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A Study of Employer Branding on Employee Attitude

Seema Wadhawan¹ and Smrita Sinha²

¹ Research Scholar - Amity Business School, Amity University, Noida

² Assistant Professor, Head of the Dept., Business Communication, Amity Business School, Amity University Noida

Abstract: The branding concept is now no more confined to tangible and intangible products it has become an important part of the organization today. The war for talent is ever increasing for the organization, there by adopting the approach of Employer Branding has become essential by the organizations to position themselves as an employer of choice or a great place to work. This helps the organization to market themselves to their customers, existing internal employees and prospective external job applicants.

An empirical study was conducted where the data was collected from both primary and secondary sources. Structured Questionnaire was administered to students and employees of ITES travel companies. The purpose of this study is to identify various determinants of employer branding and the perceived level of significance of these determinants on the employee attitude both existing employees and prospective talent. The data of 150 respondents was collected and analyzed using mean, standard deviation and correlation analysis to determine significant relationship between employer branding and employee's attitude.

Key words: Branding, Employer Branding, Employee's attitude

INTRODUCTION

All around the world there are ups and downs in the job market for availability of skilled talent. In the ever increasing war for talent, organizations are focusing to adopt different methods to position and differentiate themselves in the market. Organizations have started working on different strategies to attract and retain talent. Keeping this ever increasing competition in mind and most importantly the evolution of social media, it has become critical for the companies to focus on establishing their brand in the market. Whether small, medium or large firms, all are looking different ways to showcase their brand in the market, giving a reason to the candidates to apply for the job with them. The term "employer brand" was the concept which was first defined in the mid 1990s: it denoted an organization's reputation as an employer, as opposed to its more general corporate brand reputation. In 1996 "Employer brand" was defined by Ambler and

Barrow (1996), as “*package of functional, economic, and psychological benefits provided by employment, and identified with the employing company*”.

Employer Branding is the effort of organization to interact with internal employees and external prospective applicant, in order to help the organization in various recruitment activities. The way the marketers are using branding technique to attract the customers, similarly organizations are using employer branding to position itself to both the current and potential employees. These potential employees develop association with the employer brand on the basis of the information received from various sources. These sources are not always employer controlled. Effective employer branding takes a proactive approach by identifying desired brand associations and then striving to develop these associations. The more the brand association is perceived to be positive, the stronger is the association of the potential employees. Thus it is strategic decision in the hands of the employers. Various surveys reflected in the year 2014, 36% of global employers reported talent shortages, the highest percentage since 2007, and the survey of 2015 reflected that 73% of CEOs reported of being concerned about the availability of key skills. Therefore, for the organizations to effectively compete in the war for talent, it’s time for leaders to focus on strengthening their organizations’ employer brand.

As per the report of (Universum’s “2020 Outlook, the Future of Employer Branding.”) Figure 1 shows that primary responsibility of employer branding is now placed with CEO’s than with the talent acquisition team. As more than 60% of CEO surveyed said that this responsibility lies with CEO, thus Employer Branding has become of strategic importance.

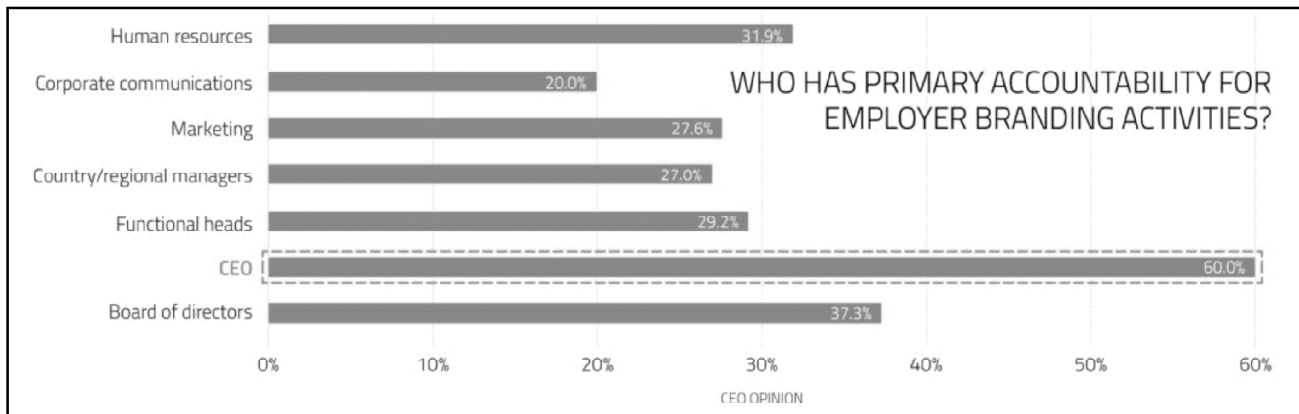


Figure 1 : Source Universum’s “2020 Outlook, the Future of Employer Branding

IT-BPO sector is one of the largest private sector employer in India with an employee count of 3.7 million people. And many research organizations, financial bodies conduct survey to capture more and more information on this sector to study the different contributions. As these organizations try to hire potential talent, the market competition is putting a momentum on them to focus on Employer Branding (Bagga & Khanna, 2014). This will help to cater to the associations of the employees with the brand.

LITERATURE REVIEW ON EMPLOYER BRANDING

The ever increasing demand for skilled workforce and the inclination of the competent employees to change job has resulted an increase in the war for talent. In such an environment the requirement of employer branding for the organizations has been imperative.

Barrow, (1990's) gave the concept of employer branding and its development became important.

Ambler, and Barrow, (1996), observed employer branding as “package of functional, economic, and psychological benefits provided by employment, and identified with the employing company”.

Hendry, and Jenkins, (1997) observed that in the traditional concept of the psychological contract between workers and employers, workers promised loyalty to the firm in exchange for job security.

Peters, (1999) observed that originally branding was used to differentiate tangible products and now it is being used to differentiating people, places and firms.

Priem, and Butler, (2001) stated that we mostly consider fixed resources like equipment and capital as resources that create competitive advantage, however human capital has also been shown to as an important resource which creates competitive advantage.

Toricelli, & Karg (2002), opined that skilled employees are hard to attract and difficult to retain and they have become critical to business success. The employer branding is used for corporate identity, building reputation and communicating its image to current and potential employees.

Backhaus, and Tikoo, (2004). opine that organization are facing challenge in recruitment and retention. This challenge faced, forced organizations to work for transforming their organization as an employer brand i.e., an attractive and desirable place for employees to work.

Edwards, (2010) stated that when there is a strong perception of employees towards an employer image and identity, it creates higher levels of employee commitment and identification. It also results in higher level of talent attraction.

Schlager *et al.* (2011) empirically tested the impact of employer branding on employees' attitude, especially in the service industry.

Sokro, (2012) stated that employer branding is positively related to attraction and retention of employees. Good working conditions, career development, core values of the organization are foremost reasons for talent attraction whereas opportunity for growth, job security, company image are significant reasons for retention of employees.

Gupta, (2015) conducted conceptual study and stated that the concept of employer branding is common among HR & Brand consultants. Right brand of the employer gives the benefit of attracting and retaining talent.

Review of various studies reflect that employees want to work for an organization that provides them good working conditions, development facilities, cooperative work environment and the ambience to use their skills (Nigel Wright Recruitment Survey, 2011). Nowadays organizations are working to establish themselves as employer brands. In India 24 percent organizations have well defined employer brand strategies and 26 percent are working on it (T Jinsite survey, 2012).

Determinants of Employer Branding

This study made the use of EmpAT scale (Berthon *et al.*, 2005) to understand the determinants of employer branding on prospective hires. He Identified five main dimensions namely, economic, social, developmental,

application and interest value, that makes an employer attractive or otherwise. In this study we have made use of economic value, social value, development value reputation value and diversity value of employer branding on the employees and prospective job applicants.

OBJECTIVES

1. To identify the factors affecting employer branding
2. To assess the significance of employer branding on employee attitude
3. To identify the relationship between employer branding determinants and employee attitude.

RESEARCH HYPOTHESIS

The hypothesis were framed and tested for the study are as follows.

- H1: There is significant relationship in Economic value of the organization and employee attitude.
- H2: There is significant relationship in Development value of the organization and employee attitude.
- H3: There is significant relationship in Social value of the organization and employee attitude.
- H4: There is significant relationship in Reputational value of the organization and employee attitude.
- H5: There is significant relationship in Diversity value of the organization and employee attitude.
- H6: There is significant relationship between various dimensions of employer branding with that of the overall employee attitude.

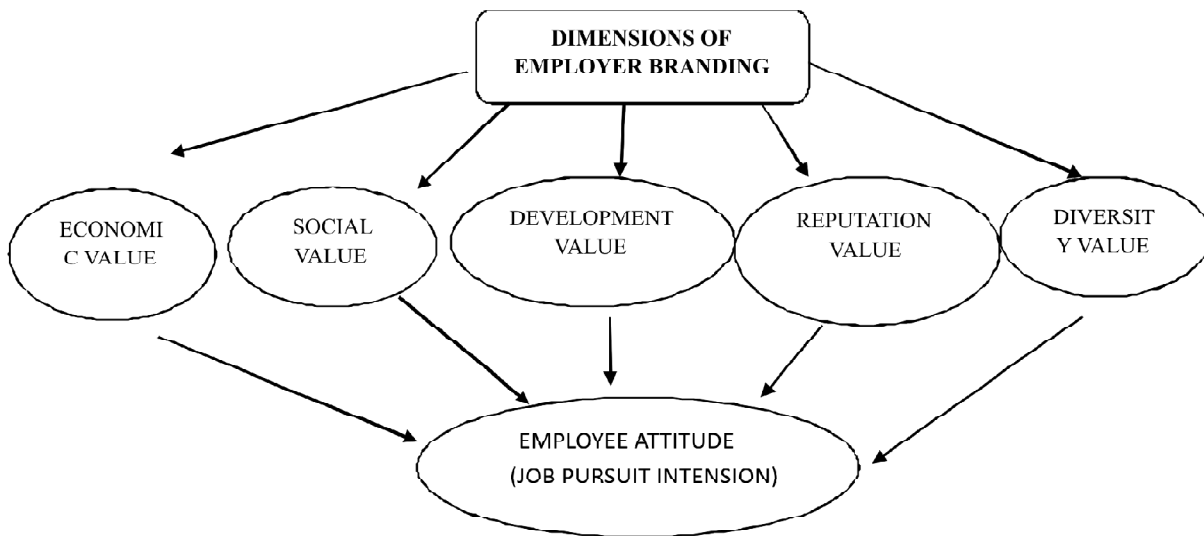


Figure 2: Model of Employer Branding and Employee Attitude

RESEARCH DESIGN

The study is descriptive in nature. An organized and systematic study was conducted to reach the desired objectives of the study. Respondents of the survey were the prospective employees(students) and the in-house employees working in BPO's. This study is restricted to ITES sector and organizations which are handling Travel services, IGT, WNS and Yatra.

Data Collection and Sampling

The data was collected from both primary and secondary sources. For primary data collection, a structured questionnaire was administered. Data from the companies and students who wish to join these organizations as prospective employer or employer of choice was collected. Secondary data was collected from journals and website. The total of 175 questionnaires were distributed where 150 were administered and rest were not taken in the study due to incompleteness.

Statistical Tools Used

IBM SPSS 21 (Statistical Package for the Social Sciences), for data analysis which include mean, standard deviation and correlation. For reliability the Cronbach's Alpha was calculated and KMO and Bartlett's Test was used to check the adequacy.

DATA ANALYSIS AND INTERPRETATION

Table 1
Reliability Statistics

<i>Cronbach's Alpha</i>	<i>N of Items</i>
0.935	24

Inference: Cronbach's alpha is a measure used to assess the reliability, or internal consistency, of a set of scale or test items. The range of Cronbach's Alpha is 0.935 which depicts high measure of reliability.

Table 2
KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.882
	Approx. Chi-Square	2281.169
Bartlett's Test of Sphericity	df	276
	Sig.	0

Inference: KMO & Bartlett's Test of Sphericity has been used to measure the sampling adequacy. The Bartlett's Test of Sphericity relates to the significance of the study and thereby shows high validity and suitability of the responses for the information collected by the questionnaire. As the significance value is .00 which is less than the min required value of .05.

Mean value and standard deviation of the variables is shown in **Table 3**.

In the above table significance of the variables is shown by Mean value and variability of data responses is shown by standard deviation. Job security dimension has the highest mean score of 4.6000 and standard deviation of .76851. This reflects that job security dimension is the strongest influencing factor in economic value and has low variability, whereas flexible variable salary has the lowest mean value of 4.4100 and highest variability of .91248 showing that this factor has least contribution towards satisfaction derived by the employees and prospective employee in F1 (economic value).

Table 3
Dimensions of Employer Branding under 5 Factors with each item

<i>Factors</i>	<i>Scale Items</i>	<i>Mean</i>	<i>Std. Deviation</i>
Economic Value	Handsome compensation package attracts me to work with the organization	4.07	0.89815
	Work with an organization where timely and fair compensation is given	4.46	0.87952
	Work with an organization where flexible reward is offered	4.14	0.91248
	Work with an organization where retirement benefits is offered	4.4	0.811
	Work with an organization which offer secured jobs	4.6	0.76851
Development Value	Work with an organization which offer regular training to grow	4.56	0.75512
	A job where I can grow and take more responsibility	4.64	0.67833
	A job where I can work with power and independence	4.66	0.60011
	A job where employer brand bring add on to my career	4.42	0.78808
	A job where I can grow to my leadership style	4.58	0.64787
Social Value	A job that offer me hold on my present position	4.0267	1.02287
	A place where working is fun	4.5333	0.72968
	Working environment is exciting	4.6267	0.64033
	Working place where I feel like home	4.2333	0.90053
	A place where help and ease at work motivates me to work	4.56	0.65004
Reputational Value	Fair and just HR practices boost my performance	4.2933	0.85567
	Employer brand gives me complete edge for my future performance	4.36	0.7353
	I feel proud when social circle appreciate me and my company	4.5867	0.69694
	Society opinion of organization and its reputation motivates me	4.2933	0.76454
	My opinion about employer and its strength influences my length of service	4.0467	0.85402
Diversity Value	Supervisor work well with the employee of different background	4.22	0.88893
	Supervisor are committed to workplace of different segments of society	4.1467	0.84652
	Policies and program promotes diversity at work	4.2333	0.82264
	Company offer good variety of work activities	4.42	0.77086

Power and Independence benefit has the highest mean score of 4.6600 and standard deviation of .6011. This depicts that power and independence offered to employees at work is the strongest influencing dimension to retain the employees at work within the organization under F2(development value).

Help and Ease at work has the highest mean score of 4.5600. This depicts that Help and Ease at work dimension is the strongest influencing factor in Social value. Whereas, Fair and Just HR practices has the lowest mean value of 4.2933 showing that this factor has least contribution towards satisfaction derived by the employees and prospective employee in F3 (Social value).

Social circle appreciation for oneself and organization has the highest mean score of 4.5867 reflecting it as the strongest influencing factor in reputational value. Whereas, Personal opinion about organization and its strength has the lowest mean value of 4.0467 showing that this factor has least contribution retaining an employee with the organization in F4(Reputational factor).

Variety of work has the highest mean score of 4.4200 reflecting it as the strongest influencing factor in F5(Diversity value.)

Table 4
T test - Analysis of Factors of Employer Branding
One-Sample Test

	<i>t</i>	<i>Df</i>	<i>Sig. Mean Difference</i> <i>(2-tailed)</i>	
Economic Value	96.336	149	0	4.44933
Development Value	99.71	149	0	4.48111
Social Value	88.088	149	0	4.33467
Reputational Value	84.262	149	0	4.32167
Diversity Value	73.424	149	0	4.255

Table 4 shows that T- test is conducted. t column shows the above t statistic for each of the factor, calculated as the ratio of mean difference divided by the standard error of the sample mean. “df” reflects the degree of freedom. It is depicted that all the factors of employer branding are important in building the employee and prospective employee perceived level of attraction towards organization.

Table 5
Analysis of Crucial Factors of Employer Branding
One-Sample Statistics

	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>Std. Error Mean</i>
Economic value	150	4.44933	0.60268	0.04921
Development value	150	4.4811	0.55042	0.04494
Social value	150	4.33467	0.56566	0.04619
Reputation value	150	4.3217	0.62815	0.05129
Diversity value	150	4.255	0.70975	0.05795

Table 5 shows the mean and standard deviation of various factors of employer branding. Development Value F2 has the highest mean of 4.4811 which represented the as the major factor of employer branding that influence the attitude of employee to organization for its job pursuit. Economic Value is the second highest value with F2 mean of 4.4493 followed by Social value (4.3347), then reputational value (4.3217) and Diversity value (4.2550). Thus Development Value is the highest and Diversity value is the lowest factor in influencing employer branding for the job pursuit intension. Development value shows minimum variance of .55042 in the responses and Diversity value shows highest variance of .70975 thus reflecting lowest consistency of responses. Which indicates that the prospective employees and the existing employees are influenced by the development opportunities offered by the organization and the compensation packages given should be to value the potential.

Relationship between various dimensions of employer branding was also analyzed, correlation analysis was conducted to study the relationship between the Employer Branding dimensions. All these dimensions showed a positively strong correlation with each other that is (Economic value, Development Value, Social Value, Reputational Value & Diversity Value). It depicts that all the hypothesis H1, H2, H3, H4, H5 &H6

are accepted. It also reflects that employees and prospective talent will give their best to the organizations where all these dimensions of employer branding and available and given importance.

FINDINGS AND RECOMMENDATIONS

Organizations need to work upon certain strategies on the basis of the importance of crucial factor of employer branding which are highlighted. Development value has the maximum mean scores and minimum standard deviation, reflecting that it is the most important factor of employer branding among the employees. It is essential that the organization should focus on providing regular trainings to the employees, giving them freedom to exercise creativity and innovations. They should give them power of independence to get good performance results. Next in the order of significance is Economic value, handsome compensation packages help to attract talent, but to retain employees it is essential to offer them with good retirement benefits and job security. This can be met by giving them the facility of PPF, Insurance, fringe benefits and voluntary retirement feature. Next in the order of significance is Social Value, management of the organizations should work to develop such social plans and strategies where emphasis is laid on creating a healthy social environment. While working in ITES sector is being associated with various challenges like regular or rotational night shifts, monotony at work, slow growth, less leaves even during festivals. Therefore management should adopt such novel practices which meet up with the social requirements of the employees. Employer should arrange functions, cultural events, family day, R&R parties for various departments of organizations, thus meeting their social requirements. Such get together functions organized by organizations which bring the employees together and even close to each other. Next in the order of significance is Reputational value, this factor of employer branding is not considered that important as per the employees, however it is important because by promoting the organizations as one of the best places to work, it can retain the existing employees and attract prospective talent. Diversity value is given least importance under the factor of employer branding, however it is important for organizations to follow ethical practices and be fair in their dealing with employees and others. Diversity at workplace can be helpful to cater to the pool of ideas and experience. This will also help to control attrition and create a healthy environment at work.

CONCLUSION

The study is considered to be important and examined the perceived level of significance of employer branding on employee attitude and attraction. It showed that all the factors are important to influence the satisfaction of employees within the organization. Development dimension of employer branding is perceived to be most significant factor in affecting the satisfaction and building the employee attitude.

On the basis of the importance of each dimension of employer branding, it is significant for the organizations to focus on employer branding and make effective strategies for building the brand and accomplishing better growth.

SUGGESTIONS FOR FURTHER RESEARCH

Employer branding is a complex subject which relates to various dimensions for study. Due to the limitation of time and money, difference in the perceived level of significance of employer branding on students and employees was not conducted. Further research can be done to analyze the difference between prospective

employees and existing employees perception towards employer branding in same and different sector of industry.

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