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Authors

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IMPACT OF HR PRACTICES ON CORPORATE IMAGE BUILDING IN THE INDIAN IT SECTOR

Abstract

HR practices have been always significant for researchers and industries because of the large expansion of the companies in various fields, which requires leaders who can identify and introduce innovative and effective HR practices to utilize and retain human resources for the long period. In the 21st century, there has been tremendous growth in the IT sector all around the world. The Indian IT sector has become globally competitive and high-tech in the rapidly developing Indian economy. Hence, this study was undertaken in the Indian IT sector to identify the impact of HR practices on corporate image building. This paper applied a quantitative research method. Data from 100 respondents were collected with the help of a structured questionnaire to test the hypotheses. Pearson's correlation coefficient and SPSS 20 software were used for data analysis. The findings of the regression analysis proved that there is a significant relationship between employer branding and corporate image building. The analysis of this study indicates that the IT companies implementing the HR practices based on employer branding and corporate social responsibility get benefits in building the corporate image and give positive results to them. HR practices have a significant relationship with corporate image building.

INTRODUCTION

The foundation of corporate image building is new in the field of human resource management, as previously it was applied in marketing management. Corporate image has always been the key topic in the context of advertisement and marketing. Unfortunately, there are not enough studies investigating the relationship between HR practices and corporate image building. The relationship with employees and customers will lead to the creation of customer satisfaction, corporate image, and customer loyalty (Giao et al., 2020; Alam & Noor, 2020). In addition, corporate image is identified as organization reputation, impressions, and ideas of leaders and customers’ beliefs (Richard & Zhang, 2012). To explain the knowledge of HR practices and their impact on corporate image building, this study has been undertaken in the Indian IT sector.

Service-based organizations put too much effort into attracting and retaining their talented employees (human resources) within the organization. Due to changing scenarios of globalization, privatization, liberalization, and several economic reforms, organizations are becoming attentive and internationally strategic to choose the best workforce and utilize their best talents for the expansion and growth of the companies. In the IT sector, the role of HR professionals has become challenging and tough. Now, it becomes the responsibility of leaders...
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...to nurture, motivate, and effectively manage their workforce to achieve the targets. Customer satisfaction and corporate image have a reciprocal relationship with customer loyalty (Zaid et al., 2021). IT sector in India has been growing with very high speed and contributed to the growth and development of the country. Randstad, one of the renowned HR firms, was surveyed in 2013, by which Microsoft has confirmed that the Indian IT sector is one of the most talented employers in the world. As per the report submitted by NASSCOM, in 2015 IT sector in India contributed largely to the Indian economy as it shifted from 1.2% to 7.5% in the GDP. In addition, the Indian IT sector generated 2.5 million employ-...
present employees and the key stakeholders of the external market. The competitive scenario in the IT industry introduces employer branding that helps IT firms in retaining talented employees for a long period. It became essential for the organization to do employer branding at a large scale to face the competition in the service market. The best employer is the one who gives the best for creating a good brand image in the mind of employees, customers, clients, and stakeholders, confirming as the best place to do the job. Therefore, employer branding is considered as the process of engaging, attracting, and retaining the present and future employees who will enhance the company brand.

The corporate image and employer image are proved to be an important factor that affects organizational attractiveness and specifies the role of social identity in the organization (Younis & Hammad, 2021). Employer branding needs some attributes within the organization to make it the best and attractive place for those people who can positively give their best performance within it. Depending upon the functionality, employer branding is divided into internal and external branding. Internal employer branding refers to the development of policies and programs and building corporate culture for the betterment of internal individuals. External employer branding making a positive relationship with professionals, clients, customers, stakeholders by using an effective medium of communication and providing the best services to them. Corporate image is directly associated with brand love, which also leads to purchase intentions (Trivedi, 2020). However, other important determinants of employer branding are competitiveness and transparency, which an organization has to consider in their branding policies and plans for an effective result (Jenner et al., 2008). Building an employer brand includes practices where each employee should be a star ambassador of the organizational brand. The role of HR leaders in employer branding is to raise the effectiveness of the employer brand and make it a routine experience to build the company image.

Corporate social responsibility is an organized practice of the balanced integration of environmental and social considerations into business and operations decisions. A large number of organizations realize that having a social corporate image is an asset to them. Researchers and marketing practitioners emphasize that CSR plays a vital role in the customer decision-making process. On a global scale, CSR has become popular among all types of organizations (Monfort et al., 2021). CSR provides a competitive advantage in designing the attractive corporate image of an organization. Corporate image and customer satisfaction partially mediate the association between corporate social responsibility and financial performance.

CSR is a dynamic factor in constituting a corporate image. Lindgreen and Swaen (2010) indicated that a maximum number of companies have started the social responsibility activities, which helps them understand the consumer attitude towards environmental protection, social responsibility, ecology, and the nature of consumption habits. These force organizations to think about the new alternatives of social activities with principles of CSR specifically (Uygun & Gupta, 2020).

David and Gallego (2009) illustrated that socially responsible companies try hard to meet the legal needs of CSR and do more than expected in the area of human resource management introducing all the latest technologies for environmental protection. These CSR activities provide a competitive advantage to the companies. According to the World Business Council-Sustainable Development, the most popular definition of CSR is that it is a commitment and contribution towards business ethics and economic development. Companies that care for the environment and wellbeing of society seem favorable in comparison to the companies that do not care stated that a large number of companies improve their CSR practices to build their corporate image and alternatively corporate image enhances company reputation (Rasheed & Gupta, 2021).

The concept of corporate social performance is an extension of corporate social responsibility and its main emphasis on results is achieved. CSP concept has somehow developed parallel to the CSR concept. Both concepts go hand in hand, the difference lies between what companies “perform” and what companies have as their “responsibilities”. It has clearly illustrated the concept of CSP. The CSP model was elaborated and three CSP dimensions...
were introduced, namely principles, processes, and policies. Further, argued that CSP is mainly a business organization configuration of all principles of SR, the overall processes of social responsiveness, and programs and policies in the context of the firm relationship with the society.

CSP is the long-term goal set by the organizations to create long-term shareholders relationships by taking the opportunities and managing the risk of environmental, social, and economic performance (Carroll, 2015). As the attitude of customers toward the organization is the function of corporate image (Gürlek et al., 2017), organizations, such as retailers, with a better corporate image are preferred by the customers.

2. AIMS AND HYPOTHESES

This study aims to test the exact relationship of employer branding, corporate social responsibility, and corporate social performance with corporate image building. These three relevant factors have been identified from the literature review and have been found relatable and genuine to study their impact on the corporate image building. Hypotheses are formulated as follows:

H1: There is a significant relationship between employer branding and corporate image building.

H2: There is a significant relationship between corporate social responsibility and corporate image building.

H3: There is a significant relationship between corporate social performance and corporate image building.

3. METHODOLOGY

This study is a quantitative approach to understand the impact of HR practices on corporate image building in the IT sector. Data is collected through a questionnaire that contains 12 close-ended questions based on the variables used in this study. This study includes data from both primary as well as secondary data sources. The primary data is the first-hand information that is collected from the employees of top IT companies in India. Whereas the secondary data includes online and offline publications, journals, and textbooks.

Data were collected through a questionnaire circulated to the employees of IT companies in India specifically from top IT leaders. The questionnaire is structured and includes questions that are intended to test the hypotheses. The questionnaire is divided into two sections; the first part contains questions with a nominal scale to collect the general information about the respondents (demographic information). The other part of the questionnaire contains multiple-choice questions with 5 options to select the answer.

The IT companies that were chosen for this study include IBM, TCS, HCL, Infosys, and Accenture. The sampling technique used to select the companies was convenient sampling methods. Data were collected from 108 employees where 8 were rejected due to incompletion and filling errors in the questionnaire. Thus, the total sample size was 100 and the data was collected from the managerial staff of these companies. IT sector was chosen for this study because a large number of a higher educated workforce is working in this sector and the IT sector in India is one of the top recruiters nowadays.

4. RESULTS

The collected data were analyzed with the statistical analysis tool SPSS (Statistical Package for Social Sciences), version 21. This software is one of the analysis tools that help performing descriptive statistics like correlation and regression analysis, factor analysis, and many other tests to check the hypotheses and the validity of the data. Pearson’s correlation coefficient was used to analyze the data in this study. This method was used to test the relationship between the variables of HR practices (employer branding, CSR, and CSP) with corporate image building.

The total data reveals that 42% of females and 58% of males filled the questionnaire. It means that there is a good distribution of employees in the IT sector in terms of gender. Out of 100, 83%
are below 30 whereas the rest are between 30-60 years, simply defines that IT sector has more of youngsters working with them. The first few questions in the questionnaire include the name of the respondent, their age and gender, organization name, and their designation. The language used in the questionnaire is simple and short to make it easy to understand and took lesser time to fill. The rest of the questions is based on the variables of the study to check the hypotheses to test the relationship between HR practices and corporate image building. The three main variables that arise from the data were employer branding, corporate social responsibility, and corporate social performance.

**H1: There is a significant relationship between employer branding and corporate image building**

**Table 1. ANOVA**

| Model         | Sum of squares | df. | Mean square | F     | Sig. |
|---------------|----------------|-----|-------------|-------|------|
| Regression    | 2.067          | 1   | 2.067       | 1.651 | .202 |
| Residual      | 122.693        | 98  | 1.252       |       |      |
| Total         | 124.760        | 99  |             |       |      |

**Table 2. Coefficients**

| Model                  | Unstandardized coefficients | Standardized coefficients | t     | Sig.  |
|------------------------|----------------------------|---------------------------|-------|-------|
| (Constant)             | 1.575                      | .221                      | 7.119 | .000  |
| Employer branding      | .117                       | .091                      | .129  | 1.285 | .202  |

**Note:** a means dependent variable: corporate image building; b means independent variable: employer branding.

Table 1 shows that the significance value is 0.202. The calculated value of significance is greater than 0.202, much higher than the minimum acceptance value i.e. 0.5. This shows that the relationship between employer branding and corporate image building is significant. This result signifies that there is a positive relationship between employer branding and corporate image building, which means that if HR practices are based on the employer branding introduced in the Indian IT sector, then it will give positive results and help in building the corporate image. The regression equation \( y = b1x1 + A \) for this hypothesis will be corporate image building = 0.649 (corporate social responsibility) + 1.087. This indicates that corporate image building increases by 0.649 for every one unit increase in corporate social responsibility. The beta coefficient value for corporate image building and corporate social responsibility is 0.195. This value indicates that corporate image building (dependent variable) influences 0.195 to corporate social responsibility (independent variable). The higher value of the beta coefficient means higher influence of corporate social responsibility on corporate image building.

The result signifies that corporate image increases by 0.117 for every one unit increase in employer branding. The beta coefficient value in Table 2 is .129 positive, which shows that employer branding has a 12.9% influence on corporate image building. Hence, **H1** is significant and accepted.

**H2: There is a significant relationship between corporate social responsibility and corporate image building**

**Table 3. ANOVA**

| Model         | Sum of squares | df. | Mean square | F     | Sig.  |
|---------------|----------------|-----|-------------|-------|-------|
| Regression    | 4.764          | 1   | 4.764       | 3.890 | .051  |
| Residual      | 119.996        | 98  | 1.224       |       |      |
| Total         | 124.760        | 99  |             |       |      |

**Note:** a means dependent variable: corporate image building; b means predictors: corporate social responsibility.

**Table 4. Coefficients**

| Model                  | Unstandardized coefficients | Standardized coefficients | t     | Sig.  |
|------------------------|----------------------------|---------------------------|-------|-------|
| (Constant)             | 1.087                      | .388                      | 2.801 | .006  |
| Corporate Social       | .649                       | .329                      | .195  | 1.972 | .051  |
| Responsibility         |                            |                           |       |       |

**Note:** a means dependent variable: corporate image building; b means independent variable: corporate social responsibility.

Table 3 shows that the value of significance is 0.51, which means that the relationship between corporate social responsibility and corporate image building is statistically significant. The regression equation \( y = b1x1 + A \) for this hypothesis will be corporate image building = 0.649 (corporate social responsibility) + 1.087. This indicates that corporate image building increases by 0.649 for every one unit increase in corporate social responsibility.

Table 4 shows that the beta coefficient value for corporate image building and corporate social responsibility is 0.195. This value indicates that corporate image building (dependent variable) influences 0.195 to corporate social responsibility (independent variable). The higher value of the beta coefficient means higher influence of corporate social responsibility on corporate image building.
Corporate image building has a 19.5% influence on corporate social responsibility. Hence, H2 is significant and accepted, which means there is a significant relationship between corporate image building and corporate social responsibility.

H3: There is a significant relationship between corporate social performance and corporate image building.

Table 5 shows that the value of significance for the third variable (corporate social performance) is 0.197, which means there is a significant relationship between corporate social performance and corporate image building but the beta coefficient value is negative –0.130. Table 6 shows that the regression equation \( y = b1x1 + A \) will be \(-0.79 \) (corporate social performance) + 2.017. The result depicts that the influence of corporate social performance on corporate image building is low and negative. Hence, the relationship between corporate social performance and corporate is non-significant and H3 is not accepted.

### CONCLUSION

This study investigated HR practices and their impact on corporate image building in the IT sector in India. After reviewing the secondary data, three main variables were identified (employer branding, corporate social responsibility, and corporate social performance). Based on this, a questionnaire was prepared to collect the data from IT professionals of IT companies in India. The collected data were analyzed with SPSS software to check the interrelationship between the dependent and independent variables. Three hypotheses were formed and tested with a regression correlation coefficient. The findings of the regression analysis proved that there is a significant relationship between employer branding and corporate image building. H1 is proved as significant and is accepted. It was found that the other variable i.e. corporate social responsibility also has a significant relationship with corporate image building. Hence, H2 is accepted. Whereas corporate social performance (third variable) does not have a significant relation with corporate image building, which means that H3 is rejected.

The analysis of this study indicates that the IT companies implementing the HR practices based on employer branding and corporate social responsibility get benefits in building the corporate image and give positive results to them. HR practices have a significant relationship with corporate image building.

There are three limitations of this study. First, this study is limited to five IT companies in India, so the results are restricted to these IT companies (IBM, TCS, HCL, Infosys, and Accenture). The results may vary for other IT companies. Second, the sample size for this study is only 100 respondents and
the results are based on these responses only. Third, the HR practices taken for this study are very few in numbers, there can be other HR practices that may have a significant relation with corporate image building. The future opportunities for studies are: a study can be done with larger sample size and with a greater number of HR practices.

**AUTHOR CONTRIBUTIONS**

Conceptualization: Renu Rana, Shikha Kapoor.  
Data curation: Renu Rana.  
Formal analysis: Renu Rana, Sandeep Kumar Gupta.  
Funding acquisition: Renu Rana.  
Investigation: Renu Rana, Shikha Kapoor.  
Methodology: Renu Rana.  
Project administration: Renu Rana.  
Resources: Renu Rana.  
Software: Sandeep Kumar Gupta.  
Supervision: Shikha Kapoor.  
Validation: Renu Rana.  
Writing – original draft: Renu Rana.  
Writing – review & editing: Shikha Kapoor, Sandeep Kumar Gupta.

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