

Influence of Employer Branding on Employee Retention in Automobile Industry

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The research attempts to identify the influence of employer branding on employee retention in automobile industry. The data has been collected from 125 employees of automobile industry in Chennai. Hence, it is concluded that employee retention was influenced by employer branding (employer reputation, employer image and employer culture) and employee attraction. The research also discovered that employee retention was influenced by employee attraction. Management should try to keep employees informed about the organization's worthiness as a potential and prosperous employer. The automobile industry employees have good perception about their employer branding. Therefore organization should continue to train and keep them informed about its efforts to develop employer branding further.

Keywords: Employer Reputation, Employer Image, Employer Culture, Employer Branding, Employee Attraction and Employee Retention.

1. Introduction

Karnica Tanwar, Asha Prasad (2016) stated that brand as a specific name, symbol or design or a combination of these – which is used to distinguish a particular seller from another. A brand is structured by brand attributes, which differentiate one brand from another brand. The establishment of a brand would generate the values of awareness, reputation and prominence in the marketplace. The objective of those elements is to identify the goods and services and to distinguish them from the competitors. Employer branding is not only playing a major role in attracting a talented pool for the organization (Wilden, et al. 2010), but also greatly influencing the current employees regarding the benefits of working with the organization and creating a sense of pride in them in order to have high retention and less

turnover (Devasagayam, et al. 2010).

Academics widely agree that effective employer branding, as well as attracting candidates and talent to an organization, also improves the organizations ability to retain their employees, which is seen as becoming increasingly difficult at the moment. Taylor provides a number of reasons for this improvement in retention. The first is that the employees perception of their current employer improves after employer branding initiatives and they look at it more favorably than previously when compared to rival companies. The second is that they recognize that their benefits are better than the average for that industry. The third is they develop a positive emotional relationship with their employer. This has a number of effects including improving their self-esteem and giving them pride in their status of an employee of the organization. They take pride in informing people that they work for the organization and that also creates a sense of loyalty to the organization which is a key driver of employee retention (Taylor, 2010) but also contributes to increased employee productivity (Backhaus and Tikoo, 2004). Hence, the research attempts to identify the influence of employer branding on employee retention in automobile industry.

2. REVIEW OF LITERATURE

Jenitta (2021) revealed that dimensions of employer brand such as economic value, social value, interest value and reputation value significantly affect the knowledge employee retention but the dimensions of development value, application value and personal value are not significant.

Bussin & Mouton (2019) discovered that increased perceptions of employer branding relate to staff with greater reports of retention and lower levels of compensation expectations. Interestingly, demographic factors were not significant in the analysis, although trends were found in potential age differences and total years at an employer.

Paul Cahill (2018) explored the impact of employer branding on employee attraction, in terms of recruitment, and employee retention within the drinks industry in Ireland. The research discovered that attraction and retention of employees were influenced by employer branding. The research also identified that employee retention was influenced by employee attraction.

Gupta, et al. (2018) found that there is a statistical significant relationship between employer branding and retention of employees. The result also revealed that the major factors of employer branding such as employer culture and employer image have significant positive influence on retention of employees. Supportive work environment and employer job attributes have negative impact on employee retention.

Jasveen Kaur and Ginni Syal (2017) found that that out of the four independent variables, three factors i.e. HRDV, OCDV, HRMV are significant determinants and one factor HRWV is having insignificant impact satisfaction of bank employees. It can, therefore, be concluded that effective employer brand is essential for satisfying its existing workforce. Employee attractiveness was influenced by employer branding.

Ooko & Nzulwa (2017) observed that employer reputation, employer culture and employee

job attributes all had a positive and significant relationship with employee retention. They also stated that employer image had an insignificant relationship with employee retention.

Sharif and Sharif (2016) found that all factors of employer branding have significant impact on the retention of employees. However, the impact is greater on employees with 3-5 years of experience than employees with less than 1 year. The results also showed that “Social Values” are the most preferred factor by both populations.

Dusenge and Warren (2016) found that majority of the employees are attracted to the three companies because of the opportunities they offer for career development and for their employees to advance in their education not to mention their high and attractive remuneration package. The authors also revealed that the respondents are in strong agreement that there is an attractive culture in the three institutions and that organization structures and management skills contributed heavily to creating the current brand of their companies followed closely by corporate social responsibility, working environment, career development training and remuneration.

Paul & Anthony (2014) stated that employer branding is a most powerful tool to retain the key employees and employer reputation, employer culture and employer job attributes all had a positive and significant relationship with employee retention and employer image had an insignificant relationship with employee retention.

Sokro (2012) revealed that brand name of the organizations significantly influences the decision of the employees to join or stay with the organization.

Priyadarshi (2011) concluded that employee attitude and behaviour towards organisation depends upon the brand image of the employer. Organisations with strong employer brand reduce the cost employee acquisition, improve employee relations, and increase employee retention.

Yaqub, et al. (2011) has concluded that employer branding and talent management have a relationship with organizational attractiveness.

Kgobe (2010) found employer branding practices close gaps between what employees expect and what the organization delivers.

Schumann (2006) confirmed prospective employees are attracted to employer brands they associate with, and expect the company to deliver on the anticipated employer brand promise. The research concluded that the employer brand must be articulated in an organization's actions and values which are embedded in people management practices driven from the inside out.

H1: Employer reputation has significantly influences employee attractiveness.

H2: Employer image has significantly influences employee attractiveness.

H3: Employer culture has significantly influences employee attractiveness.

H4: Employer image has significantly influences employee retention.

H5: Employee attractiveness has significantly influences employee retention.

3. FRAMEWORK

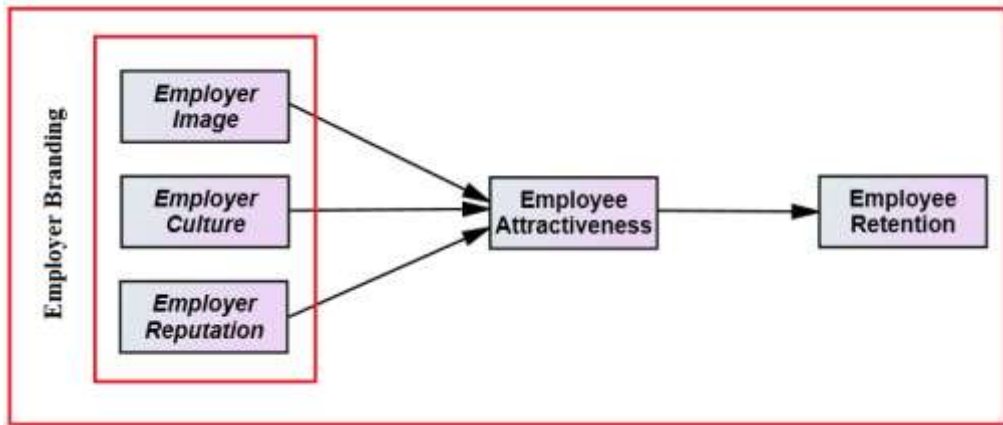


Figure 1: Conceptual framework

NEED FOR THE STUDY

The findings of this study will help automobile industry authorities and policy makers. This study will help the influence of employer branding on employee retention in automobile industry. Findings from this study can help automobile industry authorities build their branding.

OBJECTIVES

- To discover the influence of employer branding (employer reputation, employer image and employer culture) on employee attractiveness.
- To find out the influence of employer image on employee attractiveness.
- To identify the influence of employee attractiveness on employee retention.

RESEARCH DESIGN

In order to explore the influence of employer branding on employee retention in automobile industry a descriptive research design is employed by the researcher. Data is collected from employees of automobile industry in Chennai through a structured and standard questionnaire. This descriptive research design is employed to explore the relationship between employer branding, employee attractiveness and employee retention.

QUESTIONNAIRE DESIGN

Data is collected from employees of automobile industry in Chennai through a well-designed questionnaire. The questionnaire construction for this study is divided into four parts. The first part of the questionnaire is arranged in such a way to know the demographics profile of employees, the second part is employer branding, the third part is employee attractiveness and the fourth part is employee retention. Except first part, all the four sections are constructed with multiple choice questions. The first part is set up as a category and the other three as a measuring scaling technique.

Table 1: Questionnaire Construction

S.No.	Variable	Items	Author
I	Demographic Profile	8	---
II	Employer Branding	13	Ritika Gupta, 2018
	Employer Reputation,	3	
	Employer Image	4	
	Employer Culture	6	
III	Employee attractiveness	27	Jasveen Kaur and Ginni Syal, 2017
IV	Employee Retention	31	Jenitta, 2021

RELIABILITY

Pilot study was done to confirm that the results of this study questionnaire are reliable. The questionnaires are verified by involving 125 employees of automobile industry in Chennai. Based on the employees of automobile industry opinion, some changes are made in the questionnaire. Cronbach's alpha tool is employed to test the reliability of the research variables. All the variables of this questionnaire are above 0.70 which shows that it is reliable. This means that the set of questionnaire has a high reliability value. Based on this result, it is statistically recommended that the questionnaire set can be implemented for final data collection of the research.

Table 2: Reliability of the research

S.No.	Variable	Items	Cronbach's Alpha
I	Employer Branding	13	0.87
	Employer Reputation	3	0.93
	Employer Image	4	0.91
	Employer Culture	6	0.78
II	Employee Attractiveness	27	0.88
III	Employee Retention	31	0.84

SAMPLING TECHNIQUE

In this study, convenience sampling technique has been applied to collect the primary data from the employees of automobile industry in Chennai. In this way 125 employees of automobile industry are approached to collect the primary data in Chennai.

STATISTICAL TOOLS

Path analysis is used to estimate model by probing the relationship between employer branding, employee attractiveness and employee retention. The researcher has employed the path analysis for impact of employer branding on employee retention with respect to employee attractiveness.

4. RESULTS AND DISCUSSION

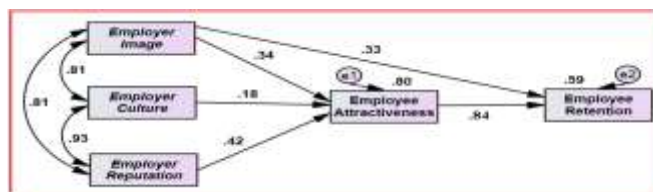


Figure 2: Influence of employer branding on employee retention in automobile industry

The table 3 presents the mode summary of influence of employer branding on employee retention in automobile industry. The path model presented, along with mode summary to verify the model fitness. The Chi-square statistic is 3.454 with $p > 0.05$. The table illustrates the model fit statistics such as RMSEA, RMR, NFI, CFI, AGFI and GFI. RMR and RMSEA are within than the recommended limit i.e., RMR and RMSEA is less than 0.08 (Indra, Balaji and Velaudham, 2020; Velaudham and Baskar, 2016). NFI, CFI, AGFI and GFI are within than the recommended limit i.e., NFI, CFI, AGFI and GFI is greater than 0.90 (Kantiah Alias Deepak and Velaudham, 2019; Velaudham and Baskar, 2015). All the model fit statistics imply a better model fit (Premapriya, et al. 2016; Victor and Velaudham, 2020).

Table 3: Model Fit Indication

S.No.	Model Indicators	Calculated Values in the Analysis	Recommended Values (Premapriya, et al. 2016)
1	Chi-Square	3.454	---
2	p	0.289	> 0.050
3	GFI	0.990	> 0.90
4	AGFI	0.922	
5	CFI	0.996	
6	NFI	0.995	
7	RMR	0.008	
8	RMSEA	0.004	< 0.080

Source: Primary data

Table 4: Regression Weights

DV		IV	Estimate	S.E.	C.R.	Beta	p-Value
Employee Attractiveness	<---	Employer Reputation	0.358	0.056	6.358	0.423	0.001
Employee Attractiveness	<---	Employer Image	0.263	0.031	8.631	0.344	0.001
Employee Attractiveness	<---	Employer Culture	0.146	0.054	2.692	0.177	0.007
Employee Retention	<---	Employee Attractiveness	0.907	0.064	17.403	0.841	0.001
Employee Retention	<---	Employer Image	0.275	0.049	5.646	0.331	0.001

Source: primary data

H₁: Employer reputation significantly influences employee attractiveness in automobile industry at Chennai.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 6.358; β value is 0.423 and p value is significant. The value of β is 0.423 that employer reputation explains 42.3 percent of the employee attractiveness in automobile industry. Therefore, the hypothesis is accepted. Hence, the result demonstrated that the employer reputation significantly influences employee attractiveness in automobile industry at Chennai. Jenitta (2021); Gupta, et al. (2018); Jasveen Kaur and Ginni Syal (2017); Ooko & Nzulwa (2017); Sharif and Sharif (2016); Paul & Anthony (2014); Priyadarshi (2011) found that employee retention was influenced by employer branding.

H₂: Employer image significantly influences employee attractiveness in automobile industry at Chennai.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 8.631; β value is 0.344 and p value is significant. The value of β is 0.344 that employer image explains 34.4 percent of the employee attractiveness in automobile industry.

Therefore, the hypothesis is accepted. Hence, the result demonstrated that the employer image significantly influences employee attractiveness in automobile industry at Chennai. Jenitta (2021); Gupta, et al. (2018); Jasveen Kaur and Ginni Syal (2017); Ooko & Nzulwa (2017); Sharif and Sharif (2016); Paul & Anthony (2014); Priyadarshi (2011) found that employee retention was influenced by employer branding.

H₃: Employer culture significantly influences employee attractiveness in automobile industry at Chennai.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 2.692; β value is 0.177 and p value is significant. The value of β is 0.177 that employer culture explains 17.7 percent of the employee attractiveness in automobile industry. Therefore, the hypothesis is accepted. Hence, the result demonstrated that the employer culture significantly influences employee attractiveness in automobile industry at Chennai. Jenitta (2021); Gupta, et al. (2018); Jasveen Kaur and Ginni Syal (2017); Ooko & Nzulwa (2017); Sharif and Sharif (2016); Paul & Anthony (2014); Priyadarshi (2011) found that employee retention was influenced by employer branding.

H₄: Employer image significantly influences employee retention in automobile industry at Chennai.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 5.646; β value is 0.331 and p value is significant. The value of β is 0.331 that employer image explains 33.1 percent of the employee retention in automobile industry. Therefore, the hypothesis is accepted. Hence, the result demonstrated that the employer image significantly influences employee retention in automobile industry at Chennai. Paul Cahill (2018); Dusinge and Warren (2016); Sokro (2012); Yaqub, et al. (2011); Schumann (2006) discovered that employee attraction was influenced by employer branding.

H₅: Employee attractiveness significantly influences employee retention in automobile industry at Chennai.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 17.403; β value is 0.841 and p value is significant. The value of β is 0.841 that employee attractiveness explains 84.1 percent of the employee retention in automobile industry. Therefore, the hypothesis is accepted. Hence, the result demonstrated that the employee attractiveness significantly influences employee retention in automobile industry at Chennai. Paul Cahill (2018) identified that employee retention was influenced by employee attraction.

5. FINDINGS OF THE RESEARCH

➤ The analysis discovered that the employer reputation significantly influences employee attractiveness in automobile industry at Chennai. Jenitta (2021); Gupta, et al. (2018); Jasveen Kaur and Ginni Syal (2017); Ooko & Nzulwa (2017); Sharif and Sharif (2016); Paul & Anthony (2014); Priyadarshi (2011) found that employee retention was influenced by employer branding.

- It is demonstrated that the employer image significantly influences employee attractiveness in automobile industry at Chennai. Jenitta (2021); Gupta, et al. (2018); Jasveen Kaur and Ginni Syal (2017); Ooko & Nzulwa (2017); Sharif and Sharif (2016); Paul & Anthony (2014); Priyadarshi (2011) found that employee retention was influenced by employer branding.
- The research found that the employer culture significantly influences employee attractiveness in automobile industry at Chennai. Jenitta (2021); Gupta, et al. (2018); Jasveen Kaur and Ginni Syal (2017); Ooko & Nzulwa (2017); Sharif and Sharif (2016); Paul & Anthony (2014); Priyadarshi (2011) found that employee retention was influenced by employer branding.
- It is identified that the employer image significantly influences employee retention in automobile industry at Chennai. Paul Cahill (2018); Dusenge and Warren (2016); Sokro (2012); Yaqub, et al. (2011); Schumann (2006) discovered that employee attraction was influenced by employer branding.
- The analysis demonstrated that the employee attractiveness significantly influences employee retention in automobile industry at Chennai. Paul Cahill (2018) identified that employee retention was influenced by employee attraction.

6. SUGGESTIONS

- Incorporate the effective employer branding ways in the corporate strategy and the company's overall communication approach in order to create the employer associations.
- It is recommended to the management to take special interest and consideration to its employees to make them much better ambassadors of this organization. It is well known that employees play multi-roles when they take up a career for them. Management should encourage employees and find out opportunities to provide them in brand building for this organization.
- Management should make efforts to make employees know about commitment and endorsement of the company's branding. The results recommended that employers who give development opportunity have more brand image in the minds of employees.
- Management should try to keep employees informed about the organization's worthiness as a potential and prosperous employer. Work environments that make their employees feel protected in their jobs were more likely to attract and retention their employees.
- The automobile industry employees have good perception about their employer branding. Therefore organization should continue to train and keep them informed about its efforts to develop employer branding further.

7. CONCLUSION

An employer brand is defined as the perception of the organisation as a great place to work

by both current and potential employees. Employer Brand as a concept denotes perception of current and prospective employees toward an organisation as a great place to work. The research attempts to identify the influence of employer branding on employee retention in automobile industry. The data has been collected from 125 employees of automobile industry in Chennai. Hence, it is concluded employee retention was influenced by employer branding and employee attraction. The research also discovered that employee attraction was influenced by employer branding. Management should try to keep employees informed about the organization's worthiness as a potential and prosperous employer. The automobile industry employees have good perception about their employer branding. Therefore organization should continue to train and keep them informed about its efforts to develop employer branding further.

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