

The Nexus between Employer Branding and Executive Level Employees' Job Satisfaction: A Case of AIA Insurance Lanka PLC

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Abstract—Brands are among the most treasured assets of a firm and thus, brand management is a leading activity in many firms in today's business world. Even though majority of firms target to develop product and corporate brands through branding efforts, branding can also be practiced in the field of human resource management and the utilization of branding principles to human resource management has been named as employer branding. Over the years, employer branding has not stolen the limelight in branding literature. Employer branding is relatively a new terminology for many companies in Sri Lanka, but it is becoming more important to today's businesses. Therefore the prime focus of this study was to investigate the relationship between employer branding and executive level employees' job satisfaction in AIA Insurance Lanka PLC. Seventy executive level employees were systematically sampled for the study. Data were gathered through standardized questionnaire method and analyzed through statistical package for social sciences 20.0 version software to find out the relationship between variables. The results of the study indicate that there is significant positive relationship between employer branding and executive level employees' job satisfaction. It was therefore suggested that organizations have to brand themselves as a great place to work in order to enable employees feel satisfy and remain in the organization.

Keywords: Employer branding, Executive level employees, Job satisfaction.

1. INTRODUCTION

Over the years, branding efforts have been used to differentiate products and companies and thereby create economic value to both customers and companies. Organizations have already recognized the importance of developing brands for their profitability. Although firms commonly focus their branding efforts towards developing product and corporate brands, branding can also be used in the area of human resource management and using the application of branding principles to human resource management has been termed as employer branding [3].

Employer branding emphasized to differentiate an organization's characteristics as an employer from those of its competitors. In today's business world, employer branding can

be considered as an important toolkit for human resources. It aims to communicating an attractive employer image to current and future employees by integrating marketing concepts into HR activities [5]. Due to the highly competitive business environment, majority of companies are battling to attract and retain the most suitable human talent. Therefore they use employer branding practices to differentiate themselves as a good employer than their competitors. The popularity of employer branding among human resource practitioners and the lack of academic research on the topic raises interesting questions for researchers. This study therefore seeks to broaden the scope of research in this area in the Sri Lankan context.

Employer branding may be a new terminology for many companies in Sri Lanka, but it is becoming more important to today's businesses. Organizations have to brand themselves as a great place to work in order to attract talented employees and retain those who are already within the organization. Building an employer brand is a two way approach. One approach is for the potential employees and the other approach is for the current employees. For the potential employees, the firm has to build a reputation as a good place to work and for the current employees; it has to keep its promises and makes the company a desirable place for the employees to work for. This study is focused on current employees of AIA Insurance Lanka PLC and we have investigated the relationship between employer branding and the executive level employees' job satisfaction with the company.

2. LITERATURE REVIEW

2.1 Understanding Employer Branding

One of the major challenges in today's rapidly changing competitive business environment is to meet the increasing demand for executive talent. The survival of the organizations depends upon the ability of the workforce to face those challenges. An image of the organization as a great place to work will attract and retain the right talent within the

organization. That image can be created by providing lots of benefits such as functional, economic and psychological.

In this current business world, employees are not much loyal to their organizations. They are ready to terminate their employment if the organization is unable to afford them with perfect compensation package such as good salary, friendly work environment and career development opportunities etc. Therefore there is an important responsibility for employers to provide the employees the perfect place to work. By providing such facilities, organizations may able to capture the right talent employees and retain them within the organization. To attract and retain best talent within the organization, employer may adopt various strategies and one such strategy is employer branding.

The concept of employer branding is defined as “the package of functional, economic and psychological benefits provided by employment and identified with the employing company” [2]. Reference [23] defined employer branding as “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 result of successful employer branding gives the organization an increasing reputation and exposure, coherence among its employees and a high number of applicants as the organization will be described as a great place to work at.

The employer brand targets to influence every touch point of the employment experience by promoting a beneficial employment package in form of pay and benefits, working environment, career management, balanced work life, mental and social satisfaction etc. [9].

2.2 Dimensions of Employer Branding

Dimensions of employer branding are vary under two circumstances. Those are when attracting potential employees and retaining current employees. Since this study is focused on current employees four dimensions of employer branding (economic value, developmental value, social value and reputation value) as recognized by [5], are used to explain employer branding.

2.2.1 Economic value. According to [4], economic value comprises items such as a “good salary”, “a fair number of holidays” and “reasonable retirement benefits”. Companies provide benefits mostly for attracting and retaining employees and an increasing payment (or higher salary in general) is directly related to job satisfaction.

2.2.2 Development value. Reference [19], stated that development value category refers to variables such as “good training opportunities”, an “empowering environment”, and a “good mentoring culture”. Further, perceiving a company as having a high development value is closely related to career management practices which focus on the development of the employees’ skills.

2.2.3 Social value. Reference [19], pointed out that social value encompasses a strong team spirit, competent co-workers, a friendly relationship amongst individual co-workers and a respectful environment. It also assess whether an employer provides the opportunity to gain career development experience, recognition, job security, belongingness and good promotion opportunities to the right talents.

2.2.4 Reputation value. Finally the reputation of the organization is important; that it is good to have on a resume, well-known products and a good reputation among friends. Several researchers have pointed out that current employees are interested in working for a good reputed company.

3. CONCEPTUAL FRAMEWORK AND HYPOTHESES

3.1 Conceptual Framework

The conceptual framework elaborates the relationships between the independent and dependent variables and explains the theory underlying these relations, and describes the nature and direction of the relationships [20].

For the development of conceptual framework (Fig. 1) we review the literature on employer branding. The following model describes the relationships between economic value, development value, social value, and reputation value and job satisfaction. These dimensions of employer branding are labeled as independent variables and job satisfaction is labeled as the dependent variable.

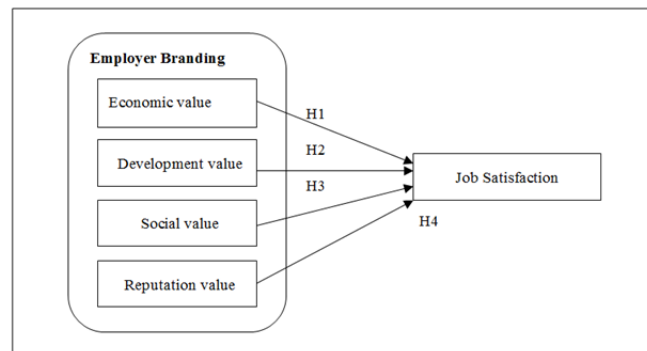


Fig. 1: The Conceptual Framework

3.2 Hypotheses

Based on the above conceptual model the following hypothesis (H) has been formulated for this study.

H1: There is a positive relationship between economic value and job satisfaction

H2: There is a positive relationship between development value and job satisfaction

H3: There is a positive relationship between social value and job satisfaction

H4: There is a positive relationship between reputation value and job satisfaction

4. RESEARCH METHODOLOGY

The target population for the study consisted of executive level employees employed in AIA Insurance Lanka PLC (Head Office) which consists of 248 individuals and the sample size is calculated through PASS sample size calculator and obtained 70 executive level employees as the sample. Data collection was done by using a self-administrated structured questionnaire. The questionnaire consists of 40 questions and first section of it was designed to obtain demographic characteristics including age, gender, marital status, education level and the length of work experience. The second section of it was prepared to measure employer branding and used article presented by reference [19]. Thereafter, in order to measure job satisfaction of executive level employees, Minnesota Satisfaction

Questionnaire (MSQ) developed by reference [25] in

1967 was used in the third section of the questionnaire. Some of the questions were close ended, while others were scored on a 5 point Likert scale of point 1 (strongly disagree) and to point 5 (strongly agree).

The age range of participants was from 20 to more than 45 years with most of them having their ages ranging between 26 - 30 years (40%) and 37% between 31 - 35 years. To test the hypotheses, Pearson's product moment correlation analysis, and simple regression analysis were used. The statistical computer package SPSS version 20.0 was utilized to analyze the data. Cronbach's alphas of employer branding were 0.858 for economic value, 0.872 for development value, 0.903 for social value and 0.892 for reputation value. Cronbach's alpha was 0.985 for job satisfaction and this suggested that each instrument's internal consistency was satisfactory.

5. RESULTS

The hypotheses were tested through Pearson's product moment correlation analysis (see Table 1). The desired level of significance is 0.01 and as the hypotheses were directional, one-tailed test was used. According to the Table 1, the statistical evidence claimed that there are positive relationships between economic value, development value, social value, reputation value, and job satisfaction. Therefore empirical results confirmed that the employer branding is positively correlated with the executive level employees' job satisfaction with the company.

Table 1: Pearson Correlation for all selected variables and job satisfaction

Hypotheses	Measurement scale	Relationship	Pearson correlation coefficient	Sig. (1-tailed)
H1	Economic value → Job satisfaction	Positive	0.688	0.000
H2	Development value → Job satisfaction	Positive	0.751	0.000
H3	Social value → Job satisfaction	Positive	0.850	0.000
H4	Reputation value → Job satisfaction	Positive	0.777	0.000

** Correlation is significant at the 0.01 level (one-tailed).

The strengths of influence that each of the independent variable had on the dependent variable was determined by the use of simple regression coefficients of the independent variables. The impacts of each independent variable against the dependent variable are shown in the Table 2.

Table 2: Impact of the Employer branding on Job satisfaction

Independent variable	R	R ²	Adjusted R Square	Std. Error of the Estimate	Sig
Economic value	.688	.473	.466	.50953	0.000
Develop. value	.751	.564	.557	.46379	0.000
Social value	.850	.722	.718	.37000	0.000
Reputation value	.777	.604	.598	.44207	0.000

R² value of economic value indicates that 47.3% of the total variance of job satisfaction can be illustrated by economic value variable. The standard error of the estimate reflects as 0.509 which means the dispersion or measure of the variability in the predicted scores in regression is 50.9%. R² value of development value indicates that 56.4% of the total variance of job satisfaction can be illustrated by development value variable. The standard error of the estimate reflects as 0.463 which means the dispersion or measure of the variability in the predicted scores in regression is 46.3%.

As indicated by R² value of social value, 72.2% of the variance of job satisfaction is explained by social value. The standard error of the estimate reflects as 0.370 which means the dispersion or measure of the variability in the predicted scores in regression is 37.0%. R² value of reputation value describes the responsiveness of the job satisfaction (Y) towards the reputation value (X) component. R² value indicates that 60.4% of the total variance of job satisfaction can be illustrated by reputation value variable. The standard error of the estimate reflects as 0.442 which means the dispersion or measure of the variability in the predicted scores in regression is 44.2%.

6. DISCUSSION

The sample indicated that 32.9% of the executives have 1-3years of work experience. Majorities (72.9%) of executives are males and 38.6% of the executives are graduates. When considering marital status majority (75.7%) of executives are single among executives considered for the study. As hypothesized it was found that economic value, development

value, social value and reputation value have positive relationships with job satisfaction of executive level employees. All the four variables are significantly correlated and had effect on job satisfaction. The findings empirically confirm the theoretical arguments explained in the literature review. The empirical data supported that there are significantly positive effects of economic value, development value, social value and reputation value on job satisfaction of executive talent.

7. CONCLUSION

The research findings give evidence that better employer branding leads to increased employee job satisfaction. The problem of the research was to investigate the relationship between employer branding and the executive level employees' job satisfaction in AIA Insurance Lanka PLC. In this research the whole concept of employer branding was investigated by considering current employees. Based on the existing literature, a conceptual framework is developed so as to test the relationship between employer branding and job satisfaction. As per the research findings, it can be concluded that there is a strong positive relationship between employer branding and executive level employees' job satisfaction and this relationship is significant. Employees are satisfied to work in an organization which owned good employer brand. The findings of this research study will be important both on the theoretical level and practical level. In this study researchers faced few limitations such as lack of relevant literature in the Sri Lankan context, by using questionnaire, feelings of the respondents cannot be recognized and employees' responses might not be based on their true feelings since they might fear to express their own ideas and the scope of the study is limited to the geographical boundaries of Sri Lanka.

Future researches can be conducted to investigate the relationship between employer branding and employee retention, employee turnover, recruitment, and employer attractiveness and employee engagement.

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