EMPLOYER BRAND - POSITIONING OF PARAMOUNT COMPANIES IN THE INFORMATION TECHNOLOGY SECTOR

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ABSTRACT

This article explores the phenomenon of employer brand positioning, including its origin from marketing and implication of such studies through a literature review and to determine the employer brand positioning of leading Indian companies from the view of prospective/potential employees sector – wise using an empirical study. It also tries to propose a model for employer brand positioning based on the results of the study. Applying the brand positioning in the Employer Branding context is an imminent initiative. This is mainly because, organizations realize that Employer Branding is a strategic initiative but are unsure of where to get started or how to implement it. The employers can visualise both their own position and what the potential employees want from their employer. This can then be compared with the competitors and the industry as a whole. This helps to determine the employer brand position in the minds of the potential employees. By mapping the talented employees' preferences, the company can identify how to position its brand to attract them. Identifying the gap in the minds of prospective employees can facilitate the new entries in the field on where to target to attract the appropriate skill-set. Thus, if companies position their brands, the pool of attracting talent becomes easier. In short, this study will add value to the employer branding work the company does. There is a great potential for using this brand positioning approach to understand who the company really wants to attract. The employer brand positioning is useful for consultants and organizations to implement Employer branding program.

KEYWORDS: Employer branding, brand positioning, attract talent, strategy.

1.　INTRODUCTION:

Product branding helps the companies to develop a lasting image in the minds of the consumer, so that customers start to automatically associate a required image or quality with any product or service. Companies

do the same in employer branding in that it creates an image that makes people want to work for the firm because it is a well managed firm where workers are continually learning, growing and becoming part of the companies culture. Employer branding may be a new terminology for many companies, yet it is becoming more and more important to organizations since maintaining and building a strong internal and external brand is an important factor in retaining loyalty, motivation and driving performance. One part of employer branding is the process of placing an image of being a great place to work in the minds of the candidates..

Branding a company like branding a product gives the employer the advantage to gain and retain the ones that really "fit in" into the organization. Employer branding has similarities with product branding. It also has a personality and positioning so the overall value can be defined as employer branding equity. (*Aslı Kuşçu, Elif Yolbulan Okan, 2010*)

EMPLOYER BRAND POSITIONING:

About 70% of all companies in Germany complain about the insufficiency of talent on the German job market, mainly the lack of management personnel and young professionals in the technical area. 46% of all employers found out that that the brand awareness is too low to differentiate from the competition. (30%) For this reason an increasing amount of companies are using various strategies to create an employer brand. According to the study "Employer attractivity - employer branding and talent supply 2010" of the HR consulting company Hewitt Associates every second company works with a "employer branding budget". 76% of the questioned companies increased this budget comparing to 2008. However budgets vary between 20.000 Euro to 300.000 Euro. This compels the need for positioning the employer brand in order to attract right talent.

On the one side, the employer can be seen as a brand with which the employee develops a closer relationship (Ambler and Barrow, 1996). Employer brand differentiation for a company means finding its own sweet spot that's distinctive in comparison to its recruitment competitors, i.e. an optimal positioning that makes the employer an employer-of-choice among their target group. Our study takes into account only the external perception of organizations. It is then, of course, need to consider the internal perception and the organization's core values to define a truly differentiated employer brand.

One major advantage of employer brand positioning through perceptual mapping is that companies can visualize their own position and what students want from an employer. This can then be compared its competitors, as well as with the industry as a whole. Thus, employers can more easily determine their desired brand position. They can show – and explain to their managers – that if they reposition their employer brand, the pool of potential candidates will increase. In short, this new approach will illustrate the value of the employer branding work that companies do.

This paper begins by giving an overview of IT industry in India. The next section presents the literature review; methodology used is elaborated. Discussion and Implications of the approach are then considered, limitations noted and future research direction outlined.

Overview of IT sector:

Information Technology is the fastest growing sector of India, a sunrise industry and the area of growth for the millennium. IT sector is one of the highest paying sectors and also provides room for development. It is currently facing a dearth of talent. Employees with right talent are in high demand in the sector as most of the jobs require extensive mathematical skills as well as logical and analytical abilities. However, most technical people lack good soft skills, and verbal and written communication skills. An aspirant in the industry who has a combination of both these sets of skills can find himself or herself in an advantageous position even at entry level. The skills and quality of the workforce needs to be improved as only 25 percent of technical graduates are suitable for employment in the offshore IT industry in India.

This sector has also led to massive employment generation. The industry continues to be a net employment generator - expected to add 230,000 jobs in FY2012, thus providing direct employment to about 2.8 million, and indirectly employing 8.9 million people. Generally dominant player in the global outsourcing sector. However, the sector continues to face challenges of competitiveness in the globalized world, particularly from countries like China and Philippines. India's growing stature in the Information Age enabled it to form close ties with both the United States of America and the European Union. However, the recent global financial crises has deeply impacted the Indian IT companies as well as global companies. As a result hiring has dropped sharply, and employees are looking at different sectors like the financial service, telecommunications, and manufacturing industries, which have been growing phenomenally over the last few years. India's IT Services industry was born in Mumbai in 1967 with the establishment of Tata Group in partnership with Burroughs.

2. LITERATURE REVIEW:

DEFINING BRANDING:

There are many definitions of brand. Aaker (1991), Keller (1998), Kotler (1994) and Lovelock (1999) defined brand as a "distinguishing name and/or symbol intended to identify and differentiate". A comprehensive definition given by Peter Doyle is as follows: "A name, symbol, design or some combination which identifies the product of a particular organization as having a substantial differentiated advantage" (O'Malley, 1991, p.107)

DEVELOPMENT OF BRANDING & BRAND POSITIONING:

Organizations develop brands as a way to attract and keep customers by promoting value, image, prestige or lifestyle. By using a particular brand, a customer develops a positive image of the brand (Ginden, 1993). Brands can reduce the risk a customer faces when buying something that he knows little about (Montgomery and Wernerfelt, 1992). Once customer becomes accustomed to a certain brand, they do not readily accept substitutes (Ginden, 1993). Organizations seek ways to take full advantage of this human trait, thus the popularity of branding.

The primary motive of companies is to somehow create a distinct s space in the consumers mind generally termed "positioning" (Ries and Trout,1960). The secondary objective is to make this position distinct from other brands. Ries and Trout concluded that, "Positioning starts with the product.. a piece of merchandise, a service, a company, an institution, or even a person…" they also state that positioning is not what is done to the mind of the prospect. Basically, the essence is to position the service or product in the mind of the consumer, that, "….positioning shifts the emphasis of marketing from the product to the battle of your mind…" Kotler (1997) defines positioning as: "the process of designing the company's product/services and image based on consumer's perception relative to that of competitors"

The concept is grounded in the need for a brand to create a position in the consumer's awareness in which its advantages and disadvantages stand in relation to those of the competition. Consumer perceptions are central to this concept, in which a position constitutes a gateway into consumer awareness, in effect a mental space relevant to the consumer in relation to his or her existing impressions of the market and competitors.

EMPLOYER BRANDING:

Employer branding is defined as "a targeted, long term strategy to manage the awareness and perceptions of current employees, potential employees, and related stakeholders with regards to a particular firm. It suggests the differentiation of a firm's characteristics as an employer from those of its competitors.(Minchington, B. & Estis, R. (2009)) also define the employer brand as the image of your organization as a great place to work in the minds of current employees and key stakeholders in the external market.

Employer branding has been described as the 'sum of a company's efforts to communicate to existing and prospective staff that it is a desirable place to work' (Lloyd 2002). Advertising may become a critical tool in the efforts that firms make to identify, acquire and retain skilled employees. Increasingly, it is likely to also be used to create what has in the popular business press recently been referred to as 'employment brands' (Sherry 2000) – building and sustaining employment propositions that are compelling and different.

The moniker 'employer brand' appears to have first been coined by Ambler and Barrow (1996), who defined it as 'the package of functional, economic and psychological benefits provided by employment, and identified with the employing company' (p. 187). Moreover, it is posited that companies with strong employer brands can

potentially reduce the cost of employee acquisition, improve employee relations, increase employee retention and even offer lower salaries for comparable staff to firms with weaker employer brands (Ritson 2002).

Collins and Stevens (2002), confirming prior research, suggest that early recruitment activities are indirectly related to intentions and decisions through two dimensions of employer brand image: general attitudes towards the company and perceived job attributes. Examples of employer brands, and indeed employer advertising, are becoming increasingly common.

Ewing *et al*. (2002) classify existing approaches to employment branding by identifying three basic types of employment advertising strategy, and provide numerous examples of each.

Moroko & Uncles examined the perceived characteristics of successful employer brands. Their results appear to be consistent with the branding literature. A successful employer brand should be known and noticeable, referring to brand awareness; relevant and resonant, referring to have a value proposition that is relevant to and resonant with their perspective and current employees; and finally be differentiated; referring to be unique.
According to Backhaus, K. & Tikoo , employer branding is essentially a three-step process. First, a firm develops a concept of the particular value it offers to prospective and current employees. This value proposition provides the central message that is conveyed by the employer brand. It is of key importance that this value proposition derives from a thorough audit of the characteristics that make the firm a great place to work. The second step is to externally market this value proposition to attract the targeted applicant population. The third step involves carrying the brand promise made to recruits into the firm and incorporating it as part of the organizational culture.

EMPLOYER ATTRACTIVENESS:

A closely related concept to 'employer branding' is the notion of 'employer attractiveness'. 'Employer attractiveness' is defined as *the envisioned benefits that a potential employee sees in working for a specific organisation.* The construct may be thought of as an antecedent of the more general concept of employer brand equity. In other words, the more attractive an employer is perceived to be by potential employees, the stronger that particular organisation's employer brand equity. (Berthon; Ewing & Hah, 2005) The authors suggested a way to both identify and operationalize the components of employer attractiveness from the perspective of potential employees. The five factors are: interest value, social value, economic value, development value, and application value. Interest value assesses the extent to which an individual is attracted to an employer that provides an exciting work environment, supports employee's creativity and produces high quality, innovative products. The social value assesses the extent to which a person is attracted to an employer that provides a fun, happy team atmosphere. The third factor, economic value, measures the extent to which a person is attracted to economic standards. Development value assesses the extent to which an individual is attracted to an employer

that provides recognition, confidence and a career-enhancing experience. The last factor, application value, measures the extent of attractiveness to an employer that is customer oriented and provides opportunities to apply what is learned.

3. PERCEPTUAL MAPPING:

Analysis of consumer perceptions occupies, still today, a large place in the marketing literature, both on the scientific level (e.g. Bloom, Hoeffler, Keller, & Basurto Meza, 2006; Temsamani, Mathieu & Parissier, 2007) and functional (or business) level (e.g. Carpenter & Moore, 2006). The majority of experts consider that perceptions are at the basis of marketing mix objectives determination of an organization, given their influence on consumer preferences (Murphy & Butt, 2007). Indeed, knowledge of a buyer's perception of a given object (e.g. a brand, a store or an advertisement) enables us to forecast their preferences for that same object (d'Astous, 2005). Perceptual maps are used since the sixties by marketing managers to analyze consumer perceptions (e.g. Hauser & Koppelman, 1979). Hence they have the unique characteristic of making it possible to illustrate complex relationships between competitors in a market, and the attributes used by consumers to make their purchase decisions. They allow managers to have a global vision of the strengths and weaknesses of their product and service offering, in connection with those of their competitors (Lilien, Rangaswamy, Bruggen, & Starke, 2004).

For the sake of our study we have taken the attractiveness dimensions explored by Berthon et al, which is primarily based on the perceptions of potential applicants (final year students) of an employer. By reviewing the literature, there are lots of studies using perceptual mapping for product brand positioning. Yet, employer positioning through perceptual maps are relatively scarce Hence we thought mapping the employees' perception could deliver a result of how the leading Indian companies in various sectors are positioned in the minds of prospective employees.

4. METHODOLOGY:

Research objectives

The objective of this study aims at assessing the latent use of perceptual maps for employer brand positioning of leading Indian companies from the view of potential employees sector – wise. Hence, based on the identification of attributes such as interest value, social value, economic value, developmental value and application value specific to every employer our study aspires at evaluating how the employers are positioned in the minds of potential employees based on these attributes or values.

Participants

Three hundred and fifteen (n = 315) students enrolled in various courses like M.Tech, B.Tech, M.E, B.E & MBA at prime institutions around the study area participated in the study. As various sectors were to be analyzed, sample was taken from diversified courses. Institutions were chosen based on their number of potential placement providers so that their students might have a sound knowledge of the employers they were asked to rank.

Procedure

A questionnaire was administered to the students of various disciplines. Participation to the study was on a voluntary and anonymous basis. Participants were required to evaluate the five potential employers under each sector using the sixteen attributes elaborated from the five values (interest value, social value, economic value, developmental value and application value) given by Berthon et al., (2005) using a five point Likert scale (1 = Strongly disagree; 5 = Strongly agree). Employers were depicted in the questionnaire through the use of their business name itself. The students were also notified to particularly pay attention to the meaning of each criterion while carrying out their evaluations. Finally, students were also instructed to evaluate the employers with the viewpoint of occupying, after graduation, a staff position with each of them.

5. RESULTS & DISCUSSION:

Student Profile: Most of the students belong to the age group of 21 to 23 and were almost male participants. They belong to the top institutions surrounding Tiruchirapalli namely NIT, IIM, SASTRA and BIM which offer high placements. The sample was dispersed among the students of M.Tech, B.Tech, BE, ME and MBA. Most of them occupied B.Tech under various specializations and were top performing students whose CGPA ranged from 6 – 8.99. More than half percentage of the sample was in a plan to go for work after completion of their degree and they have a good knowledge of the companies for answering the survey as they have attended at least two campus interviews. They expect a very good salary of above 50000 and it was found that people prefer job function based on their area of study like engineering graduates preferring to be engineers, graduates specializing computer science preferring to be IT developers or project managers and business students preferring top/middle managerial positions, consulting, marketing, PR jobs so on.

Among the various sectors taken for the study namely IT, Pharma/Healthcare, Banking and financial services, Automobiles, BPO/KPO, Manufacturing, Telecom and allied services, the BPO/KPO sector, though occupied high awareness, was found to be the least preferred one by the potential employees (students). The sectors which were found to be highly aware of are IT, BPO/KPO, Banking and finance, Pharmaceutical, Automobiles, Manufacturing and telecom in decreasing order. As telecom being the upcoming industry in the recent years, it might require some sort of winning strategies to increase its attractiveness to capture the potential recruits.

Table 1 reports the average scores and ranking of 16 attractiveness attributes for TCS. The prospective employees (students) perceive 'Happy working environment' (V4) as the most attractive attribute. The important attributes vary from company to company. For TCS, respondents gave high scores to self-worth (V12) and career opportunities (V14). However, confidence (V13) and above average salary (V7) as less attractive attribute.

Table 1 – Mean scores and rank of the attractiveness attributes in TCS

Attribute	TCS	
	Mean	Rank
Work environment	3.1932	13
Work practices	3.4091	7
Creativity	3.4545	4
Happy working environment	3.5341	1
Good colleague/supervisor relationships	3.4432	5
Team atmosphere	3.3864	9
Above-average salary	2.9886	16
Compensation package	3.34	12
Job security	3.4432	6
Promotional opportunities	3.4091	8
Recognition	3.3636	10
Self – worth	3.4886	2
Confidence	3.1477	15
Career opportunities	3.4659	3
Apply what learned	3.1705	14
Teach others	3.3523	11

Table 2 reports the average scores and ranking of 16 attractiveness attributes for Infosys. The prospective employees (students) perceive 'Happy working environment' (V4) as the most attractive attribute. For Infosys, respondents gave high scores to career opportunities (V14) and work practices (V2).

Table 2 – Mean scores and rank of the attractiveness attributes in INFOSYS

Attribute	INFOSYS	
	Mean	Rank
Work environment	2.7386	10
Work practices	2.8977	3
Creativity	2.5227	16
Happy working environment	2.9205	1
Good colleague/supervisor relationships	2.8409	5
Team atmosphere	2.5455	15
Above-average salary	2.5909	14
Compensation package	2.78	7
Job security	2.7045	12
Promotional opportunities	2.6364	13

Recognition	2.7386	11
Self – worth	2.7841	6
Confidence	2.75	8
Career opportunities	2.9205	2
Apply what learned	2.75	9
Teach others	2.8864	4

Table 3 reports the average scores and ranking of 16 attractiveness attributes for IBM. The prospective employees (students) perceive Creativity (V3) as the most attractive attribute. For Infosys, respondents gave high scores to Compensation package and Good colleague/supervisor relationships. However, Job security and work environment as less attractive attribute.

Table 3 – Mean scores and rank of the attractiveness attributes in IBM

Attribute	IBM	
	Mean	Rank
Work environment	3.1591	15
Work practices	3.3977	10
Creativity	3.6023	1
Happy working environment	3.4091	9
Good colleague/supervisor relationships	3.5455	3
Team atmosphere	3.4886	4
Above-average salary	3.4205	7
Compensation package	3.55	2
Job security	3.1591	16
Promotional opportunities	3.1705	14
Recognition	3.2955	13
Self – worth	3.4545	5
Confidence	3.3636	11
Career opportunities	3.3068	12
Apply what learned	3.4318	6
Teach others	3.4205	8

Table 4 reports the average scores and ranking of 16 attractiveness attributes for Google. The prospective employees (students) perceive work practices as the most attractive attribute. For Google, respondents gave high scores to happy working environment and Good colleague/supervisor relationships. However, teach what learned as less attractive attribute.

Table 4 – Mean scores and rank of the attractiveness attributes in GOOGLE

Attribute	GOOGLE	
	Mean	Rank
Work environment	2.6023	16

Work practices	2.9432	1
Creativity	2.7045	11
Happy working environment	2.8636	3
Good colleague/supervisor relationships	2.8864	2
Team atmosphere	2.8409	5
Above-average salary	2.7045	12
Compensation package	2.86	4
Job security	2.7614	9
Promotional opportunities	2.6477	14
Recognition	2.6818	13
Self – worth	2.7841	8
Confidence	2.8182	7
Career opportunities	2.8409	6
Apply what learned	2.7386	10
Teach others	2.6477	15

Table 5 reports the average scores and ranking of 16 attractiveness attributes for Wipro. The prospective employees (students) perceive work environment as the most attractive attribute. For Wipro, respondents gave high scores to creativity and job security. However, recognition and career opportunities as less attractive attribute.

Table 5 – Mean scores and rank of the attractiveness attributes in WIPRO

Attribute	WIPRO	
	Mean	Rank
Work environment	4.2273	1
Work practices	4.0909	4
Creativity	4.1477	2
Happy working environment	3.9659	9
Good colleague/supervisor relationships	4.0909	5
Team atmosphere	3.9318	12
Above-average salary	3.9773	7
Compensation package	3.95	11
Job security	4.125	3
Promotional opportunities	3.9318	13
Recognition	3.8523	15
Self – worth	3.9773	8
Confidence	4.0114	6
Career opportunities	3.8295	16
Apply what learned	3.9659	10
Teach others	3.9091	14

Perceptual Mapping:

As the awareness for the IT sector seemed to be high among the students, mapping was done for the IT sector. The Maps shows the perceptual differences of the students towards various employers selected for the study.

The perceptual map generated by MDS is illustrated in Figure 1. The percentage of variance explained by each attribute can be used to interpret the two dimensions. The larger the proportion of an attribute in a dimension, the more essential that attribute is in determining the meaning of that dimension. The first dimension, "team atmosphere and above average salary", is the horizontal dimension of the plane; these two attributes v6 & v7 respectively are extreme in terms of their position on this dimension. The second dimension, "teach what learnt and creativity" has teach what that have learnt (v16) as its highest point, and creativity (v3) as its lowest point.

Fig.1

Fig.2

Fig.3
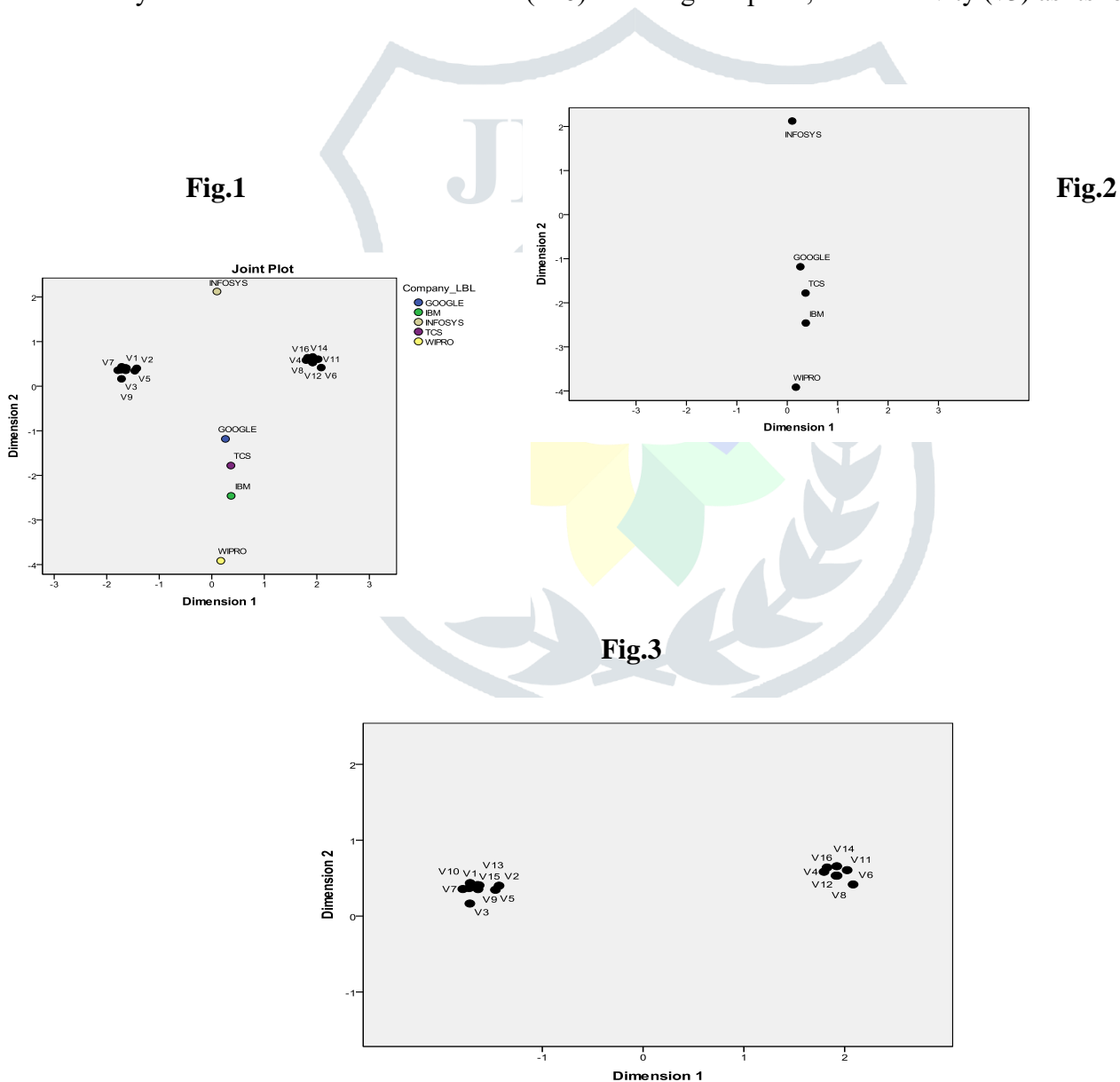
The results of the multidimensional scaling/perceptual map show that respondents think of colleges and universities largely on these two dimensions:

1) V6 & v7 (team atmosphere and above average salary)

2) V16 & v3 (creativity and teach what that have learnt)

Thus, Employers who are perceived to be having very good team atmosphere/above average salary are IBM followed by TCS but Infosys seem to be comparatively of low value in this dimension. Whereas when teach what learnt and creativity is concerned, Infosys stands first compared to all other employers and Wipro stands unfortunate.

One employer who is perceived to be having very good team atmosphere/above average salary and teach what learnt/creativity: Infosys. The employers perceived to be of very good team atmosphere/above average salary and with medium teach what learnt/creativity: Google, TCS and IBM in decreasing order. Very low perception of teach what learnt/creativity and very good team atmosphere/above average salary: Wipro.

A group of three companies are located near each other, and are closely competitive. This includes Google, TCS and IBM. Potential employees in this group perceive similar attractiveness between these companies with regard to employer attractiveness attributes. Infosys was positioned far away from the other companies. Its attractiveness has unique features like….

6. IMPLICATIONS:

The study has some interesting strategic implications. We can see how closely the competitors are clustered within certain industries, and to deal with this employers have two options. Either, you can embrace the similarities and aim to be the best in the industry. While embracing similarities, they are associated with exactly the same things as other companies in their industries, and even more strongly so! If a candidate is interested in that particular sector, they will automatically consider these companies. The other option is to break away from the pack, focusing on attributes that will differentiate an employer from the typical player in the industry. This approach is more difficult, but can work extremely. There is a great potential for using this approach to understand who the employers really want to attract. By mapping the high performing employees, and creating a heat map of their preferences, employers can understand how to position their brand to attract more of the same.

7. LIMITATIONS OF THE STUDY:

The study has taken attributes from Berthon, Ewing & Hah, (2005) for getting perceptions about various companies and there could still be some more attributes which is yet to be explored. The companies/employers though selected carefully through investigating various sources, we could not assure that all the employers are known by the students. Some of them knew at least one of the employers better than the others. It may therefore be difficult for a student (or even a future employee) to accurately evaluate an employer he does not know or knows very little.

8. FUTURE RESEARCH DIRECTIONS:

The study focussed only the potential applicants' perceptions. Yet, there is another side, the perceptions of existing employees which is uncharted. A longitudinal study might help to figure out whether or how far the perceptions of these potential applicants change after entering the real job scenario. As stated by, (Barrow & Mosley,2005), the purpose of brand positioning statements is to define what your brand currently stands for in the hearts and minds of your target audiences (the brand reality) and what you would like your brand to stand for in the future (the brand vision). The study could be further extended to check whether there is brand integration with the brand reality and the brand vision.

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