



# Effectiveness of employer branding on staff retention and compensation expectations

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# **Abstract**

This research shows that employer branding could be used to retain employees and reduce compensation levels, whilst providing a practical model to execute a successful employer branding strategy. Employer branding was defined as a set of tangible and intangible benefits offered by an organisation to attract and retain employees from a targeted audience. A quantitative study was performed and data was collected by means of an electronic questionnaire, which was distributed to employees of five South African insurers. Analysis of variance tests, correlation tests and a t-test were used to test the hypotheses.

The study showed that employer branding increases staff retention, which could provide a competitive edge for businesses. An excellent employer brand can reduce the compensation expectations of employees, increasing the overall financial performance of a company. The study also showed that age, education level and employment duration have an impact on employer branding, findings which could assist organisations to define their target group. Lastly, employer branding efforts by organisations are recognised by their employees, providing evidence to support the cost of an employer branding strategy.

A practical model, the employer branding control cycle (EBCC), was developed to assist organisations to successfully execute an employer branding strategy. This model considers the design, implementation and monitoring phases of such a strategy.

# **Keywords**

Employer branding, retention, compensation



# **Declaration**

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination at any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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# 1 Introduction to the research problem

#### 1.1 Introduction

Generally, staff turnover in businesses is high and employee-retention strategies are an increasing topic in board meetings. Retention and attraction of top talent is the sixth highest business risk, according to an annual executive survey by North Carolina State University's ERM Initiative and Protiviti (Beasley et al., 2016). This study evaluated employer branding as a management strategy for retaining good quality staff (Biswas, & Suar, 2016; Clair, 2016) and the impact it has on employee compensation expectations.

By considering various definitions, this study defined employer branding as: A set of tangible and intangible benefits offered by an organisation to attract and retain employees from a targeted audience. A competitive remuneration structure is the conventional building block of an employer brand, but research has shown that psychological factors are becoming more important for employees. Factors such as work-life balance and work atmosphere are taken into consideration when employees compare job offerings (Tanwar & Prasad, 2017), coupled with their seeking of more flexible work arrangements (Hagel, 2012). Businesses need to be more flexible and responsive to the transforming work environment, by revising procedures and integrating better talent management practices (Schlechter, Thompson, & Bussin, 2015).

Current techniques used by companies to enhance their employer branding are internal communication, training support, various leadership practices such as visibility of senior managers, reward programs, recruitment practices, and feedback from clients and staff (Vatsa, 2016). Employer branding enhances both financial and non-financial performance (Biswas & Suar, 2016). Employee productivity is enhanced through employer branding which increases organisational performance (Smit, Stanz, & Bussin, 2015). Employer branding could also be used to increase innovation and social acceptability (Martin, Gollan, & Grigg, 2011).

After considering current business needs and shortcomings in the available literature on employer branding, the following four research questions were considered in this study:

Are compensation expectations less for companies with a good employer brand?
 For example, are people willing to take a salary cut to work for a company with a good employer brand, such as Google? Google is considered one of the world's best employers, and the company values employees as its most precious



commodity, creating one of the finest work atmospheres (Matsangou, 2015). Investment in employer branding could assist businesses in South Africa to reduce their current salary spend.

- Can employer branding reduce staff turnover rates? If staff turnover rates are
  reduced, companies reduce the financial losses suffered when employees
  resign. These losses arise from the acquisition costs of new employees, the
  costs associated with the training of new staff, and the loss in productivity from a
  new employee compared to an existing employee.
- What is the impact of demographic factors on employer branding? This assists companies to better understand the impact of their efforts and help with the targeting of different demographic groups. This is pertinent in the South African context where companies have to consider the Broad Based Black Economic Empowerment Act of 2003 and the Employment Equity Act of 1998 in addition to sensitivities around some of the demographic factors driven by the country's history and cultures.
- Are employer branding efforts recognised and acknowledged by employees from different companies? Boards of companies want to know that they get a return on investment. This could also create additional external employer branding marketing material for companies if multiple companies are benchmarked against one another.

The study was quantitative in nature and collected data on five South African insurers. Retaining top talent for South African insurers has been identified as the third highest risk for 2017 and the ninth highest risk for insurers globally (Study of Financial Innovation, 2017). Insurers are increasingly focusing on their employer branding efforts through the reporting of awards such as Top Employers South Africa, staff brochures explaining companies' employee value propositions and reviews of rewards structures.

The data for the study was collected through a questionnaire that was distributed to employees of the insurers that participated. Careful consideration was given to the development of the questionnaire to enhance the quality of the results, following the potential biasedness created by the expression of compensation changes in relative terms rather than absolute terms (Panasiak & Terry, 2013). The questionnaire was distributed electronically.

Twelve hypotheses followed from the research objectives and these were tested by means of analysis of variance tests, t-tests and correlation tests. The results were



discussed using comparisons to current literature. The study concludes with the impacts on management and suggestions for future research.

#### 1.2 Research problem

Businesses in South Africa are struggling with skill shortages (Rasool & Botha, 2011) and talent scarcity threatens business success (Biswas, & Suar, 2016). South African companies are experiencing high employee turnover (Van Zyl, 2011) which leads to significant organisational costs, with replacement cost for an entry-level position being between 50% and 100% of the employee's salary and on senior levels up to 200% (Clair, 2016; Porter, 2011).

Products, services and business strategies can easily be copied by competitors, but a company's talent pool is almost impossible to copy (Pregnolato, Bussin, & Schlechter, 2017), increasing the desirability of current employees by competitors. The retention of quality employees could provide a competitive edge for businesses (Biswas & Suar, 2016) and increase overall financial performance (Smit et al., 2015).

One management strategy that could be used to retain good quality staff is employer branding (Biswas & Suar, 2016; Clair, 2016). Employer branding considers the financial and non-financial benefits that attract and retain staff (Ambler & Barrow, 1996). The current academic studies around employer branding relate more to the attraction of potential employees than their retention (Kucherov & Samokish, 2016), although it is believed to enhance retention of current staff (Biswas & Suar, 2016; Clair, 2016).

The benefit categories that should be considered in an employer branding strategy are work atmosphere, employee development, work-life balance, the company's ethical stance and financial rewards (Tanwar & Prasad, 2017). Not all these categories can be easily rectified as some are entrenched in the culture of an organisation, making employer branding a deliberate strategic action rather than a small project. Management should set an example for staff through its actions and its pervasive presence throughout the company (Vatsa, 2016). To ensure that employer branding meanings are entrenched, repeated communication is important with sufficient feedback from staff and customers (Vatsa, 2016).

Employer branding is perceived to enhance financial performance of companies through having more engaged employees (Biswas & Suar, 2016). Interest has also surfaced on



the impact of employer branding on compensation preferences (Rampl & Kenning, 2014) and the comparison between strong and weak employer brand organisations (Moroko & Uncles, 2008; Tanwar & Prasad, 2017). A suggestion has been made that a strong employer brand can reduce salary expectations (Berthon, Ewing, & Hah, 2005), although this has not been empirically proven.

In South Africa, staff turnover rates differ among different demographic groups in the same company, with turnover for black senior managers being higher than the average (Nzukuma & Bussin, 2011). This creates difficult situations for businesses under the Broad Based Black Economic Empowerment Act of 2003 and the Employment Equity Act of 1998 due to the time delay in replacing senior managers. Employer branding literature has focused on general attributes rather than specific ones (Sommer, Heidenreich, & Handrich, 2016) which is very relevant for South African companies.

Based on the business need to retain employees, the aims of this study are: To investigate the compensation expectations of employees moving to another employer, given the perceived employer brand level at their current employer; to establish the impact of employer branding on employee retention; to clarify the impact of demographic factors on employer branding; and to establish if employer branding efforts are recognised and acknowledged by employees from different companies. The research findings based on these aims could assist companies to enhance their employer branding efforts which could in turn lead to lower staff turnover and better financial results.

## 1.3 Research objectives and motivation

This study was selected due to the need in South African businesses to retain good quality employees, especially those with professional backgrounds. Employer branding is a management strategy that can be used to retain employees (Biswas & Suar, 2016). Limited academic research on employer branding has been done, even though its practices are common in organisations (Kucherov & Zavyalova, 2012). This raises concerns surrounding the rationality of branding cost spending for businesses.

If employer branding efforts could reduce compensation preferences (Rampl & Kenning, 2014), business could reduce their expenses and enhance returns to shareholders. For example, Google has a very good employer brand and therefore could potentially offer



lower compensation to its employees. Testing this empirically, adds significant value to both the literature and business decisions.

There is a paucity of studies measuring the effect of employer branding on the retention of staff (Kucherov & Zavyalova, 2012), which is surprising since employer branding should first focus on current employees (Vatsa, 2016). With the high replacement costs associated with employee turnover (Clair, 2016), placing focus on staff retention is critical for businesses.

The recent development and validation of an employer branding scale by Tanwar and Prasad (2017) provides the ability to do empirical studies on this topic. It creates the ability to test the impact of various demographic factors on employer branding. This is pertinent in the South African context where companies should consider the Broad Based Black Economic Empowerment Act of 2003 and the Employment Equity Act of 1998 in addition to sensitivities around some of the demographic factors driven by the country's history and cultures.

The objectives of this research were set by considering the research problem and gaps in the current literature. These were:

- To determine the compensation expectations of employees when moving to another employer given the perceptions of the employer branding level at their current employer.
- 2. To determine the impact that employer branding has on employee retention.
- 3. To determine the impact of demographic factors, specifically age, gender, race, education level and employment duration, on employer branding perceptions.
- 4. To determine if employer branding efforts are recognised and acknowledged by employees from different companies.



### 2 Literature review

#### 2.1 Introduction

This chapter considers various sources of literature relating to the research problem stated in the previous chapter.

It starts by considering the newest literature surrounding employer branding. First a clear definition of employer branding is developed for the purposes of this study. This is followed by considering the various employer branding techniques currently used by businesses. The consequences and effects of employer branding strategies are then examined followed by its dimensions. It was important to consider the dimensions of employer branding in order to ensure that an appropriate measure could be used in the study. Next, some of the gaps in the literature surrounding employer branding are discussed.

The total rewards construct is considered in the next section in order to gain greater insight into compensation and rewards that lead to staff retention. The next two sections after that define the compensation and retention elements that were used in the study.

#### 2.2 Employer branding

Kucherov and Zavyalova (2012) noted that although employer branding practices are common in organisations (with numerous consulting firms specialising in the field), limited academic research has been conducted on the topic.

Some organisations struggle to attract and retain high quality staff. Employer branding is a strategy that could assist in this regard (Biswas & Suar, 2016). Aligning employer branding with other organisational strategies ensures consistent interaction experiences for all stakeholders (Foster, Punjaisri, & Cheng, 2010) and should become part of the organisation's culture (Tanwar & Prasad, 2017). Employees are increasingly seeking stronger work relationships, skill development opportunities and a good work-life balance (Tanwar & Prasad, 2017). Following the global financial recession in 2008-2009, the focus has shifted to using employer branding for various reasons from attracting employees to increasing current employee engagement (Martin et al., 2011).



Employer brands should be developed with employees, both current and potential, and should continuously be negotiated to ensure sustainable values for employees, organisations and society (Aggerholm, Andersen, & Thomsen, 2011). If employees are happy in their working environment, they become advocates for the brand and attract new talent (Tanwar & Prasad, 2017). Social media has become popular for the channelling of employer brand messages to all stakeholders (Clair, 2016), showing its cognitive relevance to the modern world.

This section considers the definition of employer branding, its techniques, its consequences, its dimensions, and gaps in the current literature.

#### 2.2.1 Definitions of employer branding

Various definitions of employer branding have been used by authors, and are shown in the table below.

Table 1: Definitions of Employer Branding

	Definition	Author
1	"the package of functional, economic and psychological	Ambler and Barrow
	benefits provided by employment, and identified with the	(1996)
	employing company"	
2	"the process of building an identifiable and unique employer	Backhaus and Tikoo
	identity, and the employer brand as a concept of the firm that	(2004)
	differentiates it from its competitors"	
3	"a generalised recognition for being known among key	Martin et al. (2011)
	stakeholders for providing a high-quality employment	
	experience, and a distinctive organisational identity which	
	employees value, engage with and feel confident and happy to	
	promote to others"	
4	"qualitative features of the employing company, which are	Kucherov and
	attractive to a target audience"	Zavyalova (2012)
5	"a set of tangible and intangible benefits offered by the	Tanwar and Prasad
	organisation to attract potential employees and retain existing	(2017)
	employees"	



Ambler and Barrow's (1996) exploratory research brought marketing and human resource principles closer together. Their definition is the most commonly cited in the literature and forms the basis of many other studies. Functional benefits refer to activities which are useful and develop employees; economic benefits are financial rewards; and psychological benefits are the feeling of belonging, and direction and purpose created by organisations (Ambler & Barrow, 1996).

Backhaus and Tikoo (2004) believed that Ambler and Barrow's definition only focused on offerings and added that employer branding is about the process of building an identity. They highlighted a three-step process for employer brand: First developing the value proposition; then marketing the proposition to external parties; and ultimately marketing the proposition internally. They believed that organisations should widely advocate their brand, within and outside the organisation. This should clearly indicate what distinguishes one company from its competitors and what makes it unique.

Martin et al.'s (2011) definition moved away from the offerings that employer branding entails and what the development process is, to an emphasis on the desired results of an employer brand and what key stakeholders should relate the organisation with. Organisational reputation played a key role in the development of their definition.

Kucherov and Zavyalova (2012) observed that employer branding needs to be adjusted for a particular target audience. The various target audiences mentioned were current employees, prospective employees, competitors for the same labour market, and intermediaries such as recruiters. Different audiences perceive employer branding differently (Maxwell & Knox, 2009) and it is difficult to satisfy everyone.

Recognising the various components of employer branding, Tanwar and Prasad's (2017) definition encompasses the range of benefits that an employer brand offers as per Ambler and Barrow, but with a focus on the purpose of employer branding, which is to attract potential employees and retain current employees.

Building on Tanwar and Prasad's definition, employer branding was defined in this study as: A set of tangible and intangible benefits offered by an organisation to attract and retain employees from a targeted audience.



## 2.2.2 Employer branding techniques

Vatsa (2016) maintains that organisations can utilise both internal and external branding to enhance their employer brand. Internal branding can be defined as the promotion of company brand values to existing employees through strategic efforts. The table below shows some examples of internal branding techniques that can be utilised by organisations. The example set by management is fundamental to the success of these efforts. Creating brand champions from amongst employees is essential for the future success of organisations (Vatsa, 2016).

Table 2: Internal Branding Techniques (Vatsa, 2016)

Technique	Examples of current practices
Internal communication	<ul> <li>Staff newsletters</li> <li>Staff engagement sessions</li> <li>Examples set by management</li> <li>Brand demonstrations through videos</li> <li>Story telling of employee experiences</li> </ul>
Training support	<ul> <li>New employee training regarding the brand</li> <li>Brand workshops</li> <li>Customer awareness programs</li> <li>E-learning platforms</li> <li>Brand values embedded throughout training material</li> <li>Brand tool kits</li> <li>Video material of customer experiences</li> </ul>
Leadership practices	<ul> <li>Management development programs</li> <li>Visibility of senior management throughout the company (including branches)</li> <li>Regular performance reviews that include employee ratings</li> </ul>
Rewards and recognition	<ul> <li>Celebrating milestones through special events</li> <li>Colleague recognition programs</li> <li>Including brand behaviour in performance reviews</li> </ul>



	<ul> <li>Employee feedback from peers, reporting lines and clients</li> <li>Compensation awards in some cases</li> </ul>
Recruitment practices	Building of internal skills to ensure that brand promise can be delivered
Sustainability factors	<ul> <li>Repeated internal communication</li> <li>Focus groups with client-facing employees to deepen engagement and identification of short comings</li> <li>Obtaining customer feedback</li> </ul>

External branding efforts attempt to attract new employees to the company. The communication of the employee value proposition is central to the attractiveness for both potential and current employees. This can be done through a devoted career page on the company's website, the widest possible circulation of company newsletters, participating/sponsoring of industry conferences, and appropriate use of social media (Clair, 2016; Vatsa, 2016).

The role of word of mouth from existing employees is an important component of the success of external branding efforts. Therefore, proper internal branding is required for the success of any external branding. Internal and external branding efforts should therefore be integrated to provide a consistent brand message.

## 2.2.3 Consequences of employer branding

Employer branding increases organisations' attractiveness and retention (Ambler & Barrow, 1996). Social identity theory provides confirmation of this, as current and potential employees pursue membership in organisations that boost their self-concept (Biswas & Suar, 2016). Social identity theory inspects when and why people identify themselves as members of a group (Zeugner-Roth, Žabkar, & Diamantopoulos, 2015). A better employer brand might reduce recruitment costs as applications are received more easily and retaining employees is cheaper than replacing them (Biswas & Suar, 2016); better candidates might be attracted as the organisation appears to provide better career choices (Ambler & Barrow, 1996); and employee turnover might be reduced as



employee relations are enhanced (Berthon et al., 2005). The success of an employer brand is considered through the attractiveness of the benefits provided and how accurately it is communicated (Moroko & Uncles, 2008). It was also shown that brand personality traits such as sincerity, excitement and sophistication are related to employer brand affect and trust, which in turn predict employer brand attractiveness (Rampl & Kenning, 2014).

Financial and non-financial performance were found to be enhanced through employer branding (Biswas & Suar, 2016). A good employer brand enriches loyalty to and trust in the brand. This enhances employee productivity, which improves personal performance and thus the organisation's performance (Smit et al., 2015). Financial performance is also increased by a good employer brand through lower staff turnover rates and an increase in training and development investments (Kucherov & Zavyalova, 2012).

Martin et al. (2011) developed a model that suggests that employer brand affects innovation and social acceptability through interactions with various forms of capital, ultimately affecting long-term reputational capital. Organisational and product innovativeness also increase the attractiveness of an organisation (Sommer et al., 2016), which is often a significant attribute of an employer brand (Martin et al., 2011). Employer branding also advances organisational culture and labour relations (Kucherov & Zavyalova, 2012).

Kucherov and Zavyalova (2012) noted that the possible disadvantage for companies when building their employer brands is the increase in human resource costs. This can be attributed to the increase in costs for training and development activities, marketing material and employee time allocated to these activities.

#### 2.2.4 Dimensions of employer branding

Ambler and Barrow (1996) concluded that employer branding consists of functional, economic and psychological benefits. This was refined and extended by Berthon et al. (2005) to include interest, social, development, application and economic benefits ("EmpAct" model). Interest refers to personal job satisfaction; social refers to the work atmosphere; development refers to career and personal development; application refers to opportunities provided to prove oneself; and economic refers to current and future compensation (Berthon et al., 2005). Location, employer popularity and organisation



size were shown to be significant elements of employer attractiveness (Sommer et al., 2016).

A non-empirical South African study suggested that the following factors influence employer branding: The needs of the target group; a unique employer value proposition; the people strategy; consistency between the employee and customer value proposition; communication; and human resource metrics for employer branding (Botha, Bussin, & De Swardt, 2011). These dimensions focus more on the practical human resource building blocks for the employer brand compared to previous studies.

A China-based study concluded five dimensions for employer branding, namely compensation and benefits, recognition, personal development, work-life effectiveness, and organisational mark (Zhu et al., 2014). Work-life effectiveness did not refer to work-life balance, but rather to company policies that assist in the effective management of work and life (Zhu et al., 2014). The organisational mark refers to the image of the organisation in the labour market (Zhu et al., 2014).

Biswas and Suar (2016) concluded that the following dimensions influence employer branding: Realistic job previews to potential employees; perceived organisational support; appropriate and attractive compensation; perceived organisational prestige; organisational trust; leadership from top management; psychological contract obligation; and corporate social-responsibility efforts.

The development of these various dimensions assisted Tanwar and Prasad (2017) to develop and validate an employer brand scale from the perception of existing employees. This scale considered the following dimensions, each measured by a set of questions:

- 1. A healthy work atmosphere: Considers how friendly and stress-free the working environment is and how effective team collaboration is;
- 2. Training and development: Consider the skills development of employees and career growth opportunities;
- 3. Work-life balance: Considers the balance between work and personal life;
- Ethics and corporate social responsibility: Consider how the organisation is perceived to handle ethical and social concerns, both for employees and regarding external concerns; and
- 5. Compensation and benefits: Consider the attractiveness of employees' salaries and benefits.



Tanwar and Prasad's study also found that a healthy work environment had the greatest influence on employer branding.

#### 2.2.5 Gaps in the current literature

Through the review of the current employer branding literature, four main areas, that require further research, have been identified. These gaps were identified through either statements from the current literature or the lack of literature on the topic.

The first gap relates to the influence of employer branding on compensation (Rampl & Kenning, 2014). It is believed that a strong employer brand could potentially reduce salary expectations from employees (Berthon et al., 2005), although this has not been proven by means of empirical evidence. Compensation has a broad definition and is further explored in section 2.4.

The second gap relates to the retention of existing employees. Although research was triggered by Ambler and Barrow in 1996, previous studies around employer branding focused more on potential employee attractiveness rather than current employee retention (Kucherov & Samokish, 2016). With the development of Tanwar and Prasad's (2017) employer branding scale, they questioned what impact employer branding has on job satisfaction, commitment to current employers and employee retention. The scale has the ability to test these organisational outcomes.

The third gap relates to the impact of various demographic factors on an employee's perception of employer branding. Current studies considered employee attractiveness in general rather than specific attributes or target groups (Sommer et al., 2016). With the development of Tanwar and Prasad's (2017) employer branding scale, they questioned if specific factors like gender, occupation or managerial level have an impact on employer branding perceptions. They believed, without empirical evidence, that different sub-groups assign different levels of importance to the dimensions of employer branding.

The fourth gap relates to comparison of employer branding efforts between companies. Tanwar and Prasad (2017) suggested comparing organisations with one another to determine differences between their employer branding. This comparison is possible by means of the scale that they developed. Further consideration could be given to the differences in the dimensions of employer branding.



#### 2.2.6 Summary

Employer branding considers tangible and intangible benefits offered by an organisation to attract and retain employees from a targeted audience. Various techniques exist that can be utilised to strengthen the awareness of the employer brand for existing and potential employees. It is critical for an organisation to ensure it has a robust internal branding strategy, as this is fundamental to external employer branding communication.

Besides the attractiveness of potential employees and the retention of current employees, employer branding also provides other financial and non-financial benefits. These include higher turnover and higher employee performance. Employer branding does increase human resources costs for organisations due to higher levels of training and development.

Various employer branding dimensions have been considered. The main focus is on Tanwar and Prasad's (2017) employer branding scale which was recently developed and validated.

Gaps in the current literature surrounding employer branding were also identified. The main gaps are those around the impact that employer branding has on compensation, the impact employer branding has on staff retention, the perceived differences in employer branding for demographic factors and the perceived difference in employer branding between companies.

The next section considers the concept of total rewards in order to gain a better understanding of the compensation and rewards that lead to staff retention.

#### 2.3 Total rewards

To gain greater insight into the compensation and rewards that lead to staff retention, the total rewards literature was considered. This literature is mainly to be found in human resources articles. The literature provides some additional insights into reward preferences for employees.

The WorldatWork total rewards model (WorldatWork, n.d.-a) shown below is often used in literature (Bussin, & Toerien, 2015; Bussin, & Van Rooy, 2014; Pregnolato et al., 2017;



Schlechter, Hung, & Bussin, 2014). The model suggests that an organisation's total rewards strategy should consider compensation, benefits, work-life effectiveness, recognition, performance management, and talent development. The external environment (economy, labour market, culture and regulation) influences a company's business strategy and its culture. The latter two factors in effect drive the human resources strategy which encompasses the total rewards strategy. A well-developed and executed total rewards strategy positively influences employee attractiveness, motivation, retention and engagement. This therefore suggests that compensation is a component of the total rewards strategy that influences the retention of employees.

EXTERNAL INFLUENCES

Economic | Labor Market | Cultural Norms | Regulatory

Business Strategy

Total Rewards Strategy

Compensation Benefits Work-Life Effectiveness

Recognition Performance Management Talent Development

Figure 1: The WorldatWork total rewards model

Source: WorldatWork (n.d.-a)

Studies have shown that financial rewards are perceived as being more important than non-financial rewards (Pregnolato et al., 2017). Remuneration, benefits and variable pay are considered financial awards (Schlechter et al., 2014). Remuneration (cash received)



has a larger effect on job attractiveness as compared to benefits (non-cash rewards) and variable pay (cash rewards for high-performing employees) (Schlechter et al., 2014). The WorldatWork total rewards model, which was considered by Schlechter et al. (2014), classifies annual leave as part of benefits (WorldatWork, n.d.-b).

This does not suggest that non-financial rewards should be disregarded. Schlechter et al. (2015) revealed that these rewards affect organisational attractiveness for potential employees. Research stated that the following non-financial rewards are the most important: Career advancement; learning; work-life balance; and performance management (Pregnolato et al., 2017; Smit et al., 2015). Women were also more attracted by non-financial rewards compared to men (Schlechter et al., 2015).

It has been proven that staff turnover rates differ between various demographic attributes (Schlechter, Syce, & Bussin, 2016; Smit et al., 2015). Some of the most notable attributes were: Age; years of service; cost centre; performance score; and number of dependants (Schlechter et al., 2016).

Different rewards are required for current and potential employees when considering attraction, retention and motivation (Bussin & Toerien, 2015). This, together with the demographic differences, suggested that reward packages should be customisable for the needs of the targeted employee (Bussin & Toerien, 2015; Pregnolato et al., 2017; Smit et al., 2015).

The next section considers what this study defined as compensation elements.

## 2.4 Compensation elements

From the section above regarding total rewards, it was seen that financial rewards consist of remuneration, benefits and variable pay (Schlechter et al., 2014). For the purposes of this study, it was assumed that compensation consists of financial awards with three elements:

- 1. Salary: This was defined as remuneration in the previous section;
- 2. Bonus: This was defined as variable pay (cash rewards for high-performing employees) in the previous section; and
- 3. Leave: This is only one of the benefits (non-cash rewards) referred to in the previous section.



When people are faced with choices, expressing financial values in absolute or relative terms influences their decisions (Panasiak & Terry, 2013). Care should be taken so that the expression of compensation is more tangible to the individual. The study limited the number of non-cash rewards to leave alone, in order to reduce the complexity of the questionnaire for the study.

The next section considers what this study defined as staff retention elements.

#### 2.5 Retention elements

Employee retention is defined by Frey, Bayón, and Totzek (2013) as "the intent to stay with a company for the mid to long term." Therefore, if an employee is actively looking to move to another organisation, employee retention is deemed low.

Higher employee satisfaction enhances organisational commitment, which then increases employee retention (Rose & Raja, 2016). From this, two factors are of importance that lead to higher employee retention, firstly employee satisfaction and secondly commitment to the organisation.

For this study, retention focused on the following three practical elements defined from the discussion above:

- Employee satisfaction: The more satisfied employees are with their employer, the more likely they are to stay with their current employer;
- Employees are actively looking to move to another organisation: If employees are seeking other job opportunities, they are very likely to move to another employer; and
- The stickiness of employees to their current employer: How approachable employees are to other organisations, indicates how likely they are to move to these organisations.

The next section concludes the literature review.



#### 2.6 Conclusion

This chapter considered literature relating to the research problem stated in the previous chapter.

Employer branding was defined as: A set of tangible and intangible benefits offered by an organisation to attract and retain employees from a targeted audience. The literature presented specific gaps that could assist business in better understanding employer branding. Enhancing employer branding knowledge could result in greater employee retention and financial gains for companies.

Total rewards literature was considered to assist in the definition of the compensation elements for the study. The three elements of compensation that were identified for the purposes of this study are salary, bonus and leave. These three elements were considered as they represent cash rewards, rewards following personal performance and non-cash rewards.

Three elements of employee retention, were discussed, these being employee satisfaction, if employees are actively seeking to move to another organisation, and the stickiness of employees to their current employer.

Some of the shortcomings identified in the current literature are addressed through the research objectives which are:

- To determine the compensation expectations of employees to move to another employer given their perceptions of the employer branding level of their current employer.
- 2. To determine the impact employer branding has on employee retention.
- 3. To determine the impact of demographic factors, specifically age, gender, race, education level and employment duration, on employer branding-perceptions.
- 4. To determine if employer branding efforts are recognised and acknowledged by employees from different companies.

The next chapter considers the clear hypotheses developed and tested to give insights into the objectives of the study.



# 3 Hypotheses

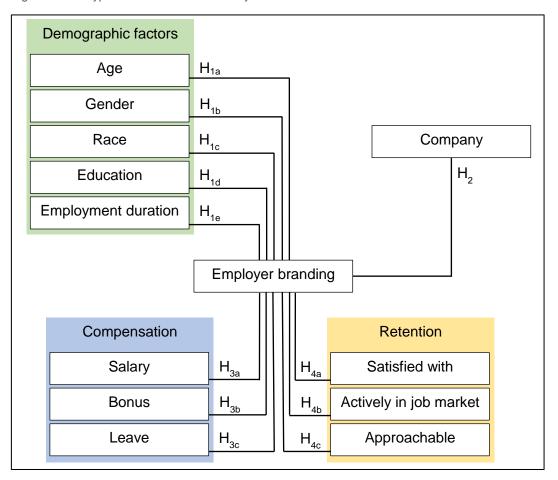
#### 3.1 Introduction

The literature review in the previous chapter highlighted specific shortcomings in the current literature. This chapter clearly states the hypotheses that were tested in this study.

## 3.2 Hypothesis statements

Figure 2 below depicts the hypotheses that were tested. The study considered four main categories, each category containing one or more hypotheses. These categories were: The effect of demographics on employer branding; if employer branding was considered differently among companies; the relationship between employer branding perceptions and compensation; and the relationship between employer branding perceptions and staff retention.

Figure 2: The hypotheses tested in this study





The following hypotheses regarding the impact of demographics on perceptions of employer branding were tested:

**H**<sub>1a</sub> **null:** Employer branding perceptions do not differ between age groups

H<sub>1a</sub> alternative: Employer branding perceptions do differ between age groups

H<sub>1b</sub> null: Employer branding perceptions do not differ between males and

females

H<sub>1b</sub> alternative: Employer branding perceptions do differ between males and

females

**H**<sub>1c</sub> **null:** Employer branding perceptions do not differ between races

H<sub>1c</sub> alternative: Employer branding perceptions do differ between races

H<sub>1d</sub> null: Employer branding perceptions do not differ between education

levels

H<sub>1d</sub> alternative: Employer branding perceptions do differ between education

levels

H<sub>1e</sub> null: Employer branding perceptions do not differ for duration of

employment groups

H<sub>1e</sub> alternative: Employer branding perceptions do differ between duration of

employment groups

In order to better understand if employer branding efforts are recognised and acknowledged by employees, the following hypothesis was tested:

**H<sub>2</sub> null:** Employer branding-perceptions do not differ between companies

**H**<sub>2</sub> alternative: Employer branding-perceptions do differ between companies



The literature suggested that employees who perceive their organisation's employer brand as strong, prefer an increase in compensation to move to another organisation. In contrast, employees who perceive their organisation's employer brand as weak, are willing to sacrifice compensation to move to an organisation with a strong employer brand. In order to understand this better, the following hypotheses were tested:

H<sub>3a</sub> null: Employer branding perceptions of a current employer are not

correlated with the salary expectations to move to another

employer with a perceived strong employer brand

H<sub>3a</sub> alternative: Employer branding perceptions of a current employer are

positively correlated with the salary expectations to move to

another employer with a perceived strong employer brand

H<sub>3b</sub> null: Employer branding perceptions of a current employer are not

correlated with the bonus expectations to move to another

employer with a perceived strong employer brand

H<sub>3b</sub> alternative: Employer branding perceptions of a current employer are

positively correlated with the bonus expectations to move to

another employer with a perceived strong employer brand

H<sub>3c</sub> null: Employer branding perceptions of a current employer are not

correlated with the leave expectations to move to another

employer with a perceived strong employer brand

H<sub>3c</sub> alternative: Employer branding perceptions of a current employer are

positively correlated with the leave expectations to move to

another employer with a perceived strong employer brand

To better understand how employer branding impacts staff retention, the following

hypotheses were tested:

H<sub>4a</sub> null: Employer branding perceptions of a current employer are not

correlated with how satisfied employees are with their current

employer



H<sub>4a</sub> alternative: Employer branding perceptions of a current employer are

positively correlated with how satisfied employees are with their

current employer

H<sub>4b</sub> null: Employer branding perceptions of a current employer are not

correlated with employees who are actively looking to move

H<sub>4b</sub> alternative: Employer branding perceptions of a current employer are

negatively correlated with employees who are actively looking to

move

H<sub>4c</sub> null: Employer branding perceptions of a current employer are not

correlated with how likely employees are to consider moving to

another organisation if they were approached

H<sub>4c</sub> alternative: Employer branding perceptions of a current employer are

negatively correlated with how likely employees are to consider

moving to another organisation if they were approached

3.3 Conclusion

Through testing these hypotheses, the researcher better understood the impact of demographics on employer branding, if employees perceived their own employer brand differently, and the impact of employer branding perceptions on compensation preferences and staff retention.

The next chapter considers the methodology followed to test the hypotheses stated in this chapter.



# 4 Research methodology

#### 4.1 Introduction

The previous chapter considered the hypotheses created from the literature review. This chapter considers the methodology that was followed to test these hypotheses.

The research was quantitative in nature and data was collected through an electronic questionnaire that was distributed to employees from South African insurance companies. Various statistical analyses were applied to test the different hypotheses.

## 4.2 Research methodology

From the literature, various research hypotheses were designed. These considered: (1) the impact of demographics on employer branding; (2) if employer branding efforts are recognised by employees; (3) the impact of the perceived employer branding on compensation expectations to move to another organisation; and (4) the impact of the perceived employer branding on staff retention.

This study was based on insurance companies in South Africa. Retaining top talent for South African insurers was identified as the third highest risk for 2017 and the ninth highest risk globally (Study of Financial Innovation, 2017). Insurers are increasingly focusing on their employer branding efforts through the reporting of awards such as Top Employers South Africa, staff brochures explaining companies' employee value proposition and reviews of rewards structures. This research makes an excellent topical discussion for South African insurance boards. Data was collected during the third quarter of 2017.

A quantitative research study was performed. Creswell (2012) states that quantitative research is performed to explain why something happens or to solve a research problem recognised through trends in the subject. In contrast, qualitative research should be done when the variables are unknown and need to be established. This study was informed by a literature study and explained differences in known variables between groups, therefore it was a quantitative study. Two characteristics of a quantitative research study are the collection of numerical data and the use of statistical techniques to analyse trends or compare groups/variables (Creswell, 2012).



A questionnaire was developed to measure the perceived employer brand strength, the compensation levels for which the respondent would consider moving to another organisation and how likely the respondent was to consider moving. The questionnaire also captured demographic information. The observed variables were measured at a particular point in time, since the hypotheses did not consider any changes over time. This research was thus a cross-sectional study (Steyn, Smit, Du Toit, & Strasheim, 2003).

Data was collected electronically. According to Wegner (2016) electronic questionnaires have the following advantages: Data collection is automated; they are quicker to run; interviewer bias is eliminated; and anonymity is more easily assured. He also noted drawbacks which include: Low response rates; the fact that questions cannot be clarified; questionnaires must be shorter and simpler; the interviewer cannot probe further; and there is no control over who the actual respondent is. An electronic questionnaire was the most appropriate means due to the large sample that was required for analysis. A pilot test was performed to test the questionnaire.

Before statistically testing the hypotheses, data was edited and coded to ensure usability in statistical tests. Various descriptive statistics, graphical representations and tests for normality were performed to ensure the correct statistical techniques were applied. The study made use of analysis of variances to test hypotheses 1 and 2 and correlation tests for hypotheses 3 and 4.

## 4.3 Population and unit of analysis

The population for the study was all employees in the South African insurance industry. The total premium collected by the industry amounts to R593 billion, controlling over R2 854 billion worth of assets (Financial Services Board, 2016a; 2016b). There are currently 173 registered insurers in South Africa (Financial Services Board, 2017). It would not have been possible to obtain a list of all employees.

The unit of analysis was employees from the South African insurance industry.



#### 4.4 Research measurement and instrument

A questionnaire was created to collect the data. The questionnaire consisted of four parts: (1) demographics; (2) employer brand; (3) compensation preferences; and (4) staff retention. This section considers each of these parts, in addition to further considerations and the pilot study conducted.

The complete questionnaire can be found in Appendix 1.

#### 4.4.1 Part 1 of the questionnaire: Demographics

The following demographic information for each respondent was collected: Age; gender; education level; ethnic group; duration of employment at current employer; position in the company; and department for which he or she worked.

#### 4.4.2 Part 2 of the questionnaire: Employer brand

Tanwar and Prasad (2017) developed and validated a scale to measure employer branding (see Table 3) which was used to measure perceived employer brand strength. This scale focused specifically on existing employees working in IT companies in a developing country, namely India. The scale has five dimensions: A healthy work atmosphere; training and development; work-life balance; ethics and corporate social responsibility; and compensation and benefits. The one measurement within the scale, "My organisation provides overtime pay", was not applicable to South African insurance organisations. This question was replaced by the question "In general, the bonus (including short and long-term incentives) offered by my organisation is high". The reason for this was that short and long-term incentive schemes are common in the insurance industry in South Africa. This also forms a critical part of more senior staff members' remuneration in South Africa and was not appropriately tested through the other compensation and benefits questions in Tanwar and Prasad's scale.



Table 3: Employer Branding Scale Developed by Tanwar and Prasad (2017)

Dimension	Measurements
Healthy work	My organisation provides autonomy to its employees to make
atmosphere	decisions.
	My organisation offers opportunities to enjoy a group
	atmosphere.
	I have work friends who are ready to share my responsibility
	at work in my absence.
	My organisation recognises me when I do good work.
	My organisation offers a relatively stress-free work
	environment.
	My organisation offers the opportunity to work in teams.
Training and	My organisation provides us with online training courses.
development	My organisation organises various conferences, workshops
	and training programmes on a regular basis.
	My organisation offers opportunities to work on foreign
	projects.
	My organisation invests heavily in training and development
	of its employees.
	Skills development is a continuous process in my
	organisation.
	My organisation communicates clear advancement paths for
	its employees.
Work-life balance	My organisation provides flexible-working hours.
	My organisation offers the opportunity to work from home.
	My organisation provides an on-site sports facility.
Ethics and	My organisation has a fair attitude towards employees.
corporate social	Employees are expected to follow all rules and regulations.
responsibility	A humanitarian organisation gives back to society.
	There is a confidential procedure to report misconduct at
	work.
Compensation	In general, the salary offered by my organisation is high.
and benefits	My organisation provides overtime pay.
	My organisation provides good health benefits.



 My organisation provides insurance coverage for employees and dependents.

A five-point Likert scale was used for each measurement, with the options strongly disagree, disagree, neutral, agree and strongly agree, thus the scale was similar to that used by Tanwar and Prasad (2017). A Likert scale provides the benefits of having a ranking of importance and also gauges how important the respondent deems the point to be, and can be converted into numerical values for statistical tests (Wegner, 2016).

#### 4.4.3 Part 3 of the questionnaire: Compensation preferences

Part 3 of the questionnaire was used to determine the level of compensation an employee was willing to accept to move to another employer with a perceived stronger employer brand. Compensation was defined based on the literature study. Conjoint analysis is a technique often used in marketing to determine trade-offs between two choices (Green, Krieger, & Wind, 2001). Given the number of attributes comprising compensation, many questions would have been required for a conjoint analysis. It was decided not to follow this approach to ensure that the questionnaire was of reasonable length. Some of the principles of conjoint analysis were considered in the development of this part.

Compensation packages between the two employers were presented to the respondent. Only salary, bonus (including short and long-term incentives) and annual leave were considered as dimensions for compensation, in order to ensure a reasonable questionnaire length. As observed in the literature review, when people are faced with choices, expressing financial values in absolute or relative terms influences their decisions (Panasiak & Terry, 2013). This presentation posed a more realistic choice for respondents, assisting them in conceptualising the questions more clearly. The process shown below was followed to determine the compensation-dimension levels required by the respondent to move to another employer:

- The questionnaire asked the respondent which organisation they considered as a good alternative employer. The name identified by the respondent was assumed to have a strong employer brand.
- 2. The respondent's current compensation package was determined by means of a few questions regarding his or her current salary, bonus and annual leave.



- 3. This package was then used for the next questions to provide comparative alternatives for the respondent. For each of the dimensions of compensation, the study tested at what proportion or absolute difference the respondent would be willing to move to an alternative employer. Once the tipping point had been determined, the next dimension was considered.
- 4. For salary, the tested differences were -15%, -10%, -5%, +0%, +5%, +10% and +15%.
- 5. For bonus, the tested differences were -75%, -50%, -25%, +0%, +25%, +50% and +75%.
- 6. For leave, the tested difference was an absolute number of -6, -4, -2, +0, +2, +4 and +6.

Table 4 shows an example of the process.

Table 4: Example of Compensation-Preference Question

	Question		Response						
i	Which employer do organisation to worl employer)?	you regard as an optima c for (excluding your curre							
ii	What is your current ar	nnual salary?	300 000						
iii	What is your expected long-term incentives)?	What is your expected annual bonus (including short and long-term incentives)?							
iv	How many annual leav	e days do you get?	20						
V	For which organisation remuneration package  Current employer  Salary: 300 000  Bonus: 100 000  Leave: 20	would you rather work, given the below?  Google Salary: 255 000 Bonus: 100 000 Leave: 20	e Current employer						
vi	For which organisation remuneration package  Current employer  Salary: 300 000  Bonus: 100 000  Leave: 20	would you rather work, given the below?  Google Salary: 270 000 Bonus: 100 000 Leave: 20	e Google						



vii	For which organisation	Current employer		
	remuneration package			
	Current employer			
	Salary: 300 000			
	Bonus: 100 000			
	Leave: 20	Leave: 20		

## 4.4.4 Part 4 of the questionnaire: Staff retention

Three questions were posed to the respondents with regard to staff retention based on the literature review. The first question measured on a five-point Likert scale how satisfied the respondent was with his or her current employer. The more satisfied the employee, the less likely he or she would be to consider moving to another company.

The second question asked the respondent if he or she was currently looking for another job. The respondent was only able to answer yes or no. If an employee was looking for another job, he or she would be less likely to stay with the employer in the foreseeable future.

The third question also had a five-point Likert scale with the respondent asked if he or she would consider working for another organisation if approached. This tested some loyalty to the current employer and how easy retention of the employee would be.

This section did contain an open-ended question with four categories that did not form part of the study. The respondents were asked how the company could improve the five dimensions of its employer brand. This was included to provide greater insight for the participating companies.

#### 4.4.5 Further questionnaire consideration

Before the questionnaire was answered by any respondent, a consent form was displayed. This form stated what the research was about, the approximate completion time, that the questionnaire was anonymous, that completion of the questionnaire was voluntary, that the respondent could withdraw at any time and provided contact details of both the researcher and his supervisor. Anonymity was ensured by not asking for personal information and not capturing details, such as an IP address, which could be



used to identify a respondent. The software used to capture the information had this feature specifically built-in.

To assist in checking for correctness, usability and flow, the questionnaire was checked by numerous people including a fellow MBA student and a professional statistician who had over 35 years of experience.

The questionnaire was submitted to the Gordon Institute of Business Science for ethical clearance before proceeding with the pilot study. This process was established to ensure that research by the institution adhered to specific ethical principles. Approval was obtained with no conditions three days after submission (see Appendix 2).

### 4.4.6 Pilot study

A pilot study was conducted for the developed questionnaire. The questionnaire was distributed to 50 randomly-selected individuals working for a particular South African insurer. In communication with the individuals who partook in the pilot study, feedback was requested regarding the clarity of the questions and layout.

The response rate for the pilot study was 48%, that is, 24 individuals. Table 5 compares the Cronbach's  $\alpha$  values from the original employer brand scale developed by Tanwar and Prasad (2017) with those obtained for the pilot study. A Cronbach's  $\alpha$  above 0.7 is deemed a good reliability score (Manerikar & Manerikar, 2015). When Tanwar and Prasad (2017) developed their employer branding scale, the scores for all the dimensions were above 0.7, making it a reliable measurement.

Three of the five employer branding dimensions for the pilot study also had Cronbach's α scores of above 0.7. "Work-life balance" and "compensation and benefits" had scores well below 0.7. It was decided not to change the employer branding scale for the purposes of this study. The pilot study only had 24 respondents from a single South African insurer, which might have resulted in a distortion in the overall representativeness of the scale. Also the validity of Tanwar and Prasad's (2017) employer branding scale was tested in the development of the scale, but such validity testing was not conducted for the pilot study.



Table 5: Comparison of Cronbach's  $\alpha$  Scores for the Employer Branding Scale of Tanwar and Prasad (2017) and the Pilot Study Conducted

Dimension	Tanwar and Prasad (2017)	Pilot study
Healthy work atmosphere	0.901	0.790
Training and development	0.842	0.852
Work-life balance	0.842	0.436
Ethics and corporate social responsibility	0.718	0.800
Compensation and benefits	0.791	0.585

Feedback was provided by three of the pilot study respondents. They suggested that the changes to questions in part 3 be more clearly indicated. Subsequently, headings were added to each of the questions and the text of the differences between questions was displayed in red.

# 4.5 Sampling method and size

Nine South African insurance companies were approached to participate in the research. These companies were selected by means of a non-probability sampling method, that is, they were not selected randomly (Wegner, 2016). Contacts for these companies were obtained from various employees in the first company who agreed to participate. This method is also known as snowball sampling (Wegner, 2016), where more participants are obtained from connections of existing participants. These nine companies do compete in the same labour market and are therefore comparable. To improve the chances of participation from the companies, the researcher offered to present the findings of the study and some additional insights to management. Of the companies that were approached, five agreed to participate.

One of the participating companies was a large insurer with more than 2500 employees. It was agreed with the insurer that only 500 employees would be selected to participate. The company stated that its response rate for such surveys was historically 20%. A simple random-sample probability technique was used to select employees from a company employee list (Steyn et al., 2003). This was done by generating a random number next to each employee name, ranking the numbers and selecting the first 500 names.



For all the other companies, the request to participate in the study was sent to all employees in the company.

The targeted sample size was 221 respondents, which was sufficient for the required statistical analyses. Bartlett, Kotrlik, and Higgins (2001) suggested that Cochran's sample size formula be considered when categorical data is used for independent variables. For a confidence level of 90%, a margin of error of 5.5%, the maximum possible proportion of 50% and a 25 000-population size, Cochran's minimum required sample is 221. Although the number of employees in the South African insurance industry is not public knowledge, the Cochran's sample formula becomes insensitive for populations larger than 5 000 given the other parameters.

# 4.6 Data collection process

The questionnaire was distributed electronically by e-mail with a link to the questionnaire. The advanced piping (ability to populate information in the next questions from already answered questions) for part 2 of the questionnaire made it difficult to find a suitable web-based platform. Although many platforms have this ability, it is seldom found that calculations can be performed on the provided answers before populating the next questions' possible answers. The only platform found at a reasonable cost was www.Formsite.com.

After the initial request to complete the questionnaire, two follow-up emails were sent to employees. These follow-up emails had to be sent to all the employees as it was not possible to track who had completed the questionnaire and who had not, due to anonymity. For two of the companies this process was administrated by the researcher and for the others by the companies' internal staff.

No queries were received regarding the questions in the questionnaire for the entire duration of the process. For one of the companies, an internal security governance concern was raised but was resolved after contacting the researcher and one of the company's general managers who had provided permission for the study. Various emails were received from respondents stating that they had completed the questionnaire and also from individuals showing interest in the study.



# 4.7 Analysis approach

Steyn et al. (2003) described that in the research process, editing and coding of data need to occur before data analyses are performed. This section describes the process that was followed for the editing and coding of data, and the various analyses that were performed.

## 4.7.1 Editing and coding of data

Data was collected electronically through the same online questionnaire. Most of the questions only provided the respondent with options to choose from, reducing the chance of errors in the data collection process. The electronic tool used, www.Formsite.com, provided the ability to force the completion of a question before continuing, thus eliminating missing fields in completed responses. The tool also tests the format of responses for some of the questions, ensuring that correct data was captured for non-choice-based fields.

All respondents that did not fully complete the questionnaire were discarded for analysis purposes.

Data was scanned by the researcher to see if obvious errors occurred. One such mistake was picked up with the duration of employment, where one respondent stated that he or she had over 512 years of service. Given that the respondent stated that he or she had an Honours degree (typically 4 years) and was 25 years old, this entry was changed to an employment duration of 4 years.

The age of the respondent was captured as a numeric field. This was coded into the following four age bands: Below 30; 30-39; 40-49; and above 50. The distribution of responses between the bands was checked to ensure a representable number within each band.

The highest level of education selected by the respondent was grouped according to the table below. The distribution of responses between the groups was checked to ensure a representable number within each group.



Table 6: Highest Education-Level Groups

Group	Highest education level								
	I do not want to answer this question								
Group 1	Less than Grade 12								
	Grade 12								
	Diploma or Certificate with Grade 12								
Group 2	Higher Diploma (Technikon/University of Technology)								
Group 2	Post Higher Diploma (Technikon/University of Technology Masters,								
	Doctoral)								
Group 3	Bachelor's Degree								
Group 3	Bachelor's Degree and Post-Graduate Diploma								
Group 4	Honours Degree								
Group 4	Higher Degree (Masters, Doctorate)								

The current employer variable in the questionnaire was a text field, leading to different abbreviations and business entity spellings. In total, 72 different names were found in the data set. These were assigned to the five companies that participated in the research study. There were some unidentified names, like "marketing", that could not have been allocated to one of the participating companies, which were assigned to "Unknown".

The duration of employment at the current employer was grouped into four categories: Less than 5; 5-9; 10-14; and more than 15. The distribution of responses between the categories was checked to ensure a representable number within each band.

As stated above, a five-point Likert scale was used for each of the 23 statements in part 2 of the questionnaire regarding employer branding, ranging from strongly disagree to strongly agree. Similar to Tanwar and Prasad (2017), the scale was converted into a rating between 1 and 5, where 1 was strongly disagree and 5 strongly agree. Converting the scale into interval data increases the possible statistics that can be applied (Wegner, 2016).

The output of part 3 of the questionnaire, which determines the salary, bonus and leave levels for which an employee is willing to move to another employer, was not usable for statistical analysis. The output contains the selection which the respondent made rather than the actual level they selected. Their selection was therefore converted to the actual level. Within the questionnaire, it was possible for a respondent to not be willing to move



for any of the displayed levels. For analysis purposes, these responses were allocated into the natural next category. For salary, the highest level within the questionnaire was a 15% increase. If the respondent was not willing to move for that level, a 20% increase was assigned to the response. Similarly, for bonus a 100% increase was assigned and for leave, the amount of 8 additional days was assigned.

Part 4 of the questionnaire had three questions used in the analysis. The first and third questions were both Likert scales. As above, these questions were converted into a rating between 1 and 5. For the first question, which measured employee satisfaction, very unsatisfied was assigned 1 up to very satisfied being 5. For the third question, which measured approachability by a competing employer, very unlikely was assigned 1 up to very likely being 5. The second question was just a yes-no response asking if an employee was actively in the job market. For this question, yes was assigned 1 and no was assigned 0.

All coding was performed using Microsoft Excel.

#### 4.7.2 Descriptive statistics

Descriptive statistics are the first step of an analysis during the research process (Steyn et al., 2003). These entail the use of tables and graphs to summarise the data as well as the calculation of descriptive measures, for example means, standard variations and modes. It is important that the right statistical measure be used for the data type of the variable.

Descriptive statistics were used to describe each of the variables in the study, given the variable's data type and characteristics.

Descriptive statistics were calculated using Microsoft Excel and IBM® SPSS® Statistics Version 24.

#### 4.7.3 Normality

A normal distribution is represented by a bell-shaped curve, which is symmetric around its mean (Steyn et al., 2003). It is important to understand the distribution of some of the variables to determine what hypothesis tests should be used.



In determining if some of the variables were normally-distributed, visual inspection of the frequency distributions (Steyn et al., 2003) and Shapiro-Wilk normality tests were performed (Shapiro & Wilk, 1965). It was assumed that the underlying measurements within the employer branding scale were normally-distributed. Normality could not be assumed for compensation and retention questions in part 3 and 4 of the questionnaire.

Tests for normality were performed using Microsoft Excel and IBM® SPSS® Statistics Version 24.

## 4.7.4 Internal consistency of the employer branding scale

The averages for each of the five dimensions in the employer branding scale (see Table 3) were calculated per response. It is important to note that the average of independent, normally-distributed variables is also normally-distributed (Bain & Engelhardt, 1992).

For each of the dimensions, a Pearson's correlation test was performed between the average of the dimension and the underlying measures. This was to ensure that the measures and their averages shared a common core (Churchill, 1979). A Pearson's correlation test was the most appropriate since the variables were of interval data types and were assumed to be normally-distributed (Steyn et al., 2003).

It is very important in research to develop appropriate measures for variables. As part of the process to obtain an appropriate measure, a researcher should distil the measure. Churchill (1979) recommended that Cronbach's  $\alpha$  should be the first calculation to assess the quality of a measurement. Cronbach's  $\alpha$  measures internal consistency and the higher the value the greater the inter-correlation, as per the table below (Manerikar & Manerikar, 2015).

Table 7: Cronbach's  $\alpha$  Measurement Outcome (Manerikar & Manerikar, 2015)

Cronbach's alpha	Internal consistency
$\alpha = 0.9$	Excellent (High-stakes testing)
$0.7 = \alpha < 0.9$	Good (Low-stakes testing)
$0.6 = \alpha < 0.7$	Acceptable poor
$0.5 = \alpha < 0.6$	Poor
α < 0.5	Unacceptable



For each of the dimensions in the employer branding scale from part 2 of the questionnaire, the Cronbach's  $\alpha$  was calculated. If the value was considered unacceptable according to the table above, one of the measurements, that would cause the Cronbach's  $\alpha$  to increase the most, was removed. A new average for the dimension was then calculated. This process was repeated until the highest Cronbach's  $\alpha$  was achieved, with at least two measurements.

Since the employer branding scale was externally developed and validated (Tanwar & Prasad, 2017), measurements were not reduced if the dimension's Cronbach's  $\alpha$  was above 0.6 even if it was possible with fewer measurements. If more insurance companies were included in the study, the results of the Cronbach's  $\alpha$  scores for the various dimensions might have been different.

An overall employer branding score was then calculated by taking the average of the five dimensions' scores. The average score was assumed to be normally-distributed, since the average of independent normally-distributed variables is also normally-distributed (Bain & Engelhardt, 1992).

As above, the correlation between the overall score and the average of each dimension was considered to ensure that these shared a common core. A Pearson's correlation test was the most appropriate since the variables were continuous and normally-distributed (Steyn et al., 2003).

Internal consistency tests were performed using IBM® SPSS® Statistics Version 24.

#### 4.7.5 ANOVA tests

Analysis of variance (ANOVA) is a statistical technique used to determine if the means of three or more populations differ from each other. For an ANOVA, it is assumed that the underlying observations are from a normally-distributed population (Steyn et al., 2003).

An ANOVA test was performed for hypotheses H<sub>1a</sub>, H<sub>1c</sub>, H<sub>1d</sub>, H<sub>1e</sub> and H<sub>2</sub>. Each of these hypotheses were required to test if the mean of the overall employer brand score, of more than two groups, were different. As stated in the above section, the overall employer brand score was assumed to be normally-distributed, implying that the ANOVA



tests were appropriate. For H<sub>2</sub>, testing if the means were different between companies, the respondents that could not be grouped into a particular company were ignored.

The ANOVA only tests if the means are different, but does not state which tested groups differ. One of two tests were used to determine which groups had different means: Tukey if the variances of the groups were equal or Games-Howel if the variances of the groups were different (Hilton & Armstrong, 2006). To determine if the variances of the groups were equal, Levene's test was performed (Lim & Loh, 1996).

The assumed level of significance for the ANOVA, Levene's and Tukey tests was 5%. Therefore, if the p-values of the underlying tests were below 5%, the null hypotheses of the specific tests were rejected.

After doing the above tests, it is important to understand if the underlying characteristics of what has been tested, make logical sense. This is best tested by means of a graphical representation of the tested means over the various groups. For example, groups with a chronological order (such as age) may have one of the mid groups that differs from the rest. Even though the means are statistically unequal, care needs to be taken when making inferences from the tests.

ANOVA tests were performed using IBM® SPSS® Statistics Version 24.

#### 4.7.6 T-test

A T-test could be used to compare the means of two groups from normal distributions. Two variations exist, one for circumstances where the variances between the groups are equal, and another for unequal variances (Steyn et al., 2003).

A T-test was performed for hypothesis H<sub>1b</sub>, comparing the means of the overall employer branding score between males and females. Before the T-test could be calculated, a Levene's test was used to determine if the variances between the two groups differed. The appropriate variation of the T-test was then applied afterwards.

The assumed level of significance for Levene's test and the T-test was 5%. Therefore, if the p-values of the underlying tests were below 5%, the null hypotheses of the specific tests were rejected.

T-Tests were performed using IBM® SPSS® Statistics Version 24.



#### 4.7.7 Correlation tests

Correlation tests determine if there is a relationship between two variables in a bivariate data set. In the cases of ordinal data or non-parametric data (not normally-distributed), a Spearman's rho correlation test can be performed. Rather than testing for linear relationships between variables, this test measures the general dependency (also called monotone dependency) between variables (Steyn et al., 2003).

Hypotheses  $H_{3a}$ ,  $H_{3b}$ ,  $H_{3c}$ ,  $H_{4a}$ ,  $H_{4b}$  and  $H_{4c}$  were all tested using a Spearman's rho correlation, aligning to the tests followed by Biswas and Suar (2016). This was due to the compensation variables (for  $H_{3a}$ ,  $H_{3b}$  and  $H_{3c}$ ) not being normally-distributed and the retention variables ( $H_{4a}$ ,  $H_{4b}$  and  $H_{4c}$ ) being ordinal data. Before the correlation tests were performed, box-and-whiskers plots were used to understand the relationships, locations and spreads of the responses for the various categories within each test (Steyn et al., 2003). These were used instead of scatter plots due to the categorical nature of the variables.

The assumed level of significance for the Spearman's rho tests was 5%. Therefore, if the p-values of the underlying tests were below 5%, the null hypotheses for the specific tests were rejected.

A positive correlation coefficient indicates a positive relationship, which is an increase in the one value is accompanied by an increase in the other value. Similarly, a negative correlation coefficient indicates a negative relationship, meaning an increase in the one value is accompanied by a decrease in the other value. The value of the correlation coefficient can be interpreted as the strength of the correlation. This can be between -1 and 1, with 1 indicating a perfect positive correlation and -1 a perfect negative correlation. If the absolute value of the correlation coefficient is approximately 0.1, then the correlation is weak. If the absolute value is approximately 0.5, then the correlation is moderate and if the absolute value is approximately 0.9, then the correlation is strong (Opara & Hryniewicz, 2016).

Correlation tests were performed using IBM® SPSS® Statistics Version 24.



# 4.8 Validity and reliability

The validity of a study considers if the findings accurately reflect what they should through appropriate data collection and accurate measurements (Saunders & Lewis, 2012). The employer branding scale used was developed and validated by Tanwar and Prasad (2017). Although one of the questions was changed, the scale was tested for internal consistency to ensure that the questions were appropriate. The underlying compensation and retention elements were considered individually rather than aggregated to compensation and retention concepts. Through the total rewards literature, compensation consisted of cash, non-cash and performance awards (Schlechter et al., 2014), relating to each of the three elements tested. Academic literature on retention led to the three retention elements identified. The questionnaire used for the study was checked by numerous people including a professional statistician who had over 35 years of experience. Consideration was given to the way in which questions were asked, to ensure accuracy of results. The study only included employees from South African Insurers, therefore care should be at hand for inferences to other countries and industries.

The reliability of a study considers if the results could be reproduced if similar data collection methods and statistical analysis were performed (Saunders & Lewis, 2012). The questionnaires were circulated electronically to all employees or to randomly selected employees from the insurers who participated. The various statistical methods were selected by means of a consultation process with a statistician who had over 35 years of experience. Results were also independently verified by the statistician. All calculations were performed using Microsoft Excel and IBM® SPSS® Statistics Version 24.

# 4.9 Limitations of the methodology

As with most research, this study had some limitations surrounding the methodology followed, which are discussed in this section. The limitations influenced the results and their interpretation.

Some of the dimensions in the employer branding scale had a low Cronbach's  $\alpha$ . Even though the employer branding scale was developed and verified (Tanwar & Prasad,



2017), the original study was based on Indian IT firms. The scale was impacted, to some extent, by cultural differences and industry differences.

Only five South African insurers were incorporated in the study, with responses dominated by two of the companies. The responses might therefore not reflect the views of the whole industry. The study was also limited to only insurers, and therefore inference to the whole of South Africa was not possible. The sample size was small relative to the population, suggesting a higher margin of error. There was insufficient data to perform a multivariate analysis of variance on the demographic factors, which considers the employer branding score per demographic factor and company.

Although the questionnaire touched on some of the principles of a conjoint analysis for the compensation-based questions, a full preference based study was not performed. The analysis requested users to choose between the options in these questions, which did not encapsulate all considerations of a real-life situation. These questions also did not request an ultimate level for salary, bonus or leave that would convince an employee to move to another organisation.

Two respondents indicated via email that the questions in part 3 of the questionnaire were too sensitive to complete and therefore did not continue.

#### 4.10 Conclusion

The hypotheses of this study were tested by means of the methodology encapsulated in this chapter. The methodology describes the design of the questionnaire, the data capturing process including the sampling methodology, the coding of the data and the various statistical techniques followed to test the hypotheses.

The next chapter considers the results obtained from this methodology.



# 5 Results

#### 5.1 Introduction

This chapter contains the results from the methodology described in the previous chapter. First the data from the sample size and response rate is considered in order to ensure that the sample size for the study was appropriate. The data characteristics are then considered for the demographic variables, the employer branding variables, the compensation variables and the staff retention variables. This gives the reader a better understanding of the underlying data and the choice of statistical techniques that were most appropriate for the study. Lastly the chapter contains the results of the statistical techniques applied to test the hypotheses.

## 5.2 Sample size and response rate

The total number of respondents was 254, a higher figure than the initially targeted sample size. Table 8 shows the breakdown of the response rates obtained from each of the five companies, with an overall response rate of 23%. Some of the companies could not be identified from the responses and were thus classified as unknown.

Not all the respondents completed the questionnaire in full, and in this case, were indicated as incomplete. Incomplete responses were ignored for statistical analysis purposes. Two respondents indicated via email that they did not complete the questionnaire due to sensitivity surrounding the questions in part 3 regarding current compensation levels.

Table 8: Response Rate over the Participating Companies

Company	Requests sent (estimate)	Incomplete responses	Complete responses	Response rate for completed responses
1	30	6	13	43%
2	300	47	97	32%
3	220	12	44	20%
4	500	12	86	17%
5	25	3	9	36%



Unknown	8	3	5	63%
Total	1 083	83	254	23%

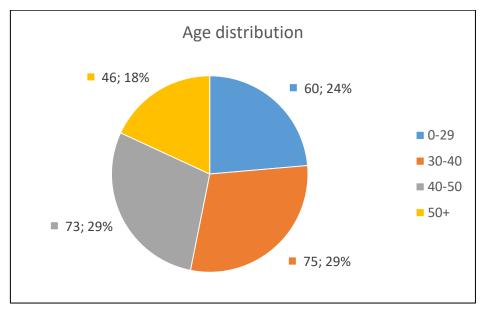
# 5.3 Demographic characteristics

This sub-section discusses the distribution of the responses for the various demographic factors.

## 5.3.1 Age

Figure 3 below shows the age distribution of the respondents to the study. As is apparent from the figure, 24% were below the age of 30, 29% were between 30 and 39, 29% were between 40 and 49, and 18% were aged 50 years or above.

Figure 3: Respondents' age distribution

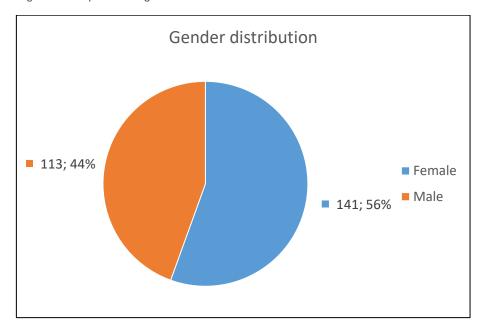


#### 5.3.2 Gender

Figure 4 below shows the distribution of completed responses between male and female. 56% of the respondents were female, with the remainder being male.



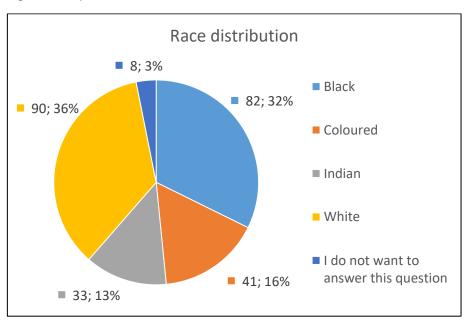
Figure 4: Respondents' gender distribution



#### 5.3.3 Race

Figure 5 shows the distribution of the responses between races. The ethnic group with the most responses was white at 36%, followed by black at 32%, coloured at 16% and Indian at 13%. The remaining 3% of respondents did not want to disclose their race.

Figure 5: Respondents race distribution





#### 5.3.4 Education level

The questionnaire allowed the respondents to choose between 10 education levels. Table 9 below shows the frequency distribution between these levels. The levels were grouped into the four groups shown in the table, which are graphically presented in Figure 6. Group 2 had the most responses at 35%, presenting respondents with diplomas. This was followed by group 3 with 25%, presenting respondents with Bachelor's Degrees. 22% of respondents had post-graduate degrees and 18% had no tertiary education.

Table 9: Frequency Distribution between Education levels and Grouped Education Levels

Group	Highest education level	Frequency	Grouped frequency
	I do not want to answer this		
Group	question	7	46
1	Less than Grade 12	1	40
	Grade 12	38	
	Diploma or Certificate with Grade 12	62	
	Higher Diploma		
Croup	(Technikon/University of		
Group 2	Technology)	18	88
	Post Higher Diploma		
	(Technikon/University of Technology		
	Masters, Doctoral)	8	
Group	Bachelor's Degree	34	
3	Bachelor's Degree and Post-		64
<u> </u>	Graduate Diploma	30	
Group	Honours Degree	34	
4	Higher Degree (Masters, Doctorate)	22	56



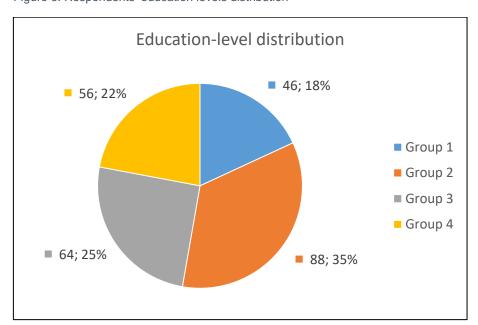


Figure 6: Respondents' education levels distribution

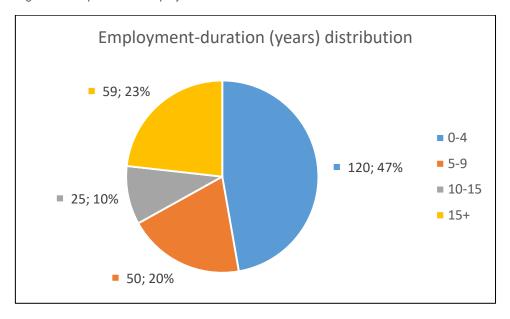
### 5.3.5 Employment duration

Figure 7 shows the distribution of respondents' employment duration, grouped by respondents who had been with their employer for less than 5 years, between 5 and 9 years, between 10 and 14 years and those who had been with their employer for more than 15 years. 47% of the respondents had been with their employer for less than 5 years while 23% had been with their employers for more than 15 years.

On average, employees had been with their employers for 8.9 years, with a standard deviation of 9.3 years. The lowest employment duration was 0, with the highest being 38 years. Since the standard deviation is higher than the mean with an absolute possible minimum of 0, the distribution is expected to be positively skewed, which is confirmed with a coefficient of skewness of 1.4.



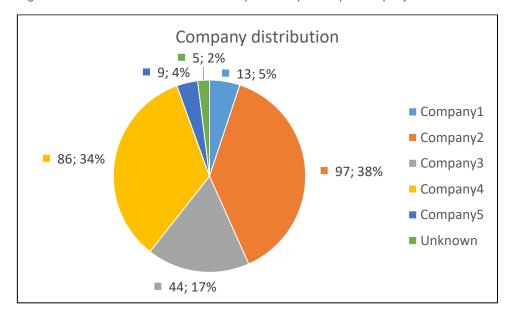
Figure 7: Respondents' employment duration distribution



## 5.3.6 Current employer

As can be seen in Figure 8, most of the responses were from company 2 and company 4, with 38% and 34% of the total responses, respectively. This was followed by company 3 with 17% of the responses.

Figure 8: Distribution of the number of completed responses per company





# 5.4 Employer branding characteristics

This sub-section considers the descriptive statistics for each of the measures in the employer branding scale. It also considers the inter-correlations of each dimension of the scale.

Appendix 3 contains a graphical representation of the frequency distribution for each of the employer branding measures as well as some statistical outputs.

## 5.4.1 Healthy work atmosphere

Table 10 below summarises the descriptive statistics for each of the employer branding measures for the healthy-work-atmosphere dimension. For each of the measures the Shapiro-Wilk tests were significant with a p-value below 0.05 suggesting that normality can be assumed.

Table 10: Descriptive Statistics for the Measures of Healthy Work Atmosphere

Code	Question		Standard deviation	Skewness	Shapiro- Wilk p-value
	My organisation provides autonomy to its				
EB1_1	employees to make decisions.	3.25	0.87	-0.61	0.000
	My organisation offers opportunities to enjoy a				
EB1_2	group atmosphere.	3.65	0.83	-0.82	0.000
	I have work friends who are ready to share my				
EB1_3	responsibility at work in my absence.	3.64	0.97	-0.65	0.000
	My organisation recognises me when I do				
EB1_4	good work.	3.39	1.00	-0.44	0.000
	My organisation offers a relatively stress-free				
EB1_5	work environment.	2.85	1.04	0.15	0.000
	My organisation offers the opportunity to work				
EB1_6	in teams.	3.78	0.81	-0.70	0.000
EB1	Average score	3.43	0.61	-0.50	0.000

The table below shows the correlations between the measures as well as the correlations between the measures and the dimension's average (EB1). There are strong



correlations between the average and the measures (last column in table) with all correlation coefficients being above 0.55. The only correlation in the table which is not significant (marked in grey), is between EB1\_3 and EB1\_5 which has a p-value of 0.065.

Table 11: Correlation Matrix between Healthy-Work-Atmosphere Measures Including the Average Score for the Dimension

		Pearson Correlation Coefficients							
	EB1_1	EB1_2	EB1_3	EB1_4	EB1_5	EB1_6	EB1		
EB1_1	1.000	0.502	0.211	0.336	0.190	0.361	0.636		
EB1_2	0.502	1.000	0.298	0.475	0.303	0.539	0.765		
EB1_3	0.211	0.298	1.000	0.295	0.116	0.305	0.568		
EB1_4	0.336	0.475	0.295	1.000	0.300	0.447	0.727		
EB1_5	0.190	0.303	0.116	0.300	1.000	0.262	0.572		
EB1_6	0.361	0.539	0.305	0.447	0.262	1.000	0.711		
EB1	0.636	0.765	0.568	0.727	0.572	0.711	1.000		

		Pearson Correlation P-value							
	EB1_1	EB1_2	EB1_3	EB1_4	EB1_5	EB1_6	EB1		
EB1_1		0.000	0.001	0.000	0.002	0.000	0.000		
EB1_2	0.000		0.000	0.000	0.000	0.000	0.000		
EB1_3	0.001	0.000		0.000	0.065	0.000	0.000		
EB1_4	0.000	0.000	0.000		0.000	0.000	0.000		
EB1_5	0.002	0.000	0.065	0.000		0.000	0.000		
EB1_6	0.000	0.000	0.000	0.000	0.000		0.000		
EB1	0.000	0.000	0.000	0.000	0.000	0.000			

The Cronbach's  $\alpha$  for the measures within the scale was 0.735, which is considered a good measure as per Table 7.

### 5.4.2 Training and development

Table 12 below summarises the descriptive statistics for each of the employer branding measures for the training and development dimension. For each of the measures the Shapiro-Wilk tests were significant with a p-value below 0.05 suggesting that normality can be assumed.



Table 12: Descriptive Statistics for the Measures of Training and Development

Code	Question	Mean	Standard deviation	Skewness	Shapiro- Wilk p-value
	My organisation provides us with online				
EB2_1	training courses.	3.38	1.08	-0.54	0.000
	My organisation organises various				
	conferences, workshops and training				
EB2_2	programmes on a regular basis.	3.44	1.04	-0.55	0.000
	My organisation offers opportunities to work on				
EB2_3	foreign projects.	2.74	1.07	0.16	0.000
	My organisation invests heavily in training and				
EB2_4	development of its employees.	3.31	1.06	-0.44	0.000
	Skills development is a continuous process in				
EB2_5	my organisation.	3.41	0.98	-0.45	0.000
	My organisation communicates clear				
EB2_6	advancement paths for its employees.	2.78	0.98	-0.04	0.000
EB2	Average score	3.18	0.74	-0.41	0.003

The table below shows the correlations between the measures as well as the correlations between the measures and the dimension's average (EB2). There are strong correlations between the average and the measures (last column in table) with all correlation coefficients being above 0.6. All other correlations in the table are also significant with p-values of less than 0.05.



Table 13: Correlation Matrix between Training and Development Measures Including the Average Score for the Dimension

	Pearson Correlation Coefficient							
	EB2_1	EB2_2	EB2_3	EB2_4	EB2_5	EB2_6	EB2	
EB2_1	1.000	0.427	0.264	0.386	0.402	0.261	0.645	
EB2_2	0.427	1.000	0.383	0.506	0.530	0.279	0.729	
EB2_3	0.264	0.383	1.000	0.363	0.371	0.278	0.624	
EB2_4	0.386	0.506	0.363	1.000	0.802	0.470	0.819	
EB2_5	0.402	0.530	0.371	0.802	1.000	0.521	0.838	
EB2_6	0.261	0.279	0.278	0.470	0.521	1.000	0.643	
EB2	0.645	0.729	0.624	0.819	0.838	0.643	1.000	

	Pearson Correlation P-value							
	EB2_1	EB2_2	EB2_3	EB2_4	EB2_5	EB2_6	EB2	
EB2_1		0.000	0.000	0.000	0.000	0.000	0.000	
EB2_2	0.000		0.000	0.000	0.000	0.000	0.000	
EB2_3	0.000	0.000		0.000	0.000	0.000	0.000	
EB2_4	0.000	0.000	0.000		0.000	0.000	0.000	
EB2_5	0.000	0.000	0.000	0.000		0.000	0.000	
EB2_6	0.000	0.000	0.000	0.000	0.000		0.000	
EB2	0.000	0.000	0.000	0.000	0.000	0.000		

The Cronbach's  $\alpha$  for the measures within the scale was 0.809, which is considered a good measure as per Table 7.

#### 5.4.3 Work-life balance

Table 14 below summarises the descriptive statistics for each of the employer branding measures for the work-life balance dimension. For each of the measures the Shapiro-Wilk tests were significant with a p-value below 0.05 suggesting that normality can be assumed.



Table 14: Descriptive Statistics for the Measures of Work-Life Balance

Code	Question	Mean	Standard deviation	Skewness	Shapiro- Wilk p-value
	My organisation provides flexible working				
EB3_1	hours.	3.94	0.94	-1.09	0.000
	My organisation offers the opportunity to work				
EB3_2	from home.	2.87	1.27	0.04	0.000
	My organisation provides an on-site sports				
EB3_3	facility.	1.67	0.85	1.60	0.000
EB3	Average score	2.82	0.70	-0.17	0.000

The table below shows the correlations between the measures as well as the correlations between the measures and the dimension's average (EB3). There are strong correlations between the average and the measures (last column in table) with all correlation coefficients being above 0.5. The only correlation in the table which is not significant (marked in grey), is between EB3\_1 and EB3\_3 which has a p-value of 0.792.

Table 15: Correlation Matrix between Work-Life Balance Measures Including the Average Score for the Dimension

	Pearson Correlation Coefficients					
	EB3_1	EB3_2	EB3_3	EB3		
EB3_1	1.000	0.359	-0.017	0.657		
EB3_2	0.359	1.000	0.171	0.833		
EB3_3	-0.017	0.171	1.000	0.501		
EB3	0.657	0.833	0.501	1.000		

	Pearson Correlation P-value					
	EB3_1	EB3_2	EB3_3	EB3		
EB3_1		0.000	0.792	0.000		
EB3_2	0.000		0.006	0.000		
EB3_3	0.792	0.006		0.000		
EB3	0.000	0.000	0.000			



The Cronbach's  $\alpha$  for the measures within the scale was 0.407, which is considered unacceptable as per Table 7. Table 16 shows the impact on the Cronbach's  $\alpha$  if a measure is discarded. By deleting the third measure (My organisation provides an onsite sports facility) the Cronbach's  $\alpha$  increases to 0.55, which is still considered poor.

Table 16: Cronbach's  $\alpha$  if a Measure is Discarded

	Cronbach's α if		
	Item Deleted		
EB3_1	0.274		
EB3_2	-0.034		
EB3_3	0.511		

In order to improve Cronbach's  $\alpha$ , the dimension's average (EB\_3 adj) was calculated by discarding the third measures. The table below shows the recalculated correlations between the measures used, as well as the correlations between the measures and the dimension's average (EB3 adj). There are strong correlations between the average and the measures (last column in table) with all correlation coefficients being above 0.75. All other correlations in the table are also significant with p-values of less than 0.05.

Table 17: Correlation Matrix between Work-Life Balance Measures, Excluding the Third Measure, but Including the Average Score for the Dimension

	Pearson Correlation Coefficient				
	EB3_1	EB3_2	EB3 adj		
EB3_1	1.000	0.359	0.763		
EB3_2	0.359	1.000	0.877		
EB3 adj	0.763	0.877	1.000		

	Pearson Correlation P-value				
	EB3_1	EB3_2	EB3 adj		
EB3_1		0.000	0.000		
EB3_2	0.000		0.000		
EB3 adj	0.000	0.000			

The dimension's average score after discarding the third measure, had a mean of 3.4, standard deviation of 0.9 and skewness of -0.38.



## 5.4.4 Ethics and corporate social responsibility

Table 18 below summarises the descriptive statistics for each of the employer branding measures for the ethics and corporate-social-responsibility dimension. For each of the measures the Shapiro-Wilk tests were significant with a p-value below 0.05 suggesting that normality can be assumed.

Table 18: Descriptive Statistics for the Measures of Ethics and Corporate Social Responsibility

Code	Question	Mean	Standard deviation	Skewness	Shapiro- Wilk p-value
	My organisation has fair attitudes towards				
EB4_1	employees.	3.26	1.00	-0.73	0.000
	Employees are expected to follow all rules and				
EB4_2	regulations.	4.08	0.72	-1.00	0.000
	A humanitarian organisation gives back to				
EB4_3	society.	3.72	0.79	-0.57	0.000
	There is a confidential procedure to report				
EB4_4	misconduct at work.	3.93	0.85	-0.81	0.000
EB4	Average score	3.75	0.57	-0.62	0.000

The table below shows the correlations between the measures as well as the correlations between the measures and the dimension's average (EB4). There are strong correlations between the average and the measures (last column in table) with all correlation coefficients being above 0.55. The only correlation which is not significant in the table (marked in grey), is between EB4\_2 and EB4\_3 which has a p-value of 0.066.

Table 19: Correlation Matrix between Ethics and Corporate-Social-Responsibility Measures Including the Average Score for the Dimension

	Pearson Correlation Coefficient						
	EB4_1	EB4_2	EB4_3	EB4_4	EB4		
EB4_1	1.000	0.312	0.220	0.407	0.762		
EB4_2	0.312	1.000	0.066	0.313	0.609		
EB4_3	0.220	0.066	1.000	0.266	0.577		
EB4_4	0.407	0.313	0.266	1.000	0.740		
EB4	0.762	0.609	0.577	0.740	1.000		



	Pearson Correlation P-value					
	EB4_1	EB4_2	EB4_3	EB4_4	EB4	
EB4_1	0.000	0.000	0.000	0.000	0.000	
EB4_2	0.000	0.000	0.066	0.000	0.000	
EB4_3	0.000	0.066	0.000	0.000	0.000	
EB4_4	0.000	0.000	0.000	0.000	0.000	
EB4	0.000	0.000	0.000	0.000	0.000	

The Cronbach's  $\alpha$  for the measures within the scale was 0.602, which is considered an acceptable poor measure as per Table 7.

## 5.4.5 Compensation and benefits

Table 20 below summarises the descriptive statistics for each of the employer branding measures for the compensation and benefits dimension. For each of the measures the Shapiro-Wilk tests were significant with a p-value below 0.05 suggesting that normality can be assumed.

Table 20: Descriptive Statistics for the Measures of Compensation and Benefits

Code	Question	Mean	Standard deviation	Skewness	Shapiro- Wilk p-value
	In general, the salary offered by my				
EB5_1	organisation is high.	2.59	1.05	0.13	0.000
	In general, the bonus (including short and				
	long-term incentive) offered by my				
EB5_2	organisation is high.	2.59	1.03	-0.11	0.000
EB5_3	My organisation provides good health benefits.	3.40	1.00	-0.73	0.000
	My organisation provides insurance coverage				
EB5_4	for employees and dependents.	3.47	1.06	-0.76	0.000
EB5	Average score	3.01	0.72	-0.42	0.000

The table below shows the correlations between the measures as well as the correlations between the measures and the dimension's average (EB5). There are strong



correlations between the average and the measures (last column in table) with all correlation coefficients being above 0.65. All other correlations in the table are also significant with p-values of less than 0.05.

Table 21: Correlation Matrix between Compensation and Benefits Measures Including the Average Score for the Dimension

	Pearson Correlation Coefficient						
	EB5_1 EB5_2 EB5_3 EB5_4						
EB5_1	1.000	0.554	0.179	0.165	0.691		
EB5_2	0.554	1.000	0.290	0.164	0.725		
EB5_3	0.179	0.290	1.000	0.471	0.694		
EB5_4	0.165	0.164	0.471	1.000	0.655		
EB5	0.691	0.725	0.694	0.655	1.000		

	Pearson Correlation P-value						
	EB5_1 EB5_2 EB5_3 EB5_4 EB5						
EB5_1		0.000	0.004	0.008	0.000		
EB5_2	0.000		0.000	0.009	0.000		
EB5_3	0.004	0.000		0.000	0.000		
EB5_4	0.008	0.009	0.000		0.000		
EB5	0.000	0.000	0.000	0.000			

The Cronbach's  $\alpha$  for the measures within the scale was 0.635, which is considered an acceptable poor measure as per Table 7.

### 5.4.6 Overall employer branding score

Table 22 shows the correlations between the employer branding dimensions as well as the correlations between the dimensions and the overall average score (EB). All the correlations in the table are significant with a p-value below 0.05, except the correlation between EB3 adj and EB4 which has a p-value of 0.053.



Table 22: Correlation Matrix between the Dimensions Including the Average Score over all Dimensions

	Pearson Correlation Coefficient						
	EB	EB1	EB2	EB3 adj	EB4	EB5	
EB	1.000	0.730	0.757	0.632	0.692	0.648	
EB1	0.730	1.000	0.491	0.271	0.600	0.308	
EB2	0.757	0.491	1.000	0.290	0.529	0.337	
EB3 adj	0.632	0.271	0.290	1.000	0.120	0.249	
EB4	0.692	0.600	0.529	0.120	1.000	0.351	
EB5	0.648	0.308	0.337	0.249	0.351	1.000	

	Pearson Correlation P-value						
	EB	EB1	EB2	EB3 adj	EB4	EB5	
EB		0.000	0.000	0.000	0.000	0.000	
EB1	0.000		0.000	0.000	0.000	0.000	
EB2	0.000	0.000		0.000	0.000	0.000	
EB3 adj	0.000	0.000	0.000		0.053	0.000	
EB4	0.000	0.000	0.000	0.053		0.000	
EB5	0.000	0.000	0.000	0.000	0.000		

The Cronbach's  $\alpha$  for the measures within the scale was 0.706, which is considered a good measure as per Table 7.

# 5.5 Compensation characteristics

Table 23 shows the descriptive statistics for the compensation questions in part 3 of the questionnaire. Although the averages are close to zero, the standard deviations for the three questions are high. This can also be observed in the figures that follow.

Table 23: Descriptive Statistics for the Three Questions Relating to Compensation

	Range		Mean	Standard	Skewness	
	Min	Max	Moan	deviation	OKOWIIOOO	
Salary	-0.15	0.20	0.024	0.124	-0.035	
Bonus	-0.75	1.00	0.015	0.669	0.170	
Leave	-6	8	0.677	5.796	0.035	



The following three figures show the frequency distribution for the questions relating to compensation. In all three cases (salary, bonus and leave levels) normality cannot be assumed. The graphs do not resemble a bell-shaped curve as discussed in section 4.7.3.

Figure 9: Frequency distribution for the level of salary for which an employee will consider moving to another organisation with a perceived strong employer brand

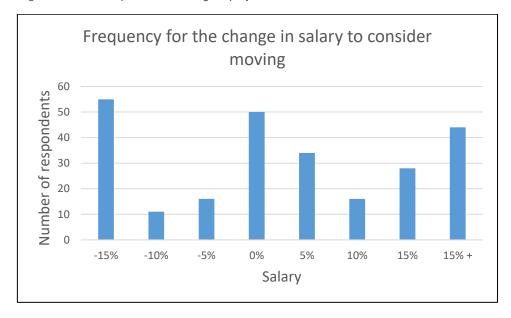


Figure 10: Frequency distribution for the level of bonus for which an employee will consider moving to another organisation with a perceived strong employer brand

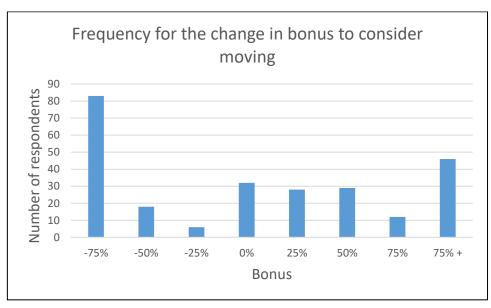
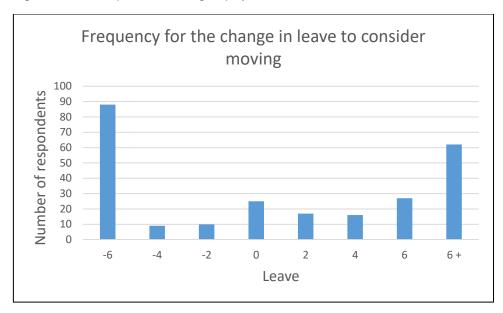




Figure 11: Frequency distribution for the level of leave for which an employee will consider moving to another organisation with a perceived strong employer brand



A graphical representation of the relationship between the compensation variables are shown in Appendix 4. The appendix also contains the statistical outputs from the tests below.

The table below shows the correlations between the compensation variables from part 3 of the questionnaire. All correlations in the table are significant with p-values below 0.05.

Table 24: Correlation Test between Compensation Variables

	Spearman's rho Coefficient					
	Salary Bonus Lea					
Salary	1.000	0.777	0.821			
Bonus	0.777	1.000	0.813			
Leave	0.821	0.813	1.000			

	Spearman's rho P-value				
	Salary Bonus Lea				
Salary		0.000	0.000		
Bonus	0.000		0.000		
Leave	0.000	0.000			



#### 5.6 Retention characteristics

Table 25 below shows the descriptive statistics for the retention questions in part 4 of the questionnaire. Since question one (satisfied with employer) and three (approachable) are nominal data, it is more appropriate to consider the median instead of the mean, and the interquartile range instead of the standard deviation. For both questions, the median is high with a rather low interquartile range. Question two (actively in the job market) is a binary data type, and therefore the mode is the most appropriate data type to consider. Most people indicated that they were not actively looking for jobs.

Table 25: Descriptive Statistics for the Three Questions Relating to Staff Retention

	Median	Interquartile Range	Mode
Satisfied with employer	4.00	1	
Actively in job market			0
Approachable	4.00	1	

The following three figures show the frequency distribution for the questions relating to retention. 46% of the respondents indicated that they were satisfied with their current employer and 71% were not actively looking to move. 55% of the respondents said they are either likely or very likely to consider moving if they are approached.

Figure 12: Frequency distribution for the level of employee satisfaction

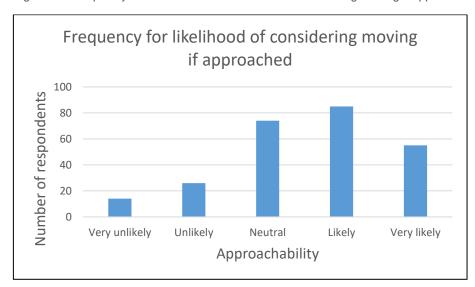




Figure 13: Frequency distribution between employees who are actively looking to move and those who are not



Figure 14: Frequency distribution for the likelihood of considering moving if approached



A graphical representation of the relationship between the retention variables is shown in Appendix 5. The appendix also contains the statistical outputs from the tests below.

The table below shows the correlations between the compensation variables from part 3 of the questionnaire. All correlations in the table are significant with p-values below 0.05. The correlations between question one and the other two questions are negative, while the correlation between questions two and three is positive.



Table 26: Correlation Test between Retention Variables

	Spearman's rho Coefficient			
	Satisfied with	Actively in job		
	employer	market	Approachable	
Satisfied with				
employer	1.000	-0.557	-0.576	
Actively in job market	-0.557	1.000	0.528	
Approachable	-0.576	0.528	1.000	

	Spearman's rho P-value			
	Satisfied with employer	Actively in job market	Approachable	
Satisfied with employer		0.000	0.000	
Actively in job market	0.000		0.000	
Approachable	0.000	0.000	_	

### 5.7 Hypothesis 1

This sub-section contains all the hypothesis tests relating to demographics. Post-hoc analyses were performed where significant differences were observed. Appendix 6 contains all the statistical outputs of this sub-section.

## 5.7.1 Age

The analysis of variance in Table 27 shows that there is a significant difference between the four age bands, with the p-value being below 0.05.

Table 27: H<sub>1a</sub>: Analysis of Variance for Age Bands

	ANOVA		
	F	p-value	
H <sub>1a</sub> : Age	2.766	0.042	

To decide which post-hoc analysis to perform, it is important to determine if the variances in each age band are equal. A Levene's test is shown below, suggesting that the variances are equal with a p-value greater than 0.05.



Table 28: H<sub>1a</sub>: Levene's Test for Age Bands

	Levene's Test		
	F	p-value	
Age	1.543	0.204	

A Tukey post-hoc analysis was performed and is shown below. There was a significant difference between the first band (below 30) and the last band (above 50) with the p-value below 0.05. Figure 15 below compares the overall employer branding means of each of the age bands. This suggests that the overall employer branding score increases with age.

Table 29: H<sub>1a</sub>: Tukey Post-Hoc Test for Age Bands

		Tukey	
		Mean difference	p-value
1	2	-0.086	0.732
	3	-0.159	0.232
	4	-0.257	0.035
2	1	0.086	0.732
	3	-0.073	0.791
	4	-0.171	0.232
3	1	0.159	0.232
	2	0.073	0.791
	4	-0.098	0.703
4	1	0.257	0.035
	2	0.171	0.232
	3	0.098	0.703



Figure 15: H<sub>1a</sub>: Graphical representation of the means for the age bands

#### 5.7.2 Gender

The Levene's test below suggests that the variances for the overall employer branding scores are equal for males and females, since the p-value is greater than 0.05. This was performed to ensure that the correct T-test can be applied.

Table 30: H<sub>1b</sub>: Levene's Test for Gender

	Levene's Test	
	F	p-value
Gender	0.032	0.858

Table 31 below shows the output from the T-test with equal variances. The test shows that there is no significant difference for the overall employer branding score between males and females.



Table 31: H<sub>1b</sub>: T-Test for Gender

	T-Test	
	Т	p-value
H <sub>1b</sub> : Gender	0.861	0.390

### 5.7.3 Race

The analysis of variance in Table 32 shows that there is no significant difference between the various races, with the p-value being above 0.05.

Table 32: H<sub>1c</sub>: Analysis of Variance for Race

	ANOVA	
	F	p-value
H <sub>1c</sub> : Race	249.000	0.235

### 5.7.4 Education level

The analysis of variance in Table 33 shows that there is a significant difference between the education levels, with the p-value being below 0.05.

Table 33: H<sub>1d</sub>: Analysis of Variance for Education Level

	ANOVA	
	F	p-value
H <sub>1d</sub> : Education	2.993	0.032

As above, a Levene's test is shown below, suggesting that the variances are equal with a p-value greater than 0.05.

Table 34: H<sub>1d</sub>: Levene's Test for Education Level

	Levene's Test		
	F p-value		
Education	0.282	0.838	



A Tukey post-hoc analysis was performed and is shown below. The post-hoc analysis suggests that there is no significant difference between education levels at a 5% level of significance.

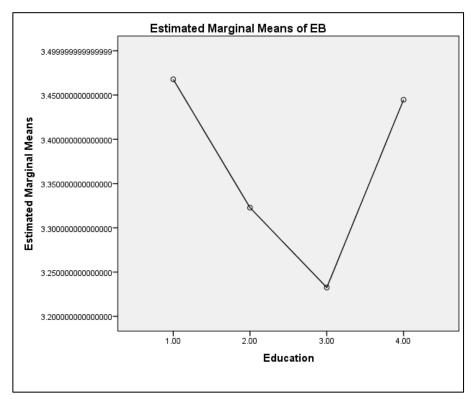
Figure 16 below compares the overall employer branding means of each of the education levels (1 is the lowest level and 4 is the highest). There is no intuitive linear pattern for the level of education.

Table 35: H<sub>1d</sub>: Tukey Post-Hoc Test for Education Level

		Tukey	
		Mean difference	p-value
1	2	0.145	0.350
	3	0.235	0.059
	4	0.023	0.995
2	1	-0.145	0.350
	3	0.090	0.666
	4	-0.122	0.451
3	1	-0.235	0.059
	2	-0.090	0.666
	4	-0.212	0.079
4	1	-0.023	0.995
	2	0.122	0.451
	3	0.212	0.079



Figure 16: H<sub>1d</sub>: Graphical representation of the means for the education levels



The results for this test were inconclusive and therefore a significant difference in education levels cannot be assumed.

# 5.7.5 Employment duration

The analysis of variance in Table 36 shows that there is a significant difference between the employment duration bands, with the p-value being below 0.05.

Table 36: H<sub>1e</sub>: Analysis of Variance for Employment-Duration Bands

	ANOVA	
	F	p-value
H <sub>1e</sub> : Employment duration	2.641	0.050

As above, a Levene's test is shown below, suggesting that the variances are not equal with a p-value less than 0.05.



Table 37: H<sub>1e</sub>: Levene's Test for Employment-Duration Bands

	Levene's Test		
	F p-value		
Employment duration	3.271	0.022	

A Games-Howell post-hoc analysis was performed and is shown below. There was a significant difference between the third band (between 10 and 14 years) and the fourth band (above 15 years) with the p-value below 0.05. Figure 17 below compares the overall employer branding means of each of the employment bands. This does not suggest a linear relationship for the overall employer branding score, but that the score is higher for employees who have been with the company for longer.

Table 38: H<sub>1e</sub>: Games-Howell Post-Hoc Test for Employment-Duration Bands

		Games-Howell	
		Mean difference	p-value
1	2	0.034	0.983
	3	0.145	0.240
	4	-0.149	0.206
2	1	-0.034	0.983
	3	0.111	0.692
	4	-0.183	0.274
3	1	-0.145	0.240
	2	-0.111	0.692
	4	-0.294	0.007
4	1	0.149	0.206
	2	0.183	0.274
	3	0.294	0.007



Figure 17: H<sub>1e</sub>: Graphical representation of the means for the employment-duration bands

# 5.8 Hypothesis 2

As stated in the previous section, the five respondents that could not be grouped into one of the companies were ignored in this analysis. Appendix 7 contains all statistical outputs for this sub-section.

The analysis of variance below indicates that there is a significant difference between the overall employer branding score of the five companies in the study, with the p-value below 0.05.

Table 39: H<sub>2</sub>: Analysis of Variance for Companies

	ANOVA		
	F	p-value	
H <sub>2</sub> : Company	8.491	0.000	

As above, a Levene's test is shown below, suggesting that the variances for the overall employer branding score between companies is not equal with a p-value less than 0.05.



Table 40: H<sub>2</sub>: Levene's Test for Companies

	Levene's Test		
	F	p-value	
Company	2.493	0.044	

A Games-Howell post-hoc analysis was performed and is shown below. There were significant differences (highlighted in grey) between companies 1 and 3; 2 and 3; 2 and 5; and 3 and 4. For all these differences the p-values were less than 0.05.

Table 41: H<sub>2</sub>: Games-Howell Post-Hoc Test for Companies

		Games-Howell	
		Mean	
		difference	p-value
Company1	Company2	0.040	0.996
	Company3	-0.412	0.025
	Company4	-0.017	1.000
	Company5	-0.308	0.247
Company2	Company1	-0.040	0.996
	Company3	-0.452	0.000
	Company4	-0.056	0.932
	Company5	-0.348	0.048
Company3	Company1	0.412	0.025
	Company2	0.452	0.000
	Company4	0.395	0.000
	Company5	0.104	0.903
Company4	Company1	0.017	1.000
	Company2	0.056	0.932
	Company3	-0.395	0.000
	Company5	-0.291	0.134
Company5	Company1	0.308	0.247
	Company2	0.348	0.048
	Company3	-0.104	0.903
	Company4	0.291	0.134



Figure 18 graphically represents the differences of the overall employer branding means between the companies. Company 3 was measured to be the highest, followed by company 5.

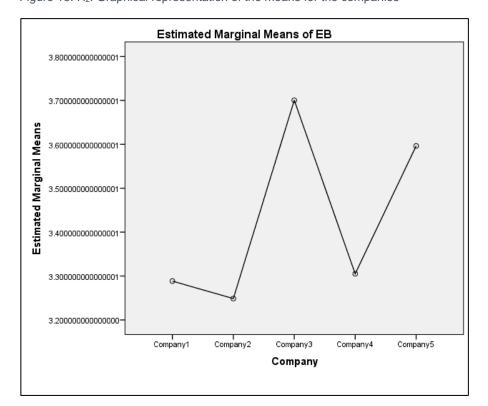


Figure 18: H<sub>2</sub>: Graphical representation of the means for the companies

# 5.9 Hypothesis 3

Appendix 8 contains all the statistical outputs for this sub-section.

The series of figures below shows the box and whiskers plots for the compensation variables, namely salary, bonus and leave. The yellow blocks at each level indicate the first and third quartile, with the black line in the middle being the median. The lines from the box indicate the spread to the minimum and maximum values. The dots indicate any potential outliers, and these have not been removed for the study. For each of the plots, there is variability around the medians at each level, with a general increase in the employer branding score as the levels increase. This can be observed in the yellow blocks which increase as salary levels increase.



Figure 19: Box and whiskers plot of the overall employer-branding score for salary levels

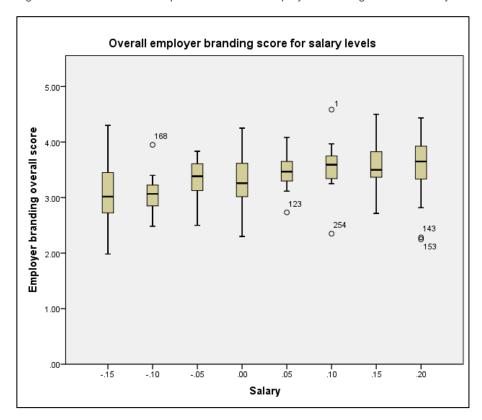


Figure 20: Box and whiskers plot of the overall employer-branding score for bonus levels

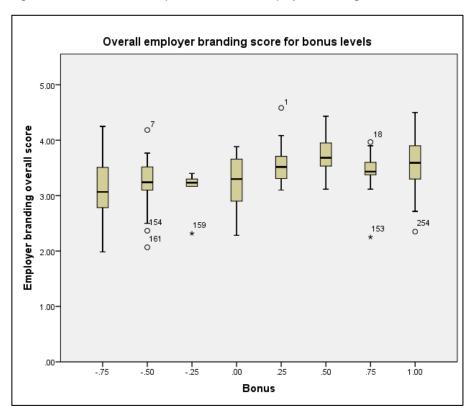




Figure 21: Box and whiskers plot of the overall employer-branding score for leave levels

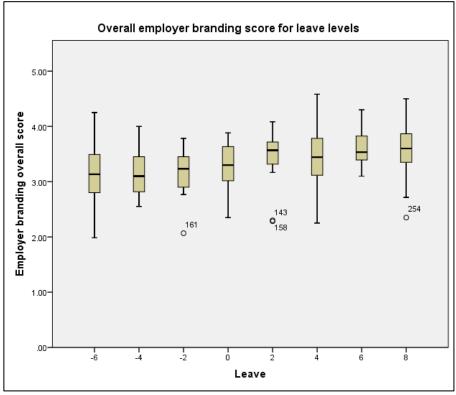


Table 42 below shows the results for Spearman's rho correlation tests for  $H_{3a}$ ,  $H_{3b}$  and  $H_{3c}$ . For all three tests, the correlations were significant with all the p-values being less than 0.05. The correlation coefficients are all positive and have a moderate strength.

Table 42: Spearman's Rho Tests for the Compensation Variables

	Spearman's rho		
	Correlation	p-value	
	Coefficient	p-value	
H <sub>3a</sub> : Salary	0.425	0.000	
H <sub>3b</sub> : Bonus	0.399	0.000	
H <sub>3c</sub> : Leave	0.424	0.000	



## 5.10 Hypothesis 4

Appendix 9 contains all statistical outputs for this sub-section.

The series of figures below shows the box and whiskers plots for the retention variables, namely satisfied with employer, actively in the job market and approachable. As above, the outliers have not been removed for the study.

For each of the plots, there is variability around the medians at each level. Figure 22 shows a general increase in the employer branding score as the levels increase. Figure 23 shows that general levels in the employer branding score are lower for those actively in the job market. Figure 24 shows a general decrease in the employer branding score as the levels increase.

Figure 22: Box and whiskers plot of the overall employer-branding score for satisfaction-with-employer levels

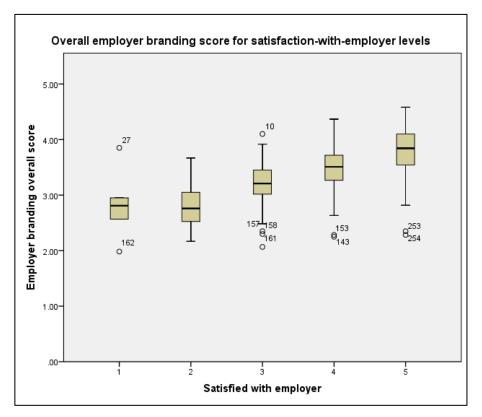




Figure 23: Box and whiskers plot of the overall employer-branding score for actively-in-job-market levels

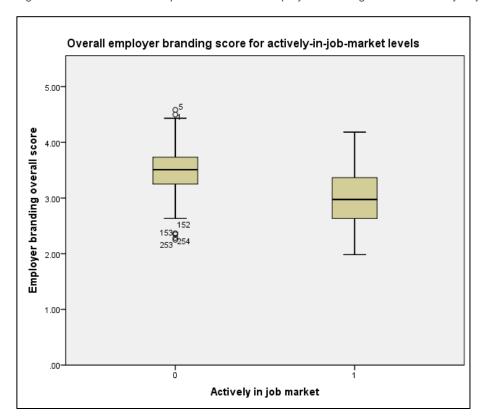


Figure 24: Box and whiskers plot of the overall employer-branding score for approachability levels

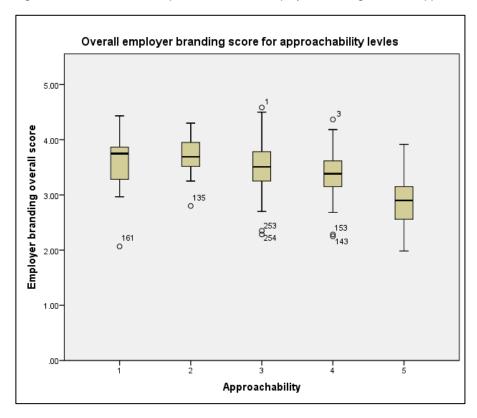




Table 43 below shows the results for Spearman's rho correlation tests for  $H_{4a}$ ,  $H_{4b}$  and  $H_{4c}$ . For all three tests, the correlations were significant with all the p-values being less than 0.05. The correlation coefficient for the first variable, satisfied with employer, is positive, while the others are negative. All the coefficients have a moderate strength.

Table 43: Spearman's Rho Tests for the Staff-Retention Variables

	Spearman's rho		
	Correlation	n volue	
	Coefficient	p-value	
H <sub>4a</sub> : Satisfied with			
employer	0.537	0.000	
H <sub>4b</sub> : Actively in job market	-0.430	0.000	
H <sub>4c</sub> : Approachable	-0.500	0.000	

### 5.11 Conclusion

This chapter disclosed the results of this study: (1) the impact of demographics on employer branding; (2) if employer branding efforts are recognised by employees; (3) the impact of perceived employer branding on compensation expectations to move to another organisation; and (4) the impact of perceived employer branding on staff retention.

Table 44 summarises the results for each of the hypotheses.

Table 44: Results Summary

Hypothesis	Results summary	
H <sub>1a</sub> : Employer branding perceptions do	Significant difference in the average	
not differ between age groups	overall employer branding scores	
	between the age bands	
H <sub>1b</sub> : Employer branding perceptions do	No significant difference in the average	
not differ between males and females	overall employer branding scores for	
	gender	



H <sub>1c</sub> : Employer branding perceptions do	No significant difference in the average		
not differ between races	overall employer branding scores		
	between races		
	Solvie on Tabbe		
H <sub>1d</sub> : Employer branding perceptions do	Although a significant difference was		
not differ between education levels	observed in the overall employer branding		
	score between education levels, post-hoc		
	analyses suggested that these were not		
	significant between any of the levels.		
H <sub>1e</sub> : Employer branding perceptions do	Significant difference in the average		
not differ for duration of employment	overall employer branding scores		
	between the employment-duration levels		
H <sub>2</sub> : Employer branding perceptions do not	Significant difference in the average		
differ between companies	overall employer branding scores		
	between the employment-duration levels		
H <sub>3a</sub> : Employer branding perceptions of a	A moderately strong positive		
current employer are not correlated with	correlation was observed between the		
the salary expectations to move to	o overall employer branding score and		
another employer with a perceived strong	salary expectations		
employer brand			
H <sub>3b</sub> : Employer branding perceptions of a	A moderately strong positive		
current employer are not correlated with	correlation was observed between the		
bonus expectations to move to another	overall employer branding score and		
employer with a perceived strong	bonus expectations		
employer brand			
III . Employer broading a second Core	A moderately strange positive		
H <sub>3c</sub> : Employer branding perceptions of a	A moderately strong positive		
current employer are not correlated with	correlation was observed between the		
leave expectations to move to another	overall employer branding score and		
employer with a perceived strong	leave expectations		
employer brand			
H <sub>4a</sub> : Employer branding perceptions of a	A moderately strong positive		
M   1   1   1   1   1   1   1   1   1	70 moderatery strong positive		
current employer are not correlated with	correlation was observed between the		



how satisfied employees are with their	satisfied employees are with their current		
current employer	employer		
H <sub>4b</sub> : Employer branding perceptions of a	A moderately strong negative		
current employer are not correlated with	correlation was observed between the		
employees who are actively looking to	overall employer branding score and		
move	employees who are actively looking to		
	move		
H <sub>4c</sub> : Employer branding perceptions of a	A moderately strong negative		
current employer are not correlated with	correlation was observed between the		
how likely employees are to consider	r overall employer branding score and how		
moving to another organisation if they	likely employees are to consider moving		
were approached	to another organisation if they were		
	approached		

The results are discussed in the next chapter.



# 6 Discussion of results

### 6.1 Introduction

The previous chapter provided the test results for the hypotheses set out in chapter 3. The results were obtained through the collection of data by means of an electronic questionnaire and various statistical analyses. For each of the hypotheses, a specific statistical test was performed.

This chapter discusses the results from the previous chapter and how they relate to the four research objectives. Each of the hypotheses are answered and discussed taking into consideration the literature review performed in chapter 2.

## 6.2 Hypothesis 1

Hypothesis 1 considers various demographic factors and whether a significant difference could be observed between the categories for each factor. This directly relates to the third objective of the study which is to determine the impact of demographic factors on employer branding perceptions.

Current literature does not consider differences for specific attributes but rather general considerations (Sommer et al., 2016). The development of the employer branding scale by Tanwar and Prasad (2017) creates the opportunity for specific factors to be analysed. This study considers by means of empirical evidence if certain differences can be observed between the categories of specific factors. Although not directly related to the hypotheses, Tanwar and Prasad (2017) also wanted to understand if some of the specific dimensions of their scale showed any differences. The latter is also be discussed in this section.

The definition of employer branding used in this study, a set of tangible and intangible benefits offered by an organisation to attract and retain employees from a targeted audience, considers the retention of the targeted audience. Employer branding is differently perceived by different groups (Maxwell & Knox, 2009) and messages should be adjusted for a particular target audience (Kucherov & Zavyalova, 2012). Although the target audiences of the insurers involved in the study were not known, the Employment Equity Act of 1998 states that all South African entities need to target a demographic group representing the race and gender distribution of South Africa. Employment equity



is certainly on the agenda for most insurance groups, as the industry has historically shown employment-equity disproportions.

Studies have also shown that staff turnover differs between demographic factors, with age and years of service being among to most notable ones (Schlechter et al., 2016; Smit et al., 2015). For this reason, establishing if some of the demographic factors have an impact on employer branding, could be used by organisations to implement appropriate employer branding strategies to reduce staff turnover rates.

This study is a first attempt to highlight potential differences between demographic groups. Ideally each company should be evaluated on its own and potentially compared against management's set target group. Due to limited responses per entity (in this study) this was not possible. It was therefore assumed in the study that all companies in the comparison had the same target group. This is fairly realistic given the nature of the insurers involved in the study and the data comparison in section 6.2.1.

The section first considers a comparison of the underlying data to the demographic profile of South Africa. This is done in order to ascertain if an inference could be made for South Africa as a country. Following this, each of the demographic factors are considered separately to discuss the results of the study. Significant differences were observed for gender, education level and employment duration.

#### 6.2.1 Data comparison to South Africa's demographics

To understand if the data represents the population of South Africa (which the insurance industry should be targeting according to the Employment Equity Act of 1998), it was compared to Statistics South Africa's Community Survey for 2016 (Statistics South Africa, 2016). The three graphs below compare the study's age, gender and race distributions against the census data.

Considering the age distribution comparison (Figure 25), the study had a higher concentration of 30 to 49-year-old respondents compared to a decreasing census distribution. The study had proportionally more female respondents compared to the gender ratio from the census report (Figure 26).

The highest race classification for the study was from the white population, which represents the second lowest category in the census data (Figure 27). Black South



Africans represent 79% of the population for the age range 20 to 64. In this study, only 33% of the respondents were black (excluding the respondents who did not want to disclose their race).

Therefore, the data do not present the demographic distribution of the country. Care should be taken not to infer the results to those for the whole of South Africa. Statistics on the insurance industry regarding demographics are not publicly available and can therefore not be compared.

One of the possible explanations for the demographic distributions observed in the study, might be that the industry has not sufficiently transformed as intended by the Employment Equity Act of 1998.

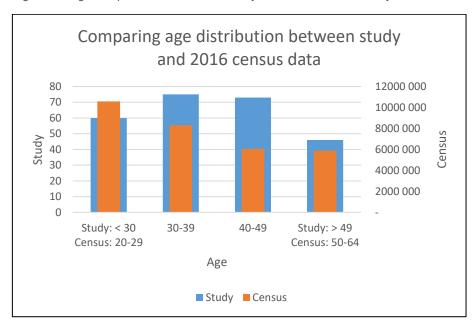


Figure 25: Age comparison between the study and the 2016 community census data



Figure 26: Gender comparison between the study and the 2016 community census data

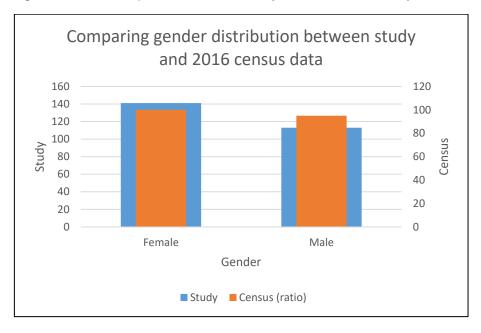
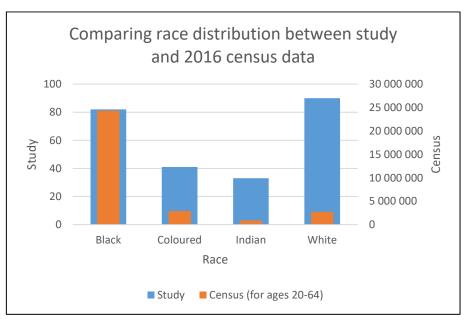


Figure 27: Race comparison between the study and the 2016 community census data



### 6.2.2 Age

The hypothesis for age was:

H<sub>1a</sub> null: Employer branding perceptions do not differ between age groups

 $H_{1a}$  alternative: Employer branding perceptions do differ between age groups



The respondents had a good distribution between the age bands, representing sufficient numbers within each band for an analysis of variance test. The results show a significant difference between the age bands with a p-value of less than 0.05. Therefore,  $H_{1a}$  null hypothesis can be rejected at a 5% level of significance.

It can therefore be concluded that employer branding perceptions do differ between age groups. This confirms the suggestion by Rampl and Kenning (2014) that age has an influence on employer branding.

Further investigation shows that the overall employer branding score of the youngest age group (below 30 years) significantly differs from the oldest age group (above 50 years). An increasing pattern for overall employer branding score over the age bands is also present.

Further investigations into the different dimensions of employer branding suggest that age is only a factor for the overall employer branding score. Age bands did not show any significant differences on a 5% level of significance for any of the dimensions. On a 10% level of significance, differences were found on the "Healthy work atmosphere" dimension.

#### 6.2.3 Gender

The hypothesis for gender was:

H<sub>1b</sub> null: Employer branding perceptions do not differ between males and

females

H<sub>1b</sub> alternative: Employer branding perceptions do differ between males and

females

The respondents had a good distribution between male and female, representing sufficient numbers within each category for a T-test. The results did not show a significant difference between male and female, with a p-value greater than 0.05. Therefore, H<sub>1b</sub> null hypothesis cannot be rejected at a 5% level of significance.

It can therefore be concluded that employer branding perceptions do not differ between males and females. This is in contrast to Tanwar and Prasad (2016) who found that gender has a moderate effect on employer branding.

Gender did not show any significant differences on a 5% or 10% level of significance for

any of the dimensions of employer branding. Even though Tanwar and Prasad (2016)

found that gender has a moderate effect on employer branding, they suggested that

further investigation is required on the dimensions they developed the following year

(Tanwar & Prasad, 2017).

6.2.4 Race

The hypothesis for race was:

H<sub>1c</sub> null:

Employer branding perceptions do not differ between races

H<sub>1c</sub> alternative: Employer branding perceptions do differ between races

Although the black and white groups represented 68% of the respondents, a sufficient

number of respondents were in each of the categories for an analysis of variance test.

The results did not show a significant difference between race groups, with a p-value

greater than 0.05. Therefore, H<sub>1c</sub> null hypothesis cannot be rejected at a 5% level of

significance.

It can therefore be concluded that employer branding perceptions do not differ between

races. Rampl and Kenning (2014) suggested that cultural differences might have an

effect on employer branding. This study therefore shows that the cultural differences

explained by race do not influence employer branding.

Race did not show any significant differences on a 5% level of significance for any of the

dimensions of employer branding. On a 10% level of significance, differences were

found on the "Work-life balance", "Ethics and corporate social responsibility" and

"Compensation" dimensions.

6.2.5 Education level

The hypothesis for education level was:

H<sub>1d</sub> null:

Employer branding perceptions do not differ between education

levels

84



 $\mathbf{H}_{1d}$  alternative: Employer branding perceptions do differ between education

levels

Sufficient data points were observed in each of the education levels to perform an analysis of variance test. The results show a significant difference between the

education levels with a p-value of less than 0.05. Therefore, H<sub>1d</sub> null hypothesis can be

rejected at a 5% level of significance.

It can therefore be concluded that employer branding perceptions do differ between

education levels.

Due to the equal variances for the overall employer branding score between education

level groups, the Tukey post-hoc analysis test was the most appropriate. The results

from this test showed no significant differences between any of the education levels.

Considering a graphical representation of the results, a decreasing overall employer

branding mean is observed for the first three education levels, with the highest education

level increasing substantially.

The decreasing pattern for education levels over the first three groups could be the result

of mobility. The higher the level of education, the more options an employee has in the

job market (Sparreboom & Staneva, 2014).

The breaking of the pattern for the highest education level group, could be a result of the

companies giving special attention to this group of employees. This could be to ensure

that they are retained because there are such high levels of skills shortages in South

Africa (Rasool & Botha, 2011).

Education levels did show significant differences on a 5% level of significance for the

"Training and development" and "Ethics and corporate social responsibilities"

dimensions of employer branding. On a 10% level of significance, a difference was found

on the "Compensation and benefits" dimensions.

6.2.6 Employment duration

The hypothesis for employment duration was:

H<sub>1e</sub> null: Employer branding perceptions do not differ for duration-of-

employment groups

85



H<sub>1e</sub> alternative: Employer branding perceptions do differ between duration-ofemployment groups

There are sufficient respondents in each of the employment-duration bands. The results show a significant difference between the employment-duration bands with a p-value of less than 0.05. Therefore, H<sub>1e</sub> null hypothesis can be rejected at a 5% level of significance.

It can therefore be concluded that employer branding perceptions do differ between duration-of-employment groups.

The post-hoc analysis revealed that differences can be observed between employees who have been with a company for 10 to 15 years, and those who have been with a company for more than 15 years. Considering a graphical representation of the results, a decreasing overall employer branding mean is observed for the first three employment-duration bands, with the highest band increasing substantially. The pattern that is observed cannot be explained.

Employment duration did not show any significant differences on a 5% or 10% level of significance for any of the dimensions of employer branding, which is very interesting given the overall score being different.

#### 6.2.7 Summary

This section discussed the third objective of the study which was to determine the impact of demographic factors on employer branding perceptions. It was found that age, education level and employment duration have significant impacts on employer branding perceptions.

Total-rewards studies have suggested that different reward structures are appealing for different demographic groups (Bussin & Toerien, 2015; Pregnolato et al., 2017; Smit et al., 2015). As with total rewards, the differences between the demographic factors in this section also suggest that demographic factors should be taken into account when employer branding strategies are set for specific target groups as suggested by Sommer et al. (2016).

It was surprising that gender did not show a significant difference on the overall employer branding score. This is contracting to findings by Tanwar and Prasad (2016), who found



that gender has a moderate effect on employer branding. Deeper investigations into the effect of gender on the different employer branding dimensions, also showed no significant difference.

The data is not representative of the demographic profile of South Africa and therefore the study should not be inferred to South Africa.

# 6.3 Hypothesis 2

Hypothesis 2 was:

**H<sub>2</sub> null:** Employer branding perceptions do not differ between companies

H<sub>2</sub> alternative: Employer branding perceptions do differ between companies

This directly relates to the fourth objective of the study which is to determine if employer branding efforts are recognised and acknowledged by employees from different companies. If the employer branding perceptions differ between companies, the efforts of companies are recognised.

The development of the employer branding scale by Tanwar and Prasad (2017) provides a standardised measure that can be used to compare different companies. They suggested comparing organisations with one another to determine differences between their employer branding scores and also comparing the different dimensions.

Employer branding techniques consider both internal and external branding techniques (Vatsa, 2016). Since employer branding was measured within companies, rather than asking external people what they think about a particular company, focus was on internal branding. The example set by management is fundamental to the success of these efforts and creating brand champions from amongst employees is essential for the future success of organisations (Vatsa, 2016).

The responses in the unknown employer group were removed for purposes of the study, resulting in sufficient respondents in each of the employer groups. The results show a significant difference between the companies with a p-value of less than 0.05. Therefore, H<sub>2</sub> null hypothesis can be rejected at a 5% level of significance.



It can therefore be concluded that employer branding perceptions do differ between companies. This confirms Biswas and Suar's (2016) findings that companies with different employer branding strategies are perceived differently.

The post-hoc analysis showed that the overall employer branding scores differed between companies 1 and 3; 2 and 3; 2 and 5; and 3. Company 3 had the highest average overall score of 3.7 and company 2 the lowest score at 3.25.

Further inspection of the dimensions of employer branding, showed that companies significantly differ for all dimensions on a 5% level of significance. This further emphasises the importance of employer branding and shows that employer branding efforts are recognised by employees.

For hypothesis 3, the questionnaire asked which employer the respondent considers as an optimal employer to work for. This provides some insights into companies which employees from the insurance industry regard as having a strong-employer brand. These opinions could be formed from external branding techniques used by those organisations. These techniques might include a devoted career page on the company's website, wide circulation of company newsletters, participating/sponsoring of industry conferences, and appropriate use of social media (Clair, 2016; Vatsa, 2016).

The following five organisations were mentioned most frequently as optimal employers:

1. Discovery Group: 35 respondents;

2. Hollard Group: 20 respondents;

3. Google: 19 respondents;

4. Sanlam Group: 15 respondents; and

5. Old Mutual Group: 12 respondents.

Four of the five companies are insurers in South Africa, with Google being the only IT company. Discovery had 175% more respondents compared to the second organisation. This can potentially be explained by the various innovations the group has shown over the last couple of years, following the attractiveness of innovation for potential employees (Sommer et al., 2016). This confirms that innovation is an attractive attribute for employer branding as suggested by Martin et al. (2011).

Organisational culture and labour relations could be enhanced by means of employer branding (Kucherov & Zavyalova, 2012) which is sincere and exciting (Rampl & Kenning, 2014). This however comes at a human resource cost (including training, development,



marketing material and employee time) for companies (Kucherov & Zavyalova, 2012), but might be required in the future to retain and attract the required skills to compete in the market.

### 6.3.1 Summary

This section discussed the fourth objective of the study which was to determine if employer branding efforts are recognised and acknowledged by employees from different companies. Significant differences were observed between companies on the overall employer branding score as well as on all the dimensions of the scores. This indicates that employer branding efforts are recognised and acknowledged by employees from different companies as suggested by Tanwar and Prasad (2017).

The section also provides notable insights suggesting that innovation attracts potential employees.

## 6.4 Hypothesis 3

Hypothesis 3 considers the association between various compensation factors and the perceived employer branding of an organisation. This directly relates to the first objective of the study which was to determine the compensation expectations of employees to move to another employer given their perceptions of the employer branding level of their current employer.

Although some studies have indicated that employer branding influences compensation (Rampl & Kenning, 2014), Berthon et al. (2005) believed that a strong employer brand reduces the salary expectations of employees (although this was not empirically tested). One of the five dimensions in Tanwar and Prasad's (2017) employer branding scale was "Compensation and benefits", therefore contributing only 20% to the overall employer branding score.

Financial remuneration is one of the most important factors from employees (Pregnolato et al., 2017) and could be deemed sensitive to some people. This was evident from the number of questionnaires where the respondents completed part 1 and 2 but stopped at part 3, accounting for 51% of the incomplete questionnaires. Financial rewards consist of remuneration (cash received), benefits (non-cash rewards) and variable pay (cash



rewards for high-performing employees) (Schlechter et al., 2014). For benefits, this study only considered annual leave days for simplicity of the questionnaire. This is just one of the many non-cash rewards within benefit structures (WorldatWork, n.d.-b).

This part of the study was tested unconventionally as the questionnaire expressed changes in compensation in absolute terms rather than relative terms. This follows from the difficulty people have in relating to relative numbers (Panasiak & Terry, 2013) and the potential biasedness this could cause.

The remainder of this section considers each of the compensation components and the hypotheses relating to them. All the compensation components showed a moderately strong positive correlation with employer branding.

## 6.4.1 Salary

The hypothesis for salary was:

H<sub>3a</sub> null: Employer branding perceptions of a current employer are not

correlated with the salary expectations to move to another

employer with a perceived strong employer brand

 $H_{3a}$  alternative: Employer branding perceptions of a current employer are

positively correlated with the salary expectations to move to

another employer with a perceived strong employer brand

From the graphical representation, a general increase in the overall employer branding score can be observed as the salary expectations to move to another employer increase. A significant correlation exists between salary expectations to move to another employer with a seemingly strong employer brand and the overall employer branding score. The correlation coefficient is a moderately strong correlation with a rho of 0.425.

The association observed suggests that as an employee's perceived overall employer branding score increases, so do the salary expectations required for the employee to move to another organisation with a perceived strong employer brand. Therefore, employees with high overall employer branding scores are willing to work for lower salaries at their current employers compared to other organisations. The reverse is also true, as employees with low overall employer branding scores are required to be paid



more at their current employers compared to other organisations with a perceived strong employer brand.

It can therefore be concluded that employer branding perceptions of a current employer are positively correlated with salary expectations to move to another employer with a perceived strong employer brand. The remuneration component of compensation as defined by Schlechter et al. (2015) therefore influences employer branding as expected by Berthon et al. (2005).

#### 6.4.2 Bonus

The hypothesis for bonus was:

H<sub>3b</sub> null: Employer branding perceptions of a current employer are not

correlated with bonus expectations to move to another employer

with a perceived strong employer brand

H<sub>3b</sub> alternative: Employer branding perceptions of a current employer are

positively correlated with bonus expectations to move to another

employer with a perceived strong employer brand

As with salaries, the graphical representation suggests a general increase in the overall employer branding score as the bonus expectations to move to another employer increase. A significant correlation exists between bonus expectations to move to another employer with a seemingly strong employer brand and the overall employer branding score. The correlation coefficient is a moderately strong correlation with a rho of 0.399.

As with salaries, the association observed suggests that as an employee's perceived overall employer branding score increases, so do the bonus expectations required for the employee to move to another organisation with a perceived strong employer brand. Therefore, employees with high overall employer branding scores are willing to work for lower bonuses at their current employers compared to other organisations. The reverse is also true, as employees with low overall employer branding scores are required to be paid higher bonuses at their current employers compared to other organisations with a perceived strong employer brand.

It can therefore be concluded that employer branding perceptions of a current employer are positively correlated with bonus expectations to move to another employer with a



perceived strong employer brand. The benefits component of compensation as defined by Schlechter et al. (2015) therefore influences employer branding as expected by Berthon et al. (2005).

#### 6.4.3 Leave

The hypothesis for leave was:

H<sub>3c</sub> null: Employer branding perceptions of a current employer are not

correlated with leave expectations to move to another employer

with a perceived strong employer brand

H<sub>3c</sub> alternative: Employer branding perceptions of a current employer are

positively correlated with leave expectations to move to another

employer with a perceived strong employer brand

As with salaries and bonuses, the graphical representation suggests a general increase in the overall employer branding score as the leave expectations to move to another employer increase. A significant correlation exists between leave expectations to move to another employer with a seemingly strong employer brand and the overall employer branding score. The correlation coefficient is a moderately strong correlation with a rho of 0.424.

As with salaries and bonuses, the association observed suggests that as an employee's perceived overall employer branding score increases, so do the leave expectations required for the employee to move to another organisation with a perceived strong employer brand. Therefore, employees with high overall employer branding scores are willing to work for a lower number of leave days at their current employers compared to other organisations. The reverse is also true, as employees with low overall employer branding scores are required to have more leave at their current employers compared to other organisations with a perceived strong employer brand.

It can therefore be concluded that employer branding perceptions of a current employer are positively correlated with leave expectations to move to another employer with a perceived strong employer brand. The variable pay component of compensation as defined by Schlechter et al. (2015) therefore influences employer branding as expected by Berthon et al. (2005).



### 6.4.4 Summary

For the salary, bonus and leave components of compensation, there were a moderately strong positive correlation between the overall employer branding score and the components tested. For each of these, this indicates that employees with high overall employer branding scores are willing to work for lower compensation at their current employers compared to other organisations. The reverse is also true, meaning that employees with low overall employer branding scores require higher compensation levels at their current employers compared to other organisations with a perceived strong employer brand.

This section discussed the first objective of the study which was to determine the compensation expectations of employees to move to another employer given their perceptions of the employer branding level of their current employer. As suggested by Berthon et al. (2005), this study shows empirically that a strong employer brand reduces the compensation expectations of employees, where compensation considered Schlechter et al.'s (2015) three components namely remuneration, benefits and variable pay.

## 6.5 Hypothesis 4

Hypothesis 4 considers the association between various retention outcomes and the perceived employer branding of an organisation. This directly relates to the second objective of the study which is to determine if employer branding efforts are recognised and acknowledged by employees from different companies.

Considering the definition of employer branding for this study, retention is a prominent component of employer branding. Employer branding is used to increase the retention of current employees (Ambler & Barrow, 1996), which can partly be explained by social identity theory (Biswas & Suar, 2016). Costs associated with replacing current employees are high (Biswas & Suar, 2016) and employer branding could be used to increase employee relationships which ultimately reduce employee turnover (Berthon et al., 2005). The benefits offered from being part of a company should be accurately communicated to increase the attractiveness of the employer brand (Moroko & Uncles, 2008).



In the employer branding literature, the retention of employees has not received significant attention with more focus being placed on the attraction of new employees (Kucherov & Samokish, 2016). The development of the employer branding scale by Tanwar and Prasad (2017) created significant opportunities to assess impact of employer branding on retention variables.

The three retention components considered in the study were:

- Satisfaction with employer: Higher employee satisfaction enhances organisational commitment, which then increases employee retention (Rose & Raja, 2016). Therefore, the higher the satisfaction, the higher the employee retention.
- Actively looking to move: This follows from Frey et al.'s (2013) employee retention
  definition, which is "the intent to stay with a company for the mid to long term." If
  an employee is actively looking to move, it shows low employee retention.
- Approachable considering other opportunities: Along with the first point, a commitment to the current organisation indicates higher employee retention.

The remainder of this section considers each of the retention components and the hypotheses relating to them.

# 6.5.1 Satisfaction with employer

The hypothesis for employer satisfaction was:

H<sub>4a</sub> null: Employer branding perceptions of a current employer are not

correlated with how satisfied employees are with their current

employer

H<sub>4a</sub> alternative: Employer branding perceptions of a current employer are

positively correlated with how satisfied employees are with their

current employer

From the graphical representation, a general increase in the overall employer branding score can be observed as employee satisfaction scores increase. A significant correlation exists between employer satisfaction and the overall employer branding score. The correlation coefficient shows a moderately strong correlation with a rho of 0.537.



The association observed suggests that as an employee's perceived overall employer branding score increases, so does employer satisfaction. Therefore, employees with a high overall employer branding scores are more satisfied with their employers and employees with low overall employer branding scores are less satisfied with their employers.

It can therefore be concluded that employer branding perceptions of a current employer are positively correlated with how satisfied employees are with their current employer. This confirms Tanwar and Prasad's (2016) study which found that employer branding is an important predictor of job satisfaction.

### 6.5.2 Actively in the job market

The hypothesis for actively in the job market was:

H<sub>4b</sub> null: Employer branding perceptions of a current employer are not

correlated with employees who are actively looking to move

H<sub>4b</sub> alternative: Employer branding perceptions of a current employer are

negatively correlated with employees who are actively looking to

move

From the graphical representation, the employees actively looking for another job have a lower overall employer branding score. A significant correlation exists between employer satisfaction and whether the employee is actively looking for another job. The correlation coefficient shows a moderately strong correlation with a rho of -0.430.

The association observed suggests that as an employee's perceived overall employer branding score increases, it is less likely that he or she is actively looking for another job. Therefore, employees with high overall employer branding scores are less likely to be actively looking to move and employees with a low overall employer branding scores are more likely to want to move.

It can therefore be concluded that employer branding perceptions of a current employer are negatively correlated with employees who are actively looking to move. By means of Frey et al.'s (2013) employee retention definition, employee retention is enhanced through employer branding



### 6.5.3 Approachable

The hypothesis for approachable was:

H<sub>4c</sub> null: Employer branding perceptions of a current employer are not

correlated with how likely employees are to consider moving to

another organisation if they were approached

H<sub>4c</sub> alternative: Employer branding perceptions of a current employer are

negatively correlated with how likely employees are to consider

moving to another organisation if they were approached

From the graphical representation, a general decrease in the overall employer branding score can be observed as employees become more approachable. A significant correlation exists between employee approachability and the overall employer branding score. The correlation coefficient shows a moderately strong correlation with a rho of -0.500.

The association observed suggests that as an employee's perceived overall employer branding score increases, approachability decreases. Therefore, employees with high overall employer branding scores are less approachable and employees with low overall employer branding scores are more approachable.

It can therefore be concluded that employer branding perceptions of a current employer are negatively correlated with how likely employees are to consider moving to another organisation if they were approached. Retention is enhanced through employee commitment to an organisation (Rose & Raja, 2016).

#### 6.5.4 Summary

For all the retention components tested, higher overall employer branding scores were associated with higher employee retention and visa-versa.

This section discussed the second objective of the study which was to determine if employer branding efforts are recognised and acknowledged by employees from



different companies. As suggested by Ambler and Barrow (1996), this study shows empirically that a strong employer brand increases employee retention.

### 6.6 Conclusion

The table below summarises the objectives, the hypotheses relating to the objectives and the results from the hypothesis tests. If an outcome of a hypothesis test has been rejected, it indicates that the alternative hypothesis can be accepted, which is what the study sought.

For objectives one, two and four, all the hypotheses had favourable outcomes. Some of the demographic factors under objective three were proven not to have an impact on employer branding. We can therefore state that:

- Employer branding can be used to reduce compensation levels as suggested by Berthon et al. (2005);
- 2. Employer branding increases staff retention, verifying Ambler and Barrow's (1996) theory and adding to literature as suggested by Kucherov and Samokish (2016);
- 3. Age, education level and employment duration influences employee's employer branding perceptions which can be used for a targeted audience. This enhances literature as suggested by Tanwar and Prasad (2017); and
- 4. Employer branding efforts are recognised and acknowledged by employees. This confirms Biswas and Suar's (2016) findings that companies with different employer branding strategies are perceived differently.

Table 45: Research Outcome Summary

Research objective	Hypothesis	Result
To determine the compensation expectations of employees to move to another employer given	H <sub>3a</sub>	Rejected
their perceptions of the employer branding level of	Нзь	Rejected
their current employer.	Н <sub>3с</sub>	Rejected
	H <sub>4a</sub>	Rejected



2: To determine the impact employer branding has on employee retention.	H <sub>4b</sub>	Rejected
	H <sub>4c</sub>	Rejected
3: To determine the impact of demographic factors, specifically age, gender, race, education level and	H <sub>1a</sub>	Rejected
employment duration, on employer branding	H <sub>1b</sub>	Accepted
perceptions.	H <sub>1c</sub>	Accepted
	H <sub>1d</sub>	Rejected
	H <sub>1e</sub>	Rejected
4: To determine if employer branding efforts are recognised and acknowledged by employees from	H <sub>2</sub>	Rejected
different companies.		

The next chapter concludes the study.



## 7 Conclusion

#### 7.1 Introduction

In today's environment, businesses face challenging operating conditions with high employee turnover (Van Zyl, 2011) and shortages of skilled employees (Rasool & Botha, 2011). The retention of quality employees provides a competitive edge for businesses (Biswas & Suar, 2016) and increases overall financial performance (Smit et al., 2015).

This study considered employer branding as a management strategy for retaining current employees and attracting the right talent (Biswas & Suar, 2016; Clair, 2016). Employer branding was defined as a set of tangible and intangible benefits offered by an organisation to attract and retain employees from a targeted audience. This study specifically considered: (1) If the implementation of a good employer brand strategy can reduce the compensation preferences of employees; (2) whether staff turnover can be reduced by means of employer branding; (3) what demographic factors should be considered when designing an employer brand strategy; and (4) whether efforts towards employer branding made by companies are recognised by employees.

This chapter discusses the main findings of the study, the implications for organisations and their management teams, the limitations of the study, and makes suggestions for future research.

## 7.2 Principal findings

The study showed that a good employer brand reduces the compensation preferences of employees, confirming the findings of Berthon et al., (2005). A reduction in the compensation structures of an organisation has an impact on its financial results. This impact then has to be weighed against the costs associated with employer branding efforts (Biswas & Suar, 2016). The economies of scale for larger organisations could reduce the cost per employee associated with employer branding. Smaller organisations therefore need to find creative ways to promote their employee value propositions.

Staff turnover rates can be reduced by means of a good employer brand. This study provides some empirical evidence for the lack of research surrounding employer branding leading to retention, identified by Kucherov and Samokish (2016). Retention of staff directly impacts organisations' bottom lines by saving on recruitment costs,



increasing the returns from staff development costs, and also enhances overall productivity (Kucherov & Zavyalova, 2012; Smit et al., 2015). A good employer brand also enriches loyalty to and trust in the brand. This enhances the attractiveness of potential employees through word-of-mouth (Vatsa, 2016).

Considering the definition of employer branding, it is important that the efforts should take into account the targeted audience. This study showed that age, education levels and employment duration have an impact on employer branding, confirming some of Tanwar and Prasad's (2017) expectations. These factors should be taken into account when organisations design their employer branding strategies in order to optimise their returns on investment.

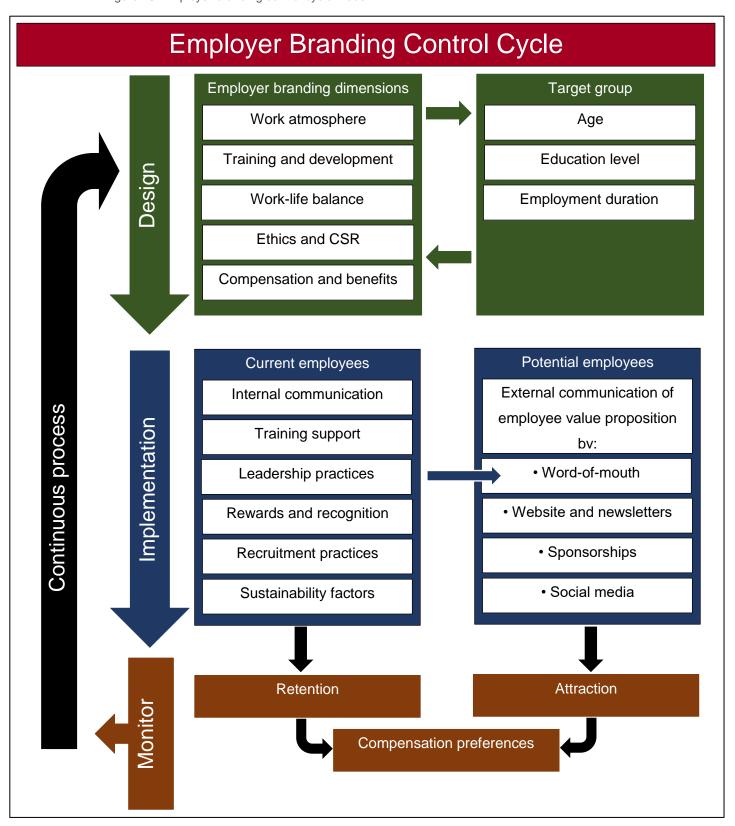
The study showed clear differences in employer branding ratings between the entities under scrutiny, confirming that employer branding efforts are recognised by employees as suggested by Tanwar and Prasad (2017).

Figure 28 shows a model that was created using the results of the study together with current literature. The employer branding control cycle (EBCC) is a practical representation of the continuous process that organisations should follow when employer branding strategies are considered.

The EBCC starts by considering the design of the employer branding strategy. The design considers the various dimensions of employer branding as well as the target groups within the organisation. The target group should inform what tangible and intangible benefits should be encapsulated in the employer branding dimensions. Similarly, the employer branding dimensions should provide information regarding which target group the brand is appealing to. The employer branding dimensions that should be considered are work atmosphere, training and development, work-life balance, ethics and corporate social responsibility, and compensation and benefits. The target group takes into consideration age, education level and employment duration. The design process should consider the long-term strategy of the organisation to ensure that the appropriate target group is identified. The employer dimensions, and the tangible and intangible benefits, should all be attractive to the target groups (Moroko & Uncles, 2009). The proposed employer branding dimensions should be tested with the targeted group to ensure that the design is appropriate.



Figure 28: Employer branding control cycle model





Following the design of the employer branding strategy, an organisation needs to consider the implementation of the strategy. First it needs to focus on current employees as their testimony is the best form of employer value-proposition advertising through word-of-mouth (Vatsa, 2016). Employer branding needs to be communicated to employees, training around the brand should be given, leaders in the organisation need to set an example of the brand, appropriate behaviour should be recognised and rewarded, recruitment processes should be built around attracting the right staff, and conscious actions should strengthen the sustainability of the brand (Vatsa, 2016).

Once the internal-branding implementation is completed, focus should move to potential external employees. The value proposition needs to be communicated to the external environment by means of a devoted career page on the company's website, wide circulation of company newsletters, sponsorships and appropriate use of social media (Clair, 2016; Vatsa, 2016).

The next step in the EBCC considers the monitoring of the impact of employer branding. As shown in this study, staff turnover levels should decrease following the successful implementation of an employer branding strategy. The quality of employees attracted to the organisation increases as they receive favourable communication (Vatsa, 2016). This study also showed that the compensation expectations of both internal and external employees then decreases.

The monitoring of the effects should then feed into the design of the employer branding strategy once again. This continuous process is required to ensure that the employer branding strategy aligns with the company's long-term strategy (Moroko & Uncles, 2009), as the competitive landscape, company needs and employee requisites change over time.

## 7.3 Implications for organisations and management

Employer branding can be used to retain employees, which directly impacts organisations' bottom lines by saving on recruitment costs, increasing returns from staff development costs, and enhancing overall productivity. The loyalty and trust that employer branding creates among current staff, enhances the attractiveness of potential employees through word-of-mouth. Employer branding also reduces compensation expectations from employees which leads to a cost saving for the organisation. Current



employer branding efforts by organisations can also be refined by only taking into account age, education level and employment duration when considering target groups.

The empirical results of this study provide management evidence of the advantages of employer branding. This can be utilised to motivate spending on an employer branding strategy. This could also provide business opportunities for consultants on various projects surrounding employer branding. Besides helping companies to establish an employer branding strategy, consultants could also make use of the measurement scale to develop industry reports which benchmark different companies.

As more organisations become focused on their employer branding, it could become a common practice and business as usual. Organisations need to be careful not to be the last to adapt to new business practices, as brand loyalty takes time to be established.

### 7.4 Limitations of the research

The current economic circumstances in South Africa impacted the choices of the respondents. Choices might be more conservative due to the technical recession that took place during the year in which the study was conducted, and due to recent country downgrades by leading ratings agencies, as well as economic instability enhanced by political uncertainty.

The research was limited to the insurance industry and the demographic profile of the research was not representative of South Africa's profile. Therefore, care should be taken not to infer the results of the study to all industries and the whole of South Africa. Employer branding preferences in other countries might also be different from South Africa's preferences due to cultural and economic differences.

In addition to the limitations of the methodology in section 4.9, the research did not include the actual employer branding strategies of the participating companies, which might have an effect on the interpretation of the results.

## 7.5 Suggestions for future research

It would be interesting to perform the study in other countries to investigate the effect of culture on employer branding preferences. Expanding the study to different industries



might affect the study as the insurance industry is known to be conservative. The results might also be different in bullish economic circumstances where employees have a wider choice of employers.

By including companies' employer branding strategies and implementation methods, future research could determine if there is a difference between companies with strategies and those without. Such research could also be extended to determine which of the strategies and implementation methods were the most effective. A longitudinal study could also be done to determine employer branding scores before implementation of strategies and after, to determine the most successful strategies.

The quantification of employer branding costs is critical in understanding its financial implications. Such a study could be combined with the quantification of the overall reduction in compensation, to determine the net financial impact of employer branding on companies.

#### 7.6 Conclusion

Employer branding provides a mechanism for organisations to attract and retain the right employees, in turn reducing staff turnover rates. A mindful employer branding strategy results in financial and non-financial benefits for organisations, enhancing the overall return to shareholders. Such strategies need to be aligned to the overall strategy of an organisation, to ensure that the most appropriate employees are targeted.



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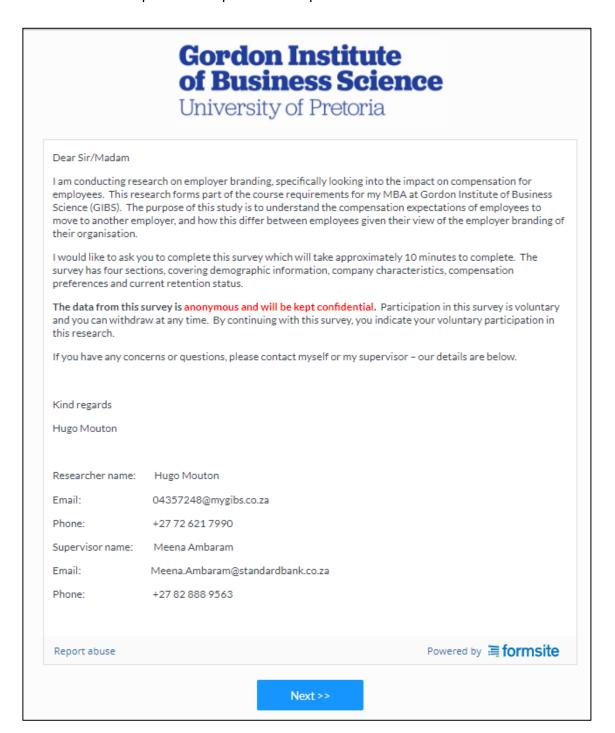
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## 9 Appendices

#### Appendix 1. Questionnaire

This appendix contains actual screenshots from the electronic questionnaire as well as a more detailed explanation of part 3 of the questionnaire.





## Gordon Institute of Business Science University of Pretoria 4% Complete Section 1 Please state the following: Age: \* Gender\* ○ Male ○ Female Highest level of education: \* Higher degree (Masters, Doctorate) O Honours Degree Bachelor's Degree and post-graduate diploma Bachelor's Degree Post Higher Diploma (Technikon/University of Technology Higher Diploma (Technikon/University of Masters, Doctoral) Technology) Diploma or Certificate with Grade 12 Grade 12 Less than Grade 12 I do not want to answer this question Ethnic group: \* Black Coloured Indian White I do not want to answer this question



Duration of employment at	your current organisation	n in years: *	
Position in the company: *			
General staff Senio	r		
O Manager O Senio	r Manager		
© Executive	ot want to answer this que	stion	
Department: *			
Underwriting & Claims	О ІТ		
Finance & Actuarial			
O Compliance & Legal			
O Call Centre	Other		
Report abuse			Powered by <b>Formsite</b>



# Gordon Institute of Business Science

University of Pretoria

8%	Com	m	ete
0,70	-	ъ,	

## Section 2

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
My organisation provides autonomy to its employees to take decisions;	0		0	0	0
My organisation offers opportunities to enjoy a group atmosphere;	0		0		0
I have friends at work who are ready to share my responsibility at work in my absence;	0		0		0
My organisation recognises me when I do good work;			0	0	
My organisation offers a relatively stress-free work environment;	0	0	0	0	0
My organisation offers opportunity to work in teams;	0	0	0	0	
My organisation provides us online training courses;	0		0	0	
My organisation organises various conferences, workshops and training programmes on regular basis;	0		0		0
My organisation offers opportunities to work on foreign projects;	0		0		0
My organisation invests heavily in training and development of its employees;	0		0	0	0
Skill development is a continuous process in my organisation;	0		0		0
My organisation communicates clear advancement path for its employees;	0		0	0	0
My organisation provides flexible-working hours;				0	0
My organisation offers opportunity to work from home;	0	0	0	0	0

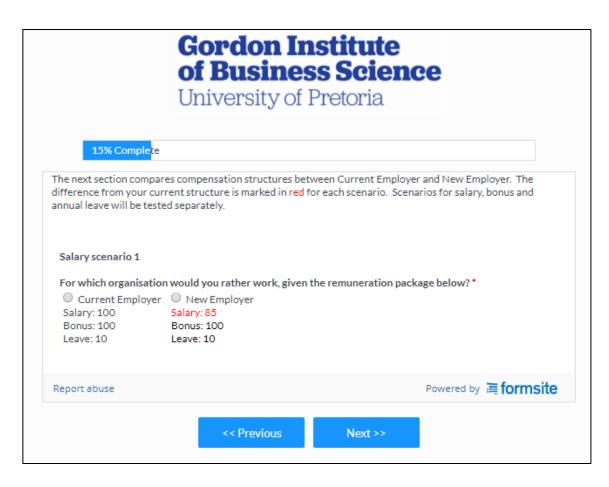


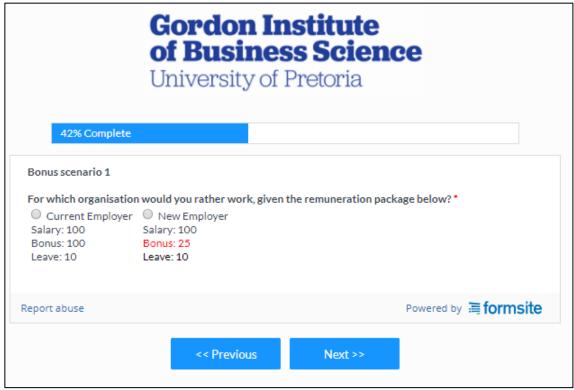
eport abuse			Powered t	y <b>≣fo</b>	rmsite
My organisation provides insurance coverage for employees and dependents		0	0		0
My organisation provides good health benefits; and	0	0	0	0	0
In general, the bonus (including short- and long-term incentive) offered by my organisation is high;	0	0	0	0	0
In general, the salary offered by my organisation is high;	0	0		0	
There is a confidential procedure to report misconduct at work;	0	0	0	0	0
Humanitarian organisation gives back to the society;	0	0	0	0	0
Employees are expected to follow all rules and regulations;	0	0	0	0	0
My organisation has fair attitude towards employees;	0	0	0	0	0
My organisation provides on-site sports facility;		0	0	0	0



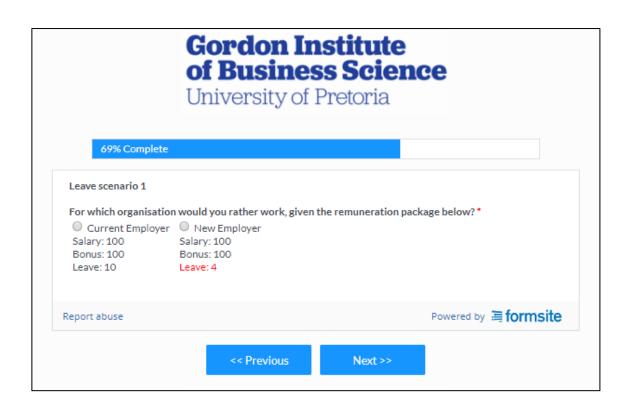
## Gordon Institute of Business Science University of Pretoria 12% Complete Section 3 The following questions will only be used to construct the questions that follows. Please note that the questionnaire is anonymous and cannot be used to identify an individual. Your answers do not need to be exact. Which employer do you regard as an optimal organisation to work for (excluding your current employer)?\* What is your current annual salary?\* What is your expected annual bonus (including short- and long-term incentives)?\* How much annual leave days do you get?\* Powered by Formsite Report abuse Next >> << Previous













## Gordon Institute of Business Science

University of Pretoria

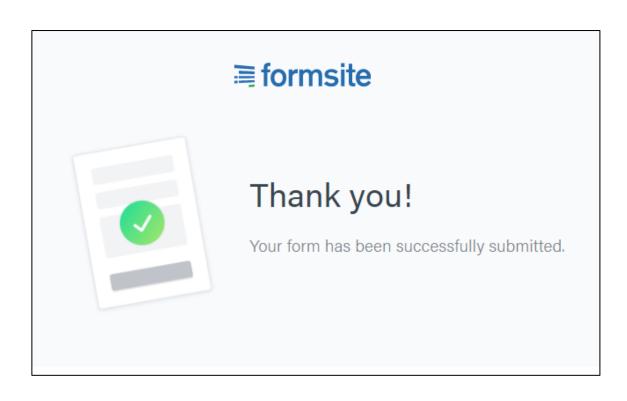
96% Complete

Section 4	
How satisfied are you with y	rour current ampleyer? *
<ul> <li>Very satisfied</li> </ul>	our current employer:
Satisfied	
Neutral	
Unsatisfied	
<ul> <li>Very unsatisfied</li> </ul>	
Are you actively looking to r	move to another organisation?*
	ler working for another organisation if they approach you? *
Very likely	
Likely     Neutral	
Unlikely	
Very unlikely	



	Comments
Work atmosphere	
Training and development	
Work-life balance	4
Ethics and social responsibility	
	//
Compensation and benefits	
	4
port abuse	Powered by <b>≧ formsite</b>
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### Part 3 of the questionnaire worked as follows:

- 1. Which employer do you regard as an optimal organisation to work for (excluding your current employer)? ([A])
- 2. What is your current annual salary? ([B])
- What is your expected annual bonus (including short- and long-term incentives)?
   ([C])
- 4. How many annual leave days do you get? ([D])
- 5. For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: 85% of [B]
Bonus: [C]	Bonus: [C] Leave: [D]
Leave: [D]	Leave: [D]

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: 90% of [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D]

Current employer	[A]
------------------	-----



Salary: [B]	Salary: 95% of [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D]

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D]

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: 105% of [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D]

 If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: 110% of [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D]

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: 115% of [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D]

6. For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: 25% of [C]
Leave: [D]	Leave: [D]

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: 50% of [C]
Leave: [D]	Leave: [D]

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: 75% of [C]
Leave: [D]	Leave: [D]



• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D]

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: 125% of [C]
Leave: [D]	Leave: [D]

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: 150% of [C]
Leave: [D]	Leave: [D]

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: 175% of [C]
Leave: [D]	Leave: [D]

7. For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D] - 6

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer Salary: [B]	[A] Salary: [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D] - 4

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D] - 2

Current employer	[A]
Salary: [B]	Salary: [B]



Danuar [C]	Danuar [C]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D]

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current en	nployer	[A]
Salary: [B]		Salary: [B]
Bonus: [C]		Bonus: [C]
Leave: [D]		Leave: [D] + 2

• If response is no: For which organisation would you rather work, given the remuneration package below?

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D] + 4

Current employer	[A]
Salary: [B]	Salary: [B]
Bonus: [C]	Bonus: [C]
Leave: [D]	Leave: [D] + 6



## Appendix 2. Ethical clearance

## Gordon **Institute** of Business Science University of Pretoria 20 July 2017 Hugo Mouton Dear Hugo, Please be advised that your application for Ethical Clearance has been approved. You are therefore allowed to continue collecting your data. We wish you everything of the best for the rest of the project. Kind Regards GIBS MBA Research Ethical Clearance Committee

Gordon Institute of Business Science

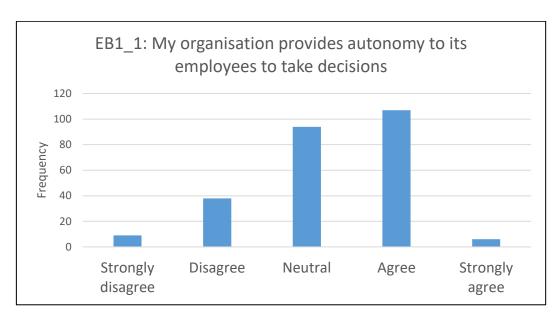
26 Melville Road, Illovo, Johannesburg PO Box 787602, Sandton, 2146, South Africa

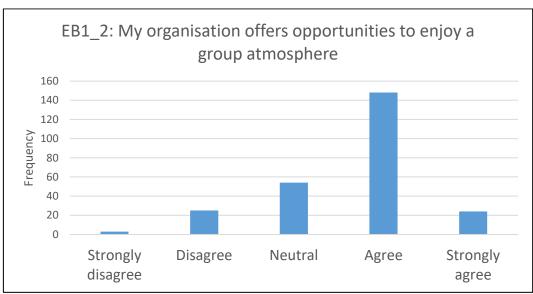
telephone (+27) 11 771 4000 fax (+27) 11 771 4177 website gibs.co.za University of Pretoria



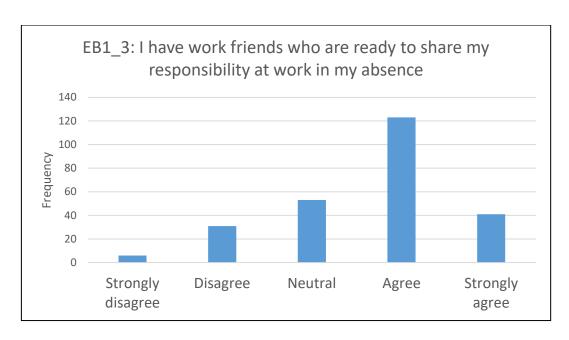
### Appendix 3. Employer branding-measurement characteristics

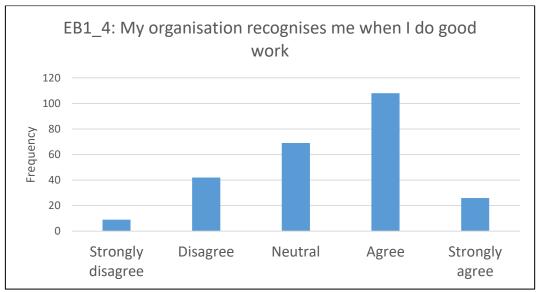
This appendix contains graphical representations of the frequency distributions for each of the employer branding measures in part 2 of the questionnaire as well as all the statistical outputs.







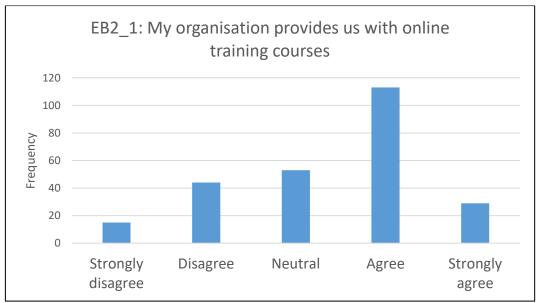






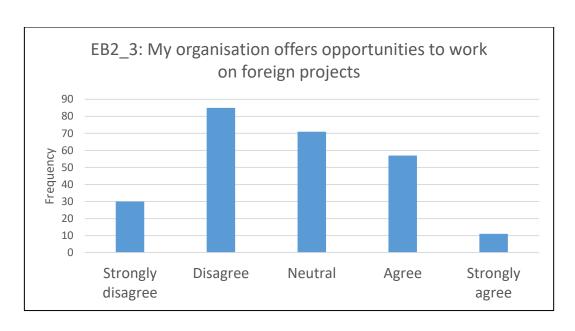




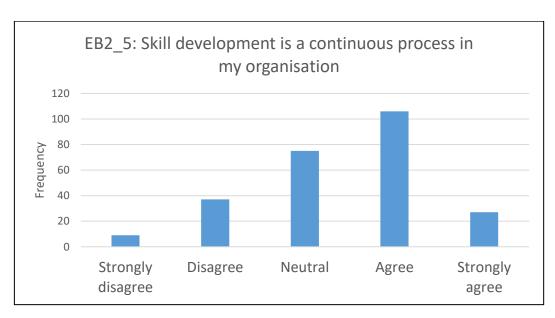






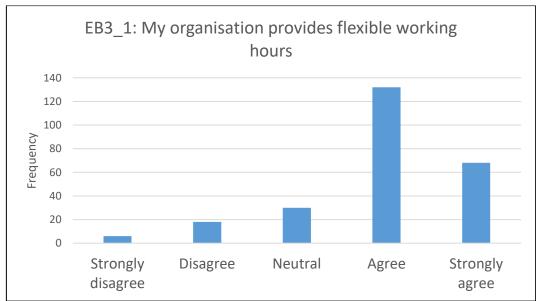


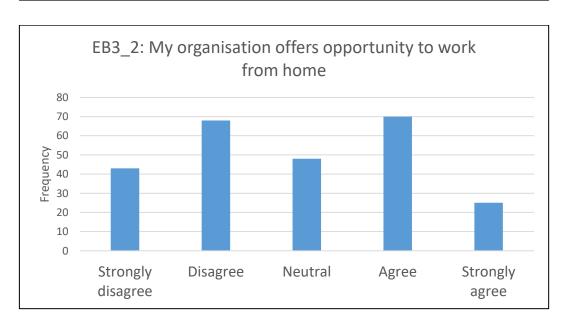




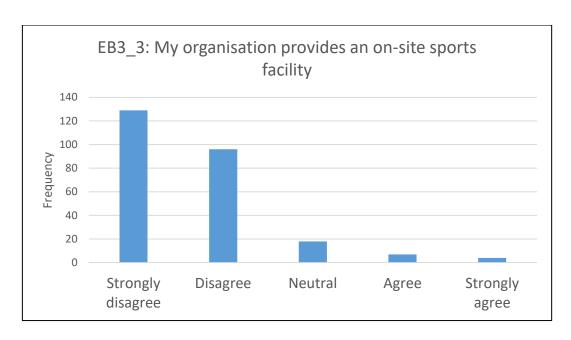


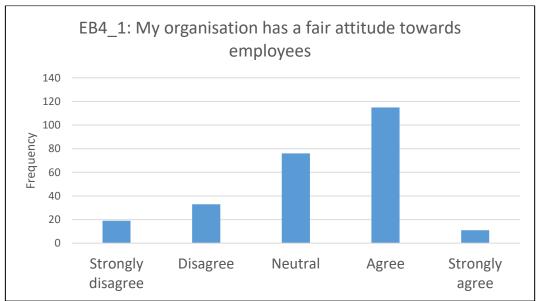


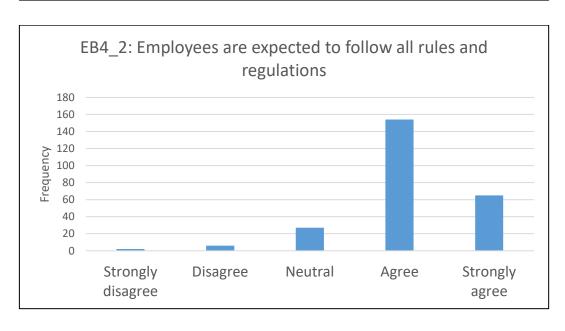




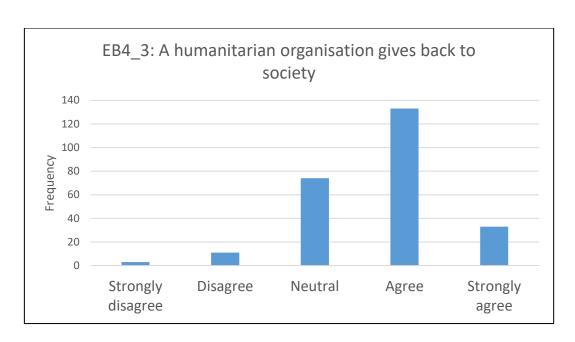


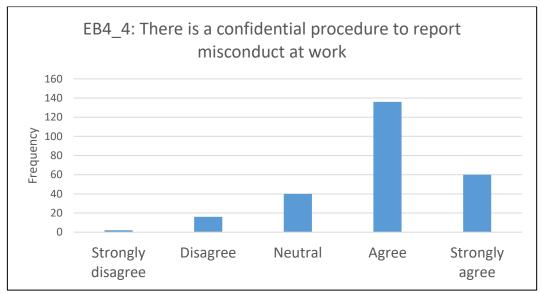


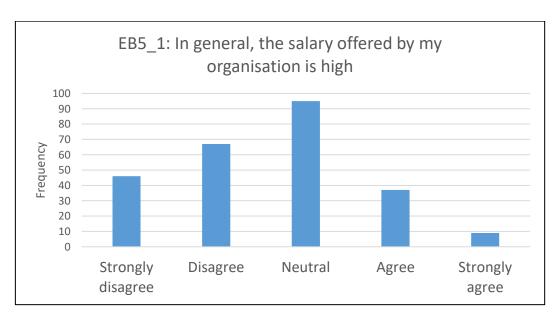






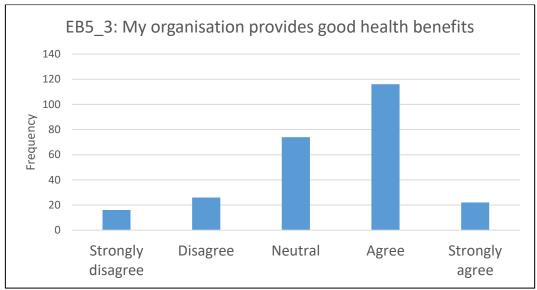


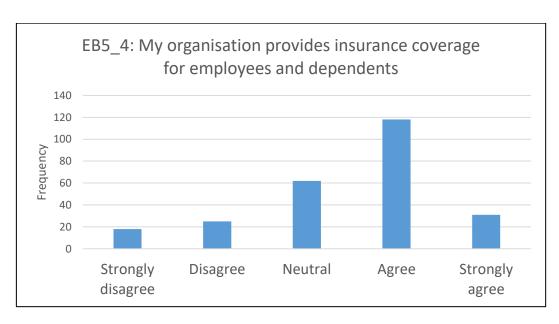














	Correlations								
		EB1_1	EB1_2	EB1_3	EB1_4	EB1_5	EB1_6	EB1	
EB1_1	Pearson Correlation	1	.502**	.211**	.336**	.190**	.361**	.636**	
	Sig. (2-tailed)		0.000	0.001	0.000	0.002	0.000	0.000	
	N	254	254	254	254	254	254	254	
EB1_2	Pearson Correlation	.502**	1	.298**	.475**	.303**	.539**	.765**	
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000	0.000	
	N	254	254	254	254	254	254	254	
EB1_3	Pearson Correlation	.211**	.298**	1	.295**	0.116	.305**	.568**	
	Sig. (2-tailed)	0.001	0.000		0.000	0.065	0.000	0.000	
	N	254	254	254	254	254	254	254	
EB1_4	Pearson Correlation	.336**	.475**	.295**	1	.300**	.447**	.727**	
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000	0.000	
	N	254	254	254	254	254	254	254	
EB1_5	Pearson Correlation	.190**	.303**	0.116	.300**	1	.262**	.572**	
	Sig. (2-tailed)	0.002	0.000	0.065	0.000		0.000	0.000	
	N	254	254	254	254	254	254	254	
EB1_6	Pearson Correlation	.361**	.539**	.305**	.447**	.262**	1	.711**	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000		0.000	
	N	254	254	254	254	254	254	254	
EB1	Pearson Correlation	.636**	.765**	.568**	.727**	.572**	.711**	1	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000		
	N	254	254	254	254	254	254	254	

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Correlations									
		EB2_1	EB2_2	EB2_3	EB2_4	EB2_5	EB2_6	EB2	
EB2_1	Pearson Correlation	1	.427**	.264**	.386**	.402**	.261**	.645**	
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000	0.000	
	N	254	254	254	254	254	254	254	
EB2_2	Pearson Correlation	.427**	1	.383**	.506**	.530**	.279**	.729**	
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000	0.000	
	N	254	254	254	254	254	254	254	
EB2_3	Pearson Correlation	.264**	.383**	1	.363**	.371**	.278**	.624**	
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.000	0.000	
	N	254	254	254	254	254	254	254	
EB2_4	Pearson Correlation	.386**	.506**	.363**	1	.802**	.470**	.819**	
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000	0.000	
	N	254	254	254	254	254	254	254	
EB2_5	Pearson Correlation	.402**	.530**	.371**	.802**	1	.521**	.838**	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		0.000	0.000	
	N	254	254	254	254	254	254	254	
EB2_6	Pearson Correlation	.261**	.279**	.278**	.470**	.521 <sup>**</sup>	1	.643**	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000		0.000	
	N	254	254	254	254	254	254	254	
EB2	Pearson Correlation	.645**	.729**	.624**	.819**	.838**	.643**	1	



Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000	
N	254	254	254	254	254	254	254

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

		EB3_1	EB3_2	EB3_3	EB3
EB3_1	Pearson Correlation	1	.359**	-0.017	.657**
	Sig. (2-tailed)		0.000	0.792	0.000
	N	254	254	254	254
EB3_2	Pearson Correlation	.359**	1	.171**	.833**
	Sig. (2-tailed)	0.000		0.006	0.000
	N	254	254	254	254
EB3_3	Pearson Correlation	-0.017	.171**	1	.501**
	Sig. (2-tailed)	0.792	0.006		0.000
	N	254	254	254	254
EB3	Pearson Correlation	.657**	.833**	.501**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	254	254	254	254
** 0	.   - 4  !! !6! 4 4		1 /0 / 1	1)	

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

#### Correlations

		EB3_1	EB3_1	EB3 adj
EB3_1	Pearson Correlation	1	.359**	.763**
	Sig. (2-tailed)		0.000	0.000
	N	254	254	254
EB3_2	Pearson Correlation	.359**	1	.877**
	Sig. (2-tailed)	0.000		0.000
	N	254	254	254
EB3 adj	Pearson Correlation	.763**	.877**	1
	Sig. (2-tailed)	0.000	0.000	
	N	254	254	254

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

		EB4_1	EB4_2	EB4_3	EB4_4	EB4
EB4_1	Pearson Correlation	1	.312**	.220**	.407**	.762**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	254	254	254	254	254
EB4_2	Pearson Correlation	.312**	1	0.115	.313**	.609**
	Sig. (2-tailed)	0.000		0.066	0.000	0.000
	N	254	254	254	254	254
EB4_3	Pearson Correlation	.220**	0.115	1	.266**	.577**



	Sig. (2-tailed)	0.000	0.066		0.000	0.000
	N	254	254	254	254	254
EB4_4	Pearson Correlation	.407**	.313**	.266**	1	.740**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	254	254	254	254	254
EB4	Pearson Correlation	.762**	.609**	.577**	.740**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	254	254	254	254	254
	1 41 1 1 161 4 441	0.041	1 (0 : 1	- 1\		

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

		EB5_1	EB5_2	EB5_3	EB5_4	EB5
EB5_1	Pearson Correlation	1	.554**	.179**	.165**	.691**
	Sig. (2-tailed)		0.000	0.004	0.008	0.000
	N	254	254	254	254	254
EB5_2	Pearson Correlation	.554**	1	.290**	.164**	.725**
	Sig. (2-tailed)	0.000		0.000	0.009	0.000
	N	254	254	254	254	254
EB5_3	Pearson Correlation	.179**	.290**	1	.471**	.694**
	Sig. (2-tailed)	0.004	0.000		0.000	0.000
	N	254	254	254	254	254
EB5_4	Pearson Correlation	.165**	.164**	.471**	1	.655**
	Sig. (2-tailed)	0.008	0.009	0.000		0.000
	N	254	254	254	254	254
EB5	Pearson Correlation	.691**	.725**	.694**	.655**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	254	254	254	254	254

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

	EB	EB1	EB2	EB3 adj	EB4	EB5
Pearson Correlation	1	.730**	.757**	.632**	.692**	.648**
Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000
N	254	254	254	254	254	254
Pearson Correlation	.730**	1	.491**	.271**	.600**	.308**
Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000
N	254	254	254	254	254	254
Pearson Correlation	.757**	.491**	1	.290**	.529**	.337**
Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.000
N	254	254	254	254	254	254
Pearson Correlation	.632**	.271**	.290**	1	0.122	.249**
Sig. (2-tailed)	0.000	0.000	0.000		0.053	0.000
N	254	254	254	254	254	254
Pearson Correlation	.692**	.600**	.529**	0.122	1	.351**
Sig. (2-tailed)	0.000	0.000	0.000	0.053		0.000
	Sig. (2-tailed) N Pearson Correlation	Pearson Correlation         1           Sig. (2-tailed)         254           Pearson Correlation         .730**           Sig. (2-tailed)         0.000           N         254           Pearson Correlation         .757**           Sig. (2-tailed)         0.000           N         254           Pearson Correlation         .632**           Sig. (2-tailed)         0.000           N         254           Pearson Correlation         .692**	Pearson Correlation         1         .730"           Sig. (2-tailed)         0.000           N         254         254           Pearson Correlation         .730"         1           Sig. (2-tailed)         0.000            N         254         254           Pearson Correlation         .757"         .491"           Sig. (2-tailed)         0.000         0.000           N         254         254           Pearson Correlation         .632"         .271"           Sig. (2-tailed)         0.000         0.000           N         254         254           Pearson Correlation         .692"         .600"	Pearson Correlation         1         .730"         .757"           Sig. (2-tailed)         0.000         0.000           N         254         254         254           Pearson Correlation         .730"         1         .491"           Sig. (2-tailed)         0.000         0.000         0.000           N         254         254         254           Pearson Correlation         .757"         .491"         1           Sig. (2-tailed)         0.000         0.000         0.000           N         254         254         254           Pearson Correlation         .632"         .271"         .290"           Sig. (2-tailed)         0.000         0.000         0.000           N         254         254         254           Pearson Correlation         .692"         .600"         .529"	Pearson Correlation         1         .730"         .757"         .632"           Sig. (2-tailed)         0.000         0.000         0.000           N         254         254         254         254           Pearson Correlation         .730"         1         .491"         .271"           Sig. (2-tailed)         0.000         0.000         0.000           N         254         254         254         254           Pearson Correlation         .757"         .491"         1         .290"           Sig. (2-tailed)         0.000         0.000         0.000         0.000           N         254         254         254         254           Pearson Correlation         .632"         .271"         .290"         1           Sig. (2-tailed)         0.000         0.000         0.000           N         254         254         254         254           Pearson Correlation         .692"         .600"         .529"         0.122	Pearson Correlation         1         .730"         .757"         .632"         .692"           Sig. (2-tailed)         0.000         0.000         0.000         0.000         0.000           N         254         254         254         254         254           Pearson Correlation         .730"         1         .491"         .271"         .600"           Sig. (2-tailed)         0.000         0.000         0.000         0.000         0.000           N         254         254         254         254         254           Pearson Correlation         .757"         .491"         1         .290"         .529"           Sig. (2-tailed)         0.000         0.000         0.000         0.000         0.000           N         254         254         254         254         254           Pearson Correlation         .632"         .271"         .290"         1         0.122           Sig. (2-tailed)         0.000         0.000         0.000         0.053           N         254         254         254         254         254           Pearson Correlation         .692"         .600"         .529"         0.122         1



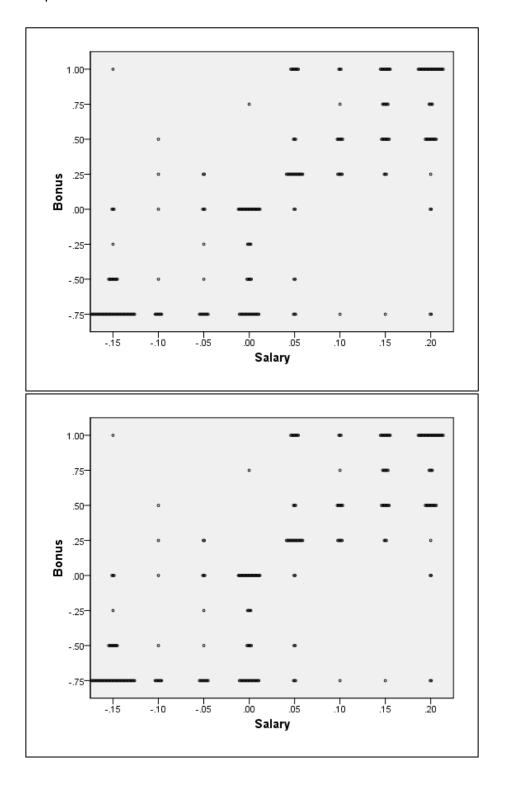
	N	254	254	254	254	254	254
EB5	Pearson Correlation	.648**	.308**	.337**	.249**	.351**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	
	N	254	254	254	254	254	254

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

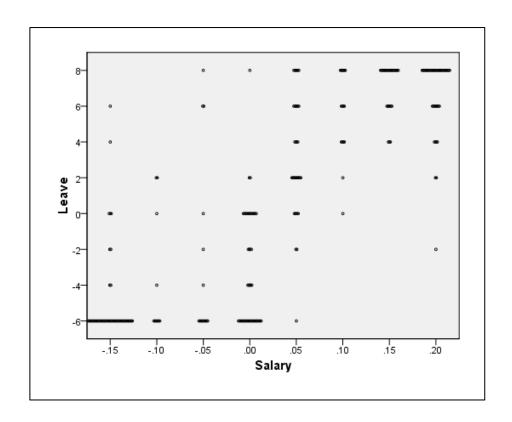


### Appendix 4. Compensation characteristics

This section considers graphical representations of the relationships between the compensation measures in part 3 of the questionnaire and also shows the statistical outputs which are relevant.







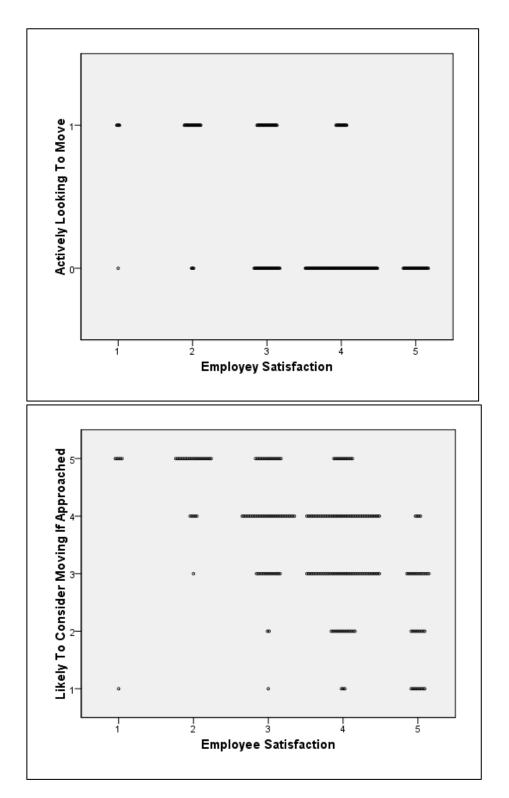
		Salary	Bonus	Leave
Salary	Correlation Coefficient	1.000	.777**	.821**
	Sig. (2-tailed)		0.000	0.000
	N	254	254	254
Bonus	Correlation Coefficient	.777**	1.000	.813**
	Sig. (2-tailed)	0.000		0.000
	N	254	254	254
Leave	Correlation Coefficient	.821**	.813**	1.000
	Sig. (2-tailed)	0.000	0.000	
	N	254	254	254

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

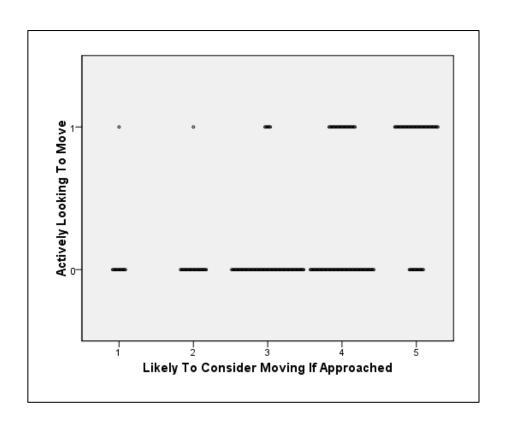


### Appendix 5. Retention characteristics

This section considers graphical representations of the relationships between the staff retention measures of part 4 of the questionnaire and also shows the statistical outputs which are relevant.







		CurrentEmployerSatisf action	ActivelyLookingTo Move	LikelyToConsiderM oving
CurrentEmployerSatisf action	Correlati on Coefficie nt	1.000	557**	576**
	Sig. (2- tailed)		0.000	0.000
	N	254	254	254
ActivelyLookingToMov e	Correlati on Coefficie nt	557**	1.000	.528**
	Sig. (2- tailed)	0.000		0.000
	N	254	254	254
LikelyToConsiderMovi ng	Correlati on Coefficie nt	576 <sup>™</sup>	.528**	1.000
	Sig. (2- tailed)	0.000	0.000	
	N	254	254	254

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).



#### Appendix 6. Hypotheses 1: Impact of demographics on employer branding

This appendix contains the statistical outputs of the tests that were performed for impact of demographics on the overall employer branding score.

#### Age:

#### Tests of between-subject effects

Dependent Variable:

•					
	Type III Sum of		Mean		
Source	Squares	df	Square	F	Sig.
Corrected Model	1.932ª	3	0.644	2.766	0.042
Intercept	2762.078	1	2762.078	11862.537	0.000
AgeBand	1.932	3	0.644	2.766	0.042
Error	58.210	250	0.233		
Total	2916.020	254			
Corrected Total	60.142	253			

a. R Squared = .032 (Adjusted R Squared = .021)

#### Levene's test of equality of error variances<sup>a</sup>

F	df1	df2	Sig.
1.543	3	250	0.204

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + AgeBand



Dependent Variable:

Dependent v	ana	ibie.					
						95% Confide	ence Interval
(I) AgeBand			Mean Difference (I-J)	Std. Error	Sig.	Lower Bound	Upper Bound
Tukey HSD	1	2	-0.086	0.084	0.732	-0.302	0.130
		3	-0.159	0.084	0.232	-0.377	0.058
		4	-0.257 <sup>*</sup>	0.095	0.035	-0.502	-0.013
	2	1	0.086	0.084	0.732	-0.130	0.302
		3	-0.073	0.079	0.791	-0.279	0.132
		4	-0.171	0.090	0.232	-0.405	0.062
	3	1	0.159	0.084	0.232	-0.058	0.377
		2	0.073	0.079	0.791	-0.132	0.279
		4	-0.098	0.091	0.703	-0.333	0.137
,	4	1	0.257*	0.095	0.035	0.013	0.502
		2	0.171	0.090	0.232	-0.062	0.405
		3	0.098	0.091	0.703	-0.137	0.333

#### Gender:

Independent samples test

				acpc	iiaciit ot	,,,,b,co	toot			
		Tes Equa	ene's t for lity of inces			t-test	for Equality o	of Means		
		F	Sig.	t	df	Sig. (2- tailed	Mean Differenc e	Std. Error Differenc e		dence I of the
Score Overal I	Equal variance s assume d	0.03 2	0.85 8	0.86 1	252	0.390	0.053	0.062	0.068	0.174
	Equal variance s not assume d			0.86 1	240.07 9	0.390	0.053	0.062	0.068	0.174



#### Race:

#### Tests of between-subject effects

Dependent Variable:

·	Type III Sum of		Mean		
Source	Squares	df	Square	F	Sig.
Corrected Model	1.632ª	4	0.408	1.737	0.142
Intercept	1408.100	1	1408.100	5992.405	0.000
Race	1.632	4	0.408	1.737	0.142
Error	58.510	249	0.235		
Total	2916.020	254			
Corrected Total	60.142	253			

a. R Squared = .027 (Adjusted R Squared = .012)

#### **Education level:**

#### Tests of between-subject effects

Dependent Variable:

_	Type III Sum of	_	Mean	_	
Source	Squares	df	Square	F	Sig.
Corrected Model	2.085 <sup>a</sup>	3	0.695	2.993	0.032
Intercept	2724.015	1	2724.015	11729.858	0.000
EducationGroup	2.085	3	0.695	2.993	0.032
Error	58.057	250	0.232		
Total	2916.020	254			
Corrected Total	60.142	253			_

a. R Squared = .035 (Adjusted R Squared = .023)

#### Levene's test of equality of error variances<sup>a</sup>

F	df1	df2	Sig.
0.282	3	250	0.838

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + EducationGroup



Dependent Variable:

Dependent v	anabie	•					1
						95% Confide	anco Intorval
						95 % Comide	ince interval
(I) Education	Group		Mean Difference (I-J)	Std. Error	Sig.	Lower Bound	Upper Bound
Tukey HSD	1.00	2.00	0.145	0.088	0.350	-0.082	0.372
		3.00	0.235	0.093	0.059	-0.006	0.476
		4.00	0.023	0.096	0.995	-0.225	0.271
	2.00	1.00	-0.145	0.088	0.350	-0.372	0.082
		3.00	0.090	0.079	0.666	-0.115	0.295
		4.00	-0.122	0.082	0.451	-0.335	0.091
	3.00	1.00	-0.235	0.093	0.059	-0.476	0.006
		2.00	-0.090	0.079	0.666	-0.295	0.115
		4.00	-0.212	0.088	0.079	-0.440	0.016
	4.00	1.00	-0.023	0.096	0.995	-0.271	0.225
		2.00	0.122	0.082	0.451	-0.091	0.335
		3.00	0.212	0.088	0.079	-0.016	0.440

#### **Employment duration:**

#### Tests of between-subject effects

Dependent Variable:

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	1.848ª	3	0.616	2.641	0.050
Intercept	2083.014	1	2083.014	8933.111	0.000
Employment duration band	1.848	3	0.616	2.641	0.050
Error	58.295	250	0.233		
Total	2916.020	254			
Corrected Total	60.142	253			

a. R Squared = .031 (Adjusted R Squared = .019)

#### Levene's test of equality of error variances<sup>a</sup>

Dependent Variable:

F	df1	df2	Sig.
3.271	3	250	0.022

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + EmpDurationBand



Dependent variab	10.						
						95% Confide	ence Interval
(I) Employment du	ıration		Mean Difference (I-	Std.		Lower	Upper
band			J)	Error	Sig.	Bound	Bound
Games-Howell	1	2	0.034	0.091	0.983	-0.205	0.272
		3	0.145	0.076	0.240	-0.057	0.347
		4	-0.149	0.076	0.206	-0.347	0.048
	2	1	-0.034	0.091	0.983	-0.272	0.205
		3	0.111	0.101	0.692	-0.155	0.377
		4	-0.183	0.101	0.274	-0.447	0.081
	3	1	-0.145	0.076	0.240	-0.347	0.057
		2	-0.111	0.101	0.692	-0.377	0.155
		4	0294 <sup>*</sup>	0.088	0.007	-0.526	-0.062
	4	1	0.149	0.076	0.206	-0.048	0.347
		2	0.183	0.101	0.274	-0.081	0.447
		3	0.294 <sup>*</sup>	0.088	0.007	0.062	0.526



#### Appendix 7. Hypothesis 2: Testing for differences between companies

This appendix contains the statistical output of the tests that were performed for testing the differences of the overall employer branding score between companies.

#### **Tests of between-subject Effects**

Dependent Variable:

•	Type III				
	Sum of		Mean		
Source	Squares	df	Square	F	Sig.
Corrected Model	7.128 <sup>a</sup>	4	1.782	8.491	0.000
Intercept	1262.313	1	1262.313	6014.836	0.000
Employer Group	7.128	4	1.782	8.491	0.000
Error	51.207	244	0.210		
Total	2873.771	249			
Corrected Total	58.336	248			
- D.O	20 /A -II 4I F	0	1 400\		

a. R Squared = .122 (Adjusted R Squared = .108)

## Levene's test of equality of error variances<sup>a</sup>

Dependent Variable:

F	df1	df2	Sig.	
2.493	4	244	0.044	

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + CurrentEmployerGroup



Dependent Variable:						95% Confidence Interval	
(I) Employer Group			Mean Difference (I-J)	Std. Error	Sig.	Lower Bound	Upper Bound
Games-	Company1	Company2	0.040	0.113	0.996	-0.308	0.388
Howell		Company3	-0.412*	0.125	0.025	-0.783	-0.041
		Company4	-0.017	0.121	1.000	-0.378	0.345
		Company5	-0.308	0.145	0.247	-0.741	0.125
	Company2	Company1	-0.040	0.113	0.996	-0.388	0.308
		Company3	0452 <sup>*</sup>	0.079	0.000	-0.671	-0.232
		Company4	-0.056	0.071	0.932	-0.253	0.140
		Company5	-0.348 <sup>*</sup>	0.107	0.048	-0.693	-0.003
	Company3	Company1	0.412 <sup>*</sup>	0.125	0.025	0.041	0.783
		Company2	0.452 <sup>*</sup>	0.079	0.000	0.232	0.671
		Company4	0.396*	0.089	0.000	0.149	0.642
		Company5	0.104	0.119	0.903	-0.260	0.468
	Company4	Company1	0.017	0.121	1.000	-0.345	0.378
		Company2	0.056	0.071	0.932	-0.140	0.253
		Company3	-0.396*	0.089	0.000	-0.642	-0.149
		Company5	-0.291	0.114	0.134	-0.646	0.064
	Company5	Company1	0.308	0.145	0.247	-0.125	0.741
		Company2	0.348*	0.107	0.048	0.003	0.693
		Company3	-0.104	0.119	0.903	-0.468	0.260
		Company4	0.291	0.114	0.134	-0.064	0.646

Based on observed means.
The error term is Mean Square(Error) = .210.
\*. The mean difference is significant at the .05 level.



# Appendix 8. Hypothesis 3: Relationship between employer branding and compensation

This appendix contains the statistical output of the tests that were performed for testing the relationship between employer branding and compensation.

			Salary	Bonus	Leave	EB
Spearman's rho	Salary	Correlation Coefficient	1.000	.777**	.821**	.425**
		Sig. (1-tailed)		0.000	0.000	0.000
		N	254	254	254	254
	Bonus	Correlation Coefficient	.777**	1.000	.813 <sup>**</sup>	.399**
		Sig. (1-tailed)	0.000		0.000	0.000
		N	254	254	254	254
	Leave	Correlation Coefficient	.821**	.813**	1.000	.424**
		Sig. (1-tailed)	0.000	0.000		0.000
		N	254	254	254	254
	EB	Correlation Coefficient	.425**	.399**	.424**	1.000
		Sig. (1-tailed)	0.000	0.000	0.000	
		N	254	254	254	254

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (1-tailed).



# Appendix 9. Hypothesis 4: Relationship between employer branding and staff retention

This appendix contains the statistical output of the tests that were performed for testing the relationship between employer branding and staff retention.

				Actively		
			Satisfied	Looking	Approachable	EB
Spearman's rho	Satisfy	Correlation Coefficient	1.000	557 <sup>**</sup>	576 <sup>**</sup>	.537**
		Sig. (1-tailed)		0.000	0.000	0.000
		N	254	254	254	254
	Actively Looking	Correlation Coefficient	557**	1.000	.528**	432 <sup>**</sup>
		Sig. (1-tailed)	0.000		0.000	0.000
		N	254	254	254	254
	Approachable	Correlation Coefficient	576 <sup>**</sup>	.528**	1.000	502 <sup>**</sup>
		Sig. (1-tailed)	0.000	0.000		0.000
		N	254	254	254	254
	EB	Correlation Coefficient	.537**	432 <sup>**</sup>	502 <sup>**</sup>	1.000
		Sig. (1-tailed)	0.000	0.000	0.000	
		N	254	254	254	254

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (1-tailed).