

IMPACT OF EMPLOYER BRANDING ON RETENTION OF EMPLOYEES OF MANAGEMENT INSTITUTES

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ABSTRACT

Employer brand is “the image of an organization as a ‘great place to work’ in the mind of current employees and key stakeholders in the external market.” Brands are among a firm’s most valuable assets and as a result brand management is a key activity in many organizations. The key to developing the employer brand strategy is to arrive at a comprehensive understanding of the organizational culture, key talent drivers (engagement factors), external perceptions, leadership vision, and management practices. Brand Management have been applied by the HR in order to attract, engage and retain employees in the same way as marketing applies such tools to attract and retain customers.

A descriptive research seeks insight into the occidental concept of employer branding in Management Institutes. It identifies parameters and factors in a myriad of areas related to employer branding like factors pertinent in developing the employer brand, attributes considered most important in attracting new talent to the companies, challenges in managing an employer brand, factors an employee considers important about working with the company, communication media considered important for communicating the employer brand, and finally benefits arising from implementing employer brand. Employer branding undoubtedly is a significant precept of modern management, one that offers a fine blending of the science of marketing with the art of enlightened human relations management. It is the key to one of the strongest challenge of rampant employee attrition. The paper tries to describe the branding of management institutes in Udaipur and its impact on satisfaction and retention of employees with the sample of 100 respondents.

Keywords: Branding, Employee Engagement, Retention, Attrition

INTRODUCTION

“Make work interesting, develop my skills, pay me fairly, consider my personal values and i’ll stay”

Employer branding is today a focus of every employer, regardless of size. Earlier, it was primarily a concern for large employers in a limited number of industries that faced strong competition for talent. Today, competition for talent is fierce in any number of industries and in any number of regions.

For any organization provided with all the financial and strategic support with latest possible technologies and proactive innovative measures, the major driving force to lead it up from one step to another is its workforce. Organizations can attract better workforce only, when it has a positive image as an employer. Therefore employer branding or organizational image play a vital role in intention to apply and job choice decisions of applicants.

As a result, employer branding has expanded into every industry and corporate size bracket. As employers discover how important the right talent is for their overall business success, employer branding is today an integral part of any successful business plan. It is the strategy companies use to achieve their desired appeal on current and future ideal talent.

The employer brand is the most powerful tool for attracting; engaging and retaining the right talent fit that will help leaders grow their organization. In principle, brands can be seen as a set of symbols which represent a variety of ideas and attributes, the net result of which is the public image, character or personality of an organization. Employer brand is understood as a brand which differentiates it from other competitors in the employment market. The term also includes long term strategy that establishes an organization’s identity as an employer in the employment market. Ambler and Barrow define employer brand as follows: “The package of functional, economic, and psychological benefits provided by employment, and identified with the employing company.” It can stand alone as the only approach corporate recruiting managers can leverage to guarantee an end to their talent shortage problem. Now organizations pay attention on the name of the company as well as its culture because they are facing severe competition from each other and they can win this competition war successfully if they have good corporate image with qualified and talented employees. Therefore this study focuses on some key factors that directly or indirectly add to perceived employer branding of the respective institute in the mind of the potential employees and how these aspects affect their intention to apply in an organization and satisfaction after applying.

REVIEW OF LITERATURE

The term “*Employer Brand*” was first used in the early 1990s to denote an organizations’ reputation as an employer. As such, branding activities involve constructing particular attributes (e.g. the values on an organization) that are considered to represent the image that accompany wishes to communicate to potential employees, current staff and the public.

Ambler and Barrow (1996) have defined employer branding as the development and communication of an organization's culture as an employer in the marketplace. It is the package of functional, economic and psychological benefits provided by employment, and identified with the employing company. It conveys the "value proposition" the totality of the organization’s culture, systems, attitudes, and employee relationship along with encouraging

your people to embrace and share goals for success, productivity, and satisfaction both on personal and professional levels.

According to Sullivan (2004), employer branding is a long term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm. The employer brand puts forth an image showing the organization as a good place to work.

In the service industry, employees play a critical role in development of brand image (de Chernatony & Segalhorn 2003, Mc Donald, de Chernatony & Harris 2001, Bitner, Boom & Mohr 1994). Therefore, recruiting right type of talent becomes critical, as does the employer brand image in the recruitment market (Ewing et. al. 2002). What is even more critical is whether this image that they carried as an applicant is sustained with their stay in the organization (Knox & Freeman 2006).

According to Backhaus and Tikoo (2004), employer branding is essentially a three step process. First, a firm develops a concept of the particular value it offers to prospective and current employees. This value proposition provides the central message that is conveyed by the employer brand. It is of key importance that this value proposition derives from a thorough audit of the characteristics that make the firm a great place to work. The third step involves carrying the brand "promise" made to recruits in to the firm and incorporating it as part of the organizational culture.

According to Ritson (2002) companies with strong employer brands can potentially reduce the cost of employee acquisition, improve employee relations, increase employee retention and even offer lower salaries for comparable staff to firms with weaker employer brands.

Previous literature suggests that positive employer branding increases the applicants' intention to apply, satisfaction and retention.

Conceptual Framework

Employer branding is defined as "a targeted, long term strategy to manage the awareness and perceptions of employees and related stakeholders with regards to a particular firm"(Sullivan 2004). Minchington defines employer brand as "the image of organization as a great place to work in the mind of current employees and key stakeholders in the external market (active and passive candidates, clients, customers and other key stakeholders). The art and science of employer branding is concerned with the attraction, engagement and retention initiatives targeted at enhancing company's employer brand.

At the heart of the Employment branding is the Employee Value Proposition (EVP). EVP is influenced by the organization's values, culture, leadership, environment, talent and reward programs. Employment branding is internally and externally promoting a clear view of what makes a firm different and desirable as an employer (Lievens, 2007).

The key components of employer branding are:

- Culture- Internal Communication,
- Reward and Recognition, Measurement
- System, Training & Development,

- Service Support
- Purpose- Service Leadership, Values/ CSR, External Marketing
- Employment- Working Environment, Team Management, Recruitment and Induction

Employer Branding – A Five Step Process

An employer branding model is given that identifies key processes which will work for any employer.

Research: to understand where an employer is positioned in the employment market and to determine the appropriate action plan is fundamental.

Employer Value Proposition (EVP): The company or organization needs a unique employer offer. The EVP gives current and future employees a reason to work for an employer and reflects the company's competitive advantage. Employers that manage their EVP effectively benefit from an increase in their talent pool and employee engagement, as well as a potential decrease in salary costs. By analyzing the factors influencing the employer brand, and by defining a strong and true EVP, the employer will be able to deliver sound and consistent communications during the communication phase and develop an attractive, as well as unique, employer brand.

Communication strategy: The EVP is a useful tool used by HR, Marketing or Communications to be able to emphasize the most attractive factors and be consistent in the employer communications.

Communication Solutions: the aim at this step is to express the employer value proposition (EVP) by using the right words and images, so it becomes consistent with the corporate identity and branding efforts. Employers should strive to develop consistency throughout their communication material.

Action: implementing all the steps and monitoring closely is the only way to brand the organization.

OBJECTIVES OF THE STUDY

1. To explore what makes an employer attractive
2. To explore the channels of employer branding
3. To study the impact of employer branding on retention of employees of management institutes

RESEARCH METHODOLOGY

Population- Faculties of Management Institutes in Udaipur

Sample Size- 100 Faculties

Sampling Technique- Convenient Sampling

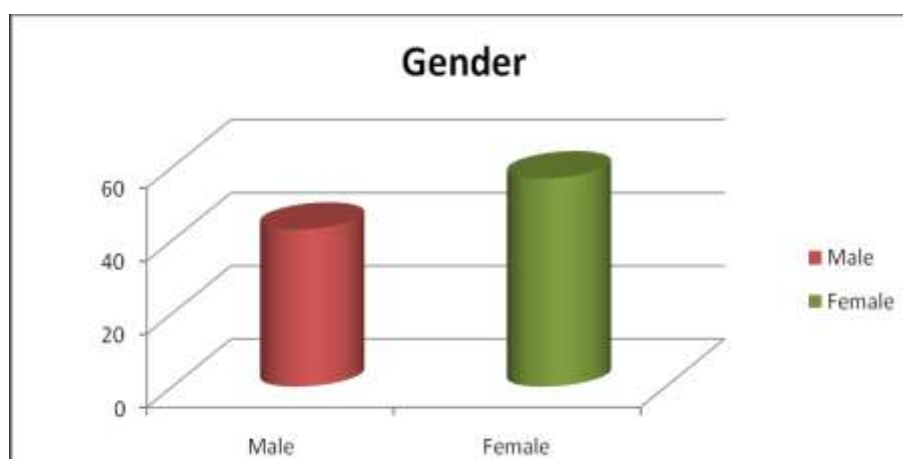
Data Collection - Primary Data is collected with the help of Structured Questionnaire with close ended questions and 5 point scale i.e. Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree for precise response of the respondents.

Data Analysis and Interpretation

Data were subject to statistical analysis such as descriptive statistics and frequency distribution .for scaled data, reliability analysis is applied before subjecting the data for testing the level of satisfaction and retention using chi-square test.

Table 1. Gender ratio of respondents

Gender	No. of Respondents
Male	43
Female	57

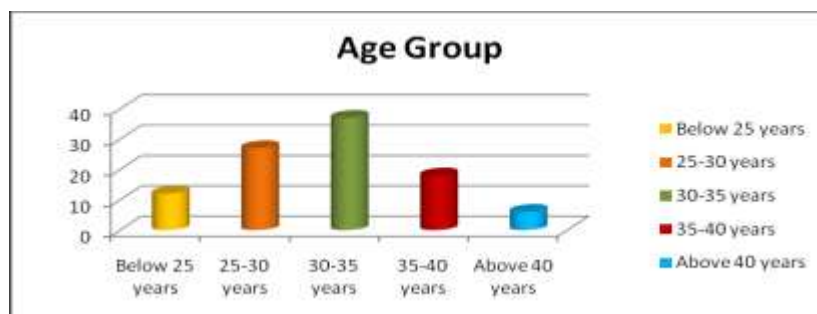


Graph 1

The above table and graph shows that majority of respondents i.e. 57 % were female and rest 43% were males.

Table 2. Age Group ratio of respondents

Age Group	No. of Respondents
Below 25 years	12
25-30 years	27
30-35 years	37
35-40 years	18
Above 40 years	6

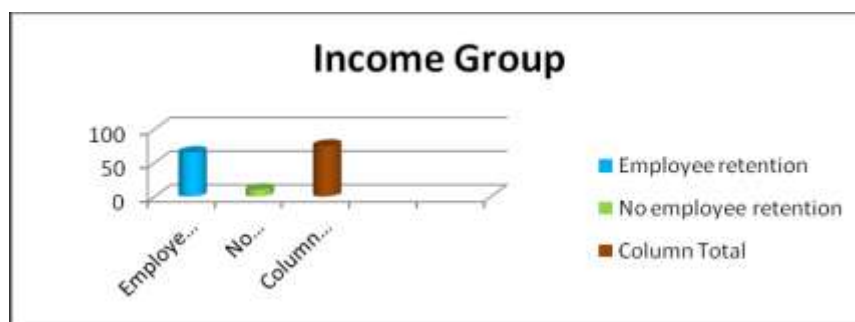


Graph 2

It is inferred from the above table that maximum 37% respondents were in the age group of 30-35, and minimum 12% were below 25 years.

Table 3. Income Group of respondents

Income Group	No. of Respondents
15000-20000	44
20000-25000	29
25000-30000	12
30000-35000	11
Above 35000	4

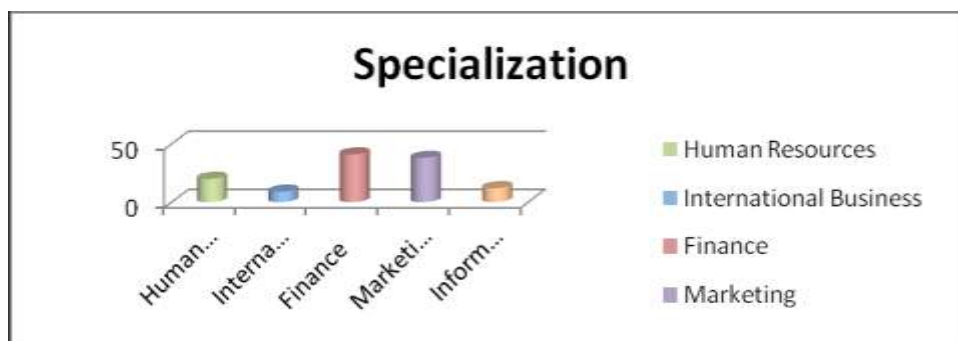


Graph 3

From the above graph it is revealed that 44% respondents are in the income slab of Rs. 15000-20000 and only 4% respondents have income above Rs. 40000.

Table 4. Specialized field of respondents

Specialization	No. of Respondents
Human Resources	20
International Business	9
Finance	41
Marketing	38
Information Technology	12

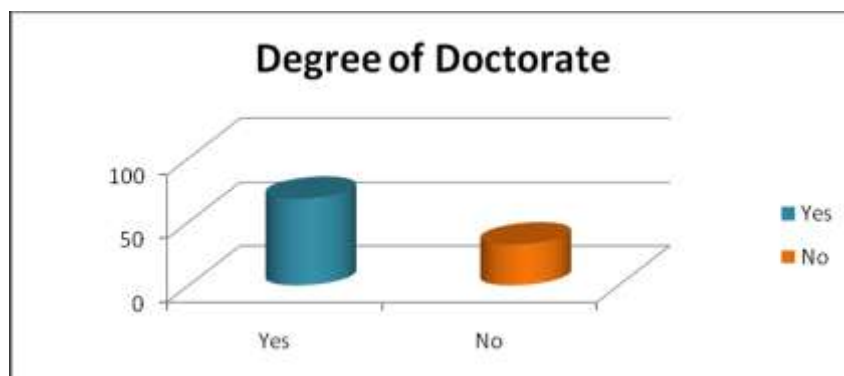


Graph 4

Finance came out as the major specialization of 41% respondents and rest are from different fields like 20% from human resources, 9% from international business, 38% from marketing and 12% from information technology.

Table 5. Respondents holding Doctorate Degree

Doctorate	No. of Respondents
Yes	68
No	32

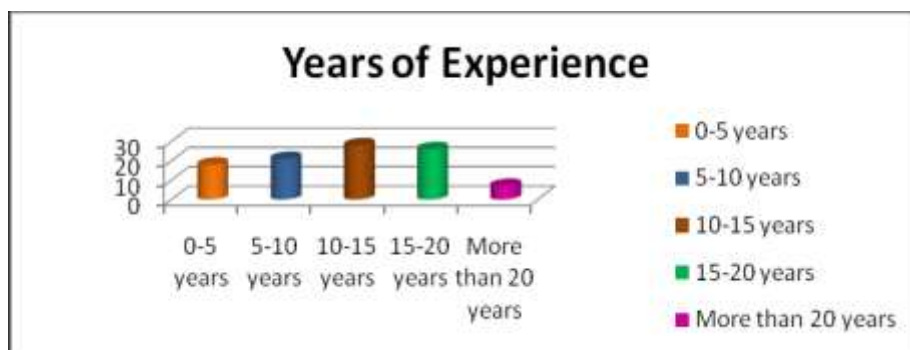


Graph 5

The Graph shows that 68% respondents have completed their doctorate degree.

Table 6. Total teaching experience of respondents

Teaching Experience	No. of Respondents
0-5 years	18
5-10 years	21
10-15 years	28
15-20 years	26
More than 20 years	7

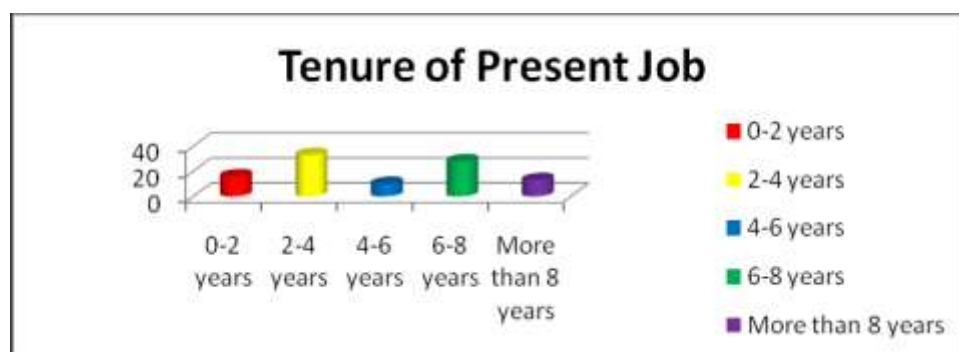


Graph 6

The above table gave statistics of working experience of the respondents. Maximum 28% respondents have an experience of 10-15 years and 26% have 15-20 years and only 7% respondents are having experience of more than 20 years.

Table 7. Respondents tenure of current job

Tenure of Present Job	No. of Respondents
0-2 years	16
2-4 years	33
4-6 years	10
6-8 years	28
More than 8 years	13

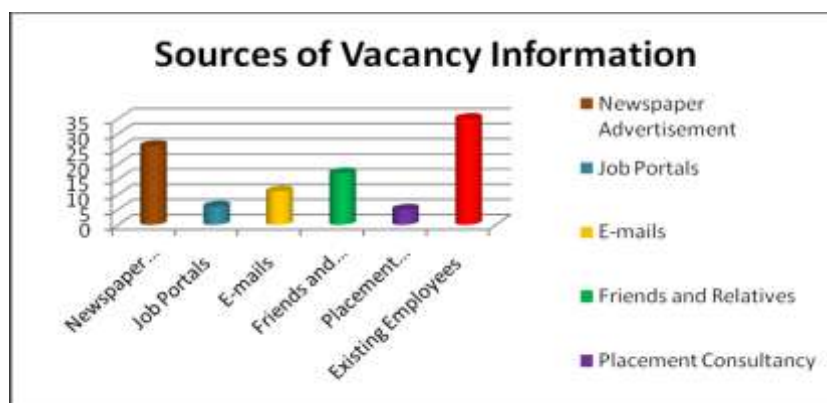


Graph 7

The above graph shows that 16% respondents are working in the same institute for less than 2 years, 33 % respondents are working from 2-4 years, 10% respondents are working from 4-6 years, 28 % respondents are working from 6-8 years and 13 % respondents are working from more than 8 years.

Table 8. Different sources of vacancy information

Source of Vacancy Information	No. of Respondents
Newspaper Advertisement	26
Job Portals	6
E-mails	11
Friends and Relatives	17
Placement Consultancy	5
Existing Employees	35



Graph 8

The statistics shows that maximum number of respondents got information about vacancy through existing employees i.e. 35% and the minimum number of respondents got information through placement consultancy i.e. 5 %.

Vacancy information through job portals was reported by mere 6% respondents, 11% respondents got message through e-mails , 26%through newspaper advertisements and 17% respondents were informed through friends and relatives.

Hypothesis Testing

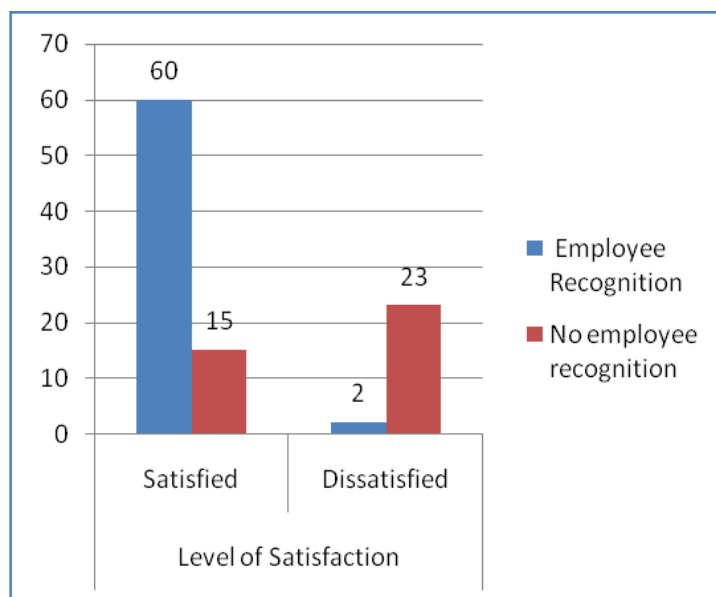
Chi-square test is applied to find out the significant relationship between the level of satisfaction, recognition and retention of employees.

H₀: Satisfaction of employee has significant relation with employee recognition.

H₁: Satisfaction of employee does not have significant relation with employee recognition.

Table 9

Employee Recognition	Level of Satisfaction		Row Total
	Satisfied	Dissatisfied	
Yes	60	2	62
No	15	23	38
Column Total	75	25	100



Graph 9

Inference

Calculated chi-square value = 3.05

Table Value = 3.84 (at 5% level of significance)

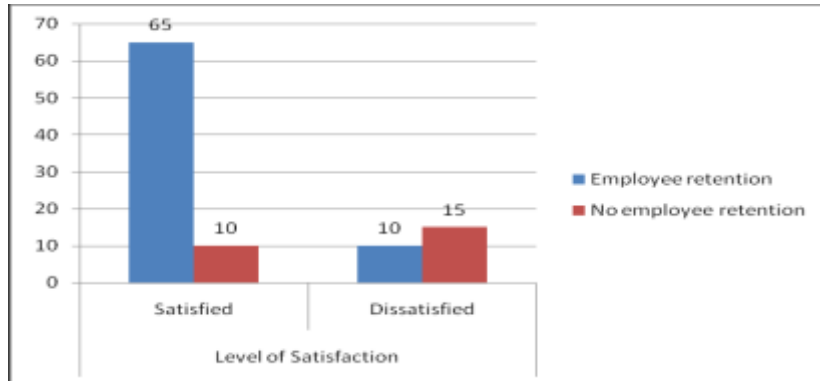
From the above analysis it is inferred that the tabular value of chi-square is more than the calculated value i.e. null hypothesis is accepted. So there is significant relation between employee satisfaction and employee recognition. 60% employees are satisfied because they got recognition by the employer.

Ho: There is no significant relationship between employee satisfaction and retention.

H₁: There is significant relationship between employee satisfaction and retention.

Table 10

Employee Retention	Level of Satisfaction		Row Total
	Satisfied	Dissatisfied	
Yes	65	10	75
No	10	15	25
Column Total	75	25	100



Graph 10

Inference

Calculated chi-square value = 21.77

Table Value = 3.84 (at 5% level of significance)

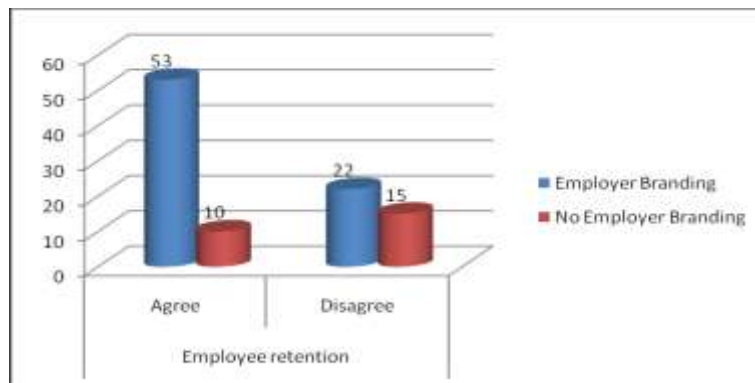
From the above analysis it is inferred that the tabular value of chi-square is less than the calculated value i.e. null hypothesis is rejected. So there is significant relationship between employee satisfaction and employee retention. As satisfaction level increases more is the chances of employee retention(65%).

Ho: There is no significant relationship between employer branding and employee retention

H₁: There is significant relationship between employer branding and employee retention

Table 11

Employer Brand	Employee retention		Row Total
	Agree	Disagree	
Yes	53	22	75
No	10	15	25
Column Total	63	37	100



Graph 11

Inference

Calculated chi-square value = 7.56

Table Value = 3.84 (at 5% level of significance)

From the above analysis it is inferred that the tabular value of chi-square is less than the calculated value i.e. null hypothesis is rejected. So there is significant relationship between employer branding and employee retention. Employees working with good employer brand agree to retain (53%) more than in organizations where employer is not having a brand image.

FINDINGS

- Maximum number of respondents got information about vacancy through existing employees i.e. 35% and the minimum number of respondents got information through placement consultancy i.e. 5 %.
- There is significant relation between employee satisfaction and employee recognition.
- There is significant relation between employee satisfaction and employee retention.
- There is significant relationship between employer branding and employee retention.

CONCLUSION

Employer branding, however, is the process of generating appeal, creating an identity, communicating that identity and ensuring that the identity remains authentic and true. It's about ensuring that your organization is known, respected and considered to be a great place to have a career and work.

Employer branding in a nutshell is match-making, creating the perfect relationship between the employer and the employee. Employers should research their environment to know how their target group perceives them, understand what they want and need from them and understand their market position. They will need to develop or update their EVP to be consistent in their communications and help people in the organisation be the brand. They will need to communicate or implement tactics to build or reinforce the desired employer image. For example, understanding what professionals want will help you to attract them. If you do not know the answers to these questions, it is probably time to find out. Organizations need strategic integration for building an employer brand. In fact, it is hardly possible to create a successful employer branding without integrating the initiative closely with the greater organizational missions, values and strategies. And if it succeeds the advantages are numerous – a successful employer branding makes it easy for the organization to recruit & engage people, increase creativity, satisfaction and thus increase retention.

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