

Employer Branding and Employee Engagement: Evidence from Banking Sector



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In these days of tough competition there is a need for organisations to be more efficient to remain sustained in the market. Organisations adopt many strategies in this regard. Organizations need talented employees for effective functioning and implementation of such strategies. Employer branding plays an important role to attract and retain employees in an organization. The study discuss about the relationship between Employer Branding and Employee Engagement among the employees of the banks considered for the study in Thiruvananthapuram district in Kerala. 139 respondents from the select banks were contacted for the study. The data were collected using self-administered structured questionnaires. The employer branding was measured in terms of Economic value, Social value, Developmental value and Reputation value. The study also tries to find out whether the demographic variables make any difference in exhibiting Employee Engagement. Kolmogorov-Smirnov test was used for testing the normality of the sample. Independent sample t-test, One-way ANOVA, Karl Pearsons Correlation and Multiple Regression analysis were used for analysing the data. The results revealed that there is a significant positive relationship between Employer branding and Employee Engagement.

Keywords: Employer Branding, Employee Engagement, Banking

1. Introduction

The term brand is generally associated only with products and services for many organisations. But now it is widely be used for almost everything related to an organisation including workplace, skills and content. Employer branding, is what an organisation carries as a unique identity. It helps to distinguish an organization from its competitors. Employer branding has the potential to influence many factors. Banking which is one of the key service sectors in India which has witnessed an explosive growth and expansion. Rising incomes has increased the need for banking services which in-turn resulted in great boom specifically in terms of advanced technology and efficient communication system. Committed employees can enhance customer loyalty by way of making a bank more approachable. Employer branding is something which can make employees more committed. It can help to make employees more engaged and thus in turn result in customer loyalty in the banking sector. The term employer branding was first coined in 1990 by Tim Ambler and Simon Barrow. In 1996 in their paper 'The Employer Brand' the term was defined as "the package of social, psychological and functional benefits provided by the employment and identified with in the employing company"(Ambler & Barrow, 1996). The use of branding principles in human resources is known as employer branding (Backhaus & Tikoo, 2004). Employees are willing to work with a reputed organisation in a way similar to customers buy branded products. Employer branding can result in willingness of employees to give more than what is expected from them. This can lead to a discretionary behaviour called employee engagement. Many studies have revealed a relationship between employer branding and employee engagement. Past studies have indicated that in order to retain employees, employee engagement plays an important role. It helps to improve commitment, and enhance productivity, performance and customer satisfaction. Rasheed et al. (2013) in their study revealed that engaging employees is an important factor as it brings benefits to an organisation such as lowering employee turnover, improving organisational commitment, raising productivity and performance, and increase customer satisfaction. A report by Hewitt (2016) stated that in most organisation about 65percent employees are engaged while 35 percent are passive or actively disengaged. It is in this context this study aims to find the effect of employer branding on employee engagement among bank employees of the selected banks including State bank of India, ICICI and HDFC in Thiruvananthapuram District. The study also looks into the relationship of demographic factors and employee engagement.

2. Literature Review

Employer Branding

Employer Branding (EB) was coined by Tim Ambler and Simon Barrow in 1990. Employer branding is a package of functional, economic and psychological benefits for its target audience. Sullivan (2004) has further defined employer branding as "a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm". Brand name or branding of the employer has an effect on attracting employees towards the organisation. This will make the organisation as a preferred product for its employees. It also helps the organisation to be able to attract and retain a pool of talents into the organisation. Sokro, (2012) in his study has observed that employer branding is significantly positively related to attraction and retention of employees. Jiang and Paul (2011) found that employer branding determinants such as, economic, developmental, social values can boost up employee based brand equity and organizational attractiveness to a higher level. Schlageret al. (2011) has identified the five main dimensions of

employer branding namely economic value, developmental value, social value, diversity and reputation value. These dimensions show a positive impact on employees' satisfaction. Collins and Stevens (2002) empirically analysed that employees are attracted towards organisation for many reasons. The major factor is reputation of the company. Schlager and others analysed the dimensions of employer branding including Economic value, developmental value, social value, and one additional dimension i.e., corporate reputation value (Schlager et al., 2011).

Employee Engagement

Employee Engagement (EE) is an area which many organisations are concerned about. A Google Scholar report says that only 1,460 articles on this topic were published till 2000, and in the succeeding 5 years, 2001-05, 2,100 more research papers were published, and during 2006-15, 16,100 articles have been added to the literature and still counting on. This shows the significance and wider acceptance of the topic. A universal definition of employee engagement was given by Kahn as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances". Buckingham (1999) has identified in his study that 'Actively engaged' employees are enthusiastic and energetic, and are extremely committed to their organization. 'Not engaged' are indifferent and are neither positive nor negative towards their organization. The 'Actively disengaged' ones are virtually against virtually everything." AON survey on 2018 trends in Global Employee engagement examined about 1000 companies around the globe and took response from 8million employees from these companies and found that Rewards and recognition, senior leadership, career development, employee value proposition and enabling infrastructure are the strongest drivers of engagement globally. Harvard Business Review, in the study named "The Impact of Employee Engagement on Performance" examined the employee engagement drivers. The most Impactful Employee Engagement Drivers identified from the survey were-Recognition, Senior leadership, Business goals communicated company-wide and clarity of hoe job contributes to strategy.

3. Research Gap

Many studies have been undertaken in several sectors of the industries relating to employer branding. It is found that only limited studies are done in banking sector related to Employer Branding. Though some of the studies have helped to better understand the concept of employer branding and build a theoretical platform for further studies, empirical evaluations are a few. Empirical studies covering employer branding and employee engagement are not identified especially in the context of banking sector of Kerala. Hence this study was done by including the three major banks SBI, ICICI, and HDFC. This study attempts to address the knowledge gap by empirically testing whether the employer branding affect engaging employees of a firm.

4. Objectives of the Study

- To study about the relationship between employer branding and employee engagement among bank employees of the selected banks.
- To know the relationship among employer branding dimensions and employee engagement.
- To find the relation between demographic variables and employee engagement

4.1 Hypothesis

1. There is a significant positive relationship between Employer Branding and Employee Engagement
2. There is a significant positive relationship between Economic value and Employee Engagement
3. There is a significant positive relationship between Social valueand Employee Engagement
4. There is a significant positive relationship between Developmental valueand Employee Engagement
5. There is a significant positive relationship between Reputation value and Employee Engagement
6. There is a significant positive relationship between Gender and Employee Engagement.
7. There is a significant positive relationship between Experience and Employee Engagement.

5. Research Methodology

The research method used for the study is descriptive in nature. The study aims at investigating the relationship between relationship between Employer Branding (EB) and Employee Engagement (EE) among employees of selected banks in Thiruvananthapuram district. The independent variable for the study is Employer Branding (Economic Value, Social Value, Developmental Value, Reputation Value) and the dependent variable is Employee Engagement. 139 respondents from the selected banks were included in the study. Random sampling method was used to select 139employees (82female and 57 male) from these select banks. Self-administered structured questionnaire was used to collect data. The questionnaire has three parts. The first part contains the demographic profile, the second part contains the EB scale and the third part contains the EE scale. EB part consist of 20 questions with dimensions like Economic Value, Social Value, Developmental Value and Reputation Valueas the scale variables. Employee engagement was analyzed using an E scale developed by Gallup (1988). A total of 32 scale items were used in the questionnaire.

6. Discussion

The reliability was assessed through examining reliability coefficients. The data passed the internal consistency and reliability test as the Cronbach's alpha values were all greater than 0.832. Kolmogorov-Smirnov tested was used to identify the

statistical normality of the data. The significance level was found to be less than .05 and thus the data was found to be normal data.

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
EB	.227	139	.000	.875	139	.000
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
EE	.136	139	.000	.937	139	.000

Multiple regression analysis was used to analyse the significance of the variables. The analysis revealed that all the four dimensions of Employer branding has a significant positive relationship with Employee engagement. The overall regression model was significant for the predictor variables including (DV, SV, EV and RV) for $F(1,138) = 56.263$, the significance level <0.05 and R^2 as 0.45. Hence it can be inferred that all the four dimensions of employer branding has a significant relation with Employee engagement. This reveals that the four dimensions of employer branding predict employee engagement.

To investigate the relationship between Employer branding (EB) and its dimensions with Employee engagement, Karl Pearson's Correlation and Chi-square tests were used. The correlation between the two variables is found to be 0.556, which implies that they are positively correlated. The significance level was found to be less than 0.05 and hence the null hypothesis is rejected. It implies that EB and EE have a positive significant relationship with each other. The significance and test result of EE and four dimensions of EB are shown below

Correlation	Karl Pearsons Correlation	Significance	Test result
EV and EE	0.492	0.000	Reject H0
SV and EE	0.377	0.000	Reject H0
DV and EE	0.544	0.000	Reject H0
RV and EE	0.671	0.000	Reject H0

The result shows that there is a significant positive relationship between Economic value, Social value, Developmental value and Reputation value with Employee Engagement. Among the four predictors economic value and reputation value have highest correlation with employee engagement and the lowest being social value.

To analyze the relation of demographic variables like gender marital status and experience with employee engagement, independent sample t-test and one way ANOVA were used

For testing the significance of Gender on EE, independent sample t- test was done. The significance level was found to be $p > 0.05$ ie. $P = 0.454$, so the null hypothesis was accepted and hence there is no significant relationship between Gender and Employee Engagement.

For testing the significance of Marital status on EE, one way ANOVA test was done. The significance level was found to be $p < 0.05$ ie. $P = 0.028$, so the null hypothesis was rejected and hence there is a significant relationship between Marital status and Employee Engagement.

For testing the significance of Experience on EE, one way ANOVA test was done. The significance level was found to be $p > 0.05$ ie. $P = 0.147$, so the null hypothesis was accepted and hence there is no significant relationship between Experience and Employee Engagement.

7. Findings from the Study

The study was conducted on 139 employees (82 female and 57 male) from the select banks in Thiruvananthapuram city. The study revealed a positive significant relationship existing between Employer Branding (EB) and Employee Engagement (EE). The analysis also indicated a positive significant relationship existing between all the dimensions of EB and EE. The result shows that there is a significant positive relationship between Economic value, Social value, Developmental value and Reputation value with Employee Engagement. Among the four predictors economic value and reputation value have highest correlation with employee engagement and the lowest being social value. The relation of demographic variables like gender marital status and experience with employee engagement was analysed and found out that gender and experience have no significant relation with employee engagement. But marital status is showing a significant relation with employee engagement.

8. Limitation and Implications

In spite of having some useful findings this study suffers with some limitations. In this study, the generalized concept of employer branding was considered. This study was done by collecting data from Thiruvananthapuram district only. Hence comparisons with other regions of Kerala are not possible. From the study we could find out that most of the respondents are

having positive perception towards employer branding. Hence firms should try to develop more strategies to improve the branding dimensions of the firm. Since the study identified the positive relation of EB towards EE, the firms should be careful while the framing new policies for employer branding dimensions.

9. Conclusion

The study was undertaken to find the relation between the perceived Employer branding and the Employee engagement of selected bank employees of Thiruvananthapuram. The study is of preliminary nature as only the two variables are included. The findings reveal a positive significant relationship between EB and EE. It was observed that all the dimensions particularly reputation value of the firm can significantly influence employees to generate a discretionary behaviour of exhibiting engagement and in this turn may enhance the productivity.

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