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RESEARCH ARTICLE

PERCEPTION OF FUTURE EMPLOYEES TOWARDS A WORLD CLASS ORGANIZATION

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ABSTRACT

Today, India is one of the fastest growing markets in world with most competitive workforce. The country produces millions of graduates each year hitting the job market and eventually joining these organizations. It is important to understand their current perception about WCO and measure the gap between the same and reality. The paper analyses the perception of future employees about an organization before they join the same. The analysis validates the five important traits perceived by future employees that a world class organization must have. As given by Aaker (1991), the traits are: Trustworthiness, Innovativeness, Style, Thrift and Dominance. The questionnaire responses collected from postgraduate students were divided into five factors using principal component analysis. The paper finds that future employees perceive world class organization as trustworthy, innovative, cost saving, employee friendly, etc.

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INTRODUCTION

A world class organization (WCO) can be defined as “An organization that has acquired the practices of best of the bests across the world in that particular line of business and continuously strives to better itself by beating these best standards”. Organizations do not become world class on their own. As a matter of fact people build them that way. They are designed up from level zero and managed every single day with clear intention to be better than the best in world. WCO require efforts such as drafting clearly defined visions, which are caressed by ambitions and then brought to perfection by doing it right, every time. For becoming WCO, companies need to reach the pinnacle of quality and excellence. They need to cautiously make plans and intentionally action them to reach the end result of being a world class organization. While the top management’s vision and efforts in every defining and implementing single process are critical to achieve this, an entry level employee’s commitment towards achieving the mission holds just as much importance. An entry level employee is the last person in the chain of command who actually executes the top management’s vision statement. It is therefore critical to understand his perception towards the issue. Taking this discussion further in organizational perspective, usually the key factor of perception in any organization lies in how its employee sees his other coworkers.

This is also a reflection/determinant of how well motivated an employee is, in the organization. If organizations keep their employees in a particular way where they start believing that they are dissatisfied, then their motivation to accomplish any goal set by the organization will not be sufficient enough. This argument explains why WCOs assign a lot of importance to the concept of ‘person of fitment or Person Organization Fit (POF)’ when hiring an employee. It ensures that employee’s perception of other coworkers is good after he is hired in the organization. To obtain this good first impression, organizations usually introduce new joiners to existing employees in creative ways which showcase their expertise areas, skills, talent and underline the criticality of these new employees to the existing team. This practice ensures that employee perceptions are formed by positive attributes rather than negatives ones. Finding the person of fitment (POF) is important for an organization and to be fair, an organization’s success depends largely on this very factor alone. Understanding perception of future employee is very important for the organization from this perspective. A careful study of arguments above make it important to further explore and understand as to how does an entry level employee perceive the organization on a whole. We need to study and understand if he values the concept of and need for building a world class organization or is he indifferent to the benefits it offers. Further, we need to understand how an employee of tomorrow really perceives a world class organization to be. It is important to study an employee’s perception about the

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organization as a whole. We also need to study and understand an employees' perception towards various individual factors that actually constitute and form a WCO. This would give us future insights to fill the gap between perception and reality of WCO traits which organizations need to bridge. Harter *et al* (2002) states that "meta-analyses have established that there is a positive relationship between employee perceptions of the work situation and organizational outcomes". Results of his study provided evidences and support for the hypothesis that employee perceptions affect and create organization's performance parameters like retention, loyalty, and overall performance. Harris and de Chernatony (2001) researched and analyzed the relations between employee's perception and organization's success. They concluded that greater the similarity between the employees' personal values and corporate values, the better is the brand performance.

Above studies put employees' perception about organizations as a matter of great importance without doubt. Knowing this perception can help organizations plan their strategies better and hence improved probability of their success. This research intends to gauge employee's perception about the organization even before joining (hence called the future employees, or employee of tomorrow). It gives us a clear roadmap to train and equip him better on these parameters so that his contribution towards building a world class organization is to the mark. This also protects the organization from a fatal damage once employee is on board already. The paper is organised as follows. Section 2 discusses the literature available on employee perception towards world class organisation; section 3 explains the methodology and findings. Section 4 concludes the discussion.

Literature Review

Numerous researches have happened in the area of factors contributing to the success of an organization. Amongst the many factors established, the key factors include how employees see the organization or in other words, employees' perception about the organization. While it is critical for organization to strive and become a world class organization, it is equally important to check in what light employees see the same. In context of organizations, employee vs organization congruence makes employees more dedicated and loyal to the organization (Edwards and Shipp, 2007). When organizational traits are similar to people's traits, people perceive and believe that the matters that are important to them will also be treated with same importance by/in the organization. This is identical to what happens when humans in a social environment perceive and think that other people also have their personalities same as them. In the similar way, when employees perceive that their own personal traits are similar and relatable to their organization's traits, they believe that the organization will be more supportive of them (Cable and DeRue, 2002; Cable and Edwards, 2004).

In contrast, when candidates perceive that their self characteristics are different from organizations' characteristics, they feel uncared for in the matters which are important to them. This results in an adversely fashion on their own performance and in turn the whole organization's performance. This again puts a great emphasis on the need to assess and understand applicant's perception about the organization he is being hired for. Jones *et al* (2005) supports

the above argument by stating that "employees' perceptions of an organizational culture strong in human relations values and open systems values would be associated with heightened levels of readiness for change which, in turn, would be predictive of change implementation success". In further recent study, Harter *et al* (2010) stated that "Perceptions of work conditions have proven to be important to the well-being of workers. However, customer loyalty, employee retention, revenue, sales, and profit are essential to the success of any business. It is known that these outcomes are correlated with employee attitudes and perceptions of work condition. Organizational perception is often confused with brand perception. However, brand personality and organization personality were two different attributes for an organization. Lievens and Highhouse (2003) conducted a study on this using a scale that was designed for measuring trait factor deducements about consumer brands (Aaker, 1997). Results showed that organizations that were tested differed considerably from each other but interestingly, this variance was found between organizations only on one particular dimension of Aaker's scale.

Slaughter *et al*. (2004) calls perception towards organisational personality as organization personality perceptions (OPPS). Slaughter *et al*(2004) used an inclusive approach and designed their own scale for measuring OPPS. Taking references and help from many previous studies, he tested multiple trait factors. They argued that there are five key traits which can explain the above mentioned variance among organizations on Aker's scale. These factors are Trustworthiness, Innovativeness, Dominance, Thrift, and Style. When organizational characteristics match its employees' characteristics, employees believe that the issues that they value will also be valued by the organization, analogous to what occurs when individuals perceive that other individuals have similar personalities. One key problem that companies face in their business operations and internal organizational management today is that there is a wide gap between corporate brand values as perceived by the customers and the corporate brand values declared by the company management. One probable reason for that gap can be the situation and manner in which companies transfer (to their customers) their corporate brand values that are very different from their actual corporate values and organizational culture. This difference is actually perceived by their employees as element of lie and this makes them feel (perceive) a lack of similarity/belongingness with corporate brand and therefore rises an unwillingness to support. This translates in to customers' mistrust in corporate brand, which in turn results in an overall weakened brand.

To summarize, a lot of research has happened by numerous learned researches on the topic of employee perception versus organization's success. Over the decades through various surveys, analysis and studies it has been established that employee's perception of organization directly impacts his fitment (POF) as well as behavior. In other words, researches have established a direct relationship between employee's perception of organization and his performance in it. Given that organizational performance is nothing but a sum total of all employees' performance, it is established that employee perception of organization directly and significantly impacts organizations performance. This makes the area of employee perception a very important and interesting research area. This

research aims to dwell further upon this area to explore employees' perception but of an ideal organization.

MATERIALS AND METHODS

The type of research used in this study is qualitative as well as quantitative research. The qualitative variables are examined through observations in numerical representations measured on Likert scale and through statistical analysis. Questionnaires were given to respondents with seventeen questions measured on Likert scale with five options from not important to most important. The research sampling method that will be used in this study is random sampling to represent the entire population. The respondents in this research were from a sample of 253 postgraduate students who have completed their year 1 of the Post Graduate Diploma in Management (PGDM). The purpose of choosing the sample is to find the perception of the future employees as they are the entry level employees who may get placements in year 2 and might be a part of world class organizations.

overall organizational performance. However all researches have focused on existing employees and their perception about organization. This section analyzes employees of tomorrow i.e. employees before they join the organization. Further, most of these researches have happened internationally and lack the results in Indian context. The analysis has been made to understand the perception of an employee/future employee towards a WCO in Indian context. The purpose of this study is to explore the perception of the future employees to the world class organization. The descriptive statistics of the responses of the various items are presented in Table 1. The table 1 shows that the standard deviation of all the items is smaller than their respective means and none of the standard deviation stands out for any of the variables. The principle component estimation procedure was used to derive the employee perception from the variable data. To determine the most significant factors, Kaiser's rule is used. This rule is capable of explaining the variance with which a given variable explains the data. Using this rule, five factors were determined (see Table 2).

Table 1. Descriptive Statistics

	Mean	Std. Deviation	Analysis N
A.Higher salary payouts than other organizations in same industry.	4.04	.734	253
B.Employee engagement activities	4.21	.766	253
C.Transparency in processes and activities	4.40	.697	253
D.Fair supervision & no biased attitude	4.36	.860	253
E.Easy approachability to supervisor	4.28	.770	253
F.Easy approachability to HR for any concern & issues	4.25	.835	253
G.Easy approachability to top management	3.97	.930	253
H.Flat hierarchy	3.95	.920	253
I.Focus on innovation	4.39	.649	253
J.Good office infrastructure	4.36	.731	253
K.Brand name & reputation	4.49	.682	253
L.Employee skill upgradation programs	4.49	.711	253
M.No office politics	4.13	1.268	253
N.Strong sexual harassment policies	4.41	1.078	253
O.Equal spread of genders	4.24	.989	253
P. Number of leaves	4.07	.944	253
Q. Five days working	4.40	.828	253

Table 2: Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.822	22.481	22.481	2.395	14.088	14.088
2	1.578	9.281	31.762	1.850	10.883	24.971
3	1.364	8.026	39.788	1.748	10.283	35.254
4	1.309	7.697	47.486	1.693	9.958	45.212
5	1.087	6.396	53.882	1.474	8.670	53.882
6	.890	5.235	59.117			
7	.850	4.999	64.116			
8	.760	4.468	68.583			
9	.726	4.272	72.855			
10	.719	4.232	77.087			
11	.690	4.060	81.147			
12	.649	3.820	84.966			
13	.579	3.406	88.372			
14	.525	3.090	91.462			
15	.517	3.043	94.505			
16	.477	2.808	97.313			
17	.457	2.687	100.000			

Extraction Method: Principal Component Analysis.

Data Analysis

An analysis has been made to establish a relation between employee perception and organizational performance. Apparently, employee perception of an organization affects his behavior and individual performance, which in turn affects the

Once the factors are extracted using principle component method, various rotational procedures are used to transform data into linear form. This helps to interpret data easily. Out of various rotational procedures, Promax procedure was chosen. The factor or component correlation matrix gives the correlation between the factors under analysis (see Table 3).

Table 3. Component Correlation Matrix

Component	1	2	3	4	5
1	1.000	.269	.248	.112	.240
2	.269	1.000	.082	.002	.178
3	.248	.082	1.000	.032	.229
4	.112	.002	.032	1.000	.289
5	.240	.178	.229	.289	1.000

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

The correlation between components is moderate and justifies the retention of the results because only five of the correlations exceed the value of .25. The structure matrix suggests the item correlation with the factor (see Table 4). The coefficients of item F suggests that item F,E,G,D,C are correlated with more than 0.5 with factor 1, items J, I ,K,L are correlated with Factor 2, N, O, M with factor 3, items B and H with factor 4 and items A, P, Q with factor 5.

Table 4. Structure Matrix

		Component				
		1	2	3	4	5
F.	Easy approachability to HR for any concern & issues	.760				
E.	Easy approachability to supervisor	.672				
G.	Easy approachability to top management	.622	.349			
D.	Fair supervision & no biased attitude	.607		.340	.333	
C.	Transparency in processes and activities	.598			.510	
J.	Good office infrastructure	.316	.746			
I.	Focus on innovation		.645			
K.	Brand name & reputation	.368	.576			
L.	Employee skill upgradation programs	.463	.570			
N.	Strong sexual harassment policies			.786		
O.	Equal spread of genders	.371	.410	.684		
M.	No office politics			.642	.317	
B.	Employee engagement activities				.670	
H.	Flat hierarchy				.622	
A.	Higher salary payouts than other organizations in same industry.				.387	.727
P.	Number of leaves					.715
Q.	Five days working		.309		-.431	.501

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

The remaining factors, ascertained by the magnitude of the coefficients are identified in table 6 by the shading, where shaded coefficients are the largest coefficients for a factor. As given by Aaker (1991), factors can be grouped as follows: Factor 1, Trustworthiness; Factor 2, Innovativeness; Factor 3, Style; Factor 4, Thrift; and Factor 5, Dominance.

Factors perceived by future employees' towards world class organization

Trustworthiness

World class organizations are considered trustworthy which are perceived to be friendly, pleasant, attentive to people, etc. The transparency in the processes and activities, fair supervision and unbiased attitude, easy approachability to supervisor and HR department for any concern and issues, and easy reach to the top management are the traits of the organizations which provide ability to the employee to be able to place his complete trust in the organization.

Innovativeness

Innovativeness of a world class organization is measured through their creativeness and uniqueness. They push research and development continuously. This helps the organizations to

develop reputation of excellence. Specifically, focus on innovation, office infrastructure, brand name and innovation and employee skill upgradation programs are some of the important traits perceived by future employees for a world class organization.

Style

Style of world class organizations is defined as the culture and work environment provided by them. Style involves no office politics, strong sexual harassment policies, equality of opportunity to both genders. Style has been identified as an important trait which decides the work culture and work environment of the organization.

Thrift

Organizations perceived high on this factor involves low in terms of budget, class, etc.

This involves employee engagement activities and flat hierarchy structure followed by the world class organizations. It is important to have simpler communication structure which improves decision making and avoids duplication of work.

Dominance

The world class organizations which are perceived as dominant are successful, popular, active, etc. The organizations gain popularity through the four factors described above. However, employees working in an organization play an important role by helping an organization to achieve such status. Thus, higher salary payouts than other organizations in the same industry, number of leaves, five days working policies are perceived important for an world class organization.

Conclusion and Recommendations

There is a consensus that there exist direct relation between employee perception and organizational performance. As employee perception towards an organization affects his behavior and individual performance, which affects over all organizational performance. However all researches have focused on existing employees and their perception about organization. This research paper analyzes the perception of

employees of tomorrow i.e. employees before they join the organization towards world class organization. It was found that the five important traits mentioned by Aaker (1991) are valid for existing as well as future employees. This analysis is important as they will enter the organization as an entry level employee with that perception based mindset on day-1. Until organizations have this knowledge, they will never be able to bridge perception-reality gap for an entry level employee from his day-1 at work. More detailed study is required to compare the perception of the entry level employees and their perception after joining the organization. This will help organizations to design policies and programmes in employee friendly manner which will increase the efficiency and reduce employee absenteeism.

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