

## HR Branding, A Tool for Attracting & Retaining Talent in Missile Manufacturing Industry in Telangana State

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### Abstract

Employees are valued assets of any organizational set up. Now organizations are understanding that job hunter are perceiving and interested only in the better organization to work based on their employer branding [1]. In order to gain advantage in the competition from private sector for talent acquisition and retention, Public Sector enterprises have to create an enabling strategy to attract, select and retain talent with employees value proposition ie salary, compensation & benefits provided to the prospective and current employees for the skills, services rendered by them during the course of employment. Which is employer brand strategy. The paper defines the significance of employer brand/HR brand, and it also analyzed the awareness of the current, newly joined and prospective employees on various factors of HR branding which encompasses Recruitment process, Company image, Compensation & Benefits, HR culture and overall HR branding. The results of the study indicates very positive. Hence the study is educative and interesting to build HR brand to establish a good image of employer brand to attract and retain talent in the competitive market.

**Key words:** Human Resource Branding (HRB); Employee Value Propositions (EVP); Public Sector Undertakings(PSUs); Training & Development (T&D); Compensation & Benefits (C&B).

### Introduction

If an organization has been facing continuous talent scarcity, employer branding can help to get out of it. Employer branding is basically a process of creating organizational image and making organizational identity. Branding plays an important role for the both the existing employees (internal customers) and external/prospective employees. Employer Brand or HR brand acts as a catalyst for attracting, selecting and retaining the employees for the Company's performance sustainability. This also helps to select right people for the right job. Employer

brand develops the image of the organization and highlights what the company delivers to the employees, customers, public and shareholders. It also helps in recruiting talent saving time and budget and helps to overcome the shortage of talent [2]. HR branding thus requires communication of company's reputation and image, values, mission and vision which suits to the aspirations of prospective employees to both prospective and existing employees [3].

### Need for the Study

HR branding gained momentum now days amongst academicians, professionals and researchers, which yields opportunities for academic and industry personnel comprehensively to work together for developing concept of better understanding and shaping HR brand and to act as employer of choice for the prospective and current employees by formulation of HR policies and practices. It is a strategic tool for talent acquisition and retention. Therefore, a need is felt to study the perceptions of prospective and current employees to understand that BDL is unique place for work with its brand image. Hence, the study is taken up.

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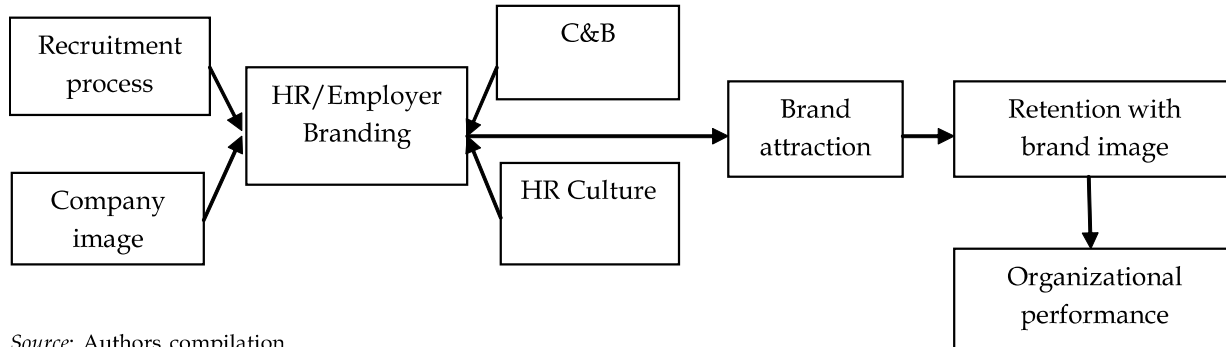
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### Conceptual Frame Work

Employer/HR branding is a strategic tool of the firm's identity in Marketing for its products & services and HR to attract and retain the talent in business



Source: Authors compilation

environment. In the present study, factors establishing the HR/Employer branding are transparency in recruitment, Company image, C&B and HR culture to attract and retain the talent to improve the organizational performance.

### Literature Review

Ambler & Barrow(1996) [4] described that HR branding encompasses functional, psychological and economical benefits provided as a part of employment relation by an organization for the skills, service delivery of potential employees.

Gerhat & Scot (2003) [5] from their study observed that policies of employer branding are combined with not only with highly stable and positive attitude work force in turn have an effect on organizational performance.

Levinson (2007) [6] in his study of high employee engagement stated that when the employees are happy in their working environment, there is a high possibility for stay and engaged in that organization and significantly yield to Organizational commitment.

According to Asia's Best Employer Brand Award -(2010) [7], Indian Oil Corporation Limited bagged best brand award for its innovatively managing of Electronic Performance Management System to become it as bench mark in PSUs to attract and retain best talent with them and its employee value propositions like healthy work climate, learning & development, Career Growth and work life balance practices.

According Taneja (2010) [8] in his study observed that NTPC is spending huge amounts for its employer brand for providing benefits to its employees in the form of townships, educational facilities to its present employee's children, free medical care, low interest loans and also hiring employee's spouses for productive work. Therefore, it has attracted 100000 applications for filling up of 500 positions.

Suman Kumar Dawn et al (2010) [9] in their study stated that employer brand is necessary for augmenting competitive advantage and Indian Corporate's are using it as strategic tool and capacity to attract and retain talent and also signify quality its to customers. It helps for structured recruitment and catch the right people in the right job as per the company's expectations.

Vijay Rathee, Ritur (2015) [15] in their study on Impact of employer branding on Employee's attitude found that the employer branding has effect on attitude as per the respondents perceptions in which compensation fair rewards, retirement benefits, social value like equal respect , facilities, T&D, equal opportunities, HR practices, employees compliments for proud to work in the select organizations plays a critical role. Out of this major thrust on monetary factors such as compensation & benefits, which is the dominant factor for attraction of potential employees and retention of internal employees.

Taneja (2010) [8] in his study at NTPC, which is a Maharatna status in nature found that the ratio of potential applicants per a vacancy position is 1:200 due to their employer brand on the welfare benefits extended. On analyzing the data in select PSU, the potential applicants for a vacancy is 379 candidates on an average in 6 years. Therefore it is concluded that the brand image/HR branding is more in the select organization even though it is conferred with miniratna status.

### Profile of the Organization

The select organization is a Public Sector Under Ministry of Defence established in the year 1970 at Hyderabad under the. It has Miniratna status in its

rating in Defence PSUs. It is one amongst the few strategic industries in the world manufacturing strategic missiles. The original name of the organization is avoided due to sensitivity.

The Organization was incorporated with the prime objective of manufacturing guided missiles, pioneering with license production of SS11 B1, a first generation Anti-Tank-Guided Missile [17]. Today, it is producing second-plus generation missiles and allied equipment, in addition to long range strategic missiles. It has also taken up refurbishment and life extension of missiles held by Defence Services. To expand its customer base, has forayed into the fields of Under Water Weapons and Decoys [18].

Efforts are also on to penetrate into international market by participating in International Defence Exhibitions and through Joint Venture business partners [18]. With its Corporate Office located at Hyderabad, and having three manufacturing Units, one at Hyderabad and other at Medak District of Telangana State and one unit at Visakhapatnam, Andhra Pradesh to cater to the requirements of the Indian Navy is on the anvil [19].

It is also planned to set up new Units one at Ibrahimpatnam, Ranga Reddy district, T.S. and other one at Amravathi, Maharashtra [20]. Most of divisions of the industry have been accredited with ISO: 14001 - 2004 certification in appreciation of its Environmental Management System (EMS) practices.

*Research Gap:* Priyadarshini (2011) [10] from her research studies stated that literature on empirical research is scanty for better understanding amongst the professionals, industries, academicians and researchers even though the concept of Employer branding is gaining momentum and found that it is inadequate [11,12,13] (Cable & Turbon, 2001, Backhaus & Tikoo, 2004; & Davies, 2008).

*Vijay Rathee, Ritur (2015)* [15] in their stated that Employer branding/HR branding is a complex phenomena wherein various dimensions takes stock to improve the brand image of any institution/organization and needs to study differently. Therefore, after reviewing the literature, the studies on this topic have been found to sparse in PSUs and hence there is a gap for study in Defence PSU ie Missile Manufacturing Industry.

Hence a study has been taken up to find out the potential applicants for vacancies announced based on transparency in recruitment process, based on the image, Compensation & benefits to find out the overall HR Branding/Employer branding in the select

DPSU.

#### *Objectives of the Study*

- i. To understand the concept of HR Branding
- ii. To assess the employees perception on hr branding dimensions under study.
- ii. To study the relationship of various factors involved in hr branding.
- iv. To suggest any improvements in hr branding.

#### **Research Methodology & Data Collection**

Research methodology is the organized way to resolve the research problem. It provides an idea on various steps assumed by the researcher in a planned manner with an objective to establish various manners. According to the set objectives the questionnaire consisting of statements with Likert's scale ranging from 1 to 5 indicating 1 for highly dissatisfied and 5 for highly satisfied. All the questions in the instrument are planned in such a way, it elicit all the pertinent information needed for the study. The data obtained is tabulated and examined to formulate interpretations easier using MS-Excel and SPSS. Based on the objectives of the study, the questionnaire is prepared. The statistical tools used for analysis of data are Mean values, correlation and Factor Analysis.

#### *HR branding Dimensions/Factors*

According to Collins and Stevens [16] in their study inferred that the intention of potential candidates for applying to a job based upon two dimensions of the employer. It depends on Job characteristics and general attitudes towards the company. They were studied the branding on three dimensions viz., social status, economic values and developmental orientation in the company. They have studied one more dimension that is Corporate reputation which is signaling in the literature.

Now a days the other dimension which is signaling to attract the potential applicants for the jobs, process of recruitment also plays a vital role hence, the following pattern of dimensions have taken up to study and attributable to the HR branding, since there were no clear dimensions in deciding the HR branding.

#### *Transparency in Recruitment Process*

To have a transparency in recruitment process select organization has adopted online application

process and selection through Computer based online test using technology. Some of the benefits are 40% reduction in cycle time of recruitment process, error free scrutiny, Uploading the information related to Advertisement, Written Test, Practical Test, Interview, Shortlisted Candidates, on the company website, Immediate declaration of results and readily available MIS in softcopy form and absolute transparency in the selection process. Therefore, on perusal of the applicants there is tremendous increase in attraction of potential candidates as per the study of secondary data.

*Company Image:* Now a day's companies are publishing their employee value propositions in their company's websites about their products, policy manuals, financial status, services, CSR activities, customers to the company and their satisfaction. These are few dimensional criteria to enrich the company image in the minds of potential job seekers. Job seekers are assessing all the above parameters before applying for the job and examining the reputation of the company in the public domain. High reputation of company will have an positive impact on employee efficiency.

*Compensation & Benefits (C&B):* Based on the pay structure and benefits extended to the employees in terms of monetary and non monetary to the employees is also very key parameters in addition to career progression in the Company. It includes pay scale, perks and allowances, promotional opportunities, superannuation benefits and other fringe benefits. The C&B has play a dominant role for commitment of the employees in achieving the production and profitability to the organization and for retention.

*HR Culture:* Organization culture plays a vital role in deciding the HR branding. The relationship between superiors and subordinates to motivate the employees for achieving the results, top management support, safety and congenial work environment and harmonious relationship between the Management and Unions, Learning and Development orientation, proper communication channels and autonomy in decision making in the organization put together decides the culture of the organization.

The work culture in the organization will have an impact on the employees, which leads satisfaction of the employees for commitment and retention. If the employees dissatisfied with the culture or any other dimension mentioned above may lead to attrition. The above explained dimensions are also attributable to decide the HR/employer branding. Hence, following hypothesis was designed after review of the existing literature.

**Hypothesis Design**

H<sub>01</sub>: There is no significant effect of transparency in recruitment process on HR branding

H<sub>02</sub>: There is no significant impact of company image on HR branding

H<sub>03</sub>: There is no definite impact of Compensation & benefits on HR Branding.

H<sub>04</sub>: There is no impact of work/HR culture on HR branding

*Reliability:* Reliability Statistics of Chronbach's alpha is calculated for inter item consistency. It is 0.800 for 28 items grouped into 4 categories. The range

**Data Interpretation & Analysis**

Table 1: Correlations

|             |                     | Rectt  | Image  | C& B   | HR culture | Overall HRB |
|-------------|---------------------|--------|--------|--------|------------|-------------|
| Rectt.      | Pearson Correlation | 1      | .186   | .118   | .194       | .320**      |
|             | Sig. (2-tailed)     |        | .110   | .314   | .095       | .005        |
|             | N                   | 75     | 75     | 75     | 75         | 75          |
| Image       | Pearson Correlation | .186   | 1      | .433** | .660**     | .950**      |
|             | Sig. (2-tailed)     | .110   |        | .000   | .000       | .000        |
|             | N                   | 75     | 75     | 75     | 75         | 75          |
| C& B        | Pearson Correlation | .118   | .433** | 1      | .470**     | .560**      |
|             | Sig. (2-tailed)     | .314   | .000   |        | .000       | .000        |
|             | N                   | 75     | 75     | 75     | 75         | 75          |
| HR culture  | Pearson Correlation | .194   | .660** | .470** | 1          | .739**      |
|             | Sig. (2-tailed)     | .095   | .000   | .000   |            | .000        |
|             | N                   | 75     | 75     | 75     | 75         | 75          |
| Overall HRB | Pearson Correlation | .320** | .950** | .560** | .739**     | 1           |
|             | Sig. (2-tailed)     | .005   | .000   | .000   | .000       |             |
|             | N                   | 75     | 75     | 75     | 75         | 75          |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

between 0.05 to 1.0 indicates higher inter item consistency.

In order to understand the strength of relationship between variables, correlation analysis was performed. Correlation provides a "unit less" measure of association between two variables, ranging from -1 (showing perfect negative relation) to (no relation) to +1 (perfect positive relation). Both variable are treated neither predictor or an outcome. The most commonly used version the Pearson coefficient of correlation 'r' was employed.

#### Results Indicate that

There is a significant relationship between overall Recruitment Process and Overall HR Branding ,  $r=0.320$ ,  $p<0.001$ , that means there is a little association.

There is a significant relationship between Company Image and Overall HR Branding ,  $r=0.950$ ,  $p<0.001$ . The results indicate that company's Image plays vital role in the HR branding.

There is a significant positive relationship exist C&B on HR Branding with,  $r= 0.560$ ,  $p<0.001$  which indicates that positive relation exists.

There is a significant relationship exist between HR culture and overall HRB with  $r= 0.739$   $p<0.001$ .

Hence there are strong positive associations exists for C&B, Company Image and HR Culture with HR Branding of the Company with a average positive association of transparency in recruitment process of the company.

From the above data, the results of the hypothesis are significant at 99% level of significance. Hence all the null hypothesis are rejected and alternate hypothesis are accepted which given as under:

*Hypothesis 1:* From the correlations results, the recruitment process is found to be little significant at 99% level. Hence, transparency in recruitment process may not be strong influence on HR branding.

*Hypothesis 2:* From the results it is noticed that company image is strong and significant influence at 99% of significance level. Hence, it plays strong influence on HR branding.

*Hypothesis 3:* As per the observations of the results, there is definite impact of Compensation & benefits on HR Branding and significant at 99% level of significance. Hence, it is concluded that this dimension is also a strong influence on HR branding.

*Hypothesis 4:* It is observed from the results of correlation of HR culture , it is inferred that there is little impact of work/HR culture on HR branding and significant at 99% level of significance with little positive association. However, it is also an influence on HR branding.

From the table 2 it is inferred that overall Perception of HR branding in the Missile industry is at fair level with a mean value of 3.79 which is equivalent to 69.75%. On observation of the results, Compensation & Benefits and Company Image have a definite impact on attraction and retention of talent in the Company with mean values of 3.89 (72.25%) and 3.82 (70.50%) respectively. The respondents perceived that Recruitment process (3.4 Mean, 60%) is at average

**Table 2:** Analysis of data based on mean value of different dimensions of HR branding based on T-Test

|            | N  | One-Sample Statistics |                |                 |
|------------|----|-----------------------|----------------|-----------------|
|            |    | Mean                  | Std. Deviation | Std. Error Mean |
| Recrt      | 75 | 3.40                  | .544           | .063            |
| Image      | 75 | 3.82                  | .419           | .048            |
| C& B       | 75 | 3.89                  | .50            | .058            |
| HR culture | 75 | 3.35                  | 1.06           | .12             |
| HRB        | 75 | 3.79                  | .39            | .045            |

Source: Primary data, 1= highly dissatisfied,2=dissatisfied, 3= neutral, 4= satisfied, 5= highly satisfied.

**Table 3:** Analysis of HR branding on different dimension based on One-Sample Test

| t          | DF     | Sig. (2-tailed) | Test Value = 0  |   |       |      |
|------------|--------|-----------------|-----------------|---|-------|------|
|            |        |                 | Mean Difference | 95% Confidence Interval of the Difference |       |      |
|            |        |                 |                 | Lower                                     | Upper |      |
| Recrt      | 54.301 | 74              | .000            | 3.40                                      | 3.29  | 3.53 |
| Image      | 78.848 | 74              | .000            | 3.82                                      | 3.72  | 3.91 |
| C&B        | 67.471 | 74              | .000            | 3.90                                      | 3.78  | 4.01 |
| HR culture | 27.369 | 74              | .000            | 3.35                                      | 3.10  | 3.59 |
| HRB        | 84.859 | 74              | .000            | 3.79                                      | 3.71  | 3.88 |

level and HR Culture (3.35 Mean, 56.25%) is also just average level and needs further improvement.

Table 3 gives the values of t-test, the t value indicates the observed t statistic for each dimension, which is obtained as the ratio of mean difference and standard of standard error of the mean at 74 degrees of freedom. The t values shown in the table 4 is the probability to obtain values  $\geq$  observed t statistics. Accordingly, the t- values are greater for Image followed by C&B, recruitment and HR culture.

### Conclusions

From the above analysis indicates that Perception of employees on HRB is mainly dependent on Company Image, Compensation & Benefits, these two dimensions are having significant role in the HR Branding. The transparency in recruitment process and HR Culture not having much significant effect on HR branding. Hence, the objectives set for the study are met along with rejection of null hypothesis and acceptance of alternate hypothesis. The HRB as whole is at fair level.

### Recommendations

It is recommended further to improve more transparency in recruitment process to have robust system for better satisfaction levels of employees and needs for improvement in HR culture/work culture to have an impact on HR branding in turn leads to further attraction and retention of talent which in turn improves productivity of industry.

### Limitations of the Study

The survey is focused to the discrimination and bias, hence 100% accuracy can't be secured. The survey was conducted in short span and data collection on random sampling method. Hence research study could not be universalized.

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