

An exploration of employer branding dimensional structure

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Abstract

The paper aims to identify and develop a measurement tool of the employer branding dimensions and qualitatively examine the impact of employer branding dimensions upon employee retention from the perspective of existing employees. The study also emphasized on the role of demographic variables with employee retention. The study conducted on the current executive category of employees of Bharat Heavy Electricals Limited (*granted Maharatna status*) which one is a public sector enterprise under Government of India; it is the hub of a large number of human capitals. A final 34-item EB scale covering nine dimensions of the employer brand has been developed. The dimensions identified are employee retention, organizational culture, financial measures, employee relations, job satisfaction, brand image, allowances, welfare measures and career development. The multiple regression analysis coefficient matrix suggests that employee retention is most influenced by the “organizational culture” and “employee relations” dimensions among the other dimensions of EB scale. Also, demographic variables found a significant impact on retention of BHEL employees.

Keywords: employer brand, employee retention, job satisfaction, existing employees, organizational culture

Introduction

In today's globalized and competitive era, the demand for qualified working capacity is increasing faster than the offering. As competition in the labor market has escalated, organizations have shown an ever growing interest in strategies to differentiate themselves and thus to set up them as a brand in the market. The term Employee retention refers to the various policies and practices which motivate the employees to sustain in an organization for a maximum span of time. According to Buenger (2006), retention emphasized on holding the talented employees that committed towards the growth of the organization. Employee retention is a promising strategy which emerging as a challenge to manage the talented workforce of the future. (Rowland & Ferris, 1982) The concept has come into its existence in early 1900, purpose to recognize the main causes of employees' level of interest. As we are in the twenty-first century, still employee retention continues a subject matter of concern for organizations.

In this paper, we have tried to explore the dimensions affecting employer branding of current employees (here executive employees of Bharat Heavy Electricals Limited). This paper primarily aims at investigating the factors which enable a company to establish itself as a brand.

Historical Background

The term Employer brand was first introduced in the early 1990s to denote an organization's image as an employer (Barrow and Mosley, 2006). After that, it has become broadly adopted by the global management community. (Minchin ton, 2005), defines employer brand as “the image of the organization as a ‘great place to work’ in the mind of current employees and key stakeholders in the external market”

(Backhaus and Tikoo, 2004) [8] Discuss that as per the concept of brand to HRM the employer branding has an important aspect *i.e.* the value of proposition which developed three important features. The value proposition developed the managerial style, organizational culture as well as the image of the present employment which facilitates the association to conceptualize the values existed by their organization to the workforce. Secondly, this aspect is depicted towards to prospective employees and, thirdly, the value proposition is also displayed to existing employees thus they execute as per the organization's values.

The term Employee retention refers to the various policies and practices which motivate the employees to sustain in an organization for a maximum span of time. According to Buenger (2006), retention emphasized on holding the talented employees that committed towards the growth of the organization. Employee retention is a promising strategy which emerging as a challenge to manage the talented workforce of the future. (Rowland & Ferris, 1982) The concept has come into its existence in early 1900, purpose to recognize the main causes of employees' level of interest. As we are in the twenty-first century, still employee retention continues a subject matter of concern for organizations. As per the survey and analysis were done by Hay Group (Global Management Consulting) in 2013, in study researchers finds that the Indian labor market further difficult to defend the conditions because of a high rate of attrition which will be internationally attached at 27%.

Every organization has their employer, like to develop and give success to the organization they have to think consciously about on the policies of employee retention. This positive perception perceived that, want to develop organization as a “good place to work”. For effective and efficient employee

retention, employers have to consciously pay attention towards the elements forcing them to switch the organization (Mitchell, Holtom, Lee, Sablinski & Erez, 2001). Retention plan should be developed to recognize the causes why people work, quit and switch other organizations over their existing ones. Develop an employer brand image can be used to facilitate organizations to challenge effectively in the manpower market and construct employee loyalty through employee retention practices.

Objectives of the Study

On the basis of literature review, the following objectives have been established:

1. To develop a multidimensional scale from the employees' perspective.
2. To establish the relationship between employer branding dimension and employee retention of the BHEL.
3. To develop a conceptual framework and linkage the dimensions with employer branding.

Rationale of the Study

This study presents a reliable and valid scale of employer branding that reflects an employee's retention towards his or her organization. Firstly we discuss how the scales have constructed on the basis of employer branding. Secondly, we validate the scale's internal consistency, reliability and dimensional structure by Factor analysis method. Thirdly, we examine and demonstrate the impact of demographic variables on Retention as well as the linkage of employer branding dimensions on employee retention.

Employer Brand Existing Scales

Alnaçık and Alnaçık (2012) ^[5] in their research study they have explored the "EmpAt" scale developed by Berthon *et al.* (2005), have identified six factors *i.e.* *Social Value, Market Value, Economic Value, Application Value, Cooperation Value and Workplace Environment*. This study has conducted in perspective of prospective employees (*i.e.* unemployed college students) rather than the existing employees or one has a plenty of employment experience, causes the major limitation of the study. Agrawal (2015) applied factor analysis to identify the dimensional structure of employer branding. The scale explored independently on the basis of review of literature of various researchers. The study identified nine dimensions to measure employer branding are: *Basic Job Benefits, Overall Status of Company, Competitiveness and Challenge, Self-Development, Future Opportunities, Emotional Judgment, Relationship with Peers, Internal Management and Ethics and values*, like as above studies this study also analyzed the employer branding dimensional structure from the perspective of potential employees. In 2015, Lores *et al.* develop a scale "ACEB" to assess Affective commitment to the employer brand, it consists 11 items and the resulting scale reflects three dimensions *i.e.* *enthusiasm, emotional attachment and long-term orientation* to measure employer brand attractiveness. The study conducted among the existing employees of the various sectors. Authors found these three factors were consistent across samples and studies. The study focus towards the impact of employer branding experience with satisfaction metric by Babakus *et al.* (2003) ^[7], motivation scale by Bakker (2008) ^[9] and organizational commitment scale by Allen and Meyer's scale (1990). The major limitation of the study is that

the "ACEB" scale applied in various sectors and the level of the employees, although Employer branding dimensions vary from one sector to another as well as variations in the levels of management due to transculturally. Tanwar and Prasad (2016) investigated the dimensionality of the employer brand and developed a scale to measure the same. They identified the five dimensions of the employer brand namely: *training and development, healthy work atmosphere, Work Life Balance, ethics and CSR and compensation and benefits*. The outcomes of this study relates with the three-dimensional conceptualization (functional, economic and psychological) identified by Ambler and Barrow (1996), further, which was confirmed and validated by "EmpAt" scale proposed by Berthon *et al.* (2005) to be important factors among the potential employees, are also an important factors that force to change the opinions of the existing employees about the organization. The study has certain limitations that authors considered and developed scale only in perspective of private firms not shown interest towards to public sector firms. Secondly, the authors limited their study till job satisfaction factor, although, they should include retention factor also. Therefore, this study intends to develop an Employer Brand Metric as a measurement tool from the existing employee's perspective.

Research Methodology

Development of a scale is concerned with measuring phenomenon that we believe to exist but that cannot be observed directly (De Vellis, 1991) ^[16]. Researchers can develop scale items by using an inductive or a deductive approach (Hinkin, 1995). This study follows Hinkin's (1995) scale development method. This study is based on the deductive approach (literature review).

It's a self-designed questionnaire to assess the dimensional structure of the identified items. The questionnaire consisted 27 items and every item has based on Likert five-point scale, ranging from 1 (strongly disagree) to 5 (strongly agree) to enable sufficient levels of variance. A self-administered questionnaire consisting of 51 items was distributed to respondents. The demographic profile of the respondent shown in Table- 1.

A total number of 842 employees were contacted among them 514 employees willingly ready to give their response through to fill up the questionnaire resulting in 61.04 percent response rate. The response was collected through self-administered questionnaire. The BHEL is a public sector enterprise under Government of India; it is the hub of a large number of human capitals. Therefore, EB concept found suitable for such a large volume of human capital organizations. The plenty of EB dimensional research conducted for private sector organization, though, researchers didn't give priority to public sector enterprises in the context of Indian companies.

Measures

Before applying factor analysis for data reduction, the proposed data related to different dimensions has assessed through various evaluative measures. As suggested by De Vellis (1991) ^[16], the collected data were analyzed for internal reliability, item-total correlation, variance, item means before going on for factor analysis. The first step to assess the internal reliability of overall structure of questionnaire was measured by using Cronbach's alpha (Churchill, 1979) ^[10]. For all 51

items of the questionnaire, the Cronbach’s α value came out to be 0.948, which is above 0.7 (Nunnally, 1978). Post reliability analysis, the corrected item-to-total correlation was evaluated. The eight items viewing from the corrected item-to-total correlation of less than 0.4 were eliminated. The criterion that is greater or equal to 0.4 in item-to-total correlation is considered acceptable, suggested by, (Nunnally, 1978). After dropped these seven items, the Cronbach’s α value increased to 0.951. This left a total of 44 items which were further assessed to factor analysis.

Table 1: Demographic Profile of Respondents

S. No.	Demographics		Percentage
1.	Type	Technical	100
		Non-Technical	-
2.	Age	Below 30 years	25.1
		30-40 Years	49.4
		40-50 Years	16
		50-60 Years	9.5
3.	Gender	Male	78.8
		Female	21.2
4.	Qualifications	Graduation	68.9
		Post-Graduation	24.7
		Professional Degree	6.4
5.	Length Of Service	Less than 05 Years	11.5
		05-10 Years	48.8
		10-15 Years	14.2
		Above 15 Years	25.5

Factor Analysis

Factor analysis is a statistical method which used to express variability with observed, correlated variables in terms of a likely minimum number of unobserved variables called factors. Prior applying factor analysis, the data was analyzed through

the Kaiser-Meyer-Olkin and Bartlett’s Test to validate the data. The KMO test indicates about sampling adequacy and Bartlett’s test of Sphericity shows the existence of significant correlation relationship between the different items preferred for factor analysis.

In this study, the exploratory factor analysis was applied to 44 items that were retained after test of reliability assessment. To validate the suitability of data was analyzed through the application of Kaiser-Meyer-Olkin value, which came out to be 0.924. As per the Kaiser (1974) criterion, a KMO value greater than 0.6 is considered appropriate. Thus, here KMO value turned out to be superb. The Bartlett’s test of sphericity also come out to be significant ($p < 0.01$) which fulfill the criterion (*i.e.* significance value have less than 0.005) and it indicates the correlation matrix is an identity matrix. Thus, it depicts that the sample is appropriate for factor analysis method.

A principal component analysis (PCA) controlled scale dimensionality. Principal component analysis with Varimax rotation and a factor extraction as per the MINEIGEN criterion (*i.e.* all Eigen values greater than 1) include all items in the questionnaire was conducted. The communalities of all the items (*i.e.* greater than 0.5) were ranged from 0.46 to 0.75. For factor loading minimum cut-off criteria (*i.e.* suppress the absolute value below 0.05) applied for survey items eliminations (Hair *et al.*, 2005). Out of 44 items, total ten items were dropped because of a minimum criterion of 0.50-factor loading. Finally, 34 items were persisted for subsequent analysis. The result of the principal component analysis showed that the items loaded on the nine factors were extracted. These 9 factors explained cumulative 62.33 percent of variance. The remaining item’s mean, standard deviations & factor loading values, explained the variance of each factor and the Cronbach’s α values are reported in Table 2.

Table 2: Factor Extraction Results (Exploratory Factor Analysis)

Factors		Dimensions	Mean	Standard Deviation	Factor Loading	Eigen value	% of Variance Explained	Chronbach’s α
I	Employee Retention	Standards of Promotional Policy of BHEL is satisfactory	3.44	1.15	.73	14.69	11.48	0.872
		I would be very happy to spend the rest of my career in this organization	3.84	.97	.67			
		Employee goals and organization goals aligned	3.06	1.09	.66			
		Best opportunities provided to perform work and wish	3.83	.95	.62			
		Employee feel empowered	3.54	1.01	.58			
		Transparent dealing with public and maintains effective public relations	3.90	.85	.57			
		Clear communication of goals and strategies to you	3.79	.88	.53			
II	Organizational Culture	Empower employees to take operation related decisions	3.61	.96	.75	2.78	8.48	0.778
		Management belief about Development of Employee Potentials	3.69	.93	.60			
		Transparent work culture, participative management and a brand image	3.90	.92	.59			
III	Financial Measures	Better remuneration and benefits to employees in comparison to other organization	3.23	1.12	.74	1.66	7.70	0.728
		Salary of BHEL is better and motivating in compare with other Governmental organizations	3.47	1.13	.69			
		Satisfied with family pension scheme	3.06	1.03	.53			
		PRP scheme (<i>i.e.</i> Performance Related Pay)	3.03	1.04	.51			

IV	Employees' Relation	Good relation with superiors, coworkers and subordinates	4.02	.79	.66	1.65	6.67	0.735
		Management considers employee suggestions	3.57	1.00	.62			
		The grievance redressal process is fair, equitable and quickly resolved	3.40	1.02	.56			
V	Allowances	Children Education Allowance	3.07	1.06	.77	1.43	6.16	0.775
		Housing Facilities	2.97	1.18	.67			
		Medical facilities	3.03	1.17	.63			
		Group savings linked - Insurance Scheme	3.03	1.04	.53			
VI	Job Satisfaction	Work assigned as per your qualification and skills	3.57	1.13	.79	1.29	6.07	0.748
		Your work gives you a feeling of personal accomplishment	3.84	.97	.66			
		My work challenges me to do creative work	3.93	.87	.55			
VII	Brand Image	Prestigious in community to work for this organization	4.42	.679	.71	1.22	6.00	0.695
		Best organization of its sector	4.15	.949	.59			
		The organization is considered as an 'employer by choice' amongst PSU in India	3.98	.899	.53			
VIII	Welfare Measures	Canteen facility	3.32	1.09	.69	1.11	5.67	0.70
		Cleanliness of toilets and urinals	3.06	1.09	.65			
		Uniforms supplied by Organization	3.68	1.08	.56			
		Hygiene drinking water	2.80	1.17	.51			
IX	Career Development	Sponsorship/Awards for acquiring higher/additional qualification	3.04	1.05	.65	1.05	4.73	0.662
		Appreciated to take initiative to setup or renewed a plant/product /process	3.45	.97	.55			
		IMPRESS incentive policy	3.57	.99	.52			

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization

Rotation converged in 21 iterations

Factor 1 labeled as “Employee retention” determines the extent to which an employee is attracted to an employer that motivates to spend for a maximum span of time, good promotion opportunities, individual goals and organizational are aligned, authority to make decisions, clear communication, having transparency with customers and feeling empowered. Factor 2 labeled as “Organizational Culture” encapsulates the extent to which an individual is attracted to an employer that organization believes on employee potentials, transparent and participative work culture, develop employees to take operation related decisions. Factor 3 labeled as “Financial Aspect” reflects the organization provides above-average salary to its employees, good compensation package with beneficial post retirement scheme and performance related pay. Factor IV labeled as “Employee Relations” determines the extent to which an individual is attracted to an employer that develops and maintain good relations with superiors, coworkers and subordinates, considers employee suggestions and fast, fair & equitable grievance redressal procedure. Factor V labeled as “Allowances” determines the extent to which an individual is attracted to an employer that motivates to earn and get extra benefits apart from salary in form children and house allowance, medical facilities and GSLIS service. Factor VI labeled as “Job satisfaction” determines the extent to which an

individual is attracted to an employer that develops a feeling of personal accomplishment, creative work, job assignment as per qualification and skills. Factor VI labeled as “Brand Image” determines the extent to which an individual is attracted to an employer that feels it’s an employer of choice, best organization of its sector and prestigious in a community to work for this organization. Factor VIII labeled as “Welfare measures” determines the extent to which an individual is attracted to an employer that facilitates with clean toilets and urinals, Quality uniforms, canteen facility and hygiene drinking water. Lastly, Factor IX labeled as “Career Development” refers the extent to provide an opportunity to take initiative to setup or renewed a plant or product, sponsorship for higher education and IMPRESS incentive policy to their employees. In this case the overall value ($\alpha=0.936$), which satisfies the reliability of the scale. Employee retention dimension ($\alpha = 0.87$), organizational culture dimension ($\alpha = 0.79$), financial measures dimension ($\alpha = 0.73$), employee relations dimension ($\alpha = 0.74$), allowances dimension ($\alpha = 0.78$), welfare measure dimension ($\alpha = 0.70$) have satisfactory reliabilities. Remaining job satisfaction dimension ($\alpha = 0.69$) and career development dimension ($\alpha = 0.66$) have acceptable reliabilities.

Dimensional Correlation Analysis

Table 3: Means, Standard Deviations, and Interrelations of Dimensions

		Mean	Standard Deviation	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Employee’s Retention	Pearson Correlation	26.13	5.11	1							
2. Organizational Culture	Pearson Correlation	11.32	2.57	.646**	1						
3. Financial Measure	Pearson Correlation	12.78	3.20	.500**	.356**	1					
4. Employees’ Relation	Pearson Correlation	10.98	2.28	.649**	.555**	.462**	1				
5. Allowances	Pearson Correlation	12.46	3.34	.450**	.420**	.573**	.389**	1			
6. Job Satisfaction	Pearson Correlation	11.34	2.43	.542**	.482**	.363**	.485**	.341**	1		
7. Brand Image	Pearson Correlation	12.55	1.99	.546**	.529**	.431**	.446**	.380**	.489**	1	
8. Welfare Measures	Pearson Correlation	12.52	3.29	.411**	.390**	.429**	.387**	.515**	.352**	.410**	1
9. Career Development	Pearson Correlation	10.06	2.32	.535**	.498**	.502**	.549**	.481**	.402**	.394**	.459**

** Correlation is significant at the 0.01 level (2-tailed)

The Table 3 shows the inter-item correlation between the studied dimensions, also shows mean and standard deviation of the dimensions. The Pearson correlation coefficient is a measure of the strength of the linear relationship between two dimensions. It measures the linear association among nine scale variables. All the studied employer branding dimensions were significantly correlated with each other. The level of significance is set at $p < 0.01$. The correlation values ranged from 0.34 to 0.65 that is statistically significant ($P < 0.01$) and shows a positive correlation ship among the dimensions. The table shows that the highest correlation is found between employee retention and employees’ relation at ($r=0.65$) and organizational culture ($r=0.65$) followed by brand image ($r=0.55$), job satisfaction ($r=0.54$), career development($r=0.54$), financial measures at ($r=0.50$), allowances at ($r=0.45$) and welfare measures($r=0.41$) respectively.

Conclusion

The finding of the analysis shows that the employee retention has a strong association with employer branding dimensions, the results of statistically significant correlation with 99 percent of the confidence level. Organizational culture dimension has a significant role in perceiving an organization as a 'great place to work'; it builds by a role of the existing employees’ relationship among them as well as the management policies and procedure. It developed a brand image of the organization and this gives a sense to employees that they have an opportunity to give growth to their career with in this organization itself as well as they have privileged by the various compensation benefits and packages (*i.e.* employee value proposition components) which build and increase the level of job satisfaction in employees and this satisfaction level enforce them to retain in the organization for a span of time period. This relationship has been supported by a strong literature too.

Limitations and Future Research

However, this study has some limitations. Firstly, it was conducted with the use of a purposive sampling technique which on is a contrived setting. The sample of the study was constrained to the executive class of employees working in the BHEL a PSUs manufacturing unit, which restricts the researcher’s capacity to simplify the results. Secondly, the organization belongs to service industry which is precise in terms of its working environment and administration policies. Due to this results may vary because of cultural and managerial

policies differentiation of the public and private sector industries. Hence, the limitation of this study in different sectors would help to identify the level to which the results can be generalized. Future studies may also assess the construct validity of the employer branding survey by using confirmatory factor analysis.

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