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CHAPTER I

INTRODUCTION

“The most important brand relationship in your life
is unlikely to be your choice of breakfast cereal, mobile phone or car,
but the brand you work for, your employer brand”

-Richard Mosley, Employer Branding Advocate.

1.1 AN OVERVIEW

Employees are now recognised as a source of value to the firm and its shareholders. Demand for skilled, value adding employees is likely to increase in the coming years. At the same time the supply of these employees are reducing due to demographic and social factors. The organisation’s capacity to attract and retain employees will be a major contending factor to achieve competitive advantage (Harari, 1998)\(^1\). There is a shortage of quality resources and the demand supply gap is widening. The shifts from industrial economy to knowledge economy, demand for talent and high rates of turnover are the underlying forces behind the ‘war for talent’ (Roy, 2008)\(^2\). Organisations find employee retention a critical issue in recent economic conditions characterised by volatile demand-supply of talent and cut throat competition.

Fundamental changes that take place in the workplace and workforce changes the way organisations relate to their employees. There is a plethora of opportunities available for skilled employees and higher the skills; greater is the demand for them. Retaining such employees has become the main concern of organisations. Organisations that understand their employees’ wants and needs and take proactive decisions to fulfil those needs can retain their employees. Employee retention is thus, essentially, a process in which employees are encouraged to remain with the organisation for longer periods. It can also refer to the efforts undertaken by

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employers to retain their employees. Employees would stay with their organisation when they perceive their employer as a great place to work and when their expectations meet their needs.

According to Raudenbush and Bryk (2002), retention of employees is very important for organisational success. Retention is “the ability to hold onto those employees you want to keep, for longer than your competitors” (Johnson, 2000). Retaining employees is a great challenge that confronts organisations. Although different levels of attrition are acceptable, the loss of employees through voluntary and avoidable turnover means the loss of knowledge, skills and experience, which are essential for organisational success (Beardwell & Claydon, 2010). Employee attrition may also include financial costs resulting from investment in training and hiring new employees. The average cost of turnover is between 90% and 200% of exiting employee’s base salary and represents about 12% of a company’s operating budget. In addition, the consequences of employee turnover go beyond tangible costs. Other costs may become more significant to an organisation, including effect on organisational culture, employer morale and social capital (Tanova & Holtom, 2008). Adding to the pressures of job knowledge transfer, turnover increases recruitment spending, decreases productivity and dents employee engagement. Organisations also face interruptions in customer services and reduced goodwill. Therefore, retaining employees is essential for human capital stability within the company and to ensure that investment in human capital is successful.

Organisations cannot afford to be complacent about retention of their employees and different organisations use different strategies to retain its employees (Chhabra & Mishra, 2008). Retention is becoming more important than attracting

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employees as there are abundant job opportunities for skilled employees. Workforce stability is now tested due to dearth of skilled employees, ease of mobility of employees from one organisation to another, changing expectations of workforce and generations, workforce diversity and competition. These factors induce organisations to invest in employee retention strategies.

Employee retention strategies should realise the varying needs and expectations of the employment market in order to succeed. Pursuing existing employees through employee development programmes cost less than acquiring new employees, as organisations understand their employees’ wants and desires (Davidow & Uttal, 1989). Thus, retention is the continuous relationship between employees and their organisations.

The increasing importance of employee retention in practice has led researchers to give the topic much consideration, which has resulted in significant growth in this area of research. For a while, scholars tended to investigate the reasons for employees leaving the organisation but they have recently turned to what makes employees choose to stay with their organisations. This shift provides better consideration for factors that can maximise retention rates and make employees want to stay with their organisations instead of focusing on avoiding negative drivers, which is in line with the aim of retention strategies like employer branding.

1.2 EMPLOYER BRANDING

Within an employment environment that is becoming increasingly competitive, many organisations are struggling to motivate and retain the best possible human talent. Accordingly, organisations use employer branding as a relatively new approach to differentiate their characteristics as employers from those of their competitors. Interest in employer branding is rising rapidly due to the increase in the demand for skilled employees, especially because of the growth of emerging economies and the decrease in the supply of these employees due to

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demographic and social factors. OECD projections further indicate skill shortage by the year 2050 in these countries resulting in decreased productivity.

Though organisations commonly direct their branding efforts towards product brands and corporate brands, branding can also be used in the area of Human Resource Management. The application of the principles of branding to Human Resource Management is known as employer branding. Employer branding describes the marketing initiatives of an organisation’s offering to potential and current employees, its communication and maintenance of loyalty. It promotes a clear view of what distinguishes the organisation and its desirability to both existing and potential employees (Backhaus & Tikoo, 2004). Employer branding was coined by Ambler and Barrow (1996), who define it as “the package of functional, economic and psychological benefits provided by employment and identifying with the company”. Demonstrating why the company can be considered as an employer of choice becomes a new role for the HR department, with implications for staff recruitment and retention (Edwards, 2010).

The ability to differentiate, the creation of loyalty, the satisfaction and the development of an emotional attachment can be provided by an employer brand. Though corporate brand also provides the above benefits and is similar to employer brand, the employer brand considers the organisation in the role of an employer and is employment specific whereas corporate brand addresses multiple stakeholders. Employer branding can thus be understood to be the process of developing a unique employer identity and employer brand as a concept that distinguishes the organisation from that of its competitors (Backhaus & Tikoo, 2004).

With employer branding, the branded product is therefore, the unique and particular employment experience that the company claims to offer to current and

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potential employees (Edwards, 2010)\textsuperscript{13}. This ‘employment offering’, which lies at the core of employer branding, may describe the employment experience by referring to both the tangible and intangible features that the organisation offers to its employees and the elements of the character of the organisation itself such as the organisational values and guiding principles. Employer brand is also a normative instrument for communicating the employment value proposition, shaping the employee experience and driving cultural change. This expanded role enables the employer brand to be more complete and is an integrated mechanism for managing the overall employee experience. The employer brand establishes and communicates the identity of the organisation as an employer, encompasses the value systems, policies and behaviour to attract and retain employees. It includes all experiences, opportunities and practices in the ambit of employees’ relationship with the organisation.

Employment experiences, or what it is like to work at a company, are the underlying basis of the employer brand. The employment experience includes tangibles such as salary and benefits and intangibles such as organisational culture and values, learning and career progression, rewards and recognition and management style. The employment experience creates satisfaction and loyalty. When needs of an employee are aligned with the employee experience, it would result in employee retention. Barrow & Mosley (2005)\textsuperscript{14} emphasise that the main role of employer branding was “to provide a coherent framework for management to simplify and focus priorities, increase productivity and improve retention”.

Due to the increase in the demand for skilled employees, organisations are facing growing job mobility among its skilled employees. Though it was common for employees to change companies once or twice during their whole career, now, there is a tendency to change jobs very often. In order to retain its employees in such a situation, organisations differentiate themselves through employer branding. Certain key global trends have necessitated organisations to adopt employer branding. Firstly, organisations operate in a dynamic environment. Demographic

\textsuperscript{13} Edwards, M. R., \textit{op. cit.}, pp 5-23.

changes, changes in competencies and work attitude make employee retention difficult. Secondly, increased competitiveness has made organisations realise the importance of employee retention for achieving competitive advantage. Finally, there is increased transparency wherein employees can share their opinions through several channels and the information shared by organisations should be accurate and authentic as employees have access to it. These factors have made employer branding a necessity rather than a luxury.

The employer brand is made up of a constellation of factors that contribute to employee experience and strategically shaping these factors can help in employee retention. Organisations which adopt employer branding practices encourage their employees to stay with their organisations. Employer branding is useful in an increased knowledge based economy where human capital adds value. Effective employer branding helps employees internalise organisational values and assists in retention of employees, thus leading to competitive advantage (Conference Board Report, 2001\textsuperscript{15}, Dell & Ainspan, 2001\textsuperscript{16}). The concept of employer branding is becoming critical in competing for talent due to technological changes, globalisation and increased power of international brands making employers shift radically towards building diverse relationships with employees. In order to survive in the global competitive environment, organisations have started using employer branding strategies to attract and retain quality employees in their organisations including creating better opportunities for growth, work environment that is socially rich and makes employees psychologically secure and empowered.

1.3 CONTEXT OF THE STUDY

Employees now want to be seen differently by employees due to the availability of multiple opportunities and scarcity of skilled employees. This is more so in the case of IT industry where attrition is quite high. Organisation, through employer branding communicate their value propositions to the employees to make them stay with their organisations. The emerging markets are growing at a


compounded rate and retaining employees has become an uphill task for organisations operating in such markets. Employees in such markets are open to employer branding as it leads to their advancement. Thus, employer branding plays a crucial role in ‘attaining a powerful carbon footprint’ in modern India (SHRM, 2010). 

Information Technology has created a level playing field among countries and has a positive impact on the lives of millions. A country’s IT potential is very important for it to compete globally and attain a healthy GDP. The IT industry has played a pivotal role in putting India on the global map. IT industry has been one of the most significant growth contributors for the Indian economy and its cost competitiveness in providing IT services continues to be its USP. It was instrumental in the transformation of the country from an agricultural based economy to a knowledge based economy and has contributed significantly towards social transformation in the country.

1.3.1 Growth of IT Industry

The IT industry in India has emerged as one of the fastest growing industry with a steady rise in revenues. Over the past decade, the Indian IT industry has seen unparalleled growth. The Compounded Annual Growth Rate (CAGR) of the industry has been over 25% in the last 5 years. The size of this sector has increased at a rate of 35% per year during the past decade. The industry is growing substantially with its expansion into varied verticals, well differentiated service offerings and increasing geographic penetration. The phenomenal success of the industry can be attributed to the favourable government policies, burgeoning demand conditions, healthy growth of related industries and competitive environment present in the industry. The interplay of these forces has led to putting the industry in the global map.

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The Indian IT sector is a major contributor towards the country’s economic development. It enhances diversity in human assets by employing more than 50% of employees from tier I cities and 30-35% women employees. IT sector has succeeded in providing improved access and delivery of services, e governance solutions and bridges technological divide. The IT sector is the key contributor to the service sector accounting for 9.3% of India’s overall GDP and has a 45% share in total services exports. IT industry is the highest FDI investment sector with more than USD 7 billion. It is predicted to grow at a Compounded Annual Growth Rate of 9.5% by 2020. According to the industry body NASSCOM, Indian IT sector is the largest private sector employer which currently employs around 3.7 million people and provides indirect employment to more than 10 million people. It is expected to add another 2 lakh jobs in the next fiscal year. It is estimated to provide employment to around 10 million people by 2020. The annual talent output is about 6.2 million with a pool of more than 1 million technical graduates with diverse background. The share of global employable talent pool for IT is about 36%-38%. IT exports from India is expected to reach USD 118 billion and the domestic market is expected to
grow by 12%. The Indian IT industry is all set to become a USD 225 billion industry by 2020.

![Market Size of IT Industry in India (USD billion)](chart)

Source: NASSCOM

**Fig. 1.2 Market Size of IT Industry in India (USD billion)**

1.3.2 Components of IT industry

IT industry can be broadly classified under the following categories:

I. **Software**: The smallest component of the IT sector, IT software comprises of software products and Engineering and R&D services. Application development, database management systems, Operating systems software, security software and enterprise application software form part of this segment.

II. **IT services**: The IT services comprise of IT consulting, systems integration, Network consulting, software testing, training and support.

III. **Business Process Management**: It consists of services rendered using software and internet.

IV. **Hardware**: It includes computing and communications products and devices.
1.3.3 Government policies for IT industry in India

Indian IT industry, which was started by a small group of entrepreneurs, has grown into a large and growing industry. Initially adopting a non-interventional role, the government provided all facilities and incentives required by the industry and its representative body NASSCOM from time to time. The rapid growth of this industry has made the government to come up with a long term information technology policy.

Importance of information technology for economic growth was recognised far back in 1970 with the setting up of the Department of Electronics. National Informatics Centre was established in 1977 and Electronics Commission was set up in 1999 to spur the growth of IT industry in India. After the liberalisation of the economy in 1991-92, the IT industry flourished with the incentives provided by the government such as elimination of duties on imports of IT products, relaxation of controls on investment and foreign exchange, setting up of Software Technology Parks(STPs), SEZ and EOUs.

In order to promote the IT industry, the Government of India set up a National Task Force on Information Technology and Software Development to strengthen the industry. To boost the industry, norms for operations of venture capital funds have been liberalised. It is also providing fiscal incentives and liberalising norms for FDI and raising capital abroad. Foreign technology induction is also encouraged both through FDI and Foreign Technology collaboration agreements. Greater transparency in policies and procedures has made India an investor friendly destination for foreign investments. To support Research and Development in the country and promote start-ups focussed on technology and innovation, a weighted deduction of 150% of expenditure incurred on in-house R&D was introduced under the IT Act.

The IT sector is growing substantially with its expansion into varied verticals, well differentiated service offerings and increasing geographic penetration. The phenomenal success of the Indian IT industry can be attributed to the favourable government policies, burgeoning demand conditions, healthy growth of relevant
industries and competitive environment prevalent in the industry. The interactions of these forces have led to putting the IT industry on the global map.

A large number of factors have facilitated the rapid growth and development of IT industry in India.

i. Technically skilled professionals: The huge reservoir of technically sound manpower is one of the most critical success factors for Indian IT sector. This growth is complimented by the demographic profile and the number of world class institutions offering technical education.

ii. English Speaking populace: India is the second largest country in the world in terms of English speaking population, next to the USA, which has proved to be a boon to the industry.

iii. Strong communication and network infrastructure: The well-established telecom industry ensures availability of superior, robust and reliable telecom connectivity which has added to the success of the IT industry in India.

iv. Customised services and low cost of offshoring: Delivering quality services at affordable costs and providing customised solutions has taken the IT industry to greater heights.

v. Administrative policies: Liberalised FDI policies, tax holidays, subsidies etc. have favoured the IT industry.

vi. Quality orientation: Quality management is one of the key concerns of the IT industry. An increasingly high number of IT companies have adopted global standards such as ISO 9001 and ISO 27000. Apart from ISO certifications, Indian IT companies also obtain Six Sigma, Just In Time, COPC certifications to ensure quality management.

vii. IT Hubs: IT hubs have been established in clusters in Bangalore, Hyderabad, NCR-Delhi, Kolkata, Mumbai, Pune and Chennai with the establishment of STPs, SEZs, EOUs and ITIRs. Slowly, Tier 2 and Tier 3 cities are also emerging to become IT hubs.
The industry faces several challenges due to the protectionist policies of different countries, global headwinds, new business models, cyber security, upskilling and reskilling of current employees etc. In order to meet these challenges, the industry has been acquiring ‘niche skills’ in every domain, has invested in start-ups, has changed the employee structure from pyramid to hour glass and enhanced its collaboration between large and small providers. Over the years, verticals like manufacturing, telecom, insurance, banking, finance and retailing have been the growth drivers of the industry. However, the future growth of IT sector will be fuelled by the verticals of cloud, analytics, climate change, mobile applications, automation, health care, energy efficiency and sustainable energy. In order to achieve further growth, the IT sector has to continuously reinvent itself and strive to cross that ‘extra mile’ through collaborations, new business models, global delivery, partnership and transformation.

Chennai, the capital of Tamil Nadu is one of the seven ‘Leader’ cities catering to the IT industry, identified by NASSCOM for having considerably better business opportunities and scope for development. It is home to several IT companies due to the high quality of living, availability of physical and educational infrastructure and convenience of abundant qualified human resources. India’s largest IT Park is situated in Chennai and the city is the most preferred destination for IT services in the area of financial services, healthcare etc. The investor friendly approach of the Government, its IT policies, incentives and relaxations provided to IT companies have influenced IT companies to set up shop in Chennai city.

Despite being the shining sector of the Indian economy, the IT industry is plagued with high attrition rates. This is providing impetus to the concept of employer branding as companies are struggling to retain their employees as their long term association affects the success of companies. However, IT organisations did not attempt employer branding as a well thought out plan but have stumbled upon employer branding accidentally. The growing attention given to competitive advantage has made IT organisations to rethink their employer brand and align it with the vision, mission and values of their organisation so as to capture the essence
of it in order to retain their employees. Thus, employer branding is a holistic concept which achieves employee retention.

1.4 NEED AND IMPORTANCE OF THE STUDY

The concept of employer branding has been gaining momentum, given the crucial role it plays in the retention of employees. Effective employer branding leads to competitive advantage, helps internalise organisational values and assist in employee retention. Despite the growing popularity of employer branding practice, academic research in this area is still at its infancy.

Most of the existing studies on employer branding are purely theoretical in nature, offering frameworks and propositions with no field study. Understanding the role of employer branding in retaining employees is considered a gap with little research focus. In addition, the perception of current employees on employer branding is often overlooked.

Globally, studies on employer branding have been focused on developing a positive image of the organisation as an employer among potential employees, examining the influence of the employment offering on applicants’ attitudes and communicating the brand externally, i.e., to potential employees but not to existing employees. The plethora of research studies on employer branding, both national and international, concentrate only on attraction of employees, focusing on potential employees. These studies discuss employer branding as perceived by students who are potential employees on the verge of being recruited. The outcome of such studies cannot be generalised as potential and current employees perceive organisation’s employer brand in different ways.

Many researchers have not considered that employer branding is not just concerned with attracting employees but also in retaining them. Research on employer branding using current employees as sample has been limited. Researchers have not fully addressed the influence of employer brand on the perceptions of employees. Only recently, organisations too have begun to evolve towards an approach that integrates its employees. Promoting a favourable image of the
organisation among its employees has become part of these organisations’ employer branding strategy aiming at retention of its employees.

There is limited empirical research to identify an employer brand model which predicts retention of employees though there is sufficient research which explores the relationship between employer branding and employee retention, albeit theoretically.

No scale has been provided in literature that can fully capture all the components of employer branding. Moreover, there is dearth of literature on employer branding in IT industry where attrition is very high.

The few employer branding studies that used samples of current employees showed that employer branding practices of an organisation positively influences various employees’ attitudes and intentions such as satisfaction, affinity, loyalty, their intention to recommend their organisation as an employer and their identification with their organisation, leaving unexplored how current employees react to the employment offering as portrayed by their organisation and how it results in retention of employees.

The current research studies employer branding by examining employees’ perceptions of the package of benefits actually provided by employment within the company and not what is claimed through its communication campaigns. While potential employees understand the employment offering through communication campaigns, current employees, apart from understanding the employment offering through such communication, also develop a ‘lived experience’ of the benefits actually provided by employment within the organisation. This double perception adds value to employer branding literature. Thus, the present study will contribute to the relatively unexplored area of employer branding as perceived by current employees who need to be retained by organisations to sustain their businesses.

Employer branding is an umbrella concept indicating the macro factors of an organisation. It exists subtly in all organisations. This study is an attempt to highlight the role of employer branding in creating a positive employment
experience. It could help employers to position themselves as preferred employers to their employees. This study would identify the crucial dimensions of employer branding to make it effective.

Employer branding has gained popularity among researchers and practicing managers. Given this interest, the current study discusses the relationship between employer branding, employee identification with the organisation, employee satisfaction, employer brand loyalty and employee retention which has hitherto not explored. This study is a serious attempt to investigate this relationship in IT organisations in Chennai city and attempts to find out the attributes of employer branding which enables an organisation to retain its employees.

Though IT industry in India is considered to be the sunshine industry, it is riddled with an all-time high attrition rate. Employee Retention is difficult in IT industry due to reasons such as demography of population, intense competition etc. Though there are ‘Best Employer’ surveys being conducted by several institutions, they do not capture the perceptions of employees very well and do not recognise the link between employer branding and employee retention. Hence, this study aims to understand how employer branding practices leads to employee retention. The outcome of this study will provide insights into which value propositions are considered important for IT employees to stay with their organisation.

Since some international and national studies show the existence of relationship between demographic variables and employer branding attributes, an attempt has been made in this study to establish the association between demographic variables, employer branding factors and employee retention in IT companies in Chennai city.

In this context, the following research questions 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?

1.5 OBJECTIVES OF THE STUDY

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.

1.6 SCOPE OF THE STUDY

Employer branding is more important in the Indian IT industry as it faces high attrition rates and organisations are finding difficult to retain their employees. The present study aims to throw light on the employer branding practices in IT companies in Chennai city and aims to understand how companies retain their
current employees through employer branding. Hence, current employees are chosen for the study as previous research proves that familiarity with the organisation is a relevant condition to assess the perception about the employer brand.

As the study is based on current employee perceptions of employer branding, other stakeholders such as prospective employees and customers are not considered. The study focuses only on employee retention and does not concentrate on other outcomes of employer branding such as employee engagement, commitment, productivity etc.

The amount of research on employer branding conducted in India is very limited and thus the scope of research was set to include only IT companies operating in India. This study on the impact of employer branding on employee retention covers the prevailing scenario of employer brand and is restricted to Chennai city as it is considered to be the ‘IT hub’ of India, next only to Bangalore, with all major IT companies setting up shop in Chennai. It is assumed that, knowingly or unknowingly, each organisation selected for the study has an employer brand.

1.7 RESEARCH DESIGN, METHODOLOGY AND FRAMEWORK OF ANALYSIS

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.

1.8 HYPOTHESES

1. There is no significant difference between the demographic variables and the constructs of employer branding.

2. There is no significant difference between the demographic variables and the constructs of Employee Retention.

3. There is no association between the constructs of Employer Branding and Employee Retention.

4. There is no association between the constructs of Employer Branding.

5. There is no association between the levels of Employee Retention Constructs.

6. There is no significant difference among mean ranks towards the most preferred choice of IT employees for staying with their organisation.

7. There is no significant difference among mean ranks towards the factors of employer branding.
8. There is no significant relationship between Employer Branding constructs.

9. There is no significant relationship between constructs of Employee Retention.

10. There is no significant relationship between constructs of Employer Branding and Employee Retention.

Apart from testing the above hypotheses, the researcher has developed a hypothesised model to study the relationship between employer branding and employee retention. The hypothesised model is tested for its validity using Structural Equation Modelling (SEM).

Fig. 1.3 Hypothesised Model

1.9 SIGNIFICANCE OF THE STUDY

Employer branding programmes are becoming the key factor in retention of employees in many organisations. Though organisations have an employer brand, it is not a structured one. While there is evidence of strong research conducted overseas on the subject of employer branding, no local research has been conducted on this subject, as far as the researcher’s knowledge. This research provides keystones which can be useful for their knowledge about employer branding and its
impact on employee retention. This research is scientifically important as the results will contribute to the existing knowledge about employer branding.

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. 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. Thus, this research will be an eye opener to the body of knowledge and the findings will be a concrete evidence to show the significant relationship between employer branding and employee retention.

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. This study would also provide important cues for designing HR policies and interventions in making their organisations a ‘great place to work’. Thus, the outcome of this research will be a reference for future improvement.

1.10 LIMITATIONS OF THE STUDY

1. The research study was conducted in select IT organisations in Chennai. This imposes limitations on the extent to which findings can be generalised to other industries or sectors.

2. The survey was self-administered. Hence, the potential for survey questions to be misconstrued exists.

3. The study was based on the perceptions of employees based on current scenario, which might change in the future.
4. The sample was limited to IT companies in Chennai city and the study was conducted under the assumption that the information given by the respondents was authentic.

5. The business cycle of the industry may have influenced the responses of the employees in the study.

1.11 ORGANISATION OF THE STUDY

Chapter I – Introduction: This chapter deals with the introduction, statement of the problem, need and importance of the study, objectives and limitations of the study.

Chapter II – Review of Related Literature: This chapter explores the previous research works on employer branding in relation to talent retention besides identifying the research gaps.

Chapter III – Conceptual Framework: This chapter presents the overview of employer branding and the theoretical foundations upon which this study is based upon.

Chapter IV – Methodology: This chapter provides a clear picture of the methodology followed for the study and the framework for data analysis.

Chapter V – Analysis and Interpretation: This chapter deals with various elements of employer branding practices of IT companies.

Chapter VI – Empirical Model of Employer Branding: An empirically tested model of employer branding in the IT companies is also brought out in this chapter.

Chapter VII – Summary of Findings, Suggestions and Conclusion: The final chapter summarises the findings of the study, provides suitable suggestions and indicates scope for future research besides a conclusion.