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Impact of employer brand on employee satisfaction, with special reference to retail banks

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Abstract

Employer branding is an emerging concept in India. Though it has become a routine with the organizations. Recently attracted the interests of many researchers. This paper examines the Impact of Employer branding on employee satisfaction, with retail bank employees. It is a great challenge for any organization to satisfy the employees. This study more over focuses on affective commitment with the employees and satisfaction level. The study has been explored with bank employees. It tries to evidence the gap in existing literature. Simple random sampling method was used to attain the required sample for the research. A well-structured questionnaire was used to collect the data. The total of 256 respondents have participated in the survey. The study provides evidence that there is a positive link between the employer brand, affective commitment and employee satisfaction.

Keywords: Employee satisfaction, retail banking

Introduction

In today's highly competitive environment branding is a challenging task. The organizations adopt several methods to differentiate themselves from its competitors. Employer branding can be defined as "a targeted, long-term strategy to manage the awareness and perception of employees, potential employees, and related stake holders with regard to particular firm" (Backhaus and Tikoo, 2004) [2]. Various intangible factors including perception, image and identity makes an ideal employer. Ambler and Barrow (1996) [1] have defined the concept as the development and communication of an organization's culture as an employer in market place. It is the package of functional, economic and psychological benefits provided by employment.

Branding is concerned with attraction, engagement and retention initiatives, it is an important concept in HR and marketing. Like any other brands Employer brand is building the image in minds of current and potential employees. With this regard branding is constructing particular attributes that are considered to showcase the image of an organization.

Trends in employer brand

The term was first coined in early 1990's and widely accepted by the global community. Ambler and Barrow (1996) [1] initially introduced employer branding as a research discipline with an explorative study among UK companies of the relevance of applying brand management techniques to HRM. The first book on the subject was published in the year 2005. Brett Minchington (2014) Employer branding is a competitive advantage for any organization for the success in the business and determines the value of company's intangible assets. A company is said to be successful with best people and not just only with their best product. In coming years, the role of brand manager will become a most common place in the organizations and courses will play a key role with the budding generation. Resulting that companies are turning more strategic in their approach to employer branding.

Techniques in employer branding

The organization that establishes its brand makes the hiring job easier. The best thing that the employer can do is to attract the best talent and retain the current employees. The employer who listens to the needs of their employees and invests on the key performers will be perceived to have a best brand.

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Employee satisfaction

An employee will have the personal opinion of satisfaction with their jobs determined by factors such as environment, management, personal needs and authority of freedom etc. The expectation of job satisfaction and the perceived satisfaction result may not be equal, thus leaving a gap. Thirteen determinants which may influence the appearance of a gap were described (Sanaz Hoshi 2014).

- ‘Environment’ is the opinion of the required, welfare facilities offered by the banks to perform the service.
- ‘Skills and knowledge’ refers to how using the skills and knowledge to perform the work and also analyze the performance based on the qualification.
- ‘Management’ refers to the treatment of top management regarding the recognition of the individual employee.
- ‘Authority and Freedom’ represent the employee’s freedom from performing their duties and getting customer satisfaction.
- ‘Job Security’ refers to the confidence of employees in the long term program of the job opportunities and insurance.
- ‘Encouragement’ means both monetary and non-monetary form of getting job satisfaction of the employees.

Review of literature

Sharma, Eliza; Mani, Mukta (2012), conducted A Comparative Analysis of Employee Satisfaction in Indian Commercial Banks. The attitude of the employees will be a major factor for determining the performance of a bank. The satisfaction of employees will provide a good service. It is inferred that there is a strong relationship between customer and bank employees.

Te-Lin Chung, Brian Rutherford & Jungkun Park, (2012) in an innovative paper completely evaluated the retail employee job satisfaction level. It is analyzed on the basis of job satisfaction with supervision. It is further stated that the job satisfaction includes overall job satisfaction. The determiners of job satisfaction are the company policy and support, promotion, pay, co-workers. The perceived organizational support, role ambiguity, and emotional exhaustion are the most influential factors of retail employees' job satisfaction. It is inferred that the work family conflict only predict the job satisfaction and promotion.

Objectives

- To know employer brand as a concept and to understand its importance, trends and techniques.
- To draw opinions and insights on how Employer branding is currently being practiced in organizations in order to satisfy the employees.

Methodology

The research is basically about The Impact of Employer Brand on Employee Satisfaction in selected retail banks in Chennai. The hypotheses were tested using the data collected from the sample of bank employees from different zone. The study has adopted descriptive research design, and simple random sampling method was used to attain the required sample for the research. The total number of 300 questionnaire were distributed personally and through mail, with the cutoff time 256 filled in questionnaires were retrieved. Each item measured in 5 point scales. Factor loadings item value less than 0.6 has been suppressed. The scale is reliable for measurement as α coefficient value for each item exceeds 0.70. Each constructs were validated with the tested and established items.

Table 1: Demographic profile of the respondents

Respondent Characteristics	Frequency	Percentage
Gender		
Male	150	59
Female	106	41
Age		
Below 25	88	34
26–30	100	39
31–35	50	20
Above 35	18	7
Educational Qualification		
Graduate	66	26
Post Graduate	30	12
Professional	106	41
Other	54	21
Work Experience		
Less than 2 yrs.	74	29
2 – 4 yrs.	60	24
4 – 6 yrs.	66	26
6 – 8 yrs.	36	12
Above 8 yrs.	20	9
Work Position		
Senior Management	8	3
Middle Management	77	30
Technical Lead / Team Lead	91	36
Associates / Analyst / HR/ Admin	80	31

The profile of the respondents were categorized in terms of demographic characteristics such as gender, age, qualification, work experience and work profile. Among the respondents from the received data 41% are female. Most of the respondents belong to the age group of below

25 which is 34% and closely followed by above 35 age group with 7%. More number of respondents are from professional background with 41%. Work experience and work position have average level of respondents from each category.

Table 2: Descriptive Statistics for Employer Branding and Employee Satisfaction

S. No	Particulars	Mean	S.D
1	Environment	3.8345	.92324
2	Skills and knowledge	3.5141	.76805
3	Management	3.8838	.83891
4	Authority And Freedom	3.3627	.95785
5	Job Security	3.4049	.82461
6	Encouragement	4.2077	.87917
7	Training Course	3.3521	1.02062
8	Relationships In Job Environment	3.5986	1.12196
9	Salary	3.3275	.96685
10	Working Hours	3.2465	1.02400
11	Stress/Problems	3.3979	.91327
12.	Preference &Importance	3.5106	.83002

The employee perception and their satisfaction are obtained through Likert’s five point scale which ranges from strongly agree to strongly disagree. In the case of satisfaction also the scale varies from highly satisfied to highly dissatisfied. Since, it is in Likert’s five point scale the researcher applied ‘t’ test to measure the responses and to rank them. In the

case of the ‘t’ test the researcher used 3 as the hypothesized mean which is the middle value of Likert’s five point scale.

Hypothesis

Hypothesis 1

H₁: The strong employer brand is positively related to the satisfaction level of employees.

Table 3: Correlation between Items of employer brand and affective commitment: Pearson correlation Sig (1- Tailed)

Correlation	Affective
	Commitment
Quality of work life	0.456
	0.000
Compensation & benefits	0.876
	0.000
Company culture & Work environment	0.655
	0.000
Job security	0.694
	0.000
Career development	0.593
	0.000

Hypothesis 2

H₁: The higher the affective commitment, higher would be the level of satisfaction level of employees

Table 4A: Regression analysis- affective commitment and employee satisfaction

Model	R	R-Square	Adjusted R-Square	Std. Error of Estimates		
1	0.843*	0.642	0.667	0.5232		
(Constant) Employee Satisfaction						
Coefficients*						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig
		B	Std. Error	B		
1	(Constant)	1.456	0.267		4.686	0.000
	Employee Satisfaction	0.568	0.067	0.698	13.631	0.000
Dependent Variable: Affective Commitment						

Results and Discussions

The researchers have claimed that appropriate human resource management, organizational strategy and leadership and marketing strategies can create a powerful employer brand. Results are consistent with previous empirical studies and show that, although there are demographic differences between female and male respondents, all variables considered for the study were

found to be highly significant in positively influencing their satisfaction employees. The quality of work life is said to have high influence with the satisfaction of employees. Followed by other branding strategies. The research emphasizes the affective dimension in extent to which employee’s satisfaction and sense commitment with an organization. The employer brand experienced by employees in day to day work life has high impact on their

commitment and satisfaction levels. The study also confirms that the positive experience with employer brand in the organizations is imperative for employees to develop affective commitment.

Conclusions

Employer branding is relatively new approach towards employee satisfaction and has gained interests of many researchers in recent years. In the study described here, we proposed a model consisting of five key drivers of employee satisfaction and tested the model with bank employees in Chennai. The study statistically confirms the relationship between employer branding, affective commitment and employee satisfaction. It is important for the organizations to strengthen the branding strategies in order to satisfy the employees.

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