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Impact of Organization Culture on Employer Branding in Information Technology (IT) Companies in Kerala

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Abstract

Talent acquisition and retention are the most pivotal issues prevalent in the IT-ITeS industries. To tap the talent pool and acquire the finest talents, companies are now implementing strategies to project themselves as the employer of choice and their workplace among the best places to work. One of the most effective strategies utilized by companies these days is employer branding. An effective employer brand is essential to differentiate from competitors and to attract, develop and maintain talented and motivated employees. In this context it is considered appropriate to conduct a study on employer branding and to identify various employer branding strategy to attract and retain employees in the organization. Both primary and secondary data have been used for the study. The sample respondents of the study consist of employees of IT sector. Simple random sampling method was used. Data were collected from 330 respondents spread across the three Information Technology (IT) firms in Kerala. For the purpose of the present study ten identified attributes of company culture have been ranked by the selected IT professionals. The attributes include confidence in the senior leadership, commitment to high quality, appreciation of constructive criticism, fostering of creativeness and initiative, positive value system, a great place to work, clearly defined goals that relate to the goals and missions of the business, good communication channels, encouraged to make suggestions for improvement, part of a team (shared mission, values, efforts, and goals.)Kendall's W Test was applied to analyze the collected data.

Keywords: employer brand, employer branding, culture

Introduction

Peter Drucker's celebrated quote "**Culture eats strategy for breakfast**" doesn't undermine the power of a well-crafted business strategy, but rather implies that the successful execution of any strategy is closely linked to an accepting company culture. Company culture is the key to employee performance. In an increasingly competitive talent marketplace today, the need to actively align and engage employees with the overarching business strategy is now more important than ever. Engaged employees are more productive,

more customer-centric, more loyal, and ultimately more committed to business success.Culture also has a significant impact on a company's ability to generate returns on investment and that makes it the strongest asset or the biggest liability to the company. "Employer branding is the development and communication of an organization's culture as an employer in the marketplace." (Mandhanya & Maitri.2010).

2. Statement of the Problem

The need to create, communicate and

maintain a brand in order to differentiate from competitors and to attract, develop and maintain talented and motivated employees are both crucial factors for success. Today, an effective employer brand is essential for gaining competitive advantage.

Increasingly, Indian corporations are becoming intentionally strategic to utilize the employer brand to attract and retain talent for the expansion and growth. The increasing focus on competitive advantage is leading many Indian firms to rethink their employer brands. A powerful employer brand has the capacity to attract and retain talent and represent quality to its customers, with the goal of gaining global recognition in a sustainable manner. Some of the major HR challenges include building capabilities for the future; improving productivity and performance culture; building talent management practices; building succession for key critical and leadership positions, developing ownership, accountability, professional and institutional mechanism for sustained human capital management transforming HR function from legacy driven HR to developmental HR, etc. In this context it is considered appropriate to conduct a study on employer branding and to identify various employer branding strategy to attract and retain employees in the organization. The problem is stated as **Impact of Organization Culture on Employer Branding in Information Technology (IT) Companies in Kerala.**

3. Objectives of the Study

1. To identify and analyse factors influencing employer brand building of IT companies in Kerala.

4. Review of Literature

Figurska, I., & Matuska, E. (2013) offers an insight into the scope of employer branding (EB) with reference to human resource management. The first part features concise descriptions about the ideas of employer brand and employer branding. The topics explored in the study include defining terms such as employer brand, employer branding, internal employer branding and external employer branding. The study also discusses the advantages of employer branding, successful aspects of employer branding and motives for employer branding development. In addition, the article highlights the connection between factors of employer branding and human resource activities, underlines the predicaments associated with employer branding standards and emphasizes the findings of new global surveys that signify the rising significance of employer branding in organizational policies. The concluding part features inferences stating that conceptual planning and research findings related to employer branding is highly suggested as an effective tactic for successful management of human resources in modern day settings. **Chhabra, N. L., & Sharma, S. (2014).** Evaluated the corporate qualities that persuade management students to commence their careers at specific organizations. There were efforts to comprehend the existing employer branding tactics and attempts to understand the ideal routes that companies must pursue to enhance the attractiveness of their brand. The study revealed that brand image, pay package and workplace culture were key aspects that attracted students to various organizations. Career portals rated by students proved to be the most ideal route to enhance employer attractiveness. The conclusion put forth by the study is that a powerful brand image

significantly influences the chances of candidates applying for jobs at the particular company. **Aboul-Ela, G. M. B. E. (2016)**. Attempted to assess those key aspects of employer branding that would elevate a company into 'an employer of choice'. Following an analytical evaluation, the highest scoring aspects were categorized into a hypothetical structure featuring four dimensions – Bloom-Live-Connect-Grow. The dimensions are abbreviated and the concept is designated as 'BLCG Employer Branding Framework'. **Vasanth, S., & Vinoth, K. (2017)** examined the various factors which influence employer brand. The paper aims to look at the current state of firms in branding benefits and evaluate their impact on employees. The study makes an effort to debate the concept of employer branding, the strategies adopted by the organization, and the way employees recognize and interpret their employer brand. The study found that the varied values like economic, functional, psychological, development and social value are the key determinants of employer brand that the organization must specialize in while building the employer brand strategy.

5. Research Methodology

Both primary and secondary data have been used for the study. Primary data were collected from individuals employed in IT firms using a structured interview schedule. Secondary data referred for the study have been obtained from various published sources such as books, journals, periodicals related to the are under study, doctoral thesis and dissertations (both published and unpublished). Secondary data were also collected from the publications of Department of Information Technology, Government of Kerala, NASSCOM (National Association of Software and Services Companies) reports,

annual statements, company websites and other online resources. The sample respondents of the study consist of employees of IT sector. Simple random sampling method was used.

6. Data Analysis and Interpretation

Attracting the best talent and keeping it in the long run is an uphill battle if the employer brand is not strong. But what the job seekers specifically look for in an employer in an organisation is highly significant to hold the company as a fit place of work. The various factors involved in building an employer brand include company culture, work environment, work-life balance and compensation and rewards.

Critical Factors Involved in Building Employer Brand

Company culture, work environment, work-life balance, compensation and rewards, career opportunities, job security, position of the company in the market, workplace autonomy, and provision of international diversity are the factors involved in building an employer brand. In order to identify the most critical factor among the identified variables the method used is MDS-ALSCAL. A point in a multi-dimensional space represents each object or event. The points are arranged in this space in such a way that the distance between the points has the strongest possible relation to the similarities among the pairs of objects i.e. 2 points that are close together represent two similar objects and two points that are far apart represent two dissimilar objects. It is used to identify the dimensions by which the objectives are perceived or evaluated to position the objects with respect to these dimensions and to make positioning decisions. Table 4.9 explains the critical factors involved in building an employer brand.

Table 4.9
Stimulus Co-ordinates of Variable for Analysing Critical Factors Involved in Building Employer Brand

Stimulus Number	Stimulus Name	Dimension 1	Dimension 2
1	Company Culture	1.1694	.2511
2	Work Environment	.9369	.4320
3	Work- Life Balance	2.9706	-.5072
4	Compensation and Rewards	.3707	.3903
5	Career Opportunities	-1.0662	-.1681
6	Job Security	1.2550	-.1820
7	Position of the Company in the Market	-.9068	.0982
8	Workplace Autonomy	-1.0227	-.1790
9	Provides International Diversity	1.1969	-.1353

Stress=0.0085 RSQ=0.984

Source: Survey Data

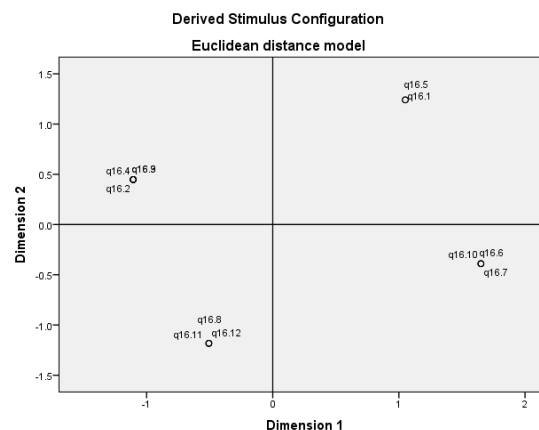
The above table explains 98.4 per cent of variability (RSQ=0.984) and the stress is also small (0.0085) and so we can find that the result is very consistent. The model reveals the perceptions of the respondents regarding the most critical factors in building employer brand.

(1) “Company culture” (with positive co-efficient of 1.1694 and .2511 in both dimensions) and work environment” (with positive co-efficient of .9369 and .4320 in both dimensions) and compensation and rewards (with positive co-efficient of .3707 and .3903) in both dimensions) are the most critical factors in building an employer brand.

(2) “Work-life balance”, “job security”, “position of the company in market” and “provision of international diversity” are loaded in single dimension only.

(3) “Career opportunities” and “workplace autonomy” do not contribute much in determining the most critical factors in building employer brand.

It can be further verified by observing the optimal two -dimensional configuration, computed by MDS-ALSCAL, which is given below.



For the purpose of the present study ten identified attributes of company culture have been ranked by the selected IT professionals. The attributes include confidence in the senior leadership, commitment to high quality, appreciation of constructive criticism, fostering of creativeness and initiative, positive value system, a great place to work, clearly defined goals that relate to the goals and missions of the business, good communication channels, encouraged to make suggestions for improvement, part of a team (shared mission, values, efforts, and goals.) Kendall’s W Test was applied to analyze the collected data.

The following hypothesis was developed.

Hypothesis

H0: There is no significant difference in the perception of employees towards company culture which influences employer brand building.

The results of the analysis are presented in the following tables.

Table: 1.1: Kendall’s W Test-Mean Ranks

Attributes of Culture	Mean Rank
Confidence in the senior leadership.	3.86
Committed to high quality.	3.86
Appreciation of constructive criticism	3.00
Fostering of creativeness and initiative	5.55
Positive Value System	7.36
A great place to work	5.55
Clearly defined goals that relate to the goals and missions of the business.	7.36
Good Communication channels	5.55
Encouraged to make suggestions for improvement.	5.55
Part of a team (shared mission, values, efforts, and goals.)	7.36

Table 1.2: Kendall’s W- Test Statistics

N	330
Kendall's W ^a	.386
Chi-Square	1146.210
Df	9
Asymp. Sig.	.000*

a. Kendall's Coefficient of Concordance

At 5 per cent level of significance*

As per Table 1.1, it is observed that out of the ten attributes of company culture, appreciation of constructive criticism has the lowest coefficient (3.00) followed by confidence in the senior leadership, (3.86) and commitment to high quality (3.86). Thus appreciation of constructive criticism, confidence in senior leadership and commitment to quality are the important attributes of company culture.

This hypothesis is tested with Kendall’s W test and the output shows that the value of Chi-square is found significant at 5 per cent level (Chi-square 1146.210 $p=.000 < .05$). Therefore the null hypothesis is rejected with a conclusion that there is a significant difference in the perception of

employees that company culture influences employer brand building.

Genderwise Perception on Company Culture

The study has made an attempt to analyse the genderwise perception of employees on the influence of culture in employer brand building .It has been analysed by using Independent Sample t- test and the mean score and result is shown in Table 1.3.

Table: 1.3: Mean Score and the Independent Sample t-test - Company Culture

	Male/Female	N	Mean	Std. Deviation	Std. Error Mean
Company	Male	270	26.3333	13.74489	.83649
Culture	Female	60	52.0000	.00009	.000001
T	_-14.47	Df 328	Sig.000		

Significant at 5percent significance level

Table 1.3 presents mean scores of the responses of the selected IT professionals in relation to company culture. The table shows that the mean score (52.0000) of the responses of the female employees is high in comparison with the low mean score (26.3333) of the responses of the males.

As per the opinion of IT professionals, it is observed that female employees strongly agree that organisation culture is important for improving employer brand. This is validated by observing the highest mean scores (52) of the respondents of female employees tested by using t- test and the t values and the associated p values are found significant at 5 percent level. ($p=.000 < .05$).

7. Conclusion

Employer branding is a concept adopted by organisations to create a positive image of the brand both inside and outside the

company. It is found that female employees working in IT sector give much importance to the values and moral principles held by the company in the work place. They consider company culture as a vital factor that can contribute positively in building an ideal employer brand. According to IT professionals in Kerala, “appreciation of constructive criticism”, “confidence in senior leadership” and “commitment to high quality” are the three important attributes which have a direct bearing on the company culture.

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