

## THE ROLE OF EMPLOYER BRANDING ON EMPLOYEE ATTRACTION IN AUTOMOBILE INDUSTRY

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### KEYWORDS

Automobile Industry, Employer Branding, Employee Attraction and Employee Engagement.

### ABSTRACT:

The research attempts to identify the role of employer branding on employee attraction in automobile industry. The data has been collected from 125 employees of automobile industry in Chennai. Hence, it is concluded that the employer branding significantly influences employee attraction in automobile industry at Chennai. It is identified that the employer branding significantly influences employee engagement in automobile industry at Chennai. The analysis found that the employee attraction significantly influences employee engagement in automobile industry at Chennai. Management should try to inform employees about the company's worth as an efficient and resourceful employer. Good work environments make employees feel secure in their jobs, which in turn attracts employees and increases employee engagement.

### INTRODUCTION

The brand of employer has become more important in recent times due to the struggle and competitiveness to reach the top position in the market. Employers are looking for some way to make their companies recognized in the market. Rogan (2003) believes that a brand is an identifiable service, product, person, and place that consumers perceive as satisfying their needs. Likewise, Minchington (2010) defines brand as the strategy used to differentiate a product from its competitors. Most employer branding research has focused on the relationship between various employers' talent attraction, brand perceptions, and retention. There has been limited effort to develop an employer brand model that can successfully predict retention and talent attraction.

Many companies are building their corporate image by identifying their brand. That means the job seeker is looking for a good opportunity to get a job opportunity in these companies. In addition, other employees working in different companies also monitor all the opportunities that come due to the brand. This indicates that many companies in Chennai do not have a good brand image. This study is necessary to bring empirical evidence of the situation of employer branding and employee attraction in the automobile industry in Chennai.

It is clear that many people in Chennai are looking for an opportunity to work in certain companies that have tried to build their brand. Although employer branding is a relatively old concept, very few studies have developed to establish its relationship with employee attraction. It is clear that those trying to build their brand are trying to attract the most talented employees. Very few companies are able to create and manage their brand. Many companies are adopting essential need practice and strategy for their organizational growth. Many companies are losing out by not building or maintaining their employer brand. Therefore, the objective of this study is to examine the role of employer branding in attracting employees to the automobile industry in Chennai.

## REVIEW OF LITERATURE

Anchu and Thampi (2020) studied the employer branding and employee engagement. The research was done in Banking Sector. The research revealed that there is a significant positive relationship between employer branding and employee engagement. This result supported the findings of studies by Ahmad and Daud (2016) and Lee, Kim and Kim, (2014) and Piyachat, et al. (2015).

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.

Jasveen Kaur and Ginni Syal (2017) found that that out of the four independent of employer branding significant impact satisfaction of bank employees. It can, therefore, be concluded that effective employer brand is essential for satisfying its existing workforce. Employee attraction 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.

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) found that employer branding is significantly positively related to attraction and retention of employees.

Jiang and Paul (2011) found that employer branding determinants such as, economic value, developmental value and social value can boost up the brand equity and organizational attraction to a higher level.

Schlager, et al. (2011) have identified five main dimensions of employer branding namely economic value, developmental value, social value, diversity value and reputation value. The study indicated a positive significant correlation between these dimensions and employee satisfaction.

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) had concluded that employer branding and talent management have a relationship with organizational attraction. 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.

Collins and Stevens (2002) empirically analyzed that employees are attracted towards organization for many reasons and the major factor is the reputation of the company. A study on thirteen banks operating in Saudi Arabia done by Nalband Awadh (2017) found that employer branding practices help in retaining the employees.

**H1:** Employer branding has significantly influences employee attraction.

**H2:** Employer branding has significantly influences employee engagement.

**H3:** Employee attraction has significantly influences employee engagement.

#### FRAMEWORK

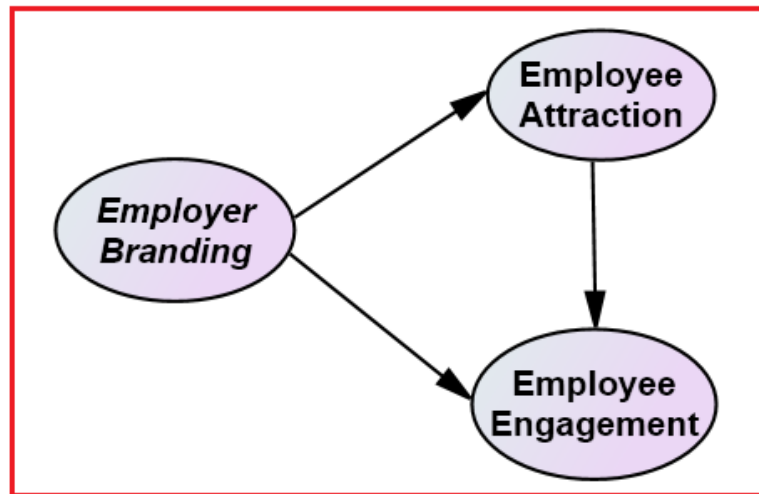


Figure 1: Conceptual framework

#### 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 engagement in automobile industry. Findings from this study can help automobile industry authorities build their branding.

#### OBJECTIVES

- To discover the influence of employer branding on employee attraction.
- To find out the influence of employer branding on employee engagement.
- To identify the influence of employee attraction on employee engagement.

#### RESEARCH DESIGN

In order to explore the role of employer branding on employee attraction 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 attraction and employee engagement.

#### 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 attraction and the fourth part is employee engagement. 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
<b>I</b>	Demographic Profile	<b>8</b>	---
<b>II</b>	Employer Branding	<b>13</b>	Ritika Gupta, 2018
<b>III</b>	Employee attraction	<b>27</b>	Jasveen Kaur and Ginni Syal, 2017
<b>IV</b>	Employee Engagement	<b>15</b>	Self Design

### 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
<b>I</b>	Employer Branding	<b>13</b>	<b>0.87</b>
<b>II</b>	Employee Attraction	<b>27</b>	<b>0.88</b>
<b>III</b>	Employee engagement	<b>15</b>	<b>0.90</b>

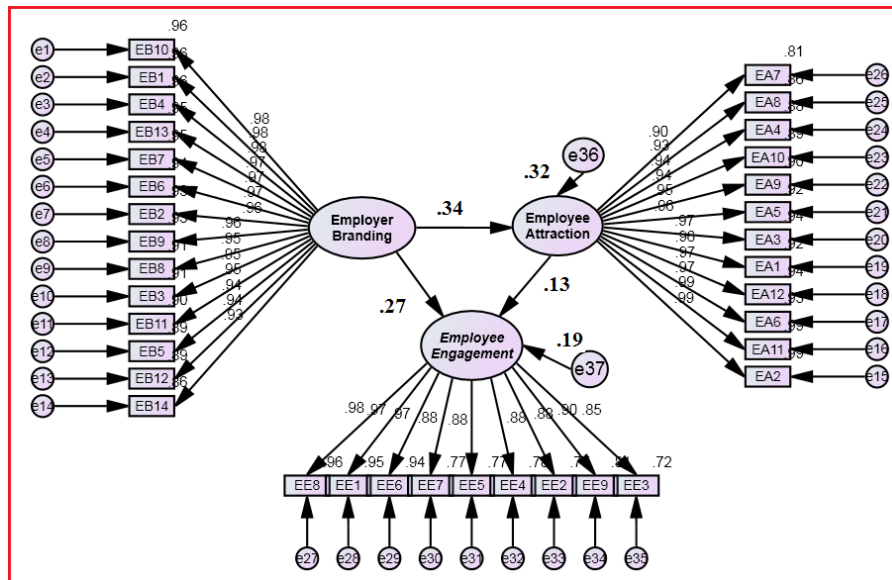
### SAMPLING TECHNIQUE

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

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

### RESULTS AND DISCUSSION



**Figure 2: Influence of employer branding on employee engagement with respect to employee attraction**

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 Fit Indicators	Calculated Values in the Analysis	Recommended Values (Premapriya, et al. 2016)
1	Chi-Square	8599.113	---
2	p	0.001	> 0.050
3	GFI	0.840	> 0.90
4	AGFI	0.788	
5	CFI	0.803	
6	NFI	0.804	
7	RMR	0.043	< 0.080
8	RMSEA	0.108	

Source: Primary data

**Table 4: Regression Weights**

DV		IV	Estimate	S.E.	C.R.	Beta	p-Value
Employee Attraction	<---	Employer Branding	0.350	0.045	6.122	0.343	0.001
Employee Engagement	<---	Employer Branding	0.233	0.041	4.810	0.270	0.001
Employee	<---	Employee	0.114	0.043	2.667	0.125	0.008

DV	IV	Estimate	S.E.	C.R.	Beta	p-Value
Engagement	Attraction					

Source: primary data

**H<sub>1</sub>:** Employer branding significantly influences employee attraction in automobile industry at Chennai.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 6.122;  $\beta$  value is 0.343 and p value is significant. The value of  $\beta$  is 0.343 that employer branding explains 34.3 percent of the employee attraction in automobile industry. Therefore, the hypothesis is accepted. Hence, the result demonstrated that the employer branding significantly influences employee attraction in automobile industry at Chennai. Paul Cahill (2018); Dusenge and Warren (2016); Sokro (2012); Yaqub, et al. (2011) identified that employee attraction was influenced by employee branding.

**H<sub>2</sub>:** Employer branding significantly influences employee engagement in automobile industry at Chennai.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 4.810;  $\beta$  value is 0.270 and p value is significant. The value of  $\beta$  is 0.270 that employer branding explains 27 percent of the employee engagement in automobile industry. Therefore, the hypothesis is accepted. Hence, the result demonstrated that the employer branding significantly influences employee engagement in automobile industry at Chennai. Anchu and Thampi (2020) revealed that there is a significant positive relationship between employer branding and employee engagement. This result supported the findings of studies by Ahmad and Daud (2016) and Lee, Kim and Kim, (2014) and Piyachat, et al. (2015).

**H<sub>3</sub>:** employee attraction significantly influences employee engagement in automobile industry at Chennai.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 2.667;  $\beta$  value is 0.125 and p value is significant. The value of  $\beta$  is 0.125 that employee attraction explains 12.5 percent of the employee engagement in automobile industry. Therefore, the hypothesis is accepted. Hence, the result demonstrated that the employee attraction significantly influences employee engagement in automobile industry at Chennai. Paul Cahill (2018) discovered that attraction and retention of employees were influenced by employer branding. The research also identified that employee engagement was influenced by employee attraction.

#### FINDINGS OF THE STUDY

- The analysis demonstrated that the employer branding significantly influences employee attraction in automobile industry at Chennai. Paul Cahill (2018); Dusenge and Warren (2016); Sokro (2012); Yaqub, et al. (2011) identified that employee attraction was influenced by employee branding.
- It is identified that the employer branding significantly influences employee engagement in automobile industry at Chennai. Anchu and Thampi (2020) revealed that there is a significant positive relationship between employer branding and employee engagement. This result supported the findings of studies by Ahmad and Daud (2016) and Lee, Kim and Kim, (2014) and Piyachat, et al. (2015).
- The analysis found that the employee attraction significantly influences employee engagement in automobile industry at Chennai. Paul Cahill (2018) discovered that attraction and retention of employees were influenced by employer branding. The research also identified that employee engagement was influenced by employee attraction.

#### SUGGESTIONS

- The automobile industry needs to maintain its attractive brand culture to engage its well-educated, energetic workforce.

- The automobile industry needs to hire the best employees to take advantage of their attractive corporate culture and brand to maintain their company brand well.
- Automobile industry management should review and improve employee compensation with a view to increasing employee engagement.
- One of the most important factors contributing to employee engagement is improving employer culture and wealth & benefits. This can improve the job performance of the employees and reduce the turnover intention.
- Management should try to inform employees about the company's worth as an efficient and resourceful employer. Good work environments make employees feel secure in their jobs, which in turn attracts employees and increases employee engagement.

## CONCLUSION

Many companies are building their corporate image by identifying their brand. That means the job seeker is looking for a good opportunity to get a job opportunity in these companies. In addition, other employees working in different companies also monitor all the opportunities that come due to the brand. The research attempts to identify the role of employer branding on employee attraction in automobile industry. The data has been collected from 125 employees of automobile industry in Chennai. Hence, it is concluded that the employer branding significantly influences employee attraction in automobile industry at Chennai. It is identified that the employer branding significantly influences employee engagement in automobile industry at Chennai. The analysis found that the employee attraction significantly influences employee engagement in automobile industry at Chennai. Management should try to inform employees about the company's worth as an efficient and resourceful employer. Good work environments make employees feel secure in their jobs, which in turn attracts employees and increases employee engagement. There are many factors that contribute to company branding and culture in the automobile industry. It is therefore suggested that further research can be done on other factors.

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