

**RESEARCH ARTICLE**

## Employer Branding – An Empirical Study

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### ABSTRACT:

This study explore on the “Employer Branding” which denotes the image of the employer as perceived by the internal employees (which generally is denoted by researchers as Internal Employee Image) and covers the opinion on the employer brand components namely compensation and benefits, work environment, product/company brand strength, work-life balance and company culture and environment. The sample of 50 collected from a Water pump manufacturing industry at Coimbatore, Tamilnadu. The study revealed that the mean scores for the individual dimensions of the employer brand were confirming a moderate compatibility in the employee expectations of the employer and the actual employment offer. Hence, further research can be conducted to specify the components of employer branding and its implications, to bring the organization in the rating of best employer choice

### INTRODUCTION:

Employer Branding is the term coined by Ambler and Barrow in 1996. They defined it as the package of economic, functional, psychological benefits provided by the employment and identified with the employing organization. Argyris C., (1993) defined it as the sum of a Company’s efforts to communicate to existing and prospective staff that it is a desirable place to work.

According to Davies, (2008), Employer Branding is nothing but a HR strategy borrowed from marketing to attract and retain talents. King and Grace (2008) consider that Employer branding needs both internal and external marketing. Internal marketing helps to develop a workforce. Corporate leadership Council (1999) describes employer branding as the ‘employment offer’ or job offer and insisted on the Internal employee brand image is conceptualized to be the actual offer of employment or job offer that is perceived by the employees. Collins (2006) defined it as the effect of brand image and knowledge which potential and existing employees have about the firm.

Wilden et al (2006), employer branding actually tells the attitude of potential and current employees towards job and organizational attributes which builds the employer brand image. Bernard Hodes, identified that there are two roots to the family tree of the employee brand. The first lies in recruitment communications linked to the growth of the power of the corporate brand and the second in Occupational psychology and in particular, in the idea of the psychological contract. (Employees expectations are compatible with the terms and conditions of the Organization). This study exploring the employees’ perception on the internal employee branding image which covers the opinion on the employer brand components namely compensation and benefits, work environment, product/company brand strength, work-life balance and company culture and environment.

### REVIEW OF LITERATURE:

Gehrels, S.A. (2007) A study on “Employer branding a new approach for the Hospitality industry” Employer branding has potential to face some of the problems. It is used as a human resources management strategy to differentiate. An employer brand is closely connected to a company’s corporate- and customer brands. Elements are: attractiveness to outsiders, engagement and retention of talent. For this research, 23 senior hospitality decision makers were interviewed. The interviewees acknowledged the current problems in the hospitality industry. The majority had heard about employer branding but only a few had started to implement it. Some conceive employer

branding as 'job advertisement pimping' instead of being a strategy. Based on the interviews and the literature a number of suggestions were formulated to implement employer branding.

Eveliina Suikkanen (2010) "How Does Employer Branding Increase Employee Retention?" The aim of this study was to determine how Employer Branding influences Employee Retention. A further aim was to study the concepts of employer branding, branding activities and retention and how they are linked to one another. A basic research was conducted by reviewing literature based on existing material. The concepts and implications of employer branding, marketing and branding, turnover and employee retention were researched and analyzed. The literature review concluded three major hypotheses: (1) Marketing activities aim to produce (employer) brand equity increasing (employer brand) loyalty, (2) Employer branding is a retention management technique, influencing engagement, organizational culture and the perceived psychological contract all positively linked to retention and (3) The employer brand reinforces the entire employment experience increasing retention. The review of literature resulted in the conclusion that all of the hypotheses produced were true, hence implying that branding efforts used in personnel management increase employee retention. Riley (2009) A study on "Employer Branding" has gained increasing interest in the past decade and more and more companies seek to become "the employer of choice". Even in the current economic climate of post recession it is viewed that employer branding still plays an important role especially in retaining top talent. Now that the economy is starting to recover employees are gaining back their confidence and may start looking for other opportunities. Companies that have been managing their employer brand consistently have been able to bring value to their employees thus leading to increased commitment and loyalty.

Tanya Bondarouk et al, (2012) A study on "Employer Branding and its Effect on Organizational Attractiveness via the World Wide Web" This study tests the relationships between employer branding and organizational attractiveness. Employer branding is viewed as an approach for providing organizational members and organizational outsiders with specific (employment) information to increase their experience with an organization. Promoting an organization's employment brand often occurs via different media sources, of which corporate web-sites and Social Networking Sites recently gained in popularity. Therefore, additionally, the study assessed the moderating role of the web-sites on the relationships between employer branding and organizational attractiveness. A mixed-method study served to meet the goals. Eight High Tech organizations participated in this study: interviews and document analysis functioned to assess employer branding. Lab experiment aided in testing hypotheses. Results showed that there was a direct relationship between employer branding and organizational attractiveness. The moderating

effect of the World Wide Web remains unclear. The outcomes between the control group (with no interference of corporate websites or social networking sites) and the experimental group (with interference of corporate websites or social networking sites) did not differ significantly, although the difference between the corporate websites and LinkedIn was significant, indicating that respondents feel more attraction to an organization when reviewing the corporate website than reviewing their LinkedIn profile.

## RESEARCH METHODOLOGY:

Therefore the primary purpose of this quantitative study was to examine empirically, and confirm the presence of relationship between the various components of employer brand. The influence of personal factors including the demographic variables was also studied. Based on the literature and in conjunction to the above mentioned study purpose, the following research questions were framed Research questions:

The status and nature of employer brand (Internal employee brand image) and its components as perceived by the employees of the organization?

The effects of the demographic factors on the variables of study?

A survey instrument consisting of a detailed questionnaire was prepared based on the literature reviews. The term Employer brand in this study denotes the image of the employer as perceived by the internal employees (which generally is denoted by researchers as Internal Employee Image) and covers the opinion on the employer brand components namely compensation and benefits, work environment, product/company brand strength, work-life balance and company culture and environment. Employer brand variable conceptualized based on The Corporate Leadership Council dimensions were operationalised by using a set of 5-point Likert Scale statements.

## Survey Data and Sample:

A total of 50 sample respondents were chosen from the Water pump manufacturing industry at Coimbatore, Tamil Nadu. Descriptive statistics were used to describe the Employees' perception on employer brand. Weighted average technique, ranking technique, Chi-square and cross tabulation are used for Data Analysis.

## Weighted Average Method

Employer Branding Components	N	Mean	Rank
Employer ensures necessary tools	50	2.12	16
Employer ensures comfortable work environment	50	1.9	19
Employer ensures health and safety	50	2.12	17
Employer ensures learning in work place	50	2.36	15
Employer ensures work-life balance	50	2.76	6

Employer ensures performance reflected compensation	50	2.4	14
Employer ensures recognition of individual achievements	50	2.72	8
Employer ensures need based benefit plans	50	2.78	5
Employer ensures recognition of team achievements	50	2.5	10
Employer ensures empowerment to voice constructive opinions	50	2.44	12
Employer guides rather than directs or commands	50	2.92	2
Employer ensures commitment to continuous change	50	2.98	1
Employer ensures mutual respect in workplace relationships	50	1.98	18
Employer ensures selection of the most capable	50	2.74	7
Employer ensures knowledge sharing	50	2.6	9
Employer ensures to skill compatibility in work place	50	2.86	3
Employer ensures relevant training opportunities	50	2.48	11
Employer ensures access to mentoring or coaching by seniors	50	2.44	13
Employer ensures job rotation	50	2.86	4
<b>Mean score</b>		<b>2.52</b>	

## RESULTS AND DISCUSSION:

From the above weighted average method, it is inferred that, with regard to the Employees' perceptions of their employer brand, the composite mean score ( $M = 2.52$ ) was just above the scale midpoint of 2.50, indicating that there is moderate employer brand image existing in the study area. The mean scores for the individual dimensions of the employer brand were also moderate, confirming a moderate compatibility in the employee expectations of the employer and the actual employment offer. It also been inferred that first three ranking is given to the components of Employer ensures commitment to continuous change, Employer guides rather than direct/command and ensures skill compatibility in work place respectively. It implies that corporate focus on the significant growth in the part of the employees which builds the positive employer brand image. It also to be reconciled that mean of each components are in the mid-point of scale, that is average. Hence, it can be suggested to improve the brand building efforts to reach the maximum point of scale.

### Hypothesis 1:

Null Hypothesis (H0): There is no relationship between the variable Employer ensures learning at workplace and mutual respect in workplace

Alternative Hypothesis (H1): There is relationship between the variable Employer ensures learning at workplace and mutual respect in workplace

## Employer ensures learning at workplace Vs Employer ensures mutual respect in workplace:

### Chi-Square Tests

	Value	df	Asymp.Sig(2-sided)
Pearson Chi-square	20.252a	16	0.209
Likelihood Ratio	23.946	16	0.091
Linear-by-Linear Association	0.051	1	0.822
N of Valid Cases	50		

23 cells (92.0%) have expected count less than 5. The minimum expected count is 0.24. The above table of Chi-square test, the calculated value is 0.209, which is greater than table value, 0.05. Hence, Null hypothesis is accepted and alternative hypothesis is rejected. It has been inferred that there is no significant relationship between the learning at workplace and mutual respect in workplace.

### Hypothesis 2:

Null Hypothesis (H0): There is no relationship between Income variable and Employer ensures comfortable work environment

Alternative Hypothesis (H1): There is relationship between Income variable and Employer ensures comfortable work environment.

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.368 <sup>a</sup>	12	.045
Likelihood Ratio	20.745	12	.054
Linear-by-Linear Association	.140	1	.709
N of Valid Cases	50		

a. 16 cells (80.0%) have expected count less than 5. The minimum expected count is .02.

The above table is framed to find out the relationship between income and employer ensures comfortable work environment. As the  $p=0.045$ , less than level of significance of 0.05, Null hypothesis is rejected and concluded that there is significant relationship between the income and comfortable work environment.

## FINDINGS:

- 28% of the respondents' age between 20-30 years of age, 48% of the respondents' age is between 30 and 40.
- 66% of the respondents are male and 34% of the respondents are female
- 44% of the respondents' salary ranges between Rs.5000-Rs.10,000 per month. 42% of the respondents ranges between Rs.10,000 to 15,000 per month
- 48% of the respondents' agreeing that employer ensures necessary tools.

5. 72% of the respondents' agreeing that employer ensures comfortable work environment.
  6. 74% of the respondents agreeing that employer ensure health and safety.
  7. 76% of the respondents agreeing that employer ensure learning at workplace.
  8. 54% of the respondents' agreeing that employee ensures performance reflected compensation
  9. 58% of the respondents' agreeing that employer ensures recognition of individual achievement.
  10. 66% of the respondents' ensures that employer give importance to voice constructive opinions
  11. 42% of the respondents' felt that employer guide rather than direct and command. Other half of the respondents disagreeing is also insignificant
  12. 74% of the respondents' felt that there is mutual respect at workplace.
  13. 44% of the respondents felt that employer ensures selection of the most capable.
  14. 48% of the respondents' agreeing that employer ensures knowledge sharing.
  15. 56% of the respondents' felt that the employer ensures relevant training opportunities.
  16. 54% of the respondents' felt that the employer ensures job rotation
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## CONCLUSION:

It can be inferred that only half of the respondents agreeing that employer ensures necessary tools, performance reflected compensation, employer guide rather than direct, employer give importance to voice constructive opinions, employer ensures for job rotation and training opportunities. It proves that employer ensures moderate employer branding compatibility. Hence, further research can be conducted to specify the components of employer branding and its implications, to bring the organization in the rating of best employer choice.

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