

Factors Determining Employer Branding in India: An Empirical of Fresh Management Students

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Abstract

In almost all interviews a very common question asked from prospective employer, especially a fresher is “why should we recruit you? This question is answered by different interviewers in a different manner. But just opposite to it, a question which each and every organization has to answer even without any formal interview is that “Why should one work with your organization’. It’s not about just a job and salary, It about the whole career, career ladder, job satisfaction, growth, social status and much more. Today’s organizations understand this need. They promote their organization as a great place to work. Organizations are trying to communicate their potential employees that they paying well, they have a good organizational culture and they treat their employees as an asset. Present study is empirical in nature and finds that on basis fresh management student perceive about the organization. With a sample size of 216, the study develop a scale for employer branding as well as also finds out the reliability of the sources which are used by organizations for building brand. Factor analysis and Multidimensional scale have been used to analyze data.

Keywords: Employer Branding, Fresh Management Students, Reliability of source.

1. Introduction

A hard fact about 21st century corporations is that they are into a cut throat competition. Employees have lot of pressure for performing extraordinary in these organizations. It becomes more crucial when we talk about the industries like banking, Information technology and retail (selected for this study). Organizations have to make pressure on their employees to increase sales, improve bottom line and show substantial growth year after the year. Employees know about competitive pressure on employers, and considering this fact, they at least want to work with such an organization where they get job stability, nice salary and a good work environment. Every employer needs quality people to meet this cut throat competition and quality people want a good organization to work with. This is the reason that organizations have to promote themselves and built a strong brand.

Minchington [1] defines employer brand as the image of your organization as a 'great place to work' in the mind of current employees and key stakeholders in the external market (e.g. active and passive candidates, clients). Employer branding represents a firm’s efforts to promote, both within and outside the firm, a clear view of what makes it different and desirable as an employer [2]. Employer brand as follows: “Employer brand is the package of functional, economic, and psychological benefits provided by employment, and identified with the employing company” defined by Ambler and Barrow [3].

Employer branding refers to activities where marketing theories, primarily the “science of branding”, are applied to human resource activities in relation to potential and current employees [4]. In the above context, a conceptual framework of employee branding is given in Figure 1.

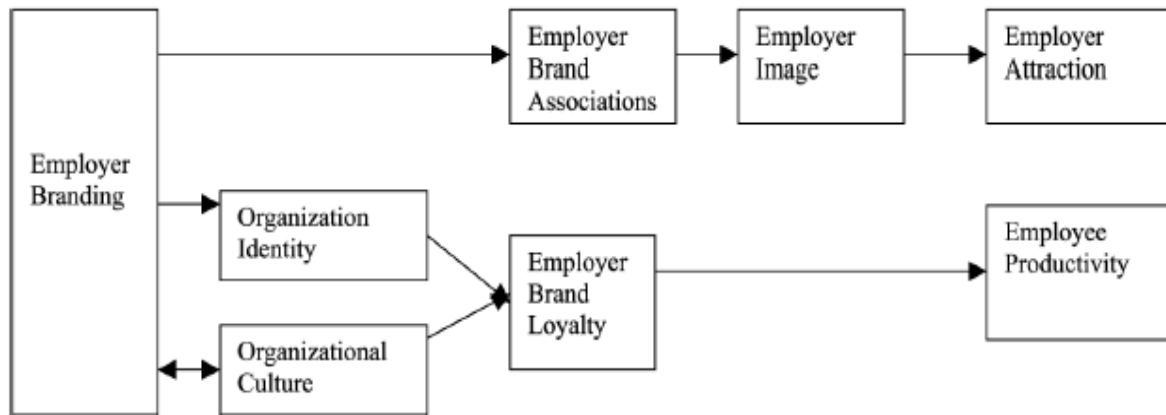


Figure 1. Conceptual Framework of Employee Branding [1]

2. Literature Review

Backhaus and Tikoo [1] provided a conceptual framework of employee branding. It covers two major aspects. The outcome of one of the aspects is Employer Attraction and the outcome of other aspect is Employee productivity. In one aspect the author opines that employer branding creates employer brand associations and makes an employer image which finally results in Employer attraction. Further, in the other aspect the author explains that employer branding creates an organization identity. It affects the organization culture and also gets affected by it. Both Organizational Identity and organizational culture results in employer brand loyalty and finally affect Employee productivity. Society for Human Resource Management (SHRM) [5] presents six key points to assess the strong brand value proposition for effective employer brand in India namely attract and retain best talent, quality customer service, recognized icon, employer of choice and core corporate values. Figure 2 presents employer brand in India as a strategic human resource tool.

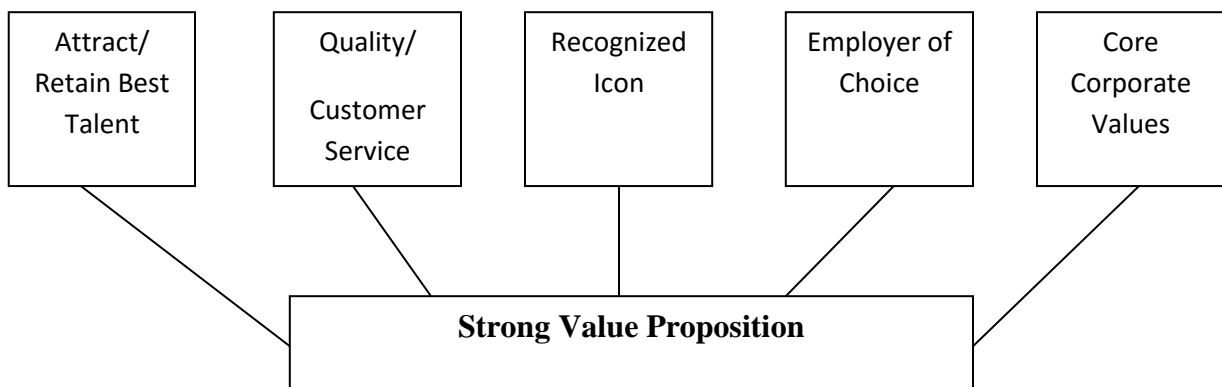


Figure 2. Employer Brand in India: A Strategic HR Tool
Source: SHRM, 2010

Backhaus and Tikoo [1] concluded that employer branding is a relatively new approach toward recruiting and retaining the best possible human talent within an employment environment that is becoming increasingly competitive. Employer branding has the potential to be a valuable concept for both managers and scholars. Managers can use employer branding as an umbrella under which they can channel different employee recruitment and retention activities into a coordinated human resource strategy. Integrating recruitment, staffing, training and development and career management activities under one umbrella will have a substantially different effect than each of the processes would have alone.

The value of the employer branding concept for management scholars parallels the value it has for managers. Management scholars can use employer branding to integrate many different but related constructs that have been discussed in the recruiting, selection, and retention literatures under one umbrella. The employer branding concept can be especially valuable in the search for an organizing framework for strategic human resource management.

Babčanová et al. [6] found that if employer wants to influence women in their employment choice they need to communicate flexible working patterns and a friendly working environment. Compared to men, flexible working patterns are six times more likely to influence women in their employment choice. The opportunity to work with thought leaders, an organization with a culture of innovation and a clearly defined mission has a stronger influence on employment choice for males. The research shows employees in private companies can be influenced to join companies who value leadership, reward for performance and a global perspective in their work much more than not-for-profit and government sector employees. On the other hand, government employees are more influenced in their employment choice by companies that offer flexible work patterns and who can demonstrate an authentic approach towards corporate social responsibility.

Botha et al. [7] suggested that employer brand is influenced by target group needs, a differentiated Employer Value Proposition (EVP), the people strategy, brand consistency, communication of the employer brand and measurement of Human Resources (HR) employer branding efforts.

Figurska and Matuska [8] found that long-term job security, competitive salary & employee's financial health and pleasant working atmosphere are the three most important aspects to attract employees followed by the interesting job content, good work-life balance, career progression opportunities, flexible working, conveniently located, good training, strong management, Quality products or services, international/global career, diversity management, uses of latest technologies and concerned with environment etc.

Universum [9] studied on 'recruitment and employer branding solutions' and found work/life balance, security and stability in job and competitive and intellectual challenge on job are the three most attractive factors for students to choose for a particular company. These factors are followed by dedication to cause or feel that I am serving a greater good, chance for being entrepreneurial or creative or innovative, being autonomous or independent, international career, chance of being leader or manager of people and being a technical or functional expert. The last one was chosen by 31% of the female students over only 14% of the male students.

Randstad [10] highlighted the common mistakes and pitfalls employers do while developing employer brand such as jumping in too fast, talking to the converted, not being true to yourself, thinking you're done when you have your tagline and neglecting some key touch points.

Dawn and Biswas [11] in a review paper concluded that an effective employer brand is essential for gaining competitive advantage. A powerful employer brand has the capacity to attract and retain talent and represent quality to its customers, with the goal of gaining global recognition in a sustainable manner. The right kind of employer branding has also plenty of advantages as it provides a personality to the company and helps structure recruitment.

Garibaldi [12] presented six parameters to measure the employer brand viz. Culture and values, Work/life balance, senior management (what employees think of the leadership in place), Compensation and benefits and Career opportunities.

Yaqub and Khan [13] found that university students are well aware of this concept and most of the respondents have emphasized the need of learning opportunities and to enhance skills for better opportunities. It can be concluded that employer branding and talent management have a relationship with organizational attractiveness but this study has certain limitations like small sample size to time constraints and it is also needed to investigate other postulates of employer branding to check its impact for organizational attractiveness.

Broström and Farahvashi [14] found the components of employer branding as Company reputation, Market size, Company growth, Organizational structure, Empowerment, Innovative, Company, Company culture, Work environment, Geographical location of workplace, Management, Job Description, Good reference for future work opportunities, Internal career, opportunities, Possibility to work abroad, Salary and bonus, Job benefits, Challenging work tasks, Skills development, Balance between work and professional life, Relationship to closest superior, Colleagues, Morals and ethics and Gut feeling.

3. Objectives

The major objective of the study is to find out the factors determining employer branding in the opinion of fresh management students. Hence the study tries to find out the following:

1. To find out the factors determining employer branding in the opinion of fresh management students
2. To find out the most reliable sources of information for employers to communication the factor which determine the employer brand.

4. Research design

Present study is empirical in nature and tries to find out the factors determining the employer branding. These factors make an image of the employer in the mind of the young employees who are deciding to join their first organization. The responses have been captured on a 5 point Likert scale. The sampling method was convenience. A sample size of 250 students was targeted and 216 duly filled questionnaire were received and considered fit for the data analysis. For the purpose of analysis, mean, standard deviation, multidimensional scaling and factor analysis have been used.

The study has deliberately been designed for the purpose of capturing the students' responses only. If I include other such as working employees, their opinions would be biased as per their own experiences and will not be comparable with the students.

5. DATA ANALYSIS AND INTERPRETATION:

5.1 Profile of the respondents

Table 1. Profile of the respondents

		No. of Respondents	Percentage (%)
Gender	Male	140	64.81
	Female	76	35.19
	Total	216	100
Age	23 or below	175	81.02
	Above 23	41	18.98
	Total	216	100
Work Experience	No	183	84.72
	Yes	33	15.28
	Total	216	100

Table 1 presents Profile of the respondents. Around 65% of the respondents are male and 35% are females. 81% of the respondents are 23 below and rest 19% are above the age of 23 (above 23 age may be defined as not more than 30 years as the data were collected from the full-time students only). Around 83% of the respondents do not have any work experience rather 33% of the respondents have some work experience.

Table 2. Reliability of the sources of Information for Building Employer Brand

Variable Code	Sources of Information/ Modes of Communication of Employer Brand by the Organization	N	Mean out of 5	Std. Deviation
Exist Emp	Information from Existing Company Employees	216	4.55	0.69327
Exp Peop	Experienced/ Industry People (who have not worked with that particular company)	216	4.26	0.97875
PO	Placement Officer	216	4.12	0.99035
Teach.	Teachers	216	3.89	0.92649
TradeEvt.	Trade Fairs, Seminars, Conferences	216	3.40	1.23542
Adv	Promotions/ Advertisements	216	3.40	1.16531
FellwStd	Fellow Students	216	3.16	1.21999
BlogsEtc.	Community forums and/ or Blogs	216	3.13	1.24608
CompEvt.	Company Events, Sponsorship to some event	216	3.08	1.38514

SocialMed	Social Media – face book, twitter etc.	216	2.86	1.19657
CompWeb	Company Website	216	2.61	1.24888
RecruSite	Recruitment Site	216	2.44	1.36303
	Total No of Respondents	216		

Table 2 presents the students responses for the sources of information from an organization which ultimately becomes the foundation for employer branding. The variables are arranged in the descending order of mean. Information from Existing Company Employees has been considered the most reliable variable in the above list with a mean value of 4.55, followed by Experienced/ Industry People (who have not worked with that particular company), Placement Officer and Teachers (with a mean value of 4.26, 4.12, 3.89 respectively). All these sources have a mean value above 3.5. However, rest of the sources except recruitment site is also more than moderately reliable as the mean value is above 2.5. (Mean value is more than half of the total scale value). Still case of employer branding one may consider only those sources which have a value of mean equal to or more than 3.5 for a better reliability.

5.2 Euclidean distance model

Derived Stimulus Configuration

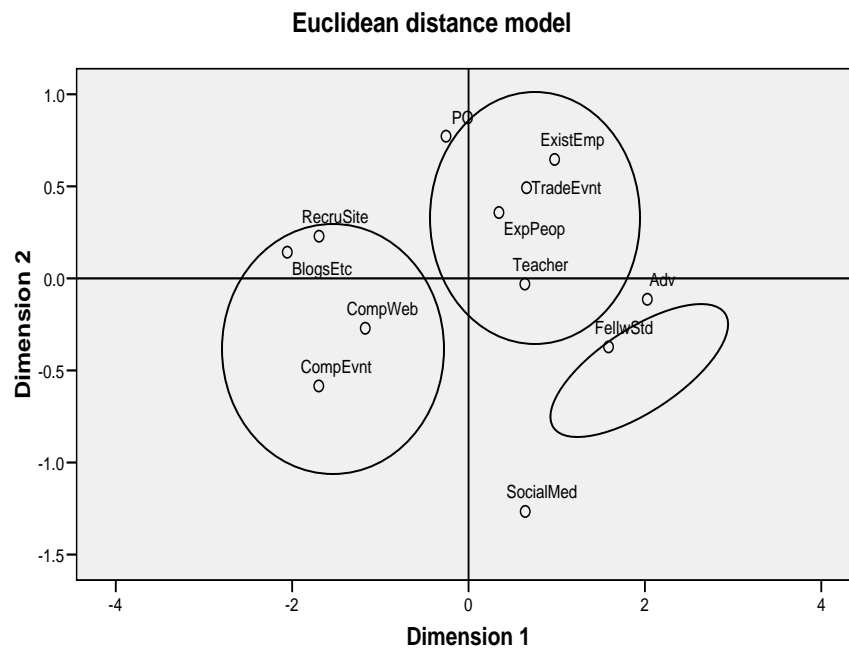


Figure 3. Euclidean Distance Model of Sources of Information

Figure 3 presents the Euclidean distance model for reliability of the sources of information. Here the proximity and distance among the variables is visually presented. In the Figure 3, three clusters may be seen. First cluster that mainly located on the upper right quadrant has the highest reliability value. It

included Existing employees at the top. If we refer the mean table also we find that this variable has been given the highest value as well. The other three variables are Trade Events, experienced people and Teacher. The proximity of these variables means that they have been collectively considered by students. Second cluster is shared by the upper left and lower left quadrant. However the variables gathered in this cluster are of lesser value. The cluster includes recruitment sites, blogs etc. Company website and Company sponsored events. All these variables are of the similar nature as the information provided on these sources is under the control of the organization.

This cluster, which is located on the lower right quadrant of the figure, contains company advertisements and fellow students. However there is no direct similarity between these two but in a nutshell the information from these sources is also not considered much reliable. Two sources which are bit isolated from all the clusters are Placement Officer and Social Media. Placement officer has high reliability and social media has a low reliability. Not surprisingly the distance between these two is also high.

5.3 Factors determining the Employer Branding

There are a plenty of factors that determine employer branding. A list of such factors was made and used to prepare the questionnaire. The work by Figurska and Matuska [8] Universum [9] Randstad [10] Garibaldi [12] Broström and Farahvashi [14] contributed in the preparation of the list of items. Exploratory factor analysis was applied to develop the scale for determinants of employee branding.

Table 3. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.618
Bartlett's Test of Sphericity	Approx. Chi-Square	4117.724
	df	378
	Sig.	0.000

Table 3 presents the value of KMO and Bartlett's Test. KMO is a measure of sampling adequacy. The value of KMO in table 5.3 is 0.618, which is more than 0.5, hence in can be concluded that the sample is adequate for applying factor analysis. Similarly, the Bartlett's Test of Sphericity is also significant where the value of significance is 0.000 which is less than 0.05. Hence the correlation matrix in this case is not an identity matrix and factor analysis may be applied on the given data.

Table 4. Principal Component Analysis – Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.618	20.065	20.065	5.618	20.065	20.065	3.637	12.989	12.989
2	3.669	13.104	33.169	3.669	13.104	33.169	3.124	11.157	24.146
3	2.896	10.344	43.513	2.896	10.344	43.513	3.039	10.853	34.998
4	2.310	8.252	51.765	2.310	8.252	51.765	2.598	9.279	44.277
5	1.885	6.731	58.496	1.885	6.731	58.496	2.220	7.928	52.206

6	1.686	6.021	64.517	1.686	6.021	64.517	1.978	7.063	59.269
7	1.381	4.932	69.449	1.381	4.932	69.449	1.958	6.991	66.260
8	1.152	4.114	73.563	1.152	4.114	73.563	1.586	5.665	71.925
9	1.035	3.695	77.259	1.035	3.695	77.259	1.493	5.333	77.259
10	0.954	3.406	80.665						
11	0.883	3.152	83.817						
12	0.639	2.282	86.100						
13	0.585	2.088	88.188						
14	0.514	1.834	90.022						
15	0.423	1.511	91.533						
16	0.353	1.259	92.792						
17	0.319	1.141	93.933						
18	0.283	1.012	94.945						
19	0.250	0.894	95.839						
20	0.208	0.742	96.581						
21	0.180	0.644	97.225						
22	0.168	0.600	97.826						
23	0.147	0.525	98.350						
24	0.139	0.497	98.847						
25	0.113	0.405	99.252						
26	0.086	0.306	99.558						
27	0.069	0.247	99.805						
28	0.055	0.195	100.000						

Deriving Factors

Table 4 presents the information regarding the 28 possible factors and their relative explanatory powers as expressed by their **eigen values**. In addition to assessing the importance of each component, we can also use the **eigen values** to assist in selecting the number of factors. If we apply the latent root criterion, 9 components will be retained. Further a Scree Plot is also shown in **Figure 5** which shows how 9 components have been extracted from 28 items. In the first 9 factors the plot slopes steeply downward but after that it becomes an approximately a horizontal line. As seen in the table 4, we consider that 5 factors will qualify out of the 28 items explaining 77.259% of the total variance.

Interpreting the factors

Table 5. Rotated Component Matrix (a)

Items	Component								
	1	2	3	4	5	6	7	8	9
Job Description	0.886								
Salary and Bonus	0.785								
Job Benefits	0.661								
Work/life balance	0.628								
Continuous Learning				0.514					
Security and stability	0.530								

Company reputation		0.840							
Market size of Company		0.758							
Organizational structure		0.753							
Innovative Company		0.535							
competitive and intellectual challenge on job			0.824						
Chance to work Independently			0.821						
chance of being leader or manager of people			0.821						
Being a technical or functional expert				0.803					
Skills development				0.761					
Company Culture		0.518							
Good Reference for Future Work Opportunities					0.789				
Internal Career Opportunities					0.677				
Possibilities to work abroad					0.657				
Pioneer as a Brand in Mind						0.823			
Gut Feeling						0.780			
Feeling of Being a Positive Contributor to the Company						0.611			
Expected Relationship to closet superior							0.754		
Colleagues							0.728		
Work Environment								0.810	
Management								0.677	
Morals and Ethics									0.857

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
(a) Rotation converged in 14 iterations.

Table 6. Factors, Items and Loadings

Sl. No.	Factor / Component and Items	Factor Loading
1	Basic Job Benefits	
	Job Description	0.886
	Salary and Bonus	0.785
	Job Benefits	0.661
	Work/life balance	0.628
	Security and Stability	0.530
2	Overall Status of Company	
	Company reputation	0.840
	Market size of Company	0.758
	Organizational structure	0.753
	Innovative Company	0.535
	Company Culture	0.518
3	Competitiveness and Challenge	

	Competitive and intellectual challenge on job	0.824
	Chance to work Independently	0.821
	Chance of being leader or manager of people	0.821
4	Self Development	
	Continuous Learning	0.514
	Being a technical or functional expert	0.803
	Skills development	0.761
5	Future Opportunities	
	Good Reference for Future Work Opportunities	0.789
	Internal Career Opportunities	0.677
	Possibilities to work abroad	0.657
06	Emotional Judgment	
	Pioneer as a Brand in Mind	0.823
	Gut Feeling	0.780
	Feeling of Being a Positive Contributor to the Company	0.611
7	Relationship with Peers	
	Expected Relationship to closet superior	0.754
	Colleagues	0.728
8	Internal Management	
	Work Environment	0.810
	Management	0.677
9	Ethics and values	
	Morals and Ethics	0.857

Factor loadings have been presented in Table 5 (rotated component matrix). After analyzing the solution, Factor Loading has been done on the basis of significant values. For each factor the component in the each column with more than **0.5 value** has been selected as the component to constitute a factor. Table 6 presents the factors and their loadings.

Table 6 shows that factor analysis has reduced 28 variables in 9 factors. The varimax rotated 9 factors have been shown in Table 6.

It can be observed from the said table that Factor is a combination of five items namely Job Description, Salary and Bonus, Job Benefits, Work/life balance and Security & Stability. This factor has been named as **“Basic Job Benefits”**.

Factor 2, is a combination of four important variables of Employer branding namely Company reputation, Market size of Company, Organizational structure, Innovative Company and Company Culture. These explain of the total variance. It has been suitably titled as **“Overall Status of the Company”**. **Factor 3** has been named **“Competitiveness and Challenge”**. It includes the items namely Competitive and intellectual challenge on job, Chance to work Independently, Chance of being leader or manager of people. **Factor 4** is named as **Self Development** and includes the items as Continuous Learning, Being a technical or functional expert, Skills development. **Factors 5** is named as **Future Opportunities** and includes the items namely Good Reference for Future Work Opportunities, Internal Career Opportunities and Possibilities to work abroad.

Factors 6 named as Emotional Judgment includes the items namely Pioneer as a Brand in Mind, Gut Feeling and Feeling of Being a Positive Contributor to the Company .

Factors 7, which has been named as **Relationship with Peers** includes Expected Relationship to closet superior and colleagues.

Factor 8 is a combination of Internal Work Environment, Management and has been named as **Internal Management**. The last and **9th Factor** is named as **Ethics and values** and has only one item as Morals and Ethics.

6. Findings & conclusion

The present study basically addresses two aspects first, reliability of the source of information, which is used by the employer for branding. Second aspect is the factors that determine the employer branding. In total 9 factors have come out to determine the employer branding. These 9 factors 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.

Among the sources of information, the external sources have got much importance in the first instance to be more reliable such as existing employees of company and experience people. These sources have got more value even than the placement officer and teachers. Surprisingly, independent events and promotions have got a better reliability than placement agencies, fellow students and company website.

7. Implications and scope for future research

The present study significantly contributes to the existing literature by developing a scale on Employer branding in context of fresh management students. This study finds out the reliability of the sources and also presents the reliability on a perceptual map for a better understanding. The study has significant inputs for the industry as well. Employers must take care of the sources they spread information especially the findings emphasize on the need of internal marketing, since the existing employees have come out as the most reliable source of information.

Further, there is enough scope for future research. The study may be carried on outside Delhi & NCR for a comprehensive understanding on the topic. The study may be extended to the validation of the explored scale by using confirmatory factor analysis. The sources of reliability may further be explored and the reasons may be found why a particular source is more reliable than the other one.

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