



**DOES EMPLOYER BRANDING INFLUENCE EMPLOYEE ATTRACTION?
EVIDENCE FROM AN EMPIRICAL STUDY**

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ABSTRACT

Purpose:-The purpose of this research paper is to examine the role of employer branding in the context of attracting the employees.

Design: - Data was collected from 400 employees through personal interviews with the help of structured questionnaires. This research looks at the IT companies, selected sample companies are 4 out of which 2 Indian origins and 2 foreign origin Information Technology Companies which are located in the city of Hyderabad. We used statistical techniques like measures of central tendency, correlation, regression analysis and ANOVA

Findings: -We find out a few Employer Branding attributes to consider the employee attraction those are Communication, welfare activities, and working environment factors are very significant to consider attraction of employees and other variables are Career Development, Performance Appraisal, Compensation, Leadership, People Management Practices, and Rewards & Recognition are negative influences which are excluded since they are insignificant influenced on Employee Attraction.

Limitations: - The study was based on awareness of employees and this may be influenced by the current employment scenario. Only companies in and around Hyderabad were chosen for the study. This research is limited to the current setting of the Indian IT Industry.

Implications: - Effective Employer Branding strategy needs to contain and how the concept should be managed in order to attract, recruit and retain a high potential workforce.

Originality: This is the first study that proposes employer branding as a solution to employee retention.

Keywords: Employer branding, Employee attraction, Image and Reputation

1 INTRODUCTION

The purpose of branding is essential to building the product's image (Cleary, 1981). This image will influence the perceived worth of the product and will increase the brand's value to the customer, leading to brand loyalty (The Economist, 1988). An employer brand can be used to help organizations compete effectively in the labor market and drive employee loyalty through effective recruitment, engagement, and retention practices. All organizations have an employer brand, regardless of whether they have consciously sought to develop one. Their brand will be based on the way they are perceived as a 'place to work', for example by would-be recruits, current employees and those are leaving the organization. To be effective, the brand should not only be evident to candidates at the recruitment stage but should inform the approach to people management in the organization.

2 EMPLOYEE ATTRACTION

Strategic planning of the workforce is a key element in identifying the nature of jobs and the targeted talents in the entity. Consequently, the recruitment plans and job budget are developed according to clear methodology based on the entity's strategic plan. Employee's experience and expectations about start in his/her first experience in the attraction stage. Possible candidates have different needs; some of them are looking for higher wages and better advantages, others look for accomplishing distinguished personal and professional achievements and other look for flexible working hours. Therefore, the entities' HR departments should know the candidates' needs and adopt selection and recruitment mechanism accordingly.

3 REVIEW OF LITERATURE

3.1 UNDERSTANDING OF EMPLOYER BRANDING

Employer branding has captured considerable attention in recent times. In Researchers and practitioners have reported evidence of organizations expending considerable resources on the development of employer brand program indicating its value (Backhaus & Tikoo, 2004). Employer branding as a concept is an extension of relationship marketing principles (Christopher, Payne & Ballantyne, 1991; Kotler, 1992; Morgan & Hunt, 1994) which identify the need to build retention strategies across a number of critical stakeholder markets through closer relationships. Basic understandings about brand comes from the definition provided by the American Marketing Association (AMA) which defines a brand as "a name, sign, symbol, or design, or combination of them which is intended to identify the goods and services of seller group or group of sellers and to differentiate them from those of

competitors" (Backhaus & Tikoo, 2004). The term employer branding has used for the application of branding principles to human resource. The concept is being increasingly used for attracting prospective employees while engaging the present employees to the organization.

There is no single definition of employer branding. Various attempts had been made by several authors to define employer branding. According to Steve Gilliver(2009), employer brand identifies an organization in the marketplace and makes it unique. It gives everyone in the organization a handle on what we are, and everyone interested in joining the organization a clear picture of what to expect.

3.2 THE IMPACT OF EMPLOYER BRANDING ON EMPLOYEE ATTRACTON

The determination of branding is fundamental to build the product's image (Cleary, 1981). This image will affect the supposed worth of the product and will growth the brand's value to the customer, leading to brand loyalty (The Economist, 1988). An employer brand can be used to help organizations compete effectively in the labor market and drive employee faithfulness through effective employment, engagement and retention practices. All organizations have an employer brand, irrespective of whether they have deliberately sought to develop one. Their brand will be based on the way they are perceived as a 'place to work', for example by would-be recruits, current employees and those leaving the organization. To be effective, the brand should not only be evident to candidates at the recruitment stage but should inform the approach to people management in the organization. For example, the brand can inform how the business tackles: induction, performance management, and reward.

Developing an employer brand is not a small task. Top management support is critical, as is a structured approach. What are the next steps? Build a Brand Team Developing and maintaining an employer brand is a far-reaching and constant process that benefits from a team approach. The team should include staff members responsible for approving strategic direction and creative within human resources.

4 RESEARCH GAP, OBJECTIVES, HYPOTHESIS, SAMPLE AND METHOD

4.1 Research Gap

Several researchers have identified the need and importance of employer branding. Different researchers have proposed different attributes related to branding. However, *the literature reveals that there is a big gap in terms of clarity about the impact of employer branding on attraction of talented employees.*

4.2 Objectives of the Study

- To examine the impact of employer branding on employee attraction.

4.3 Hypotheses

- **HO₁**: There is no significant relationship between employer branding and talent attraction

4.4 Selection of Sample

The sample is a part of a larger population or universe that is meant to represent the whole. The sample selection process for this research looks at the IT companies and across the IT industry, there are similarities in the work environment. Hence selected sample companies are 4 out of which 2 Indian origins and 2 foreign origin Information Technology Companies which are located in the city of Hyderabad.

4.4.1 Sample Size

Size is 400 and 100 employees from each company. The variability of the population is controlled the population is more homogeneous than heterogeneous.

4.4.2 Selection of the sample size

The sample size is done based on article title “Quantitative Methods in Psychology” by Jacob Cohen, Newyork University.

Table No. 1 Sample Profile

Age	<30	177
	30-35	81
	35-40	66
	40-45	46
	>45	30
Gender	Male	234
	Female	166
Company Name	Accenture	100
	Cognizant	100
	TCS	100
	Wipro	100
Experience	<2	97
	2-5	137
	5-7	68
	7-9	56
	>9	42

4.4.3 Sampling Design: The study use a combination of convenience and snowball sampling or opportunity sampling is the technique whereby a sample is drawn from the part of the population that is close to hand, readily available, or convenient. In the absence of clear population, this is an accepted way of sampling.

4.4.4 Statistical Techniques Method

We used linear regression models (stepwise variant) to test our hypothesis and find out the influence of independent variables such as employer branding parameters, and demographic variables such as age, gender, income, experience, on the dependent variable which is employee retention.

4.5 Scope of the study

This study is carried out in Hyderabad city, which can be considered to an ideal city to conduct the present research on Employer Branding, specifically in retaining processes with special focus on select IT Companies and data has been collected from 2008-2015.

5 DATA ANALYSIS AND FINDINGS

Table 5.2 Better relations at the workplace Vs employee attraction

	Frequency	Percent %
Strongly Agree	87	21
Agree	201	50
Neutral	78	20
Disagree	24	6
Strongly Disagree	10	3
Total	400	100

Source: Primary

From the table 5.2 it shows that 21 percent of the respondents have agreed that a congenial relationship at the workplace, employees get attracted more. 50 percent of the respondents have agreed while 20 percent of the respondents remained neutral. Results in employees being led to joining an organization positively. Further 6 percent of the respondents and 3 percent of the respondents have disagreed and strongly disagreed respectively.

Table 5.3 Rewards and recognition schemes attract People

	Frequency	Percent %
Strongly Agree	55	14
Agree	185	46
Neutral	110	27
Disagree	32	8
Strongly Disagree	18	5
Total	400	100

Source: Primary data

As seen from the table 4.3 it clearly shows that 14 percent of the respondents have strongly agreed that Rewards and recognition schemes are attract people, 46 percent of the

respondents have agreed while 27 percent of the respondents remained neutral. Further 8 percent of the respondents and 5 of a percent of respondents have disagreed and strongly disagreed respectively.

Table 5.4 A Good Employer brand is more important

	Frequency	Percent %
Strongly Agree	46	12
Agree	185	46
Neutral	86	22
Disagree	67	17
Strongly Disagree	16	4
Total	400	100

Source: Primary data

The table 4.4 it shows that 12 percent of the respondents have strongly agreed that a good Employer brand is more important to join in the organization, 46 percent of the respondents have agreed while 22 percent of the respondents remained neutral. Further 17 percent of the respondents and 4 of a percent of respondents have disagreed and strongly disagreed respectively.

Table 5.5 positioning the company as a Great employer

	Frequency	Percent %
Strongly Agree	80	20
Agree	169	42
Neutral	109	27
Disagree	38	10
Strongly Disagree	4	1
Total	400	100

Source: Primary data

As seen in table 4.5 that 20 percent of the respondents have strongly agreed that positioning the company as a great employer, 42 percent of the respondents have agreed while 27 percent of the respondents remained neutral. Further 10 percent of the respondents and 1 percent of the respondents have disagreed and strongly disagreed respectively.

Table 5.6 Employer Brand results in attracting better talent

	Frequency	Percent %
Strongly Agree	58	15
Agree	196	49
Neutral	98	25
Disagree	38	10
Strongly Disagree	10	2
Total	400	100

Source: Primary data

From the above table 4.6, it shows that 15 percent of the respondents have strongly agreed that Employer Brand results in attracting better talent, 49 percent of the respondents have agreed while 25 percent of the respondents remained neutral. Further 10 percent of the respondents and 2 of a percent of the respondents have disagreed and strongly disagreed respectively.

6. TESTING OF HYPOTHESIS

Hypotheses: (H_{01}) There is no significant difference between employer branding on Employee attraction

Regression analysis: If we find any correlation, we perform regression analysis in order to investigate the relationship further and see how and why there is a connection between the variables.

Table 6.1 Results of Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Communication	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	Welfare Activities	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
3	Working Environment	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

Source: Primary data

**Dependent Variable: Employee Attraction

Stepwise regression was done with the help of SPSS with the dependent variable being Employee attraction and three independent variables are Communication, welfare activities, and Working Environment is significant to the Employee Attraction and five variables are excluded since they are insignificant influenced on Employee attraction.

Table 6.2 Results of Regression

Model	R	R Square	Adjusted R square	Std. Error of the Estimate
1	.797 ^a	.635	.634	.36400
2	.859 ^b	.738	.737	.30843
3	.866 ^c	.750	.748	.30202

Source: Primary data

Predictors: (Constant), Communication

- a. Predictors: (Constant), Communication, Welfare Activities
- b. Predictors: (Constant), Communication, Welfare Activities, Working Environment

The model Summary table shows that R, R-square, and Adjusted R-square values. R value represents the simple correlation and this indicates a high degree of co- relation. R square value indicates that how much independent variable is able to predict the Dependent variable and Adjusted R Square gives more accurate information about the fitness of the model.

An adjusted R Square value of .748 indicates that three Independent variables in the model can predict 75% of variance in the Dependent variable- Employee Attraction

Table 6.3 Results of ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	91.654	1	91.654	691.757	.000 ^b
	Residual	52.733	398	.132		
	Total	144.387	399			
2	Regression	106.620	2	53.310	560.393	.000 ^c
	Residual	37.767	397	.095		
	Total	144.387	399			
3	Regression	108.265	3	36.088	395.636	.000 ^d
	Residual	36.122	396	.091		
	Total	144.387	399			

Source: Primary data

- a. Dependent Variable: Employee Attraction

b. Predictors: (Constant),Communication

c. Predictors: (Constant), Communication, Welfare Activities

d. Predictors: (Constant), Communication, Welfare Activities, WorkingEnvironment

In the above table clearly shows the output of the ANOVA and we have a statistically significant difference between group means. We can see that the significance level is 0.00 (p = .000), which is below 0.05. Therefore, there is a statistically significant. Hence, we can reject the null hypothesis.

Table 6.4 Results of Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.836	.108		7.745	.000
	Communication	.760	.029	.797	26.301	.000
2	(Constant)	.316	.100		3.142	.002
	Communication	.501	.032	.525	15.622	.000
	Welfare Activities	.405	.032	.421	12.543	.000
3	(Constant)	.235	.100		2.348	.019
	Communication	.437	.035	.458	12.582	.000
	Welfare Activities	.369	.033	.384	11.287	.000
	Working Environment	.124	.029	.143	4.247	.000

Source: Primary data

Dependent Variable: Employee Attraction

The Regression Coefficient table provides us with the necessary information to predict the Communication, Welfare Activities and working environment from employee attraction. And it is determined whether Employee Attraction contributes the model instatistically.

1. Among those three Independent variable communication has highest positive influence with standardized beta of .458, welfare activities standardized beta of .384 and working Environment standardized beta of .143
2. Other Independent variables are Career Development, Performance Appraisal, Compensation, Leadership, People Management Practices, and Rewards & Recognition) are negative influences which are excluded since they are in insignificant influenced on Employee Attraction.

Further, the present regression coefficient equation for predicting Employee Attraction is as follows.

Employee Attraction= .437 (Communication) + .369 (Welfare Activities) + .124 (Working Environment). + .235 (Constant)

ANOVA is one way of classification is applied to determine whether there are any statistically significant differences between the Employee Attraction on the Age, Income, and experience.

Hypothesis: $H_{0(a)}$: There is no significant difference between employer branding and employee attraction among employees on the basis of age.

Table 6.5 Descriptive for ANOVA of Employee attraction by Age

		N	Mean	Std. Deviation	Std. Error
Employee Attraction	<30	177	18.2316	2.85194	.21436
	30-35	81	18.3210	3.66001	.40667
	35-40	66	18.3333	3.16390	.38945
	40-45	46	17.9130	2.30773	.34026
	>45	30	17.6000	2.62087	.47850
	Total	400	18.1825	3.00779	.15039

Source: Primary data

Table 6.6 Results of ANOVA of Employee attraction by Age

		Sum of Squares	df	Mean Square	F	Sig.
Employee Attraction	Between Groups	17.002	4	4.250	.467	.760
	Within Groups	3592.676	395	9.095		
	Total	3609.678	399			

Source: Primary data

In the above table clearly shows the output of the ANOVA and we have a statistically significant difference between group means. We can see that the significance level is .760 ($p = .760$), which is more than 0.05. Hence, we can accept the null hypothesis. It means that there is no significant difference between employer branding and employee attraction among employees on the basis of age.

Hypothesis: H_{01(b)}: There is no significant difference between employer branding and employee attraction on the basis of income.

Table 6.7 Descriptive for ANOVA of Employee attraction by Income

		N	Mean	Std. Deviation	Std. Error
Employee Attraction	<300000	100	18.5200	3.07640	.30764
	300000-500000	125	18.3600	2.78938	.24949
	500000-700000	73	17.8356	3.65914	.42827
	700000-900000	60	18.2333	2.99925	.38720
	>900000	42	17.3810	1.98718	.30663
	Total	400	18.1825	3.00779	.15039

Source: Primary data

Table 6.8 Results of ANOVA of Employee attraction by Income

		Sum of Squares	df	Mean Square	F	Sig.
Employee Attraction	Between Groups	51.252	4	12.813	1.422	.226
	Within Groups	3558.425	395	9.009		
	Total	3609.678	399			

Source: Primary data

On conducting ANOVA test between employer branding and employee attraction on the basis of income. It gives the result of the analysis. The p-value is given as .226, which is more than 0.05. Therefore, we can accept the null hypothesis. It means that there is no significant difference between employer branding and employee attraction on the basis of income.

Hypothesis: H_{01(c)}: There is no significant difference between employer branding and employee attraction on the basis of experience.

ANOVA for Experience Vs Employee Attraction

Table 6.8 Descriptive for ANOVA of Employee attraction by Experience

		N	Mean	Std. Deviation	Std. Error
Employee Attraction	< 2	97	18.1546	2.84437	.28880
	2-5	137	18.6715	2.83909	.24256
	5-7	68	17.5294	3.76342	.45638
	7-9	56	18.4286	3.11511	.41627
	>9	42	17.3810	1.98718	.30663
	Total	400	18.1825	3.00779	.15039

Source: Primary data

Table 6.9 Results of ANOVA of Employee attraction by Experience

		Sum of Squares	df	Mean Square	F	Sig.
Employee Attraction	Between Groups	92.218	4	23.054	2.589	.036
	Within Groups	3517.460	395	8.905		
	Total	3609.678	399			

Source: Primary data

The Table labeled One-way ANOVA test between employer branding and employee attraction on the basis of experience, it gives the result of the analysis. The p-value is given as .036. Which is below 0.05, Hence, we can reject the null hypothesis. It means that there is a significant difference between employer branding and employee attraction on the basis of experience.

Hypotheses: $H_{0(1)}$. There is no relationship between employers branding on Employee attraction

Correlations for Employee Attraction vs Employer Branding

Table 6.10. Results of Correlations

		Employer Branding	Employee Attraction
Employer Branding	Pearson Correlation	1	.762**
	Sig. (2-tailed)		.000
	N	400	400
Employee Attraction	Pearson Correlation	.762**	1

Source: Primary data

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

From the Pearson Correlation coefficient output table, the correlation reported in the table is .762 for Employee Attraction and the p-value of .000 is less than 0.05. From these figures, we can conclude that there is a strong positive Correlation between Employer branding and Employee Attraction.

7. COMPANY'S ANALYSIS TOWARDS EMPLOYEE ATTRACTION

The analysis was done for selected four individual companies those are Accenture, Cognizant, TCS and WIPRO to employee attraction with identified nine employer branding attributes, and find that which attributes are influenced to employee attraction as per company wise.

Table 7.1 Company wise Analysis towards Employee Attraction and Employer branding attributes

Company Name	ACCENTURE	COGNIZANT	TCS	WIPRO
EB Attributes				
People Management Practices				✓
Rewards and Recognition				
Welfare Activities				✓
Working Environment				
Performance Appraisal System				
Communication				✓
Compensation				✓
Leadership				
Career Development				

Source: Primary data

Regression (stepwise) was done for Company's analysis with the help of SPSS with dependent variable as Employee Attraction and independent variables are Employer Branding attributes, these attributes are influenced to employee attraction:

1. **Accenture Company:** Welfare activities, Working Environment and Communication are significant.
2. **Cognizant Company:** Welfare Activities, Working Environment, and Communication are significant.
3. **TCS Company:** Communication is an only significant attribute.
4. **WIPRO:** People Management Practices, Welfare Activities, Communication, and Compensation are significant attributes to the Employee Attraction.

NOTE: Other variables which showing as blank it indicates that are excluded because they are insignificant towards Employee attraction.

8.SUMMARY OFFINDINGS

- 1) Sixty percent of the respondents are agreeing that rewards and recognition can influence the attraction of employees.
- 2) Fifty-eight percent of respondents are agreeing that employer branding is more important factor consider joining the organization.
- 3) Sixty-two percent employees have agreed to move high rated employer branding organization if they had to get the opportunity.
- 4) Sixty percent of the employees have agreed that employer branding can influence the attracting better talent.
- 5) Overall, it is found out that majority of respondents have agreed that are congenial relations at workplace, Rewards, and recognition schemes, A good employer brand is important to consider
Join, Opportunity to move which is high rated employer branding organization and Employer Brand results in attracting better talent is important
- 6). Communication, welfare activities, and working environment factors are very significant to consider attraction of employees and other variables are Career Development, Performance Appraisal, Compensation, Leadership, People Management Practices, and Rewards & Recognition are negative influences which are excluded since they are in insignificant influenced on Employee Attraction.
- 7) Unstandardized Coefficients is .437 for communication has highest positive influence the employee attraction and other two variables are welfare activities and working environment less positive influence comparatively.
- 8) Employer branding increases by attracting high-quality applicants who are suitable for the selection process.
- 9) Employer branding influences attracting better talent with relatively lower cost.
 - 10) Potential employees are willing to prefer higher employer branding rating organizations even though the initial compensation package offered is less than lower employer branding companies.
 - 11) Employer branding can result in lower attrition rates and enhances the retention of the employees.
- 12) Employer brand rating and attractiveness of employees have shown high positive correlation.

9. CONCLUSION

Employer branding is most important factor to join in the organization and employees are always try to move towards high rated employer branding organization if they get an opportunity. Overall, we can conclude that Employer branding can influence the attracting better talent. Communication, welfare activities and working environment factors are very significant to consider attraction of employees. Organizations want to reward the employees every year for their good performance to encouragement and also recognize outstanding performance a lifetime achievement. Rewards and recognition can influence the attraction of employees. Companies with a strong employer brand can hire the most effective employees, often paying less. They have a lower level of fluctuation, Employer brand is attracting the right employees who perform, commit and remain loyal is cost effective to business. Organizations must aim to be employers where potential employees are attracted to work and existing staff remain loyal and perform for the good of the whole business.

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