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## Journal of Applied Science and Agriculture

Journal home page: www.aensiweb.com/jasa/index.html



## Human Resource Management and Employer Branding Satisfaction

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## ARTICLE INFO

## Article history:

Received 19 October 2013

Received in revised form 23

November 2013

Accepted 28 November 2013

Available online 25 February 2014

## Keywords:

Employer Branding

Human Resource Management

Employer Branding Satisfaction

## ABSTRACT

**Background:** Employer branding is one of the most important issues that have been taken in to account by many researchers. An organization is not successful till satisfaction of employer branding is met within organization. Employer branding is not after enticing new customers rather it aims to hunt effective employees in the system. In Other words, it creates a genuine and lean picture of a process with which job seekers may encounter during their job search. **Objective.** In this study, first, concepts and crucial objectives in human resource management (HRM) are described and then two factors (including physical and psychological factors) are considered for examination. We proposed a framework to investigate the relationships between two mentioned factors and satisfaction of employer branding. In the other words, our research objective is to discuss the effects of these two factors on satisfaction of employer branding. Therefore, according to the topic, a questionnaire is passed through employees of organization and proper questions are set based on elite consultation. **Results:** Numerical results of the research indicate that these two mentioned factors are crucial for satisfaction and play important roles in organization promotion. **Conclusion:** In this research, relevant concepts to HRM and its significant objectives have been described. Then, employer branding has been presented in order to consider effective factors on its satisfaction. Considering the effects of satisfaction, a reasonable questionnaire has been set. Applying this questionnaire, physical and psychological factors have been analyzed. seven hypothesis tests have been considered. First two tests (relevant to effects of the two mentioned factors) have been accepted and five others (relevant to other factors such as the effect of age and marital status on satisfaction of employer branding and etc.) are rejected.

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**To Cite This Article:** Mehdi Keramatpour, M. Omidvari, Mohammad Reza Sadoughi., Human Resource Management and Employer Branding Satisfaction. *J. Appl. Sci. & Agric.*, 8(7): 1086-1091, 2013

## INTRODUCTION

Today, customer acquisition is not the only way of increasing the profitability of a specific brand. Companies must adopt necessary strategies and policies for choosing the best employees to ensure their survival in a competitive market. It is obvious that without the possession of efficient human resources, organizations are not able to achieve their specified goals in any field (Backhaus and Tikoo, 2004). Developing an integrated framework with a robust human resource management (HRM) can significantly help organizations to reach their organizational goals. In this field, a brand is defined as a multi-dimensional structure designed to recruit a dynamic and efficient work force among the available candidates for the company (Ambler and Barrow, 1996).

Employer branding has been described as the 'sum of a company's efforts to communicate to existing and prospective staff that it is a desirable place to work' (Lloyd, 2002). It is proved that companies with strong employer brands can potentially reduce the cost of employee acquirement, improve employee relations, increase employee retention and even offer lower salaries for comparable staff to firms with weaker employer brands (Ritson, 2002). Branding has recently received a lot of attention and is generally explained as improving the image of an employer (Backhaus and Tikoo, 2004). This concept has been called Employer Branding and was first introduced by Ambler and Barrow (1996), who defined it as the package of functional, economic, and psychological benefits provided by employment, and identified with the employing company. The employer branding is seen as a three leg process in which the value proposition of an employer brand is developed, the

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employer brand is marketed external, and the employer brand is marketed internal and becomes a part of the organizational culture (Backhaus and Tikoo, 2004; Lievens, 2007).

Using library references, the literature of the human resource brand is reviewed. Especially those articles that have considered as effective determinants in human resource brand are carefully explored (Backhaus and Tikoo, 2004; Lievens, 2007). Having reviewed and identified these factors, a questionnaire based on them was designed to evaluate and analyze the data. Finally, with the help of the questionnaire, the main factors affecting the brand of human resource in an organization have been detected. After identifying these factors, the analysis of them has been made and some recommendations to promote the brand are presented. In this study, the main research question is as follows:

*What are the effective factors in the human resource brand in an organization?*

Human resource management (HRM) is the static and strategic management of the most valuable properties of the organization called its people that individually or together help the organization to achieve its goals. Human resource has two main models: Hard models and Soft models.

Hard models of HRM emphasize rationally on each quantitative, commercial and computational aspect similar to other economic factors. This model is compatible with the philosophy of business emphasizing that the employees must be managed in a way in which they add the most value.

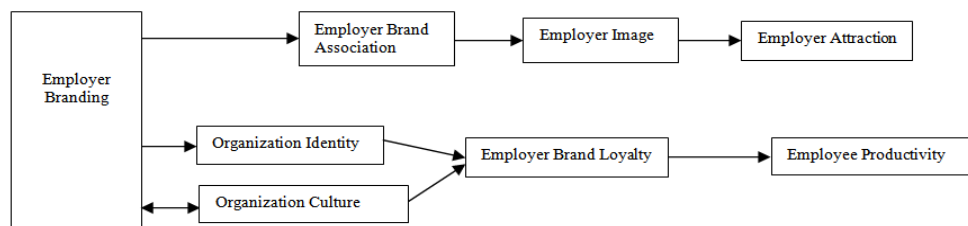
Soft models of HRM has originated from human relations training, emphasis on communications, motivation and leadership. Soft models of HRM are to behave employees as valuable properties and to count their commitment, compatibility and skills as sources for organization's competitive privilege.

Human resource development and growth has initiated with some changes in last two decades. In this period, this has been introduced as one of the main recorded and documented issues in business management. These changes have been based on world's changes in economy, technology, law, and society. It has been specially formed in accordance with organization's changes in structure, guild, geographical position or its growing expectations from human resources. In addition, it has affected human resource share and methods of working. In the past, the organization of statistics and attendance or the administrative part of the organization were in charge of workforce leadership.

According to Baron and Kerps (1999), human resource is the key to the organization's success or failure. So, human resource methods, policies and functions must be limited to organization's strategies and organization's managers and leaders must have a right perception of the issues and be sensitive to the consequences." How Armstrong (2000) imagines it, "is a strategic, coherent and organic approach for the management of organizations in which the main properties are the people working there and they-individually or in groups-play an important role to reach the organization's goals. They try to achieve competitive privilege through strategic development of high committed and skillful manpower and make a proper use of a set of structured, cultural and personnel techniques." information and communication technology and also company culture are identified as significant factors in increasing employees' motivation and productivity (Kim, 2001 and Wright and Golet, 2008). Also, there are a large number of HR issues critical for the success of mergers and acquisitions. Research opportunities in this area are in abundance (for details, see Schuler and Jackson, 2001)

#### *Employer Branding:*

The purpose of the employer brand is to present the organization's philosophy regarding human capital. According to Backhaus and Tikoo (2004) employer branding produces brand associations and brand loyalty. When conceptualizing employer branding they created a model (Figure 1) which shows that a firm's brand image is built upon brand associations and the image will have impact on the attractiveness of the firm. Firms need to develop employer brand associations in order to create the brand image and the image presented by the employer has impact on the applicant attraction in the recruitment process (Belt and Paolillo, 1982; Greening and Turban, 2000). To most people a brand is directly connected to the company name, the products, services and the specific logotype. However, branding can also be used as a part of HRM in order to attract new employees and to retain already employed members of the firm (Kunerth and Mosley, 2011).



**Fig. 1:** Employer Branding Frame Work (Backhaus and Tikoo, 2004).

Employer branding is not after enticing new customers rather it aims to hunt effective employees in the system. In Other words, it creates a genuine and lean picture of a process with which job seekers may encounter during their job search. Employer branding will also detect all determinants that make a company a pleasant environment to work in. these factors can be cited as follows:

- Fresh and energetic office environment
- Spirit of cooperation and teamwork
- Flexible working hours
- Establishment of a kindergarten to take care of staff's children or even a buffet or a grocery store for employees within the organization

Setting appropriate strategies through the brand based on facts and aligned with the external image of the organization and with the focus on human resource development is the best solution for the survival of efficient employees in an organization. If employees felt satisfied and valued at work, considered to have a career progression in a healthy environment, and got mentally and financially promoted, why would they bother to wish for changing their job in the first place?(Edwards, 2010)

Although there have been many research efforts to examine the relation of some factors and satisfaction of employer branding, little research has examined the effect of physical and physiological factors on satisfaction of employer branding (Armstrong, 2007; Aaker, 1991). The effect of these important factors on organizations is a significant subject. So, an examination of this issue can be undertaken for organizations with practical and theoretical research. Many researchers have highlighted the importance of employer branding(Backhaus & Tikoo, 2004; Mosley, 2007; Davies, 2008; Minchington, 2010). In this study, the focus is on one important subject: physical and physiological factors have a significant effect on our organization. So, suitable hypothesis is considered for this reason.

#### *Methodology:*

In order to collect and review the relevant preliminary literatures, studies on books, articles, and dissertations coincident with the scheduling of the human resource brand studies are conducted. Having verified the factors influencing the employer branding, all identified variables were presented in a table to the experts with the aim of initial assessment, priority setting, and interpretation of effectiveness or ineffectiveness of these variables in employer branding. After collecting the initial suggestions and implementing necessary modifications, the second phase of the survey were conducted to get the final approval from each of the experts. Finally, the closing meeting attended by all experts and scholars were held and, after reaching to a consensus of opinion, the final criteria as the main factors affecting the employer branding in the special organization were identified.

The present study, in terms of objective, is an applied research since the success factors in the brand project can be identified from its results which finally help us with the implementation of the employer branding even in other areas. Also, the current research is a descriptive survey method in terms of research methodology which applies the questionnaire to assess the model. The statistical population of this study is the employee of the organization in Tehran province. The number of samples is determined using the "Krejcie and Morgan" table (1970).

In order to evaluate and analyze the data, a questionnaire was designed to determine the factors affecting the employer branding within an organization. This questionnaire has been designed and approved by experts. Thus, it can be claimed that it is highly valid and its content and structure is well confirmed. Cronbach alpha reliability value was computed in order to find the reliability of the scale. The reliability value is 0.87 and this reliability value is high for researches in social sciences. The results of the data collection obtained through the questionnaires, were finally analyzed and interpreted by different SPSS Test analysis.

Employees from different sectors participated to the research (n = 65). Three scales were used in the questionnaires as measurement instrument of the research. The first scale has 3 dimensions and 9 items and the second scale has 5 dimensions and 15 items that related to employer branding satisfaction. Finally, the third scale has 10 items that measures employer branding satisfaction. The questions about social demographic qualifications such as gender, education, seniority, position and age were included to the items for measuring employer branding satisfaction and the questionnaire form was developed. The questionnaires were sent to employees via e-mail and collected by the same way. Questionnaires were sent to employees who are working in different sectors such as paying teller's department, receiving teller's department, collection department and discount department. 65 employees replied the questionnaires from these sectors. The items of Psychological factors, Physical factors and satisfaction of employer branding were presented using a five-point Likert item as "1: strongly disagree" and "5: strongly agree". Data was analyzed by SPSS for Windows 18.0 package program. Firstly, Kolmogorov-Smirnov test was used to determine the normality of data and the results showed that data was distributed normally and it is possible to make parametric tests.

Descriptive statistical analysis (arithmetic mean and standard deviation) and Pearson correlation test were used to determine the relationship between factors and employer branding satisfaction. Also, t-test and one-way ANOVA test were used to determine the differences according to demographic qualifications.

#### Research Hypothesis:

In this research, the relationship between two factors and satisfaction of employer branding analyzed. As mentioned before, factors including Psychological factors and Physical factors. Furthermore it is tested whether or not three variables differ according to demographic variables such as gender, education level and age.

The main hypothesizes of the research are given below:

H<sub>1</sub>: There is a relationship between the satisfaction of employer branding and Physical factors (Agronomy, Physical area, Daily Activity).

H<sub>2</sub>: There is a relationship between the satisfaction of employer branding and Psychological factors (Job satisfaction, accurate selection of employees, Motivation, Job privilege and side benefits, Welfare facilities).

H<sub>3</sub>: Satisfaction of employer branding show difference according to their genders.

H<sub>4</sub>: Satisfaction of employer branding shows difference according to their marital.

H<sub>5</sub>: Satisfaction of employer branding shows difference according to their ages.

H<sub>6</sub>: Satisfaction of employer branding shows difference according to their education levels.

H<sub>7</sub>: Satisfaction of employer branding shows difference according to their seniority.

#### Results:

Employees from different sectors participated to the research (n =65). The social demographic qualifications of the participants are summarized in Table 1.

**Table 1:** Demographic qualifications of participants.

Variable Name		Frequency	(%)
Gender	Male	61	93.8
	Female	4	6.2
Marital Status	Married	61	93.8
	Single	4	6.2
Age	20-30	3	4.6
	31-40	42	64.6
	41-50	20	30.8
Education	Bs	56	86.2
	Ms	9	13.8
Seniority	Less than 5	1	1.5
	5-10 year	2	3.1
	11-15 year	24	36.9
	16-20 year	34	52.3
	21-25 year	3	4.6
	25 and more	1	1.5

According to the results of descriptive statistical analysis (arithmetic mean) belong to three scales; the arithmetic mean for psychological factors was computed as 3.18, for physical factors was computed as 3.24 and the arithmetic mean for satisfaction of employer branding was computed as 3.93. These scores show that the participants gave answers to both scales as "agree". According to the arithmetic mean of the dimensions of physical factor, we see that the participants emphasize the importance of physical factor (Table 2).

**Table 2:** Importance of factor.

Factors	Answer	Frequency	(%)
Physical Factors	Strongly Disagree and Disagree	19	29.2
	No Idea	16	24.6
	Strongly Agree and Agree	30	46.2
Psychological factors	Strongly Disagree and Disagree	23	35.4
	No Idea	12	18.5
	Strongly Agree and Agree	30	46.1

*H<sub>1</sub>: There is a relationship between the satisfaction of employer branding and Physical factors (Agronomy, Physical area, Daily Activity).*

Pearson correlation analysis was used to test the relationship the satisfaction of employer branding and physical factors (Agronomy, Physical area, Daily Activity). According to the results of Pearson correlation analysis, a positive relationship was found with Pearson correlation value: 0.646 ( $p < 0.01$ ). H<sub>1</sub> hypothesis is accepted.

*H2: There is a relationship between the satisfaction of employer branding and Psychological factors (Job satisfaction, accurate selection of employees, Motivation, Job privilege and side benefits, Welfare facilities).*

According to the results of Pearson correlation analysis, a positive and high level relationship was found with Pearson correlation value: 0.872 ( $p < 0.01$ ).  $H_2$  hypothesis is accepted.

*H3: Satisfaction of employer branding show difference according to their genders.*

In order to determine whether satisfaction of employer branding show difference or not according to gender variable, t test was used and statistically meaningful difference was not found between these two variables ( $p: 0.556 > 0.05$ ). So  $H_3$  hypothesis is rejected.

All analysis results of research hypothesizes are shown in Table 3.

**Table 3:** Results of research hypothesizes.

Hypothesis	p-value	Result
$H_1$ : There is a relationship between the satisfaction of employer branding and Physical factors (Agronomy, Physical area, Daily Activity).	0.000	Accepted
$H_2$ : There is a relationship between the satisfaction of employer branding and Psychological factors (Job satisfaction, accurate selection of employees, Motivation, Job privilege and side benefits, Welfare facilities).	0.000	Accepted
$H_3$ : Satisfaction of employer branding show difference according to their genders.	0.556	Rejected
$H_4$ : Satisfaction of employer branding shows difference according to their marital.	0.698	Rejected
$H_5$ : Satisfaction of employer branding shows difference according to their ages.	0.11	Rejected
$H_6$ : Satisfaction of employer branding shows difference according to their education levels.	0.134	Rejected
$H_7$ : Satisfaction of employer branding shows difference according to their seniority.	0.957	Rejected

#### Discussion:

This study is the first that examined the relationship between employer branding satisfaction and two important factors. Although several researchers assumed that employer branding has an effect on attractiveness, empirical investigations were not conducted (Berthon *et al.* 2005; Lievens, 2007; Lievens & Highhouse, 2003; Lievens *et al.*, 2005; Lievens *et al.*, 2007). Davies (2008) discussed about the role of the employer brand affecting employees' perceived differentiation, affinity, satisfaction and loyalty. In fact, in his research, he highlighted four outcomes as relevant to the employer brand. Dar ong (2011) proposed a framework to investigate the relationships between functional and emotional aspects of employer brand attribute. In this study, two main factors (including physical and psychological factors) have been considered for employer branding satisfaction. Studying the impact of the two mentioned factors on employer branding, it is evident that physical and psychological factors have always played effective and crucial roles for employees in HRM. Considering physical and psychological factors for employees, is an important issue in each organization. Bayat (2011) determined the function of human resources and their efficacy. Also, Kunerth and Mosley (2011) showed that branding can also be used as a part of HRM in order to attract new employees and to retain already employed members of the firm. Thus, in this paper, it is attempted to provide a suitable condition under which these two factors are presented in a desirable level. The significant of these factors have been studied in addition to other relevant factors and it can be concluded that the two mentioned factors have more notable impact on satisfaction of employer branding than others.

#### Conclusion:

In this research, relevant concepts to HRM and its significant objectives have been described. Then, employer branding has been presented in order to consider effective factors on its satisfaction. Considering the effects of satisfaction, a reasonable questionnaire has been set. Applying this questionnaire, physical and psychological factors have been analyzed. Then, another questionnaire has been given to employees for satisfaction of employer branding. Achieving the best result, seven hypothesis tests have been considered. First two tests (relevant to effects of the two mentioned factors) have been accepted and five others (relevant to other factors such as the effect of age and marital status on satisfaction of employer branding and etc.) are rejected. Each of these factors can be examined individually in further researches, considering several sub categories for each factor and discuss the effects of each on increasing or decreasing satisfaction. Organization promotion through employer branding along with other departments and developing communication with them could also be discussed. In the other words, how employer branding can conclude satisfaction and performance development as other departments assisting it.

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