

IMPACT OF EMPLOYER BRAND ON EMPLOYEE SATISFACTION, WITH SPECIAL REFERENCE TO IT INDUSTRY

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ABSTRACT

Employer branding is an emerging concept in India. Though it has become a routine with the organizations. Recently attracted the interests of many researchers. This paper examines the Impact of Employer branding on employee satisfaction, with IT employees. It is a great challenge for any organization to satisfy the employees. This study more over focuses on affective commitment with the employees and satisfaction level. The study has been explored with IT employees. It tries to evidence the gap in existing literature. Simple random sampling method was used to attain the required sample for the research. A well-structured questionnaire was used to collect the data. The total of 256 respondents have participated in the survey. The study provides evidence that there is a positive link between the employer brand, affective commitment and employee satisfaction.

KEYWORDS: Employer Brand, Affective Commitment, Employee Satisfaction

INTRODUCTION

Employer Branding

In today's highly competitive environment branding is a challenging task. The organizations adopt several methods to differentiate themselves from its competitors. Employer branding can be defined as "a targeted, long-term strategy to manage the awareness and perception of employees, potential employees, and related stake holders with regard to particular firm" (Backhaus and Tikoo, 2004). Various intangible factors including perception, image and identity makes an ideal employer. Ambler and Barrow (1996) have defined the concept as the development and communication of an organization's culture as an employer in market place. It is the package of functional, economic and psychological benefits provided by employment.

Branding is concerned with attraction, engagement and retention initiatives, it is an important concept in HR and marketing. Like any other brands Employer brand is building the image in minds of current and potential employees. With this regard branding is constructing particular attributes that are considered to showcase the image of an organization.

Theoretical Background

External marketing of the employer brand establishes the firm as an employer of choice and thereby enables it to attract the best possible workers. Internal marketing helps create the value proposition of the employer brand to the employees. (Ambler and Barrow, 1996) states internal marketing also contributes to employee retention by using the brand

to strengthen the concept of quality employment and thereby contributing to employee willingness to stay with the organization. The theory of the psychological contract and its effect on the employee organizational relationship provides a foundation for employer branding. In the traditional concept of the psychological contract between workers and employers, workers promised loyalty to the firm in exchange for job security (Hendry and Jenkins, 1997). The concept of brand equity compliments the theoretical background of Employer branding (Aaker, 1991).

Trends in Employer Brand

The term was first coined in early 1990's and widely accepted by the global community. Ambler and Barrow (1996) initially introduced employer branding as a research discipline with an explorative study among UK companies of the relevance of applying brand management techniques to HRM. The first book on the subject was published in the year 2005. Brett Minchington (2014) Employer branding is a competitive advantage for any organization for the success in the business and determines the value of company's intangible assets. A company is said to be successful with best people and not just only with their best product. In coming years, the role of brand manager will become a most common place in the organizations and courses will play a key role with the budding generation. Resulting that companies are turning more strategic in their approach to employer branding.

Techniques in Employer Branding

The organization that establishes its brand makes the hiring job easier. The best thing that the employer can do is to attract the best talent and retain the current employees. The employer who listens to the needs of their employees and invests on the key performers will be perceived to have a best brand. **David Spark (2013)**

Employee Satisfaction

Satisfaction and commitment are core aspects of ability of the organization to meet its employee's expectation as perceived in the psychological contract (Rousseau, 1995). Today's organizations focus much in consideration with their employees, moreover in evaluating and humanizing their work attitude, but this was not practically applicable in all conditions. In the scientific management era, the employees were considered to be just another resource. There was less focus on employee satisfaction. There was a shift in the focus and efforts were taken to specialize the supervisors in respecting the employees feelings, also measures were taken to moderate the work attitudes and behavior of the employees. Employee satisfaction is basically the concern in meeting the needs of employees. The changes in management practice that satisfies the employees would in turn result in the better outcomes of the business. The concept is measured by the psychological responses of the employees. Employee satisfaction is considered to be the distinctive outcome of Employer branding.

Literature Review

There are enormous theories about marketing, branding, corporate image and corporate reputation, conversely there are limited theories concerning employer branding, especially linkage between Employer brand and Employee Satisfaction

Employee satisfaction is being the fundamental of customer satisfaction and organizational performance. (Rucci et al., 1998) for a period of time the relationship between employee perceptions and business outcomes has become the major concern of human resource management. Employee satisfaction is mainly concerned with traditional human resource

practices, such as compensation, employee benefits, work, working atmosphere, and training and development. The literature suggests that commitment is encouraged through a human resource approach within the areas of recruitment and selection, training and development, reward systems and employee participation, involvement and empowerment (Guest, 1987, 1995). If these human resource practices are executed, promise to the company and employer branding will follow.

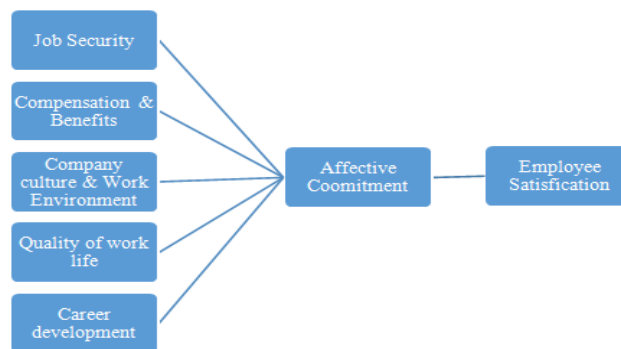
Schweiger (1998) states that the internal communication would help increase in the level of employee performance, commitment, job satisfaction, and employee perception of company trustworthiness, honesty and caring. If the organization does not project the brand concept to their employees and potential hires effectively, it does not have an effective internal communication, the organization will not be successful in building the employer brand. Jenner and Taylor (2009), Employer brand is due to the contemporary power of brands, HR's continuing search for credibility and increasing interest in employee engagement has coincided with constricted labour market conditions, leading to the "war for talent" and a growing interest in talent management.

Preuss et al.,(2009) says the organizations increasingly recognize the strengthening of the employer-employee relationship and their attractiveness, future profitability and "licence to operate" depend on their willingness and ability to recognize employees and potential employees as important stakeholders and contributors to the corporate brand, there is also lack of strategic approach, and the sustainability or social responsibility in human resource management is ignored.

Employee satisfaction is defined as the combination of affective reactions to the differential perceptions of what he/she wants to receive compared with what he/she actually receives (Cranny, Smith, & Stone, 1992). Oladipo, Tosin Ayobami et.al.,(2013) Investigates how Employer brand is treated in literature with seven relevant models on basis of stages and process. Says "literature review lacks the application of existing models. Evans Sokro (2012), Brand name of the organization influence the decision of the employees about their job. Conducive work environment make the employee feel comfortable and retain them for longer period.

There is no limit for the employees to reach the full satisfaction and it may vary from employee to employee. Sometimes they need to change their behaviors in order to execute their duties more effectively to gain greater job satisfaction (Miller, 2006). Though there are number of research carried out in this context, this particular linkage has limited attempts. This paper extends the concept of Employer Brand to an analysis of employee satisfaction. It explores the relationship between Employer Brand and Employee satisfaction. It draws insights from various other literature to develop a framework for further research in Chennai, India.

Framework of the Study



Source: Author's Compilation

Objectives of the Study

- To know employer brand as a concept and to understand its importance, trends and techniques.
- To draw opinions and insights on how Employer branding is currently being practiced in organizations in order to satisfy the employees.

Research Methodology

The research is basically about The Impact of Employer Brand on Employee Satisfaction in selected IT companies in India. The hypotheses were tested using the data collected from the sample of IT employees from different companies in India. The study has adopted descriptive research design, and simple random sampling method was used to attain the required sample for the research. The total number of 300 questionnaire were distributed personally and through mail, with the cutoff time 256 filled in questionnaires were retrieved. Each item measured in 5 point scales. Factor loadings item value less than 0.6 has been suppressed. The scale is reliable for measurement as α coefficient value for each item exceeds 0.70. Each constructs were validated with the tested and established items.

Table 1: Demographic Profile of the Respondents

Respondent Characteristics	Frequency	Percentage
Gender		
Male	149	58.2
Female	107	41.7
Age		
Below 25	87	33.9
26 – 30	101	39.4
31 – 35	51	19.9
Above 35	17	6.6
Educational Qualification		
Graduate	66	25.7
Post Graduate	30	11.7
Professional	106	41.4
Other	54	21.1
Work Experience		
Less than 2 yrs.	73	28.5
2 – 4 yrs.	62	24.2
4 – 6 yrs.	66	25.7
6 – 8 yrs.	35	13.6
Above 8 yrs.	20	7.8
Work Position		
Senior Management	8	3.1
Middle Management	77	30.1
Technical Lead / Team Lead	91	35.5
Associates / Analyst / HR/ Admin	80	31.2

The profile of the respondents were categorized in terms of demographic characteristics such as gender, age, qualification, work experience and work profile. Among the respondents from the received data 58.2% are male. Most of the respondents belong to the age group of 26 – 30 which is 39% and closely followed by below 25 age group with 33%. More number of respondents are from professional background with 41%. Work experience and work position have average level of respondents from each category.

Table 2: Descriptive Statistics for Employer Branding and Employee Satisfaction

	No. of Items	Mean	Standard Deviation
Quality of Work life	3	5.37	0.795
Compensation and benefits	4	5.13	0.960
Company culture & Work environment	4	4.47	1.635
Job Security	3	3.74	1.506
Career development	4	3.25	1.585

Each variables of Employer brand are measured with developed constructs. Job security is measured with three items such as long term job security, financial security and future plans. Compensation and benefits are measured by 4 items such as satisfactory level with monetary, nonmonetary, rewards and recognition. Company culture and working environment with 4 items such as pleasant work atmosphere, exciting workplace, supportive environment and Values. Quality of work life with items such as good relationship with co-workers, work life balance and challenging work. Career development with items such as promotion opportunities, room for creativity, recognition and empowering environment.

Hypothesis 1

H₁: The strong employer brand is positively related to the satisfaction level of employees

Oriol Iglesias et.al (2011) extends the understanding of the brand experience construct by studying its influence on brand loyalty and also by incorporating affective commitment as a mediating variable. The satisfaction level of employees varies from the range of 3 – 5, the respondents show a fair level of satisfaction among the items of the Employer brand. There is statistically positive correlation between Employer brand and employee satisfaction. Umit Alniack (2011) showed that perceived organizational reputation has a positive correlation with organizational commitment and job satisfaction whereas it has a significant negative correlation with turnover intentions.

Table 3: Correlation between Items of Employer Brand and Affective Commitment: Pearson Correlation Sig (1- Tailed)

Correlation	Affective Commitment
Quality of work life	0.689
	0.000
Compensation & benefits	0.786
	0.000
Company culture & Work environment	0.556
	0.000
Job security	0.496
	0.000
Career development	0.395
	0.000

Hypothesis 2

H₁: The higher the affective commitment, higher would be the level of satisfaction level of employees

The regression analysis reveals that Affective Commitment has a significant positive influence on Employee satisfaction in the variation of 61% in Employer branding. It is clear that affective commitment would influence the satisfaction level of employees. As the other statistical tool, we have applied the regression analysis to our research. We

have investigated whether the constructed model is significant or not, the regression analysis tool is used to calculate the 'total explained variance' of our model. Model summary table in the output of regression analysis, the regression equation has been composed equation that indicates the mathematical relationship between the dependent variable (Affective commitment) and independent variables (employee satisfaction). Regression analysis is one of the important analyses of our research as it informs us what percent of the employee satisfaction can be attained by Affective commitment.

Table 4 A: Regression Analysis- Affective Commitment and Employee Satisfaction

Model Summary						
Model	R	R-Square		Adjusted R-Square	Std.Error Of Estimates	
1	0.834*	0.614		0.677	0.5286	
(Constant) Employee Satisfaction						
Coefficients*						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig
		B	Std.Error	B		
1	(Constant)	1.891	0.276		4.866	0.000
	Employee Satisfaction	0.586	0.076	0.689	13.136	0.000
Dependent Variable: Affective Commitment						

Kurt Matzler et.al (2007), states that the Employee satisfaction has a strong impact on affective commitment. While considerable attention has been given to environmental, especially managerial influences on employee satisfaction. Sheik Mohamed et.al (2012) in the study revealed the fact that job satisfaction is positively related to organizational trust, affective commitment, continuance commitment and normative commitment

RESULTS AND DISCUSSIONS

The researchers have claimed that appropriate human resource management, organizational strategy and leadership and marketing strategies can create a powerful employer brand. Results are consistent with previous empirical studies and show that, although there are demographic differences between female and male respondents, all variables considered for the study were found to be highly significant in positively influencing their satisfaction employees. The quality of work life is said to have high influence with the satisfaction of employees. Followed by other branding strategies. The research emphasizes the affective dimension in extent to which employee's satisfaction and sense commitment with an organization. The employer brand experienced by employees in day to day work life has high impact on their commitment and satisfaction levels. The study also confirms that the positive experience with employer brand in the organizations is imperative for employees to develop affective commitment.

Implication of the Findings

The study provides evidence that there is a positive link between the employer brand and employee satisfaction. There is an association between employer brand, affective commitment and employee satisfaction. . The findings add new knowledge that can be used to improve organizational practices for the satisfaction of key talents in the information technology environment. Thus in order to increase the level of satisfaction of employees the organizations should concentrate more in building the employer brand. The employees have optimistic perception on brand values and the strong branding influences the affective commitment of the employees and in turn impacts the satisfaction level

CONCLUSIONS

Employer branding is relatively new approach towards employee satisfaction and has gained interests of many researchers in recent years. In the study described here, we proposed a model consisting of five key drivers of employee satisfaction and tested the model with IT employees in India. The study statistically confirms the relationship between employer branding, affective commitment and employee satisfaction. It is important for the organizations to strengthen the branding strategies in order to satisfy the employees.

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