Impact of employer branding on employee engagement in business process outsourcing (BPO) sector in India: mediating effect of person–organization fit

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Abstract

Purpose – The purpose of this paper is to investigate the impact of employer branding strategy (a mechanism used by organisations to hire and retain competent talent) on employee engagement whilst simultaneously measuring the mediating effect of person-organisation (P-O) fit.

Design/methodology/approach – The study analyses a sample of 296 employees working in the BPO sector in India. The proposed model is tested with the help of structural equation modelling.

Findings – The findings of the research highlight that employer branding has an affirmative relationship with P-O fit and employee engagement. The findings also reveal that P-O effect has a partial mediating effect on the relationship between employer branding and employee engagement.

Practical implications – Understanding and implementing employer branding strategies provides the organisation with a tool for not only harnessing good employees but also facilitates them to engage and retain them. Employer branding strategies ensure an increase in employee's sense of belongingness and alignment of goals. Value congruence in the form of person organisation fit also ensures that employees believe that they are valued across the organisation and may go an "extra mile" to achieve organisational objectives.

Originality/value – Employer branding is a comprehensive strategy which can be used by employers to attract and retain talented employees. In a global economy where a talented workforce is scarce and has plenty of choices available to them, firms can use employer branding as a strategic opportunity to enhance employee engagement.

Keywords Human capital, Employee engagement, Employer branding, Person organisation fit

Paper type Research paper

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Introduction

Organisations are consistently in search of resources which can provide them with a sustainable source of competitive advantage. Many previous research studies suggest that human resource is the source which offers a strategic advantage to a firm in the tumultuous business environment (Kraaijenbrink *et al.*, 2010; Rose *et al.*, 2010; Messersmith *et al.*, 2011). Thus, based on the same premise organisations are spending significant resources to develop strategies which can facilitate engagement of competent employees (McCracken *et al.*, 2016). The practitioner and academic research have highlighted that developing effective employer branding strategies can provide a strategic advantage to the firm by developing engaged employees who are loyal and committed to the firm and work towards achieving the super-ordinate objectives of the firm (Wilden *et al.*, 2010). The increasing use of the likes of employer branding strategies is due to the upsurge of

knowledge economy wherein there is a constant war for competent talent (Sivertzen *et al.*, 2013).

The philosophy of employer branding emerges from the marketing literature and is based on the fundamental that as organisations market their product or services to the external customer, it must market itself to its internal customer (employees) so that it can differentiate itself from other organisations and thus nurture a competent workforce which is engaged and focussed to meet organisational objectives (Backhaus and Tikoo, 2004).

The American Marketing Association defines a brand as "a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors" (Schneider, 2018). Employer branding refers to the strategies adopted by an organisation to differentiate itself as an employer from its competitor (Ambler and Barrow, 1996). The term was introduced by Ambler and Barrow (1996) and they defined it as "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company" (Ambler and Barrow, 1996). In a simpler tone, it can be said that employer branding is about engaging talent and motivating them to work towards the organisation goals.

Research cites that the development of employer branding strategies has a positive influence on employee engagement (Love and Singh, 2011). Employee engagement can be defined "as a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption (Schaufeli *et al.*, 2002)". They further state that engagement is not a momentary and specific state, but rather, it is "a more persistent and pervasive affective-cognitive state that is not focussed on any particular object, event, individual, or behaviour" (Schaufeli *et al.*, 2002). Since organisations are coherently trying to develop strategies wherein employees engage themselves in their work roles physically, cognitively and emotionally so that desired employee outcomes like engagement can be achieved as well as attrition can also be reduced (Saks and Gruman, 2014).

The primary purpose of this empirical study is to explore whether employer branding strategies result in high level of engagement amongst employees in the service sector, whilst simultaneously it also analyses the mediating effect of person-organisation (P-O) fit on the relationship between P-O fit and employer branding. The basic premise of analysing employee engagement is based on the fact that an engaged employee shall go an "extra mile" to achieve the firm objectives and will prove to be an asset in the long run (Braine and Roodt, 2011). P-O fit can be defined as "the compatibility between the characteristics of employees and their organisations" (Kristof, 1996). While there are various studies which account for analysing engagement levels in various industries and organisations (Christensen Hughes and Rog, 2008; Saks and Gruman, 2014; Budhwar and Bhatnagar, 2007, Kumar and Gopinath, 2016), however, study identifying the role of employer branding in enhancing employee engagement with the mediating effect of P-O fit has not been conducted. Thus, the analysis and findings shall act as a foundation stone for HR practitioners who are constantly looking for innovative practices to retain talent and also contribute effectively towards the body of knowledge. The paper shall provide a brief theoretical description of the various constructs like employer branding strategies, employee engagement and P-O fit, followed by the research methodology. Finally, the hypothesis developed during the course of research shall be tested using structural equation modelling followed by the final section which includes the analysis and discussion section and its theoretical and managerial implications.

Literature review and hypothesis development

Employer branding

Employer branding has emerged as one of the instrumental strategies which are being adopted by the organisations so that it can retain and attract appropriate talent and place

them rightly in the organisation to achieve desired objectives and stay sustainable in the tumultuous business environment. Knox and Freeman (2006) in their seminal contribution state that organisations signal their employer brand to potential recruits as they advocate and present the firm's attributes to them and develop a positive image. The employer brand image can thus be understood as the image associated with the firm as an employer and a positive employer brand image attracts a competent workforce. Employer branding strategies incorporate developing an environment wherein the employees are provided with an autonomous environment in which they utilise their entrepreneurial capabilities and creativity to accomplish the tasks in hand. Furthermore, the firm provides them with opportunities for learning and development and recognising their contribution to the organisation in terms of rewards (Leekha Chhabra and Sharma, 2014). The development of such an environment in which the employees feel secure tends to encourage them and help to focus on achieving the pre-determined goals and show higher levels of engagement. Biswas and Bhatnagar (2013) in their pivotal contribution cite that firms are offering facilities like pools, gymnasiums, paid sabbaticals and also sends its employees to management and development programs, etc. (Biswas and Bhatnagar, 2013). Employee referrals have taken a new form in terms of networking which is also considered a preferred method of recruiting top job candidates wherein the employees bring in their acquaintances if they are qualified for a certain position to work for the organisation. The primary idea behind the premise is that employees are aware of the needs and requirements of the organisation and it also helps in enhancing teamwork (Christensen Hughes and Rog, 2008).

Employee engagement

Employee engagement is a popular term used in human resource literature, however, it will not be wrong to state that employee engagement has numerous definitions. Many authors define levels of engagement in terms of emotional intellectual commitment employees highlight towards their firm (Bailey *et al.*, 2017). Furthermore, many authors consider it as the discretionary effort endowed by an individual to meet the organisational objectives. Kahn (1990) defines personal engagement as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances". Personal disengagement refers to "the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances" (Kahn, 1990). Kahn (1990) professes that it is about psychological presence while achieving organisational objectives. Maslach *et al.* (2001) define engagement when an individual exhibits energy, involvement, and efficacy, which are contrary to the three burnout dimensions of exhaustion, cynicism, and inefficacy (Maslach *et al.*, 2001). It is evident from the available research that burnout and engagement stand opposite to each other on the continuum (González-Romá *et al.*, 2006). Schaufeli *et al.* (2002) in their seminal contribution in the field of engagement highlight the attributes of absorption, vigour and dedication as imminent elements present in an engaged employee. Shuck and Wollard (2010) in their seminal literature review highlight various consistencies and inconsistencies can be identified. Researchers do not converge on a single paradigm when it comes to engagement, some researchers like Kahn(1990) and Saks (2006) treat engagement as an individual level variable, in contrast Maslach *et al.* (2001) treat the term in general leaving the reader to believe that engagement is an organisation level variable. Shuck and Wollard (2010) comment that "Consistently and conceptually connected in consequence with the idea of different types of engagement, scholars agree that employee engagement has no physical properties but is manifested and often measured behaviourally" (p. 102).

It can thus be deduced from the available literature that engagement is a permanent and pervasive state which has a vital impact on organisational productivity as engaged employees go an "extra mile" to achieve the firms' goal. It is important to mention at this

juncture that engagement is more than job involvement as job involvement only includes need satisfying abilities whereas engagement is more related to emotions and psychological state of the individual (Schaufeli *et al.*, 2002).

With talent becoming scarce and organisations consistently being involved in the "war for talent" in a dynamic service-based economy, it is important that firms design strategies which not only attract competent employees but engages them affirmatively with the organisation. (Srivastava and Bhatnagar, 2010). The findings of many studies focus on the positive relationship between employer branding and engagement levels of the employees (Alnıaçık and Alnıaçık, 2012; Kunerth and Mosley, 2011). For example, Love and Singh (2011) in their research highlight that workplace branding has attracted the attention of academia as well as practitioners and identifies "best practices" used by "best employers" leads to engaged employees which in turn leads to enhanced organisational productivity. Rao (2017) in his paper focusses on the reasons people are disengaged with their jobs and also highlights examples of several companies like DHL Express and Cummins to engage people in their work. Tanwar and Prasad (2016) also state that employer branding is considered as a talent attraction and engagement strategy for current as well as potential employees. Thus, organisations are using innovative means to recruit competent talent and they are devising creative and pre-emptive strategies to retain them.

Relationship between employer branding and employee engagement

Social exchange theory can be used to explain the relationship between employer branding and employee engagement (Slack *et al.*, 2015). The fundamental behind the social exchange theory is that mutually beneficial social exchange amongst the parties can lead to a win-win situation. In the context of business organisations, if an organisation is able to develop an employee friendly culture, it may lead to positive behaviour and attitude from the employees. Research suggests that in exchange of resources and facilities provided by the organisation the employee provides exhibits his engagement towards the organisation, for instance, if the firm provides autonomy, provides support and appropriate opportunities for learning and development, the employees intend to reciprocate through higher levels of engagement (Tsai and Wu, 2010). Thus, to win this "war for talent" the organisations intend to use novel strategies so that an engaged workforce which focusses on achieving the vision of the firm (Alnıaçık and Alnıaçık, 2012).

During the course of becoming an employer of choice, the organisation itself emerges as a strong employer brand which believes that human capital is one of the sustainable sources of competitive advantage. An engaged employee exhibits a higher level of psychological congruence with the firm which makes them feel more energised and secured thus living the "brand" for which they are working. With the development of such an environment created at the workplace, employees tend to be more attached to their work and may evidently cite behaviour which leads the firms to improved productivity (Kunerth and Mosley, 2011). The positive environment provides them with an experience which might not be easy for the competitor firms to replicate (Bhatnagar, 2007). Although the relationship between employer branding and the extent of employee engagement has been measured in various studies, however, predominant attention in the BPO sector is scarce to find especially in the Indian scenario. This study primarily focusses on exploring the relationship between employer branding strategies and employee engagement in the BPO in India. On the basis of the discussion the following hypothesis is proposed:

H1. Employer branding has a positive relationship with employee engagement.

P-O fit: means to link employer branding and employee engagement

P-O fit can be defined as "the compatibility between individuals and organizations" (Kristof, 1996). To clearly delineate the parts of the definition it can be said that P-O fit exists if one of

the parties involved provides what the other party requires and both the parties share similar fundamental features. There are two types of P-O fit, namely, supplementary and complementary fit. Supplementary fit exists when the characteristics of the employee may match with the characteristics of other employees in the firm, that is, he or she supplements or enriches the talent pool of the organisation (Kristof-Brown et al., 2005). On the contrary complementary fit is supposed to exist when the characteristics possessed by the individual are novel in nature and add new capabilities to the firm or vice versa so that they make each other complete (Kristof-Brown et al., 2005). For the purpose of our study, the focus is on the consonance between employee and firm's values so that desired objectives could be met, the idea of "fit" is similar to that of "supplementary fit" (Boon et al., 2011). The attraction-selection-attrition (ASA) model suggests that individuals are attracted to the variety of organisation on the basis of their belief about the firms' goals and values (Pugh and Dietz, 2008). Schneider's Attraction-Selection-Attrition (ASA) model can be used to explain the phenomenon. The ASA model attempts to integrate individual and organisational theory and states that the kind of people in an organisation determine the nature of the organisation in context of its structure, culture and processes. It states that individual is usually attracted to the organisations which display similar values and beliefs. Furthermore, the model states that individuals who do not share anything in terms of values, beliefs or characteristics with the organisation tend to be disengaged and have higher turnover intention (Schneider et al., 1995).

Subsequently, the organisations employ selection strategies to select individuals who match their values and goals. The theory thus substantiates that if there is a mismatch between the core values of the firm and that of people's value, they may leave the firm. This proposition thus suggests gaps in the judgement of either people and or judgement organisation who selected them. Furthermore, it might also reflect the unfulfilled expectation of the employee.

Employer branding strategies if signalled appropriately to potential, as well as current employees, can play a significant role in achieving P-O fit (Wilden et al., 2010). The positive reputation, development of positive culture and robust human resource policies like proactive recruitment policies, robust learning and development programs, open and transparent communication, etc. which represent a strong employee value proposition to employees help in generation of greater P-O fit (Boon et al., 2011). Research cites that the employee value proposition which forms the cornerstone of a strong employer branding strategy has a considerable influence on the P-O fit (Carless, 2005).

Bretz and Judge (1994) in their seminal work on P-O fit states that compensation and performance management acted as a major factor which influenced the pre-entry perception of the potential applicants towards job choice (Bretz and Judge, 1994). Also, employees judge the extent of match between their values with the organisational values during the various stages of selection. However, it is imperative to mention that these studies have focussed on the perception of potential candidates and not the current employees.

The studies which adjudge the perception of the current employees of an organisation undertake separate functions like individual human resource practices or reputation, etc., but research which judges the comprehensive approach of the employer branding strategies is scanty in nature. Thus, based on the ASA model the following hypothesis shall be tested:

   H2. EB will positively affect the P-O fit.

Furthermore, as stated in the ASA model that employees tend to find coherence in terms of characteristics and beliefs with their organisation it can be predicted that P-O fit is one of the mechanisms through which employer branding strategies have an impact on employee engagement. Research has cited there is a positive correlation between P-O fit and job

satisfaction and reduced turnover intentions which direct towards committed and engaged employees (Backhaus and Tikoo, 2004). However, scant research is available which measures the relationship between P-O fit and employee engagement attributes directly and the manner in which organisation address the issue of person organisation misfit. Thus, leading to the third hypothesis:

> *H3.* P-O fit mediates the relationship between employer branding and employee engagement.

Research context

India has observed mammoth growth in terms of economic and social development. Also, the rise of the middle class and the education standards in the world's emerging economies like India has developed it into the source of intellectual capital. The manpower present in the country is English speaking and has expert technical and managerial competence gained through world-class institutions like Indian Institute of Technology (IIT) and Indian Institute of Management (IIM) (Srivastava and Bhatnagar, 2010).

India is also the hub for foreign direct investment attracting many transnationals to establish their subsidiaries in India which furthermore enhances the demand for skilled manpower. The emerging economies like India are also experiencing a paradigm shift from manufacturing to knowledge-based services and off shore call centres are a significant part of the service industry. India has emerged as a chosen destination for offshore call centres of many multinational organisations because they lead to cost saving as well as the availability of well-trained English speaking workforce (Saini and Budhwar, 2004).

However, it is pertinent to cite that this sector experiences a high turnover in the workforce. A large amount of workforce leaves their current job in search for better opportunities thus raising the recruitment costs and making it difficult for organisations to survive. Research states that with a high turnover rate of 30–50 per cent a year organisations find themselves facing a vital challenge (Ofreneo *et al.*, 2007).

This study assesses the impact of employer branding practices on employee engagement in the Indian BPO sector. It is necessary to state that for the purpose of current study the researcher has considered only off-shore call centres as their target audience. Off-shore call centres are the subset of a BPO. A BPO may undertake any function whether core or peripheral which is outsourced by an organisation. For instance, a BPO may undertake Office Functions, Invoice Factoring Support, Underwriting Process, Accounts & Finance Services, HR Services, etc.

In contrast, off shore call centres which are a subset of a BPO may offer voice based services or e-mail services in managing the customers of an organisation. The usual activities undertaken by the off-shore call centres are Inbound Support, Answering Service, Technical Support, Customer Service, Inbound Sales, Order Taking, Outbound Support and Chat & Email Support.

The odd-work hours, desire for better opportunities and fatigue in the BPO sector especially in the off-shore call centres contribute to the high attrition and the firms are constantly involved in the cycle of recruitment and retention strategies (Budhwar and Bhatnagar, 2007). It cannot be undermined that Indian manpower is known for its hardworking and industrious nature and thus is sought after by many transnationals (Budhwar *et al.*, 2006). These transnationals thus wish to identify means to retain and engage a skilled workforce and portray themselves as employer brands (Budhwar *et al.*, 2006). Also, the researchers are focussing on identifying strategies and processes to develop management policies which portray organisations as the "best place to work".

Although a plethora of studies have been conducted to identify the factors that promote employee engagement (Anitha, 2014; Saks, 2006; Luthans and Peterson, 2002), research

concerning employer branding strategies as the predictor of employee engagement; the research in the Indian setting is scanty in nature. This research also paves the way for understanding the aspirations and needs of the Indian workforce with focus on the employees working in the off-shore call centres in the BPO industry.

Method

Samples and procedures

The target population for the current research were employees working in the off-shore call centres in India. The job responsibilities of the target population involved customer service activities which included handling inbound and outbound calls over the telephone, the target population included customer service executives, assistant managers, project leaders, team leaders, etc. A structured questionnaire was used to collect data. The sample for the current research was drawn from August 2018 to December 2018 through convenience sampling. The human resource department of eight off shore call centres were contacted, out of which six off shore call centres who confirmed to participate in the research. The academic objective of the study was elucidated upon and relevant permission was sought from the management for conducting the survey.

The researcher then sent 450 invitations to the executives spread across six off shore call centres and 350 individuals shared their consent to participate in the survey. After the consent was obtained the self-report questionnaire which was designed whilst using already established scales was circulated (details of the questionnaire are provided in the next section). The academic purpose of the questionnaire was stated in the beginning followed by the first section which included the demographic details of the participants. The second section exhibited the Likert statements meant for the various constructs in the study. The questionnaire was distributed electronically and active help from the human resource department was achieved in the process. The respondents were given three weeks' time frames to fill-up the questionnaires and gentle reminders were also sent to fill it and send it back. An ethics statements promising anonymity was also circulated amongst the respondents. Any query pertaining to the questionnaire was either clarified through e-mail or on phone. Convenience sampling was used to gather responses from the sample as other sampling methods would not have yielded ample responses (Leat and El-Kot, 2007).

A response rate of 84 per cent was achieved as 296 questionnaires were generated. In total 60 per cent were male and 40 per cent were females; 40 per cent of the respondents were aged between 20 and 30, 30 per cent were aged between 31 and 40 and the rest were above 40. The educational profile of the respondents reveals 41 per cent had a master's degree and 59 per cent had a bachelor's degree. Non-response bias was checked by evaluating the responses of the early respondents to the late ones. The researcher carried independent sample t-test to investigate if there any significant differences occurred between two groups of respondents. The results highlighted no significant difference citing that non-response was not a challenge for the present research.

Measures

Employer branding

The scale of Berthon *et al.* (2005) has been utilised by many researchers and practitioners to identify the dimensions of the attractiveness of an employer brand (Roy, 2008). Also, the scale developed by Lievens *et al.* (2005) and Knox and Freeman (2006) measure employer brand image. However, the scale developed by Srivastava and Bhatnagar (2017) extends the previous research and customises its contextual domains of the emerging markets like India. A total of 11 items exist in the scale divided amongst three sub-constructs, namely,

reputation, culture and human resource systems and processes are identified wherein two items belong to reputation, five items measure culture and remaining four items measure on human resource policies and procedures.

Person-organisation fit

P-O will be measured with the help of four items which were borrowed from Cable and Judge (1996) and Park *et al.* (2011). These items consider employees' sensitivity towards the values and goals of the organisation. The purpose of considering items is as they help the researcher to clearly understand employee attitudes.

Employee engagement

Employee engagement is measured with the help of intellectual, social and affective (ISA) engagement scale (Soane *et al.*, 2012). This scale considers the three dimensions, namely, ISA and together measures the overall engagement of an individual. There are three items measuring each sub-construct. This scale facilitates to measure the sub-constructs distinctively whereas in other scales the items are confounded thus making it difficult to identify the issues that have an impact on the engagement level of the individual.

Analysis and results

Structural equation modelling was employed by the researcher for data analysis. The AMOS software program was used with maximum likelihood estimation (MLE) for parameter estimation. Maximum Likelihood estimation is a superior technique which can be strong for violations of the multivariate normality assumption (Hair *et al.*, 2010). A measurement model was estimated followed by the estimation of the proposed structural model. The Cronbach's α values were between 0.7 and 0.91 for all the measures citing sufficient internal reliability.

The study assessed the reliability and validity of the constructs through confirmatory factor analysis (CFA). The measurement model was evaluated in two stages wherein in the first stage, CFA was conducted for individual constructs and in the second stage, CFA was done with all the latent constructs correlated to each other.

A model is considered a good fit if the absolute indices and incremental fit indices, namely, χ^2 to degrees of freedom ratio (χ^2/df) has a value less than 3 and comparative fit index (CFI) has a value is equal to or more than 0.90 and RMSEA has a value less than 0.08 For the current study, the overall measurement model fit was good as the fit indices are χ^2/df = 2.096, CFI = 0.903, TLI = 0.899, RMSEA = 0.061.

The inter-item correlations, composite reliability and average variance extracted were also measured and the outcome highlighted that the constructs had high internal consistency. The value of composite reliability scores was more than 0.70 and the average variance extracted was more than 0.50. The discriminant validity was established by contrasting the square root of the average variance with the correlation estimates between the constructs. It can be observed in Table I that the value of the square root of the average variance

Table I Inter correlations and reliability estimates								
Construct	CR	AVE	MSV	MaxR(H)	P-O fit	Reputation	HRPP	Org. Culture	Employee engagement
P-O fit	0.893	0.501	0.354	0.895	0.707				
Reputation	0.709	0.526	0.162	0.915	0.141	0.726			
HRPP	0.838	0.565	0.285	0.941	0.537	0.402	0.752		
Organisational culture	0.719	0.565	0.288	0.952	0.595	0.376	0.555	0.752	
Employee engagement	0.913	0.543	0.336	0.969	0.558	0.277	0.420	0.580	0.737

extracted highlighted in the diagonal is more than the inter construct correlation estimate which highlights that the constructs under study are representative of distinct concepts (Hair *et al.*, 2010). It is also observed that correlation coefficients amongst the constructs under study are not more than 0.85, citing no challenges related to multicollinearity.

The issue of common method bias also arises as all the variables were measured through the same source. Common method bias can be defined as the statistical variance which arises due to variance between measurement method instead of the constructs the measures are supposed to represent (Siemsen *et al.*, 2010). To check for the common method, bias a measurement model was measured in which all the indicators were loaded on a single factor citing a common influence. The results of the fit indices were poor in comparison to the three-factor model (χ^2/df = 2.33, CFI = 0.880, TLI = 0.709, RMSEA = 0.050) citing that common method is not an issue in the present analysis.

Structural model estimation and test of mediation effects

Figure 1 highlights the structural model which was tested. It is revealed that employer branding has a direct and indirect effect on employee engagement through P-O fit. It can be deduced from the output that P-O fit partially mediates the relationship between employee branding and employee engagement (Christensen Hughes and Rog, 2008). Research also cite in their research that hiring and retaining a quality workforce is the most critical task an organisation faces today (Biswas and Bhatnagar, 2013). Therefore, it is necessary for the firms to respond to the talent retention challenge proactively to get desired results. This study pertains to a similar cause as it tries to identify the influence of employer branding strategies in positively engaging the employees. Bhatnagar (2007) in her paper cites that organisations need to consistently design strategies that focus on attracting and developing people with the required skills, as human resources are the key differentiator and facilitate leveraging competitive advantage. However, it is necessary that apart from the human resource strategies the values and beliefs of the individual and organisation should also match highlighting the importance of P-O fit. To do so the mediating effect of P-O fit was assessed in the relation between employer branding and employee engagement. It was observed that P-O fit partially mediates the relationship.

The simplified model proposed in the study attempts to study the association of employer branding and employee engagement whilst assessing the mediating role of P-O fit. The

Figure 1 Conceptual model results
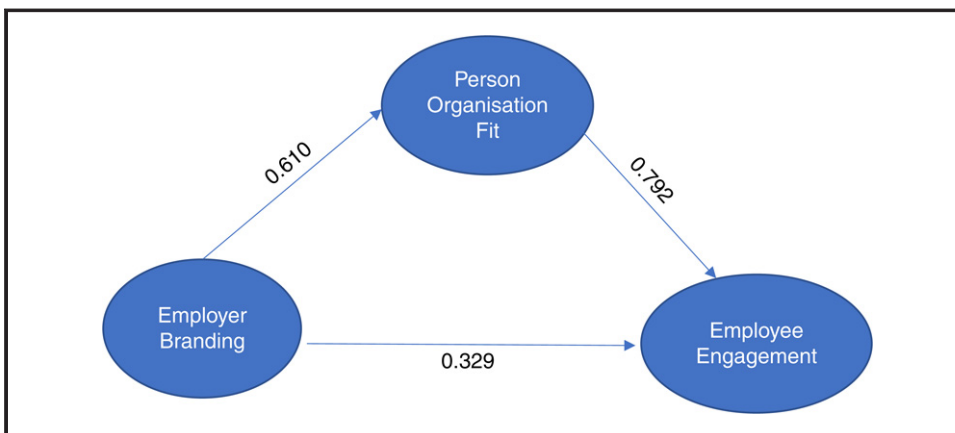
results of the proposed structural model highlight that it fits the appropriately ((χ^2/df = 1.890, CFI = 0.946, GFI = 0.902, TLI = 0.940 and RMSEA = 0.055). A detailed explanation of the mediation effects is provided in Tables II and III).

Discussion

An extant literature review had revealed that empirical studies linking employer branding and engagement levels of employees have received little attention. The current research tends to fulfil the gap whilst simultaneously analysing the mediating effect of P-O fit. The study is set up in the Indian scenario and it provides empirical proof of the influence of employer branding on employee engagement in one of the emerging economies across the world. This study supplements the affirmative influence of employer branding on employee engagement and the results of the study are in consonance with previous studies which have been conducted in western context (Srivastava and Bhatnagar, 2010). It thus strengthens the primary fundamental that human capital being the strategic tool in the hands of the management must be proactively managed to achieve the super-ordinate objectives of the organisation (Morokane et al., 2016). The available literature on employer branding also suggests that if organisations consider human resource to be a source of a strategic advantage it must create an "employment experience" (Ambler and Barrow, 1996). This which is specific to the firm and makes a positive distinctive impression on the current and potential employees, citing it as an employer of choice (Edwards, 2009). The reputation thus formed can act as a source of employee attractiveness especially for potential applicants, thus facilitating the organisation to attract and retain a talented workforce (Bali and Dixit, 2016). Furthermore, this study espouses the proposition that it is important for an organisation to achieve consonance between their values and beliefs with the values and beliefs of the individual working in the organisation. A sound congruence in P-O fit and employer branding can lead to recruitment and retention of individuals who can be engaged and stay for a long time with the firm (Narayanan and Sekar, 2009). Also, the current research establishes that employer branding and P-O fit are predictors of employee engagement as employer branding accounts for 37.2 per cent of the variance for employee engagement and P-O fit accounts for 37.9 per cent of the variance for employee engagement. Additionally, P-O fit has partial mediating effect in a relationship between employer branding and employee engagement which states that employer branding can facilitate people adjust towards organisational values and goals which will have an affirmative impact on engagement levels of employees.

Table II Standardised estimates for the proposed model

Endogenous construct	Exogenous construct	Standardised regression coefficient	CR	p-value	R^2 (%)
P-O fit	Employer branding	0.610	8.860	0	37.2
Employee engagement	P-O fit	0.792	12.818	0	37.9
	Employer branding	0.329	3.815	0	

Table III Mediating effect of P-O fit

Exogenous construct	Mediating construct	Endogenous construct	Effect	Coefficient (p-value)	Remarks
Employer branding	Person–organisation fit	Employee engagement	Total effect	0.483	Partial mediating effect
			Indirect effect	0.192	
			Direct effect	0.291	

Conclusion

The purpose of the research was to analyse whether employer branding has an influence on employee engagement through P-O fit. It can be deduced from the findings of the study that employer branding has a direct as well as the indirect effect on employee engagement through P-O fit. Therefore, it can be explained with the help of empirical independence that employer branding and P-O fit are independent factors which can be used to enhance engagement levels of the employees. Therefore, managers must focus on developing comprehensive employer branding strategies which increase the capabilities of the workforce and inspires them to achieve the desired organisational goals. Furthermore, it can also be deduced that employer branding strategies are not only beneficial in the western environment, but it can also have a similar positive influence in the Indian context.

It can be further understood through the research that employer branding is about incorporating strategies which conveys a distinctive and positive image to the current as well as the potential incumbents and should focus on developing a reputation which portrays as a desired place to work within the external labour market. It is necessary to mention here that managers must focus on providing a meaningful and transparent climate to the employees whilst simultaneously sharing the values and objectives of the organisation. The shared values are a prominent part of the value proposition of the organisation and also facilitates the employees to understand the key attributes. Also, it can be deduced from the study that an enhanced fit between the organisation and the employees will lead to increased engagement levels amongst the employee. To enhance value congruence amongst the employee and organisations managers should continually communicate the values of the organisation using active channels across the firm periodically as it will not only help in aligning them with the organisational objectives but also increase their sense of belongingness.

Managerial implications

Managers are consistently in search of strategies which enhance the performance of the employees. A set of integrated strategies like employer branding can increase the work related outcome and also let the employees enhance their ability and motivation to work. Higher engagement leads to increased productivity and various other work-related outcomes. The results of the current study state the role employer branding strategies play in enhancing engagement whilst enhancing value congruence amongst the workforce and the organisation. This gives birth to many managerial implications like an engaged workforce from top to bottom shall be positively inclined to learn about the challenges in the organisation. Further it will also help in developing affirmative employer-employee relationship with positive psychological contract thus increasing engagement as well as retention of the employees. With employer branding as a strategy the organisation can treat workforce as the wealth-co-creator wherein employees as partners in the organisation work towards rewarding career goals as well as use their business acumen for the organisation to achieve newer heights.

Limitations and future research

The findings and interpretation of the current research must be understood with certain limitations. It is important to state that the hypothesized relationships exist for the cross-sectional dataset but no findings for the causal relationships can be asserted. A longitudinal study in the same regard can add depth to the results of the current study. Second, the research focuses on the employee engagement as the outcome, it is imperative to state that there can be other outcomes which can be linked to employer

branding and since India is a growing economy and a hub for talent, future studies should examine other outcomes like job satisfaction, organisational citizenship behaviour to ascertain whether the affirmative outcomes are reproduced across other outcomes. Also, the future studies can also examine the negative effects of employer branding strategies, for instance, research can be conducted to examine if the organisation is not able to keep its brand promise to its employees, does it lead to any kind of psychological contract violation. Lastly, the outcome of the current study focuses only on the employees working in Indian off shore call centres and thus cannot be generalised in the Indian context. Therefore, it offers the researchers to conduct the research in other sectors as well as can serve as a foreground to compare the public and the private sector in India. Howsoever, the researcher presumes that due to the scarcity of management research on Indian soil pertaining to employer branding, this research serves as the foreground for future management research examining the outcomes of imbibing employer branding strategies as a part of their corporate strategy.

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Further reading

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