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Article in Indian Journal of Public Health Research and Development · January 2017

DOI: 10.5958/0976-5506.2017.00128.0

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The Key Factors of Employer Brand an Empirical Analysis with Special Reference to IT Industry

S Vasantha¹, Kanchana Vinoth²

¹Professor, ²Research Scholar, School of Management Studies, Vels University, Pallavaram, Chennai

ABSTRACT

Introduction: Employer branding is gaining importance in India. Though the concept of Employer brand has become a routine with the organizations, this domain has recently attracted the interests of many researchers. It is a great challenge for any organization to retain the employees. This research intends to examine the different factors which influence Employer brand

Purpose: The paper aims to examine the present state of firms in branding benefits and evaluate their impact on employees. The study makes an attempt to discuss the concept of employer branding, the strategies adopted by the organization and how employees recognize and interpret their employer brand. This study will be a potential eye opener for relevant professionals and new researchers.

Methodology: The primary data was sourced from the representatives of IT employees from different companies in Chennai. The study has adopted descriptive research design. The sampling technique followed in the research is combination of both purposive and convenience sampling method. The sample size is 200.

Findings: The study found that the various values such as Economic, Functional, Psychological, Development and Social Value are the key determinants of Employer brand that the organization needs to focus while building the employer brand strategy.

Implications of the Study: This study presents implications for the companies to consider developing their branding strategies and offers implications for Talent Management of the organizations that need to be practiced

Keywords: *Employer Brand, Factors, Employees.*

INTRODUCTION

In the current globalized era, where employment is found to be more competitive, many companies are struggling to appeal, recruit, motivate and maintain the greatest possible human ability. Accordingly, they use employer branding applies as a relatively new tactic to distinguish their identity as employer from those of their opponents and to publicize the advantages they offer including all facilities which motivate the employees to stay in the job. It also shows a role in that organization we select to work. So the employer has to build up the brand image to acquire and retain the key talent. When

the employer brand is strong it will help the company to differentiate itself in market place and acquire the best people. The brand is a signal to convey the uniqueness of an organization. It “shows” what the organization stands for.

EMPLOYER BRAND AND ITS SIGNIFICANCE

Managing the key talent is becoming more complex for the organizations. The organizations have to build their brand to survive the talent crunch. Employer branding permanently significant in indefinite economic times and mainly in a market environment where there are skill dearth, in portraying the company's popularity and strength, to enhance business growth and sustainability and capitalizing organizations compete for talent.

Corresponding author:

Dr. S. Vasantha,

Professor, School of Management Studies, Vels

University, Email ID: vasantha.sms@velsuniv.ac.in

The ultimate aim of employer branding is to appeal and maintain the key talent. It can meaningfully increase application rates and place the organization in the desirable status of having a wide-ranging group of abilities to choose from. When constricted employment staffing markets, the struggle for the best talent is aggressive, it can also support the organization to stand in a noticeable position in a competitive market and offer fascinating reasons to join your company instead of going elsewhere

The term Employer brand is originated on the basis of marketing theory. This helps the organizations a base on in what way they can differentiate themselves in the market as a perfect employer for existing employees and for the prospective employer (Harding, S., 2003)²⁰. It is segregated in two marketing concepts as External Marketing and Internal Marketing.

Employer Brand serves as external marketing to attract best talent. Once people recognized the brand they form a set of anticipations about their job and will support the company's principles and increasing their assurance to the organization which is considered as external employer brand (Backhaus and Tikoo, 2004)⁵

Psychological contract refers to the contact between the employers and employee, who promised trustworthiness to the organization in exchange for job security. This theory forms the basis for the concept and its influence on the employee association with firm offers a grounds for employer branding. (Hendry and Jenkins, 1997)¹⁵

1.1 Factors Influencing Employer Brand

Dowling (1993) in his research work states that employees' image as a brand is induced by various factors like the organization's formal policies and procedures, vision, the culture, and marketing media communication activities, and justifies that in service industry the consumers' image of the brand. The opinion they obtain during meetings and through communications with customers also influence employees' image²⁴

Kimpakorn, N., & Dimmitt, N. (2007) suggests a set of internal service quality dimensions, namely reliability, competence, friendliness, added value generated, reaction speed time, accessibility, the service, flexibility, customization, cost benefit rationale, transparency in services offered, and cost transparency. The author argues that it is not any one human resource management policy or any one training program that

determines the employee perception of internal service quality¹⁶

Lievens et al. (2007) argues that representative features of the organizations employer brand will help the firms to describe the organization in relations of its individuality objectivity, physical attributes and tangible qualities of the employment offering¹⁹.

Brun and Dugas (2008) have studied that appreciation of the organization of the employer has impact on the psychology of the worker. Employee recognition is a priority issue in the present social and organizational context and the wider community alike⁹.

Arachchige, B. J., and Robertson, A. (2011) have highlighted the preferred employer attributes that influence the job seekers. The Authors presents eight dimensions of employer attractiveness such as Good Association with Superiors, Values Creativity, Innovative Products Supportive Colleagues, Exciting Environment Fun Environment, Promotes Self-Esteem, Gaining Career Experience Innovative, Develops Confidence and Offers Range of Experience, Gives Personal Respect⁴.

Malati, N et.al, (2011) The authors examines the likenesses and differences between employer External and Internal Brand Images of three IT companies namely Infosys, TCS, and Wipro with the major dimensions like competitive compensation, career or growth opportunity, financial strength, proper management and leadership style etc²¹.

Mukesh Biswas and Damodar Suar, (2013) presents from the perspectives of employees' gives importance to the following values such as social value, developmental value, interest value, and economic value, in a sequence of priority affecting the employer brand⁸. Cascio, W. F. (2014) argues that the organizations with positive employer brand has an advantage over the talent management. The performance management strategies are by no means exhaustive, but they are the key elements of employee retention².

Leekha Chhabra, N., and Sharma, S. (2014) in their research work examines the most important branding Strategies and channels adopted by organization to attract its prospective employees.. By reviewing the previous studies and current findings the author have developed a theoretical model on employer branding process. The authors concludes that there is a association exists between strong brand image and prospect to apply¹⁸.

OBJECTIVES OF THE STUDY

- To find out various factors determine Employer brand
- To empirically analyze the key factors that influences employer brand

RESEARCH METHODOLOGY

The present study attempts to test the key factors that influence Employer Brand, This research implements the descriptive research design. The required Data was collected through structured questionnaire. Purposive and Convenience Sampling Method was adopted for the study. The data was collected by surveying 200 current employees of IT companies in Chennai.

ANALYSIS AND INTERPRETATION

1 Factors determining the Employer brand

Table 2. Factor Loading, Eigen Value and Percentage of Extraction using Principle Component Method based on Determinants of Employer brand.

Factors	Dimensions	Factor Loadings
Functional Value	Relationship with your co-workers	0.658
	Flexible working hours	0.783
	Balance between private and work	0.703
	Organization's reputation as great place to work	0.688
	Job security	0.685
	Challenging work	0.768
	Respect for people	0.682
Psychological value	Self-confident	0.687
	Belongingness	0.719
	Pride	0.628
	Exciting work environment	0.769
	Self – Image	0.770
	Enjoying work culture	0.876
Economic Value	Overall compensation	0.764
	Fringe Benefits (Paid time off – Fair amount of Vacation, Sick leave etc...)	0.886
	Rewards and Awards for performance	0.801
	Retention Bonus	0.743
	Performance Incentive	0.786
Development Value	Onsite job opportunities	0.772
	Training and Development opportunities	0.651
	Promotion opportunities	0.745
	Opportunity ability to give and receive feedback	0.717
	Attainment of career opportunities & improving experience	0.727
Social Value	Pleasant and Social work environment	0.612
	creative employer with ethical work practices and forward thinking	0.651
	Strategies to support internal reporting of legal activities	0.723
	Humanitarian organization –provides back to the society	0.629
	Organization's CSR initiatives	0.633

Factor analysis helps to do dimension reduction and allows to identify the new set of uncorrelated variables and further small number of common factors are extracted to study the relationship of original variables.

Table 1. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.716
Bartlett's Test of Sphericity	Chi-Square	10354.866
	P value	<0.001**

Note: ** Denotes significance at 1% level

The (KMO) measure of sampling acceptability suggested that the sample value of 0.716 which is greater than 0.05 indicate that factor analysis is useful for the study.

The Factor 1 is combination of these six variable Relationship with co-workers, Clean and safe work environment, Balance between private and work, Organization’s reputation as great place to work, Transparent Communication system, Recognition/ appreciation from management and Respect for people. This was labelled as “Functional Value”.

The six items that load onto Factor 2 The factor is combination of Self-confident, Belongingness, Pride, Exciting work environment, Self – Image and Enjoying work culture is related to emotional bonding and the factor was labelled as “Psychological Value”.

Five items loaded onto Factor 3. The variables loaded are overall compensation, Paid time off- Fair amount of vacation, Sick leave, Rewards and Awards for performance, Flexible basic salary, and Job security.

This factor was labelled as “Economic Value”.

Five items load onto Factor 4 are Onsite job opportunities, Training and Development opportunities, Promotion opportunities, Opportunity ability to give and receive feedback, Gaining career-enhancing experience are related to growth opportunities. The combination of the factors termed as, “Development Value”.

The five items Pleasant and Social work environment, creative employer with ethical work practices and forward thinking, Strategies to support internal reporting of legal activities, Humanitarian organization –provides back to the society and Organization’s CSR initiatives that load onto Factor 4 related to social benefits, this was labelled, “Social Value”.

Table 3 Multiple Regression Analysis for Factors Affecting Employer Brand

Predictor Variables	Unstandardized Coefficients		Standardized Coefficients	t value	P value
	B	Std. Error	Beta		
Constant	21.384	0.104	-	10.967	<0.001**
Economic Value X1	0.187	0.135	0.086	3.539	0.009**
Development Value X2	0.103	0.172	0.145	2.682	<0.001**
Psychological Value X3	0.135	0.083	0.156	1.689	<0.011**
Social Value X4	0.064	0.166	0.030	0.536	0.029*
Functional Value X5	0.641	0.445	0.430	6.264	<0.001**
R value - 0.853, F Value - 36.505, R Square - 0.683 , P value - <0.001**					

Note: * significant at 5% level

** significant at 1% level

Through Table 3 The **R** value can be depicted through the simple correlation and is value 0.853, which shows a high degree of correlation. The **R²** value shows how much of the total variation in the response variable i.e employer brand can be explained by the predictor variables (X1, X2, X3, X4, X5), In this case, 68.3% can be explained, which is very large. The value of Adjusted R is 0.683, this value shows that there is almost 68 percent variation in response variable (Employer brand) due to a one unit change in predictor variables. The table shows the F value is 36.505 at one percent significant level which shows that the model is good as its value is less than 0.001. The coefficient beta

value of (X₁) Economic Value indicates the positive influence on Employer brand, every unit increase in Economic value would increase the Employer brand by 0.186 times, with t value 3.539 and significant level of 0.008, which indicates significance at one percent level. The coefficient beta value of predictor variable (X₂) Development Value is 0.145 with t value 2.682 and p value less than 0.001 and is significant at 1 percent level. The beta value of predictor variable (X₃) Psychological Value is 0.135 with t value 1.689 and significant level less than 0.001 and is significant at 1 percent level. The coefficient beta value of predictor variable (X₄) Social Value is 0.064 with t value 0.536 and significant level of 0.029 and is significant at 5 percent level. The coefficient beta value of (X₅) Functional Value indicates the positive influence on Employer brand, every unit increase in

Functional value would increase the Employer brand by 0.641 times, with t value 6.264 and significant level less than 0.001, which indicates significance at one percent level. The beta value indicates the unit of change in predictor variables significantly influences the change in the response variable Y (Employer brand).

FINDINGS

Factors in multiple regression accounted for 68 percent of the total variance in overall Employer brand Value perceived, the analysis for factors affecting Employer branding revealed the same factors at work, although they accounted for less overall variance. The strongest predictor of overall employer brand value is Functional Value, ($b = .54$, $t = 6.24$). The other factors were also positively correlated with brand perception. The multiple regression reveals that all that factors have positive influence on Employer brand and the most important that has positive and strong impact on Employer brand is Functional Value, followed by psychological value and Economic Value. Hence it is concluded that if employers focus on the Functional, Psychological, Economic, Development and Social Values, the employees' perception towards the employer brand also increases. The study found that functional value is the most important factor that influence the perception of employees towards the Employer brand.

CONCLUSIONS

The research findings reported that the employer brand process needs an integrated approach where all of the factors are considered equally important when shaping the employer brand and an effort to retain talent. Employer branding act as a vital role in the recruitment to attract and retain talent. It brings high level of satisfaction and transforms the organization into a great place to work. Future researchers can extent the study of gap between employees' perception and experience of employer brand.

Ethical Clearance- Not Applicable

Source of Funding- Self

Conflict of Interest - Nil

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