

# EMPIRICAL STUDY OF FACTORS AFFECTING EMPLOYER BRANDING

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**Abstract** Human resources are the vital for every organisation. In the era of cut-throat competition, it is essential for the organisations to create a different identity and retain their existing talent and attract the competent and committed people for the future. Keeping this point in consideration, the present study tries to review the available literature in the field of employer branding with the objectives to highlight the various factors that helps in building employer brand and to check the relationship between HRM Practices, job satisfaction and employer branding.

**Keywords:** Employer Branding, HRM Practices, Job Satisfaction, Organisation

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## INTRODUCTION

Organizations highly depend on the available resources like man, machine, material, market, money, and methods. Out of these resources, man is very vital and is considered as an asset of the organisation. Therefore, attracting and retaining talent is the prime concern for any organisation to sustain its position in the competitive market (Collins, 2001 cited in Wallace, Lings, Cameron, & Sheldon, 2014). Even attracting and retaining talent are major challenges for human resources management which can be controlled through sustainable HRM practices (App, Merk, & Büttgen, 2012). They also suggested that employer should establish the employer brand that includes sustainable HRM. Buttenberg (2013) also described that there is a need to create, communicate, and maintain a brand in order to differentiate from competitors and to attract, develop and maintain talented and motivated employees are the crucial factors for success.

Brand is normally associated with market. Marketing Guru Kotler (1994) has defined brand as “a seller’s promise to deliver a specific set of features, benefits, and services to the buyers”. According to Raj and Jyothi (2011), “it involves the creation of psychological structures that help the target audience to organize their knowledge with respect to a particular product/organisation”. Moreover, Davis (2003) described a brand as “all of the promises and perceptions that

an organisation wants its customers to feel about its product and service offerings”. In short, customers differentiate the production the basis of brand.

The similar concept is also used by the HR Department to manage and retain the talents which is considered as “Employer Branding”. The term Employer Branding is conceptualised by Ambler and Barrow in their paper in the year 1996. They defined employer branding as “the package of functional, economic, and psychological benefits provided by employment and identified with the employing company”. The definition highlights on certain features of organisation in terms of benefits to maintain existing employees as well as to attract anticipated employee and differentiate one organisation with others. In short, “the specific image that organisations aim to project to its current and potential employees and other relevant stakeholders is the central component of employer branding” (Branham, 2001). This shows the urgency of the concept to remain competitive. Therefore, companies have invested more in their marketing and tried to create the strong brands for retaining, acquiring and attract talent. This helps the organisation in remaining competitive. As it is the urge of every organisation to create a healthy brand and remain competitive, the researchers wrote the paper and tried to find out the basic literature on the employer branding. Moreover, it also highlights the factors in terms of HRM practices which can affect the employer branding.

## OBJECTIVES

The present paper has been worked out with the following objectives:

1. To find out various research works that have been done in the area of employer branding,
2. To highlight the various factors that affect the employer branding positively,
3. To discover the relation between various factors and job satisfaction.

## METHODOLOGY

The study is descriptive in nature and based on secondary data only. The secondary data have been collected from various research papers, articles and books.

## FACTOR AFFECTING TO EMPLOYER BRANDING

Many researchers have used the tool of Berthon, Ewing and Hah (2005) to identify the dimensions of attractiveness of an employer brand. In the tool, they considered different values as factors viz, interest value, social value, economic value, development value and application value, and their impact on employer branding (Biswas & Suar, 2013; Saini, Rai, & Chaudhary, 2014; Sivertzen, Nilsen, & Olafsen, 2013; Roy, 2008). Particular value has been analysed through different HRM Practices of the organisation, such as interest value described through exciting and challenging work environment and makes use of its employees' creativity to produce high-quality, innovative products and services, social value through work environment and relations to other employees

(employee relations); economic value through economic benefits (compensation management); development value through the possibility for future job opportunities (training and development); application value through the possibility to use what has been learned earlier (types of work). It is found that these values are also major attributes of employer brand. As brand spirit of an organisation must reflect with its employees, HRM practices must involve understanding employees' values (Biswas & Suar, 2013). The various HR processes for recruiting, motivating, and retaining the employees through rewards and recognition, compensation and benefits, training, quality of work, work life balance, autonomy, engagement, exit interviews, participation in decision making, growth and developmental opportunities, all together create an OCTAPACE culture which is the most important factor for the success or failure of internal branding (Raj & Jyothi, 2011). Vaijayanthi, Roy, Shreenivasan, and Srivathsan (2011) wrote a paper on "Employer Branding as an antecedent to Organisation Commitment: An Empirical Study". They used compensation and benefits, work environment, product/company brand strength, work-life balance and company culture & environment as the factors of employer branding. Even many companies use the same HR practices in different geographic markets judgements that such practices, and the work climate that these practices partially create, help attract and retain employees, which helps in creating positive attitude and increase employee performance (Stumpf, Doh, & Tymon, 2010; Neal, West, & Patterson, 2005; Patterson, Warr, & West, 2004; Rogg, Schmidt, Shull, & Schmitt, 2001). According to Maxwell and Knox, (2009), the factors employees consider most attractive can be different in each organisation but there are few which attract the talent most.

**Table 1: Factors Highlighted in Various Studies**

Factor	Author	Title of Research Paper or Article	Year
Employment	Burawat Piyachat, Kuntonbutr Charnongkorn, and Mechinda Panisa	The Mediate Effect of Employee Engagement on the Relationship between Perceived Employer Branding and Discretionary Effort.	2014
	Rachael Maxwell and Simon Knox	Motivating employees to "live the brand": a comparative case study of employer brand attractiveness within the firm.	2009
Training and Development	L. F. Love and P. Singh;	Workplace Branding: Leveraging Human Resources Management Practices for Competitive Advantage Through "Best Employer" Survey	2011
	P. Vaijayanthi, R. Roy, K.A. Shreenivasan, and J. Srivathsan	Employer Branding as an Antecedent to Organisation Commitment: An Empirical Study.	2011
	Rachael Maxwell and Simon Knox	Motivating employees to "live the brand": a comparative case study of employer brand attractiveness within the firm.	2009

Factor	Author	Title of Research Paper or Article	Year
Performance Management	Wayne F. Cascio	Leveraging employer branding, performance management and human resource development to enhance employee retention	2014
	Linda F. Love and Parbudyal Singh	Workplace Branding: Leveraging Human Resources Management Practices for Competitive Advantage Through 'Best Employer' Surveys.	2011
Work Life Balance	The Corporate Leadership Council	The Employment Brand: Building Competitive advantage in the Labour Market	1999
Compensation and Benefits	Anne-Mette Sivertzen, Ety Ragnhild Nilsen, and Anja H. Olafsen	Employer branding: employer attractiveness and the use of social media	2013
	Cable, D.M. and Judge, T.A.	Person-organisation fit, job choice decisions and organisational entry	1996
	Wim J.L. Elving, Jorinde J.C. Westhoff, Kelta Meeusen and Jan-Willem Schoonderbeek	The war for talent? The relevance of employer branding in job advertisements for becoming an employer of choice	2012
	Rachael Maxwell and Simon Knox	Motivating employees to "live the brand": a comparative case study of employer brand attractiveness within the firm.	2009
Career Development	Ralf Wilden, Siegfried Gudergan, and Ian Lings,	Employer branding: strategic implications for staff Recruitment	2010
	Gordhan K. Saini, Purvi Rai, and Manoj K. Chaudhary	What do best employer surveys reveal about employer branding and intention to apply?	2014
Employee Communication	Linn Viktoria Rampl and Peter Kenning	Employer brand trust and affect: linking brand personality to employer brand attractiveness	2012
	Gordhan K. Saini, Purvi Rai and Manoj K. Chaudhary	What do best employer surveys reveal about employer branding and intention to apply?	2014

## Employment

Piyachat *et al.*, (2014) took employment as one of the dimensions which measured job characteristics and working conditions. The result revealed that it is the most important factor which has positive relationship with employer branding. Vaijyanthi *et al.* (2011) used the corporate leadership council's model of employer brand and used the Universum Communication's Universum Graduate survey instrument for the study. It concluded that work environment is most satisfying employer brand component.

## Training and Development

Love and Singh (2011) found that best employers have a culture to promote training and development which would be given as per the career path and succession planning of the organisation. Employer branding programmes include ongoing training which supports the employees in exhibiting brand behaviour (Vaijyanthi *et al.*, 2011). Maxwell and Knox (2009) have considered training as one of the intangible reward factor.

## Performance Management

Performance management is a continuous process of identifying, measuring, and developing individuals or teams, and of aligning that performance with the strategic goals of an organisation (Aguinis, 2009; Cascio & Aguinis, 2011 cited in Cascio, 2014). To measure the performance should not be once in a year activity; it should be an ongoing process. Wayne (2014) also revealed that careful attention to performance appraisal; Branding and HRD definitely add value to the organisation. Love and Singh (2011) found performance management is one of the criteria for HR success. The best employer should provide formal performance management programme. This helps the employees in exhibiting brand behaviour (Vaijyanthi *et al.*, 2011).

## Compensation and Benefit

Sivertzen *et al.* (2013) used Empat five dimensions scale to investigate which factors employers should focus on in their employer branding strategies. It consists of economic value as one of the dimensions which included an attracting

overall compensation package and it found that economic value did not have significant relation with employer brand. But, another study by Franca and Pahor (2012) revealed that offering above average pay would attract more talent. It is also revealed by Corporate Leadership Council (1999) that compensation could make a good employer brand.

### Work Life Balance

Vaijayanthi *et al.* (2011) took work life balance as one of the dimensions of employer brand in their research work. The study revealed that it was one of the satisfying components of employer brand. Bakanauskiene, Bendaravičienė, Krikštolaitis, and Lydeka (2011) also took work life balance as one of the dimensions of workplace satisfaction after content validity of the instrument.

### Career Development

Wilden *et al.* (2010) found that highly experienced people liked to value a specific company's contribution to their career profile and the chances for promotion. Saini *et al.* (2014) wrote the article on what best employer survey reveals about employer branding and intention to apply. The study revealed that development value significantly contributed to the applicant intention to apply and considered as major employment attractiveness dimension. It covers various elements of functional and psychological benefits.

### Employee Communication

Saini *et al.* (2014) suggested in their study that for building and sustaining employer brand, along with proper designing the activities and execution, their effective communication to the target audience needed. Employer branding research indicates that, for instance, publicity, word-of-mouth have different effects on application intentions (Collins & Stevens, 2002 cited in Rampl & Kenning, 2014). Satisfied employee communicates about the organisation to external environment (Maxwell & Knox, 2009).

### Job Satisfaction

Locke (1976) defined employee job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience". It is also defined as employees' overall affective state of mind resulting from an approval of all aspects of his job (Khan, 2010; Hossan, *et al.*, 2012b; Marchington & Wilkinson, 2008 all cited in Sarker, 2014; Shabnam & Sarker, 2012).

An employee's level of satisfaction toward his job varies with specific feature of the job. These depend on the nature

of the work, pay, promotion, co-workers and organisational context (Shabnam & Sarker, 2012). Many studies have demonstrated that job satisfaction is one of the key factors of individual and organisational performance (Wright, Garden, & Moynihan, 2003). In HR strategy, individuals should have higher level of communication with co-workers, employees and outsiders of the organisation and they should have greater involvement of decision making process for higher level of employee satisfaction.

Trust and intrinsic rewards are positively related to high organisational commitment and positive attitude toward the job. The proposed practices of Gürbüz (2009), which were participation, empowerment, job rotation, self-directed work teams, and contingent compensation, all such factors were positively correlated with employee's job satisfaction. Hierarchical regression analysis reveals that except contingent compensation, the all other practices (participation, empowerment, job rotation, and self-directed work teams) account for unique variances in job satisfaction (Khan *et al.*, 2011; Marchington & Wilkinson, 2008 all cited in Sarker, 2014; Gürbüz, 2009). Very few studies have discovered perceptions of HRM practices are associated in direct relationship with job satisfaction (Byrne, Miller, & Pit, 2010). The result of their study revealed that HRM practices like safe work practices, training and development, impression management, recruitment and selections are positively associated with job satisfaction. Specifically, in their efforts to understand the effects of HRM practices on performance, researchers have shown initial support for job satisfaction mediating the relationship between HRM practices and organisational performance (Khilji & Wang, 2006; Walton 1985 all cited in Byrne *et al.*, 2013). Schmidt (2007) found a positive relationship between satisfaction with job training and overall job satisfaction. Thus, previous research suggests that favourable perceptions of HRM practices are related to levels of job satisfaction.

As research shows satisfied employees are more committed and have positive attitude towards the organisation and the job (Gürbüz, 2009). This would create the positive image of the organisation. As seen in the literature, employer branding is the positive image that organisation wants to project. This shows that there is a positive relation between job satisfaction and employer branding.

### CONCLUSION

Now-a-days, employee retention and attraction are the very critical issues for the organisation. There is no best way to retain and attract the employees but employer branding is one of the methods which can differentiate the organisation from others and helps in attracting and retaining talent. The research paper tries to cover the various research works of different researchers in the fields of employer branding, job

satisfaction and HRM practices. The empirical research shows the relationship among the HRM practices, job satisfaction and the employer branding. Job satisfaction is working as intermediate variable between HRM practices and employer branding. HRM practices help in satisfying the employees. Satisfied employees remain loyal to the organisation and also spread positive message outside the organisation which helps in attracting the talent. Positive image of the organisation is called employer branding. Organisation needs to implement good HRM practices to maintain the brand. Therefore, nowadays organisations are concerned about their HRM practices and putting efforts for improvement of employer branding. They are using employer branding as one of the tools of employee retention and employee attraction.

Still there is a scope for further research in field of employer branding and effect of other HRM practices like recruitment, working condition, flexi time, flexi work and more on creation of employer brand.

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