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Engaging People with Employer Branding

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Abstract

The preferences among employees are varied due to the changes in the 21st century's working environment. It is thus important to determine the factors that employees seek in an organization and their intention behavior to quit from their job in order to improve the issues of high attrition that happens in an organization. This research aims to determine the relationship between Employer Branding and Turnover Intention among employees in Malaysia's SME-ICT Industry. A cross sectional study and quantitative research methods were used in the study. Questionnaires were administered to employees in the SME-ICT firms in Selangor and 250 respondents cooperated in this study. Practically, this study adopts the concept employer branding and translates it into the SME environment, in an attempt to improve the organization's performance regarding employee's management. By using Smart Partial Least Square (PLS), the result translates the significant relationship between the development value in employer branding and turnover intention.

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1. Introduction

The concept of Employer Branding is indicated as a current approach which could support companies effectively in their endeavor to approach and retain the employees. On the one hand, the Employer Branding strategy adds to the corporate brand further and places the organization as a reliable and alluring organization. As past studies have shown, Employer Branding is a field that is new and exciting with the potential to change the way companies operate. However, despite the great interest on these matters, there are still many issues that need clarification (Näppä, 2013). Much of the previous research's findings remain inconclusive and yet the predicting factors are important for today's working environment (Stello, 2011). Yet, there have been changes in both individual and

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authoritative working practices, methods and rule that have an impact upon the needs and perspectives of the 21st Century employee (Dent, Holton & Rabberts, 2010).

Also, despite the fact that Employer Branding is still rather new and hazy in specific ways, many believe that it has a substantial prospective. The benefit of Employer Branding is essentially important for scholars for literature enrichment and for managers in their daily work (Backhaus & Tikoo, 2004). This study is motivated to use Employer Branding as mediator to see how it strengthens the relationship between Motivation Factors and Turnover Intention among employees. Thus, by integrating the Employer Branding elements, the processes can have a larger effect than each of the activities would have alone (Näppä, 2013). Hence, this study is motivated to gain a deeper understanding on the relationship between Employer Branding and Turnover Intention among employees in the SME-ICT industry in Malaysia. Thus, this study is developed with the research objectives as below;

- To identify the relationship between Application and Turnover Intention among employees in Malaysia's SME ICT Industry.
- To identify the relationship between Development and Turnover Intention among employees in Malaysia's SME ICT Industry.
- To identify the relationship between Economic and Turnover Intention among employees in Malaysia's SME ICT Industry.
- To identify the relationship between Interest and Turnover Intention among employees in Malaysia's SME ICT Industry.
- To identify the relationship between Social and Turnover Intention among employees in Malaysia's SME ICT Industry.

2. Literature Review

2.1. Employer Branding

Miles and Mangold (2004) argued that the key to effective Employer Branding was an understanding of the relationship between an organization and its employees. In order to describe this relationship and to explain its importance in the context of Employer Branding, they turned to the theory of psychological contracts. In addition, Backhaus and Tikoo (2004) defined Employer Branding as a set of subjective beliefs regarding an exchange agreement between an individual and the organization. According to this theory, an employee's perception of and response to the employment experience is significantly influenced by his prior expectations (Maxwell, 2010).

Employer branding has been a popular subject for research in different studies. Although it is a widely used term in empirical research, its common definition is still not available (Bondarouk & Ruel, 2009). In marketing research, for example, organizational attractiveness is mostly measured in terms of branding (Backhaus & Tikoo, 2004; Cable & Turban, 2001; Mosley, 2007). Employer branding has been portrayed as the organization's endeavors to demonstrate to the current and prospective employees that it is an alluring workplace (Lloyd, 2002) as it shows the identity of an employer. The identity reflects the presumption of the organization's value as an employer. Employer Branding is comprised of things that the company offers, for instance, work environment, benefits and others. Further, Ambler and Barrow (1996) defined Employer Branding as, 'the package of functional, economic and psychological benefits provided by employment, and identified with the employing company.' Increasingly, it is likely to also be used to build and sustain employment propositions that are compelling and different. Just like a traditional brand, an employer brand has both personality and positioning (Berthon, Ewang & Hah, 2005).

Berthon et al. (2005) gave a point of view of a scheme of five measurements of employer brand that are applicable to employees which are, Interest Value, Social Value, Economic Value, Development Value and Application Value. Interest Value is in view of the perception that an organization conveys an encouraging and enthusiastic workplace, inventive company policies and procedures, and uses the creativity of its employees to develop the prestigious products and services. On the other hand, Social Value alludes to the degree to which the organization offers the employees a friendly, enjoyable and pleasant working environment and promotes collegiality and teamwork culture. Further, Economic Value is based on the perception that the organization provides its employees above-average remuneration, job security and prospects. Development Value implies the degree to which

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