

# Employer Branding - A Hottest Strategy To Retain Talents

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**Abstract :** India has turned to be a favorite branded hub for application development outsourcing due to reasons like premium quality information technology, skills and reasonable costs. India has utilized the benefits of globalization and procures a vital role in international information technology market. Advancement of IT and business sector ultimately scaled down the financial disparity with other progressive economies. The economic reforms adopted by India have turned Indian firms to become more imperative in exercising employer brand to achieve a notable market position. The business organizations in the competitive edge are making their investment in employer branding to build up brand image as unique employer and to gain competitive advantage. This paper explains the concept of employer branding and also to examine how employer branding dimensions helps in the retention of employees in IT companies. It also examines the effectiveness of employer branding practices for retaining employees. This study focuses to examine the importance of internal employer branding strategies of Indian IT companies to retain talents.

**Index Terms:** Employer branding, Employer Brand Values, Internal employer branding strategies

## 1 INTRODUCTION

The struggle for retaining best employees in an organization is as much challenging as retaining customers. The prominent challenges faced by an organization in the modern era are diversified work force, shortage of skilled and competent applicants and difficulty in attracting and retaining skilled talents. The organization that overcomes the challenges to attract and retain the right employees becomes a successful firm. (Berthon, Ewing, & Hah, 2005) An organization with distinguished features from its opponents is considered as an attractive employer (Lievens & Highhouse, 2003) among awaiting applicants and current employees. Because of shortage of talented working staff, attracting and retaining them has become a critical aspect for an organization to be successful. In the present situation organizations are adopting numerous strategies to attract and acquire the right talent and to control their attrition rate. Retaining the right talent is more important than hiring them, as vibrant opportunities are waiting for talented resources. Among the numerous strategies retention is of prime priority. Retention and acquisition of the proficient workforce can be achieved through talent management and employer branding strategies which encircle an organizational values and policies towards the objectives of attracting, motivating and retaining the current employees. Sustainability and prosperity of an organization is closely depended on satisfied internal stakeholder. Employer branding techniques provides positive experience and proper employee engagement which in turn capture the core values of the organization.

In modern times the challenges that an employer face in developing market is distinctive with lack of skilled talent and availability of wide range of opportunities. Due to changes in work force trends and excessive struggle in labour market, it has turned a requirement for organizations to characterize specially with attractive employer branding techniques. As far as multinational enterprises are concerned employer branding has turned a prime factor in the field of research and development as it contributes positive attributes in the area of talent management, employee engagement and corporate reputation. Employer branding is an umbrella concept with a set of positive attributes and qualities that makes an organization remarkable with assured novel employment experience.

## 2 EMPLOYER BRANDING

Employer branding is a series of action which creates a unique identity and aids in managing the company's image as a potential employer. Brand of an organization is build up on the basis of company values and culture. A company brand lives in the thoughts of stake holders. For that reason, the employer brand has to be in consistent with the values delivered by an organization to the customer, employee, public and other stakeholders. An employer brand is one of the Human Resource Management (HRM) activities which provide a brand promise and assurance of organizational identity. Backhaus and Tikoo (2004) explains employer branding as a three phase procedure. Through employer brand, firstly, a company offers its central message by developing a concept of particular value proposition in the mind of applicants that make the firm an impressive place to develop their career. After determination of value proposition, the second phase of employer branding is to attract the targeted candidates by externally marketing this value proposition. In the third phase employer branding inculcates the brand values and promises as organizational culture and consecutively reduces the cost of recruitment, enhance employer-employee relationship and increase employee retention. Thus employer branding is a phase to phase process which communicates organizational culture to the current and prospective employees. Employer branding is the sum total of all the distinguished properties and attributes that employee perceived through their employment experience. The essence of employer brand includes tangible attributes

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such as salary and other economic monetary rewards and benefits, and also extends to intangible attributes such as employment experience, opportunities for employee learning and development, organizational values, culture and management style (Newell & Dopson, 1996; Hendry & Jenkins, 1997). Certainly Employer branding is a novel principle of modern management that strive to attain an enlightened human relationship management. Employer branding is an emerging tool and hottest strategy in employment (John Sullivan, October, 1999) which communicate the employer value proposition to the potential employees. As the best weapon in company's armory, Employer branding provides an enduring solution to overwhelm insufficiency of talent problem. A paramount employer brand has the holding ability to achieve sustainable global recognition through retaining talented workforce.

### 3 EMPLOYER BRAND VALUES

#### 3.1 External Value

- 1) Enhancement of recruitment quality
- 2) Brings higher sense of achievement and loyalty for employee
- 3) Hike in employee referrals
- 4) Advertising and recruiting cost reduction
- 5) Strong employer recognition and employer attractiveness.
- 6) Attain competitive advantage in the talent market

#### 3.2 Internal Value

- 1) Higher employee productivity and employee engagement
- 2) Employees feel good about the company
- 3) Best talent retention
- 4) Employees focus towards organizational goals
- 5) Better employer-employee relationship
- 6) Minimize the loss of talented and skilled employees

### 4 LITERATURE REVIEW

According to Sutherland, Torricelli, & Karg (2002), it is really tough to attract and retain employees in an organization. To become a successful business organization, retention of skilled employees is very crucial. Employer branding is a tool for attaining identity and reputation for corporate organization which further helps to portrait the values and icon to potential employees. Fulmer, Gerhart and Scott (2003) made an analytical study on top 100 US companies regarding employer branding policies and found that policies formulated for building employer brand helps to nurture a stable and optimistic workforce mentality. Employer branding policies had significant positive impact on organization's performance. In a study Collins and Stevens (2002) suggest that for intensifying employer brand image and to generate general attitudes among job applicants towards the company, early recruitment endeavor plays a vital role and should be implemented for creating amicable job attributes. Chitramani and Deepa (2013) conducted a study on employer branding among the selected Indian IT companies. The study focus on the employer branding initiatives adopted by three IT companies. TCS, Infosys and Wipro were selected and gathered facts about employer branding strategies implemented by these IT companies to build their brand.

These IT giants' clear target and focus is on building a productive workplace and not in building their brand. Employer brand values are created by them in the minds of employees by providing a productive and cordial workplace. Brand image originated naturally and not intentionally through the satisfaction gained by the workforce through the magnificent working environment provided by the organizations. An examination was conducted by Pallavi Mehta and Khushboo Sharma (2014) on management institutes at Udaipur to analyze the impact of employer brand on retention of employees. Foremost and relevant relationship among employee retention, employee satisfaction and employer brand were revealed from the study. The study concluded that up gradation of employer value proposition should be made by the management to sustain organization brand. Successful employer branding is necessary for the organization to increase retention rate and to build employees creativity.

### 5 OBJECTIVES

1. To determine the effectiveness of employer branding practices for retaining employees.
2. To examine the importance of internal employer branding strategies to retain talents.

### 6 METHODOLOGY

The study was done in Info Park, Ernakulam. Descriptive research design was chosen for the conduct of study. Samples were selected by adopting convenience non-probability sampling method. The primary data was collected through structured questionnaire and it was administrated to a sample of 180 respondents consisted of professionals working at Info Park in Ernakulam.

### 7 ANALYSIS AND DISCUSSION

#### 7.1 Demographic Profile Analysis:

Aim behind employment branding strategies is performance enrichment through hiring and keeping the skilled talent. The demographic data sheet contains the details of gender, age, educational qualification, work experience and salary of the respondents to obtain relevant information. Relevant descriptive statistics of the respondent is given in (table 1).

**TABLE 1**  
DEMOGRAPHIC PROFILE OF RESPONDENTS

<u>Demographic Factors</u>	<u>No. of Respondents</u>	<u>Percent</u>
<u>Gender</u>		
Male	93	51.66
Female	87	48.34
<u>Age</u>		
Less than 30 years	52	28.89
30 – 40 years	45	25
Above 40 years	83	46.11

<u>Educational Qualification</u> Graduate	31	17.22
Post Graduate	54	30
Professional Qualification	95	52.78
<u>Working Experience</u> Less than 2 years	31	17.22
2 to 5 years	116	64.45
Above 5 years	33	18.33
<u>Salary</u> Less than 25000	33	18.33
25,000 to 50000	123	68.34
Above 50000	24	13.33

Source: Primary Data

Above table shows the demographic characteristics of the respondents working at info Park in Ernakulam. 51.66 per cent of respondents are male and 48.34 per cent are female. 28.89 per cent belongs to less than 30 years, 25 per cent of them belong to 30 – 40 years age group and 46.11 per cent are in the age group of above 40 years. As noticed in the table about 30% of respondents were found to be post graduates & 52.78 per cent of the respondents are having professional qualification. Total working experiences of the respondents are also considered for the study and majority, 64.45 per cent of the respondents were having 2 – 5 years experience. Monetary benefits have a very significant role in retaining talents in the organization. Emoluments in the form of salary were also considered for the study. Majority 68.34 per cent of the respondents are having 25,000 to 50000 rupees salary.

**7.2 Employer branding practices for retaining employees**

Different employer branding practices are adopted for enhancing the retention of employees of an organization. For assessing the views of employees on the effectiveness of various employer branding practices which is significant in enhancing the retention of employees, their opinion were collected on a five point Likert Scale. Seven components identified for the purpose are: (i) Career Development (ii) Salary package (iii) Rewards and recognition (iv) Workplace Autonomy (v) International Exposure (vi) Flexible working hours (vii) Training programme. The above said measures constitute certain importance in retaining employees and proposed to identify the important employer branding practices and the method used is MDS-ASCAL. The following table depicts the dimensions of the perception of the respondents towards the effectiveness of employer branding practices are adopted for enhancing the retention of employees of an organization.

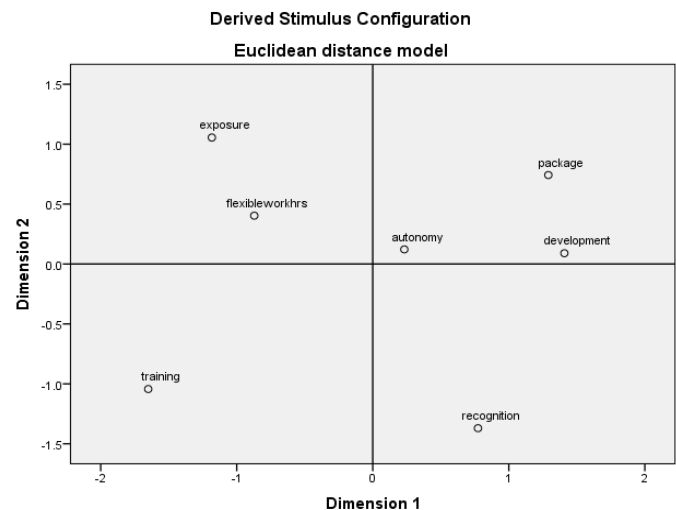
**TABLE 2**  
**STIMULUS CO-ORDINATES FOR EMPLOYER BRANDING PRACTICES**

Stimulus Number	Stimulus Name	Dimension	
		1	2

1	Career Development opportunities	1.4085	.0902
2	Salary package	1.2904	.7426
3	Rewards and recognition	.7736	-1.3702
4	Workplace Autonomy	.2320	.1218
5	International Exposure	-1.1830	1.0552
6	Flexible working hours	-.8709	.4036
7	Training programme	-1.6506	-1.0432

For matrix, Stress = .10391; RSQ = .92359

The above table 2 explains 92 percent of variability (RSQ = .92359) is considered an acceptable fit. And the stress is also small (which is .10391). So we conclude that this model reveals the actual fact about the effectiveness of employer branding practices adopted for enhancing the retention of employees.



From table 2 and figure 2 , we may conclude that Salary package, Career Development and Workplace Autonomy are the most effective employer branding practices adopted for enhancing the retention of employees (with positive coefficient values in both dimensions). Rewards and recognition, International Exposure, Flexible working hours are in one dimension only (with positive co efficient in one dimension). Training programmes does not contribute much under study.

**7.3 Internal employer branding strategies for retaining talents**

Multiple discriminant analysis is used to identify the employee’s opinion regarding the importance of internal employer branding strategies adopted by the IT companies for retaining employees. The output of multiple discriminant analysis is presented in Tables 3, 4 and 5.

**TABLE 3**  
**WILKS' LAMBDA**

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
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1	.847	78.692	8	.000*
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\*Significant at 5 per cent level  
(Source: Primary data)

The Wilks Lambda Matrix (Table 3) of Discriminant Analysis gives a statistically significant Chi-square value (values of Chi-square 78.692 with  $p=.000<.05$ ) which means that the discriminant function for identifying the employee's opinion regarding the importance of internal employer branding strategies adopted by the IT companies for retaining employees is valid.

**TABLE 4**  
FUNCTIONS AT GROUP CENTROIDS

Gender	Function
	1
Male	.252
Female	-.715

(Unstandardized canonical discriminant functions evaluated at group means)

From the function at group centroids (Table 4) negative coefficients are found for female employees and positive coefficients are for male employees in the IT companies.

**TABLE 5**  
STANDARDIZED CANONICAL DISCRIMINANT FUNCTION  
Coefficients

Internal employer branding strategies	Function
	1
Employee Participation programme	.116
Training and development programme	.405
Organizing seminars and presentation	.209
Employee engagement programme	-.150
Rewards and recognition schemes	-.641
Policy Information	.102
Creative work environment	.456
Performance appraisal process	.332

(Unstandardized canonical discriminant functions evaluated at group means)

Standardized canonical discriminant function coefficient matrix (Table 5) explains that Creative work environment (.456), Training and development program (.405) and Performance appraisal process (.332) have the highest positive coefficients. Similarly, Rewards and recognition schemes (-.641) and Employee engagement programmes (-.150) have the highest negative coefficients. Therefore, it can be concluded that for male employees Creative work environment, Training and development programme and Performance appraisal process are the most vital internal employer branding strategies adopted by IT companies for retaining employees, whereas for female employees, Rewards and recognition schemes is the most important internal employer branding strategy adopted by the IT

companies for retaining employees, followed by Employee engagement programmes.

## 8 CONCLUSION

Indian IT sector has achieved a unique and outstanding progress in the past few years and has attracted a lot of talent who seeks long term career prospects. Critical issue faced by this sector is the retention of this talented workforce and communicating the value proposition to the employees. Organizations are formulating various employer branding practices to make an employer unique and employer branding practices demonstrate the distinguishing factor of organizational culture. In a way this study examines and exhibits the need for employer branding attributes in communicating the value proposition and retention of talented employees. Employer branding brings brand loyalty and in the long run it helps to achieve employee satisfaction and their retention. Employer branding helps to channelize various human resource tactics to coordinate organizational retention activities. Salary package, Career Development and Workplace Autonomy are the most effective employer branding practices adopted for enhancing the retention of employees. Male employees considers Creative work environment, Training and development programme and Performance appraisal process are the most vital internal employer branding strategies adopted by the IT companies for retaining employees. Female employees working in this sector considers Rewards and recognition schemes and Employee engagement programmes as the most important internal employer branding strategy adopted by the IT companies for retaining employees. The employer branding is an imperative human resource management concept, which builds an organizational brand in the mind of their employees. As an effective employee retention strategy, employer branding can overcome employee attrition and creates workforce-friendly idol of the employer that capacitate them to retain their employees. The tendency of losing the critical employees can be shrunken through employer branding practices. An organization can retain the top talent during the tough time and can improve employee engagement through a strong employer brand.

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