

Employer Branding: The Future of an Organization

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ABSTRACT:

This paper gives an overview of branding the employer and discusses that why it is important in today's scenario. If an organization has a good brand image in the market it will help you in getting the right employees on the right time. Moreover an organization is able to control the employees cost and helps in reducing the cost of hiring. Employment branding is a strategic and marketing effort designed to make an organization appealing as a place to work. The targeted marketing effort attempts to shape the perceptions of potential employees, current employees and the public.

The purpose of this paper is to examine the field of Employer Branding in the context of recruitment and retaining of employees. It helps us in knowing the importance of Employer Branding and making the employees feel good about the place they work. Organization's human resources should manage three components of Employer brand—its reputation, culture, and total value proposition. This paper also takes into consideration that Employer Branding is a strategy employed by an organization to create an Employer Value Proposition (EVP) that conveys to desired current and prospective employees why the organization is unique, appealing and a fantastic place to work in.

KEYWORDS: Branding; Recruitment; Value Proposition.

INTRODUCTION:

Brand equity and human capital are two critical assets that support a firm's short-term stability and long-term success. As the companies have recognized the power of brand management for attracting and retaining external customers, companies are only beginning to realize the potential benefits of HR brand management for attracting, selecting, and retaining internal customers (i.e., employees). **Employer brand** is the term commonly used to describe an organization's reputation as an employer.

'Employer branding' may be split up as;

Employer Branding = 'Employer' + 'Branding'. **Employer** means a person or an institution that hires people. **Branding** means a strategy that allows an organization to differentiate itself from competition and in the process, to bond with their customers to create loyalty. Employer branding is critical to build an image in the minds of potential employees and market the company as a 'great place to work'. Employer branding refers at least

to two disciplines: human resources management and marketing, which mutually derive from their work. Employer branding is also closely related to strategic management from the data collocated from various global surveys.

Possession of an attractive employer image allows the organization to attract the most talented, aware of their values, employees. Thus, the labor productivity as well as product innovativeness increase, which consequently leads to an increase in the competitiveness of the organization. The company's image affects consumer perception of its products. Therefore, entrepreneurs pay more attention to how they are perceived by potential employees. To emerge victorious from the 'war for talent', it is necessary for organizations to build the employer brand systematically.

Therefore, an organization should also focus on both, the recruitment of qualified and culturally fitting employees and the satisfaction and motivation of existing employees. A positive attitude towards the company can result in higher creativity of employees,



more innovation; more participation in workshops and discussions, decline in sick leave times and higher loyalty. Hence, Employer brand is used both to attract potential employees and to ensure that current employees are committed to the organization (Backhaus & Tikoo, 2004).

Thus, this research is being carried out to understand the importance of "Employer Branding" and how it affects the current employee and a potential employee of the organization. Also, how organizations can create Employer Value proposition for its employees.

ORIGIN OF EMPLOYER BRANDING AS A STRATEGIC TOOL IN ORGANIZATION:

The term "employer branding" was first publicly introduced to a management audience in 1990. It was defined by Simon Barrow, Chairman of People in Business, and Tim Ambler, Senior Fellow of London Business School, in the *Journal of Brand Management* in December 1996. The academic paper was the first published attempt to "test the application of brand management techniques to human resource management". Within this paper, Simon Barrow and Tim Ambler defined the Employer Brand as "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company." By 2001, of 138 leading companies surveyed by the Conference Board in North America, 40% claimed to be actively engaged in some form of employer branding activity. In 2003, an employer brand survey conducted by *the Economist* among a global panel of readers revealed a 61% level of awareness of the term "employer brand" among HR professionals and 41% among non-HR professionals. The first book on the subject was published in 2005, and the second in 2006.

REVIEW OF LITERATURE:

To most people a brand is directly connected to the company name, the products, services and the specific logotype. However, branding can also be used as a part of Human Resource Management (HRM) in order to attract new employees and to retain already employed

members of the firm. Irena Figurska & Ewa Matus (2013) are in the view that Companies with good employer brand are able gain financial benefits from socio-psychological determinants of employees' engagement and work performance. They build a trust to employer and the sense of pride in belonging to the organization. It is the key for competitive success in nowadays knowledge-based economy. Hedvig Öster & Johanna Jonze (2013) says that the effectiveness can be exemplified as follows; if the employer brand is delivered accurately, individuals that are suitable for the organization are more prone to apply, and those who are not suitable will not apply, which indicates a streamlining in the recruitment process. However, there is some confusion regarding which business unit that should be responsible for creating and communicating the employer brand. The majority of this study's informants agree that HR should have the main responsibility.

Katharina Buttenberg is in a viewpoint of analyzing the effect of External Employer Branding and HR Marketing on existing employees. She also has given a positive impact of employer branding on the understanding of the brand of the organization as well as employee motivation and organizational performance.

OBJECTIVES OF THE RESEARCH:

- 1) To Study and analyze the Components of Employer Branding and its Process.
- 2) To study the benefits of a successful employer brand.
- 3) To detail the potential of employer branding for attracting, selecting, and retaining employees.
- 4) To suggest ways for improving Recruitment & Selection process by using Employer Branding strategy.

RESEARCH METHODOLOGY:

For this research purpose, secondary data has been analyzed through various journals, websites, and articles of magazines. Secondary data has been extensively used for this exploratory research, which is enumerated and recorded. The qualitative research is used in this paper, to ensure that all aspects of



Employer Branding have been considered. Therefore, the current adoption, purpose and success of Employer Branding in selected businesses should be analyzed through an exploratory & qualitative research.

COMPONENTS OF EMPLOYER BRANDING:

Employer branding is a “targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm. The strategy can be tuned to drive recruitment, retention, and productivity management efforts.” (Sullivan J., 2004) It “can be understood as a bundle of benefits with specific, at the same time long term differentiating characteristics (following the theory of Keller 2003), in a way that the substance of an organization as employer is central to the presentation. It is meant to significantly enhance the publicity of the organization as employer, to ensure that employees include the employer in their relevant set. Moreover, the perceived advantages (Brand value) should immediately reflect in the preference-decisions of the target audience and at the same time enable a sustainable differentiation to competing offers of competitors.”

In order to be successful, employer branding must contain each of these eight essential elements (Sullivan, 2004):

- a) A culture of sharing and continuous improvement – the foundation element of a good employment brand is a senior management team that encourages, measures, and rewards the development and sharing of best practices.
- b) A balance between good management and high productivity – in order to insure a strong brand as well as improved employee productivity, organizations must measure and reward balance between the use of good management practices and efforts to improve employee productivity.
- c) Obtaining public recognition – great-place-to-work lists, local news agencies, periodicals etc. enable the organization to show up as the best employer.
- d) Employees “proactively” telling stories – having employees that tell stories builds pride and increases retention rates as well as increases the number and the quality of employee referrals for open positions.
- e) Getting talked about – managers should speak and write about their management practices in highly

visible ways, as well as should focus on getting written up in the business press.

- f) Becoming a benchmark firm – benchmark firms are those which have best practices that everyone else wants to learn about and emulate.
- g) Increasing candidate awareness of firm’s best practices – the basic foundation of this step is to craft messages to organization’s target audience of potential applicants, so that they apply for jobs specifically because of company’s management and business practices.
- h) Branding assessment metrics – branding metrics should become part of the assessment criteria for all major business functions and their managers, and the results of the assessment should be made available to all interested parties and become the basis for improvements.

PROCESS OF EMPLOYER BRANDING:

The employer needs to brand its Hr activities because more and more employers attach great importance to talent management, based on the assumption that it is a prerequisite for building a competitive organization in the long term. This applies to those organizations for which attracting and retaining talented employees can’t be easy. Therefore, many employers adopt employer branding policies in order to secure long-term needs of talented employees.

Creation of an Employer Brand is a three step process (Backhaus & Tikoo, 2004, pp. 502–503) discussed as:

- a) Creation of an employer brand representing a specific employee value proposition, which is to communicate what the organization has to offer to employees.
 - b) External marketing of employer brand – the company directs the message to the labor market – for candidates, recruitment agencies and other target groups.
 - c) Internal marketing – its aim is to develop human resources, which will adhere to the values and pursue the objectives set by the organization.
- By analyzing the literature on employer branding; allows distinguish the following steps in the process of building employer brand:
- Characterize current employer brand describing, how the company is perceived and experienced by employees, candidates for the job and other stakeholders;



- Characterize the vision of employer brand describing, how the company would like to be perceived and experienced by employees, candidates for the job and other stakeholders;
- Determine the gap between actual and desired employer brand;
- Work out the plan of eliminating the gap between the current brand reality and brand vision;
- Take actions aimed at eliminating the gap between actual and desired employer brand;
- Control the results of undertaken actions;
- Change the plan of eliminating the gap if necessary.

It must be emphasized that building a strong employer brand is not the sole responsibility of HR department. It is a team approach that starts from the leadership and includes human resources, marketing and finance. In fact, everyone in the firm should be an *ambassador of the brand*. The key role of HR in employer branding is to raise awareness of the employer brand – from the company reputation to the routine experience in the workplace.

BENEFITS OF SUCCESSFUL EMPLOYER BRAND:

A successful employer brand results in enhanced attraction, retention and engagement of employee. A strong employer brand associated with stronger attraction and higher than average levels of employee engagement will ultimately contribute to better financial results. Hence, properly designed and implemented programs will lead to higher Competitive advantage, Greater workforce diversity and stronger corporate culture. They also provide many benefits to the companies in human resource department. The benefits to the companies are divided between internal benefits to the company and external benefits to the companies.

- a) Internal benefits: When the Employer branding strategy is strong inside the organization it provides the following benefits internally as:
 - 1) Increase in employee engagement and talent retention
 - 2) Higher level of trust & loyalty among employees in the company
 - 3) Lower rate of absenteeism

- 4) Good relations with the current and former employees
- 5) Decrease in employee fluctuation
- b) External Benefits: The Employer branding strategy has to be very strong externally as it provides the following benefits to the organizations as:
 - 1) Greater no. of received applications for the job
 - 2) Faster & easier access to candidates
 - 3) Attracting talents and better matching job candidates
 - 4) Lower recruitment costs
 - 5) Stronger PR tool kit
 - 6) Increases shareholder value.

POTENTIAL OF EMPLOYER BRANDING FOR ATTRACTING, SELECTING AND RETAINING EMPLOYEE:

There are various interactions in which a potential employee, a future employee, an existing employee or a past employee are in touch with Employer Branding communication. According to Beck (Beck C., 2008), these can be structured in five phases.

The association-phase, the orientation-phase and the matching-phase are mainly connected to recruiting. In the association-phase, the organization needs to generate the first awareness as company and brand. In the orientation-phase potential candidates start to associate themselves with the company and in the matching-phase information- and communication tools are used to support potential employees to realize whether they are a potential match with the organization and a role within the organization. In the ex-post-phase the network with employees who have left the organization is maintained.

For the analysis of the brand communication to existing employees, the focus needs to be mainly set on the bonding-phase, where the individual is connecting to the employer. It is most relevant for employee retention and productivity of existing employees and connecting them to the organization they work for. (Beck C., 2008).

However, since the employee might be looking at other employment options and will be lured by competing employers, the other phases should not be neglected, as they might have an impact when



comparing the communication of brand benefits to the touchpoints of other employers.

A very important concept in Branding is the building of preferences. In case of Employer Branding, the Organization aims at becoming an “Employer of Choice”. The notion “Employer of Choice” stands for the positive selection of an employer in the course of a complex selection- and decision-process of an employee looking for an employer, also for a differentiation towards competition of the Brand, which will lead to a higher loyalty towards the Employer Brand and hence the employer.

SUGGESTIONS:

- 1) Employer branding is a strategic tool which can be used for Recruitment and selection process successfully. This can also help in retaining the competitive talent pool of employees also.
- 2) The effectiveness of employer branding can be exemplified if the employerbrand is delivered accurately, individuals that are suitable for the organization are more prone to apply, and those who are not suitable will not apply, which indicates a streamlining in the recruitment process.
- 3) After streamlining the of the recruitment process, the selection process will also be more effective and the competitive candidates are only left for the selection and the best among the best is chosen.
- 4) Employer branding also leads to the successful retention of employees as well and the loyalty among the employees is also increasing which leads to lower absenteeism and higher productivity.
- 5) All the above factors also lead to competitive advantage over other organizations and make the company a best place to work.

CONCLUSION:

Companies with good employer brand are able gain financial benefits from more involvement of employees and better work performance. They build

a trust to employer and the sense of pride in belonging to the organization. It is the key for competitive success in nowadays knowledge-based economy and the background for suitability of effective organizational culture.

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