

The Impact of Employer Branding on Talent Retention in the Private Banks in Puttalam District

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Introduction

Rising competition within the world business atmosphere compel the organizations to develop competitive advantage overcompeting organizations. To combat this scenario, the corporates are now themselves as 'brand' not solely to sell their product even to recruit new abilities and to retain the most effective staffs within them. The concept of "Employer Branding" has gained increasing interest within the past decade and a lot of firms to become "employer of choice".

A research of current literature has revealed that the global talent pool is shrinking and organisations are uncertain as to what talent management decisions they should be making (Armstrong, 2007; Bussin, 2007; Crous, 2007; Leonardi, 2007b; Minchington, 2006). Research evidence confirms the relationship between employer brand and the attraction and retention of talent (Crous, 2007; Dell et al., 2001; Minchington, 2010; Willock, 2005). However, Minchington (2006) claims that many organisations are not developing or maintaining their employer brand correctly, and talent shortages can render organisations vulnerable in terms of competitive sustainability (Boshard & Louw, 2010; Charest, 2011; Prinsloo, 2008). Incidental reports indicate that employer branding is systematically practiced by Sri Lankan companies but the number and extent does not appear to be documented and little published in-country research on the topic has been identified. The popularity of the employer branding among HR practitioners and the lack of academic research on the topic raise an interesting issue for management scholars to explore. Hence this study aims to identify the impact of employer branding on talent retention within the context of private banks in Puttalm district.

Theoretical Background

Employer branding is a relatively new field in research and management. Scientific literature on the topic is still scarce whereas quite a few management handbooks have evolved in recent years (Backhaus & Tikoo, 2004; Edwards, 2010; Sutherland et al., 2002). Employer branding and its related concepts, such as employer attractiveness, are characterized by a lack of structure and some confusion with regard to definitions and termini (Sponheuer, 2009). The term employer branding is used for the application of branding principles to human resource management. The concept is being increasingly used for attracting potential employees while retaining the potential existing employees within the organization. The most commonly cited definition for employer brand is the original one provided by Ambler and Barrow (1996) as "the package of functional,

economic, and psychological benefits provided by employment, and identified with the employing company” (pg. 8). They further stated employer branding would develop the relationship between employees and organization and will create loyalty and trust in the organization. Recent research indicates that employer branding is a current management priority in leading companies, and increasing in importance due to the shortage of skilled labour, greater efficiency needs in times of economic stringency, increasing market competitiveness and the advantages of retaining committed employees who will contribute to the quality and popularity of the product brand (Van Mossevelde, 2010). This study included three main dimensions: Economic value, Social value, Development value, of the EmpAT scale (Berthon et al., 2005), and additional dimension of corporate reputation value (Schlager et al., 2011) since literature signaled that it is important for studying employer brand influence on talent retention.

Methodology

This is a descriptive study that aims to identify the impact of employer branding on the talent retention with the context on private banking sector in Puttlam district based on EmpAT scale (Berthon et al., 2005). Convenience sampling was supported to select 104 of staff assistant employees from the population for the study consisted of all staff assistant employees in the private bank in Puttlam district. The unit of analysis in this study is that individual employees of the private bank in Puttlam district.

A survey questionnaire was developed and validated. The responses were scored on a 5 likert type of point from 1 (strongly disagree) to 5 (strongly agree). This study consisted of two variables: employer branding as an independent variable and the talent retention as the dependent variable.

The statistical hypothesis in this research is as follows:

Ho: Employer Branding has no Effect on Talent Retention

H1: Employer Branding Influences on Talent Retention

Data collection techniques are using validity and reliability test, descriptive analysis test, simple regression analysis. Pearson correlation matrix and regression were used to predict and estimate the relationships.

Key Findings

Reliability testing is used to see the reliability of each instrument. The reliability measures, in terms of Cronbach's alpha, reached a recommended level of 0.70 as an indicates 0.841

Profile of the respondents revealed that 26 of respondents were below 20 years, 58 of respondents were within the range of 21-30 years 18 of respondents were within the range of 31-40 years and 02 of respondents were above 40 years. Majority of the respondents were between 21- 30 years. Out of 104 participants 59.6 Percent and 40.4 Percent were male and female respectively. 50.95 of the sample were represented unmarried status in the banking industry in Puttlam district Based on calculations using the SPSS 20 showed the value of R is equal to 0.883, the correlation coefficient value can be seen that the relation between employer branding (X) and talent retention (Y) is by 0.883 and included in the strong category with the direction of a positive relation at the

significant level by accepting the alternative hypothesis. The direction of a positive relation between the talent retention and employer branding shows that high employer branding practices tends to be followed by an increase in talent retention. According to the model summary table given below, Adjusted R² indicates that 77 Percent of the variance of talent retention is explained by the employer while the remainder of 23 Percent is other factors which are not addressed in the study. The simple regression equation as follows:

$$Y = -1.496 + 1.381 X$$

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df2	Sig.
1	.883 ^a	.781	.778	.35027	.781	348.484	103	.000

Predictors: (Constant), independent Value

Conclusions and Recommendations

At a time when seeking talent in the ever shrinking global talent pool has become an international crusade (Armstrong, 2007), the quest to win the talent war has expanded to HR best practices, recognition, rewards and employer branding which are all issues related to the attraction and retention of talented staff (Crous, 2007). In this study it found that employer brand has strong positive impact on the talent retention through social, economic development and reputation factors. For increasing the talent retention there are some strategies to the management on the basis of the crucial factors of employer branding. Economic dimension as the highest influential indicator (mean =1.86) it can suggest that management should give maximum compensation packages, good retirement benefit including on time paying provident fund, health benefits etc. Meanwhile company should allow the employees to build up strong interactions with peer groups through gathering, festivals inter banking sports and meetings etc. Employee reputation as the least significant dimension since the mean value is 1.641, banking sector should promote itself as the best in the category to retain and motivate employees. Banks can promote themselves through their website, social media etc. to boost the company image as to enhance the talent retention. As indicated by the major findings of the study, branding has become a major tool for employees in their organization to attract quality employees in their organizations. Further research work may be conducted by comparing the perceived dimensions of current employees and the general reputation of a specific organization covering the external attraction to the company. The findings of the study might help management practitioners to make effective strategies and foster a healthy relationship between the employer and the employees.

Keywords: Employer Branding; Private Banks; Reputation; Social Values; Talent Retention

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Appendix

Table 1: Definition of Selected Ecosystem Services

Attributes	Levels	Definitions
Nitrate Leaching	Big reduction	50% reduction in nitrate leaching to ground water
	Small reduction	20% reduction in nitrate leaching to ground water
	No Change	Maintain current nitrate leaching to ground water
Soil Quality	Small Change	Soil organic matter and structure are improved
	No Change	Maintain current slow rate of soil degradation
Bio diversity	More Variety	More variety of species on crop farms
	No Change	Maintain current variety of species on crop Farms
Cost to Household	10:30:60:100	Annual payment to a regional office Next five Years.

Table 2: Descriptive Statistics

Variable	North		East		South		West		South West	
	Mean	Std Dev.	Mean	Std Dev.	Mean	Std Dev.	Mean	Std Dev.	Mean	Std Dev.
AGE	54.3	10.5	53.6	10.7	54.6	12.6	51.9	11.3	53.0	9.9
INC	953	8528.	1067	7596.	1369	9629.	945	4553.	9640.0	2839.
EDU	4.6	0	6.7	4	3.6	3	4.5	5	9640.0	2
NHH	10.7	1.9	8.5	3.2	8.7	3.0	8.7	2.6	12.0	1.6
NCHI	4.6	1.1	4.1	2.0	4.5	1.7	3.8	1.3	4.0	1.2
FOR	2.6	1.0	2.3	1.8	2.4	1.5	1.9	1.3	2.1	1.3
G	0.2	0.4	0.5	0.5	0.5	0.5	0.4	0.5	0.4	0.5
NON										
OR	0.0	0.0	0.0	0.2	0.1	0.2	0.0	0.0	0.0	0.0

Table 3: Conditional Logit Model**MODEL 1**

	Valikamam North	Valikamam East	Valikamam South	Valikamam West	Valikamam South West
Attributes of Ecosystem					
Services	Coeff.	Coeff.	Coeff.	Coeff.	Coeff.
COST	-0.0126**	-0.0163**	-0.0195**	-0.0124**	-0.0215**
NLB	0.3470**	0.6735**	0.3640**	0.5154**	0.4905**
NLS	0.0119	-0.0837	0.3225**	-0.1277	-0.1475
SQ	0.3602**	0.3551**	0.6314**	0.3782**	0.5810**
BD	0.1103	0.2904**	0.0914	0.2075**	0.3338**

Table 4 : Mean WTP Per Household Per Year (Rs)

	NLB	NLS	SQ	BD	TOTAL
Valikamam North	55.03		57.12	17.50	129.65
Valikamam East	82.55		43.52	35.59	161.66
Valikamam South	37.24	33.00	64.60	9.36	144.20
Valikamam West	82.72		60.69	33.31	176.72
Valikamam South West	45.54		53.94	30.99	130.47

NLB- Nitrate leaching big reduction

NLS- Nitrate leaching small reduction

SQ- Improvement in Soil quality

BD- Improvement in Bio diversity

**Table 5: Total WTP per year
(In millions)**

Attributes	North	East	South	West	South West	TOTAL
NLB	0.19	1.02	0.61	0.69	0.06	2.57
NLS			0.54			0.54
SQ	0.20	0.54	1.05	0.50	0.07	2.37
BD	0.06	0.44	0.15	0.28	0.04	0.97
TOTAL	0.46	2.00	2.35	1.47	0.17	6.44
NLB- Nitrate leaching big reduction						
NLS- Nitrate leaching small reduction						
SQ- Improvement in Soil quality						
BD- Improvement in Bio diversity						