

Impact on Employee Satisfaction, Brand Commitment and Employee Turnover- Role of Employer Branding

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Abstract

The results of the study have indicated that in order to secure the lifelong success of any banking institution the retention of key bank employees have been critical factor to be taken into consideration. It has been observed that it is more profitable for organizations to have good and attractive brand name, which reflects employees' perception of employer and their beliefs and values about the bank. By providing employees with social security, economic stability and career development, they will be more satisfied, more committed towards keeping the brand name and are less likely to leave for another banks. Therefore, it becomes necessary for the bank employers to keep their employees happy and contended in the bank culture by providing them an attractive work environment

Keywords: *Employer Attractiveness, Employer Branding, Employee Satisfaction, Brand Commitment, Employee Turnover, Employee Relationship Management, Banks Long-term Success.*

1. INTRODUCTION

Trust has always been the inseparable part of service organisation. Branding of services by service companies has played a specific role in building and retaining the trust of customers. In the changing scenario, the face of the services has been changing. Service delivery is not merely now a task of performing a particular operation or function but it has become a source of creating a brand for the organisation. Intangibility of the service purchased by the customer is speculated to be the most problematic aspects associated with service brand [1]. To meet customer's expectations and the image of brand by the organisation it is necessary to have employees with all the requisites of service delivery as per the requirements of the customers. Also, employees only become the image of the organisation which is delivered to the customers in form of service delivery and creation of unforgettable experiences. Keeping the image and retaining the customers by the employees becomes and challenge for the companies.

Business personnel and students should consider employer branding as a potential valuable concept [2]. Human resource management requires new techniques for recruiting and retaining employees in the organisation, which can be achieved by applying various dimensions of employer branding as an integral part of employee selection. Brand image can help in retaining

employees by developing an emotional relationship between workers and company, resulting in goal achievement (Sorko, E. 2012).

Every new entrant before joining the new organization is keen to know about the benefits provided by companies to the organization. Similarly, the existing employees of the organization expect that organization will provide them with benefits like compensation benefits, status recognition and freedom of work. Therefore, the companies have understood the importance of branding in their survival in the long run. Companies in different sectors like banking, tourism, hotel etc have initiated to create and maintain a positive brand image for employees existing as well as prospective in order to deliver a great customer brand experience[3].

2. THEORETICAL BACKGROUND OF THE STUDY

2.1 Employer Branding and Employee Satisfaction

It has gradually become the consensus of all walks of life that improving employee satisfaction can help business in making profits. Since employee satisfaction not only builds relationships with the old customers, but also is a cost-saving way for fighting for new customers (Feng, J. & Yanru, H. 2013). Therefore, it becomes a liability for the employers to come up with a new strategy for satisfying their employees. Employer branding has become an effective way for enterprises in enhancing their profitability by keeping their current employees satisfied and retaining their willingness to work for the organisation. Berry 1981 termed employees as internal customers of the organisation and emphasised that it is must for the organisation to keep their workforce contented. Many studies have concluded that satisfied employee becomes more committed towards the success of the organisation. Hunjra, I.A. et al. (N.D.) found that job satisfaction is affected by various features of attractiveness like leadership, team work environment and autonomy. It was also found that influence of attractiveness on gender basis has been different. Further, Xu, Y. & Godegeburre, R. (2005) concluded that for keeping employee satisfied, service industry should focus on improving internal service quality and it would help in retaining valuable employees. Human resource practices has been an important antecedent for keeping employees contented. Therefore, various authors (Bhatti, K.K. & Qureshi, T. M. 2007);[4]; [5] in their study have found that various human resource practices like organisational culture, compensation, salary and social benefits resulted in employee satisfaction. Heskett et al., (1997) have been of view that banks long term success depends upon good relationships created with customers by the satisfied employees of the banking organisation.

2.2 Employer Branding and Brand Commitment

Delivering promises rather than products has become the success mantra for the organisation due to emergence of employer branding. Brand image ensures commitment to the customers while they are purchasing the product or availing the service that is delivered by the satisfied employees (new recruits as well as present) of the companies.(Thorne, K. 2007). Past research has indicated that if employees perceive positive relationship with the organisation and also self belongingness with the culture and environment than the employee displayed high level of commitment. In study by [6], it has been found that employees brand knowledge regarding the attractiveness dimensions of the universities was helpful for the employees to understand what the brand is and their role in delivering on the brand promise. Moreover employees in state government universities displayed higher commitment in comparison with private/deemed universities. Commitment has been considered to be a key

variable in determining organisational success.[7], in their study observed that development of strong commitment to the brand comes from accurate brand related information. Further researchers in their studies[8], have claimed that organizations also require to develop new strategies for managing human resource, organisation, leadership and marketing in enhancing employee commitment apart from providing brand information the employees.

2.3 Employer Branding and Employee Turnover Intention

Employee branding has influenced the employee turnover intention of the current employee workforce in the banking industry. Employee turnover intention is mediated by employee satisfaction and commitment towards the employer brand. [9] in their study strongly observed that there are certain factors which are important in providing a great exposure to increased employee turnover ratio in the organisation. Factors like unsatisfactory work designations, lack of communication and harmony among employees and management and lack of consistent training gives the explanation for employee's turnover intention. Therefore, organizations should focus on improving the working scenario of the employees along with setting up good communication system through democratic leadership. Also, (Lelono, W. A. & Martdianty, F. 2013) stated that employees perception leads to create positive employer brand and lower voluntary intentions of the company. Whereas in study by (Hertogs, P. 2011) concluded that turnover intention of the employees is not influenced by their perception of the organisation's brand strength, nor is this relationship mediated by organizational identification or psychological contract violation. Shukla, S. & Sinha, A. (2013) stated in their study that a successful organisation is only that which have man working effectively and efficiently. Success of the organisation depends upon its human assets. They found that by giving autonomy, respect and satisfaction to the employees will help organisation in holding the employees for a longer period.

3. PURPOSE OF THE STUDY

With overall economic growth sharply slowing down, the number of people switching to other organisations has been growing day by day. In service industry, employees play a crucial part in developing and maintaining the employer brand. Therefore, it is necessary to maintain the set standards for employees assured to them at the time of recruitment so that they are satisfactorily worked for the betterment of the organization. Proper alignment between employee goal and organization goal should be maintained. An effort should be made to bring in notice more situations resulting in satisfaction, commitment and turnover of employees working in the organization.

Thus, the purpose of the study has been to know the influence of employer attractiveness dimensions of employer branding on employee satisfaction, brand commitment and employee turnover

4. OBJECTIVES OF THE STUDY

The Banking industry plays a very vital role in the development of the Indian economy as well it has been an epitome for providing employment to the vast population. Therefore, it becomes necessary for the bank employers to keep their employees happy and contented in

the bank culture by providing them an attractive work environment. Therefore, the objective of the study has been

1. To understand the relationship between employers attractiveness dimensions of employer branding, (satisfaction, commitment and turnover).
2. Further, the research paper also explores that whether employer attractiveness dimensions of employer branding are determined satisfaction, commitment and turnover.

5. RESEARCH METHODOLOGY

5.1 Sample and Data Collection

The data was collected randomly from the bank employees working in 10 public sector banks and 10 private sector banks from Ludhiana city, Amritsar city and Jalandhar city respectively. Further, Chandigarh also has been selected as sample of the study, because this city is the hub of service oriented sectors and also it is the highest income earning union territory. Four to five respondents from ten public sector and private banks each have been approached for data collection through purposive sampling. Questionnaire was used to collect data. The data has been collected from sample size of 100 respondents from two different sectors of banks. Out of total sample 80 questionnaires were received and only 69 completed questionnaires were used for the analysis. The following table shows the descriptive analysis of the demographics of the respondents.

Table-1
Descriptive Analysis

Variable	Categories	No. of respondents	Percentage
Gender	Male	39	56.5
	Female	30	43.5
Age (in years)	25-34	51	73.9
	35-44	7	10.1
	45-54	6	8.7
	55& above	5	7.2
education	Graduate	22	31.9
	Post-graduate	47	68.1
	Any other	0	0
Bank	Public sector	40	58
	Private sector	29	42

5.2 Measurement

The questionnaire included 25-statements of employer attractiveness dimensions of employer branding [10]. It also consisted of 15-statements of employee satisfaction, 9-statements of brand commitment and 4-statements of turnover intention.

5.3 Limitations of the Study

This study has limitation of your time and cost. Also, variability in responses was seen due to varied background of employees.

6. DATA ANALYSIS AND INTERPRETATION

Table -2
Factors of Emp Att Scale (Berthon 2005)

No.	Factors	Cronbach Alpha
1.	Interest Value	.896
A14	Innovative products and services are produced by organisation	
A11	New work practices/forward-thinking	
A12	Creativity is valued and used by organisation	
A13	High-quality products and services are produced by organisation	
A10	Exciting ambience to work	
2.	Social Value	.801
A8	Peer relationships is good	
A7	Superior relationships is good	
A9	colleagues encourage and provide support	
A2	Work culture is fun	
A23	work surroundings is happy	
3.	Economic Value	.786
A25	compensation package is attractive	
A24	basic salary is above average	
A21	job security	
A15	Good promotion opportunities	
A22	inter-departmental experience is taken into consideration	
4	Development value	.843
A5	Feel more self-confident	
A4	Feel good about yourself	
A6	more career-enhancing experience	
A3	future employment opportunities	
A1	Management appreciates the work	
5	Application Value	.748
A18	Learning teaching opportunity	
A17	Opportunity to apply learning	
A20	Customer focus organisation	
A16	Corporate social responsibility	
A19	Acceptance and belonging	

Source- (Berthon, P. et. al. 2005)

7. CORRELATION ANALYSIS

To fulfil the first objective of the study correlation statistical technique has been used to determine the extent of relationship among employer attractiveness dimensions of employer branding, satisfaction, commitment and turnover intention.

Table-3
CORRELATION TABLE

factors	Interest value	Social value	Economic Value	Development Value	Application Value	Satisfaction	Turnover Intention	Brand commitment
Interest value	1							
Social value	.582**	1						
Economic Value	.632**	.514*	1					
Development Value	.555**	.767*	.523**	1				
Application Value	.662**	.563*	.651**	.694**	1			
Satisfaction	.529**	.411*	.633**	.517**	.459**	1		
Turnover Intention	-.220	-.332*	-.340**	-.409**	-.152	-.541**	1	
Brand Commitment	.320**	.320*	.376**	.528**	.246*	.768**	-.669**	1

‘*’ Significant at 1% level of significance, ‘**’ Significant at 5% level of significance,

The above correlation table shows the extent of relationship between employer attractiveness dimensions of employer branding, satisfaction, commitment and turnover intention. A correlation greater than 0.8 is generally described as strong, whereas a correlation less than 0.5 is generally described as weak. The values in the tables show that independent variable employer attractiveness dimensions of employer branding have been moderately correlated with dependent variables employee satisfaction, brand commitment and turnover intention. The relationship between dependent and independent variables is significant at 1% and 5% level of significance.

8. REGRESSION ANALYSIS

Further, to achieve the second objective, multiple regression has been employed to know the impact of employer attractiveness dimensions of employer branding on satisfaction, commitment and turnover intention.

Significance of the attractiveness dimensions for Banks in India

As noted before three separate regression analysis were carried out as follows:

a. Influential dimension for employee satisfaction

Model	Factors	Unstandardized Coefficients		Standard Coefficients	t-value	Sig.
		B	Std Error	Beta		
1	Constant	1.672	.732		2.284	.026
	Interest value	.180	.113	.216	1.597	.115
	Social value	.189	.168	-.168	-1.124	.265
	Economic Value	.493	.128	.498	3.852	.000*
	Development Value	.379	.157	.395	2.419	.018**
	Application Value	.227	.184	-.187	-1.236	.221

Note: Adjusted R-square = .437, Dependent Variable: Satisfaction

** Significant at 1% level of significance, *** Significant at 5% level of significance,

The above table represents the regression model for employee satisfaction. The regression model is significant at ($p < 0.01$) with an adjusted R-square of 0.437. Two out of five factors had a significant impact at level ($p < 0.01$) and ($p < 0.05$) on the criterion variable (employee satisfaction) with the standardized beta value for each factor being 0.498 for economic value and 0.395 for development value. The other three factors interest value, social value and economic value were not significant at 5% level of significance.

8.2 Influential dimension for Turnover Intention

Model	Factors	Unstandardized Coefficients		Standard Coefficients	t-value	Sig.
		B	Std Error	Beta		
1	Constant	5.849	1.464		3.995	.000
	Interest value	.004	.225	.003	.020	.984
	Social value	.035	.337	.019	.105	.916
	Economic Value	-.596	.256	-.356	-2.327	.023**
	Development Value	-.894	.313	-.551	-2.854	.006*
	Application Value	.924	.368	.449	2.513	.015**

Note: Adjusted R-square = .213, Dependent Variable: Turnover Intention

** Significant at 1% level of significance, *** Significant at 5% level of significance,

The above table represents the regression model for employee satisfaction. The regression model is significant at ($p < 0.01$) with an adjusted R-square of 0.213. Three out of five factors had a significant impact at level ($p < 0.01$) and ($p < 0.05$) on the criterion variable (turnover intention) with the standardized beta value for each factor being -0.356 for economic value, -0.551 for development value and 0.449 for application value. The other two factors interest value and social value were not significant at 5% level of significance.

Influential dimension for Brand Commitment

Model	Factors	Unstandardized Coefficients		Standard Coefficient	t-value	Sig.
		B	Std Error	Beta		
1	Constant	3.677	.681		5.395	.000
	Interest value	.101	.105	.141	.965	.338
	Social value	-.299	.157	-.308	-1.908	.061**
	Economic Value	.255	.119	.299	2.142	.036**
	Development Value	.700	.146	.845	4.800	.000*
	Application Value	-.477	.171	-.454	-2.786	.007*

Note: Adjusted R-square = .345, Dependent Variable: Brand Commitment

* Significant at 1% level of significance, ** Significant at 5% level of significance, ***

The above table represents the regression model for employee satisfaction. The regression model is significant at ($p < 0.01$) with an adjusted R-square of 0.345. Four out of five factors had a significant impact at level ($p < 0.01$), ($p < 0.05$) and ($p < 0.10$) on the criterion variable (brand commitment) with the standardized beta value for each factor being -0.308 for social value, 0.299 for economic value, 0.845 for development value and -0.454 for application value. The only factor interest value has been found to be insignificant at 5% level of significance whereas social value has been significant at 10% level of significance.

Findings of the study

Different measures have been identified to capture employer brand image and job satisfaction, commitment and turnover. Mixed results have been due to varied perception of employees towards the employer image and its influence on commitment, satisfaction and turnover.

- The results of the research study have showed that in the banking industry, employer brand image have positive correlation with satisfaction, commitment and turnover intention of the employees. Values of positive significant correlation ($r < 0.7$) in table 3 shows that independent variable (employer attractiveness) may influence dependent variables (satisfaction, commitment and turnover intention) to a certain extent.

- Table 4 shows the impact of employer brand image on employee satisfaction. Employees in the public sector and private sector banks get attracted to high salaries, good compensation and promotion opportunities.
- Employer brand image has very low influence on the turnover intention of the employees as explained by adjusted r-square shown in table 5. Three factors have been found to have significant influence on employees perception to leave the organisation. Whereas, as there could be other factors like personal liking, family influence and cultural differentiation which may influence employees decision to leave or not to leave the organisation.
- Committed employees are most important characteristics expected by the organisation from an employee. When regression analysis was employed it has been found that, there has been causal relationship between four attributes of employer attractiveness and commitment. It has been observed that employees in public sector and private sector banks feels that recognition and appreciation from top management increase their motivation and encourages them to work more efficiently for the organisation. Good compensation packages, attractive salary in a fun working environment inculcates feeling of belongingness in them for their current organisation.

9. CONCLUSION OF THE STUDY

In the present economic scenario, it has been observed that retention of current employees has been a major area of attention for the employers. It is must for the organisations to fulfil all the promises made by them to the employees at the time of recruitment. The human resource today has been the major reason behind the success of service industry. No service can be delivered effectively until the person delivering the service is not well versed with the service and the organisation providing it. The main role of the organisation is to provide a pleasant working environment for the employees. This will result in building and experiencing personal and professional relationships and also in shaping a positive attitude of employees towards the management and organisation. Therefore , it becomes essential to evaluate and upgrade the factors responsible for retaining the employees in the organisation. This study has tried to highlight the issues faced by existing employees in the organisation relating to brand image and impact on existing employee attitude[11].

Future Scope and Implications

In today's scenario organisations are in dilemma to manage existing employees or focus on recruiting candidates with excellent work skills [10]. Therefore, well organized human resource strategy has been important attribute of employer branding in co-ordinating different employee recruitment and retention activities [12]. HR professional have come up with various beneficial prospects and strategies to cope up changing needs of the potential and current employees and create a distinct competitive image of them as a unique competitor employer brand (Roy, S.K. 2008).

The attractiveness dimensions used in the study can be utilized to attract new talent as well as retain the existing employees. The need is to understand the importance of these dimensions from the perception of human nature who is trying to become part of the organisation and also who are part of the industry. An organisation which understands and amalgamate

these dimensions into the employment brand can become the "Employer of Choice" and it will become more attractive to the prospective and current employees (Roy, S.K. 2008). These dimensions of employer brand can be applied in different context and situations. It can be used

as a comparative tool to compare the level of satisfaction, commitment and turnover in working culture. These dimensions can be used by both marketing and HR experts in different industries and the results of attractiveness may vary because of the different nature of industries.

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