

Effect of Employee Branding for Enhancing Customer Satisfaction, Organization Reputation and Employee Satisfaction Using Factor Analysis

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Abstract: *In recent decades, the role of human resources in building brand in organization has increased, because they are internal customer of organization. Despite of this viewpoint, reports show that more managers do not know how they can use them to achieve a competitive advantage for their organization. Therefore, present study aimed to identify employee branding and utilize of it in organization. The company needs to maintain the employee brand and due to which the satisfaction level of the employee is maintained and the effectiveness of the organisation can be improved. In my data analysis I have collected the data from the employees of Amul group of companies, Balaji Wafers Pvt. Ltd., Echjay Industries Pvt. Ltd., Falcon Pump Pvt. Ltd., P.M. Diesels Pvt. Ltd., Jyoti CNC Pvt. Ltd., Kadwani Forge Ltd., Patel Brass Work Pvt. Ltd., Saral group of Industries and Thirth Agro Technology Pvt. Ltd. I have collected the data through preparation of questionnaire and have analyzed the data using chi square test, factor analysis and even discriminate analysis for analyzing the employee branding impacting the organizational success.*

Keywords: Employee branding, Customer satisfaction, Favorable reputation, Employee satisfaction.

1. Introduction

Branding is about people. People build brands. People buy brands. The relationship at first glance, is a simple one –build a good brand and others will buy it. At the heart of this relationship, however, are the employees (Harris, 2007). Employees are the true endorsers and ambassadors of the company brand. Great customer service depends when employees embrace the service with smile, utmost care & customer come first mantra. This attitude, consistency and energy bring in delighting moments from customers at all touch points with brand. The secret of breakaway brands is to first create an absolute brand positioning internally and then tell customers, companies and communities through creative marketing strategy (Memon and Kolachi, 2012). The employees of a company have to know about the desired brand identity and be willing to project that identity both internally and externally. If employees do not internalize the brand identity, they can easily undermine customer expectations created by the external marketing efforts (Burmam and Zeplin, 2005).

Employee branding as a source of strategic competitive advantage has been a basis for discussion in recent years. While practitioners focused on the importance of employee branding and its positive outcomes, their discourse often lacked focus because they did not agree on the term's definition or its conceptualization (Miles and Mangold, 2005).

However, several research projects have focused on employee branding and the result of it in the past decade. There is limited empirical work which captures the success factors of employee branding. Few studies have been done on employee

branding like Miles and Mangold (2005) and Memon and Kolachi (2012) studies.

Therefore, as an employee branding process, the firms should be founded understanding of how they achieve a competitive advantage in organizations by employees. In this study, Miles and Mangold (2004) basic scales were used to assess employee branding model. Previous researches' review show that Miles and Mangold (2004) employee branding process have been used in many studies to identifying of employee branding process and outcomes of it. Therefore, this model is appropriate tool for understanding employee branding

2. Literature Review

Employees are the key players for the organizational success (Yaniv and Farkas, 2005). Loyal and committed employees are as asset for any organization and play a vital role in achieving the organization's targets in the highly competitive world of today (Aijaz and Ali Shah, 2013).

The role of human resources in brand building is therefore increasingly important. The management of employees in brand building has been referred to as internal marketing, internal branding and employee branding (Aurand et al., 2005).

Branding is not only as opportunity to shape customers' perceptions with respect to the organization; it is also an opportunity to shape employee perceptions as well (King and Grace, 2007). By definition, the employee brand is the image presented to an organization's customers and other stakeholders through its employees. It is tremendously important to the well-being of most organizations, given

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employees' potential for creating either extremely positive or extremely negative images (Mile and Mangold, 2007).

3. Research Methodology

3.1 Research Design

As my research is based on analysis of impact of employees branding on the organizational image and whether employee branding provides an good image in the market or not. Thus if yes then the corporate have to give an immense importance to the employee branding to maintain its position as well as ongoing growth. So as employee branding is based as the internal factor of the organization there are many factors such as satisfactory job, suitable environment to work, and their decisions been considered by the management, their way of dealing and handling customers etc. which leads to the development of employees skill and in result growing the organizational in a proper and trustful manner.

Thus as I think that all those companies who are able to work on employee branding successfully their external brand will be successful and the most important asset that organization will be gaining is the best and efficient working internal staff who are happy and satisfied by the work been allotted to them. Thus my research design focuses on exploratory data and trying to study the importance of marketing employee's brand.

3.2. Sample Size

To study the importance of employee branding and its impact on the regular working of the organization we have conducted the research in ten different companies including Amul Industries, Balaji Store, Echjay Industries, Falcon Pumps, Field Marshal, Jyoti CNC, Kadwani Forgien, Patel Brass Company, Saral Industries and Thirth Agrotech Company. The main analysis of these organization includes the working environment been provided to the employees in the organization and the support from the management which in turn decides the level of work integrity from the sides of employees.

Ho: There is no significant effect of 19 variables on Employee Branding.

H1. There is a significant effect of 19 variables on Employee Branding.

For the study of my research work we have considered the random sample of 30 employees from each industry from different functional levels so as to justify my research work. The details of each organization including the various ages and educational levels and the salary packages of the employees are been mentioned below as per the details of the organization.

4. Introduction to Factor Analysis

A factor is a "galaxy" within the universe. i.e. sometimes the variance of many variables may be largely explained by a

smaller number of underlying clusters, due to the clustering correlations amongst some variables. Factor analysis uses correlations among many items to sort related variables into clusters called "factors". It is used to identify clusters of correlated variables called factors. The major purposes of using the factor analysis are for theory development which is to classify variables and for the data reduction for reducing the numbers of factor analysis.

The factor analysis was invented by Charles Spearman (1904), Factor analysis is used to find factors among observed variables. In other words, if your data contains many variables, you can use factor analysis to reduce the number of variables. Factor analysis groups variables with similar characteristics together.

With factor analysis we can produce a small number of factors from a large number of variables which is capable of explaining the observed variance in the larger number of variables. The reduced factors can also be used for further analysis.

Thus the Factor Analysis is divided into 3 steps:

- 1) First, a correlation matrix is generated for all the variables.
A correlation matrix is a rectangular array of the correlation coefficients of the variables with each other.
- 2) Second, factors are extracted from the correlation matrix based on the correlation coefficients of the variables.
- 3) Third, the factors are rotated in order to maximize the relationship between the variables and some of the factors.

5. Assumptions of Factor Analysis

Factor analysis is designed for interval data, although it can also be used for ordinal data (e.g. scores assigned to Likert scales). The variables used in factor analysis should be linearly related to each other. This can be checked by looking at scatter plots of pairs of variables. Obviously the variables must also be at least moderately correlated to each other, otherwise the number of factors will be almost the same as the number of original variables, which means that carrying out a factor analysis would be pointless.

5.1 Descriptive Analysis

The first output from the analysis is a table of descriptive statistics for all the variables under investigation. Typically, the *mean*, *standard deviation* and *number of respondents* (N) who participated in the survey are given. Looking at the *mean*, one can conclude that *considering Employees Feedback* is the most important variable that influences customers to buy the product. It has the highest *mean* of 26.50.

Descriptive Statistics			
	Mean	Std. Deviation	Analysis N
Long term stay	24.8000	5.65292	10
Considering valuable employee	23.4000	5.79655	10
Providing enthusiastic environment	24.7000	1.76698	10
Participating in managerial decision	22.9000	7.14065	10
Motivation from management	23.4000	5.23238	10
Considering in strategic decision	19.5000	4.27525	10
Satisfying the goals	25.1000	3.47851	10
Working ethically	23.9000	2.51440	10
Stress free working environment	25.6000	1.71270	10
Devotion to the work	25.7000	4.49815	10
Good working environment	24.8000	3.52136	10
Training and development program	23.4000	2.17051	10
Career opportunities for growth	24.5000	1.95789	10
Maintenance of WLB	20.4000	3.62706	10
Importance of 3Rs	25.1000	1.85293	10
Clear vision of companies strategies	23.6000	2.63312	10
Considering employees feedback	26.5000	1.17851	10
Capital or labour organized	22.7000	3.36815	10
Usage of latest technologies	26.0000	1.41421	10

5.2 The Correlation Matrix

The next output from the analysis is the correlation coefficient. A correlation matrix is simply a rectangular array of numbers which gives the correlation coefficients between a single variable and every other variables in the investigation. The correlation coefficient between a variable and itself is always 1, hence the principal diagonal elements of the correlation matrix is always 1.

The correlation coefficients above and below the principal diagonal are the same. That is , the off diagonal elements of correlation matrix is the covariance between two different variables. The determinant of the correlation matrix is shown at the foot of the table below.

Correlation Matrix ^{a,b}		
		Usage of latest technologies
Correlation	Long term stay	-.584
	Considering valuable employee	-.664
	Providing enthusiastic environment	-.267
	Participating in managerial decision	-.517
	Motivation from management	-.300
	Considering in strategic decision	-.570
	Satisfying the goals	-.316
	Working ethically	-.594
	Stress free working environment	.275
	Devotion to the work	-.210
	Good working environment	-.156
	Training and development program	-.434
	Career opportunities for growth	-.321
	Maintenance of WLB	.412
	Importance of 3Rs	.424
	Clear vision of companies strategies	.090
	Considering employees feedback	-.333
	Capital or labour organized	.257
	Usage of latest technologies	1.000

For this correlation matrix the determinant comes out as zero. So the matrix is a singular matrix and hence the matrix is not a positive definite.

5.3 Communalities

The next item from the output is a table of communalities which shows how much of the variance in the variables has been accounted for by the extracted factors. For instance over 90% of the variance in *considering employee valuable* is accounted for while 87.7 % of the variance in *Long term stay* is accounted for.

Communalities		
	Initial	Extraction
Long term stay	1.000	.877
Considering valuable employee	1.000	.917
Providing enthusiastic environment	1.000	.944
Participating in managerial decision	1.000	.986
Motivation from management	1.000	.808
Considering in strategic decision	1.000	.950
Satisfying the goals	1.000	.889
Working ethically	1.000	.935
Stress free working environment	1.000	.916
Devotion to the work	1.000	.972
Good working environment	1.000	.837
Training and development program	1.000	.930
Career opportunities for growth	1.000	.903
Maintenance of WLB	1.000	.904
importanceof3Rs	1.000	.968
Clear vision of companies strategies	1.000	.961
Considering employees feedback	1.000	.938
Capital or labour organized	1.000	.874
Usage of latest technologies	1.000	.703
Extraction Method: Principal Component Analysis.		

Thus it can be seen from the above table that almost all the factors are affecting the long term stay of the employee in the organization on the basis of which the organization is able to maintain the brand of the employees for the competition level.

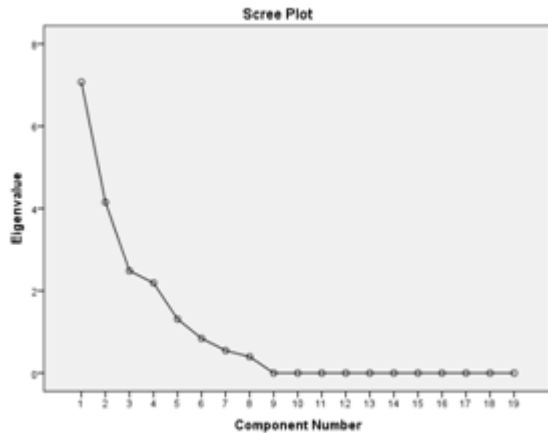
5.4 Total Variance Explained

The next item shows all the factors extractable from the analysis along with their Eigen values, the percent of variance attributable to each factor, and the cumulative variance of the factor and the previous factors. Notice that the first factor accounts for 37.225% of the variance, the second 21.854%, the third 13.084 and the fourth 11.529 %. All the remaining factors are not significant.

5.5. Screen Plot

The screen plot is a graph of the eigenvalues against all the factors. The graph is useful for determining how many factors to retain. The point of interest is where the curve starts to flatten. It can be seen that the curve begins to flatten between factors 4 and 5(i.e. participating in managerial decision and Motivation from management). Note also that factor 6 (Considering in strategic decision) has an eigenvalue of less

than 1, so only five factors have been retained. Even the 6th (Considering in strategic decision) and 7th (Satisfying the goals) factors can be considered as the eigenvalue is near about .842 and .572 which are nearly about and near to 1. Thus the companies can also consider 6th (Considering in strategic decision) and 7th (Satisfying the goals) factors and can retain it for the factor analysis comparison.



5.6 Component Factor Matrix

The table below shows the loadings of the eight variables on the three factors extracted. The higher the absolute value of the loading, the more the factor contributes to the variable. The gap on the table represent loadings that are less than 0.5, this makes reading the table easier. We considered only the loadings which are less than 0.5 and hence others are suppressed.

Component Matrix					
	Component				
	1	2	3	4	5
Long term stay	.834				
Considering valuable employee	.750				
Providing enthusiastic environment		.766			
Participating in managerial decision	.821				
Motivation from management				.510	
Considering in strategic decision	.638				
Satisfying the goals	.545	.677			
Working ethically	.890				
Stress free working environment			.722		
Devotion to the work	.564	.722			
Good working environment		.672			
Training and development program	.818				
Career opportunities for growth			-.641	.540	
Maintenance of WLB	-.605			.642	
importanceof3Rs		.862			
Clear vision of companies strategies			.610	.642	
Considering employees feedback	.676				
Capital or labour organized	-.779				
Usage of latest technologies	-.663				
Extraction Method: Principal Component Analysis.					
Remarks . 5 components extracted.					

5.7 Rotated Component Factor Matrix

The idea of rotation is to reduce the number of factors on which the variables under investigation have high loadings. Rotation does not actually change anything but makes the interpretation of the analysis easier. The following table shows that the factors are depended on the other variable factors.

SR. No.	Rotated Component Matrix					
		Component				
		1	2	3	4	5
1	Long term stay	.836				
2	Considering valuable employee			.791		
3	Providing enthusiastic environment		.969			
4	Participating in managerial decision	.831				
5	Motivation from management	.733				
6	Considering in strategic decision	.718				.547
7	Satisfying the goals		.920			
8	Working ethically	.700				
9	Stress free working environment				.896	
10	Devotion to the work		.943			
11	Good working environment		.719			
12	Training and development program	.923				
13	Career opportunities for growth					.940
14	Maintenance of WLB			-.772		
15	importanceof3Rs		.565	-.743		
16	Clear vision of companies strategies				.901	
17	Considering employees feedback		.739			
18	Capital or labour organized	-.739				
19	Usage of latest technologies			-.560		
	Extraction Method: Principal Component Analysis.					
	Rotation Method: Varimax with Kaiser Normalization.					
	a. Rotation converged in 7 iterations.					

Looking at the table we can say that the following five variables, viz. Long term stay, participating in managerial decision, Motivation from management, considering in strategic decision, Stress free working environment are selected for the employee branding according to our investigation. Further the following two variables viz. Training and development program and capital or labour organized factors can also be considered as they are substantially loaded on factor (component) 1 i.e. Long term stay.

The components satisfying the goals, devotion towards the work, good working environment, maintaining 3 R's (i.e. Respect, Recognition and Remuneration) and positive employee's feedback is dependent on the factor (Component) 2. That is, considering the employees more valuable in the firm.

The components of stress free environment and clear vision of companies are affecting the factor 4 i.e. decisions at managerial level. Thus considering in management decisions and providing career opportunities are helping the firm to maintain motivation for the employees.

5.8 Component Transformation Matrix

Component Transformation Matrix					
Component	1	2	3	4	5
1	.760	.485	.424	.040	.079
2	-.300	.809	-.401	.298	-.080
3	.177	-.254	.019	.727	-.613
4	.331	-.214	-.508	.406	.650
5	-.438	.023	.634	.465	.436

Thus from the above table the first five variables are dependent on each other and based on that the other variables are decided. Thus the factors like long term stay, considering valuable employee, motivation from management, considering in strategically decision and providing enthusiastic environment are the most important factor which considers the employee branding level for the competitive levels.

6. Conclusion

In this paper, the effect of employee branding on the customer satisfaction, favorable reputation and employee satisfaction were investigated and it was determined that the employee branding positively influences Customer satisfaction, favorable reputation and employee satisfaction. In this section, some arguments from other researchers are brought for verifying our findings. From this research paper it can be seen that the null hypothesis is rejected and there is a significant difference between 19 variables.

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