

# Employer Brand – Talent Management and Retention of Employees

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## ABSTRACT

Employer brand is an effective organizational tool to attract, engage and retain talent in the global talent pool of the corporate world. Employer brand used to create a better image of organization in the industry. It includes salary, rewards, benefits, management style and opportunities for growth. This study identifies the dimension of attractiveness in employer brand and examines its importance for employees of private sector. To perform this study, survey data collected among 100 employees of private sector in Pune (Maharashtra). This research identifies six dimensions of attractiveness in employer branding – Social life value, Functional value, Economic value, Humanitarian value, Collaboration value and Workplace environment value. Economic and Social life values are perceived to be most important and Humanitarian value is perceived to be least important dimensions respectively.

**Keywords:** Employer brand, Talent management, Employee engagement, Employee retention, Organization culture.

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## I. INTRODUCTION

Employer brand is a package of “functional, economic as well as psychological benefits” accruing to employment in particular organization. Employers cannot afford to be dependent on just goods produced and services rendered for competitive advantage in the present dynamic business world. Therefore the employer brand as critical success factor in attracting and retaining employees in an organization as well as claiming that the employer brand is a strategic tool that must be used effectively in order to identify, select and retain the best candidates.

It is therefore no surprise that employer branding is defined as a group of qualities that makes an organization different from others and paints a picture to the future employees of what to expect when employed. This picture is known as brand image.

Research find that in order to develop a good employer brand employees need to understand their workforce and what factors make employers to stay and work for that particular organization rather than just concentrating on new and innovative recruitment strategies. Gaining award as a ‘Best employer of the year’ helps in attracting the potential pool of candidate and allows employee to select the most suitable organization for future. Well developed employer brand helps organization to differentiate itself from competition and gain competitive advantage. In the era of a knowledge economy and on the verge of significant demographic and sociological changes in society, organization stands for challenges in attracting and retaining employees.

Objectives:

- Identification of the dimensions of attractiveness in employer branding.
- Determine the perceived importance level of the identified dimensions.

## II. LITERATURE REVIEW

Branding in the area of human resource management to attract and retain employees and to ensure that the current employees are engaged in the culture and strategy of the firm is called employer branding (Backhaus and Tikoo 2004). Ambler and Barrow 1996 (functional benefits) – developmental and useful activities in the organization. Lievens and High house 2003 (instrumental attributes) – Pay, bonus, benefits in employer brand for the employees. Berthon et al 2005

(economic value)-it includes above average salary, attractive overall compensation package, job security and promotional opportunities within organization.

Berthon et al -2005 (developmental and applications value). Developmental value: Recognition and appreciation from management, feeling of self worth and confidence. Application value: Opportunity to apply what was learned from school, opportunity to teach others. Ambler and Barrow 1996(psychological benefits): feeling of belongingness, direction and purpose.

Berthon et al: 2005 –Social and interest values, Social value: Good working relationship with colleagues and superiors in organization. Interest value: Exciting work environment and Novel work practices carried out in organization. Barrow and Mosley 2005: Corporate leadership council 1999in Melin 2005.

Work life -corporate leadership council 1999 in Melin (work life balance).

Employer branding works in a strategic frame work which collaborates both marketing and Human resource- Ambler and Barrow 1996 and Moroko and uncles 2008.

Employer branding helps in attract and retain right kind of person in the organization (Sullivan 2004 and Dolley et al 2007).

### III. RESEARCH METHODOLOGY

This study aims to identify the dimensions of the employer branding attractiveness and to find out the perceived importance level of each dimension. The following hypothesis is tested in order to examine the relative importance levels of dimensions of employer attractiveness.

**H1:-** Distinct dimensions of employer attractiveness have different levels of perceived importance.

In order to perform hypothesis test a survey was conducted. The survey instrument was a questionnaire which includes some demographic questions and employer attractiveness scale (see table 1). A convenience sample of 120 employees of private sector (includes IT, Automobile, Telecom sector employees.)Of Pune Maharashtra, participated in the study, from which 100 usable responses were obtained.

The employer attractiveness scale has 25 items corresponding to functional, economic and psychological benefits driven by Ambler and Barrow's (1996) defines employer branding is the only validated scale for identifying the attractiveness dimensions of an employer brand (Berthon et al,2005, and Roy 2008).

Respondents were asked the following question: "when you decide to change your current employer and please indicate how important the following factors are to you when seeking for the potential employers."

Responses were obtained on a 5 –point Likert type scale where 1 stands for not at all important and 5 for extremely important. Scale dimensionality and factor structure were checked by factor analysis and results of mean scores on employer attractiveness scale.

### IV. DATA ANALYSIS

A total of 100 usable responses were obtained. Demographic information about the respondents in table 1.

**Table 1**

Table for Demographic Profile of 100 Respondents			
Attribute	Distribution	Sample Number	Frequency (%)
Gender	Male	60	60%
	Female	40	40%
Designation	Engineer	50	50%
	Technical Leader	25	25%
	Manager	25	25%

Education Qualification	B.Tech	30	30%
	M. Tech	20	20%
	MBA	25	25%
	MCA	25	25%
Department	Engineering	50	50%
	Management	25	25%
	Computer Science	25	25%
Experience (Years)	0 to 5	20	20%
	6 to 10	35	35%
	11 to 20	45	45%

## V. RESULTS AND ANALYSIS

Before research hypothesis test, factor analysis was carried out through principal component analysis and varimax rotation. In principal component analysis, items should be exact linear combination of factors, and in varimax rotation axes should have two vertices perpendicular to each other. In principal component analysis suggested six factors for the organizational attractiveness scale in the data. Five items were deleted due to show a weak loading on several factors. Table 2 shows the remaining items –mean standard deviation, Eigen value and Cronbachs alpha.

**Table- 2**

Dimension	Component	Mean	SD	Eigen-Value	Cronbach's Alpha
Dimension Social life Value	1: Job security in organization.	4.7	0.461	3.487	0.802
	recognition	4.29	0.686		
	Good promotion opportunities.	4.43	0.671		
	Organization uses creativity.	4.5	0.577		
	good relationship with superior	4.46	0.61		
	acceptance	3.83	0.985		
	Feeling good yourself as a part of organization.	4.54	0.673		
	Gaining career growth experience.	4.54	0.521		
Dimension functional Value	2: customer oriented organization	3.73	0.886	2.3586	0.762
	Opportunity to apply knowledge available.	4.22	0.645		
	High quality services provide by organization.	4.48	0.611		
	Innovative services of organization	3.94	0.75		
Dimension Economic Value	3: Compensation package	4.65	0.5	1.499	0.664
	Average basic salary	4.59	0.5522		
Dimension Humanitarian Value	4: Corporate social responsibility	3.32	0.8025	1.409	0.564
	Humanitarian organization	3.03	1.0774		
Dimension Collaboration Value	5: Hands on experience in interdepartmental.	3.65	0.8572	1.363	0.531

	supportive colleagues	4.4	0.7785		
Dimension 6: Work place Environment	Fun filled work environment	3.98	0.8643	1.36	0.52
	Work in an exciting environment.	4.57	0.6397		

**Dimension 1:** termed as social life value describes about those employees of private sector attracted to an employer that provides job security ,recognition, acceptance and belongingness, feeling good, use of creativity, good relationship with superiors and career growth experience.

**Dimension 2:** termed as functional value describes about those employees attracted to an employer which is customer oriented and provides high quality and innovative services.

**Dimension 3:** termed as economic value describes those employees attracted to an employer that provides above average basic salary and good compensation package.

**Dimension 4:** termed as humanitarian value describes those employees attracted to an employer that undertakes CSR activities and gives back to the society (humanity).

**Dimension 5:** termed as collaboration value describes those employees attracted to an employer that provides hands on interdepartmental experience and has supportive colleagues.

**Dimension 6:** termed as work place environment value describes those employees attracted to an employer that provides fun filled and exciting environment.

The overall reliability scale is cronbach alpha satisfactory scale range is ( $\alpha = 0.85$ ). Social life value dimension ( $\alpha=0.80$ ) and functional value ( $\alpha=0.76$ ) have satisfactory reliabilities, while economic value dimension has acceptable reliability ( $\alpha=0.66$ ). However the remaining dimensions (humanitarian, collaboration and workplace environment) have lower reliability coefficients because of small number of items in each dimension. Berthon et al (2005) theory supported those dimensions so they remain same as they appeared. The results shows differences from original dimension because of work culture differences in today's work environment.

**Table-3**

Composite Variable	Mean	stDev
Social life Value	4.41	0.664
Functional Value	4.10	0.730
Economic Value	4.62	0.527
Humanitarian Value	3.18	0.950
Collaboration Value	4.03	0.819
Workplace environment.	4.28	0.760

Table 3- shows the mean and standard deviation of composite variables. Six composite variables are created by averaging the items score under each factor in the light of the principal component analysis results. These composite variables are used to test the research hypothesis.

Economic value and social value have the highest mean so it is recognized as an important attractiveness dimension and humanitarian value is having lowest mean value so it is recognized as least important attractiveness dimension. Therefore our hypothesis proposing that the perceived importance level of the identified dimensions is supported.

## CONCLUSION

In this study, we examine the different dimensions of employer attractiveness and its importance level. Employer attractiveness dimensions were analyzed by principal component analysis in factor analysis. Factor analysis described six factors representing the dimensions of employer attractiveness, it includes –Social life value, Functional value, Economic

value, Humanitarian value, Collaboration value and work-life environment. Original five factor structure of Berthon et al is slightly different from this employer attractiveness scale because of dynamic corporate culture and work style. This study shows that respondents attributed the highest importance to social life value and economic value and gave least importance to humanitarian value of the potential employers. This analysis also reveals the importance of different employer attractiveness dimensions.

### **MANAGERIAL IMPLICATIONS**

Private sector industry faces tough competition from its competitors to be a best employer brand and retain top talents. Using employer brand every industry can create better image of employers in order to attract talented employees and make them productive for organization. Also we can focus on other factors which are important for job seekers. This can help recruitment managers to make effective job advertisements.

### **LIMITATIONS AND SCOPE FOR FUTURE RESEARCH**

In this study we used convenient sampling with limited sample size of 100 respondents. This study confined only to the current employees of the industry. It is recommended that study should cover future employee's perspective with a larger sample size which includes a wider section of the population. Comparative study with different industry can be done to explore more factors for employer attractiveness. It is also suggested that researcher can develop own scale of employer attractiveness dimensions to understand the need of employees in industry.

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