Chapter 4

Facades of Attractive Employer in Indian IT Industry: Existing Employee Perspective

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ABSTRACT

Despite advances in technology and major shifts in economy, people remain an organization’s most valuable resource. Human capital and intellectual assets make a difference to the competitive advantage of the firm in a knowledge-based industry. Employer Attractiveness (EA) is the prerequisite to attract and retain superior quality talent. Employer attractiveness can be defined as the envisioned benefits that a potential employee sees in working for a specific organization. This study empirically examines the elements of employer attractiveness in Information Technology (IT) industry from the perspective of current employees and determines the most attractive employer in the Indian IT industry. Results show that Indian IT employees valued economic factors, global opportunities, development factors, and application factors. Tata Consultancy Services (TCS) was the most attractive employer, followed by Infosys, Wipro, Polaris Software Lab and Hexaware.

INTRODUCTION

Indian Information Technology (IT) and Information Technology Enabled Services (ITES) industry has recorded tremendous growth and is regarded by developing countries the world over as a model for how they can leapfrog stages of industrial development. Being knowledge-based industry—the human capital and intellectual assets make a difference to the competitive advantage of the firm. In the quest for manpower companies are cajoling talent around the world. Global expansion in mar-
Market opportunities in the IT sector, the shortage in manpower in both numbers and skills has resulted in a seller’s market. So human resource teams are pressurized to devise, optimize compensation packages, and provide opportunities for growth, learning and development and to make employee value proposition lucrative. The internal marketing concept argues that the organisation’s personnel are the first market of any company (George & Gronroos, 1989; George, 1990); the underlying principle is that jobs are internal products and employees are the internal customers. Job products must not only attract, develop and motivate employees, but also satisfy the needs and wants of internal customers in addition to catering to the overall objectives of the organization (Berry & Parasuraman, 1991). Technological advances and global competition are creating the contest among employers to attract and retain talented workers resulting in widespread change in employment patterns (Osborn-Jones, 2001).

Thus, employer branding is likely to assume greater substance in India in the years to come as it is one of the available panaceas. It helps build a brand recall and quick identification of the company in the minds of its target audience. For an Employer brand to be successful it is essential to know the factors that contribute to employer attractiveness. It comprises an imperative idea in information intensive contexts where attracting employees with superior skills and knowledge tunes the competitive edge of a company. In India, getting the right people to work has always been a challenge and employer branding and marketing will play the key differentiating factor. Some apt examples would be Accenture, HCL and Indian Army SSC. Accenture had relatively been an obscure brand in India; Accenture with Tiger Woods has been a winning combination portraying Accenture as a great place to work. In the case of HCL, it was lost among the IT biggies of India such as Infosys, TCS and Wipro. Its TV commercials were well crafted to showcase the HCL brand as an employer to the target audience.

The article is structured as follows: This paper begins by giving an overview of IT industry in India. The next section presents the literature review; we then introduce and define the concept of employer attractiveness and the methodology used is elaborated. Implications of the approach are then considered, limitations noted and future research direction outlined and closes with a conclusion.

Overview

Information Technology (IT) industry has definitely been one of the primary drivers in shaping India as one of the emerging economic superpowers. The Indian IT recorded revenues of US$60 billion in fiscal 2009-2010, registering a 25% growth. The IT industry has been performing at a staggering rate of growth of about 50 per cent every year and has sustained global competition. The sector can be classified into 4 broad categories - IT Services, Engineering Services, ITES-BPO Services, and E-Business. Along with abundant growth opportunities, IT sector is one of the highest paying sectors. There is a tremendous demand for trained personnel in IT sector. According to the NASSCOM-McKinsey report, by the end of 2010 the Indian IT and BPO services industry would directly employ approximately 2.3 million people, besides providing indirect employment to another 6.5 million workers.

According to a National Association of Software and Services Companies (NASSCOM) report, ‘Strategic Review 2009’ direct employment is expected to be about $1.9 million in the Indian IT industry. The IT industry is currently facing a dearth of talent. Engineers 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 sets of skills can find himself or herself in an advantageous position even at entry level. The two most important
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