

How does Work Environment affect Employer Branding of an Organisation? A study in select IT companies in Chennai city

Dr S Rukmani

Associate Professor

PG & Research Department of Commerce

Shri Shankarlal Sundarbai Shasun Jain College for Women, Chennai, India

rukmani0415@gmail.com

Abstract— Increasing globalization, technological advancements, demographic shifts and uncertain economic conditions have contributed significantly to an increasingly changing and challenging labour market. In such a scenario where the labour market is marred by talent shortages, the employer brand allows employers to differentiate themselves and cut through the competitive clutter so that they can attract and retain the services of high value talented employees. Among the various dimensions of employer branding, work environment in an organisation has emerged as a critical factor influencing employee perceptions and organizational attractiveness. This study examines IT employees' perceptions of work environment as a construct of employer branding and analyses the relationship between employees' demographic profiles and their perceptions of work environment. Primary data were collected from 600 employees working in the top 20 IT companies ranked by NASSCOM using a structured questionnaire. Judgement sampling was adopted, and statistical tools such as percentage analysis, t-tests, and ANOVA were employed for data analysis. The findings reveal that IT employees exhibit a moderate level of satisfaction with work environment. While no significant differences were found across gender, marital status, age groups and years of experience in the field, significant variations in perceptions of work environment were observed across marital status, educational qualification, designation, experience within the organisation, and income levels. The study highlights that employer branding is a dynamic, complex and ongoing process and work environment plays a crucial role in building the employer brand and sustain it in the years to come.

Index Terms— **Employer branding, work environment, IT employees, IT companies** (Key words)

I. INTRODUCTION

Increasing globalization, technological advancements, demographic shifts and uncertain economic conditions have contributed significantly to an increasingly changing and challenging labour market. Manpower Group's (2019) global study demonstrates that 54% of companies report a shortage in talent. Sievertzen et al (2013) observe that it has become normal for employees to switch jobs as a step forward in their careers which is challenging for organisations to retain employees. Another challenge is that employees have a lot of expectations from organisations and to fulfil them, the organisations have to go an extra mile where they must offer more than just a high salary to attract and retain employees (Thompson and Aspinwall, 2009). Due to the increasing global talent shortage, organisations are looking for strategies to attract and retain potential and current employees (Theurer, Tumasjan, Welpe & Lievens, 2018). In such a scenario where the labour market is marred by talent shortages, the employer brand allows employers to differentiate themselves and cut through the competitive clutter so that they can attract and retain the services of high value talented employees. Ambler & Barrow (1996) are credited as the creators of the term "Employer brand" and define it as "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company". "An employer brand is a company's trademark and is created by internal and external stakeholders through the dynamics between the company's identity, profile and image as a place to work" (Engelund & Buchhave, 2009, p.27). "Employer branding represents a firm's efforts to promote, both within and outside the firm, a clear view of what makes it different and desirable as an employer. It is the process of building an identifiable and unique employer identity, and the employer brand as a concept of the firm that differentiates it from its competitors" (Backhaus & Tikoo, 2004). These definitions imply that employer branding involves promoting, both within and outside the firm, a clear view of what makes a firm different and desirable as an employer. The employer brand can thus be understood as the identification of a company that embodies the attributes of a good place to work. Employer branding would then be the process behind building the reputation and promoting the employer brand. A work environment can be identified as the place that one works, the social and professional environment in which a person is supposed to interact with a number of people. Work environment refers to the processes, systems, structures, tools or conditions in the workplace. The work environment also includes policies, rules, culture, resources, working relationships, work location, and internal and external environmental factors, all of which influence the ways those employees perform their job functions (Ollukkaran & Gunaseelan, 2012). Organizations, nowadays, are becoming cognizant of Employer Branding as it has been observed that with the help of Employer Branding, the best talent in the market can be attracted, retained, and motivated. This study aims to find out how work environment of the organizations affects the employer branding of the organization.

II. REVIEW OF LITERATURE

Maxwell & Knox (2009) identify employment to be one of the four attributes that makes an organisation's brand attractive to its current employees through the lens of Social Identity Theory and assert that these attributes are consistent and predictable across organisations. Employment related attributes were sub-categorized into work environment, workforce, type of work, style of management, employee rewards and employer-employee relationship. Work environment attributes include pace of work,

location and social dynamics whereas attributes of work force refer to diversity of workforce. Corte et al (2011) identifies typologies of employer branding and firms by analyzing the functional and symbolic dimensions. Functional dimensions refer to the ‘material’ associations and symbolic dimensions refer to the ‘immaterial’ associations communicated by the brand. “Market oriented” firms project an attractive image outside even it is not successful. “Market and resource oriented” firms have a successful image also effective working environment. “Resource oriented” firms focus only on the inside and not on the outside. “Blind” firms are weak with respect to what it projects about itself both internally and externally. The above typologies identify the firm as a place of work which characterizes better work environment.

A productive, flexible and dynamic work environment is important to attract and retain talent as it conveys the image that the organisation is an exciting, fun and challenging place to work with. They can better retain talent when the workspace is friendly, welcoming, supports teamwork and has a sense of ‘family’ apart from camaraderie within the workplace as it makes employees more engaged, participative and satisfied (Heather, 2003). Working in an attractive, interesting and innovative environment and recognition of employees, both monetary and non-monetary, plays a crucial part in the retention of IT employees (De Mers, 2002). According to Pingle & Sharma (2015), their study of a service industry implied that work environment and opportunities at work along with job security and responsibilities are the most important factors rated by employees. Today’s employees seek a comfortable environment to work in as also ample growth opportunities unlike preference for high packages in the past. In order to attract and retain employees, organisations need to create an environment in which people enjoy their work, are fulfilled in their role and work towards a common goal (Singh & Sharma, 2013). Organisations which create a work environment where employees feel secured in their jobs will retain their employees (Sokro, 2012). Work content attributes such as job satisfaction, supervision, relations with co-worker, sociable co-workers, supportive supervisor influence employees in their perception about the employer brand of the organisation (Sultan, 2015) and were found to be relevant to retention of employees. Purusottama & Ardianto (2019) find that working environment, reputation and vision provide a positive and significant influence on employees’ intention to join the organisation in Indonesia. Yaşar (2022) investigated the effect of employer brand on the choice of workplace using exploratory and confirmatory factor analysis and regression analysis. Results indicated that working conditions were one of the four factors significantly affecting workplace selection as a result of employer branding. Nanjundeswaraswamy et al (2025) design, develop and validate an instrument to measure employer branding by considering the perceptions and existing employees in the IT sector and identify the predominant factors of employer branding to be working environment among other factors.

III. RESEARCH OBJECTIVE

Specifically, this paper proposes to address the following research objectives:

1. To analyze the perceptions of IT employees towards work environment as a construct of employer branding.
2. To find out the relationship between demographic profile of IT employees and their perceptions towards work environment.

IV. SAMPLING DESIGN

In an attempt to answer the above research questions, the present study has been conducted using a structured questionnaire to capture the views of the respondents with regard to the work environment dimension of employer branding. Employees of top 20 IT companies ranked by NASSCOM were selected as sampling population. Judgement sampling was adopted. T test, ANOVA and percentage analysis was employed to obtain the desired results. Data was collected from 600 respondents. Reliability score was measured using Cronbach’s Alpha which showed a score of 0.89 for the construct work environment.

V. RESULTS & DISCUSSION

In order to understand the perceptions of IT employees towards work environment, mean and standard deviation were calculated.

Table 1 Mean and SD of Work Environment of IT organisations

Work Environment	Mean	SD
Fun working environment.	3.93	1.35
Stress free environment.	3.72	1.44
Supportive of employees.	4.40	0.89
Well defined role.	3.99	1.22
Work contributes to the overall organisational performance.	4.38	0.76
Autonomy of employees.	3.12	1.59
New employees quickly take responsibility of their work.	4.04	1.31
Positive relationship between superiors and subordinates.	4.21	1.19
Good inter-personal relation among employees in organisation.	4.37	0.85
Supportive and encouraging colleagues.	4.41	0.73
Connected to team and organisation.	4.44	0.66
Strong team spirit among employees.	4.44	0.70

Source: Primary data

Mean score and Standard Deviation of Work Environment of IT employees are presented in the above table. The mean score ranged from 4.44 to 3.12. The highly rated mean item score is 4.44 for the variables “Connected to team and organisation” and “Strong team spirit among employees” with a SD of 0.66 and 0.70 respectively followed by “Supportive and encouraging colleagues having mean score 4.41. The least mean score of 3.12 (SD 1.59) is given for the variable “Autonomy of employees” indicating that employees expect autonomy to perform their work in the organisation. This implies that IT employees are highly satisfied with their team and colleagues but are moderately satisfied with the working environment and autonomy.

It can be inferred from the above table that the items related to teams had high mean scores. The IT sector is project based and as such the projects are carried out by teams. Team based work is generally participative and collaborative in nature and team members are bound together by striving to achieve common goals. Also, IT employees are not differentiated by age, only knowledge matters. So, there seems to be a good relationship between employees, superiors and subordinates which is assisted by the existence of a strong lateral communication system. IT employees support and encourage colleagues by mentoring and having a participative and collaborative work environment. Moreover, peer suggestion and healthy criticisms are taken positively as they are open to learning. The structured hierarchical levels with defined role clarity restrict the autonomy of the employees, as evident with the moderately satisfied score given to this item. IT companies should endeavour to support autonomy in its work environment in order to brand themselves in a better way.

Table 2 Frequency distribution of Level of Work Environment

Level of Work Environment	Frequency	Percent
Low	148	24.7
Moderate	274	45.7
High	178	29.7
Total	600	100.0

Source: Primary data

The above table reveals the levels of satisfaction of IT employees on Work Environment. 45.7% of the sample respondents are moderately satisfied with the level of Work Environment whereas 29.7% of the sample respondents are highly satisfied with the level of Work Environment.

To find out the relation between demographic profile of IT employees and their perception towards Work Environment, t test and ANOVA were calculated.

H_0 : There is no significant difference between demographic variables and Work Environment

Table 3: t test for significant differences between demographic variables and Work Environment

Demographic variable	t value	p value
Gender	0.116	0.908
Marital status	0.421	0.674

Source: Primary data

There is no significant difference between male and female respondents and marital status with regard to the dimensions of Work Environment as P value is greater than 0.05. Hence, the null hypothesis is accepted. The results indicate that with regard to Work Environment dimension of employer branding, both male and female employees feel the same way. Marital status also does not affect the employees' perception of this factor.

Table 4: ANOVA for significant differences between demographic variables and Work Environment

Demographic variable	F value	P value
Age in years	2.788	0.062
Educational qualification	6.643	0.001
Designation	3.787	0.023
Job type	7.219	0.001
Years of experience in the industry	0.758	0.469
Years of experience in the organisation	11.848	<0.001
Monthly income	5.841	0.001

Source: Primary data

There is no significant difference between age groups, years of experience in the field with regard to dimensions of Work Environment since P value is greater than 0.05. Hence, the null hypothesis is accepted. Employees of different age groups feel the same way with regard to work environment. The above results correspond partially with the results of Alnaick (2012) wherein there was no significant differences between age groups except for market value dimension. However, in a study by Babcanova (2010), for younger age groups below 30 years of age, work environment was important whereas it was not so for older age groups. Sutherland et al also find that there is a significant difference across age groups with regard work environment. This was not validated in this study where the results indicated that there is a significant difference between age groups with respect to compensation. With regard to work environment, this study concurs with the results of Babcanova (2010) in that there is no significant difference between age groups with regard to the said dimensions. Regardless of the years of experience the employees gain, these are the dimensions that they give importance to during the entire period of their careers.

There is significant difference between educational qualifications of IT employees, employees of different designation, employees having different years of experience in the organisation, and monthly income with regard to work environment since

P value is less than 0.01, hence the null hypothesis is rejected. Since P value is less than 0.05, the null hypothesis is rejected at 5% level with regard to Work Environment and leadership. Evidently, as employees work for a greater number of years in the same organisation, they tend to get more awareness about the values and culture, work environment and employment experience. Employers should match their employer branding activities based on the years that the employees put in with their organisations.

VI. CONCLUSION

This study analyses how the work environment of an organisation affects its employer branding. It adds to the existing body of knowledge on the relationship between work environment and employer branding. Organisations can draw practical implications from this study to enhance their employer brand through strengthening their work environment. The survey results indicate that various demographic factors have significant effect on work environment. The results can be generalized across industries to understand how the work environment of an organisation affects the employer brand of the organisation.

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