EMPLOYER BRANDING LITERATURE REVIEW

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ABSTRACT

The concept of employer branding has attracted many researchers' attention in the recent years. In today's business environment, employer branding becomes one important source of competitive advantage that creates value for all companies. Organizations have identified employer branding as an important tool for attracting and retaining a talented workforce. The aim of this study is to get an understanding of employer branding on a broader spectrum and to examine employee engagement, employee retention, and employee satisfaction as the outcomes of employer branding. The paper focused by clarifying the definitions and the outcomes of employer branding.

Keywords: *employer branding, employee engagement, employee, retention, employee satisfaction*

INTRODUCTION

The concept of employer branding which has been increasingly popular since the 1990s means in the simplest terms the perception by the existing and potential employees of the company as the best place to work for. Employer branding has become crucial for many organizations as they all are keen to attract, develop and retain the right talent in their organization. Employer branding needs to attract and communicate to both potential employees and existing employees the attractive employee value proposition they have built. A strong internal as well external branding by organizations helps them to influence the employees' delivery of promised brand with the assumption of employees being satisfied with the organization (Kaur & Syal, 2013). In today's era of boundary less, technology driven, rapidly changing business environment, one of the major corporate challenges is to meet the increasing demand for executive talent. The survival and success of organizations depend upon the quality of its workforce who can face the above challenges. Chiu et al., (2020) defined employer branding is an approach used by different companies to maintain their current employment and attract individuals to join the company. The practitioner and academic research have highlighted that developing effective employer branding strategies can provide a strategic advantage to the firm by developing engaged employees who are loyal and committed to the firm and work towards achieving the superordinate objectives of the firm (Wilden et al., 2010). Biswas & Suar (2013) defined employer branding to managing employer-employee relationships. It includes the employee's employment experience right from the start of the relationship in order to facilitate the retention of talented workforce. Bussin & Mouton (2019) defined employer branding as a management strategy for retaining current employees and attracting the right talent.

While traditionally, branding efforts focuses towards development of corporate and product brands according to consumer perspective. The limitation and restriction for branding is no longer opt for products only. In the past, organizations used branding efforts to promote their products and services, recently branding strategies applied in human resource management, even organizations resorting to branding for attracting and retaining the best talent. Organizations realized that the appropriate way to become attractive in employment market is by having strong, distinguishable and clear employer brand (Chhabra & Sharma, 2014; Gözükara, 2016; Kucherov & Samokish, 2016). Research also showed that the overall image and impression of the

organizations in employees mind determines a lot of organizational outcomes, such as retention, employee engagement, loyalty, and better talent attraction (Canhoto & Kietzmann, 2013). Kaur & Syal (2013) concluded that an effective employer brand is essential for satisfying its existing workforce. Another finding result from Gözükara (2016) also concluded that organizations can offer career opportunities and promotions, support a creative and innovative environment, conduct social responsibility projects, and provide above-average financial packages to their employees to build a strong employer brand, which in turn would enhance citizenship behavior. Jain & Bhatt (2015) stated that efficient employer branding enhance employee satisfaction and their willingness to remain loyal to their organization. Companies with higher involvement in employer branding are generally well managed and have employees who are motivated, continually learning, and growing. From the above definitions, it can be concluded that employer branding is an approach developed by organization for retaining current employees and attracting potential employees.

The purpose of this article is to review the literatures on outcomes of employer branding. The article integrates the existing works of literature in the area and helps to identify the outcomes of employer branding.

OUTCOMES OF EMPLOYER BRANDING

Employee Engagement

Employee engagement is a popular term used in human resource literature. Practitioners and academicians are of the view that an engaged workforce is essential to attain competitive advantage. Consequently, employers need to make strategic decisions to attract, retain, and engage talent. Many authors define level of engagement in terms of emotional intellectual commitment employees towards their firm (Bailey et al., 2017). Employee engagement is one of the conspicuous internal outcomes which is least studied in the researchers of employer branding. Engaging the talented workforce has become an important HR mandate when considering the achievement of the competitive advantage. John & Raj (2020) stated employee engagement as a major outcome of employer branding and the importance of engaging employees. Bhasin et al. (2019) defines engagement as a distinct and unique construct that consists of cognitive, emotional and behavioral components associated with individual role performance. Davies et al. (2018) defined employee engagement as being positively present during the performance of work by willingly contributing intellectual effort, experiencing positive emotions and meaningful connections to others.

Taking perspectives from the previous research on the predictors of engagement, the presented study attempted to identify factors of employer brand that contribute towards employee engagement. Bailey et al. (2017) summarized results from 155 studies to determine the antecedents of employee engagement. It is categories into five categories including employee's perceptions of organizational and team factors, job design, employee's emotional state, leadership and organizational interventions. Previous study suggests that employee engagement is the result of various monetary and non-monetary rewards that employee receive at the workplace. These monetary and non-monetary rewards include but not limited to pay, bonus, health benefits, and paid leaves (Anitha, 2014). Yadav et al. (2020) concluded that employer branding is positively related to employee engagement and negatively aligned with turnover intention. The research finding from Chawla (2020) highlight that employer branding has an

affirmative relationship with person-organizations fit and employee engagement. Research cites from that the development of employer branding strategies has a positive influence on employee engagement (Love & Singh, 2011). Tanwar & Prasad (2016) also stated that employee branding is considered as a talent attraction and engagement strategy for current as well as potential employees. With talent becoming scarce and organizations consistently being involved in the "war for talent" in a dynamic-service based economy, it is important that firms design strategies which not only attract competent employees, but engage them affirmatively with the organizations (Srivastava & Bhatnagar, 2010). From the above definitions, it can be concluded that employee engagement is the extent which employees are willing to stay and devote extra effort to work for the success of the company.

Employee Retention

The word retention describes a state where employees will decide to work and stay in the organization. It has become a vital task for employers to attract and retain the talented pool of human capital. Skilled and experienced employees represent a key competitive advantage for organizations. Employee retention is the determination by employers to retain required workers in their organizations (Arasanmi & Krishna, 2019). Rappaport et al. (2003) have defined talent retention as the effort by an employer to keep desirable workers in order to meet business objectives. In today's labor market, there's a high demand for talented, high performing employees. Employers have to consider the risk of losing their well-trained employees, who might leave for better prospects elsewhere. Attracting and retaining a skilled workforce is a key challenge for many organizations today. Bali & Dixit (2016) stated as organizations are faced with talent crunch, it is becoming imperative for them to distinguish and market their brand to prospective applicants so as to manage their talent needs in a timely and efficient manner. With the dynamic change in the employment environment, employee retention has become very important. The demands for talented employees have gained momentum, but the supply is not adequate. Thus, organizations have made several changes in their strategies to attract and retain an ample amount of talent (Biswas & Suar, 2013). Retention of employees is equally essential for an organization as is the attraction for employers. Ahmad et al. (2020) concluded that factors determining employee retention are career development and image.

An employer brand can be used to help organizations compete effectively in the labour market and drive employee loyalty through effective recruitment, engagement, and retention practices. Cascio (2014) stated that company branding, management performance, and its relationship with employee retention have a significant effect. This finding is supported by Sutherland et al. (2002) that employer branding also has a direct impact on employee retention. Sokro (2012) concluded that brand names of organizations may significantly influence the decision of employees to join and stay in the organization. John & Raj (2020) offered employer branding as a solution to the problem of talent attraction, employee engagement, and retention which is faced by organizations today. The employer branding also aids the organization to cut down the cost of hiring as it attracts the talented workforce to the organization. Another research finding by Easa & Bazzi (2020) stated that focusing on employee retention as a main tool for achieving competitive advantage. Tanwar & Prasad (2016) in their research showed the positive relationship between outcomes of employer branding (job satisfaction and psychological contract) and employee retention. Dechawatanapaisal (2018) concluded that internal brand positively related to employee retention. Arasanmi & Krishna (2019) showed that employer

branding affects employee retention. Bussin & Mouton (2019) concluded that increased perceptions of employer branding relate to staff with greater reports of retention and lower levels of compensations expectations. Matongolo et al., (2018) found employer branding which consists of reward strategy, people orientedness and leadership and development as significant predictors of talent retention. Retention plans should be formulated to identify the reasons why people work, leave and choose other organizations over their existing ones. From the above definitions, it can be concluded that employee retention is an effort from employer to encourage employees to stay in the company for a long period of time.

Employee Satisfaction

Job satisfaction is one the highly studied constructs of HR. Satisfaction, in the context of employee, can be defined in a number of ways, including as satisfaction with the job. Davies et al. (2018) define employee satisfaction as overall satisfaction with the employer. Employee satisfaction is a prerequisite for productivity growth, the improvement of interpersonal relationships, as well as a reduction in the fluctuation and absenteeism rates (Slavković et al., 2018). Job satisfaction is an effective/emotional response by an employee concerning his/her particular job and whether the employee likes the job (Lambert et al., 2016). Job satisfaction is a salient and powerful workplace concept. Job satisfaction is commonly defined as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences (Locke, 1976). Zeffane et al. (2008) refers job satisfaction as to the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs. Satisfaction with the job and with the employer are useful predictors of an intention to leave and organization (Davies, 2008). While Owusu (2014) stated that job satisfaction is a feeling of preference or satisfaction with one's work or experience at work.

The research finding from Kaur et al. (2020) concluded that employer branding positively impacted job satisfaction and organizational citizenship behavior. Tanwar & Prasad (2016) stated if an organization has a strong employer brand, it will impact job satisfaction as well as psychological contract of employees. Kaur & Syal (2013) concluded that a strong internal as well as external branding by organizations help them to influence the employees' delivery of promised brand with the assumption of employees being satisfied from organizations. Chiu et al. (2020) in their study result showed that employer branding has positive relationship with job satisfaction and elaborated as if the employees are satisfied with their work, their intention to leave will decrease. Slavković et al. (2018) stated the built employer brand also affects employee satisfaction, so it should be seen as important precondition for the effective recruitment process. By investing in the development of employer brand, employee satisfaction can increase, the attractiveness for appropriate candidates simultaneously being enhanced. Davies (2008) concluded that employee satisfaction is promoted by an image of agreeableness (friendly, concerned, honest). If employees trust their employer, find them supportive and open then they will be more satisfied. Cheung et al. (2014) research finding showed that internal branding has a appositive effect on increasing job satisfaction and leads them to perform better in sustaining the brand. From the above definitions, it can be concluded that employee satisfaction is the positive feeling that employees have about their current job.

CONCLUSION

Employer branding is gaining increasing importance both in academic literature and practitioners. This present research has focused on the importance of employer branding from the human resource management perspective. This study provides an overview of what employer branding really means and also focuses on employee engagement, employee retention and employee satisfaction as the major outcomes of employer branding. This research can be starting point on the subject area and gives a relatively clear understanding on the importance of employer brand management. From the discussion, it can be concluded that employer branding is about incorporating strategies which conveys a distinctive and positive image to the current as well as potential employees. Therefore, every organization need to build a good reputation to attract the talented workforce.

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