

The Impact of Perceived Internal Employer Branding on Employee Retention in the Event Industry of Hainan Province

Keni Song*

¹ *School of Economics and Management, Beijing Jiaotong University, China, 100089*

**Corresponding author. Email: 19120707@bjtu.edu.cn*

ABSTRACT

Attracting and retaining talents have become a foremost priority for organisations, especially in sectors such as the event industry where the service delivery hinges on the quality of their human resources (Fegley, 2006). The ongoing talent shortage and high talent turnover have involved into an inhibitor of the development of the event industry in Hainan province (Pang, 2017). A number of ways in which this talent shortage can be addressed can be identified in the literature. Employer branding emerges as a strategic tool to help organisations become an ‘employer of choice’ thus acting as a catalyst to attract as well as to retain talents. However, empirical studies which focus on employer branding as an employee retention tool within the event industry are rare. Therefore, the aim of this research is to explore the impacts of perceived internal employer branding on employee retention in the event industry of Hainan province. 200 questionnaires were administered to employees of 6 event companies in Hainan province. The employer branding dimensions proposed by Berthon et al. (2005) were conceptualized. Employee retention was measured using a modified version of Seashore et al.’s (1982) model. The findings show that interest value, economic value and application value each have a positive correlation with intention to stay, while social value and development value do not appear to have a significant influence on employees’ intention to stay. These findings show a similarity between the results of previous studies, albeit in different sectors. However, there are also some notable differences between the two. An interesting variance was the impact of social value on talent retention, which appears to be a factor in other studies. Future researches will be necessary to further substantiate these findings.

Keywords: *Employer branding, Employee retention, Event industry.*

1. INTRODUCTION

Attracting and retaining talents have become a foremost priority for organisations, especially in sectors such as the event industry where the service delivery hinges on the quality of their human resources (Fegley, 2006). The ongoing talent shortage and high talent turnover have involved into an inhibitor of the development of the event industry in Hainan province (Pang, 2017). Employer branding emerges as a strategic tool to help organisations become an ‘employer of choice’ thus acting as a catalyst to attract as well as to retain talents (Barrow & Mosley, 2005; Gittell, Seidner & Wimbush, 2010). Therefore, studies focusing on employer branding as an employee retention tool within the event industry will be beneficial to the organisations. This paper aims to explore the impact of perceived

internal employer branding on employee retention in the event industry of Hainan province.

2. LITERATURE REVIEW

Understanding the relevance between perceived employer branding and talent retention will help event organisations enhance their external branding and improve the attraction and retention of talents. This review will give insight into why these two issues are relevant and the issues they can tackle in event industry.

2.1. Talent Retention in Hainan Province

Events have been explored abundantly in the literature from the late 1980s (Frisby & Getz, 1989). However, it appears that questions in regard to human capital challenges in the event industry have not yet

been discussed prominently in the literature. Textbooks and journal articles on the topic are rare (examples include Nickson, 2013; Van der Wagen, 2007).

Talent retention is a key component of talent management. It is defined as the holistic and tactical way focusing on inviting, improving, attracting and retaining employees with the skills and competencies to satisfy the existing and future development needs of the organisations. In the event industry of Hainan province, lacking of professionals and low talent retention have become significant barriers of the development of this industry. The existing event service staff has a high work intensity. Working overtime and staying up late have become common. Most of the staff in event industry is overloaded (Jiang, 2018).

To increase retention, organizations have to adopt several mechanisms to improve employee's relationships with their organizations. One of such mechanisms is becoming an 'employer of choice' and concentrating on the development of employer branding strategies (Kashyap & Verma, 2017).

2.2. Internal Employer Branding

Internal branding emphasizes brand-building efforts that concentrate on promoting a brand inside an organization to motivate the employees to transform the brand promise into reality (Vallaster & de Chernatony, 2006). The purpose of internal branding is to develop a workforce that is devoted to the set of values and targets proposed by the organization (Backhaus & Tikoo, 2004). Amber and Barrow (1996) suggest that internal branding would help build greater levels of employee motivation and enhanced customer outcomes, which are of particular importance in the service industry in general and the event industry in particular.

2.3. Linking Employer Branding and Talent Retention

The current study applies the dimensions of employer brand put forward by Berthon et al. (2005) from the perspective of current employees of a company. They categorized the employer branding dimensions into five practices offered by the organizations that generate value for potential and current employees. The five dimensions comprise: interest value, social value, development value, application value and economic value.

2.3.1. Interest Value and Talent retention

Interest value is a psychological benefit provided by employers. It encompasses items such as 'high-quality and innovative products', 'creative work practices' and 'challenging tasks'. Interest value has been found to be strongly associated with job identification that may

further lead to employee commitment and retention possibly (Lee, 1971).

2.3.2. Social Value and Talent Retention

Social value is classified as a kind of psychological benefit that companies provide to employees. This category refers to a respectful working environment with friendly relationship among co-workers and strong team spirits. The component factors of social value have been frequently argued by scholars as they have positive effects on employee attitudes and their intention to remain (Saari & Judge, 2004).

2.3.3. Economic Value and Talent Retention

Economic value is the economic benefits provided by the employers. It includes both monetary and non-monetary benefits. It comprises variables such as 'above average salary', 'good job security' and 'attractive compensation package'. Economic benefits are the most contributing factor when an application choose workplace (Weathington, 2008). Thus, the current article assume that economic value can increase talent retention.

2.3.4. Development Value and Talent Retention

Development value is the functional benefits that an organisation can offer. It includes items like recognition, self-worth, confidence, career-enhancing opportunities and a springboard. The chances of development and promotion have been argued to be related to talent retention (Saari & Judge, 2004).

2.3.5. Application Value and Talent Retention

Application value is a type of functional value that a company can provide to employees. It comprises items such as 'a customer orientated and humanitarian environment', 'opportunities to apply things they have learned' and 'take corporate social responsibility'. Donovan, et al. (2004), revealed the positive influence of a customer-oriented environment and behaviours on job satisfaction, employee commitment and further related to talent retention.

As a result, the current study propose the following hypothesis:

Hypothesis 1: Social value is positively associated with talent retention.

Hypothesis 2: Social value is positively associated with talent retention.

Hypothesis 3: Economic value is positively associated with talent retention.

Hypothesis 4: Development value is positively associated with talent retention.

Hypothesis 5: Application value is positively associated with talent retention.

3. METHODOLOGY

3.1 Research Methodology

The questions were designed based on the research objectives and the researcher ensured that all research questions were addressed by corresponding questions in the questionnaire. The first part of the survey concentrates on the demographic profile of the respondents. Perceived internal employer branding was measured by the five dimensions put forward by Berthon et al. (2015), i.e. interest value, social value, economic value, development value and application value. The employee retention scale indicates employees' intention to stay in their current organisation. These constructs were assessed with a modified version of Seashore et al. (1982), which identifies their intention to stay in short term and long term, and their tendency of job-hopping.

3.2. Sampling

The sample was chosen from the event companies in Hainan province. A random sampling process was conducted due to cost, time boundaries and access to the population. The researcher delivered 200 questionnaires to 8 event companies in Hainan province. 156 valid responses were received and used. Each organisation was chosen at random and completely by chance.

4. FINDINGS

The regression analysis results show that all values of VIF are less than 10, which indicates that multicollinearity is not an issue here (Tabachnick & Fidell, 2006). It tests the hypotheses. The results depict that three dimensions of internal employer branding

show a strong positive correlation with retention to stay. These are: interest value (sig.= 0.000 < 0.05) economic value (sig.=0.009 < 0.05) and application value (sig.=0.000 < 0.05). Social value (sig.=0.08 > 0.05)and development value (sig.= 0.265 > 0.05) do not show a positive correlation with intention to stay.

5. INTERPRETATION OF FINDINGS AND DISCUSSION

5.1. Interest Value and Talent Retention

Interest value is found to increase talent retention. The finding is congruent with the study of Lee and Way in 2010. With the constant changes in the priorities, values, and demands of the workforce, the priority of current employees is to work to live rather than live to work. The employers have to understand the staff's needs in terms of their employment experience. For event industry, the 'lifestyle anchor' is explored to be the most dominant career anchor guiding industry professionals' career decisions in general, and then 'the challenge anchor' (Weber & Ladkin, 2009). Event industry requires creative experimentation and entrepreneurial orientation in jobs. Due to the flexible and interesting nature of the job, employees in event industry have to face various challenges that can arise (Weber & Ladkin, 2011).

5.2. Economic Value and Talent Retention

Employees' intention to stay is observed to rise due to the presence of economic value. This finding is congruent with previous studies like Weathington (2008). Benefits have been considered as a significant motivator of employer attractiveness. It can be the most obvious factor when an applicant chooses an organisation to work. As the provincial governor Shen stated, one of the top three factors that hold back the development of Hainan province is the high price and low income. This can explain that employees in Hainan attach significant importance to economic benefits.

Table 1. Regression coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinear statistics		
	B	Standard error	Trial version			Tolerance	VIF	
1	(Constant)	-.198	.314		-.631	.529		
	Interest value	.172	.046	.230	3.697	.000	.831	1.203
	Social value	.087	.049	.115	1.764	.080	.760	1.316
	Economic value	.134	.051	.167	2.637	.009	.809	1.236
	Development value	.086	.077	.078	1.119	.265	.667	1.499
	Application value	.291	.068	.293	4.273	.000	.686	1.458

a. Dependent variable: Talents' intention to stay

5.3. Application Value and Talent Retention

Application value is observed to enhance talent retention. This finding is consistent with the previous studies such as Judge et al. (2000), Saari and Judge (2004). Chandrasekar (2011) revealed that a humanistic working environment could enhance the competencies of employees to become more productive and as a result increase profits of the organisation. The uncertain and shifting job requirements require that employees demonstrate more flexibility, openness to new learning, and the ability to cope with continuous change. Thus internal mobility and experimentation opportunities in an organization can help enhance employee retention.

The lifestyle anchor is the most dominant career anchor in the event industry. As mentioned before, long hours of work in both weekdays and weekends have become a typical characteristic of the event industry in Hainan. This is a crucial drawback and a motivator of relatively low talent retention in the industry (Weber & Ladkin, 2009). Therefore, event companies that are employee-centered can be more attractive to talents.

5.4. Development Value, Social Value and Talent Retention

The findings indicate that development value and social value are not important considerations when a person decides whether they will keep staying in the organisation. This finding is not congruent with the previous studies. This is perhaps because the majority of the respondents are young workforce under age of 30. As Westerman and Yamamura (2007) revealed, younger generation employees are more likely to be conscious of the need of continuous learning to keep themselves employable with the increasingly transitory nature of work and decrease of permanent employment (Sonnenberg, 1997). But they tend to be more active when planning and to execute their career. They are less likely to passively depend on their companies to be responsible for their career development.

Besides, the event industry is a sector where professionals primarily follow a self-directed 'boundary less' career. There is a lack of one particular career route, both into and within the sector (McCabe, 2008). Individuals are clearly in charge of their career and 'flutter' between sub-sectors according to opportunities to build and maintain human capital and gather knowledge through the development of core capabilities and professional expertise (McCabe & Savery, 2007).

6. CONCLUSION AND RECOMMENDATION

6.1. Conclusion

By examining the results of the quantitative research, the author can conclude that the findings are congruent with previous literature. The levels of expertise and knowledge base held within the event industry can be affected due to the constant losing of professionals. The research supported the hypothesis that interest value, economic value, and application value can increase talents' intention to stay in an organisation. The data pointed out that the presence or absence of development value and social value have little impact on the stability of event industry employees to their employers in Hainan province. Therefore, for strengthening the event companies as great places to work for and stay with, the employers must boost interest value, economic value and application value.

6.2. Industry Recommendations

Employers in the event industry in Hainan province should take into consideration the results of the paper of the study and see how internal employer branding practices affects talent retention. They have to especially make more efforts on aligning internal brand management with context factors- culture fit and structure fit- to better manage internal brand. Companies should focus on those value dimensions that are most likely to enhance talent retention – namely interest value, economic value, and application value. Such considerations would contribute towards the successful retention of talent in event organisations.

6.3. Recommendations for Future Research

The findings from this study have shown that there are possible areas for future research. Further research will benefit from a mix of quantitative and qualitative methods to gain the perspectives of a broader sample and obtain additional information on internal employer branding and talent management practices. Further research on the specific underlying reasons for the little impact of social value and development value on talent retention should be investigated.

ACKNOWLEDGMENTS

First, I would like to thank my supervisor Dr Ralf Burbach for his incredible encouragement, understanding and belief in me throughout the last few months of completing this dissertation. I really appreciate for your time and patience.

Thank you to everyone who participated in my research. Thanks for your time and your patience.

Thank you to all my friends and family for your wonderful kindness, care and support. I wouldn't be here without you.

Special thanks to my great friends Jiaojiao and Yuting for the good times we had in the past few months.

REFERENCES

- [1] Ambler, T. & Barrow, S., "The Employer Brand", *Journal of Brand Management*, 4 (3), pp.185-206, 1996.
- [2] Backhaus, K. & Tikoo, S., "Conceptualizing and Researching Employer Branding", *Career Development International*, 9 (5), pp.501-17, 2004.
- [3] Berthon, P., Ewing, M. and Li, L.H. (2005) *Captivating Company: Dimensions of Attractiveness in Employer Branding*, *International Journal of Advertising*, 24 (2), pp. 151-72, 2005.
- [4] Getz, D., "Special Events: Defining the Product", *Tourism Management*, 10 (2), pp.125-37, 1989.
- [5] Kashyap, V. and Verma, N., "Linking Dimensions of Employer Branding and Turnover Intentions", *International Journal of Organizational Analysis*, 26(2), pp. 282-95, 2017.