CHAPTER – 2
LITERATURE REVIEW

2.0 INTRODUCTION

This review of the extant literature is designed to explore the theoretical foundation underneath employer branding, employer attractiveness, employer value proposition and employee engagement. In this chapter, all these directions have been considered in the context of narrowing the research question. The aims of this chapter are to:

- Review of the evolutionary concept of employer branding and their rational arguments to fit into employment practice (Section 2.1).
- Review the theoretical paradigm, existing supportive models and processes to build employer branding (Section 2.2).
- Review the effect of employer branding on organization (Section 2.3).
- Review rational arguments on brand management with respect to employment (Section 2.4).
- Consolidate the studies on employer value proposition which have provided a clear indication of employer branding (Section 2.5).
- Consolidate the studies on employer branding success rate indicator which provides a clear indication of employer attractiveness and employee engagement (Section 2.6).
- Review the relevant literature that identifies the need of employer branding in twenty first century (Section 2.7)
- Synthesise the review to consolidate the employer value proposition, employer attractiveness, employee engagement and derives the hypotheses and the research framework the study intend to establish (Section 2.8).

2.1 EVOLUTION OF THE CONCEPT OF EMPLOYER BRANDING

Ambler and Barrow (1996) studied the application of brand management in the field of human resource management. The authors did a pilot qualitative research where
executives of top 27 UK firms were asked to reflect on their HR practices. The study explored that brand techniques can be aligned to the employment circumstances and will lead to analogous performance measures, e.g. trust and commitment. Strong corporate equity with the brand’s customers can improve the return on HR, while at the same time improved HR practices can improve the return on brand equity from external customers. The authors concluded that larger scale research would be required to establish the parameters of these relationships.

Chambers et al. (1998) of McKinsey consultants brought the term ‘War for talent’. According to the authors there is already a shortage of talent and this has already been felt by the organizations and the immense competition to attract and retain best talent has already been started. Organization should come up with their strategy to win the war for talent to achieve competitive advantages.

Chun & Evans (2005) argues that a dramatic paradigm shift has occurred in employment arena; a shift which alters the way employers recruits for talent in the twenty-first century. The cause for the shift is changes in the nature of work, the skills required to perform that work. Knowledge-intensive work progressively displaces production and manufacturing work, employers must compete for individuals with the skills to meet constantly changing organizational requirements. Today’s knowledge workers essentially have a portable means of production-their unique skills, abilities, and expertise. Knowledge workers are increasingly mobile and shifts locations and jobs for more attractive possibilities. Therefore, the organizations upper most priority is to become the ‘employer of choice’, in other words a place where people desire to work.

2.2 BUILDING EMPLOYER BRANDING

According to Martin (2007) the essence of employer branding is to attract talented individuals and ensure both employer and existing employees identify with the organisation and its brand and mission to produce desired outcomes for organisations. The conceptual framework of employment branding suggests that employer branding begins with the creation of an employer brand image or value proposition. Value proposition is a central message to be conveyed by the brand what particular value is offered by a company to employees. This process encompasses self-audit of organization’s culture, mission, strategies (corporate identity) and the shared knowledge, beliefs, language
and behaviours (organizational identity). These brand associations affect employer attractiveness to potential employees and strengthen organizational identification among employees and in turn affect employer brand loyalty that is positively related to organizational performance (Figure 2.1).

**Figure 2.1**

**Employer branding framework**

Backhaus and Tikoo (2004), suggested organizations need to follow a three-step process to build employer branding. The first step for the organization is to come up with a concept of what particular value it offers to current and prospective employees. This value proposition must be derived by means of a thorough audit to ensure what values can make the firm a great place to work and should be considered as the central message and should be convey by the employer brand. Once the value proposition is determined, organization should focus to market the value proposition externally to attract the talent population the organization requires achieving its competitive advantages as the second step. The third step of employer branding involves internally marketing the employer brand. In other words the organization should carry the brand “promise” made to the employees and integrating it as part of the organizational culture. Figure 2.2 is the conceptual model on employer branding proposed by Backhaus and Tikoo (2004) and explains that employer brand associations creates the
employer image and attracts potential employees which is an outcome of a firm’s employer branding. The authors argued that employer brand brings psychological contract between the employer and the employee, underpins and transforms organizational culture, reinforces organizational identification among the employees of the organization. Accurate information portrayed in the employer brand condenses employee perceptions of breach of the psychological contract and thus the organizational culture plays a vital role to bring employer brand loyalty and the outcome is employee productivity.

**Figure 2.2**

**Backhaus and Tikoo Employer Branding Framework**

Hewitt Associates, on its recommendation to build employer branding suggested that the firms should follow a five step approach to develop a strapping employer brand (The Economics Times, 2012). First, the organization should understand its requirements. Second, the organization should create a ‘compelling brand promise’ for employees at the same level of importance as the organization commitment for customer brand promise, Third, religiously develop standards to ensure the implementation of the brand promise and can be suitably measured, Fourth, the organization needs to ensure all the people practices should support and reinforce the brand promise. Finally execute its brand promises and measure the employer branding.

Sullivan (2004) suggested that a strong employer brand can be formulated by following eight essential steps. The organization should align culture of sharing to its organization culture and look for continuous improvement with continuous review and
audits. The organization should have a good management with adequate focus on high productivity. The organization should do periodic survey to understand that public recognizes the organization as a great-place-to-work. Organization should focus that the existing employees are satisfied with the current people practices and proactively telling positive stories. A satisfied employee will prefer to getting talked about his organization and thus the employers must measure this. The organization should always focus to become a benchmark firm, increasing employees and potential employees awareness of the best people practices and finally should assess the branding metrics.

Minchington and Estis (2009) suggested that firm should arrive to a comprehensive understanding of the organizational culture, work experience, key talent drivers (engagement factors), external perceptions, leadership vision, and management practices before developing the employer brand strategy. Understanding of these attributes helps the organization to have an employer branding strategy that is more authentic, compelling, differentiating, and will be internally accepted by its employees, appropriately received in the external market and the organization can able to keep the promises made on employment.

Collins and Stevens (2002), confirming prior research on employer branding, suggest that early recruitment activities are utmost important as this will create employer brand image that propels the general attitudes towards the company and perceived job attributes among the job applicants.

According to Lievens and Highhouse (2003) most of the current research on employer branding has focused on the instrumental and symbolic distinction. Further they described instrumental attributes as explaining the firm or job in terms of objective, concrete and factual attributes that the firm or job either has or does not have whereas symbolic attributes were described as subjective, abstract and intangible attributes that convey symbolic company information in the form of imagery and trait inferences that applicants assign to organizations. Lievens and Highhouse reported that symbolic image dimensions accounted for incremental variance over and above instrumental attributes in predicting a firms’s perceived attractiveness as an employer and it is relatively easy to differentiate among companies on the basis of symbolic dimensions, versus instrumental job and organizational attributes.
Lievens (2007) further empirically examined the concept of the employer brand as a package of instrumental and symbolic attributes (Lievens and Highhouse, 2003) with a different set of employees to statistically support that the definition of employer branding suggested by Lievens and Highhouse (2003) is applicable to different sectors of employees. The author selected Belgian Army as the employer and collected response of 955 individuals including, potential applicants, actual applicants, and actual employees of Belgian military through survey. Statistics had shown that instrumental attributes and symbolic trait inferences appeared significantly related to the Army’s attractiveness as an employer among all the three set of samples. The author argued that similar kind of study needs to be conducted on different domains, countries for the generalizability of the result.

Jiang and Iles (2011) suggested that organizational attractiveness is the power that draws attention to focus on an employer brand and encourages existing employees to stay. According to the authors, it is a two dimensional construct, where internal attractiveness expresses perceptions of existing employees and external attractiveness perceptions of external applicants. It is a pretty novel approach to organizational attractiveness, as previous research has put an emphasis on the potential applicants perspective (e.g. Berthon et. al., 2005; Ehrhart and Ziegert, 2005, etc.) and very few studies have involved actual employees (e.g. Cables and Turban, 2001; Lievens et al., 2007) which could help to explore an ‘experienced’ opinion and make an attempt to answer why individuals who were attracted and selected consequently stay attached to the organization. Admitting this limitation of organizational attractiveness research scholars (Ehrhart, Ziegert, 2005; Nadler, Cundiff, Lowery, & Jackson, 2010; Bakanauskiene, Bendaviciene, Krikstolaitis, & Lydeka, 2011) argue for more studies examining perceptions of workforce population on organizational attractiveness from employment perspective.

2.3 EFFECTS OF EMPLOYER BRANDING ON ORGANIZATION

Vaijayanthi et al. (2011) examined the relationship between employer brand (Internal employer brand image) and organization commitment. The findings of the study shows, in spite of a very high score for employer brand and organization commitment, a positive but statistically insignificant relationship exists between the
two variables. The overall inference from the study confirmed that variables identified elsewhere as predictors of commitment may interact, producing more complex effects than which have been detected earlier. The study pointed out that there are few research done to assess the relative contribution of various motivational - attitudinal processes to work behaviors under different conditions.

Schlager, Bodderas, Mass, and Cachelin (2011) studied on the influence of the employer brand on employee attitudes. According to the authors there exists scientific consensus that employees’ attitudes have a fundamental impact on customers’ experiences. The study focused on how to create favorable employee attitudes that are relevant for the creation of the service brand and suggested a framework that merges the concept of the alleged employer brand with employee outcomes. The author collected data from a sample of 2,189 of a worldwide operating insurance company and did the data analysis using structural equation modeling. The finding of the study underpins the idea of a relationship between the alleged employer brand and service branding. Second, the influential driver factors for employee attitudes are determined. The study highlighted the influence of the perceived employer brand on employees’ attitudes in service industry and emphasizes the significance of building a strong employer brand. The author suggested that an organization having strong internal employer brand will attract potential employees.

Davies (2007) explored the role of the employer brand in influencing employees. The author did an empirical study of 854 managers working in 17 organizations. Structural equation modeling was used to determine the dimensions that influence the four outcomes- perceived differentiation, affinity, satisfaction and loyalty. All four outcomes were predicted by aspects of brand personality. The result indicated that satisfaction can be predicted by agreeableness (supportive, trustworthy); affinity can be predicted by a combination of agreeableness and ruthlessness (aggressive, controlling); and perceived differentiation and loyalty can be predicted with an amalgamation of enterprise (exciting, daring) and chic (stylish, prestigious).

Chew, Girardi, and Entrekin (2005) examined the relationship between human resource management practices and the retention of core employees working in nine large organizations of Australia. Their study mainly reported the relationship between organizational and human resource practices, and commitment. The authors argued that
the best fit talents for the job and/or firm are more prone to feel emotionally involved and committed to the firm. The notion of organizational fit identifies the goals and values between the employee and the firm as a significant predictor of affective commitment. The study also revealed that recognition and rewards play a pivotal role in the commitment of employees. A competitive compensation package is also key for the contractual and psychological agreement between employees and employers. The study also showed a significant and positive relationship between age and organisational commitment, irrespective of other organisation and HR factors.

Kapoor (2010) studied the significance of employer branding in India context. The author did a descriptive research and adopted a structured, non-disguised questionnaire, and explored the concept of employer branding in India. The paper used both deductive and inductive research methodology and categorized the top three parameters and factors related to employer branding such as factors applicable in developing the employer brand, attributes those are most important in attracting employees to the firm, challenges in managing an employer brand, metrics for measuring the ROI for a company’s employer brand, factors an employee considers important about working with a company, communication media for employer brand, important activities in enhancing the employer brand, and finally the benefits the organization receives by implementing employer brand. The main conclusions of the study were:

- Top three factors enhancing the employer brand: Current employee research, developing strategies for retaining talent and retention initiatives.
- Top three metrics for measuring the ROI for a company’s employer Brand: retention rate, quality of hire, and employee referral rate of new hires.
- Top three factors an employee considers important about working with his company: My friends’ perception of the company I work for is important; It is important to me that my family knows the company I work for; my family’s perception of the company I work for is important.
- Top three communication media considered important for communicating the employer brand: Performance appraisals, training and development programs, employee referrals program.
Top three benefits arising from implementing employer brand: Recognition as an employer of choice, ease in attracting candidates, and increased internal hire rate.

Kapoor (2010) further added that the dramatic changes in the workforce trends and the immense competition in the labor market has made it imperative for companies to develop strategies to differentiate themselves; the panacea to this problem is employer branding. Employer branding undoubtedly is a significant precept of modern management, one that offers a fine blending of the science of marketing with the art of enlightened human relations management. It is also one of the strongest bulwarks ever against the scourge of unbridled employee attrition.

Edwards (2010), made a qualitative study by reviewing the existing literature linked to the emerging field of employer branding. The author highlighted that research and theory from a range of fields such as areas of research that investigate organizational attractiveness to potential new recruits, research and writing linked to the psychological contract literature as well as work that examines organizational identity, organizational identification and organizational personality can add to one’s knowledge of employer branding. A number of practical implications of employer branding were suggested by the author as mentioned below;

- Employer branding activities should accompany by general advertising campaigns to increase the general exposure of the organization as an employer.
- Employer should advertise the true value proposition the organization really offers rather than overly positive picture of their employment experience. This will avoid high level of attrition.
- The highly recognizable and prestigious employer brand are likely to attract higher levels of organisational identification.
- Organisations that has an organizational culture of supporting employee culture, open communication, fairness as part of their branded employment experience are more likely to sustain their positive employer brand and attract talent.
- Organization having an attractive psychological contract will have a distinctive employment brand.
- Organization should ensure that the organization value proposition is truly followed to have positive employment experience.
➤ Organizations should ensure strong transactional element to their psychological contract content and should have competitive compensations and reward policy
➤ Organisations should have a high degree of symbolic and Instrumental personal characteristics.

Edwards (2010) integrated the qualitative findings of his study on employer branding with reference to potential and current employees and proposed a model (Figure 2.3). Author concluded that employee experience offered to current and potential employees should incorporate a common understanding of employee responsibility towards the employer and commitment expected from the organisation in return. From employee standpoint, the unique features of psychological contract what the organization offers will drive the potential employees and the offering will set current employee expectations. The main limitation of the review was that, while different areas and fields of research are being drawn on to help identify useful knowledge that can improve one’s understanding of what effective employer branding might involve, the literature and research in each area are necessarily selective.

**Figure 2.3**

**Employer Branding and Employment Experience**

(Source: Edwards 2010)
Punjaisri, Evanschitzky, and Wilson (2009) empirically assessed the relationship among internal branding, employees’ delivery of the brand promise, brand commitment, brand identification and brand loyalty. The authors followed a quantitative method and 699 customer-interface employees from five major hotels of Thailand participated in the survey. The study highlighted that internal branding is having a positive impact on attitudinal and behavioural aspect of employees in delivery of the brand promise. Employees’ brand commitment does not have a statistically significant relationship with employees’ brand performance. Employees’ brand promise does not mediate between internal branding and employees’ brand performance. Furthermore, brand identification drives brand commitment, which precedes brand loyalty among employees. The study also pointed to managerial implications and suggested that organization should use both internal communication and training to bring employees’ brand-supporting attitudes and behaviors’. At the same time the authors suggested that effect of internal branding on the employees behaviors could be dependent on the extent to which it could effectively influence their brand attitudes. The result provides important insights from the internal audience’s viewpoint into an internal branding process to deliver the brand promise.

Hewitt Associates and Accor Services (2006) did an employer survey on employer branding by covering 105 Indian Information Technology (IT)/ Information Technology enabled services (ITES) organizations. The study appears to be the first study on employer branding in Indian IT companies context. The major findings of the study were described below:

- An organization needs an Employer Brand even when they already have a strong Organization/ Customer Brand. 85% of the surveyed managers feel that EB will become more important in the future.
- Only 38% of managers strongly agree that their organization has the right EB to attract the talent they need.
- The EB needs to be aligned to the customer brand. 92% of managers feel that their EB is aligned to their organization brand.
- The key to successful EB is collaboration. Although HR is primarily responsible, contribution from other departments like Marketing and Corporation Communication is crucial to the success and making the magic of EB work.
2.4 EMPLOYER BRAND MANAGEMENT

According to Barrow and Mosley (2005), employer needs to establish the internal positioning of the employer brand to start brand positioning. There are three different kind of employer brand relating to different positions within the brand identity hierarchy of an organization. These are called monolithic, parent and subsidiary. Many brand positioning models within service companies are dominated by the customer requirements despite the fact that employees experience the brand in different way than the customer, and are motivated by deferent types of benefit. A model on this is represented in figure 2.4 which represents a more integrated approach. While the customer brand and employer brand compete in two different markets – one for product and service and other for talent and commitment – they are closely interrelated.

Figure 2.4
An Integrated Brand Model

(Source: PiB- Barrow and Simon, 2005)

Wilden et al. (2010) studied on the effects of employer branding and its strategic effects on experienced and less experienced staff recruitment. The authors
pointed out that potential employee would always prefer to gather more information about prospective employers. However, the amount of effort potential employees put gathering information on a prospective employer does not have significant relationship on the prospective employer attractiveness. Today’s employee pool is ready to search for information in addition to what has been communicated by employer brand. Authors suggested that firm should align the employer brand and product brand. This is especially important when the firm targets less experienced potential employees, as the less experience will have more knowledge on the consumer brand with respect to employer brand. Authors also suggested that potential employees with more work experience will look for the employer brand as the experienced candidates are more critical in their assessment of the clarity and credibility of the employer brand and less inclined to the consumer brand. The study also pointed out that geographical location and company size also play a vital role to become an employer of choice.

Employer brand needs to be managed with the same importance as consumer brand (Barrow & Mosley, 2005). In order to help both accessing current employer brand reality and planning how to deliver the employer brand proposition that employer desire going forwards is represented in figure 2.5. There are twelve key dimensions that is referred as employer brand mix. These 12 areas are divided into two groups, the first related to wider organizational context and policy, and the six dimensions are internal communication, senior leadership buy-in, external reputation, Values and CSR (Corporate Social Responsibility), internal measurement systems, and service support. The second is related to local context and practice and the six dimensions are working environment, Reward and reorganization, learning and development, performance management, team management, recruitment and induction. Each of these 12 points are the key touch points for the employer brand (Barrow & Mosley, 2005).
According to Mosley (2009) understanding the needs of employees is a starting point to build employer branding but the journey of employer branding does not stop over there. The employer branding needs to be build at the same coherence as the organization is committed for its consumer brand. Employers need to understand employees’ implicit requirements, organizational cultural and geographical labor market within which the employer brand will operate. Employer needs to focus on employee insight, employee engagement and commitment, benchmarking (with respect to other competitor), correlation analysis, continuous research, culture mapping, brand roots, projective and enabling techniques, observations and audits. All this together will create good input for employer branding.

According to Ewing et al. (2002) employment branding is concerned with building an image in the minds of the potential labour market that the company, above all others, is a ‘great place to work’.

(Source: The Employer Brand: Bringing the Best of Brand Management to People at Work, Wiley; 2/e)
Knox and Freeman (2006), studied the effect of employer brand image among potential employees and employers with reference to recruitment process by adopting Dukerich and Carter’s (2000) conceptual model (figure 2.6) and measured the employer brand images empirically. The study revealed that there is a significant relationship between employer brand image and possibility to apply for a job and essentially supports Vroom’s attractiveness model in job application decisions. The authors pointed out that expectancy has some effect, but not at the same level as predicted by expectancy theory and suggested that expectancy and attractiveness interact with each other. The authors further pointed out that recruitment collateral and industry image will impact perceptions of the organization as a potential employer among the prospective employees and suggested that firms should focus to build a stronger internal and external marketing strategy and communicate to the recruitment market. The brand messages that firms need to send out to potential employees need to be reinforced by its’ own employees. The internal and external brand images seem to be very different, suggesting opportunities for the Firm to develop a more consistent employer brand image through formal and informal briefings of part-time recruiters about the Firm’s key recruitment messages.

**Figure 2.6**

**Employer Brand Image among Potential Employees and Employers**

(Source: Adopted from Dukerich and Carter, 2000)
Lievens et al. (2007) used the instrumental–symbolic framework to study factors relating to both employer image and organizational identity of the Belgian Army. The study aimed to bridge two research streams that have evolved relatively apart from each other, namely the research streams on organizational identity and on employer branding (employer image). In particular, the study examined which factors potential employees and the existing employees of the company associate with a given employer. The authors used a sample of 258 Army applicants for Belgian Army and a sample of 179 existing military employees of Belgian Army. Based on the empirical results the authors argued that instrumental and symbolic perceived image dimensions predict applicants’ attraction to the Army. The study explained that the instrumental–symbolic framework is a constructive concept of an employer’s image among the prospective applicants. The authors argued that organizational identity and organizational image are linked with employee identification and applicant attractiveness, respectively. These dependent variables are important for understanding organizational life, as they are related to “actual job pursuit and to job satisfaction, turnover intentions, and in-role and extra-role performance”.

Franca and Pahor (2012) empirically assessed the impact of promoting the employer image to the job market on building employer brand and thus bringing a positive recruitment experience for the organization. The authors used the concept of brand value pyramid having three levels i.e. recognition, consideration and employer of choice, to measure the strength of employer brand. The authors used a large sample of 7000 respondents that includes 300 companies in the geography of Slovenia to test the model. The authors studied how different factors such as employers properties, brand exposure and employers opinion influence the strength of its employer brand. Based on the study the authors suggested that employer brand is not a single dimensional concept but rather that it is constituted of several dimensions. Further to that dimensions of employer brandings are influenced by different factors. The authors concluded saying that companies may have problems in different dimensions of employer brand and need to carefully work on the employer brand, as one dimension may hurt another dimension. Organization needs to be careful while choosing the employer brand dimensions and should consider the industry they belong to, the geography they operate from and the target talent pool.
Holland, Sheehan and De-Cieri. (2007) studied the issues associated with the attraction, retention and development of human resources, and the major contextual issues and debates underpinning skill and labour shortages. The authors used an online survey and collected data from 1372 Australian human resources professionals and results for HR efforts to attract, develop and retain talent were analyzed. The study revealed that employers are dealing with issues related to employees’ attraction, recruitment and selection. However, employers are assigning less resource to address critical HR development areas associated with retention such as job design, training, skill development, careers management and team building. The authors concluded that this lack of resource allocation is of concern for Australian organisations that are struggling to compete both domestically and internationally for skilled workers. The authors concluded that Australian organisations are under pressure to compete both domestically and internationally for skilled workers and thus adequate resource allocation is required on HR Development areas. Therefore, employer brand management as an integrated part of the organization’s HR practice requires to be strengthened with adequate resource allocation to drive the overall motive of the organization to attract and retain the best talent.

2.5 EFFECT OF EMPLOYER VALUE PROPOSITION ON EMPLOYEE RETENTION

App, Merk, and Buttgen (2012) attempted to demonstrate how integrating Sustainable HRM into the employer brand can lead to a sustained competitive advantage and provided a conceptual basis for linking sustainable HRM to employer branding as a means to attract and retain a high-quality workforce. The authors suggested that organizations implementing sustainable HRM can increase their employer attractiveness and thereby enhance their ability to attract and retain high-quality employees, leading to a competitive advantage. By establishing an effective employer brand, organizations increase their attractiveness and even earn the status as an employer of choice. The EVP, which delivers the employer brand promise, should contain Sustainable HRM practices, because these promote a substance-oriented employer image. Furthermore, perceived fit between personal characteristics and the EVP provided by the organization can improve the organization’s attractiveness as an employer. The study suggest that integrating Sustainable HRM practices in the EVP
enables organizations to address existing and potential employees in different life and career stages.

Kaliprasad (2006) supporting the need of talented resource in a highly competitive global market argued that organization needs to acquire capable people in order to achieve competitive advantage and successful on the industry they operate. The employees of the organization need to be managed effectively and the outcome is that the employees will be satisfied with their current employer and believe that they own the business. This further leads to employee commitment and loyalty and will bring down the attrition rate. The author pointed out that career development, promotion and rewards are highly effective strategies to attract the key human resources to an organization. Further to that the author adds that a fun work environment, regular performance feedback, allowing people to part of key decision making, flexible work environment, learning and development, and mentoring are effective retention strategy. The authors concluded that many organizations strive to become an employer of choice and these organizations must create a stimulating and challenging work environment. Kaliprasad identified nine attributes (table 2.1) that most employees seek during their employment.

**Table 2.1**  
**Needs of Employment**

<table>
<thead>
<tr>
<th>No.</th>
<th>Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Pay</td>
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<tr>
<td>2.</td>
<td>Job security</td>
</tr>
<tr>
<td>3.</td>
<td>Nice co-workers</td>
</tr>
<tr>
<td>4.</td>
<td>Recognition and credit for work well done</td>
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<tr>
<td>5.</td>
<td>A meaningful job</td>
</tr>
<tr>
<td>6.</td>
<td>Opportunities for promotions/advancement</td>
</tr>
<tr>
<td>7.</td>
<td>Comfortable, safe and attractive working conditions</td>
</tr>
<tr>
<td>8.</td>
<td>Competent and fair leadership</td>
</tr>
<tr>
<td>9.</td>
<td>Reasonable order and directions</td>
</tr>
</tbody>
</table>

(Source : Kaliprasad 2006)

Sutherland et al. (2002) argued that in order to achieve firm’s success and competitive advantage, organization should offer the right organizational attributes to the knowledge workers. The authors did a qualitative study followed by a quantitative research using likert scale with 274 knowledge workers of South Africa. Results indicated that there are eleven underlying organizational attributes as mentioned in
table-2.2 that attracts the South African knowledge workers. The authors concluded that South African Knowledge workers takes career growth opportunities and challenging work environment as the most important organizational attributes that they expect from their employer. These findings are in accordance with their counterparts in America and Europe.

Table 2.2

Sutherland et al., Findings on Employer Branding

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Factor</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Corporate culture of career growth and challenging work</td>
<td>4.46</td>
</tr>
<tr>
<td>2</td>
<td>Personal training and development opportunities</td>
<td>4.32</td>
</tr>
<tr>
<td>3</td>
<td>Pay, including it being linked to performance, profit sharing</td>
<td>4.23</td>
</tr>
<tr>
<td>4</td>
<td>Global, innovative company based on good products</td>
<td>3.96</td>
</tr>
<tr>
<td>5</td>
<td>Large organization offering job rotation and diversity</td>
<td>3.86</td>
</tr>
<tr>
<td>6</td>
<td>Successful company based on strong products</td>
<td>3.84</td>
</tr>
<tr>
<td>7</td>
<td>Challenging work, in a non hierarchical company (excluding job security and/or large organization)</td>
<td>3.80</td>
</tr>
<tr>
<td>8</td>
<td>Like the work and the industry</td>
<td>3.78</td>
</tr>
<tr>
<td>9</td>
<td>Value based organization valuing employees, cultural diversity, social responsibility, access to resources</td>
<td>3.77</td>
</tr>
<tr>
<td>10</td>
<td>Benefits such as fringe benefits, status and work experience</td>
<td>3.64</td>
</tr>
<tr>
<td>11</td>
<td>Comfort in knowing existing staff, small organization, casual dress, comfortable working environment</td>
<td>2.70</td>
</tr>
</tbody>
</table>

(Source Sutherland et al., 2002)

Employer Brand International (EBI, 2012) published a report based on global survey on Employer Brand and Employer Value Proposition. EBI (2012) received a response of 1924 from sixteen regions across the world including Asia, Australia, Colombia, Europe (other), New Zealand, Poland, Russia, Scandinavia, South Africa, South America, Spain, Turkey, UK, UAE, Ukraine, USA/Canada for their online questionnaire. The findings provided detailed insights of the key drivers of the employer brand and the employer value propositions (EVP) that companies should consider in talent attraction, engagement and retention strategies. The consulting survey tool measures the key drivers of the employer brand across fourteen constructs including communications, corporate social responsibility, customer relationships,
developing people, global perspective, innovation and re-invention, internal business processes, leadership, measurement and evaluation, performance management, recruitment and induction, strategic intent, thought leadership, work environment. The most common EVP attributes amongst all regions which are important in an employment package for future employees are listed below (table 2.3).

<table>
<thead>
<tr>
<th>EVP ATTRIBUTE</th>
<th>Global Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interesting work</td>
<td>35%</td>
</tr>
<tr>
<td>Career development</td>
<td>32%</td>
</tr>
<tr>
<td>Salary package</td>
<td>28%</td>
</tr>
<tr>
<td>Alignment with personal values</td>
<td>25%</td>
</tr>
<tr>
<td>Opportunities to grow with the business</td>
<td>24%</td>
</tr>
<tr>
<td>Friendly work environment</td>
<td>16%</td>
</tr>
<tr>
<td>A commitment to ethics and integrity</td>
<td>15%</td>
</tr>
<tr>
<td>Empowerment</td>
<td>15%</td>
</tr>
<tr>
<td>Work flexibility</td>
<td>14%</td>
</tr>
</tbody>
</table>

(Source: EBI, 2012)

The report (EBI, 2012) pointed out that EVP is a set of associations and offerings provided by the organisation in return for the skills, capabilities and experiences an employee brings to the organisation. A unique, relevant and compelling EVP that is well defined, communicated and relevant can be the reason why talent chooses the organization. The findings of the survey indicated that there is a regional variance to the EVP as mentioned in the following table 2.4. The top three reasons why employee choose to stay with current employer varies from region to region.
Ulrich and Brockbank (2005) described that EVP should have seven elements: Vision, Opportunity, Incentive, Impact, Community, Communication, Experimentation. The EVP helps communicate the firm brand to the world at large. It answers potential employees’ basic question “Why should I work for you?” It helps the firm become the employer of choice in its field or location, supporting effort to attract top talent. According to the authors, first, the firm should have a clear vision that employee should feel proud for that. Second, the organization should provide work opportunity that should help the employees to grow both personally and professionally. Third, the company should have fair compensation package, bonus and other financial incentives. Fourth, the work should itself have meaning as this unites the employee with a customer who uses the employees work. Fifth, the organization should have a social environment and worker should have a community. Sixth, brand communication should accompany with a clearly defined Employer Value Proposition (EVP). The flow of information is two way, so employees are informed about what is going on. Seventh, the organization should have a flexible working hour, dress, and other policies to adapt to the needs of both the organization and the employee.

National Association of Software and Services Companies (NASSCOM, 2006) did an Employee Survey on Employer Branding by collecting response from the employees 80 IT/ITES Indian companies. Based on the survey Top 3 aspects of
employer branding that an employee feels are: Compensation, Career Progression, and Nature of Work.

Armstrong (2006) suggests that, the aim of employer branding is to become an ‘employer of choice’, a place where people prefer to work by creating a compelling value proposition (Sears, 2003) which communicates what the organization can offer to its employees as a ‘great place of work’. The factors that contribute to being an employer of choice are the provision of a reasonable degree of security; enhanced future employability because of the reputation of the organization, as one that employs and develops high quality people, as well as the learning opportunities it provides; employment conditions that satisfy work-life balance needs; a reward system that recognizes and values contributions and provides competitive pay and benefits; interesting and rewarding work; and opportunities for learning, development and career progression.

2.5.1 Organization Culture

Cable, Aiman-Smith, Mulvey, and Edwards (2000) based on an empirical study suggested that firms can manage job applicants’ beliefs about company culture during the anticipatory stage of socialization. The company information and product information were related in predicted ways to applicants' culture beliefs. These results also extend research focusing on applicants' organizational attraction by suggesting that company information affects applicants' organizational beliefs. It is important for organization to ensure applicants beliefs on organization culture is retained, because applicants’ attraction to firms will not lead to constructive outcomes, if the beliefs are imprudent, and because firms have a high incentive to converse positive rather than accurate information. The extent that a firm seeks to change its culture, one approach is to over represent the desired cultural attributes in order to attract employees whose values are consistent with those cultural attributes and who in turn can help change the organizational culture. Another general finding is that applicants were not more accurate about culture when they based their beliefs on prior work experience with the organization studied. Authors expected organization-specific experience to lead to accurate beliefs because personally experiencing an organization presumably provides salient and realistic information about company culture.
Singh (2009) investigated organizational culture in Indian context of 32 firms doing business in India. These 32 organizations spread across various domain such as information technology, banking, hospital, retail industries and automobile. The results indicate that proficiency of organizational culture for Indian companies irrespective of the domain they belongs to depends on the practice of beliefs and value systems in which relationships and loyalty, goals, vision, equal opportunity, fair compassion and caring are stressed. The beliefs and value systems at the workplace would help the organisation to be in symbiotic relationships with larger national culture and will in turn bring significant positive movement of efficiency and effectiveness of the organization. This conserving aspect of organizational culture is central in conjunction with the structure and strategy of enterprise to be successful in this part of the world. The clear-cut implications for these diverse industries under investigation is that the cardinal thread of organisational culture (conserving beliefs and value systems) remains the same for every enterprise but they need to have a different collection of secondary form of beliefs and value systems according to their need to provide implicit direction and control to the organisational members. These secondary forms of cultural value systems for information technology companies will be different from that of retail companies as their tasks as well as general environment are completely different. Thus, it is extremely important that the secondary value system needs to be determined based on industry segment.

Hartog and Verburg (2004) based on an empirical study argued that there is a linkage between high performance work systems and competitive advantage and related these to organisational culture. There are 175 organisations from Netherlands participated in the survey. The respondents were at the level of senior HR manager and chief executives. Senior HR managers were questioned on HRM practices and chief executives on organisational culture. Three different groups of personnel are distinguished in the measures: core employees, managers and specialist professional staff. One high performance work system could be distinguished, consisting of a combination of practices with an emphasis on employee development, strict selection and providing an overarching goal or direction. Result of regression analysis controlling for sectors, firm size and age had shown a significant impact on several performance outcomes (perceived economic outcomes, beyond contract and absenteeism), as well as positive relationships with organisational culture.
Rahman (2012) studied the factors influencing female employees’ perception toward work environment in private organisation. This research examined the impact of interaction, job involvement; work based self-esteem based on the perception of female employees in Bangladesh. The findings of the research indicate that majority of the respondents are very sensitive with interaction, work based self-esteem followed by job involvement when they have evaluated their job environment. The result of this research also supports the importance of employees’ interaction, self-esteem and job involvement in their workplace. In fact, employees’ job involvement has a significant impact on numerous organizationally important outcomes. Employees’ work behaviors should be categorised as consequences of job involvement. The results shown that due to changes in the work environment, individuals, especially female employees in Bangladesh, nowadays take responsibility for their own career development and career futures. The result also highlights a strong relationship between interaction, and work based self-esteem toward female executives’ perception in their current job environment. According to the author, composition of workers including male and female workforce can influence high growth rate in an economy like Bangladesh. The diversity of the composition of the workforce in Bangladesh requires more appropriate and imaginative HRM (Human Resource Management) solutions. Moreover to survive and prosper in an increasingly heterogeneous society like Bangladesh, private organisations must capitalise their workforce as a source of competitive advantage.

2.5.2 Physical Work Environment

Dul, Ceylan, and Jaspers (2011) studied the effect of physical work environment on the attitude formation of knowledge workers. Based on data from 274 knowledge workers of 27 small and medium-sized enterprises, the authors suggested that creative personality, the social-organizational work environment, and the physical work environment independently affect creative performance. The results gave support for human resource practices that focus on the individual and the physical work environment in order to enhance knowledge workers’ creativity. The authors quoting to previous researches argued that common work environment changes such as introducing open plan offices, cubicles, and ergonomic furniture can lead to increased worker performance and satisfaction and will cause better recruitment and retention of
talent. The authors concluded that though physical work environment is an important aspect for knowledge workers yet there are not much research has been conducted on it.

Mehta and Parijat (2012) of Michigan Technological University studied the associations between psychosocial risk factors and musculoskeletal disorders with reference to IT professional of India. The study shows that exponential growth of the information technology (IT) industry in India has been accompanied with a substantial increase in the reporting of work-related musculoskeletal disorders (WMSDs). About 77 IT professionals from India completed a survey set consisting of 26 question items from the Job Content Questionnaire and 3 separate question items pertaining to WMSD outcomes (pain/discomfort and psychological stress scores). The findings suggest prevalence of existing pain (shoulder/neck and low back) in more than one-fourth of the respondents. Additionally two-thirds of the respondents had never had any ergonomics awareness training. Co-worker support and psychological work demands were found to be the strongest contributors of psychosocial risk factors towards pain/discomfort and psychological stress outcomes. Findings from this study highlight the influence of certain psychosocial traits of the Indian IT workplace on perceived WMSD outcomes. There is a need to develop and implement intervention strategies to address these factors that may help lower the risk of work-related musculoskeletal pain.

2.5.3 Work Life Balance

Zulch, Stocka and Schmidta (2012) argues that companies currently strive to support their employees’ work-life balance through appropriate measures in order to improve employees’ loyalty towards the company and to recruit new employees. In this context, flexibility in the area of working times is a measure that can influence employees’ private lives immensely. This is why the individualization of working time arrangements has been accorded high importance in current discussions on work-life balance. In this area, best practice examples can be found showing how working-time arrangements can improve the situation of the employees. It should be noted, however, that there is not one single perfect working-time model. A working-time model must always be adapted specifically to the actual situation of the company and the employees. Therefore, a targeted analysis of the challenges facing the company and the demands on the employees is essential for the creation of an appropriate working time
policy. In particular, the employees’ working-time preferences must be appropriately taken into account. Owing, however, to a combination of organisational complications and legal data protection restrictions, it is for the most part impossible to meet these working-time preferences in their entirety.

Richman, Civian, Shannon, Hill, and Brennan (2008) examined the relationship of perceived workplace flexibility and supportive work-life policies to employee engagement and expectations to remain with the organization (expected retention). It also explores the association of formal and occasional (informal) use of flexibility with these outcomes. The study shows that perceived flexibility and supportive work-life policies brings a high level of employee engagement and has positive effect on retention. Employee engagement fully mediated the relationship between perceived flexibility and expected employee retention. Also, employee engagement partially mediated the relationship between supportive work life policies and employee retention. Both formal and occasional uses of flexibility were positively associated with perceived flexibility, employee engagement and employee retention. The authors concluded that workplace flexibility brings significant positive employee engagement, which in turns lead to longer retention.

Scholarios and Marks (2004) empirically examined the impact of employer flexibility to work-life issues and negative spill over from work to non-work life on the attitudes of software developers. The argument presented by the authors in their article is broadly on work-life balance and flexibility in managing the work-life periphery, influences employees’ overall perception of how fairly they are treated by their employers. By using survey methodology the authors received 245 responses and out of which 190 those who are the permanent employees were selected for their study and excluded 55 responses those are temporary contractors. The results showed that intrusion of work into private life for IT employees still has a significant effect on work-related behaviors. Work-life boundary variables affect trust in the organisation which plays a important role in organisational commitment. The study further pointed out that even within IT industry, where the knowledge workers are fairly individualistic in orientation, greatly marketable and may not show attachment to a single organization. Thus, it is of utmost important for the organization to ensure that mutual gains for employee and employer should be achieved by an accommodating approach
to non-work commitments that can bring employee attachment to the organization and retention. This perceived fair treatment in reference to work-life issues has a significant effect on work-related attitudes over and above other attributes of fair treatment which have been more frequently examined for IT employees. The study shown that IT professionals may accept spillover from work to non-work life and some degree of work-life imbalance if organization compensate this work-life imbalance with other rewards such as pay, autonomy, challenging work and professional development. The authors concluded that in the IT profession where the accommodation of personal life to work demands may be expected, it is essential to reduce negative spillover by adopting a mutually agreed approach and respecting personal demands. This mutual understanding brings positive perceptions among the employees and can enhance employee satisfaction, commitment and leads to retention.

Hayman (2009) empirically tested the relationship between the perceived usability of flexible work schedules and work-life balance. The findings based on a survey of 710 office-based employees of a large Australia University. The study had shown that there are direct linkages between perceived usability of flexible work schedules and the three dimensions of work-life balance. These three dimensions are work interference with personal life, personal life interference with work, and work-personal life enhancement. The results shown that, employees who work under flexi-time work schedules have significantly higher levels of work-life balance than their counterparts working under traditional fixed-hour schedules. However, the results also shown highlighted non-significant differences in the levels of work-life balance between two other attributes fixed-hour work schedules and flexible work schedules (i.e. flexi place and job share). The author concluded that individual flexible work schedules have a marginal overall positive effect on employee work-life balance and the perceived usability and availability of these work schedules is a key element to achieve work-life balance for many employees those who are office based.

Bourhis and Mekkaoui (2010) empirically investigated the effect of family-friendly-practices (FFPs) on organizational attractiveness. A total of 110 participants including 66 women, 44 men participated in the study. Authors explored the distinct effect of four attributes of FFPs flexible scheduling, generous personal leaves, on-site child care and telecommuting-working and how these attributes attract applicant to the
organization. The authors also tested the effect of organizational reputation and the result indicated that FFPs do have significant effect on organizational attractiveness. In the study, the two scenarios personal leaves and flexible scheduling received the highest scores on organizational attractiveness. The study found that corporate reputation does play a significant main effect of attractiveness. Authors argued that organizations should be careful while taking decision on their people practices and should not adopt any policies, practices that could harm their reputation. This is of particular importance with respect to recruitment, as qualified applicants receive a number of job offers to choose from. The authors further warned that corporate reputation is a volatile concept, often based on emotions rather than reason, and an organization’s reputation may crash down quicker than it take to rise.

2.5.4 Nature of Work

Maxwell and Knox (2009) based on a comparative case study on the attributes of employer branding explained the most motivated attributes that the current employee’s to live with the brand. The organizations selected for the study are from different domains. The study highlighted that across all the domain employment related attributes such as work environment, workforce, type of work are the common attributes that current employees seek from their employer irrespective of the domain. Attributes of the workforce included diversity of the workforce as a whole and characteristics of the typical employee. Type of work included variety and level of challenge. The authors argued that while there are set of common attributes but again attributes varies according to the domain of the organisation and hence, firm needs to identify the attributes of their own organisation that employees find most attractive.

Chun and Evans (2005) argued that the modern employees consider nature of work as one of the factor employee prefer to stay with organization. This is further supported by NASSCOM (2006) Employee Survey on Employer Branding where it is found that Nature of work is one among the top three parameters that employees are expecting from their employer.

Klaus, Le-Rouge and Blanton (2003) explored the nature-of-work within the IT professional context and confirmed that nature of work play a significant role for an IT professional's commitment to the organization. According to the authors nature-of-
work in the IT context is articulated as core job characteristics, the level of role stress and the level of group cohesion determines the employee retention.

2.5.5 Inspirational Value

Hedberg and Helenius (2007) referring to Hagglund and Larson (2003), argued that an organization with a wrong leader brings dissatisfaction among stakeholders and the cause of ill health in an organization. The leader need to aware of several established concepts about the basic problems within management. Leader needs to address, how companies can be successful in competition with others, what it takes for people to get involved and to do their best, and how an organization should be organized and led to be affective in the long-term in order to achieve the competitive advantage. Authors argued that the leader need to be aware of the fact that it is hard to be an equivalent group member, but without having an affected distance to the employees (Larson & Hagglund, 2003). The authors further argued that having the “wrong” leader is one of the prevalent reason for frustration among the employees of the organization.

According to Taylor (2002), the leader plays significant role in employee retention as the leader is the face of the organization and can make a difference. Though accountability for employee retention falls under the domain of HR, but adopting a cultural shift by transferring part of that responsibility to operations and leaders is the need of the day. The author argued that a charismatic leader can influence the employees and help the organization on talent retention and hence HR department can’t be alone responsible for employee retention.

2.5.6 Compensation

Williams, Brower, Ford, Williams, and Carraher, (2008) suggested that compensation satisfaction consists of seven dimensions and further divided them into two groups called pay and benefits. The four dimensions with respect to pay are; pay level, pay structure, pay raises, and variable pay procedures satisfactions. The three dimensions with respects to benefits are; benefit level, benefit determination, and benefit administration satisfactions. By considering these dimensions the authors suggested a scale called Compensation Satisfaction Questionnaire (CCSQ) and argued
that the scale can be used by firms for understanding the organization compensation satisfaction level among employees and better tactical intervention. The authors also highlighted that a well designed compensation policy will stimulates employee commitment and turn over intention.

Riddell (2011) empirically estimated the impact of compensation policy on employee quit rates. The author used 2001 Toronto Board of Trade (TBoT) annual compensation survey data for their study. The study was limited to only 2001 data as the data for all the years are limited to researchers due to proprietary nature of these data. The study examined several attributes of an organization’s compensation policy with a focus on the effect of pay distribution between employees at the same level in the firm hierarchy, as well as pay distribution throughout the hierarchy. The findings of the study highlighted that firms with equal pay structures have lower quit rates. The study also suggested that bonus eligibility is correlated with employee quit rates and employees those who are not eligible for the organization’s bonus plan are more tend to quit the organization.

Yeganeh and Su (2011) examined the impact of cultural orientations on compensation policies. The study highlighted that culture represents a vital factor in human resource management, its effects on compensation preferences is partial and moderate. Further analysis reveals that the effects of culture on preferred compensations may vary from one culture to another. While some cultural orientations are more likely to affect pay policies, others seem to be of lesser importance. Similarly, it is found that compensation policies are not affected equally by cultural orientations. The authors concluded that by understanding the effects of cultural orientations, firms can design compensation systems which are in accordance with employees’ cultural values and subsequently increase organizational performance.

2.5.7 Training

Koster, Grip, and Fouarge (2011) empirically examined the effect of training on employee turnover. Based on the results derived from a sample of 2833 Dutch pharmacy assistants the study indicated that participation in company’s training program does not induce employees’ intention to quit, as predicted by human capital theory. The author argued that a firm’s investments in general training significantly
contribute to the perceived support in employee development (PSED) among the workforce, as predicted by social exchange theory. The study supported the importance of social exchange theory in explaining turnover behavior as a consequence of personnel development practices and suggested that firms should invest in training to develop the skills of their workforce.

Nazarov and Akhmedjonov (2012) studied the effect of on-the-job training and university education on innovation decisions made by firms in transition economies of Eastern Europe and the former Soviet Union. The authors used the 2002 and 2005 waves of the Business Environment and Enterprise Performance Survey (BEEPS) data. Their findings suggest that further investments in education will not lead to necessary improvements in firms’ demonstrated ability to innovate. This is in contrast to on-the-job training, which the authors find increases a firm’s ability to innovate in countries with transition economies.

Bernard Hodes Group (2012), a global consulting leader in integrated talent solutions, conducted a survey to explore the value of internal and external employer branding to organizations. The research used online survey and the participants were divided into two categories. One category was Human Resources, Marketing, and Communications professionals who have at least some knowledge of employer branding and the second category was either full-time or part-time employees and received response of 175 and 240 among these two categories respectively. A significant number of surveyed employers believe a strong, constructive employer brand will attract quality candidates and will lead to employee engagement. In terms of brand attributes, the view point of employers and employees in this study appear to be different. According to employers, the most five important attributes in attracting new hires are: career growth, work environment / culture, quality of products and services, values / ethics, and financial stability. Employers view was that compensation though an attribute to attract talent but don’t fall under top brand attributes. The study highlighted that the most five return-on-investment (ROI) on the spending on employee communications are: improved employee engagement, improved customer satisfaction scores, improvement in employee retention, and increase in productivity. However, from employee view point the top brand attributes for organizations’ attractiveness are: compensation, job security, benefits, recognition, work-life balance,
values — ethics, and work environment / culture. The study also reported that employers in the study perceive that employer branding has the strongest influence to attract quality candidates, increase the level of employee engagement, quantity of candidates applying for the job, and candidate’s job offer acceptance rates, share of market, product and service quality, diversity of candidates, recruitment cost, operational performance, pricing control. These attributes are presented in table 2.5.

**Table 2.5**

**Bernard Hodes Group Results on Employer Branding**

(Impact of Strong, Favorable Employer Brand 1 to 5 Rating Scale; 5 = Very Strong and 1 = Very Weak)

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Base</th>
<th>Average*</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of candidates</td>
<td>176</td>
<td>4.5</td>
<td>58%</td>
<td>32%</td>
<td>7%</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>178</td>
<td>4.28</td>
<td>43%</td>
<td>46%</td>
<td>8%</td>
<td>3%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Quantity of candidates</td>
<td>173</td>
<td>4.26</td>
<td>44%</td>
<td>41%</td>
<td>11%</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Candidate acceptance rates</td>
<td>174</td>
<td>4.17</td>
<td>40%</td>
<td>39%</td>
<td>14%</td>
<td>5%</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>Share of market</td>
<td>171</td>
<td>3.94</td>
<td>27%</td>
<td>41%</td>
<td>20%</td>
<td>4%</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Product/service quality</td>
<td>177</td>
<td>3.91</td>
<td>25%</td>
<td>45%</td>
<td>21%</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Diversity of candidates</td>
<td>174</td>
<td>3.89</td>
<td>24%</td>
<td>47%</td>
<td>21%</td>
<td>6%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Controlling recruitment costs</td>
<td>174</td>
<td>3.84</td>
<td>24%</td>
<td>44%</td>
<td>21%</td>
<td>6%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Operational performance</td>
<td>174</td>
<td>3.82</td>
<td>19%</td>
<td>48%</td>
<td>22%</td>
<td>3%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Control over pricing</td>
<td>168</td>
<td>3.04</td>
<td>8%</td>
<td>23%</td>
<td>35%</td>
<td>15%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Average excludes those who said “Not sure” (N/A). Totals do not equal 100% due to rounding.

(Source: Bernard Hodes Group Report, 2012)

Branham (2005) in his book The 7 Hidden Reasons Employee Leave, has explained the seven hidden reasons why employees leave the organization. These seven hidden reasons are, job or work place was not as expected, mismatch between job and person, low coaching and feedback, low career growth, unrecognized, overwork and work-life imbalance stress, loss of trust and confidence in senior leaders. The authors highlighted that there are altogether 67 most common reasons why employees quit their employer. These are: no opportunity to advance, less benefits, better-payment job, office bureaucracy, change in career, commuting time or distance, less faith on organization’s future, conflict with coworker, discrimination on equal opportunity such as race, religion and gender etc, unethical leaders or managers, loss of confidence in
senior leadership, excessive workload, favoritism, fear of job elimination, geographic job location, health issues, ideas not welcomed, immediate supervisor inability to master the job, no flexible working hours, less challenging work, insufficient or inappropriate training programs, lack of resources to do the job, job elimination, job responsibilities, job itself, job security, limited earning potentials, no significant bonus, lack of empowerment, lack of growth or developmental opportunity, not adequate performance feedback, Negative work environment, can’t raise voice of concern, no authority to do the job, no career path, no consequences for nonperformance, Not allowed to complete the job, not allowed to do the job own way, not paid competitively, not paid in proportion to contributions, organization culture, organization instability or turmoil, organization politics, outdated or inadequate equipment, physical facility noisy- dirty- hot- cramped, poor communication, poor teamwork, retirement, return to school, self-employment, sexual harassment, spouse relocation, stress, no pay increase in time, too many unwanted changes, poorly treated, uncaring leadership, unfair pay increases, unfair performance appraisal process, unfair promotion practices, unfair rules-policies-procedures, unnecessary change in Job duties, unwanted relocation, vacation policy, Work-Life Imbalance. By going through exit survey responses completed by thousands of exiting employees the authors highlighted these 67 reasons. The authors further suggested that there are certain unpreventable reasons where employee will leave the organization (though some may have preventable origins)- advance job opportunity, better-payment jobs, change in career, geographic location of job, commuting distance/time to work location, job elimination, back to school, self-employment, retirement, and spouse relocation are eliminated, still there are 57 preventable reasons which organization can focus for voluntary turnover.

2.6 EMPLOYER BRANDING SUCCESS RATE INDICATOR

Moroko and Uncles (2008) conducted a depth interviews with senior industry participants from the fields of internal marketing, human resources, communications, branding to study the characteristics of employer branding. Analysis of the transcripts shown there are two key dimensions of success for an employer brand: attractiveness and accuracy. The authors argued that for customer-centric brands, attractiveness is underpinned by awareness, differentiation and relevance but for employer the accuracy
with which it is portrayed is also critical to the organization success. According to the authors this emphasis on accuracy points to the importance of consistency between the employer brand and employment experience, company values and company culture. The authors argued that employer brand success should be assessed according to the typology, using commonly collected human resources metrics. The authors further suggested that researchers and firms should study employer branding as a context different from consumer and corporate branding and conceptualizing the employment experience of a firm as a product produced by the process, policies and culture of the firm.

Ritson (2002) argued that companies with strong employer brands can potentially reduce the cost of employee acquisition, improve employee relations, increase employee retention and even offer lower salaries for comparable staff to firms with weaker employer brands.

Moroko and Uncle (2007) supporting Ritson (2002) argued that it is essential to identify employer brands with varying levels of success and allowing the processes underpinning successful and unsuccessful employer brands to be meaningfully empirically investigated. Table 2.6 gives a summary of common human resources metrics that correspond to the accurate/aspirational, attractive/unattractive dimensions. These metrics enable researchers to initially categories the level of success of potential respondent firms.

### Table 2.6
**Human Resources Metrics to measure ROI on Employer Branding**

<table>
<thead>
<tr>
<th>HR Metrics and Corresponding Dimensions of Success</th>
<th>Indications for successful employer brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of job offers accepted</td>
<td>Higher percentage than industry average indicates attractive</td>
</tr>
<tr>
<td>Number of applicants per role</td>
<td>Higher number of applicants than industry average indicates attractive</td>
</tr>
<tr>
<td>Average length of tenure</td>
<td>Higher than industry average indicates attractive</td>
</tr>
<tr>
<td>Average staff turnover</td>
<td>Lower than industry average indicates accurate (contract fulfilled)</td>
</tr>
<tr>
<td>Level of staff engagement</td>
<td>Higher than industry average indicates accurate (contract fulfilled)</td>
</tr>
</tbody>
</table>

(Source: Moroko & Uncle, 2007)
Moroko and Uncles (2007) referring to staff engagement (May, Gilson, & Harter, 2004) agreed that ‘it is a measure of physical, cognitive and emotional fulfillment by employees at their work place’. Significant low turnover/long tenure is a misleading indicator of EB success as a stagnant employee pool may inhibit the evolution of the firm and the overall engagement of employees. Long tenure/low turnover should be assessed in combination with other metrics, particularly staff engagement. The authors admitted that these metrics are not a substitute for a deep and robust understanding of a firm’s employer brand, rather if taken together, can help to provide a snapshot of the level of the firm’s current employer branding success and can also be used as a health check.

### 2.6.1 Employer Attractiveness

Berthon et al. (2005) suggested that the concept of ‘employer attractiveness’ is closely related to ‘employer branding’. On their study on dimensions of attractiveness in employer branding the authors identified the dimensions of employer attractiveness, which in turn contribute to employment brand value and suggested a scale EmpAt to measure the employer attractiveness. To understand the scale items of EmpAt, the authors conducted six focus group interviews and identified 32 scale items. After scale purification, 25 scale items were considered suitable for EmpAt. Exploratory and confirmatory factors analysis was done with 683 respondents. The scale has five unique dimensions; Social value, Development value, Application value, Interest value and Economic value. The scale EmpAt has been generalized towards students in their final year of studies in Australia. However, the study was only limited to the students who the authors considers as the potential employee and limited to the geography of Australia.

Kanar, Collins, and Bell (2010) studied on how the positive word-of-mouth of existing employees about their current organization effects in attracting potential employees towards the organization. The authors did an empirical examination by collecting response from 175 college level job seekers. The main questions were how the positive and negative remarks of the existing employee effects their attitude towards as organization as an employer. The study revealed that negative information is having a larger impact than positive information on job seekers’ organizational attraction. The empirical result had shown that job seekers who were exposed to negative information were
much less attracted to the organization compared to participants who were exposed to positive information.

Devendorf and Highhouse (2008) studied on workplace attraction, whether current employees’ of the organization enhances attraction to the potential employee pool. The study highlighted that the job seekers looks for three types important information from potential employers (i.e. people information, employer information, and job information). Out of these three, people information is particularly significant as job seekers are likely to be interested in the attributes of their potential co-workers. Authors argued that the attributes of current employees can significantly predict the organization’s employer attractiveness.

Slaughter, Zickar, Highhouse, and Mohr (2004) studied on the symbolic image dimensions and confirmed that they were related to organizational attractiveness. In addition, the author found that specific attributes assigned to organizations were more attractive depending on last-year students’ personality traits. The author suggested that potential employee will attracted to organizations with traits similar to their own traits.

Bondarouk et al. (2012) on their study on Employer Branding and its Effect on Organizational Attractiveness empirically examined that there is a strong significant correlation exist between employer branding and organizational attractiveness. There were eight high tech organization participated on the survey.

Bakanauskiene, Bendaraviciene, Krikstolaitis, and Lydeka (2011) elaborated on the conceptual and practical framework of employer attractiveness and employer branding, specifically contributing to deeper understanding of employer brand image (value proposition) development for university as an employer. Development of the university employer brand, specifically value proposition has been approached through qualitative research identifying dimensions of the university’s organizational attractiveness. Eventually, a 12-dimensional questionnaire of 74 items was prepared and psychometric tests of validity have indicated its face and content validity. The authors argued that being the best place to work provides an organization a clear competitive advantage in the market allowing attracting and retaining the most talented employees, satisfying customers’ expectations, staying efficient and financially successful. Pursuing attractiveness of university as an employer it is advocated as a must both in the light of hyper competition it faces and particularity of knowledge organization it embodies. Consequently, after a review and
synthesis of 8 research-based employer’s attractiveness measures available worldwide, pilot surveys of a sample of 70 university employees and a sample of 160 university undergraduate students conducted as well as two-stage content expert review, the questionnaire for the measurement of university as an attractive employer was formulated and validated. The instrument comprises 12 dimensions of employer attractiveness and 74 statements connected to them. 4 indexes of employer’s attractiveness, namely Achievement, Connection, Relations and Systems are also constructed. Identified dimensions of university’s attractiveness as an employer enhance organizational intelligence and support the construct of sound, authentic, compelling, credible and differentiating value proposition to be marketed to potential applicants and promised to existing employees. In the next stage, a primary survey of respondents is intended to be carried out, after which the reliability of the questionnaire will be verified using the method of factor analysis. This will enable further elaboration on the employer branding in university as well as serve as an audit of university’s potential as an attractive employer. Accordingly, gaps to bridge and areas for improvement will be targeted incorporating priority directions and goals into the university’s strategy.

Sokro (2012) studied the influence of employer branding influence on employee attraction and retention in the banking sector in Ghana by adopting descriptive survey design. Eighty-seven employees, including junior and senior staff were conveniently sampled for the study. Data was analyzed using both descriptive and inferential statistics. The results of the study suggest that organisations use employer branding processes in their business to attract employees and customers. It was also found that brand names of organizations may significantly influence the decision of employees to join and stay in the organisation. The author suggested that employers need to create conducive work environment with conditions to enable employees feel comfortable and remain in the organisation.

2.6.2 Employee Engagement

Robinson, Perryman, and Hayday(2004) defines engagement as a positive attitude held by the employee towards the organization and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The strongest driver is a sense of feeling valued and involved which has several key factors.
Fleming, Coffman, and Harter, (2005), Gallup Organization researchers, used the term committed employees as a synonym for engaged employees. Gallup’s Human Sigma website (2005) refers to employee engagement to the concept of customer engagement that has the dimensions of integrity, confidence, pride, and passion.

Towers Perrin’s Global Workforce Study (2005) had shown that there is no single defined approach for increasing engagement and building a high-performance organizational culture. Rather the right approach depends on many attributes (i.e. the company’s business model and cost structure, its skill needs, geographic location, demographics of the workforce, people’s stage in the employment life cycle, and relevant cultural norms). Further Perrin’s defined “engagement as employees’ willingness and ability to help their company succeed, largely by providing discretionary effort on a sustained basis”.

Wellins and Concelman (2005) explained that employee engagement as “the illusive force that motivates employees to higher levels of performance”. This coveted energy is similar to organization commitment, pride for the job and ownership, passion and excitement, self motivated time and energy, commitment to execution and completion. The authors further highlighted employee engagement as the feelings or attitudes employees have toward their work and organization.

In Society for Human Resource Management (SHRM) article, Lockwood (2005) explained engagement as a psychological state by which employees’ are emotionally and intellectually committed to the organization. The engagement level can be measured by three primary behaviors: (1) employee speaking positively about the organization to coworkers, referring their current organization to potential employees and speaking positive to customers; (2) having a strong desire to be part of the organization, despite opportunities to work elsewhere; (3) Putting extra effort and exhibiting behaviors that contribute to business results.

Seijts and Crim (2006) explaining about employee engagement mentioned that an engaged employee is positively involved and enthusiastic about, his or her work and care about the future of the company. These engaged employees’ and are keen to invest the discretionary effort to see that the organization success.

According to Konrad (2006) the three related factors of employee engagement are: an emotional, a cognitive, and a behavioral aspect. These three factors are: a
cognitive, an emotional and a behavioral aspect. The cognitive factor of employee engagement includes employees’ trust on the organization, its leadership and the work conditions. The emotional aspect concerns about employees feel about each of those three aspects and the attitude of the employees’ toward the organization and its leadership. The behavioral factor of employee engagement consists of the discretionary effort engaged employees bring to their work in the form of extra working hour, brainpower and energy devoted to the task and the firm which in turn will bring competitive advantage for the firm.

Saks (2006) on their study on employee engagement tested a model (figure 2.7) of the antecedents and consequences of job and organization engagements based on social exchange theory. A survey was completed by 102 employees working in a variety of jobs and organizations. The average age of the respondents was 34 and 60 percent among the respondents were female. The author empirically explained that there is a significant difference between job and organization engagements. The study found that: (1) perceived organizational support predicts both job and organization engagement; (2) job characteristics predict job engagement; and (3) procedural justice predicts organization engagement. The author also empirically tested that, job and organization engagement mediated the relationships between the antecedents and job satisfaction, organizational commitment, intentions to quit, and organizational citizenship behavior.

Figure 2.7:

Antecedents and Consequences of Job and organization engagements

(Source: Saks 2006)

Institute for Employment Studies (IES, 2004), reported the ‘Drivers of Employee Engagement’ by analyzing data from IES’ 2003 attitude survey of over 10,000 employees working in 14 organizations in the National Health Service
(Robinson et al. 2004). The research tested twelve attitude statements that represents engagement and found to fit together and reliable to comprise a single indicator of engagement by putting it in 10 aspects. All these 10 aspects will reflect the level of employee’s perception on whether they are considered as a valuable member of the organization and appropriately involved on the organization growth and will lead to employee engagement. Based on the study IES has proposed a diagnostic tool measure employee engagement as presented in figure 2.8. IES further argued that though the tool is tested within the National Health Service (NHS), the statements are not NHS-specific; and can be used by other organizations and domains. The report further revealed that engagement levels can vary, in association with a variety of personal and job characteristics and with experiences at work. Analysis of the NHS case study data indicated that opinions and experiences of many aspects of working life are strongly correlated with engagement levels but the strongest driver of all is a sense of feeling valued and involved.

**Figure 2.8**

![IES Diagnostic Tool to Measure Employee Engagement](image)

(Source: IES Survey, 2004)

Bhatnagar (2007) investigated the relationship between employee engagement and talent management by using mixed method research design. The first phase was a survey on a sample of 272 Business Process Outsourcing (BPO)/ITES employees, using Gallup Q12 (Gallup Workplace Audit Questionnaire). Author argued that these
12 psychological statements can be presented in four steps like a mountain climb starting from the moment the employee presume a new role till the point the employee is fully engaged in that role. These four mountain climb steps are explained in the order the steps are. First step is called the “Base camp” where the employee ask the question to himself/herself like what is expected out of him and what does he get from this role. The question on the step one or “Base Camp” leads the employee to the next step called “Camp 1” where the employee is focused on his/her contribution and other people’s perception on it. Then the third step called “Camp-2” where the employee wants to know whether he fits in the new role or not. The final steps is called “Camp- 3” which is the advanced stage of the mountain climb where the employee wants to make things better, to learn, to grow, to innovate. The author also empirically argued that the top five retention factors an organization needs to focus are: exciting work/challenge, career growth/learning, relationships/working with great people, fair pay, and supportive management/great boss.

The Hay Group, as reported by Thompson (2002), refers to their concept of ‘engaged performance’ which is ‘about understanding why working for a particular organization is attractive to different kinds of individuals and which looks at the cognitive aspects why people work for an organization.

Wellins, Berenthal, and Phelps (2005) of Development Dimensions International (DDI) have suggested a model on engagement value proposition, which is a combination of four sequential components (figure 2.9). DDI argued that engagement drivers are the levers that organizations can utilize to create a more engaging work environment. Organizations must recruit the employees who fit the job requirements, develop leaders with the right skills, and provide support through strong systems and strategies. These three drivers will lead an engaging work environment. The engaging work environment will bring positive effect on employee behaviors and attitudes. An engaging environment builds loyalty in employees by meeting their personal and professional needs which in term encourage them to continue with the firm. An engaging work environment strikes into employees’ motivation to put extra effort that differentiates organizations from their competitors. Finally the report argued that, when organizations have engaged employees, the long-term benefits will appear in the bottom line. Organizations have more satisfied and loyal customers, increased profits, better-quality products or
services, and greater growth potential and will achieve competitive advantage. The DDI engagement value proposition is presented in figure 2.9.

**Figure 2.9**

**DDI’s Engagement Value Proposition**

![Diagram of DDI's Engagement Value Proposition]

(Source: DDI, 2005)

Shuck, Thomas, and Rocco (2011) empirically tested the linkage between job fit, affective commitment, psychological climate, and employee engagement and found that there is a significant relationship between job fit, affective commitment, and psychological climate, and employee engagement. Further the study highlighted that there is a significant relationship between employee engagement, discretionary effort, and intention to turnover. The authors suggested a model on employee engagement but at the same time highlighted that the study is limited to United States and thus can’t be generalized across globe and cross cultural attributes needs to be considered in future research by HRD and researcher community.
2.6.2.1 Engagement and Employee Involvement

In the CIPD survey (Truss et al., 2006) suggests that employers need to encourage ‘employee voice’ to bring a potential difference over the organizational performance. The authors explained that it is essential for the organization to encourage employees to provide potential inputs for the business decisions that are made in the organizations. The authors argued that firms should take the employees’ view point upward in the organization as this is one of the main drivers of employee engagement. Their survey identified that currently many organizations are not thriving in doing this and as a consequence of this many employees feel that they don’t have opportunities to express their views and be involved in decisions made by the organization. Contrary to the study, researchers at Towers Perrin (2003) found that employers are doing well in giving employees the freedom to make decisions relating to their jobs and argued that employees have an appropriate amount of decision-making authority to do their job well.

Purcell, Kinnie, Hutchinson, Rayton, and Swart (2003) argued that there should be a more genuine sharing of responsibility between management and employees over issues of substance. This will create a meaningful employee engagement. According to the authors a number of factors are responsible for high levels of employee engagement. However, there is one aspect that is common in all the factors are that it is linked with an employee involvement. Authors argued that effective communications is found to be a factor as engagement levels were affected by the amount of information employees received about, for example; the company performance and their contribution for the overall company performance. Employees having involvement in decisions affecting their job or work will also be associated with high levels of engagement. Authors further argued that there should be a more genuine sharing of responsibility between management and employees over issues of substance which will assist creating a meaningful employee engagement.

According to Beardwell and Claydon (2007) employee involvement is a core principle of ‘soft’ human resource management, where the focus is upon encouraging and capturing the ideas of employees and ensuring their commitment. The notion of employee involvement is strongly grounded in unitary views of organizations, as it assumes that managers and employees have the same interests. However, employee
involvement has firmly on management control and very limited real influence is given to employees.

Hyman and Mason (1995) argued that employee involvement schemes “extend little or no input into corporate or higher level decision making” and do not involve any significant sharing of power and authority.

Fox (1974) argued that role can’t be totally diffuse or totally specific despite the organization is having an elaborate external controlling structure being in place. Even tightly controlled jobs, some exceptional element of discretion always remains. The author argued that if employees were given some control over how they execute their jobs, positive benefits have emerged for the firm. This has been tested by previous research in the UK where the impact of job redesign on employee engagement has already been seen.

According to Lawler and Worley (2006) employees must be given power in order for the organization to have an effective high-involvement work practice and to have a positive impact on employee engagement. The authors argued that if employees were properly empowered with respect to their job than that will lead to positive work performance and to the quality of their working lives and, thus engaging them in their work. The authors further argued that employee involvement will be more when enough possible level of power is pushed down to the employees. This will help employee to take a decision and will lead to high level of engagement from employees.

Ram and Prabhakar (2011) argued that an organization with high level of employee engagement will certainly have; a highly motivated work force, low absenteeism, high productivity and higher employee retention. The authors did an empirical study on antecedents and consequence of employee engagement by collecting response from 310 employees working on Jordan firms. On their research the authors identified potential antecedents that contribute to employee engagement, such as; job characteristics, rewards, organizational support, supervisor support, justice, job satisfaction, organizational culture. The authors concluded that HR can measure the employee engagement level by measuring the level of employee engagement predictors such as; organizational process, values, management, role challenge, work/life balance, information, reward and recognition, work environment, and products/services, and take necessary action to increase the employee engagement level.
Heger (2007) of AT&T based on an empirical examination highlighted that a good employment value proposition will boost employee engagement. The author identified 41 EVP statements and grouped those into 11 categories; compensation, learning and development, day to day work, pay for performance, goals and objectives, health benefits, flexi time, leadership, performance management, respect & integrity, result focus. There were 936 employees of AT&T participated in the survey.

2.6.2.2 Scales for Measuring Employee Engagement

The Gallup Organization came up with an instrument called Gallup Work Place Audit (GWA) Q12 to measure the level of employee engagement in an organization (Harter et al., 2002). Gallup developed the instrument based on hundreds of focus groups across the world covering a wide variety of industry. In GWA Q12 questionnaire, researchers have focused on the consistently important human resource issues that managers can influence. Researchers found that there are 12 key expectations from employees and if an organization satisfied those expectations than it will lead to create a strong foundation for employee engagement. So far 87,000 work units and 1.5 million employees have participated in the Q12 instrument. Comparisons of engagement scores indicates that the organizations with high Q12 scores exhibit lower turnover, higher productivity, higher sales growth, higher customer loyalty and superior performance. The Gallup Work Place Audit (GWA) Q12 statements are; (1) Do you know what is expected of you at work (2) Do you have the materials and equipment you need to do your work right (3) At work, do you have the opportunity to do what you do best every day (4) In the last seven days, have you received recognition or praise for doing good work (5) Does your supervisor, or someone at work, seem to care about you as a person (6) Is there someone at work who encourages your development (7) At work, do your opinions seem to count (8) Does the mission/purpose of your company make you feel your job is important (9) Are your associates (fellow employees) committed to doing quality work (10) Do you have a best friend at work (11) In the last six months, has someone at work talked to you about your progress (12) In the last year, have you had opportunities at work to learn and grow?

Schaufeli and Bakker (2003) suggested a scale called Utrecht Workforce Engagement Scale (UWES) to measure the level of employee engagement of a firm.
The scale is composed of 17 statements that cover the three aspects of work engagement: vigor, dedication and absorption. In the scale Vigor is determined by six statements and refer to high levels of energy and resilience among employees, employee proactively willing to invest effort, employees not being easily fatigued of their job, and persistence in their job even in difficult times. Dedications is determined by five statements and refer employees understanding the significance of the job, employees enthusiastic and proud about their job, and feeling inspired and challenged by it. Absorption is accessed by six statements and refer to employees attachment to work and difficulties to de-attach an employee from the work. The authors claimed that UWES is a valid and reliable indicator of work engagement and can measure work engagement successfully.

2.7 THE NEED OF EMPLOYER BRANDING

Referring to earlier studies made on resource-based view (RBV), Newbert (2008) suggested that a firm can attain competitive advantage if it utilizes the rare and valuable resources and its capabilities and RBV is one of the most widely accepted theories of strategic management. Among the resources, human resource is one of the important contributor for competitive advantages and firm needs to ensure these inimitable resources do not leave the firm to join competitors. The author empirically examined the relationships between value, rareness, competitive advantage, and performance and found that value and rareness are related to competitive advantage, that competitive advantage is related to performance, and that competitive advantage mediates the rareness-performance relationship.

Madhani (2008) did a case study on the success of Indian information technology firms with reference to resource-based view (RBV). The author identified 8 RBV factors that drive the success of Indian IT industry and among them the most vital factor is the quality human resource with appropriate talent. There is a stiff competition among Indian IT firms and thus companies need to retain the highly talented workers that will differentiate them from their competitors and will help the organization to achieve competitive advantages.

Michaels et al. (2001) argued that in increasingly competitive employment markets, it is of top priority for firms to develop a strategy to become an employer of
choice which in turn will attract large applicant pool per advertisement for the organization to choose the best of the best talent and thus will lead to achieve competitive advantage. Looking at the global shortage of talent, McKinsey consultants in the mid-1990s used the term ‘War for talent’. The term referred to the measures that companies took to fight to recruit and retain talented employees as there was a global mismatch between talent supply and demand.

According to Martin, Gollan, and Grigg (2011), employer branding has the potential to help organisations become authentic, responsive and build social capital, thus contributing to the innovation agenda and transformative business model change of the firm. It plays directly into the firm’s corporate reputation, talent management and employee engagement agendas. The authors argued that the potential effects of employer branding have yet to be fully understood because current theory and practice have failed to connect this internal application of marketing and branding to the key reputational and innovation agendas.

TJinsite (2012) the research wing of TimesJobs.com conducted a survey on employer branding on Indian context. The survey highlights that employer branding is not widely practiced in Indian companies though companies agree that strong employer brand can help the organization to attract best talent, improve employee relation and will lead to higher employee retention. The survey found that only 24% of Indian employer said that their organization is having a clear Employer Branding strategy, 43% Indian employer they have a strategy for employer branding but could be developed further, 26% employer said they don’t have any employer brand strategy but their organization understands its’ practical outcome and thus working on an employer brand strategy, and surprisingly 7% of the employer don’t have any strategy for employer branding (figure 2.10). The report points further that a number of factors are blocking the Indian firms to have a strong employer brand strategy such as, lack of vision, and due support from top management. The report highlighted that in an economic climate where sustaining business is tough there is pressure to cut costs and increase productivity. To achieve the competitive advantage firms needs to get the right skill employee to drive growth. Therefore, Employer Branding is the only strategy that will help position the organisation as the most attractive among the competitors by attracting the right talent.
The Conference Board (2001) published a report ‘Engaging Employees Through Your Brand’. This report is based on two surveys targeting two sets of respondents; one targeting at the marketing executives, corporate brand managers, and vice presidents/directors of corporate communications; the second targeting the vice presidents and directors of HR department. This report, which examined the practices of 137 leading companies, compared corporate and employer branding methods and provided benchmarks for successful implementation of programs to engage employees through the firms employer branding. According to the report employer branding is going through a growth spurt: companies are focusing branding efforts on employees’ in spite of corporate brands and funding for employer branding efforts has increased. Employer branding uses aspects of corporate identity and reputation to achieve multiple objectives of human resources management. Some survey comments and interviews suggest that taking part in this study pushed some companies to use terms and make distinctions they had not previously recognized. The roles and responsibilities of brand management are still evolving. Both corporate and employer branding are becoming more common, and the relationship between them is changing. HR and the senior
management team are key players in employer branding efforts. Senior management’s involvement in branding (both corporate and employer) is greatest at the stage of strategy decisions while implementation relies heavily on individual business units. Corporate and employer brands are closely related. Some companies had built employer brands on established corporate brands, while others claimed to have a strong employer brand without a corporate brand. In some cases, development of an employer brand provided the impetus for corporate branding. Employer branding may be especially important for companies that face difficulties in establishing strong brand images—for example, because their products or services are sold to other companies and lose much of their product brand identity before reaching end users. Employer branding is closely identified with HR management, but mainly with its transactional aspects and on “family friendly” initiatives, benefits, and a physically pleasant workplace. Fewer companies associate branding with HR’s more strategic potential, such as instilling brand values into business processes, or attracting and retaining customers. New communication media such as the Internet and corporate intranet are an emerging force in branding efforts, but more traditional channels—print and face-to-face meetings—still dominate. At present, e-communications complement rather than replace traditional media. Measurement of branding effectiveness is lagging rather than financial results. As a competitive response in a tight talent market, organizations are turning increasingly to strategies of “employer branding.”

2.8 SUMMARY

A number of conclusions can be drawn from the above discussion with regards to Employer Branding and its predictor variables and the impact of those variables on employee retention. First, the aim of employer branding is to become an ‘employer of choice’, a place where people prefer to work (Berthon et al., 2005; Armstrong, 2006). This means developing what Sears (2003) calls ‘a value proposition’, which communicates what the organization can offer its employees as a ‘great place of work’. Employer branding begins with the creation of an employer brand image or value proposition (Martin, 2007). Value proposition is a central message to be conveyed by
the employer brand what particular value is offered by a company to employees (Backhaus & Tikoo, 2004; Martin, 2007). It is of key importance that this value proposition is derived from a thorough audit of what makes the firm a great place to work. The messages that firms send out to potential recruits need to be reinforced by its own employees and recruiters (Knox & Freeman, 2009). In this regards the current employees play a pivotal role to attract prospective employees (Devendorf & Highhouse, 2008).

Second, employees’ attraction to firms does not always lead to positive outcomes if the beliefs are misguided, and because firms have a high incentive to communicate positive rather than accurate information (Cable et al., 2000). There is evidence on the link between high performance work systems and firm performance and relates these to organisational culture (Hartog & Verburg, 2004). Conserving beliefs and value systems is core to organization culture but at the same time employees expectation on cultural value systems changes with respect to industry Segment (Singh, 2009). Employers need to create conducive work environment with conditions to enable employees feel comfortable and remain in the organisation (Sokro, 2012). A stimulating and challenging work environment is key to retain the talent (Kaliprasad, 2006). Top three aspects of EB what Indian IT companies employee feels are Compensation, Career Progression, Nature of Work (NASSCOM, 2006). Rewards and recognition play a key role in the commitment of core staff (Chew et al., 2005). Firms with egalitarian pay structures have lower quit rates, a finding that is robust to a large set of empirical specifications (Riddell, 2011). Work-life balances through appropriate measures improve employees’ loyalty towards the company and to recruit new employees (Zulch et al., 2012). Perceived flexibility and supportive work_life policies were related to greater employee retention than expected retention (Richman et al., 2008). Mutual gain for employee and employer can be attained by an accommodating approach to non-work commitments which may lead to greater organizational attachment (Scholarios & Marks, 2004). Family-Friendly Practices (FFPs) do have a main effect on attractiveness (Bourhis & Mekkaoui, 2010). The primary reason employees leave is that they are not adequately using their skills (Hay, 2012). There are two key dimensions of success for an employer brand: attractiveness and accuracy (Moroko & Uncles, 2008). Influence of the perceived employer brand on employees’ attitudes, which is especially important in
employer branding context (Schlager et al., 2011; Collins & Stevens, 2002; Hewitt Associates).

Third, knowledge workers are increasingly mobile and shifts locations and jobs for more attractive possibilities (Chum & Evans, 2005). Organizations upper most priority is to become an attractive employer, a place where people prefer to work (Chum & Evans, 2005). The concept of ‘employer attractiveness’ is closely related to ‘employer branding’ (Berthon et al., 2005). Dimensions of attractiveness in employer branding identifies the dimensions of employer attractiveness, which in turn are likely to contribute to employment brand value. (Berthon et al., 2005). The symbolic image dimensions were related to organizational attractiveness (Slaughter et al., 2004). There is a strong significant correlation between employer branding and organizational attractiveness (Bondarouk et al., 2012). Employer attractiveness support the construct of sound, authentic, compelling, credible and differentiating value proposition promised to existing employees (Bakanauskiene et al., 2011). Once the value proposition is determined the second step in employer branding consists of marketing this value proposition to talent pool the organization requires to achieve competitive advantage (Backhaus & Tikoo, 2004). A successful, employer branding must contain employees “proactively” telling stories and getting talked about their employer (Sullivan, 2004). Based on the literature review the following hypothesis is drawn;

**Hypothesis 1:** Employer value proposition will have significant impact on Employer Attractiveness.

Fourth, a strong, favorable employer brand has an influence on attracting quality candidates and employee engagement (Punjaisri et al., 2009; Bernad Hodes Group, 2012). Employer needs to focus employee engagement and commitment, benchmarking (with respect to other competitor) to become an employer of choice (Mosley, 2009). Perceived flexibility and supportive work-life policies were related to greater employee engagement (Richman et al., 2008). Literature revealed that there is a significant positive relationship between employer branding and employee engagement. Based on the literature review the following hypothesis is drawn;
Hypothesis 2: There will be a significant contribution of employer value proposition on Employee engagement.

Hypothesis 3: There will be a significant contribution of employer attractiveness on employee engagement.

Fifth, in critical HR development areas associated with retention such as training, job design, skill development, careers management and team building, results indicate a lower level of HR resource allocation (Holland et al., 2007). This lack of resource allocation is of concern for organizations that are struggling to compete for skilled workers (Holland et al., 2007). Employers need to develop an understanding of employees’ implicit needs, and the organizational, cultural and labor market context within which the employer brand will operate. Employer needs to focus on employee insight, employee engagement and commitment, benchmarking (with respect to other competitor), correlation analysis, continuous research, culture mapping, brand roots, projective and enabling techniques, observations, audits. All this together will create good input for employer branding (Mosley 2009). Very few studies have involved actual employees (Cable & Turban, 2001; Lievens et al., 2007) which could help to explore an ‘experienced’ opinion and make an attempt to answer why individuals who were attracted and selected consequently retain. Admitting this limitation of organizational attractiveness research scholars (Ehhrart& Ziegert, 2005; Nadler et al. 2010; Bakanauskiene, 2011) argue for more studies examining perceptions of workforce population. There are very little research has been done to assess the relative contribution of various motivational - attitudinal processes to work behaviors under different conditions (Vaijayanthi et al., 2011). A unique, relevant and compelling EVP that is well defined, communicated and relevant can be the difference between why talent choose an organization (EBI, 2012). There is a regional variance to the EVP and the EVP needs to be derived based on the geography and industry segment (Singh, 2009; EBI, 2012). Formal, larger scale research would be required to establish the parameters of these relationships (Ambler & Barrow, 1996). Top three factors pertinent in developing/enhancing the employer brand: Current employee research, developing strategies for retaining talent and retention initiatives (Kapoor, 2010).
Based on the literature review the overall framework of the research is presented in figure 2.11. Employer Value Proposition is central to employer branding and employer attractiveness and employee engagement is the outcome of the employer branding.

**Figure 2.11**

**Proposed Research Framework**