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A Study on the Effect of Employer Branding on Employee Retention Among Domestic Non-Voice in BPO Chennai

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ABSTRACT

In the highly competitive labour market, where employees counter boundless job offers, organizations have acknowledged the need to distinguish themselves from competitors by investing a considerable amount of time and effort into designing employer branding strategies to attract and retain skilled employees. Employee retention as maintaining or encouraging employees to stay in the organization for the longest time. A strong employer brand allows employers to retain their talented employees by building a positive image for the organization as a preferred place to work. The purpose of the study is to examine effect of employer branding on employee retention and role of relational psychological contract between employer branding and employee retention among domestic non voice in BPO Chennai. The survey is used to gather data from 120 employees working in domestic non voice. The study findings reveal that employer branding is positively and significantly related to relational psychological contract and employee retention and relational psychological contract suggestions influence employee retention.

Keywords: Employer branding, relational psychological contract and employee retention.

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I. INTRODUCTION

Employer branding is the latest buzz in Human resource management. In the era of corporate governance, the emerging role of human resource is delivering effective governance and social responsibility. The alignment between employees' values and organization in order to contribute to HR motivation and productivity. Employer branding is a process of developing a brand image about the organization as a good place to work. Employer branding shapes the perception of an organization as an employer, its influencing its ability to attract and retain the top talent. Employer branding emphasis organizations reputation as an employer, including its value, culture and image. It examines the relational psychological contract between employees and focusing on mutual expectations and obligations, and how a compelling employer brand can enhance trust and satisfaction.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPEMNT

2.1 EMPLOYER BRANDING

Employer branding is all about making sure that employees feel good about the place they work. The concept of employer branding was first defined by Tim Ambler and Simon Barrow as "the package of functional, economical and psychological benefits provided by employment and identified with the employing company. Employer branding is not just a marketing exercise, but it is the beginning of an employment relationship. Employee can be then an ambassador for the organization and that "feel good factor" can permeate out to others.

2.2 EMPLOYEE RETENTION

Retention of employees has become primary concern in many organizations for several reasons. Employees today are different. As soon as they feel dissatisfied with the job, they switch over to the next job. Employee retention is a process in which employees are encouraged to remain within the organization for the maximum period of time. A good employer should know how to attract and retaining its employees. Continuity of employees provides better "Employer image" for attracting and retaining individuals

2.3 RELATIONAL PSYCHOLOGICAL CONTRACT

The concept of psychological contact has relevance to discretionary behaviour. It is a is an unwritten set of expectations between employers and employees. Employees who perceive their psychological contract to be relational develop an identification with the value of the organization and internalize organizational values because such contract involves an emotional involvement with the organization. Relational psychological contract is dynamic and characterized by more generalized agreement, focuses on -open ended relationships involving considerable investment by both employees and employers

2.4 EMPLOYER BRANDING AND EMPLOYEE RETENTION

Employee retention as maintaining or encouraging employees to stay in the organization for the longer time. Furthermore, employer branding strategies with unique features enables employers to gain a competitive advantage in terms of high retention level. When employees feel connected to the organizations culture and values, they mostly like to stay in the organization for the long time. By implementing employer branding strategies, it not only retain the employees it also create a brand image and reputation among the competitions Therefore considering employer branding and its effect on employee retention is proposed by following hypothesis

H1: To examine the effect of employer branding on employee retention

2.5 EMPLOYER BRANDING AND RELATIONAL PSYCHOLOGICAL CONTRACT

A psychological contract is known as unwritten set of expectations based on exchangeable relationship between employer and employee. Two widely used psychological contracts are Transaction psychological contract and relational psychological contract. Transactional contracts based on the economic values whereas relational contracts is long term interpersonal relationship based on both economic and emotional values. Organization shows engagement in investing in HRM practices that focus on retaining and attracting employees that could be fulfil the relational psychological contract by meeting their employees' expectations.

H2: To examine the effect of employer branding on relational psychological contract

2.6 RELATIONAL PSYCHOLOGICAL CONTRACT AND EMPLOYEE RETENTION

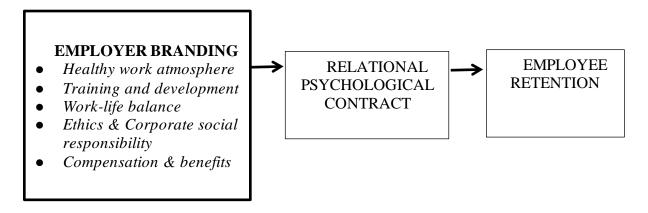
The fulfilment of the employees will result in sustaining in the organization for the long period, meeting the needs and obligation of both economical and emotional will increase in the retention rates of the employees. Though relational psychological contract focusses on emotional as well as economical values of an employee. If the needs of the employees are fulfilled the employees feel valued and become loyal to the organization and stay for the long period of time. Organizations that must fulfil those relational contracts tend to higher satisfaction and retention. Relational psychological contracts often acts as an unwritten mutual agreement between employer as well as employee. Positive relational contracts acts as key measure in terms of retaining talented employees.

H3: To examine the effect of relational psychological contract on employee retention

3. OBJECTIVES OF THE STUDY

- 1. To analyse the factors influencing employer branding on employee retention among non-voice employee in BPO sample in Chennai.
- 2. To analyse the factors influencing employer branding on relational psychological contract among non-voice employee in BPO sample in Chennai.
- 3. To analyse the effect of relational psychological contract on employee retention among non-voice employee in BPO sample in Chennai.
- 4. To suggest measures to improve employer branding and retention.

RESEARCH MODEL



4. RESEARCH METHODOLOGY

This is a descriptive research study. Research is based on primary as well as secondary data. Primary data was collected by using survey method; a structured questionnaire is designed covering the variables of employer branding and its effect on employee retention. Secondary data was collected from different sources like: books, journals. The descriptive study is aimed at obtaining information can be subjected to analysis, extraction of patterns and drawing of comparisons for clarification purposes and provision of making decisions platforms. Both quantitative and qualitative data were obtained for the purpose of the comparison. The present study used convenience sampling method.

4.1 DATA COLLECTION

The primary data was collected through structured questionnaire covering various factors employer branding factors. The research instruments used in the study were self-administered questionnaire with structured question items that were answered by organization employees. The questionnaire thus developed was piloted on a sample of 13 respondents working domestic non voice in BPO Chennai. The data were collected from 120 employees working in domestic non voice in BPO Chennai during the period of December 2023- January 2024. A web-based survey using a Google form was used to distribute the questionnaire among the respondents.

4.2 MEASURES

The scale developed by Tanwar and Prasad was adopted to measure employer branding. The scale comprises of five domains including healthy work atmosphere, training and development, work-life balance, ethics and corporate social responsibility and compensation and benefits. Employee retention scale was developed by Kyndt, Dochy, Michielsen and Moeyaert. To measure the relational psychological contract, a 13-item scale was adopted from Millward and Hopkins. The scale used in this study are measured using a 5-point Likert scale ranging from 1-" strongly disagree" to 5-" Strongly Agree".

5. DATA ANALYSIS

Statistical package for Social Science (SPSS) was to conduct the data analysis. A p-value of <0.05 was used to identify the level of significance.

TABLE 1. DEMOGRAPHICS INFORMATION, n=120

VARIABLES	SUB GROUPS	FREQUENCY	PERCENTAGE
Gender	Male	70	58.3
	Female	50	41.7
Age	29-38 years	72	60
	39-48 years	37	30.8
	49-58 years	11	9.2
Educational	Diploma	11	9.2
qualifications	Graduate	45	37.5
	Postgraduate	64	58.3
Work experience	1-8 years	74	62
	9-16 years	40	33
	17-24 years	6	5

5.1 DESCRIPTIVE ANALYSIS

The general characteristics of the respondents are presented in Table 1. out of 120 respondent most of the respondents were male n=70,58.3%, while female respondents had a value of n=50,41.7%. The majority of the respondents are under the age group of 29-38 years: n=72,60%. The majority of the employees' educational qualifications is post-graduation n=64,58.3%. Moreover, the majority of the respondents had work experience of 1-8 years n=74,62%.

5.2. STATISTICAL TOOLS FINDINGS

Correlation- It is found that there is a positive relationship between study variables (Healthy work atmosphere, Training and development, Work-life balance, ethics and corporate social responsibility, Compensation and benefits), employee retention and relational psychological contract.

Regression- It is found that healthy work atmosphere, training and development and ethics and corporate social responsibility suggestions influence employee retention. It is also found that work-life balance and compensation and benefits suggestions does not influence employee retention. It is found that healthy work atmosphere, training and development, work-life balance, ethics and corporate social responsibility and compensation benefits suggestions influences relational psychological contract. It is found that relational psychological contract suggestions influence employee retention.

5.3 REGRESSION ANALYSIS

Regression analysis was carried out to impact employer branding on employee retention. In this study simple linear regression analyses was used to assess the impact of employer branding on employee retention.

HYPOTHSES 1

To examine the effect of employer branding on employee retention.

HYPOTHESES 1.1: To examine the effect of healthy work atmosphere on employee retention.

HYPOTHESES 1.2: To examine the effect of training and development on employee retention.

HYPOTHESES 1.3: To examine the effect of work-life balance on employee retention.

HYPOTHESES 1.4: To examine the effect of ethics and corporate social responsibility on employee retention.

HYPOTHESES 1.5: To examine the effect of compensation and benefits on employee retention.

TABLE 2. NIODEL SUMMAR I							
Model Summary							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate			
1	.704ª	.495	.473	.459			

TABLE 2. MODEL SUMMARY

a. Predictors: (Constant), compensation and benefits, healthy work atmosphere, work-life balance, ethics and corporate social responsibility, training and development

From the above table 2, it is found that adjusted R square value is .473 which shows that the independent variables explain 47.3% variance over the dependent factor. This leads to the further verification of fit of regression out of unique dependent and multiple independent variables.

TABLE 3. ANOVAb

	ANOVAb										
	Model	Sum of Squares	Df	Mean Square	F	Sig.					
1	Regression	23.531	5	4.706	22.354	.000a					
	Residual	24.000	114	.211							
	Total	47.531	119								

a. Predictors: (Constant), compensation and benefits, healthy work atmosphere, work-life balance, ethics and corporate social responsibility, training and development.

b. Dependent Variable: Employee retention

It is found from the ANOVA table 3, F=22.354, p=0.000, which is statistically significant at 5% level. This implies that regression fit is significant and influences the independent variable can be measured through a coefficient table.

TABLE 4. REGRESSION COEFFICIENTS a

	Coefficients										
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.						
	В	Std. Error	Beta								
1 (Constant)	.456	.275		1.658	.100						
Healthy work atmosphere	.179	.080	.191	2.234	.027						
Training and development	.224	.075	.271	2.983	.003						
Work-life balance	.075	.059	.094	1.273	.206						
Ethics and corporate social responsibility	.336	.081	.339	4.176	.000						
Compensation and benefits	.013	.070	.014	.187	.852						
a. Dependent Variable: Employee 1	retention										

From the above regression coefficient table 4, it can be decided that healthy work atmosphere (t=2.234, p= 0.027), training and development (t=2.983, p=0.003), ethics and corporate social responsibility (t=4.176, p=0.000), are statistically significant at 5% level. Therefore, it can be concluded that healthy work atmosphere, training and development ethics and corporate social responsibility and suggestions influences employee retention and they must be considered in the set to measure the nature of satisfaction received by employees. Thus H1.1, H1.2, H1.4 is accepted.

HYPOTHESES 2:

To examine the effect of employer branding on relational psychological contract

HYPOTHESES 2.1: To examine the effect of healthy work atmosphere on relational psychological contract

HYPOTHESES 2.2: To examine the effect of training and development on relational psychological contract

HYPOTHESES 2.3: To examine the effect of work-life balance on relational psychological contract

HYPOTHESES 2.4: To examine the effect of ethics and corporate social responsibility on relational psychological contract

HYPOTHESES 2.5: To examine the effect of compensation and benefits on relational psychological contract

TABLE 5. MODEL SUMMARY

	Model summary								
Model	Model R R Square Adjusted R Square Std. Error of the Estima								
1	1 .835 ^a .697 .684 .406								

a. Predictors: (Constant), compensation and benefits, healthy work atmosphere, work-life balance, ethics and corporate social responsibility, training and development

From the above table 5, it is found that adjusted R square value is .684, which shows that the independent variables explain 68.4% variance over the dependent factor. This leads to the further verification of fit of regression out of unique dependent and multiple independent variables.

TABLE 6. ANOVAb

	ANOVAb									
Model Sum of Squares Df Me					F	Sig.				
1	Regression	43.305	5	8.661	52.533	.000a				
	Residual	18.795	114	.165						
	Total	62.099	119							

a. Predictors: (Constant), Compensation & benefits, Healthy work atmosphere, Work life balance, Ethics & Corporate social responsibility, Training & development

It is found from the ANOVA table 6, F=52.533, p=0.000, which is statistically significant at 5% level. This implies that regression fit its significant and influences the independent variable can be measured through a coefficient table.

b. Dependent Variable: Relational psychological contract

TABLE 7. REGRESSION COEFFICIENTS^a

	Coefficients ^a										
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.						
	В	Std. Error	Beta								
1 (Constant)	711	.244		-2.920	.004						
Healthy Work Atmosphere	.226	.071	.211	3.191	.002						
Training & Development	.221	.066	.234	3.332	.001						
Work-Life balance	.122	.052	.133	2.324	.022						
Ethics & Corporate social Responsibility	.482	.071	.425	6.765	.000						
Compensation & Benefits	.133	.062	.124	2.131	.035						
a.Dependent Variable: Relationa	ıl psycholo	ogical contract	•								

From the above regression coefficient table 7, it can be decided that healthy work atmosphere (t=3.191, p=0.002), training and development (t=3.332, p=0.001), work-life balance (t=2.324, p=0.022), ethics and corporate social responsibility (t=6.765, p=0.000), compensation and benefits (t=2.131, p=0.035) are statistically significant at 5% level. Therefore, it can be concluded that healthy work atmosphere, training and development, work-life balance, ethics and corporate social responsibility and compensation and benefits influences relational psychological contract thus H2.1, H2.2, H2.3, H2.4 and H2.5 is accepted.

HYPOTHESIS 3

To examine the effect of relational psychological contract on employee retention **HYPOTHESIS 3.1:** To examine the effect of relational psychological contract on employee retention

TABLE 8. MODEL SUMMARY

			Model Summary	
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.694 ^ε	.481	.477	.442
a. Pred	ictors:(C	Constant), Re	lational psychological	contract

From the above table 8, it is found that Adjusted R square is .477, which shows that the independent variables explain 47.7% variance over the dependent factor. This leads to the further verification of fit of regression out of unique dependent variable and independent variable

TABLE 9. ANOVA^b

	ANOVAb									
	Model	Sum of Squares	df	Mean Square	F	Sig.				
1	Regression	21.388	1	21.388	109.551	.000a				
	Residual	23.037	118	.195						
	Total	44.425	119							

- a. Predictors: (Constant), Relational psychological contract
- b. Dependent Variable: Employee retention

It is found from the ANOVA table 9, F=109.551, p=0.000, which is statistically significant at 5 % level. This implies that regression fit its significant and influences the independent variable can be measured through a coefficient table

TABLE 10. REGRESSION COEFFICIENTS^a

	Coefficients ^a									
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.				
		В	Std. Error Beta							
1	(Constant)	1.308	.171		7.634	.000				
	Relational psychological contract		.056	.694	10.467	.000				
a. De	pendent Varia	ble: Employee	retention							

From the above regression coefficient table 10, it can be decided that relational psychological contract (t=10.467, p=0.000) are statistically significant at 5% level. Hypothesis 3.1 is accepted. Therefore, it can be concluded that relational psychological contract influences employee retention.

5.4 CORRELATION ANALYSIS HYPOTHESES 4

HYPOTHESES 4.1: There is positive relationship between healthy work atmosphere and Employee Retention

HYPOTHESIS 4.2: There is positive relationship between training and development and Employee Retention

HYPOTHESES 4.3: There is positive relationship between work-life balance and Employee Retention8

HYPOTHESES 4.4: There is positive relationship between ethics and corporate social responsibility and Employee Retention

HYPOTHESES 4.5: There is positive relationship between compensation and benefits and Employee Retention

HYPOTHESES 5

HYPOTHESES 5.1: There is positive relationship between healthy work atmosphere and relational psychological contract

HYPOTHESES 5.2: There is positive relationship between training and development and relational psychological contract.

HYPOTHESES 5.3: There is positive relationship between work-life balance and relational psychological contract

HYPOTHESES 5.4: There is positive relationship between ethics and corporate social responsibility and involvement and relational psychological contract.

HYPOTHESES 5.5: There is positive relationship between compensation and benefits and relational psychological contract.

HYPOTHESIS 6

HYPOTHESIS 6.1: There is positive relationship between employee retention and relational psychological contract.

			СО	RRELA	TIONS			
		Healthy work atmosphe re	Training and developm ent	Work- life balance	Ethics and corporate social responsibil ity	Compensati on and	Employ ee Retentio n	Relational Psychologi cal Contract
Healthy work atmosphere	Pearson Correlati on	1	.579**	.374	.406**	.215*	.523*	.595**
	Sig. (2-tailed)		.000	.000	.000	.018	.000	.000
	N	120	120	120	120	120	120	120
Training and developmen	Pearson Correlati on	.579**	1	.296	.523**	.381**	.592*	.665**
t	Sig. (2-tailed)	.000		.001	.000	.000	.000	.000
	N	120	120	120	120	120	120	120
Work-life balance	Pearson Correlati on	.374**	.296**	1	.257**	.287**	.337*	.426**
	Sig. (2-tailed)	.000	.001		.005	.001	.000	.000
	N	120	120	120	120	120	120	120
corporate social	Pearson Correlati on	.406**	.523**	.257	1	.371**	.587*	.713**
responsibili ty	Sig. (2-tailed)	.000	.000	.005		.000	.000	.000
	N	120	120	120	120	120	120	120
Compensati on and benefits	Pearson Correlati on	.215*	.381**	.287	.371**	1	.311*	.454**
	Sig. (2-tailed)	.018	.000	.001	.000		.001	.000
	N	120	120	120	120	120	120	120

Employee Retention	Pearson Correlati on	.523**	.592**	.337	.587**	.311**	1	.719**
	Sig. (2-tailed)	.000	.000	.000	.000	.001		.000
	N	120	120	120	120	120	120	120
Relational Psychologic al Contract		.595**	.665**	.426	.713**	.454**	.719*	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	120	120	120	120	120	120	120

^{**.} Correlation is significant at the 0.01 level (2-tailed).

- V1- Healthy work atmosphere
- V2- Training and development
- V3- Work-life balance
- V4- Ethics and corporate social responsibility
- V5- Compensation and benefits
- V6- Employee retention
- V7- Relational psychological contract.

INFERENCES:

- The coefficient of correlation between healthy work atmosphere and employee retention is 0.523 which indicates 52.3 percent of positive relationship between healthy work atmosphere is significant at p<0.01. Hence H4.1 is accepted.
- The coefficient of correlation between training and development and employee retention is 0.592 which indicates 59.2 percent of positive relationship between training and development and employee retention is significant at p<0.01. Hence H4.2 is accepted.
- The coefficient of correlation between work life balance and employee retention is 0.337 which indicates 33.7 percent of positive relationship between work life balance and employee retention is significant at p<0.01. Hence H4.3 is accepted
- The coefficient of correlation between ethics and corporate social responsibility and employee retention is 0.587 which indicates 58.7 percent of positive relationship between ethics and corporate social responsibility and employee retention is significant at p<0.01. Hence H4.4 is accepted.
- ➤ The coefficient of correlation between compensation and benefits and employee retention is 0.311 which indicates 31.1 percent of positive relationship between compensation and benefits is significant at p<0.01. Hence 4.5 is accepted
- The coefficient of correlation between healthy work atmosphere and relational psychological contract is 0.595 which indicates 59.5 percent of positive relationship between healthy work

^{*.} Correlation is significant at the 0.05 level (2-tailed).

- atmosphere and relational psychological contract is significant at p<0.01. Hence H5.1 is accepted.
- The coefficient of correlation between training and development and relational psychological contract is 0.665 which indicates 66.5 percent of positive relationship between training and development and relational psychological contract is significant at p<0.01. Hence H5.2 is accepted.
- The coefficient of correlation between work-life balance and relational psychological contract is 0.426 which indicates 42.6 percent of positive relationship between work-life balance and relational psychological contract is significant at p<0.01. Hence H5.3 is accepted
- ➤ The coefficient of correlation between ethics and corporate social responsibility and relational psychological contract is 0.713 which indicates 71.3 percent of positive relationship between ethics and corporate social responsibility and relational psychological contract is significant at p<0.01.H5.4 IS accepted
- The coefficient of correlation between compensation and benefits and relational psychological contract is 0.454 which indicates 45.4 percent of positive relationship between compensation and benefits and relational psychological contract is significant at p<0.01. Hence H5.5 is accepted.
- The coefficient of correlation between employee retention and relational psychological contract is 0.719 which indicates 71.9 percent of positive relationship between employee retention and relational psychological contract is significant at p<0.01. Hence H6.1 is accepted.

6. FINDINGS:

- > 56% of the employees disagree that their good work is recognized recognizes
- > 54% of the employees disagree that their organization offers a relatively stress-free work environment.
- ➤ 52% of the employees disagree that their organization organizes various conference, workshops and training programs on a regular basis.
- > 55% of the employees disagrees that they see a future of themselves within this company.

7. SUGGESTIONS:

Creating a culture of appreciation and encourage peer to peer recognition and provide meaning full rewards as recognizing for their work. Promoting work-life balance by encouraging flexible schedules, regular breaks and providing stress management resources (relaxation areas, meditation, yoga mindfulness session and counselling sessions) to improve their mental wellbeing. Organising regular training courses, workshops, and conference on regular basis to keep the employees updated with new skills and industry advancements standards and current trends. Implementing a job rotation program where employees can temporarily work on foreign projects gaining valuable international experience. Provide language and cultural training and provide opportunities for the employees to work on foreign based project. Providing career development opportunities, recognizes and acknowledge employees' skills and talent, providing healthy work environment which leads to higher satisfaction of employees towards organization.

8. LIMITATIONS

The present study has several limitations. First, this study is conducted only with domestic non voice employees. Second, time is one of the major constraints. Third, the employees were not much cooperative due to their busy schedules. Fourth, possibility of biased answered from the employees.

9. CONCLUSION

The study's conclusion provides insight to the crucial connection between employer branding, employee retention and relational psychological contract. It is clear from the examination of number of variables including healthy work atmosphere, training and development, work-life balance, ethics & corporate social responsibility and compensation and benefits significantly influence and how employees perceive and interact with their organization. overall, it determined that improving employee retention and long-term organizational success requires systematic employer branding focused on building supportive work culture and pleasant employee experience. Fulfilling the needs of their staffs, companies may foster devoted driven labour force that furthers their economic development.

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