

## ***Reflection on Gaining Competitive Advantage Through Employer Branding***

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### **Abstract**

The employer brand is the most powerful tool for attracting the right talent fit that will help gaining competitive advantage by the organizations. 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. 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. 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 a management institute in Udaipur and its impact on satisfaction and retention of employees with the sample of 100 respondents.

### **Introduction**

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.

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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.

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.

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.

According to Backhaus and Tikoo (2004), employer branding is essentially a three step process. 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.

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

#### **Employee Value Proposition**

(EVPs) are most commonly defined as a term used to denote the balance of the rewards and benefits that are received by employees in return for their performance in the workplace. EVPs are also about marketing the organization through present and prospective staff.

#### **Why organizations need an EVP**

Organizational psychologists have identified that personal job satisfaction is driven by more than financial factors like benefits and salary. Insync Surveys' research has found that an organization's EVP is critical to attracting, retaining and engaging quality people.

#### **Objectives of the Study**

To study the impact of employer branding on retention and satisfaction of employees of management institutes

#### **Data Analysis**

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

Figure 1 shows that majority of respondents i.e. 57 % were female and rest 43% were males.

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

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

Finance Figure IV 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.

The Figure V 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.

The Figure VI 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.

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

#### Hypothesis I

H<sub>0</sub>: Satisfaction of employee has significant relation with employer branding. Table I & Figure VIII

H<sub>1</sub>: Satisfaction of employee does not have significant relation with employer branding.

#### 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 employer branding. 60% employees are satisfied because their employer has competitive advantage reflected by employer branding.

#### Hypothesis II

H<sub>0</sub>: There is no significant relationship between employee satisfaction and retention.

H<sub>1</sub>: There is significant relationship between employee satisfaction and retention. Table II & Figure XI.

#### Inference

Calculated chi-square value = 21.77

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

From the 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%).

#### Hypothesis III

H<sub>0</sub>: There is no significant relationship between employer branding and employee retention

H<sub>1</sub>: There is significant relationship between employer branding and employee retention. Table III & Figure X.

#### Inference

Calculated chi-square value = 7.56

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

From the 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 employer branding.
- There is significant relation between employee satisfaction and employee retention.
- There is significant relationship between employer branding and employee retention.

## Conclusion

Employer branding 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 organization 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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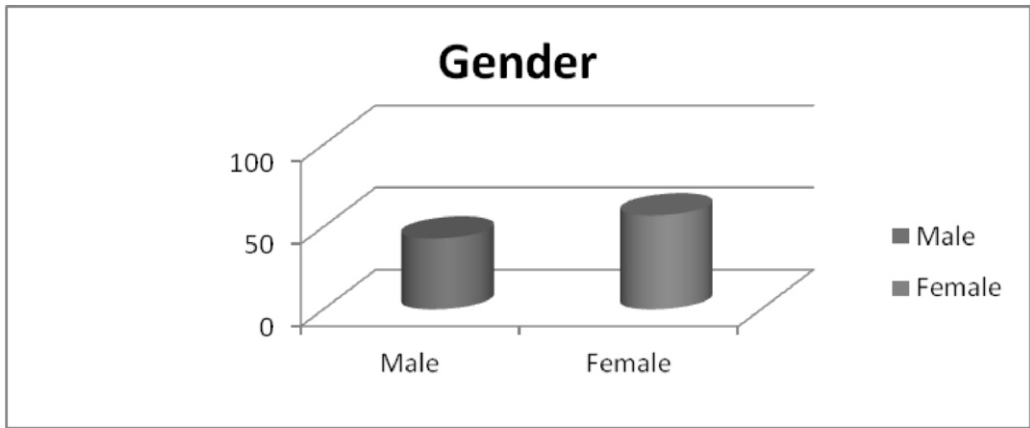


Figure I: Gender of Respondents

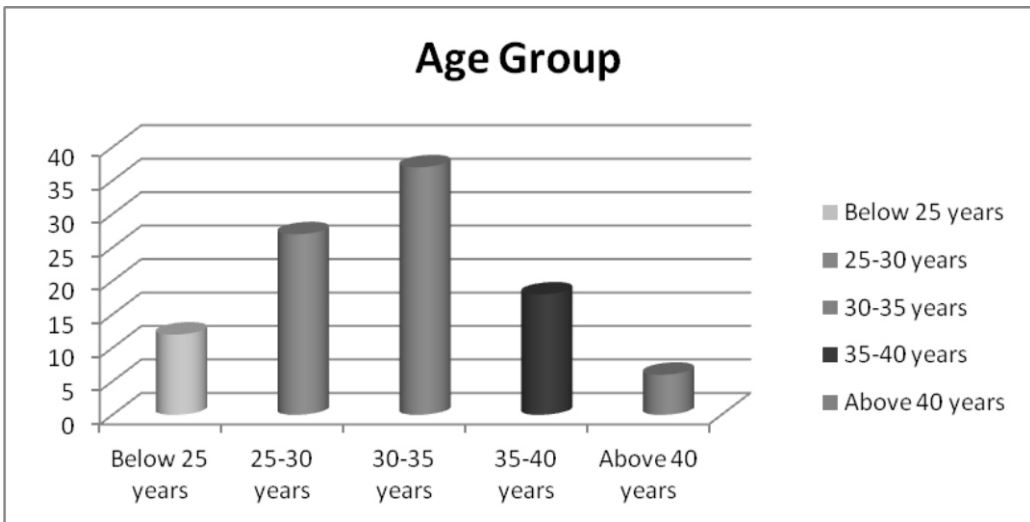


Figure II: Age Group of Respondents

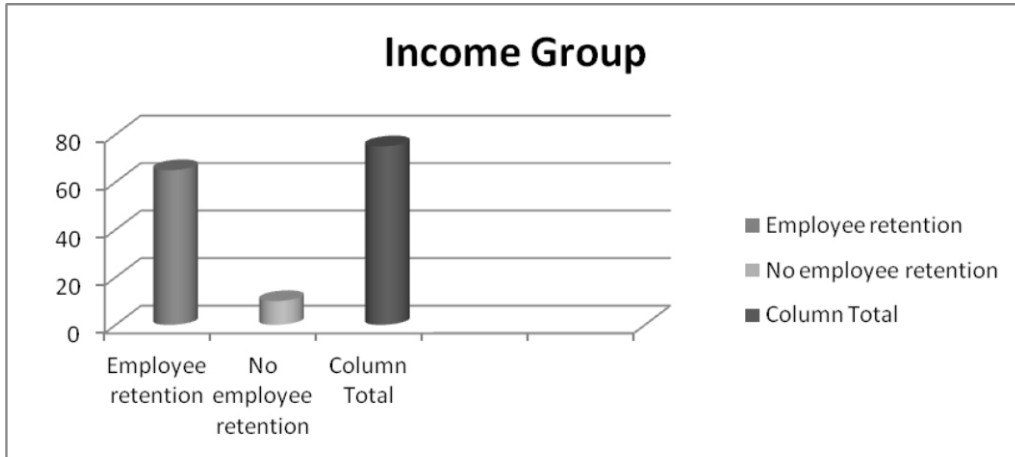


Figure III: Income Group of Respondents

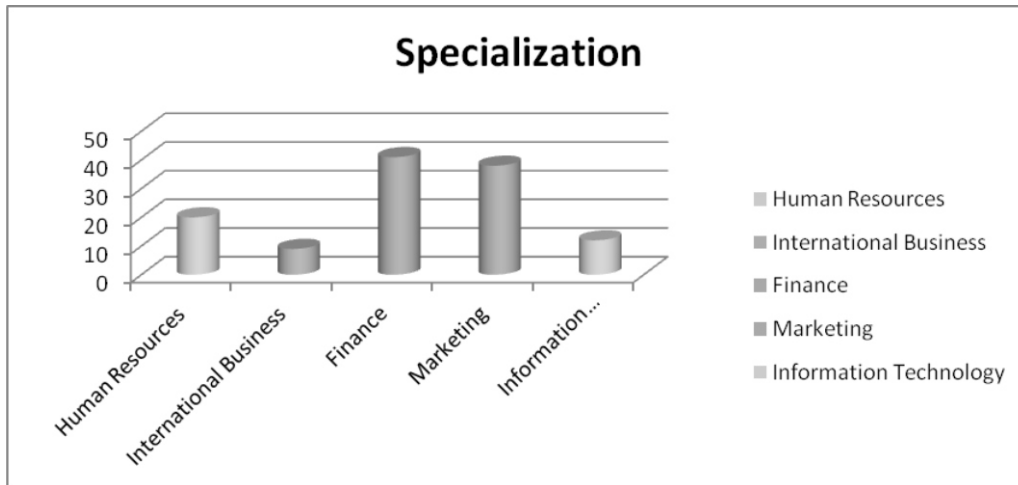


Figure IV: Specialization of Respondents



Figure V: Years of Experience of Respondents

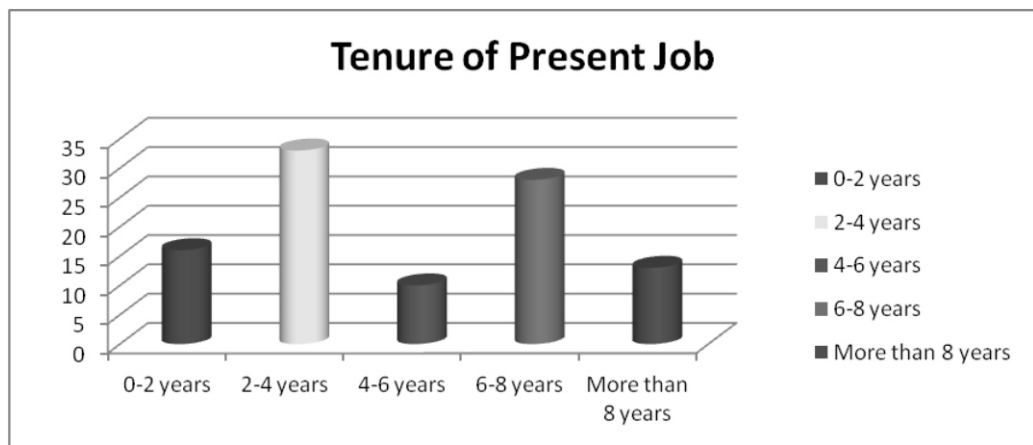


Figure VI: Tenure of Present Job of Respondents

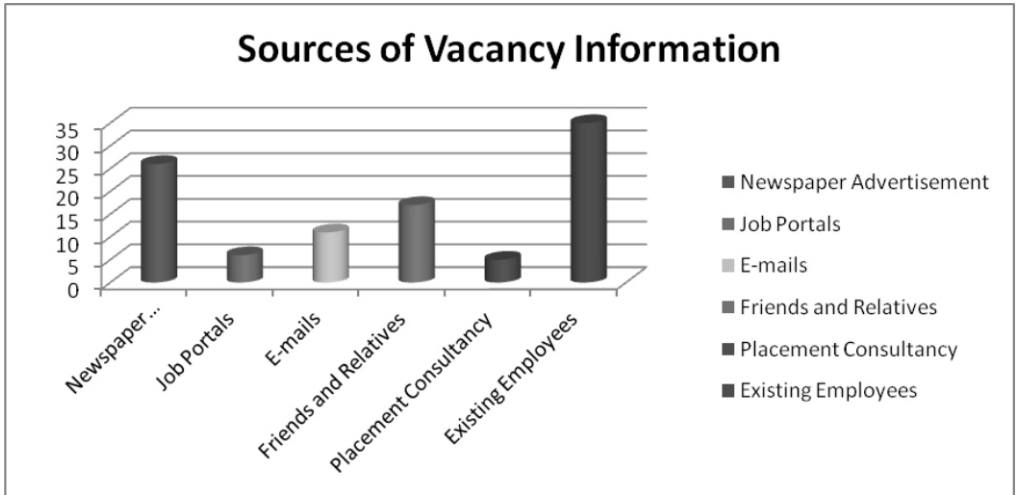


Figure VII: Sources of Vacancy Information of Respondents



Table I: Significant Relation between Employee Satisfaction and Employer Branding

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



Figure VIII: Significant Relation between Employee Satisfaction and Employer Branding

Table II : Significant Relationship between Employee Satisfaction and Employee Retention

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

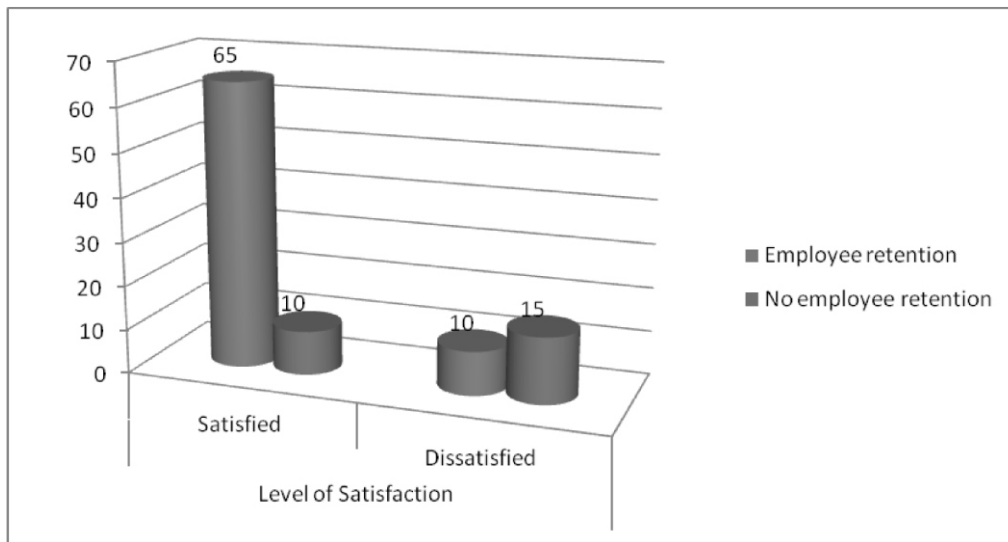


Figure IX : Significant Relationship between Employee Satisfaction and Employee Retention

Table III : Significant Relationship between Employee Branding and Employee Retention

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

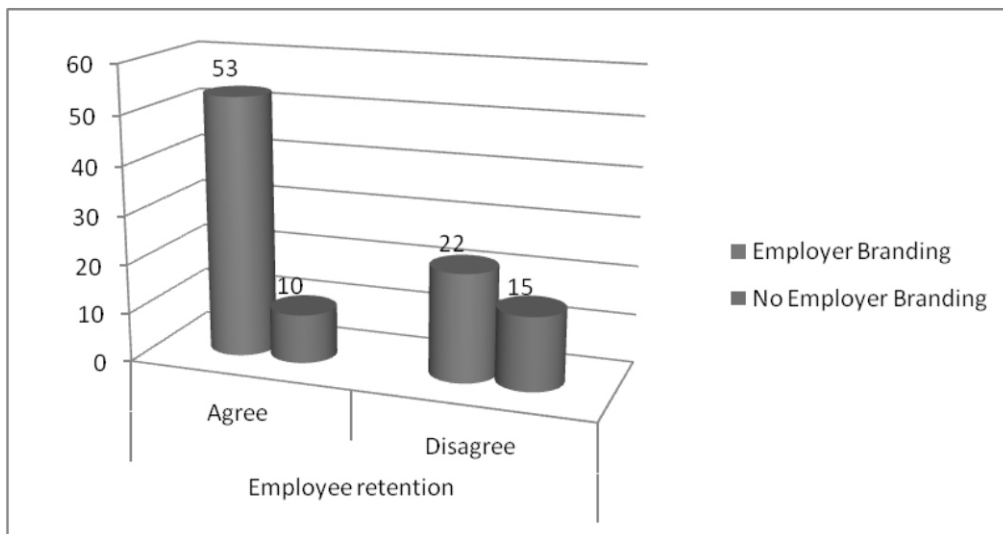


Figure X : Significant Relationship between Employee Branding and Employee Retention