

## How Employer Branding Strategies Improve Employee Engagement And Organizational Performance

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### Abstract

Attracting and retaining valuable human resources has emerged as a primary source of competitive advantage in today's dynamic business landscape. An engaged workforce contributes significantly to the success of the organisation. Consequently, employers strategically decide on attracting, retaining and engaging talent, commonly known as employer branding. Against this backdrop, the present study investigates the impact of employer branding strategies on employee engagement and organizational performance in the Indian IT sector. The structural model is analyzed using SEM-PLS software. The results indicate that employer branding has a significant positive impact on employee engagement and organizational performance. Further, employee engagement mediates the employer branding and organizational performance relationship.

Keywords: Employer branding, employee engagement, organizational performance, SEM-PLS

### • Introduction

In the professional realm, talent is widely regarded as the greatest asset and a key factor that enhances competitiveness (Edwards, 2010). Talented human resource is considered as a crucial catalyst for achieving organisational success. It is believed that competitors may replicate the technology and business model, what competitors will not be able to imitate is the talent (Duglas, 2015; Chambers et al., 1998). Organisations, therefore, focus on maintaining a healthy pool of talent. Amidst the information technology era and knowledge economy, the attraction and retention of talented human resources is emerging as a fundamental approach to gaining a competitive advantage. A pivotal strategy in this regard is employer branding, serving as a crucial tool for talent acquisition, development and retention (Barrow and Mosley, 2005; Gaddman 2008; Martin et al., 2011).

Employer branding as a concept extends the marketing perspective to the relationship between company management and its human resources. While branding is a thoroughly established concept in marketing literature, the perspective on employer branding, introduced by Ambler and Barrow (1996) in the 1990s, is still undergoing evolution. Employer branding regards current employees as internal clients, prioritising their well-being and fostering commitment. It is associated with providing a favourable employment experience to the employee, right from the application process to the eventual departure. Consequently, this results in enhancing the effectiveness of serving potential candidates better than what competitors can do and hence establishing a competitive advantage (Lee and Dale, 1998). Studies indicate that the formulation of employer branding strategies exerts a positive impact on employee engagement (Loeb and Singh, 2011; Chawla, 2019). In a broad sense, employee engagement is defined as the extent of commitment and active involvement that an employee demonstrates toward their organisation and its core values. Schaufeli et al. (2002) further define it as a more persistent and pervasive affective-cognitive state that is not centered around monetary or any specific state, but rather marked by vigour,

dedication and fulfilment. Further, the literature widely acknowledges the significance of employer branding in augmenting organisational performance. The premise of the employer branding theory rests on the belief that investing in employee development and satisfaction ultimately results in improved organisational outcomes (Dousin et al., 2021). Crafting a robust employer brand strategy cultivates a positive work culture, increases employee loyalty and commitment to the organisation, and hence enhances organisational performance.

The present study empirically investigates the impact of employer branding strategies on engagement amongst employees in the IT sector companies and on organisational performance, simultaneously analysing the mediating effect of employee engagement on the relationship between employee branding and organisational performance. The findings of the study indicate that the employer branding strategies adopted by IT companies significantly influence employee engagement in the organisation. Further, it is found that employee branding strategies also have a significant positive influence on organisational performance, and this relationship is mediated by employee engagement.

The study contributes to the literature on employer branding and employee engagement by providing empirical insights, addressing the scarcity of such studies as a significant amount of qualitative literature is available. Further, it is observed that existing literature focuses on Western countries or specific sectors, making generalisation of results challenging especially for emerging economies like India. In the context of Indian IT, with a notable attrition rate of approximately 15%, there is a pressing need to investigate factors influencing employer branding and its impact on employee engagement and organisational performance. Notably, this study explores the mediating effect of employee engagement in the relationship between employee branding and organisational performance, an aspect overlooked in prior research. The remaining paper is marshalled as follows: section 2 discusses the review of the literature followed by section 3 explaining research methodology and data description. Section 4 discusses the data analysis and the interpretation and section 5 conclude the study.

- ***Literature Review***

Firms, recognizing the impact of talent shortages, are strategically focussing on cultivating engaged workforces to gain a competitive edge (Manpower Group, 2014). This has given rise to the integration of branding principles in human resource management, with a particular focus on adopting employer branding as a key strategy to enhance employee engagement and retention (Martindale, 2010). Ambler and Barrow (1996) introduced the concept of employer branding as a “package of functional, economic and psychological benefits provided by employment and identified with the employing company”. Employer branding contributes to a distinct employer identity that sets the organisation apart from its competitors. Saini et al. (2015) show that organisation-related as well as work-related characteristics have a considerable influence on the decisions made by prospective candidates while applying for a job. Studies have found that employer branding enhances organisational attractiveness by fostering existing employees to provide positive and meaningful communication to the potential workforce (Lievens & Highhouse, 2003; Turban & Cable, 2003; Cable & Graham, 2000; Van Hoye & Lievens, 2007).

There exists extant literature that studies employee engagement, its conceptualization, antecedents and consequences (Rasheed et al., 2003; Saks, 2006; Hughes & Rog, 2008; Lee et al., 2014; Whittington and Galpin, 2010). The seminal study, by Saks (2006), has identified various factors that act as the antecedents and consequences of job and organisational engagement. The study illuminated the significance of perceived organisational support, perceived supervisor support, job characteristics and procedural justice predictors of job engagement. Further, job and organisational engagement leads to organisational commitment, job satisfaction and organisational citizenship behaviour. Social exchange theory explains the theoretical foundation of the model proposed by the authors. Business culture and corporate networking can significantly influence employee engagement. Various factors within these realms like coaching sessions, training, and employee performance appraisal, contribute to the overall level of engagement among employees (Mihalcea, 2017; Bai et al., 2017; Javidmehr & Ebrahimpour, 2015). Further, Markos and Sridevi (2010) found that job resources, monetary and non-monetary rewards and employee development programmes strongly influence employee engagement. Shuck and Wollard (2010) in their extensive and integrative literature review on employee engagement found that

organisations with talented and engaged workforce realise the benefit of minimum dissonance and disengagement at the workplace.

The various predictors of employee engagement discussed above build employer brand, which previous research identifies as a prominent antecedent of employee engagement. Employer branding helps to retain skilled employees, enhance their determination and attract valuable talents (Chawla, 2020; Tanwar and Prasad, 2006). Internal branding has a positive impact on the attitudinal and behavioural aspects of employees in the delivery of the brand promise (Punjaisri et al., 2009). Various studies have contended that organisations with high employer brand value experience reduced employee hiring costs, and enhanced employee engagement and retention (Wallace et al., 2014; Berthon et al., 2005). Similarly, Kuchеров and Zavyalova (2012) and Park and Zhou (2013) found that organisations with strong employer branding have actively engaged employees. There is a dearth of studies in the Indian context that examine the relationship between employer brand and employee engagement. Related studies include one conducted by Morya and Yadav (2017) in the Indian hotel industry and Bhasin et al. (2019) in the telecom sector. Both studies found that employer branding enhances employee engagement particularly loyalty and commitment of employees (Morya and Yadav, 2007) and also organisation engagement (Bhasin et al., 2019).

Several studies show that organisations with high levels of employee engagement display enhanced job performance, commitment, organisation citizenship behaviour, productivity and hence organisation performance (Christian et al., 2011; Rich et al., 2010; Richman, 2006; Leiter and Bakker, 2010). Employee engagement leads to favourable financial and non-financial outcomes for the employees that directly influence organisation performance and success. Further, increased organisation performance is found to be a significant consequence of employer branding. Studies have shown that positive employer branding strategies enhance the organisation's financial and non-financial performance (Fulmer et al., 2003; Backhaus and Tikoo, 2004; Moroko and Uncles, 2008). Against this backdrop, the present study comprehensively examines the influence of employer branding on employee engagement and organisation performance and the mediating role played by employee engagement.

- ***Methodology and Data***

This paper examines the role of employer branding in enhancing the employee engagements in the firms and firms' performance. The paper examines the structural model (figure 1) proposed for hypothesis testing. The employees working with selected Indian IT sector firms was included for the data collection, as the sector provides a large number of employment opportunities to the skilled professionals and contributes significantly in economic growth. The primary data is collected with the help of survey method from 619 IT sector employees working with different IT sector companies in India. The employees participated in the study were selected with the help of non-probability sampling i.e. judgmental snowball sampling method. The IT sector employees were found initially from the different personal network along with other sources including social media, HR managers from the different IT sector companies. This is followed by few criteria of minimum 3-year experience in the IT company and held senior position. The primary data of 619 selected IT sector employees was finally collected using the survey method with questionnaire developed for the purpose. The both printout and google link of the questionnaire was used for the data collection. The sample size of 619 is justified as representative sample as it qualifies the criteria of 10 observation for each statement included in the questionnaire (Nunnally, 1979). The reliability and the validity of the scale is examined with the help of Cronbach alphas and confirmatory factor method respectively and hypothesis testing is done by structural equation modelling using SmartPLS software.

- ***Data Analysis and Interpretation***

This section discusses the results of statistical analysis done on the collected data to fulfill the objective of the research. Sec 4.1 discusses about the sample demographics followed by sec 4.2. which explains the results of the reliability analysis, validity analysis, common method bias, multicollinearity etc. Sec 4.3 discusses about the results of hypothesis testing

• **Sample demographics**

The primary data is collected from the *employees* of selected IT companies in Delhi/NCR area with different demographic profiles. The frequency distribution of the employees participated in the survey for selected demographic profiles (gender, marital status, age group, education, income and total work experience in IT sector) is reported in table 1:

Table: Frequency distribution

| Demographic profile | Sub categories        | Frequency (%) |        |
|---------------------|-----------------------|---------------|--------|
| Gender              | Male                  | 256           | 52.5 % |
|                     | Female                | 232           | 47.5 % |
| Designation         | Junior managers       | 192           | 39.3 % |
|                     | Middle level Managers | 184           | 37.7 % |
|                     | Top level managers    | 112           | 23.0 % |
| Age Group           | Less than 25 years    | 208           | 42.6 % |
|                     | 25 to 40 Years        | 136           | 27.9 % |
|                     | 41 to 55 years        | 144           | 29.5 % |
| Work Experience     | Less than 5 years     | 160           | 32.8 % |
|                     | 5 to 10 years         | 144           | 29.5 % |
|                     | More than 10 years    | 184           | 37.7 % |

The table 1 reported that 256 (52.5 %) of the employees are males whereas the remaining 232 (47.5 %) of the employees are females, representing the significant participation of both male and female employees working with the IT sector companies. The 192 (39.3 %) of the employees were found to be junior managers, 184 (37.7%) hold the designation of middle level managers and remaining 112 (23 %) of the employees are top level managers. The employees are divided into three age groups namely *less than 25 years*, *25 to 40 years* and *41 to 55 years*. The most of the employees are from the age group less than 25 years (208, 42.6%), 136 (27.9%) of the employees were belongs to the age group of 25 to 40 years and remaining 144 (29.5 %) of the employees are above 41 years of age. The employees are divided into three groups on the basis of work experience namely *less than 5 years*, *5 to 10 years* and *above 10 years*. The 160 (32.8%) of the employees have work experience less than 5 years, 144 (29.5%) of the employees found to have work experience from 5 to 10 years and the and the remaining 184 (37.7 %) of the employees have work experience above 10 years.

• **Assumption testing: Reliability and Validity Analysis**

The internal consistency of the measurement scale representing the different dimensions of employer branding strategies adopted by Indian IT companies, employee engagement and organisational performance is examined with the help of Cronbach alpha. The internal consistency reliability indicates the high level of relatedness among the items measuring the specific construct in the measurement scale. The results reported in the table indicate the internal consistency reliability as measured by Cronbach alpha of all the different factors representing the employer branding strategies adopted by Indian IT companies, employee engagement and organisational performance included in the measurement scale are found to be greater than 0.7 (*BEE=0.898*, *CEE=0.912*, *EBP=0.885*, *EEB=0.904*, *EE=0.869*, *FEB=0.915*, *IBP=0.851*, *MBP=0.874* and *PEB=0.922*). Thus, it can be concluded that the responses received against the included different factors representing the employer branding strategies adopted by Indian IT companies, employee engagement and organisational performance.

The construct validity (convergent validity and discriminant validity) of the measurement scale is examined using CFA method in SmartPLS software. The construct validity of the measurement scale has two dimensions namely convergent validity and discriminant validity. The convergent validity of the measurement scale indicating the employer branding strategies adopted by Indian IT companies, employee engagement and organisational performance is examined with the help of the outer loadings of the included items, the composite reliability (CR) estimate and Average variance extracted (AVE) of all the included factors in the scale. The outer loadings of each item is expected to be greater than 0.7, CR and AVE of each factor in the scale must be greater than 0.7 and 0.5 respectively. On the other side of the construct validity, the discriminant validity depicts the low level of

correlation between different pairs of constructs in the measurement scale. The discriminant validity represents that all the factors in the scale must be perceived differently by the respondents. In other words, the theoretical concept of all the factors is different from each other. The discriminant validity of the measurement scale is examined with the help of HTMT (Hetrotrait and Monotrait Ratio) as well as Fornell Larcker criteria. The HTMT ratio evaluates the cross loadings of the items with estimating the ratio of the correlation between the items of different factors to the correlation between the items of same factor. The HTMT ratio is expected to be less than 0.85 to ensure the presence of discriminant validity in the measurement scale. The second test to examine the discriminant validity of the measurement scale is Fornell Larcker criteria, which compares the square root of the AVE of each factor to its correlation with remaining factors in the measurement scale. To ensure the presence of discriminant validity the square root of the AVE of each factor must be greater than its correlation with remaining factors in the measurement scale. The results of reliability analysis, construct validity are reported in table.

**Table: Outer construct loadings**

| Item code | Construct                       | Path Coeff | Cronbach Alpha | Composite Reliability | Average Variance Extracted | VIF   |
|-----------|---------------------------------|------------|----------------|-----------------------|----------------------------|-------|
| BEE1      | Behavioural Engagement          | 0.853      | 0.898          | 0.899                 | 0.644                      | 3.059 |
| BEE2      |                                 | 0.723      |                |                       |                            | 2.804 |
| BEE3      |                                 | 0.874      |                |                       |                            | 2.456 |
| BEE4      |                                 | 0.882      |                |                       |                            | 2.836 |
| BEE5      |                                 | 0.654      |                |                       |                            | 1.561 |
| CEE1      | Cognitive Engagement            | 0.774      | 0.912          | 0.91                  | 0.674                      | 3.311 |
| CEE2      |                                 | 0.682      |                |                       |                            | 2.881 |
| CEE3      |                                 | 0.933      |                |                       |                            | 2.49  |
| CEE4      |                                 | 0.99       |                |                       |                            | 3.469 |
| CEE5      |                                 | 0.675      |                |                       |                            | 2.328 |
| EBP1      | Psychological Employer Branding | 0.787      | 0.885          | 0.885                 | 0.659                      | 2.324 |
| EBP2      |                                 | 0.864      |                |                       |                            | 2.663 |
| EBP3      |                                 | 0.842      |                |                       |                            | 2.269 |
| EBP4      |                                 | 0.75       |                |                       |                            | 2.054 |
| EEE5      |                                 | 0.626      |                |                       |                            | 1.777 |
| EEB1      | Economical Employer Branding    | 0.723      | 0.904          | 0.905                 | 0.659                      | 3.423 |
| EEB2      |                                 | 0.809      |                |                       |                            | 4.296 |
| EEB3      |                                 | 0.964      |                |                       |                            | 3.642 |
| EEB4      |                                 | 0.863      |                |                       |                            | 2.663 |
| EEB5      |                                 | 0.668      |                |                       |                            | 1.702 |
| EEE1      | Emotional Engagement            | 0.687      | 0.869          | 0.871                 | 0.578                      | 1.92  |
| EEE2      |                                 | 0.888      |                |                       |                            | 2.148 |
| EEE3      |                                 | 0.782      |                |                       |                            | 3.151 |
| EEE4      |                                 | 0.791      |                |                       |                            | 2.463 |
| FEB1      | Functional Employer Branding    | 0.808      | 0.915          | 0.913                 | 0.544                      | 1.969 |
| FEB2      |                                 | 0.739      |                |                       |                            | 2.303 |
| FEB3      |                                 | 0.747      |                |                       |                            | 2.596 |
| FEB4      |                                 | 0.888      |                |                       |                            | 2.409 |
| FEB5      |                                 | 0.664      |                |                       |                            | 2.018 |
| FEB6      |                                 | 0.801      |                |                       |                            | 2.291 |
| FEB7      |                                 | 0.521      |                |                       |                            | 1.808 |
| FEB8      |                                 | 0.723      |                |                       |                            | 2.475 |
| FEB9      |                                 | 0.688      |                |                       |                            | 2.182 |
| IBP1      | Internal Performance            | 0.798      | 0.851          | 0.851                 | 0.59                       | 2.036 |
| IBP2      |                                 | 0.663      |                |                       |                            | 1.967 |
| IBP3      |                                 | 0.757      |                |                       |                            | 1.846 |

|      |                                |       |       |       |       |       |
|------|--------------------------------|-------|-------|-------|-------|-------|
| IBP4 |                                | 0.841 |       |       |       | 2.173 |
| MBP1 | Perceived Market Performance   | 0.635 | 0.874 | 0.876 | 0.642 | 1.731 |
| MBP2 |                                | 0.86  |       |       |       | 2.857 |
| MBP3 |                                | 0.889 |       |       |       | 2.123 |
| MBP4 |                                | 0.796 |       |       |       | 2.571 |
| PEB1 | Perceived External Performance | 0.506 | 0.922 | 0.917 | 0.657 | 2.466 |
| PEB2 |                                | 0.743 |       |       |       | 2.335 |
| PEB3 |                                | 0.672 |       |       |       | 2.94  |
| PEB4 |                                | 0.922 |       |       |       | 3.123 |
| PEB6 |                                | 0.972 |       |       |       | 3.849 |
| PEB7 |                                | 0.942 |       |       |       | 3.338 |

**Convergent analysis**

The results in the table indicate that the outer loadings of all the items measuring the different factors representing the employer branding strategies adopted by Indian IT companies, employee engagement and organisational performance are greater than 0.7. The outer loadings represent the correlations between the included items and their respective factors. For convergent validity in case of reflective factors, the outer loadings greater than 0.7 is required, which is satisfied by the results in the study. Further, the results of Cronbach alpha, Composite reliability and Average variance extracted is reported in table shown below. The results of the convergent validity also reported that the CR and AVE of all the different factors representing the employer branding strategies adopted by Indian IT companies, employee engagement and organisational performance in the measurement scale are found greater than 0.7 and 0.5 respectively (*BEE: CR=0.898, AVE=, CEE: CR=0.912, AVE=, EBP: CR=0.885, AVE=, EEB: CR=0.904, AVE=, EE: CR=0.869, AVE=, FEB: CR=0.915, AVE=, IBP: CR=0.851, AVE=, MBP: CR=0.874, AVE= and PEB: CR=0.922, AVE=*). Thus, it can be concluded that the measurement scale consists of the different factors representing the employer branding strategies adopted by Indian IT companies, employee engagement and organisational performance fulfils the criteria of convergent validity.

**Discriminant Validity**

The discriminant validity of the measurement scale indicating the different factors representing the employer branding strategies adopted by Indian IT companies, employee engagement and organisational performance is examined with the help of two criteria’s namely *Fornell Larcker criteria and HTMT ratio*. The Fornell Larcker criteria compares the square root of the AVE of each factor with its correlation with remaining factors in the measurement scale. The square root of the AVE of each factor must be greater than its correlation with remaining factors. The results of Fornell Larcker criteria indicates that the square root of the AVE of each factor is found greater than its correlation with remaining factors. The HTMT ratio is expected for each pair of factors should be less than 0.8. Further, the HTMT ratio for all pairs of constructs are greater than 0.8.

**Table: HTMT ratio for discriminant Validity**

|                                | Behav<br>iour<br>al Eng<br>age<br>ment | Cogniti<br>ve Engage<br>ment | Psychol<br>ogical<br>Employ<br>er Brandin<br>g | Emoti<br>onal Engage<br>ment | Econo<br>mical<br>Emplo<br>yer Brandi<br>ng | Func<br>tional<br>Empl<br>oyer Bran<br>ding | Interna<br>l Perfor<br>mance | Percei<br>ved<br>Market<br>Perfor<br>mance |
|--------------------------------|--|------------------------------|--|------------------------------|---|---|------------------------------|--|
| Behavio<br>ural Engage<br>ment |  |                              |  |                              |   |   |                              |  |
| Cognitiv<br>e                  | 0.273                                  |                              |  |                              |   |   |                              |  |

|   |       |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Engage<br>ment                                    |       |       |       |       |       |       |       |       |
| Psycholo<br>gical<br>Empley<br>er<br>Brandin<br>g | 0.409 | 0.456 |       |       |       |       |       |       |
| Emotion<br>al<br>Engage<br>ment                   | 0.591 | 0.486 | 0.555 |       |       |       |       |       |
| Economi<br>cal<br>Empley<br>er<br>Brandin<br>g    | 0.264 | 0.312 | 0.411 | 0.331 |       |       |       |       |
| Function<br>al<br>Empley<br>er<br>Brandin<br>g    | 0.209 | 0.488 | 0.396 | 0.326 | 0.526 |       |       |       |
| Internal<br>Perform<br>ance                       | 0.431 | 0.466 | 0.645 | 0.481 | 0.453 | 0.455 |       |       |
| Perceive<br>d Market<br>Perform<br>ance           | 0.352 | 0.622 | 0.605 | 0.51  | 0.511 | 0.508 | 0.594 |       |
| Perceive<br>d<br>External<br>Perform<br>ance      | 0.326 | 0.405 | 0.437 | 0.389 | 0.466 | 0.446 | 0.423 | 0.468 |

**Table: Fornell Larcker criteria for discriminant validity**

|                                   | Behavi<br>oural<br>Engage<br>ment | Cogniti<br>ve<br>Engage<br>ment | Psycholo<br>gical<br>Empley<br>er<br>Brandin<br>g | Emotio<br>nal<br>Engage<br>ment | Econo<br>mical<br>Empley<br>er<br>Brandi<br>ng | Funci<br>onal<br>Empley<br>er<br>Brandi<br>ng | Internal<br>Perform<br>ance | Perceiv<br>ed<br>Market<br>Perform<br>ance | Perceiv<br>ed<br>Externa<br>l<br>Perform<br>ance |
|-----------------------------------|-----------------------------------|---------------------------------|---|---------------------------------|--|---|-----------------------------|--|--|
| Behavio<br>ural<br>Engage<br>ment | 0.802                             |                                 |   |                                 |  |   |                             |  |  |
| Cognitiv<br>e<br>Engage<br>ment   | 0.278                             | 0.821                           |   |                                 |  |   |                             |  |  |

|                                 |       |       |       |       |       |       |       |       |       |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Psychological Employee Branding | 0.409 | 0.459 | 0.812 |       |       |       |       |       |       |
| Emotional Engagement            | 0.583 | 0.487 | 0.549 | 0.76  |       |       |       |       |       |
| Economical Employee Branding    | 0.264 | 0.313 | 0.411 | 0.336 | 0.812 |       |       |       |       |
| Functional Employee Branding    | 0.209 | 0.484 | 0.398 | 0.334 | 0.538 | 0.737 |       |       |       |
| Internal Performance            | 0.432 | 0.474 | 0.643 | 0.48  | 0.454 | 0.456 | 0.768 |       |       |
| Perceived Market Performance    | 0.356 | 0.61  | 0.606 | 0.508 | 0.512 | 0.507 | 0.6   | 0.801 |       |
| Perceived External Performance  | 0.308 | 0.411 | 0.432 | 0.384 | 0.474 | 0.44  | 0.419 | 0.468 | 0.811 |

**Item Multicollinearity**

The multicollinearity in the responses represents high correlation among the items. The multicollinearity of the items included in the scale is examined with the help of VIF estimates. The results of the multicollinearity indicates that the VIF measures of all the items is found to be less than 3 indicating that the responses received against the different items measuring factors indicating stress management activities for bank employees are free from multicollinearity problem.

**Common Method Bias**

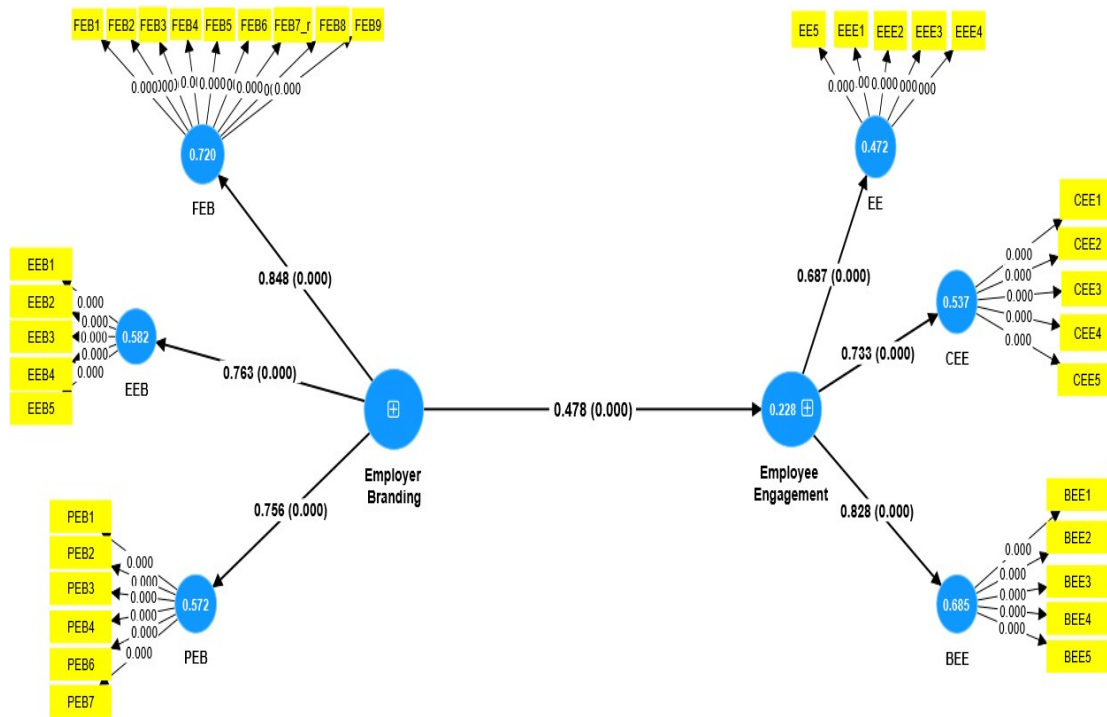
The responses which were collected from the IT sector employees in the study, if found biased will leads to biased conclusion. Thus, the responses received in the survey should be free from the bias. The common method bias (CMB) in the responses received from IT sector employees in the survey is estimated with the help of Harman single factor method. The Harman single factor method can be estimated using Principal component analysis in exploratory factor analysis (EFA) with the restriction of one single factor to be extracted. The results of Harman single factor method using EFA with single extracted component is reported in table shown below. The result reported that the only 32.14 percent of the variation of the entire data of the statements included in the EFA is explained by the single extracted factor. As the estimated value of the single factor is less than the expected value of 50%, thus it can be concluded that the responses received in the study is free from bias. All the conclusions

made in the study, thus assumed as free from bias.

**4.3. Relationship between employer branding strategies and employee engagement**

In the study the relationship between *employer branding strategies and employee engagement* is examined with the help of structural model. Both the *employer branding strategies and employee engagement* are second order constructs measured with the help of different statements included in the questionnaire and assumed to be reflective-reflective in nature. The employee engagement is assumed as endogenous construct, whereas the employer branding strategies are assumed exogeneous in nature. The following hypothesis are examined with the help of Smart PLS software:

Hypothesis: “*Employer branding strategies adopted by the IT companies significantly influences the employee engagement in the organization*”



| Hypothesis                                      | Exogeneous Construct | Endogenous Construct | Path Coefficient | Standard Error | T stats | R Square (Q <sup>2</sup> ) |
|---|----------------------|----------------------|------------------|----------------|---------|----------------------------|
| EB EE   | Employer Branding    | Employee Engagement  | 0.478            | 0.042          | 11.446  | 22.8% (0.224)              |
| <b>Second order Construct Measurement Model</b> |                      |                      |                  |                |         |                            |
| Employee Engagement as a second order Construct | Employee Engagement  | BEE                  | 0.828            | 0.016          | 50.247  | 0                          |
|   |                      | CEE                  | 0.733            | 0.028          | 26.412  | 0                          |
|   |                      | EE                   | 0.689            | 0.033          | 20.916  | 0                          |
| Employer Branding as a second order Construct   | Employer Branding    | EEB                  | 0.763            | 0.027          | 28.137  | 0                          |
|   |                      | FEB                  | 0.849            | 0.017          | 48.89   | 0                          |
|   |                      | PEB                  | 0.756            | 0.021          | 35.465  | 0                          |

The result of the SEM analysis supported the hypothesis that “*Employer branding Strategies adopted by adopted by the IT companies significantly influences the employee engagement in the organization*” (path coefficient =

0.478, t stats= 11.446). The positive and significant path coefficient of employer branding strategies adopted by the IT companies indicates significant positive impact on the organizational performance. The higher level of employer branding practices enhances their organizational performance.

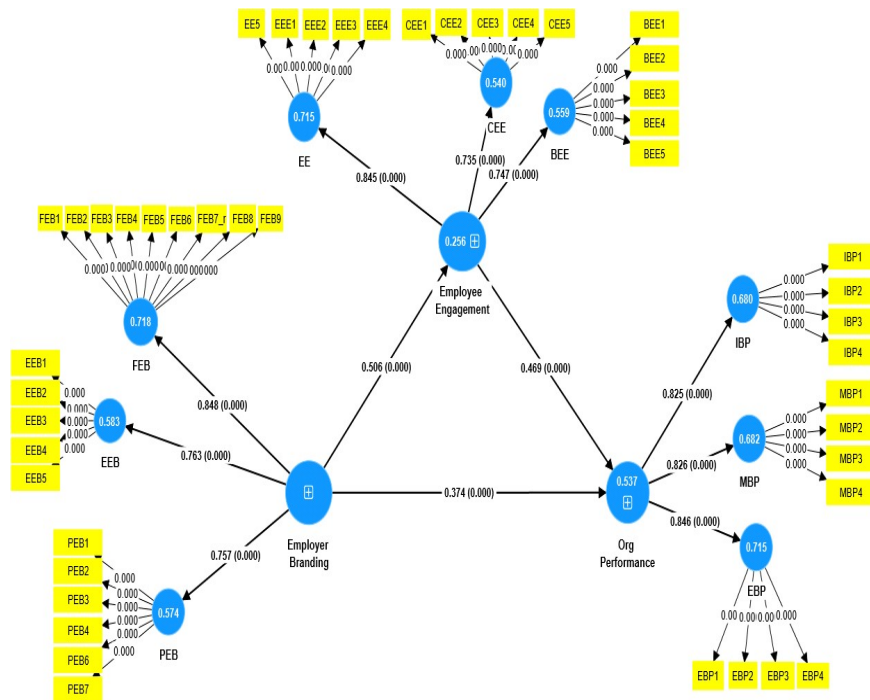
#### 4.4 Relationship between employer branding strategies, employee engagement and organizational performance

In the study the relationship between *employer branding strategies, employee engagement and organizational performance* is examined with the help of structural model. The *employer branding strategies, employee engagement and organizational performance* are second order constructs measured with the help of different statements included in the questionnaire and assumed to be reflective-reflective in nature. The organizational performance is assumed as endogenous construct, whereas the employer branding strategies are assumed exogeneous in nature. The employee engagement is assumed to play significant mediating role between employer branding strategies and organizational performance. The following hypothesis are examined with the help of Smart PLS software:

Hypothesis: “Employer branding strategies adopted by the IT companies significantly influences the employee engagement in the organization”

Hypothesis: “Employer branding strategies adopted by adopted by the IT companies significantly influences their organizational performance”

Hypothesis: “Employee engagement in IT companies significantly influences the organizational performance”



| Hypothesis | Exogeneous Construct | Endogenous Construct | Path Coefficient | Standard Error | T stats | F square | R Square values |
|------------|----------------------|----------------------|------------------|----------------|---------|----------|-----------------|
|------------|----------------------|----------------------|------------------|----------------|---------|----------|-----------------|

|   |                     |                     |       |       |          |      |               |
|---|---------------------|---------------------|-------|-------|----------|------|---------------|
| EB -> EE  | Employer Branding   | Employee Engagement | 0.507 | 0.04  | 12.565** | .352 | 25.6% (0.252) |
| EB --> OP                                       | Employer Branding   | Org Performance     | 0.373 | 0.041 | 9.219**  | .229 |               |
| EE -> OP  | Employee Engagement | Org Performance     | 0.469 | 0.038 | 12.206** | .36  | 53.7% (0.37)  |
| <b>Second order Construct Measurement Model</b> |                     |                     |       |       |          |      |               |
| Employee engagement as a second order model     | Employee Engagement | CEE                 | 0.735 | 0.028 | 26.017** |      |               |
|   |                     | EE                  | 0.846 | 0.018 | 47.43**  |      |               |
|   |                     | BEE                 |       |       |          |      |               |
|   |                     |                     | 0.748 | 0.027 | 27.58**  |      |               |
| Employer Branding as a second order model       | Employer Branding   | EEB                 | 0.763 | 0.026 | 29.041** |      |               |
|   |                     | FEB                 | 0.848 | 0.018 | 48.205** |      |               |
|   |                     | PEB                 |       |       |          |      |               |
|   |                     |                     | 0.757 | 0.021 | 35.564** |      |               |
| Org Performance as a second order construct     | Org Performance     | EBP                 | 0.846 | 0.021 | 39.394** |      |               |
|   |                     | IBP                 | 0.824 | 0.023 | 36.531** |      |               |
|   |                     | MBP                 | 0.826 | 0.022 | 36.771** |      |               |

The result of the SEM analysis supported the hypothesis that “Employer branding Strategies adopted by adopted by the IT companies significantly influences the employee engagement in the organization” (path coefficient = 0.373, t stats= 9.219). The positive and significant path coefficient of employer branding strategies adopted by the IT companies indicates significant positive impact on the organizational performance. The higher level of employer branding practices enhances their organizational performance. The result of the SEM analysis also found to support the hypothesis that “Employer branding Strategies adopted by adopted by the IT companies significantly influences their organizational performance” (path coefficient = 0.507, t stats= 12.565). The positive and significant path coefficient of employer branding strategies adopted by the IT companies indicates significant positive impact on the organizational performance. The higher level of employer branding practices enhances their organizational performance. Further, the result of the SEM analysis supported the hypothesis that “Employee engagement in IT companies significantly influences organizational performance” (path coefficient = 0.469, t stats= 12.206). The positive and significant path coefficient of employee engagement in IT companies indicates significant positive impact on the organizational performance. The higher level of employee engagement enhances the organizational performance.

• **Conclusions**

This paper establishes the relationship between employer branding, employee engagement, and organizational performance of IT sector firms. Employer branding plays a crucial role in influencing the employees and their level of engagement and as a result the employees significantly contribute to the overall success of an organization. A strong employer brand not only attracts the top talent to the organization, also retain them and increases their engagement to the work. The highly engaged employees found to be highly committed to their jobs and organisation. These employees put extra efforts to perform the assigned activities and as a result increases the firms productivity. The engaged employees like to stay and grow with the firm and contributes higher skills and knowledge to the firms. The employer brand reflects the company's values, vision and reputation of the firm. The engaged employees tend to be more productive and efficient, contributing to the overall performance of the organization. Engaged employees provides better service to the clients, leading to high satisfaction and loyalty from the customers. Also, the way the firm is perceived in the market also play an important role in attracting business partners, investors and overall reputation in the market. Thus, the higher efforts made by the firms to enhance their brand as an employer, attracts engaged employees, which significantly contributes to the overall

firm's performance. This relationship between *employer branding, employee engagement, and organizational performance* continuously enhances the organizational performance over the time. In summary, a positive employer brand initiates an attraction for potential talents as well as existing employees. This enhances the employee engagement, which further leads to high organizational performance through commitment to work and increased productivity. This study contributes to highlight the importance of employer branding in improving the business performance via improving the engagement of the employees.

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