

The Impact of Employer Branding on Employee Relationship Management: En-route Competitive Advantage and Sustainability

*“If we leave the human factor out of our business calculations, we shall be wrong every time”
William H Lever, Founder of Lever Brothers*

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Background of the Study

Sustainability is becoming the key to success in majority of the organisations across the globe and around 62% of the executives consider it to be the trend of the time while other 22% think it to be the future¹. Research is finding that 21st century employees are focusing more on mission, purpose, and work-life balance. Companies that invest in sustainability initiatives tend to create sought-after culture and engagement due to company strategy focusing more on purpose².

In the wake of globalisation when market economy has become the ruling ideology and fierce competition determines the nature and contours of relationship between people, organisation and even societies, the two inevitable scenes in the business scenario being staggering number of people working for organisations who are not the traditional employees of the organisation and many of the organisations outsourcing employee relations which at any time reverse back to themselves.

Globalisation has imposed pressures on organisation to have better quality, higher productivity, greater efficiency, more effectiveness in managing technology and high customer orientation. HR is dramatically affected by globalisation, to mention a few like more attentions to diversity and open thinking, constant need to embrace change and stronger global labour organisations.

Statement of problem

The attenuation of relationship between employees and organisation presents a great danger in today's situation. It's one thing for a company to take advantage of long-term freelance talent or to out-source the more tedious aspects of its human resources management³. It's quite another to forget, in the process, that developing talent is business's most important task—the sine qua non of competition in a knowledge economy. If by off-loading employee relations, organizations also lose their capacity to develop people, they will have made a devil's bargain indeed⁴.

Through research and survey, it was and is found that employees who respect their employers are more achievers in the roles assigned to them. Many a times, employers of small organisations complain about the fact that employees are not devoting time to product development, customers and

markets and quality, instead focus on managing issues on employee relations. With the GIG economy pitching in, many organisations are forging ahead of each other to avail the dispensation of expertise in their field of business⁵.

HR policies today and always are of the fact, that all working for the organisations are employees of the organisation which may not always be true. The data supplied by them reveal the fact many of them form a part of the temporary workforce. The debate how this could affect the relationship, service to customers, quality products and majorly the sustenance of the organisation as it conveys the idea that it does not matter how these workers are placed but the harsh reality that who motivates and manages them.

Hence this study investigates the idea of how organisations can influence the art of employee relationship management and how this strategy of HR can be understood to be one such tool for competitive advantage in today's knowledge economy.

Snapshot of Research Overview

S.No	Name of the Study & Year	Author	Dimensions Covered
1.	<i>Gallagher: Employers of Choice must pay attention to workplace wellbeing, 2018¹⁴</i>	Andriano Lyle	Attraction and retention of top talent, career advancement, human capital management strategy, healthcare and compensation package.
2.	<i>Introduction: The rise of Social Enterprise, 2018 Global Human Capital Trends¹⁵</i>	Dimple Agarwal, Josh Bersin, Gaurav Lahiri	Wellbeing programs, mental and physical health, productivity, engagement, retention and reward and development programs
3.	<i>Five Key to Building a Sustainable Employee Value Proposition, October 2013¹⁶</i>	Julie Weber	Labour market perspectives, retaining high performers, rewards, people, employee engagement
4.	<i>Employer Branding is KEY to competitive advantage, 2012¹⁷</i>	Sanjay Modi	Engraining organisation values, engagement and retention metrics, ownership of brand, engaged workforce and brand ambassadors
5.	<i>Employer Branding: How Companies can gain a competitive advantage in Recruitment, 2016¹¹</i>	Tara Murphy	Hiring of great talent, organisation culture, attraction strategies, employee as brand ambassador, building community of followers on social networking sites
6.	<i>Attributes Utilised By Knowledge Workers in Identifying Employers of Choice: Focus on Accountants and Information Technology (IT) Specialists in South Africa, 2012¹⁸</i>	Crispen Chipunza and Trust Kabungaidze	Knowledge workers, talent management, attrition, motivation and retention of knowledge workers, employer of choice attributes

Research Methodology

Sources of Data: The study contains data from both primary and secondary sources. A structured questionnaire with questions addressing respondents on their personal factors, work environment factors, organisation/work culture and training and development requirements were studied. The investigation also tries to refer to the contemporary issues relating to the research topic through reports, blogs and magazines.

Sample Size: A sample of 68 was considered, but accurate data was received from only 58 respondents (Response rate 87%).

Tools of Analysis: The data is inferred using Factorial Analysis to understand the factors that best impact the employee relationship on competitiveness and sustainability and Chi-Square analysis to recognise the association between demographic factors and their association with employer branding and employee relationship management. The data was inferred using SPSS version 20.

Area of Study: The garden city of South India Bengaluru (Bangalore) the city which is the home to many well-recognised institutions and popularly referred to as the IT hub of the nation is considered for the purpose. The diversity in the population brings to forefront the challenges the employers face especially in a city like Bengaluru. Hence it was considered fitting to study the research problem with reference to this city.

Employer Branding and Employee Relationship

Employer Branding is the art and science of creating a unique message about your company and claiming it to be the best place to work for. Every company has its reputation. The art of maintaining that reputation lies in the culture, values and beliefs spread across the organisation and the employees' belief that the organisation stands for its claims. In today's competitive world it is imperative that the organisation masters the art of recruiting, retaining the top and best talent and provide the supportive work environment in which employees long to stay and ensure the employers' very existence.

The International Business Environment of today poses a major challenge to Indian organisations in terms of creating a challenging work culture, appealing work environment, flexible work schedule, work life integration, employee engagement, commitment, loyalty, sustainability and much more. Over the years research has significantly proved that BRAND is a major contributor of success in various parameters of any business.

Study after study it is becoming evident that the millennials wish to measure their productivity not by the hours of work but by the quality of output. Around 60% of them leave the job within three years of being hired⁶. According to a recent survey⁷ it is admitted that millennials differ from their previous generation baby boomers in their approach to work life balance, quality time with family and friends and achieving success in career and positioning themselves in work. They do not wish to confine themselves to the 9 to 5 job and want a workplace with more like minded people.

A recent study by the Business Insider⁸ quotes that 71% of them want their workplace to be their second home. The investigation further revealed their mind to the extent that around 75% of them wish to have mentors which they feel impacts their success and 89% feel that work life balance is the key to happiness in performing a job. The survey also classified the working population according to school of thought whereby the employees belonging to traditional belief of work happens only between scheduled time as against the current generation who feel it can happen anytime and anywhere with support from a mediating group who extend their support by providing supportive leadership, quality of volunteerism and take up the responsibility when things mess up.

Many organisations face a stiff competition when it comes to balancing between the emotions of the employees and their bottom-line results. Organisations that have lived the BRAND for many years too face the trouble to manage different generations at workplace. Many successful organisations of yesteryears fail to understand the fact that it is the customer is the final payer of the bill and to keep him satisfied externally they need to satisfy, mentor and appease the internal customers, the employees. The generation of today wish to empower themselves that which offers them the autonomy and responsibility to take care of the needs of customers. It is expected of the top management to provide their employee with supportive and empowered work culture. The act of delegation enables an employee to correct his mistakes and set right the issues with much more confidence and certainty.

The other major challenge of the past was that the HR policies of the organisation often spoke about employee engagement but rarely had a proper policy that could address issues related to the same. The millennial generation of today define their engagement levels to be measured by career opportunities, employee health and wellbeing, corporate social responsibility, senior leadership and employer reputation.

Data Analysis and Interpretation

H₀ : There is no association between gender and awareness / understanding on branding

H_a : There is association between gender and awareness / understanding on branding

Table No. 1: Gender awareness group Crosstabulation

		Awareness group		Total
		Moderately Aware	Highly Aware	
Gender	Male	13	11	24
	Female	21	13	34
Total		34	24	58

Table No1 indicates the gender classification of the respondents. Their extent of awareness is understood to be ranging from moderately aware to highly aware, which reveals the fact that all employees current / potential are interested in working for a company that has created a brand for itself.

Table No.2: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.335 ^a	1	.563	.598	.378
Continuity Correction ^b	.095	1	.758		
Likelihood Ratio	.334	1	.563		
Fisher's Exact Test					
Linear-by-Linear Association	.329	1	.566		
N of Valid Cases	58				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.93.

b. Computed only for a 2x2 table

Table No.2 tries to prove statistically the fact that there is no difference in the awareness and understanding on employer branding when based on gender. The p value is 0.563 which is greater than 0.05 at 5% level of significance. Hence it is evident that there is no association between gender and awareness & understanding on branding.

Hence the null hypothesis stating that there is not association between gender and awareness/understanding is accepted.

H₀: There is no association between experience and awareness & understanding on branding

H_a: There is association between experience and awareness & understanding on branding.

Table No.3: Experience and awareness group Cross tabulation

	awareness group		Total
	Moderately Aware	Highly Aware	
1(less than one year)	13	7	20
2(1year-5years)	3	6	9
3(6years-10years)	4	7	11
4(11years-15years)	5	4	9
5(15years and above)	9	0	9
Total	34	24	58

Table No.3 pronounces the association between experience and awareness/ understanding of the term Brand.

Table No.4: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.342 ^a	4	.023
Likelihood Ratio	14.531	4	.006
Linear-by-Linear Association	1.534	1	.216
N of Valid Cases	58		

The Chi-Square results statistically prove the fact that the association between experience and awareness on branding indicate the difference in opinion. It can be noted that today's generation with less than five to seven years of experience have high awareness on branding compared to others with more years of experience.

It is because, today's workplace witnesses three or more generations in place. The baby boomers and gen X are not inclined towards branding as gen Y or the millennials. Hence the difference in opinion. The p value is .023 which is less than 0.05 **hence reject H_0 and accept H_a (ie) There is association between experience and awareness and understanding on branding.**

Factorial Analysis

Factorial Analysis has two types: explanatory and confirmatory. The former aims to forecast the relationship between variables under the circumstances where the researcher does not have an idea or proposal about the relationship between variables in his/her study.

The following are the assumptions of FA:

- FA based on the hypothesis that the relationship between the variables are linear in nature.
- Whatever the number of variables is, the number of observations should not be less than fifty.
- Pre-requisite to FA the validity should be tested by using Bartlett's Test of sphericity
- The test value for Kaiser-Meyer-Okin (KMO) measure which will be applied for sampling sufficiency must be greater than 60%.

**Table No.5
KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.882
Approx. Chi-Square		778.110
Bartlett's Test of Sphericity	D.f	120
	Sig.	.000

From the above Table it can be inferred that as the P(significant) value of the data was 0.000 which is less than alpha 0.005 and the KMO value is 0.882, the variables are suitable for Factorial analysis.

Table No.6: Communalities

	Initial	Extraction
I1. (I am recognised for my ideas)	1.000	.390
I2. (My organisation provides me with conducive work environment)	1.000	.590
I3. (My organisation upholds the policy of work life integration)	1.000	.702
I4. (My strengths and weaknesses are equally recognised)	1.000	.685
W1. (I work in an environment of trust and belongingness)	1.000	.737
W2. (My work environment induces affinity and loyalty)	1.000	.793
W3. (My organisation has created an environment in which employees long to stay)	1.000	.747
W4. (My organisation creates an environment of team-work and compatibility amongst peer group)	1.000	.621

O1. (Organisation culture has enabled work empowerment)	1.000	.614
O2. (Organisation always demonstrates high levels of employee satisfaction)	1.000	.632
O3. (Organisation provides supportive leaders)	1.000	.485
O4. (Organisation policies on recruitment, promotion and appraisal are clear and transparent)	1.000	.619
T1. (Employees training needs are well recognised and attended to)	1.000	.853
T2. (Organisation training and development are more relevant)	1.000	.733
T3. (Employees are provided with hands on experience on latest developments in their field)	1.000	.764
T4. (Organisation training & development has enhanced personal & professional development)	1.000	.798

Extraction Method: Principal Component Analysis.

Each variable mentioned in the Table No.6 are the variables considered for the purpose of data analysis. I1 to I4 indicating the individual factors that enhance employee relationship, W1 to W4 indicating work environment, O1 to O4 indicating the organisation culture and T1 to T4 denoting the training and development needs of the respondents. Each of these variables with a score of 0.50 and above are indicative of the strongness with which they contribute to employee relationship management. Hence in this connection all variable except I1 and O3 which contribute the least to employee relationship while all others prove to have a significant impact on the construct mentioned.

Table No.7 :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	9.307	58.167	58.167	9.307	58.167	58.167	6.346	39.660	39.660
2	1.456	9.099	67.267	1.456	9.099	67.267	4.417	27.606	67.267
3	.941	5.884	73.151						
4	.797	4.980	78.131						
5	.771	4.818	82.949						
6	.502	3.141	86.089						
7	.427	2.671	88.760						
8	.403	2.517	91.277						
9	.291	1.819	93.096						
10	.285	1.780	94.876						
11	.226	1.413	96.290						
12	.165	1.032	97.321						
13	.148	.925	98.246						
14	.127	.796	99.042						
15	.090	.563	99.605						
16	.063	.395	100.000						

Extraction Method: Principal Component Analysis.

Table No.7 above is the summary of all 16 variables considered for the purpose of the investigation. The list of 16 variables for the purpose have been condensed into 2 major factors namely Work Environment and Training & Development factors.

Table No.8 :Rotated Component Matrix^a

	Component	
	1	2
I1	.527	.334
I2	.739	.210
I3	.710	.445
I4	.742	.366
W1	.838	.185
W2	.857	.241
W3	.793	.345
W4	.741	.267
O1	.693	.366
O2	.672	.424
O3	.572	.398
O4	.476	.627
T1	.305	.872
T2	.204	.832
T3	.362	.795
T4	.318	.835

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

The results from Table No.8 declare the reality that under **Factor 1** comprising of work environment factors the highest contributor is W2 (work environment inducing affinity), followed by W1 (environment of trust and belongingness) and W3 (organisation creating an environment which employees long to stay). This is indicative of the fact that more importance is attributed to the work environment or atmosphere that triggers their efficiency together with the individual perception that employees' perception and belief that their organisation provides such environment (I2).

In **Factor 2** comprising of training and development factors it is understood that organisations are very much aware of the developments to be brought about amongst the employees (highest contributor) and such training and development has contributed to their personal and professional upliftment and they seem to be more relevant to the changing scenario as witnessed on a day to day basis.

The analysis are suggestive of the reality that today's workforce is more mindful about for whom they are working. Many attempts in this direction have time and again proved that the millennials generation try and align their personal values with that of the organisational objectives and goals **Ozaslan (2014)¹¹** as the clash of ideas which further leads to employee dissent. **Kaytie Zimmerman¹²** also in her Forbes article on what millennials want clearly proclaims that millennials want priority for family, their employer benefits to match their values and would like to be loyal to their employers but not to be viewed as numbers.

Limitations of the Study

The study was not sector specific but general. Therefore the inferences arrived at cannot be applied to all categories of employment. The respondents were chosen because they were employees and the

chance that they may have quit the job or their loyalty with their long-standing employer might have repercussion on the responses obtained.

Concluding Remarks

The constant pressure on organisations to win the war of talent makes it imperative for them to preserve a contended workforce. In this regard, the relationship with employees is the dominating factor. According to a report by WorldatWork (2018)¹³ 64% of employers look out for high quality hire, 52% want to ensure that employees and supervisors have the required skill sets and 49% want employee engagement. Employees also strongly believe and wish the promise at the entry level of their experience to continue day to day (Berthon, P. et al.(2005)⁹. Time and again organisations have witnessed the actuality that branding contributes to reduced hiring cost, contended workforce, improved recruitment and ultimate attainment of organisational objectives Gaffney, S (2005)¹⁰

Implications for Future Research

The extent of discussions and statistical analysis outlined above, indicate the growing importance of how branding can influence the art of employee relationship besides recruiting and retaining the top talent to ensure a sustainable organisation. It is also suggested that future research can aim at quantifying the impact of being an employer of choice on the Employee Value Proposition (EVP), which intends to summarise the benefits an employee receives in return for his skill, commitment, loyalty and competitiveness offered to his organisation. The sample size always bears an impact on the results declared and generalisations arrived at. Hence the future researchers may also bear in mind the increase in sample size together with a sector specific investigation to influence the employers more explicitly the benefit of employer branding and its ultimate impact on sustainability and competitiveness. It is no exaggeration that even Rolls Royce in 2016¹¹ started working heavily on employer branding by building community of followers in schools and universities. This could be a lead to many employers to target their customers through all routes possible

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