best in its culture. Employer branding is essentially an emotional bonding between an employer and his/her employer. A loyal employee is the brand ambassador of the employer and such employees generate tremendous goodwill that is the foundation of an employer brand. Companies with strong employer brand will capitalise competitive advantage in retaining its employees. The main objective of an employer brand is in creating a...
workforce-friendly image of the employer that enables them to retain their employees. This is institutionalised into a process of healthy working relationship between an organisation and its employees. Employer branding is a relatively new approach in retaining employees in an increasingly competitive employment environment. It is an umbrella concept under which organisations can channel different retention activities into a coordinated human resource strategy. Integrating activities such as training and development, career management, rewards and recognition, performance management, management practices etc. under one umbrella concept of employer branding will have a substantially better effect than each of the process would have alone. Adopting employer branding would help organisations go a long way where employees are able to identify themselves with the organisation, achieve satisfaction and have brand loyalty, eventually leading to their retention.

At its heart, employer branding is an effective employee retention strategy. By strengthening employer branding, forward thinking organisations will be able to focus less on overcoming employee attrition and improve employee retention. In order for organisations to drive a strong employer brand, they should continually measure and evaluate the effectiveness of employer branding initiatives against the organisation’s employee goals.