

Employer Branding: A Tool For Employee Retention

Ritika Gupta¹, Dr. Saroj Kumar Sahoo² & Tushar Ranjan Sahoo³

¹ Research Scholar (Ph.D.), PG. Department of Business Administration, Sambalpur University, Jyoti Vihar, Odisha, India, PIN-768019

² Assistant Professor (Stage-I), PG. Department of Business Administration, Sambalpur University, Jyoti Vihar, Odisha, India, PIN-768019

³ Research Scholar (Ph.D.), PG. Department of Business Administration, Sambalpur University, Jyoti Vihar, Odisha, India, PIN-768019

Correspondence Author: Ritika Gupta

ABSTRACT: Recognition is the second nutrition after any healthy food for any human being, so also for an organization, a legal entity for the today's competitive market. The automobile industry of India is one of the largest sectors and a key contributor to the country's economy. The sector is also grappling with high attrition rates. With attrition rates enriching to 15-20%, the auto industry is becoming dependent on contract workers. There is a shift of skills within the industry, where the skilled people are shifting their bases from auto component industry to domestic and global OEMs. The sector is facing a shortage of skilled manpower. Further, many top-level executives at automobile companies are quitting and joining either rival firms or new industries altogether and willing to explore new avenues. To address these issues, the present study focuses on some key factors that directly or indirectly add to perceived employer branding in the mind of the current as well as prospective employees of the concerned organization and the affect of this aspects on employee retention. In this context, the research problem is defined as follows.

Problem Statement

The research problem for the current research can be defined as "can the employee retention be substantiated by the employer branding in automobile industry"?

Objectives of the study:

To find out the factors those build the perceived employer branding in the mind of the prospective employees of the automobile industry, (2) to examine the impact of employer branding on employee retention.

Research Design & Methodology:

This study follows the causative research design by where the cause and effect relationship between employer branding and employee-retention is revealed. The sampling method for this research is stratified random sampling. The primary data is collected with the help of structured questionnaire through the survey method. For this study, the focus is on dealers of five automobile organizations, namely Maruti Suzuki, Renaults, Nissan, Hyundai and Tata Motors as five strata. 30 questionnaires were executed to each stratum. Thus the sample size becomes 150. This study was conducted during September 2017 – February 2018.

Major Findings:

The results revealed that there is a statistical significant relationship between employer branding and retention of employees. Further, this study produced the result that the major factors of employer branding such as 'employer culture' and 'employer image' has significant positive influence on retention of employees. Supportive work environment and employer job attributes have negative impact on employee retention.

KEY WORDS: Employer Branding, Retention, employer image, employer culture, automobile

Date of Submission: 15-06-2018

Date of acceptance: 30-06-2018

I. INTRODUCTION

Recognition is the second nutrition after any healthy food for any human being, so also for an organization, a legal entity for the today's competitive market. In this context, Mehta & Sharma (2012) referred in their study that "assemble my work attractive, develop my skills, pay me fairly, and consider my personal values and I'll stay". In consistence with this thought, managerial approach exists as 'employer branding'. Employer branding is a new approach to recruiting, attracting and retaining the key employees in this competitive market.

Employer branding plays an important role for holding the key employees of the organization. Employer brand is stated as a brand which differentiates the organization as an employer. Also it can be referred that 'employer brand' is the image of an organization as a 'great place to work' in the mind of current employees. Thus, it gives an identity to an organization in this employment market. IBM, Ford, Fed-ex, named

few out of some of the world famous organizations, is known for their corporate brand. As it is known that human resources are the most important assets of every organization, which put challenges for the organization to retain them in this competitive world. The relevance of branding principles to human resource management has been termed "Employer branding".

Organization can attract the employees only when, it has a positive image as an employer in the market. So employer branding play a crucial role in the intention to apply and job choice decisions of applicants. It is the strategy that organizations generally use to acquire and retain the ideal talent. Today the 'employer branding' is a key for over-all success of an organization. Now organizations pay attention to the image, reputation and culture of the company because they are facing rigorous competition from each other and they can win this market-war successfully if they have good corporate image with qualified and talented employees. The concept of employer branding is very important to be followed in the automobile industry, which can be realized from the following facts.

The automobile industry of India is one of the largest sectors and a key contributor to the country's economy. The Indian automotive aftermarket is estimated to grow at around 10-15 per cent to reach US\$ 16.5 billion by 2021 from around US\$ 7 billion in 2016. It has the potential to generate up to US\$ 300 billion in annual revenue by 2026, create 65 million additional jobs and contribute over 12 per cent to India's Gross Domestic Product ("Automobile Industry in India," n.d.). The sector is also grappling with high attrition rates. With attrition rates enriching to reach 15-20%, the auto industry is becoming dependent on contract workers. There is a shift of skills within the industry only. Skilled people are shifting their bases from auto component industry to domestic and global OEMs. The sector is facing a shortage of skilled manpower. Further, many top-level executives at automobile companies are quitting and join either rival firms or new industries altogether and willing to explore new avenues ("Best Employers in Automobile Industry," n.d.). To address these issues, the present study focuses on some key factors that directly or indirectly add to perceived employer branding in the mind of the current as well as prospective employees of the concerned organization and the affect of this aspects on employee retention. In this context, the research problem is defined as follows.

1.1 Problem Statement

So many studies conducted till now focusing on employee retention with respect to job satisfaction, work environment, employee motivation and other such human resource dimensions but rare research has been done on employee retention relating to employer branding. And also fewer researchers paid their attention relating to employee retention in automobile sector, which contributes to a major portion of the National Income. Thus the problem statement of the present study refers to "can the employee retention be substantiated by the employer branding in automobile industry"? Keeping in view this research problem, the following objectives are stated.

1.2 Objectives of the study

- 1-To find out the factors those build the perceived employer branding in the mind of the prospective employees of the automobile industry.
- 2-To examine the impact of employer branding on employee retention.

1.3 Scope of the Study

This study focuses to examine the perceived employer branding of the employees in the automobile industry with respect to employee retention. The research concentrates on most of the employees of automobile service industry in Odisha, India. This is to ensure that the collection of data is easily monitored and controlled as well as consistent. Thus, other consumer durable companies can strategies the results of this study. Further, not only the employee retention but also other human resource issues can be addressed by the employer branding.

1.4 Research Design & Methodology:

1.4.1 Research Design:

Causative research design is followed by this study, where the cause and effect relationship between employer branding and employee-retention is revealed.

1.4.2 Sampling:

The sampling method for this research is stratified random sampling. Employer branding is basically the perception of employees- current and prospective about the brand image of the organization, thereby people interviewed were the employees positioned in each level of hierarchy of the company. For this study, the focus is on five automobile organizations, namely Maruti Suzuki, Renaults, Nissan, Hyundai and Tata Motors as five

strata. 30 questionnaires were executed to each stratum. Thus the sample size becomes 150. This study was conducted during September 2017 – February 2018.

1.4.3. Data collection instrument:

The primary data is collected with the help of structured questionnaire through the survey method. The questionnaire was proposed to establish the perception of employees regarding “employer branding” and intention to stay. The items in the questionnaire are mainly based on 5 point likert scale. The questionnaire used for this study consisted of total 27 items except the demographic variables. Data is analyzed by various descriptive statistics and empirical data analysis methods like factor analysis followed by multiple linear regression analysis. Before analyzing the data the data collection instrument (questionnaire) are tested for its scale reliability by Cronbach’s alpha test. The data analysis conducted by SPSS 23.0. Citation and references are done by mendeley software.

II. LITERATURE REVIEWS

2.1 Concept of Employer Branding

The term "employer branding" was first proposed by Simon Barrow, and Tim Ambler, in the Journal of Brand Management in December 1996, where they referred that marketing can certainly be applied to the employment situations. Bringing this idea functionally different role would bring mutual benefit and lead to analogous performance measures of both employer and employees. Vijayakumar & Ananthanarayanan, (2016) through the data mining highlighted some of the crucial reasons for attrition of employees such as career growth, working hours, personal/family reasons, working condition and salary package. But the factor, employer branding could not find a place in their study, which play a vital role to reduce attrition in this competitive market. Extending the importance of employer branding as above, Kavitha & Jublee, (2015) discussed the concept of employer branding in which they stated that employer branding is a retention strategy that ensures the organizations is able to attract, engage and retain the most valuable resources that is human capital. Another researcher (Patra, 2011) also discussed the concept of employer branding in which they referred that a powerful employer branding is the ability to attract and retain talent and represent quality to its customers. Further, they state that the right kind of employer branding provides an identity to the organization and helps for a better recruitment. In consistence with the above studies, another research referred that through Employer Branding, employees can build their employer identity which can be directed at existing and potential employees to differentiate their organizations from competitors which in turn makes it easier to attract and retain employees (Silvertzen, Nilsen and Olafsen, 2013). In this conjecture study of Berthon et al (2005) stated that there are five steps in developing a strong employer brand: understand the organization; create a persuasive brand promise; develop standards to measure the fulfillment of the brand promise; ‘brutally align’ all HR practices to strengthen the brand promise and execute & measure”.

2.2 Antecedents of Employer Branding

In consistent with the above concept, another study reveals that employer branding is a fruitful exercise if done with passion, proper understanding, trust, belief and leadership support (Gupta, Patti, & Marwah, 2014). Further, they emphasized that company’s reputation, working environment, growth opportunities are important factor of employer branding. To supporting the above statement another researchers referred that Great Company, work culture and practices, Wealth and benefits, growth opportunity, Psychologically Health life style and safety and security are highly influential factor of employer branding (Vinoth & Vasantha, 2015). Further, they state that employers who give growth opportunity have more brand image in the mind of employees. Here it is also identified by (Sarswat, 2017) that leadership support, learning culture, open communication, values and policies, freedom of work, work life balance, reward system, work environment are some of the important factor of employer branding. According to the study done by (Kumar, 2014) it was observed that the candidate consider the company reputation while applying for job. She also states that good company image and company reputation helps to attract and retain the employees. To supporting the above statement another researcher (Ritson, 2002) state that company which has a stronger employer image can potentially reduce the cost of employee accomplishment, improve employee relations, boost employee retention and even offer lower salaries for comparable staff to firms with weaker employer brands.

2.3 Studies Relating to Impact of Employer Branding on Employee Retention

The previous researches revealed that employer branding is significantly related with employee retention. Retaining the valuable employees is a big challenge for the organizations nowadays and the brand image of the company is a key factor to attract and retain the employees. In this context Mehta & Sharma, (2012) suggested that a successful employer branding makes it easy for the organization to recruit and engage people, increase creativity, satisfaction and thus increase retention. Further, they state that branding is a

powerful tool for organizations to attract and retain the employees. In this context another researcher referred that Brand name of the organizations significantly influences the decision of the employees to join or stay with the organization (Sokro, 2012) .Further; they state that today’s employees are choosing to work reputable companies. They consider employers who value their employees and treat them fairly. The employee is judicious about the company's employee experience policies and inquires hard about the reality of this experience. Another researcher (Paul & Anthony, 2014) also state that employer branding is a most powerful tool to retain the key employees and employer reputation, employer culture and employer job attributes all had a positive and significant relationship with employee retention and employer image had an insignificant relationship with employee retention. This study states that branding has become a major tool for organizations to retain their valuable employees. According to (Ooko & Nzulwa, 2017) it was observed that employer reputation, employer culture and employee job attributes all had a positive and significant relationship with employee retention. They also state that employer image had an insignificant relationship with employee retention.

III. RESULTS AND DISCUSSION

3.1. Scale Reliability

To test the reliability of the data collection instrument, Cronbach’s alpha test is used.

Table-I Reliability Statistics		
<i>Cronbach's Alpha</i>	<i>Cronbach's Alpha Based on Standardized Items</i>	<i>N of Items</i>
.846	.850	27

The scale of the data collection instrument (questionnaire) is optimally reliable, i.e. 84% as the Cronbach’s Alpha is 0.846 with 27 items in the structured questionnaire (excluding demographic variables). The scale of the data collection instrument (questionnaire) is optimally reliable, i.e. 84% as the Cronbach’s Alpha is 0.846 with 27 items in the structured questionnaire (excluding demographic variables).

3.2. Factor that add perceived to Employer branding

By the explorative factor analysis major factor of employer branding have been extracted. To test the suitability of the variables two tests were performed Kaiser Meyer Olkin Test of sample adequacy and Bartlett’s test of sphericity which result a significant value. The results are given below:

Table-II KMO and Bartlett's Test		
<i>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</i>		.773
<i>Bartlett's Test of Sphericity</i>	<i>Approx. Chi-Square</i>	1386.870
	<i>Df</i>	325
	<i>Sig.</i>	.000

The KMO statistics (.773) is found to be significant. So the sample is adequate nearly by 77% suggesting that items can yield distinctive and reliable factors. The Bartlett’s test of Sphericity reveals a chi-square statistic of 1386.870 with 325 degrees of freedom, which is significant at 0.000 levels. Further since the significance value is less than .005 we preceded with factor analysis. The variables and responses after being found suitable and the next step involved extraction of factors. From the above said analysis with principle component method, 7 factors have been extracted from 26 variables which explain 61% variance (cumulative percentage of rotation sum of square loading is 61.999).

Table-III Rotated Component Matrix			
Factors	% of variance	Scale items	Factor loadings
<i>Employer culture</i>	24.171	<i>My organization having culture that encourages innovation</i>	0.709
		<i>Culture of the organization is generally positive & supportive.</i>	0.705
		<i>This organization gives important to employee’s unity</i>	0.700
		<i>My organization involved in various social activities</i>	0.612
		<i>History of good employment experience</i>	0.600
		<i>My promotion opportunities are equal to other companies</i>	0.541
<i>Supportive work environment</i>	9.362	<i>I feel my employer has a sense of loyalty to me and other employees.</i>	0.743
		<i>Employees are rewarded for achieving targets in this organization.</i>	0.734
		<i>My ideas and interests are taken seriously by the management</i>	0.571
		<i>Within this company my work gives me satisfaction</i>	0.495
<i>Employer image</i>	7.328	<i>My organization perceived positive image in the market</i>	0.816

		<i>This organization has supportive management processes</i>	0.760
		<i>Organization perceived performance</i>	0.508
		<i>I talk up this organization to my friends as great organization to work for sure</i>	0.479
Wealth & benefits	6.397	<i>I am satisfied with my salary</i>	0.721
		<i>All facilities are given by organization like travel allowances.</i>	0.624
		<i>All Sorts of leaves (Casual leave, medical leave) are adequately given by my organization</i>	0.519
Employer Reputation	5.494	<i>Most employees in my organization enjoy their work</i>	0.733
		<i>Professional associations with reputable body</i>	0.695
		<i>High employer experience</i>	0.520
Employers Job attributes	4.921	<i>There is less growth opportunities in this organization.</i>	0.750
		<i>I feel I am appreciated at work</i>	0.708
		<i>The work pressure is too high here</i>	0.613
Work satisfaction	4.324	<i>I have the freedom to use my own judgment in this job</i>	0.822
		<i>If I received a better job offer from another company ,I would take the job</i>	0.547
		<i>I understand the goals of my department</i>	0.542

With varimax rotation and Kaiser Normalization, 7 factors extracted, which are named as (1) Employer culture, (2) Supportive work environment,(3) Employer Image, (4) Wealth & Benefits, (5) Company reputation, (6) Employer job attributes,(7) Work Satisfaction.

3.3. Impact of Employer branding on retention of employees

Impact of employer branding on employee retention is analyzed by the multiple regression analysis with employer branding factors as independent variables.

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	144.268	7	20.610	19.050	.000 ^b
Residual	153.626	142	1.082		
Total	297.893	149			

a. Dependent Variable: retention of employees
 b. Predictors: (Constant),Employer job attributes, Work satisfaction, Employer reputation, Wealth and benefits, employer image, supportive work environment, employer culture

The significant (P=0.000) F statistics (F= 19.050) refers that the multiple linear regression model is fitting for the analysis, reflected from the table.

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. Change	
1	.696 ^a	.484	.459	1.040	.484	19.050	7	142	.000	1.603

a. Predictors: (Constant), Employer job attributes, Work satisfaction, Employer reputation, Wealth & benefits, Employer image, Supportive work environment, Employer culture
 b. Dependent Variable: Retention of employees

Multivariate regression model was conducted to test the joint relationship of all the independent variable and dependent variable. The model summary shown in table-5 provides the value of R 0.696 which represents positive correlation between employer branding and retention. The results further revealed that R square as 0.484, which implies that the parameters of employer branding explain 48.4% of the observed variability in retention of employees. The adjusted R square is a modified measure and has a value of .459 (close to the value of R square) is significant (p=0.000). So, the employer branding depends upon employee retention nearly by 46%. No autocorrelation symptoms are available in the regression model because Durbin Watson value is 1.603, which should vary from 1.5 to 2.5.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error				Beta	Zero-order	Partial	Part	Tolerance
1 (Constant)	2.973	.085		35.011	.000					
Employer Culture	.231	.085	.163	2.712	.008	.163	.222	.163	1.000	1.000

Supportive Work Environment	-.108	.085	-.076	-1.263	.209	-.076	-.105	-.076	1.000	1.000
Employer Image	.921	.085	.651	10.805	.000	.651	.672	.651	1.000	1.000
Wealth & Benefits	.114	.085	.081	1.341	.182	.081	.112	.081	1.000	1.000
Employer Reputation	.152	.085	.108	1.785	.076	.108	.148	.108	1.000	1.000
Work Satisfaction	.042	.085	.030	.491	.624	.030	.041	.030	1.000	1.000
Employer Job Attributes	-.133	.085	-.094	-1.560	.121	-.094	-.130	-.094	1.000	1.000

a. Dependent Variable: Retention of employees

In the multivariate regression model the highest beta coefficient is of employer image is 0.651 which is significantly greater than zero and the t statistics 10.805 that shows that this factor has a strong influence on retention of employees. It also revealed that employer culture has also significant influence on retention of employees by perceived justice to employees. Supportive work environment is negatively associated with retention of employees. All the tolerance (closer to 1, less is the multicollinearity) and VIF (lesser than 2, less is the multicollinearity) values are exactly 1, so very little multicollinearity exist in the regression model. So the model can be given as employer branding = 2.973 + 0.163(employer culture) + 0.651(employer image) + error.

IV. SUMMARY FINDINGS

The major factors that add to the perceived employer branding are ‘employer culture’, ‘supportive work environment’, ‘employer image’, ‘wealth and benefit’, ‘employer reputation’, ‘employer job attributes and ‘work satisfaction.

One of the findings reveals that a statistically significant relationship exists between employer image and retention of employees. It also shows that there is a significant positive relation between employer-culture and retention. There is a insignificant relationship of ‘wealth and benefit’, ‘employer reputation’, ‘employer job attributes’, ‘supportive work environment’, and ‘work satisfaction’ with the employee-retention.

The regression coefficient (table-6) shows that ‘employer image’ is having so strong (65%) impact on retention of employees that the HR strategists must treat it carefully and solely in the HR policies of the organization with respect to the employee attrition. This managerial implication can be substantiated from the statistical model - Employer branding = 2.973 + 0.163(employer culture) + 0.651(employer image) + error

V. CONCLUSION

The automobile companies selected for this study have adopted suitable policies and regulations so that retention is higher for these organizations. However the organizations should know that how to identify the benefits of retaining the employees so that it can achieve its business objective and can gain competitive advantage over their competitors. As employees are the bases for company, retention. Some of the factors of employer branding like employer culture, company reputation, and image of the organization, work environment, wealth and benefit are some way related to retention of employees. But employer branding is a most powerful tool to retain the key employees through the proven factors like employer-culture and employer image. So, in order to retain the right people for the key jobs of organization in the automobile industry, employer branding is indispensable.

VI. LIMITATIONS AND IMPLICATIONS FOR FUTURE RESEARCH

This study is limited to automobile service industry of a single state of India (Odisha) only. This study is limited to sample size of 150 only. Further research could be done exclusively on the employer branding covering multiple states of India with large sample size, which can be projected to the population more confidently. A comparative study could be done with other industry in order to know the critical success factors of employer branding. This study only focuses on automobile service sector so the further study could be extended to other such service industries.

REFERENCE

- [1]. Ambler & Barrow (1996).The employer brand. Journal of Brand Management 3(4), 185-206
- [2]. Automobile Industry in India. (n.d.). Retrieved from <https://www.ibef.org/industry/india-automobiles.aspx>
- [3]. Berthon, P., Ewing, M. and Hah, L.L. (2005) ‘Captivating Company: Dimension of Attractiveness in Employer Branding’. International Journal of Advertising, 24(2): pp. 151-172.
- [4]. Best Employers in Automobile Industry. (n.d.). Retrieved from <http://www.naukrihub.com/best-workplaces/automobile-employers/>
- [5]. Gupta, A. P. (2014). Employer Branding : A Descriptive Study Abstract : International Journal of Economic and Management Strategy., 4(1), 1–10.
- [6]. Kavitha, G., & Jublee, D. (2015). Employer branding in Indian it companies. International Journal of Applied Business and Economic Research, 13(2), 905–912.
- [7]. Ooko, S. O., & Nzulwa, J. (2017). Influence of employer branding on retention of staff in broadcasting media firms in kenya samuel oduor ooko, dr. joyce nzulwa (phd). The Strategic Journal of Business & Change Management, 4(1), 201–215.
- [8]. Patra, R. (2011). Conceptualisation of Employer Branding; an Indian Organisation Perspective. NATIONAL MONTHLY REFEREED JOURNAL OF REASEARCH IN COMMERCE & MANAGEMENT, 1(II), 23–30.

- [9]. Paul, J. (2014). Employer Branding : Tool for Employee Retention by Influencing Organizational Culture. *Research Journal of Social Science & Management*, (November), 172–177.
- [10]. Sarswat, D. (1990). Employer Branding : A Review of the Experimental Evidences. *Splint International Journal of Professionals*, IV(3), 32–39.
- [11]. Silvertzen, A., Nilsen, E. R. and Olafsen, A. H. (2013) ‘Employer Branding: Employer Attractiveness and the Use of Social Media’. *Journal of Product and Brand Management*, 22(7): pp. 473-483.
- [12]. Sokro, E. (2012). Impact of Employer Branding on Employee Attraction and Retention. *European Journal of Business and Management*, 4(18), 2222–2839.
- [13]. Sri, S., & Swamy, S. (2014). “EMPLOYER BRANDING AS A RETENTION STRATEGY.” *Acme Intellects International Journal of Research in Management, Social Sciences & Technology*, 2939(1), 1–11.
- [14]. Vijayakumar, R., & Anantharayanan, N. R. (2016). A Study On Various Staff Level Attrition In An Automobile Industry Using Datamining Techniques. *International Journal of Scientific & Engineering Research*, 7(8), 1514–1521.
- [15]. Vinoth, K., & Vasantha, S. (2015). Factors Influencing Employer Brand, Perspective of Employees in IT Industry. *Research Journal of Science & IT Management*, (2004), 21–26.

Ritika Gupta " Employer Branding: A Tool For Employee Retention." *International Journal of Business and Management Invention (IJBMI)* , vol. 07, no. 06, 2018, pp. 06–12.