

# Employer Branding: Strategic Move towards Attracting Young Talents

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## Abstract

Many studies have been devoted to the role of branding in influencing consumers, whereas, less research has been reported in the context of the influence of employer branding imposes on potential applicants. The insights of the study in this area are imperative to organizations as positive employer branding plays significant role in attracting and recruiting prospective employees. This paper aims to explore the attributes that affect applicants' attraction to the organization and motivate them to apply.

**Keywords-** Employer Branding, Potential Employees.

## I. INTRODUCTION

In today's globally competitive environment, skilled and talented work force plays an important role in gaining competitive advantage. Liberal, private and global economy and open market policy has come up with the need of providing quality products and services to customers. This could be achieved without compromising on quality and cost only through the development of valuable human capital [5]. This objective can be fulfilled by acquiring and retaining the best talent in the organization. Over the last two decades employer branding has emerged as a strategy to win the talent war [1],[10],[14],[15],[25] and helps companies in creating a distinctive brand image from its competitors [3],[17],[18],[19]. The companies need to focus on attracting the best pool of prospective employees and nurture the existing ones who can help in attaining the organizational goals. According to Kotler (1994) "the task of successfully hiring, training and motivating able employees to serve the customer well is defines as internal marketing". "One component of internal marketing that is still underdeveloped is employer branding and specifically employer attractiveness" (Berthon et al., 2005). This confirms the opinion of Backhaus & Tikoo (2004) that employer branding plays an important role in managing human resource. Incentives of internal investments are consistent and quality customer services as staff actions strengthen the promises a brand assures to its customers. Employees are the transferring agent of organization's internal characteristics to the external environment (Chhabra and Sharma, 2014).

According to AIMA report (2003) there will be 10-24 million jobs (direct and indirect) by 2020. This confirms the surging demand for skilled and talented workforce in future. To meet the challenge organizations need not only to look for the right participants but also to attract the right talent. According to a study conducted by Harvard Business Review and ICM Unlimited in collaboration, companies with a bad reputation are expected to spend at least 10% more per hire because the market is becoming employee driven instead of employer driven. In their study they also found the top three factors that contribute most to a bad reputation as a place to work are concerns about job security, dysfunctional teams, and poor leadership. And the top three factors associated with a good reputation as an employer are stability, opportunities for career growth, and the ability to work with a top-notch team (hbr.org). It is well known that the cost of acquiring employees is much higher than the cost of retaining them. So employers should work on maintaining a positive employer brand. MRINetwork Recruiter Sentiment Survey found in their study that the market is becoming candidate driven. The candidate driven market is consistently increasing since 2011 from 54%, in 2012 it rises up to 67% which grows to 79% in 2013 and 83% in 2014 which becomes 90% in 2015. Employer branding can play a pivotal role in recruiting, retaining and attracting right candidates.

Employers have to offer best- job conditions, salary package, benefits, compensation, work-life balance, culture, etc. - in order to attain best workforce. Organisations need to think from the employees' perspective as market is offering multiple options to them. Therefore, the need arises to explore the factors that influence the intention of prospective employees' to join an organisation. The objective of this study is to identify the factors that influence the intention of young job applicants to join an organization.

## II. LITERATURE REVIEW

Job seekers consider various aspects while applying for the job such as, reputation, attractiveness, image and brand equity (Collins and Stevans, 2002; Berthan et al., 2005). More and more applicants applying in the organization gives firm an

added advantage of having many options to select the most competent employee. Reputation of the organization plays a significant role when a job seeker applies for a job. It becomes a source of information about the working environment of the organization (Cable & Turban, 2003). Earlier, branding was used to discriminate tangible products only, but as the years passed, it has been applied to discriminate people, places and firms (Peters, 1999). Organizations realize the importance of effective employer branding for attracting and retaining employees (Backhaus and Tikoo, 2004). Employer branding is a new technique to relate brand management to human resource management. Ambler and Barrow, 1996 introduced the term employer branding and define it as “the package of functional, economic and psychological benefits provided by employment, and identified with the employing company”. The concept helps in distinguishing firms’ characteristics as an employer from other competing firms’.

Sullivan (2004) has defined employer branding as, “a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees and related stakeholders with regards to a particular firm”. Employer branding can be a valuable and intangible factor to attract potential employees. The Conference Board (2001) suggest that employer brand covers the organization’s value system, policies and procedures that support in attracting, motivating and holding existing and potential employees and create an identity of the firm. We can conclude that employer branding involves within and outside promotion of firm and create a desirable and unique image of the firm. Backhaus and Tikoo (2004) state that employer branding is a useful tool that allows the firm to create a distinguish image from other employers competing for talent and to attract applicants who ideally possess similar, if not same, values as the organisation. Minchington (2010) define employer branding as the image of an organization as a ‘great place to work’ in the mind of existing employees and key stakeholders in the external market. We can conclude that employer branding is a concept that help employers in building a unique identity focused on potential and current employees, in order to create a differentiation from its competitors. In this paper we attempt to explore the predictors which influence the intention of prospective employees to join the organization.

### III. RESEARCH METHODOLOGY

#### A. Research Objective

The main objective of this study is to identify the factors that influence the intention of young job applicants to join an organization.

#### 1) Sample

This study was undertaken to explore the concept of employer branding. The study focuses upon understanding the ways in which the young talent can be attracted by the organizations. The study emphasizes on the views of the college students who are looking for jobs and do not have any work experience. Convenience sampling technique was adopted for the study considering certain practical aspects such as accessibility, geographical propinquity, availability and willingness of participants. The sample consisted of 120 young college students enrolled in professional courses from Allahabad city in India. The sample included equal percentage of both the gender i.e. 50% male and 50% female respondents. Maximum respondents i.e. 58% fell between the age group of 21-23 years, 34% respondents came from the age group between 24-26 years; only 8% fell into the age group of 18-20 years. 17% of the respondents were having graduate degree and 83% were having postgraduate degree. The sample may be considered fairly appropriate for the study. Most of the respondents were at the stage of choosing an organization to start their career. To fulfil the objective of the study, data was collected from primary sources.

#### 2) Instrument

A self-designed structured questionnaire was used to collect data. The questionnaire consisted two parts: “Part A” included 5 questions and attempted to seek demographic information, “Part B” consisted 25 items drawn from extensive review of literature, sought factors affecting prospective employees’ intention to join an organization. A five-point Likert scale was used with 1 being “strongly disagree” and 5 being “strongly agree” in the questionnaire. Multiple techniques were used to examine data that qualify relationship between involved variables. Dependent variable, Intention to join organization was measured using one item.

### IV. DATA ANALYSIS & FINDINGS

Before analysis, data was subjected to cleaning and screening to examine the presence of outliers and normalization. Exploratory factor analysis with principal component analysis (PCA) and Varimax method for rotation was conducted to extract the most relevant factors for the study and establish the internal dynamics of the data. Kaiser-Meyer Olkin (KMO) and Barlett’s test of sphericity measure used to examine the adequacy of the sample for factor analysis. KMO value .710 and highly acceptable value of Barlett’s test of sphericity 0.000, approximate chi-square statistic 1571.792 with 276 degrees of freedom assures the adequacy of data for factor analysis. With variables having Eigen value more than one Principal Component Analysis extracted five factors with overall 56.812% contribution of variance. Factor 1 with eigen value

5.063 explains 21.098% of variance, factor 2 with eigen value 3.108 accounted for 12.950% of variance, factor 3 with eigen value 2.269 relates 9.455% of variance, 7.644% of variance is shared by factor 4 showing eigen value 1.835 and only 5.666% of variance is explained by factor 5 with eigen value 1.360. All five factors have been named appropriately, according to the variables loaded onto the respective factor.

Regression analysis was also done so as to test whether the independent variables have an influence on the dependent variable or not. The data was analysed by using SPSS 20 version.

The overall alpha value .775 confirms the reliability of the questionnaire. The value of Durbin-Watson statistics in model is 2.406 that should be near 2 (Andy Field). Close R<sup>2</sup> (.486) and adjusted R<sup>2</sup> (.464) value confirms that the model fits the data well. Table 1 shows the Model summary and table 2 represents the statistical results of regression analysis.

**Table 1. Model Summary**

<b>Model Summary<sup>b</sup></b>
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Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error			
(Constant)	4.008	.049		81.151	.000
JOB CHARACTERISTICS	.221	.050	.300	4.463	.000
CHALLENGING TASKS & FLEXI HOURS	.292	.050	.395	5.889	.000
VALUES & IDEOLOGIES OF ORGANISATION	.047	.050	.064	4.957	.040
BRAND IMAGE	.255	.050	.345	5.148	.000
HR POLICY & PAY PACKAGE	.253	.050	.342	5.097	.000

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.697 <sup>a</sup>	.486	.464	.541	2.406

a. Predictors: (Constant), FACTOR 5 ( HR POLICY & PAY PACKAGE), FACTOR 4 (BRAND IMAGE), FACTOR 3 (VALUES & IDEOLOGIES OF ORG.), FACTOR 2 (CHALLENGING TASKS & FLEXI HOURS), FACTOR 1 (JOB CHARACTERISTICS)

b. Dependent Variable: I would prefer to join an organization which fulfils my expectations

**Table 2. Statistical results of regression analysis**

The acceptable significance value confirms that all factors significantly and positively influence the prospective employees’ intention to join an organization.

**V. CONCLUSION**

On the basis of statistical analysis, it can be concluded that job characteristics, challenging tasks and flexi hours, values and ideologies of the organization, brand image of the employer, the HR policy of the organization and the pay package offered to the employees are significantly correlated with employees’ intention to join an organization. In present time, way of managing human resource is changing. Employer branding has surfaced as a

strategic move to attract and retain talents. If job seekers feel that organization is able to provide opportunity for growth and development then they feel motivated to apply in the organization. Thus, organizations can attract more applicants by developing their image in terms of brand, job profile, career prospects, innovative work practices, training and development and communicating them to the precise audience. The step taken would save time, money and attract the desired applicants.

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