

Influence of Employer Branding on Satisfaction and Commitment of Generation Y Employees

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Abstract:- Employer branding builds an image of the organization confirming the organization as a good place to work. Perception of employees about employer brand influences their behaviour towards it. With 65 percent of its population under the age of 35, India today boasts one of the largest available workforces that belongs to the Gen Y cohort. It is therefore important to study perceptions and expectations of millennial generation about employer brand for which they work. Present paper seeks to explore role of employer brand in influencing satisfaction and commitment of generation Y employees in India. A multidimensional measure of corporate brand personality was used to measure employer brand association in survey of 245 generation Y employees working in various organizations in city of Mumbai. Analysis indicates that satisfaction was predicted by agreeableness (supportive, trustworthy) and Chic (stylish, prestigious) where as commitment was predicted by agreeableness (supportive, trustworthy) and enterprise (exciting, daring).

Keywords:- Employer branding, generation Y, commitment, satisfaction.

I. INTRODUCTION

The new age workplace consists of workers representing three generations namely –Baby boomers, Generation X and Generation Y. Researchers are paying special attention to understanding expectations and characteristics of generation 'Y'. The main reason behind this is large size of generation Y in today's workplace worldwide. The concept of employer branding refers to the process of identifying and creating a company brand message by applying traditional marketing principles to achieving the status of employer of choice (Sutherland et al., 2002). Like a consumer brand, it is an emotional relationship between an employer and employee. (Barrow and Mosley, 2005). Although there are several studies in literature on generation Y employees in western context there are hardly any studies available in Indian context. Present paper seeks to explore role of employer brand in influencing satisfaction and commitment of generation Y employees in India.

II. LITERATURE REVIEW

Changing workplace scenario in terms of workforce as well expectations of workforce from employer are two big challenges for the employers of today.

Generation Y Employees

Howe and Strauss (1991) researched generations from the year 1584 to future generations in the year 2069, and developed a historically backed generational theory. Though there are differences in opinions of different researchers on timelines for different generations, for purpose of this research, three generations presently in workplace are defined as - Baby boomers (Those who were born between 1946 and 1964), Generation X (Those who were born between 1965 and 1980) and Generation Y (Those who were born between 1981 and 2000). Generation Y is the newest generation to enter the workforce, and population of Generation Y employees in workforce is constantly on rise worldwide. Indian scenario is also not very different. Sixty five percent of working population in India is under the age of 35. India thus today boasts one of the largest available workforces that belong to the Gen Y cohort.

Research shows that the Generation 'Y' employees have got unique characteristics which are different from their earlier generations. For example they do not believe in loyalty to the organisation as well as the person they work for. Another unique characteristic of them is that Generation Y views working long hours as not working effectively and efficiently; instead, they choose to multitask to get their jobs done quickly. (Economic times, July 2013)

Employer Branding

An employer brand is the sum of all the characteristics and distinguishable features that prospective candidates and current employees perceive about an organization's employment experience. Ambler and Barrow (1996) have defined employer branding as the development and communication of an organization's culture as an employer in the marketplace. It is the package of functional, economic and psychological benefits provided by employment, and identified with the employing company. Employer Branding refers to the process of identifying and creating a company brand message, applying traditional marketing principles to achieving the status of employer of choice (Sutherland et al., 2002). According to Barrow and Mosley (2005), employer branding is used not only to transfer the message of the personality of a company as an employer of choice, but it also has been used to adapt the tools and techniques usually used to motivate and engage employees. Like a consumer brand, it is an emotional relationship between an employer and employee.

Organizational Commitment

Organizational commitment, as an attitude, has been defined as the relative strength of and individual's identification with, and involvement in, a particular organization (Mowday et al., 1979; Allan and Meyer, 1990).

Job Satisfaction

Oshagbemi (2000) defines job satisfaction as "an emotional response that occurs as a result of the interaction between the worker's values concerning his/her job and the profits he/she gained from his/her job".

OBJECTIVE

The main objective of present paper is to study effect of employer brand on satisfaction and commitment levels of generation Y employees in India.

HYPOTHESES

Present paper seeks to explore role of employer brand in influencing satisfaction and commitment levels of generation Y employees in India. Corporate Character scale (Davies et.al,2004) used to judge perception of employees about reputation of organization provides seven dimensions of "Employer brand". These dimensions are –Agreeableness (honest ,socially responsible),Competence(reliable, ambitious),Enterprise (Innovative ,daring),Ruthless (arrogant, controlling) ,Chic (Stylish, Exclusive) ,Informality (Easygoing) ,and Machismo (tough) .

Various researchers have identified unique characteristics of generation "Y" employees.

On basis of the above we offer the following Two main hypothesis:

Hypothesis 1

H1 :There will be a positive relation between 'Employer brand' (corporate character) as perceived by generation "Y" employee and employee satisfaction .

The corporate character scale has got seven dimensions .On basis of this we propose following seven sub hypotheses

H1a : 'Agreeableness 'of organization as perceived by generation "Y" employee will have a positive influence on employee satisfaction.

H1b : Competence 'of organization as perceived by generation "Y" employee will have a positive influence on employee satisfaction.

H1c : Enterprise 'of organization as perceived by generation "Y" employee will have a positive influence on employee satisfaction.

H1d : Ruthlessness 'of organization as perceived by generation "Y" employee will have a negative influence on employee satisfaction.

H1e : Chic 'of organization as perceived by generation "Y" employee will have a positive influence on employee satisfaction.

H1f : Informality 'of organization as perceived by generation "Y" employee will have a positive influence on employee satisfaction.

H1g : Machismo ‘of organization as perceived by generation “Y” employee will have a negative influence on employee satisfaction.

Hypothesis 2

H2 :There will be a positive relation between ‘Employer brand’ (corporate character) as perceived by generation “Y” employee and Organizational Commitment .We propose following seven sub hypotheses

H2a : ‘Agreeableness ‘of organization as perceived by generation “Y” employee will have a positive influence on Organizational commitment .

H2b : Competence ‘of organization as perceived by generation “Y” employee will have a positive influence on Organizational commitment.

H2c : Enterprise ‘of organization as perceived by generation “Y” employee will have a positive influence on Organizational commitment.

H2d : Ruthlessness ‘of organization as perceived by generation “Y” employee will have a negative influence on Organizational commitment.

H2e : Chic ‘of organization as perceived by generation “Y” employee will have a positive influence on Organizational commitment.

H2f : Informality ‘of organization as perceived by generation “Y” employee will have a positive influence on Organizational commitment.

H2g : Machismo ‘of organization as perceived by generation “Y” employee will have a negative influence on Organizational commitment.

III. METHODOLOGY

The present study was conducted on 245 Generation “Y” employees working in various organizations belonging to various Industries in India . The sample represents employees from Pharmaceutical, Chemical and FMCG Industry based in India .Sixty six percent respondents were male and remaining thirty four percent respondents were females. Convenient sampling method was adopted for purpose of this study .Prior permission was obtained from HR department for conducting this study in their organizations .Participating employees were verbally informed that the study was being conducted for academic purpose and assured that the responses would be kept confidential. In all five hundred questionnaires were distributed –out of which three hundred and thirty six completed questionnaires were returned .Two hundred and forty five questionnaires in usable form were received . The responses in questionnaire were then analyzed with help of SPSS Ver. 16.0

Measures used Employer Brand (Corporate Character Scale)

Corporate character scale (Davies et al.,2004) was used to judge how employees perceive the reputation of organization .This perception of reputation was expected to influence their behavior towards organization. The scale consists of 49 items . The items were single words describing personality .The scale was subjected to factor analysis using varimax rotation .Seven factor solution was obtained . The seven factors in order of importance were labeled as – Agreeableness, Enterprise ,Competence, Chic, Ruthless, Machismo and Informality .The Cronbach alphas for the individual scale as found by the authors were .91,.88,.82,.78,.73,.59.51 respectively. While taking response ,the respondents were asked to assess the image of their respective organization in which they were working by imagining that it had come to life as a person ‘ and to rate each item on a five point Likert-type scale from strongly disagree(1) to strongly agree(5) to indicate whether the item described such a person.

Organizational Commitment

The questionnaire for measuring Organizational commitment was a 15 item questionnaire prepared by Porter.(Porter et 1974).A principal components analysis with an orthogonal rotation of all fifteen items was conducted . Factor analysis showed one single factor .The alpha reliability of scale was found to be .82 which was quite satisfactory .

Employee Satisfaction

The questionnaire for measuring Employee satisfaction was a 5 item questionnaire adopted from Samavitha and Jawahr (2012) Job satisfaction scale . Sample items in scale were –‘I am satisfied with the

amount of personal growth and development I get in doing my job', I am satisfied with the amount of independence I get in doing my job'. To rate each item a five point Likert-type scale from strongly disagree(1) to strongly agree(5) was provided to indicate whether each item described satisfaction level of respondent. A principal components analysis with an orthogonal rotation of the five items was conducted. Factor analysis showed one single factor. The alpha reliability of scale was found to be .92 which was quite satisfactory.

IV. ANALYSIS AND RESULT

Data analysis was carried out using statistical package for social sciences (SPSS version 16.0) for windows. Mean, variance, and standard deviation of all variables were calculated. Inter-correlation was calculated by Pearson product moment correlation coefficients to find relationship among all variables under study. Apart from this, stepwise multiple regression analysis was used to determine which among the independent variables are correlated significantly with dependent variable and are the significant predictors. The level of significance is set at $p=0.01$. From table 1 it can be seen that there is a statistically significant, positive correlation between Job satisfaction and Organizational commitment ($r=.72, p<0.01$). Relationship between factors of Corporate Characteristics Scale and Job satisfaction and Organizational commitment was further explored with help of Pearson correlation coefficients. Significant positive relationship was found between Job satisfaction and following factors of corporate characteristics scale - Agreeableness ($r=.63, p=.002$), Enterprise ($r=.30, p=.002$) and Chic ($r=.59, p=.001$). Significant but weak correlation was found with Competence ($r=.26, p=0.05$). Similarly, significant positive relationship was found between Organizational commitment and following factors of corporate characteristics scale - Agreeableness ($r=.62, p=.002$), Enterprise ($r=.37, p=.002$) and Chic ($r=.33, p=.001$). Significant but weak correlation was found with Competence ($r=.29, p=0.05$) and Ruthlessness ($r=-.25, p=0.05$). Negative correlation indicates that the two variables are in opposite direction.

Table 1 Descriptive statistics and correlations for Job satisfaction, Organizational commitment and Corporate Character Scale (Employer brand)

	Mean	Std..Deviation	1	2	3	4	5	6	7	8	9
1.Job satisfaction	19.2	4.3	1								
2.Organizational commitment	12.3	2.6	.72**	1							
3.Agreeableness	26.7	2.37	.63**	.62**	1						
4.Competence	23.5	4.02	.26*	.29*	.23*	1					
5.Enterprise	7.3	2.22	.30**	.37**	.61**	-.05	1				
6.Ruthlessness	16.1	1.92	-.16	-.25*	-.06	.06	-.06	1			
7.Chic	13.5	1.53	.59**	.47**	.33**	-.09	.24*	-.07	1		
8.Informality	17.2	4.28	.12	.11	.07	.06	.10	-.02	-.04	1	
9.Machismo	11.5	2.2	.11	.22*	.04	.07	.07	.10	.01	.25**	1

** $p>.01$, * $p>.05$ coefficient alphas presented on diagonals

Regression Analysis

Stepwise multiple regression analysis was carried out with variables which correlated significantly. It was conducted in order to find out predictive relationship between factors of Corporate Character Scale and Job satisfaction and Organizational Commitment.

Stepwise Multiple regression with Job Satisfaction as dependent variable and factors of Corporate Character Scale as independent variables

Table 2a and 2b revealed that two factors of Corporate Leadership scale have relationship with Job Satisfaction. Agreeableness ($\beta = .63, p=.000$) and Chic ($\beta = .55, p=.000$) were the factors of Corporate Leadership scale which entered the prediction model of Job Satisfaction. The overall variance explained by the three predictors was 54%.

Table 2a

Job satisfaction	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	Sig. F Change
Agreeableness	0.69	0.47	0.48	0.65	0.11	0.00
Chic	0.74	0.55	0.54	0.63	0.04	0.02

*Accepted in order of entry of variables: Agreeableness, Chic.

Table 2b

	Standardized coefficients	T	Sig.
	Beta		
Agreeableness	0.63	3.96	.000
Chic	0.55	2.65	.000

Stepwise Multiple regression with Organizational Commitment as dependent variable and factors of Corporate Character Scale as independent variables

Table 3a and 3b revealed that two factors of Corporate Leadership scale have relationship with Organizational Commitment. Agreeableness ($\beta = .62, p=.000$) and Enterprise ($\beta = .37, p=.000$) were the factors of Corporate Leadership scale which entered the prediction model of Job Satisfaction. The overall variance explained by the three predictors was 46%.

Table 3a

Job satisfaction	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	Sig. F Change
Agreeableness	0.63	0.39	0.38	0.65	0.11	0.00
Enterprise	0.69	0.47	0.46	0.63	0.04	0.02

*Accepted in order of entry of variables: Agreeableness, Enterprise.

Table 3b

	Standardized coefficients	T	Sig.
	Beta		
Agreeableness	0.62	2.96	.000
Enterprise	0.37	2.65	.000

V. DISCUSSION

On basis of the above analysis it can be stated that Significant Relationships was found between dependent and independent variables which can be interpreted as follows: The relationship between Corporate Character (Employer Brand) and Job satisfaction level as well as Organizational commitment of Generation 'Y' employees was found to be significant. Two factors of Employer Brand- namely agreeableness (supportive, trustworthy) and Chic (stylish, prestigious) have been found to have a significant relationship with Job satisfaction levels reported by Generation 'Y' employees, which is a dependent variables under study. Also agreeableness (supportive, trustworthy) and Enterprise (Modernity, Adventure, Boldness) have been found to have a significant relationship with Organizational Commitment levels reported by Generation 'Y' employees.

VI. CONCLUSION

The above results show that generation Y employees in general like to be associated with organizations with modern adventurous outlook and want their employer to be supportive and trustworthy .They also attach high level of importance to their workplace to be perceived as stylish and prestigious. These results reflect on unique characteristics of Generation 'Y' employees and employers can design their "Employer Brand" accordingly .

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