Introduction:

“Productivity through people” has been becoming the buzzword for the present day business houses. People are the source of value for firm and its shareholders. (Cairn cross, 2000) An intense competition with respect to attract and retain talent is called upon by the different drivers of change. Amongst these the impact of globalisation and technological advances has been putting more and more challenges in front of management to attract and retain best talent. However talent act as a source of competitive advantage (Ployhart, 2006) for the firm.

Taylor and Collins, (2000) has mentioned that there is a direct relationship between the success of the organisation and the quality of talent it recruits. Infact recruitment can serve as a basis for organisational survival. Despite the large size of talent pool, firms in India are experiencing problem in finding out personnel. (Bhatnagar, 2006)

For high growth organizations, attracting, hiring and retaining the right talent is critical. In one of the paper on recruiting, Sanjeev Himachali mentioned about 4Ps of recruiting. These are:

- Product:

  It generally indicates the positions that are to be filled up. It is the product
(vacant positions) which will be sold to the candidate for which the organization gained competitive advantage in due course of time.

- Price:
  It is the salary, the organization willing to pay to top quality candidates.

- Person:
  This refers to identification of target market. Simply the HR manager has to identify what type of people they required and where is the source of labour pool.

- Promotion:
  The HR manager should let the candidates know about job openings and encourage them to apply. He has to decide what resources he will use to generate a diverse candidate pool.

Inspite of all the care taken by management to attract best candidates, the recruitment advertisement fails in generating good number of applications. Therefore to cope up with this sort of a situation it is necessary to develop a brand awareness and attractiveness in the minds of the potential candidates so that a huge talent pool can be created for selecting the best talents. This is in nothing but which is known as employer branding.

Though branding in marketing literature is not a new term, but employer branding, a relatively new concept has emerged to cope up with the different problems such as recruitment etc. The concept of employer branding was probably first used in the writings of Ambler and Barrow\(^7\) in the year 1996 (Berthon)\(^8\). In their own words employer branding is \textit{“the package of functional, economic and psychological benefits provided by employment, and identified with the employing company”}. This definition of employer branding happens
to be the most widely refereed definition by most of the researcher. Helle Kryger Aggerholm et.al⁹ in their study mentioned the following points with respect to employer branding:

“a) A static inside-out notion of the employer brand: the employer brand propositions are defined by brand strategists on the basis of brand identity, conceptualised as stable and enduring core characteristics, or the brand DNA

b) The exposing and transmission of employer brand propositions, internally (or externally)

c) A linear employer branding practice entailing static sender (employer) and receiver (employees) positions

d) A channel to enhance customer experiences and organizational”

Based on a review of the three brand concepts, Helle Kryger Aggerholm et.al¹⁰ highlight internal branding as a concept to ensure that employees deliver the brand promise to external customers; and employer branding as a way to recruit the right candidates in order to ensure a high-quality delivery of brand promise to external stakeholders. They mentioned “sustainable employer branding processes feature three distinctive characteristics:

(1) The anchoring in and supporting of the overall corporate strategy, thus being a strategic branding discipline;

(2) The co-creation of values, i.e. continuous renegotiation of values with stakeholders according to their stakes and expectations; and

(3) The establishment of sustainable employer-employee relationships oriented towards a continuous reflection on mutual needs as well as current and future expectations.”
Kristin Backhaus (2004)\textsuperscript{11} in their study considers brands as the most valuable asset a firm possesses and “\textit{as a result brand management is a key activity in many firms.}” It was mentioned that branding was originally used to differentiate tangible products, but over the years it has been applied to differentiating people, places and firms.” The author goes on discussing employer branding as the application of branding principles to HRM. Referring to Sullivan’s\textsuperscript{12} work the author argues that \textit{employer branding is a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm}. The employment brand highlights the unique aspects of the firm’s employment offerings or environment. External marketing of the employer brand is designed primarily to attract the target population, but is also designed to support and enhance the product or corporate brands.

John M.T. Balmer(2003)\textsuperscript{13} in their study with respect to corporate branding mentioned the following points: Brands being seen as:

- \textit{Marks denoting ownership;}
- \textit{Image – building devices;}
- \textit{Symbols associated with key values;}
- \textit{Means by which to construct individual identities; and}
- \textit{A conduit by which pleasurable experiences may be consumed.}

Thus employer branding can be summarized as the value perceived by the potential customer or prospective employees. It is the image of organisation in the minds of its present as well as future employees. Corporate brands / employer brands have a utility in several regards: they communicate the brand’s values (often seen as a promise), they afford a means of differentiation from their competitors, and they enhance the esteem and loyalty in which the organisation is held by its stakeholder groups (Balmer).\textsuperscript{14}
Objectives:

Under this backdrop the objective of the present study is to identify various factors associated with employer branding which helps in attracting potential candidate.

Conceptual Background:

Plenty of research till date has been carried out on employer branding from different perspective. Few selected research studies from which insights can be drawn heavily with respect to the study area are presented in the following paragraph.

Schalgar et. al \(^{15}\) conducted an empirical investigation to identify the influence of employer brand on employee attitude relevant for service branding. Their study emphasises on creating a strong employer brand as an important constituent of service branding. Infact they also highlighted the long term effect of the perceived employer brand on potential employees identification.

In its editorial of the HRM international digest, it is said that brand image plays an important role in attracting candidate. It was mentioned that excellent staff, can help companies to create excellence in any other area. Therefore firms need to devise strategies for recruiting the best potential employees. The one way as it is said is to develop a strong employer brand. An employer brand provides job applicants with a realistic image of what it would be like to work in a particular company. It encompasses all the factors that make the company a good place to work. These might include: bright and cheerful office space, an ethos of collaboration and team work, flexible working hours, creche facilities, or even an excellent canteen! It is that, in doing these things, an employer demonstrates a people-centered philosophy that shows employees they are valued individuals, not just fodder to keep the corporate beast satisfied. A good employer brand has another important function: retention.\(^{16}\)
Collins et al. in their research study mentioned about the importance of employee brand equity. The primary aim of their study was to establish a relationship between employer brand equity and recruitment. They had identified four early recruitment-related activities—publicity, sponsorships, word-of-mouth endorsements, and advertising—may affect the application decisions of engineering students. Early recruitment-related activities were related to intentions and decisions indirectly through two dimensions of employer brand image: general attitudes toward the company and perceived job attributes. The relationships between word-of-mouth endorsements and the two dimensions of brand image were particularly strong. In addition, they found that early recruitment-related activities interacted with one another such that employer brand image was stronger when firms used publicity in conjunction with other early recruitment-related activities.

Steve Fogarty, in his opening presentation in the Australian Talent Conference 2010 identified three important things that has to be considered at the time of branding oneself (employer). They are:

- Focus: Identify your company’s differentiating factors as single forces.
- Alignment: Carrying that one message through to everything you do.
- Linkage: Pushing your marketing message in an unequivocal and creative output.

In a discussion with the top executives of different firms it was seen that the benefits of having a strong brand are compelling. It (employer brand) differentiates one company from its competitors; it marks one out as an employer of choice.

Simon Barrow, chairman, People in Business says: The chances are that the value of your business is not in plant machinery or tangible assets but in goodwill, including the value of the brand, and the reputation it has for your customers and your own people. Get the people right and everything else should follow.
Berthon (2005)\textsuperscript{20} in his study mentioned that organisations seek both to attract new employees and retain existing staff. This can only be done effectively once organisations understand the factors contributing towards ‘employer attractiveness’. Only when organisations work towards integrating these factors into the employment brand can they hope to successfully compete globally in attracting new employees. The study identifies the dimensions of employer attractiveness, which in turn are likely to contribute to employment brand value. Moreover they had also developed a scale known as EmpAt to measure organisational attractiveness.

**Methodology used:**

In order to assess how the prime objective of the study may be fulfilled, the specific information need have to be ascertained. It is very much necessary to collect information regarding the factors relating to employer branding which may affect recruitment.

A comprehensive study of the existing literature has been conducted to arrive at a conclusion of the study. However it was really very challenging task to identify variables to be included in the study. In the following table a summary of existing literature along with the variables undertaken has been presented.

| Table 1 about here |

Twelve items were selected to be included in the questionnaire from the exhaustive lists of variables in the similar studies.

The responses were collected as part of the study from the third semester MBA students who are about to graduate. The final year students are believed to be the best judge about a brand at this stage with only six month from entering into the job market. \textsuperscript{21} Berthon et. al in this
aspect mentioned “A total of six focus groups were conducted in all, using final-year (finals semester) graduate and undergraduate students at a large Australian university. On the other hand, Calder et al. (1981) argue that students are acceptable theory-testing research subjects when the multivariate relationships among constructs rather than the univariate differences between samples are being examined. In our case, however, the students were in fact the subjects of measurement (and not ‘surrogates’ for other members of the population at large). Being less than six months away from entering the job market themselves, they are prime candidates for employer advertising and recruitment campaigns.”

Finally 179 usable questionnaires had received. Data were analysed by using the software package for social science (SPSS).

**Results and discussion:**

Factor analysis has been conducted to have the few factors related to employer branding which may affect the recruitment of a firm. Factor analysis is a generic name given to a class of procedures primarily used to data reduction and summarization. Factor analysis is typically applied to intervally scaled responses to close ended question in order to identify the major characteristics or factors considered to be important by the respondents. The idea is if responses to a set of three or more statements are highly correlated to each other then it is believed that the statement measures the same factor which is common to all of them. Thus, it would also allow the variables to be reduced to certain factors.

Methods of factor analysis are differentiated in terms of the bases upon which the weight are selected. The two basic approaches are principal component analysis and the common factor analysis. In principal component analysis, the total variance in the data is considered. Principal component analysis is recommended when the primary concern is to determine the minimum number of factor that will account for maximum variance in the data for use in
subsequent multivariate analysis. In common factor analysis, the factors are estimated based only on the common variance. This method, also called the principal axis factoring, is appropriate when the primary concern is to identify the underlying dimension and the common variance is of interest (Malhotra, 2004). In this study a principal component analysis with Varimax rotation was run on all the 12 items in an attempt to uncover a few underlying dimension related to employer branding. Only those factors with Eigen value greater than 1 were extracted. This resulted in three factors, which explained 65.762% of the total variance (as shown in the table2).

Table 2 about here

This is acceptable since it has been recommended that the factor entered should account for at least 60% of the total variance (Malhotra, 2004, Hair et al 1998). Next two measures have been used to assess whether the factor analysis is appropriate or not. The Kaiser-Mayer-Olkin of sampling adequacy has been used to measure the suitability of the factor model. Value below 0.5 implies that the factor analysis may not be appropriate (Malhotra, 2004). Here the value obtained is 0.861, which is considered satisfactory indicating that the data are appropriate for factor analysis. In addition, the Bartlett’s Test of Sphericity (used to examine the hypothesis that the variable are uncorrelated in population as described in Malhotra, 2004) is significant (p=0.000) implying that correlation matrix is not orthogonal and is therefore appropriate for factoring.

In order to assess reliability, reliability co-efficient (Cronbach’s alpha) has been computed for each factor. All factors with reliability co-efficient above 0.6 were considered to be acceptable in this study, as 0.6 is considered to be the lower limit of acceptability (Hair et al,
Based on this analysis, it is seen that reliability coefficient for the factors are more than 0.6 which is shown in table 4

To interpret the factor, the factor loading have been considered. According to Hair et al. 28, factor loading greater than 0.30 are considered to meet the minimum level; loading of 0.40 are considered more important; and if loading are 0.50 or greater, they are considered to practically significant. In a number of studies, item for factor loading 0.40 or greater were retained for analysis. These considerations provided the basis for interpreting the factors detail regarding each factor as well as how they have been renamed is discussed below.

The first component is renamed as **Organisational attractiveness**. It includes the items relating to mission& vision of the organisation, growth of the industry where the firm belongs, specific process/ technology used, image perceived by the respondents as per the opinion of his in-group members, satisfaction with respect to the use of products/services, job security, clarity in the recruitment advertisement and perceived value towards the organisation. This factor includes total 8 items highlighted with green colour (shown in table 4). This factor a high reliability co-efficient of 0.8126 and it explained 45.603% of the total variance.

The second factor is labelled as **Job attractiveness** as it includes items as autonomy in the job, economic value associated with the job and job position etc. This factor includes 3 items highlighted with orange (table 4). The reliability co-efficient for this factor 0.6025 and it accounts for 11.050% of total variance. Factor 3 has one variable with factor loading of
0.964. Though the factor have only one variable, yet this item has factor loading of 0.964, which is considered as having significant for analysis.

**Conclusion:**

This study examined the different factors effects employer branding with respect to recruitment of potential candidate. Attempting to recruit the best talent from all over the world, employers need to understand the impact of different aspects on the perceptions of potential employees with regard to their employer brand. For inexperienced job seekers, it is difficult to compare the available options on the basis of the true attributes of the job and company, as many attributes are unknown or unknowable. Thus, such job seekers may rely on employer brand images for guidance in decision-making. As with the product branding process, organizations may indirectly influence potential applicants’ decisions through the effect of their recruitment mix on employer brand images (i.e., attitudes and perceived attributes).(Collins et al. 2002)

In our study we have identified two main factors i.e job attractiveness and organizational attractiveness. It is necessary for an employer to stress upon these factors, so that the best talent can be attracted.

The present research set avenues for future research for exploring many areas of employer branding. A comparative study can be carried out to see the perceptual differences of students towards factors identified in the study with respect to employer brand across gender, culture and discipline.
Notes:

6. Sanjeev Sharma Industry…Competencies for Recruitment  
10. Ibid


15. Schalgar


18. Steve fogarty, an overview of the presentations “Employer branding and attraction strategies”.

19. Simon Barrow


22. Ibid

24. Ibid


28. Ibid


Reference:


Tables & Figures:

Table 1: Variables undertaken by the different researcher

<table>
<thead>
<tr>
<th>Name of the Author/Researcher</th>
<th>Title of the paper/Book/Article</th>
<th>Scales/items used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collins, C. J., &amp; Stevens, C. K. (2002).</td>
<td>The relationship between early recruitment-related activities and the application decisions of new labor-market entrants: A brand equity approach to recruitment</td>
<td>14 item scale</td>
</tr>
<tr>
<td>Berthon Pierre (2005)</td>
<td>Captivating company: dimensions of attractiveness in employer branding</td>
<td>32 item scale</td>
</tr>
<tr>
<td>Tobias, Schlager., Mareike, Bodderas., Peter, Maas., Joël Luc, Cachelin. (2011).</td>
<td>The influence of the employer brand on employee attitudes relevant for service branding: an empirical investigation</td>
<td>5 item scale along with various indicators</td>
</tr>
<tr>
<td>Collins, J., &amp; Porras, J. (2002)</td>
<td>Built to last : Successful Habits of Visionary Companies</td>
<td>9 Category used</td>
</tr>
</tbody>
</table>

Table2: Total Variance Explained
<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigen values</th>
<th>% of Variance</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5.472</td>
<td>45.603</td>
<td>45.603</td>
</tr>
<tr>
<td>2</td>
<td>1.326</td>
<td>11.050</td>
<td>56.653</td>
</tr>
<tr>
<td>3</td>
<td>1.093</td>
<td>9.109</td>
<td>65.762</td>
</tr>
</tbody>
</table>

Table 3: Final Three Factors with Loading

<table>
<thead>
<tr>
<th>Statement</th>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>I like the mission and vision of the organisation</td>
<td>.791</td>
<td>-.160</td>
<td>.216</td>
</tr>
<tr>
<td>The growth of the industry where my dream employer belongs to is very high</td>
<td>.768</td>
<td>-.214</td>
<td>-.331</td>
</tr>
<tr>
<td>I am very much interested in the technology used in the organization</td>
<td>.888</td>
<td>-.177</td>
<td>-.120</td>
</tr>
<tr>
<td>My in group has good opinion about the organisation</td>
<td>.846</td>
<td>-.249</td>
<td>-.004</td>
</tr>
<tr>
<td>The recruiting brochures/ website provide me a detailed information about various opening in the organisation</td>
<td>.661</td>
<td>-.092</td>
<td>-.161</td>
</tr>
<tr>
<td>I am very much satisfied with the products of the organisation</td>
<td>.851</td>
<td>-.138</td>
<td>.068</td>
</tr>
<tr>
<td>I got to know that jobs in this particular organisation is relatively secured</td>
<td>.798</td>
<td>-.178</td>
<td>-.264</td>
</tr>
<tr>
<td>The job which I am looking for provides autonomy</td>
<td>-.164</td>
<td>.704</td>
<td>-.186</td>
</tr>
<tr>
<td>I am happy with the economic value associated with the job</td>
<td>-.154</td>
<td>.732</td>
<td>.080</td>
</tr>
<tr>
<td>The job position of the job also matters for me</td>
<td>-.143</td>
<td>.747</td>
<td>.121</td>
</tr>
</tbody>
</table>
A springboard for future employment | -.108 | .010 | .914
---|---|---|---
If I could be the part of this particular organisation, it will be the one of greatest achievement of my life | -.400 | .327 | .221

Table 4: New factors with Original Variables

<table>
<thead>
<tr>
<th>New Factor</th>
<th>Original Variable</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organisational attractiveness</strong></td>
<td>I like the mission and vision of the organisation</td>
<td>.8126</td>
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<td></td>
<td>The growth of the industry where my dream employer belongs to is very high</td>
<td></td>
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<tr>
<td></td>
<td>I am very much interested in the technology used in the organization</td>
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<td></td>
</tr>
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<td><strong>Job attractiveness</strong></td>
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</tr>
<tr>
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<td></td>
</tr>
<tr>
<td></td>
<td>The job position of the job also matters for me</td>
<td></td>
</tr>
</tbody>
</table>