

Chapter 23

Employer Value Proposition A Conceptual Framework and Scale Development for Indian Information Technology Professionals

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ABSTRACT

In a competitive global market, organizations are striving to retain the best talent by providing sustainable employer value proposition (EVP); ‘value proposition’ employees perceive or expect from their employer. Although EVP is conceptually appealing, there has been little systematic effort to empirically examine the dimensions of EVP. Information technology companies are adopting strategies to provide proposition that attract and retain employees. This paper identifies the attributes of EVP from the perspective of employees working in Information Technology companies in India. A scale is developed and validated to measure EVP on a sample size of 474. EVP scale was tested for its factor structure, reliability and validity. The results indicated that EVP scale comprised of five attributes; developmental value, inspirational value, work environment value, work value, and work life balance. The finding of the research is discussed; limitations noted; recommendations for enhancing EVP in IT companies, and future research directions.

1. INTRODUCTION

In the current employment scenarios, it is challenging for organization to attract and retain appropriate employees (Almıaçık, Almıaçık, Erat, & Akçin, 2014; Ployhart, 2006; Lyons & Janet, 2011). Organizations are trying their best in building and sustaining a compelling employment propositions that differentiate an employer from its competitor. This means developing what Sears (2003) calls ‘a value proposition’, which communicates what the organization can offer to its employees. The value proposition needs to be

DOI: 10.4018/978-1-5225-1913-3.ch023

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derived from a thorough audit along with management buy-in as these value propositions make the firm an attractive employer (Backhaus & Tikoo 2004). These employer value proposition (EVP) is central to retain the talent of an organization (Ambler & Barrow, 1996; Backhaus & Tikoo, 2004; Berthon et al., 2005; Martin, 2007).

Global existences create challenges and conflicts for multinational information technology organizations in general (Jiren, 2010) and in specific to attract, recruit and retain employees. To develop a more competitive EVP that would position the organization globally as an employer of choice within their markets, the IT organizations need to have sustainable EVP to counter competitors. Employer should improve their EVP attributes with respect to the geographical location (EBI, 2012). While focus in academia as well as in practice has been devoted to understand the effect of value proposition (Ambler & Barrow, 1996; Backhaus & Tikoo 2004); there are not much research done on determining the EVP attributes from geography perspective (Berthon et al., 2005; EBI, 2012) and the count is negligible from Indian context. According to Jager (1990), management practitioners have blindly applied western management ideas and practices with little or almost negligible modifications in several developing countries including India. Indian population has deep rooted belief in fatalism and as a result any significant change in attitudes as well as behaviors is relatively difficult to accomplish in Indian context (Srinivas, 1971; Kuppaswami, 1994; Saha, 1992). Therefore, the current study attempted to identify the significant employer value proposition (EVP) attributes that employees of Indian IT services companies are looking from their employer. The goal of the study is to develop and test a generic scale that can be used to quantitatively measure EVP.

2. THEORETICAL BACKGROUND

Integrating Sustainable HRM practices in the EVP enables organizations to address existing and potential employees in different life and career stages (App et al., 2012). EVP is a set of associations and offerings provided by the organization in return for the skills, capabilities and experiences an employee brings to the organization (EBI, 2012). An attractive employer should have compelling value proposition (Sears, 2003; Armstrong, 2006) which communicates what the organization can offer to its employees as a 'great place of work'. The factors that contribute to being an employer of choice are the provision of a reasonable degree of security; enhanced future employability because of the reputation of the organization, as one that employs and develops high quality people, as well as the learning opportunities it provides; employment conditions that satisfy work- life balance needs; a reward system that recognizes and values contributions and provides competitive pay and benefits; interesting and rewarding work; and opportunities for learning, development and career progression (Armstrong, 2006).

Ulrich & Brockbank (2005) argued that EVP should have seven elements vision, opportunity, incentive, impact, community, communication, and experimentation. The EVP helps communicate the firm's brand to the world at large and helps the firm become the employer of choice in its field or location, supporting effort to attract top talent (Ulrich & Brockbank, 2005). According to them, first, organizations should have a clear vision that employee should feel proud of. Second, the organization should provide the work opportunity that should help the employees to grow both personally and professionally. Third, the company should have fair compensation package, bonus and other financial incentives. Fourth, the work should itself have meaning as this unites the employee with a customer who uses the employees work. Fifth, the organization should have a social environment and worker should have a community.

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