



Employer Branding: An attractive strategy for Indian IT Sector Companies

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Abstract

The theory of employer branding is little bit an infant one. The term employer branding is used by organizations as a strategic method for attracting and retaining the appropriate talent from the accessible talented staff. IT sector is the chief supporter of country's economic growth and also one of the service sectors which engages people in large number. The growth and success of any organization largely depend upon human capital of that organization. This is a conceptual paper which is based on the review of literature from available journals, books, internet, etc. The aim of this paper is to ascertain the relevance of employer branding for Indian IT sector and also to extract and evaluate effective strategies used by IT sector for employer branding. It is found that the Indian organizations use

employer branding for the growth and expansion of their business and even during recession, it is a best technique which is used by organizations for attracting and retaining the talented people. Thus, the brand name of the organization may give a remarkable direction to the potential employees to join and stay in the organization for long-run, thereby contributing to its competitive advantage and resulting in building an economically strong nation.

Keywords: - Employer branding, organizational attractiveness, retention, economic growth, IT sector

Introduction

The major challenging task of the organization is to fulfill the demand of

talented employees in a competitive scenario because accomplishment of an aim and existence of the organization mainly depend upon the excellence of the employees working in the organization. Therefore it is the main issue of the organization to attract and retain talented staff for the survival of the organization (Collins 2001). In today's world, Employer branding is used by organizations as strategic mechanism for attracting and retaining the right talent.

Specially, the organization which holds technical capabilities require more

concentration and attention towards attracting and retaining best, shining and brilliant candidates. IT sector is one of the growing sectors of the Indian economy. Growth of the Indian economy mainly depends upon the IT sector, which is one of the service sectors engaging people in large scale. Around 23% of total Indian personnel are working in service Industries and also BPO is the great place where the youth got employment in large number.

Most attracting sectors

2015	2014	2013	
72%	73% ↑	69%	IT, communication, Telecom & ITES
68%	69% ↑	66%	FMCG, Durables, Retail
66%	67% ↑	65%	Auto & Auto- components
65%	66%	66%	Energy and Infrastructure
64%	66%	65%	BESI, consulting
62% ↓	64%	62%	Services
59%	60%	59%	Manufacturing, Non- machinery
58% ↓	61% ↑	58%	Pharmaceuticals and Biotechnology

(Source: - *Randstad award Country report 2015*)



During any challenging economic situation, organizations that capture the opportunity to engage with their current and potential employees differentiate themselves from those that pick a protective attitude during uncertain economic conditions. Organizations that continue to exist hopefully and eagerly build and strengthen their employment proposition and also promise they make to their employees that they will favorably position ahead of competitors when the first signs of economic recovery shine through. They give assurance to the employees that they will provide better opportunities to them even during recession.

Employer branding

In spite of the fact, that the terms brand and branding are not a new one. According to American Marketing Association Brand may be define as “a name, sign, symbols, design or combination of all of them which is intended to identify the goods and services of one seller group or a groups of sellers and to differentiate them from those of the competitors”. Branding is the process of

developing an intended brand identity (Kotler & lee 2008, p.215).

Employer branding is a term which is brought with marketing in human resource management. This concept is employed to attract potential applicants and to retain the existing employees in an organizational culture. Basically, employer branding is a two way process. One is for potential employees and second is for existing employees who are presently working in the organization.

In simple words, the word Employer branding consists of two words i.e. Employer + Branding.

Employer: - Employer is a person, group or institutions that engage the person.

Branding: - Branding is strategic planning that permits an organization to differentiate itself from competitors by developing brand loyalty in the mind of customers.

So, Employer branding is an art of attracting and retaining human capital to maximize the profitability and productivity in terms of skills and knowledge. For managing the scare resources i.e. talent employer branding



used by the manager as a tool in their organization. After reviewing the literature associated with employer branding, it is noticeable that this concept is a mixture of marketing and HR. The term branding was earlier found in marketing but now recently it is a part of HR also. So, HR academician and researcher use branding term in Human Resource Management. The concept of branding is executed by Ambler and Barrow (1996) in HRM. Employer branding may be defined as “The Package of functional, economic and psychological benefits provided by employment and identification with employing company” (Ambler and Barrow, 1996, P. 187).

Employer branding is a long term strategy used by organization for attracting and retaining the best talent in a competitive environment. The term employer branding as stated by (Barrow, 2007: CIPD, 2007: Martin, 2008) is a very important tool used by HR professionals. Sullivan (2004) defines that employer branding is targeted, long term strategy to manage the awareness and perceptions of the employees, potential employees and related stakeholders with regards to particular firm. The employer brand puts an image in the mind of

employees about the organization as a good place to work. The term employer branding is used to explain how organizations present in a market, to potential and existing employees so that they attract and retain in the organization. Backhaus and Tikoo (2004) define employer branding as the process of building an identifiable and unique employer identity, and the employer brand as a concept of the firm that differentiates it from its competitors. Employer brands are developed to be consistent with the firm’s product and corporate brand. Ewing et al. (2002; P. 12) define that there are some similarities between employer brand, product and corporate brand, but there are also two key differences. One, the employer brand is employment specific, characterizing the firm’s identity as an employer. Secondly, it is directed at both internal and external audience whereas product and corporate branding efforts are primarily directed at an external audience. In some cases, the employer branding process can be rolled together with the product and corporate brand campaign.



Role of Employer branding For IT organization

The elementary benefit of employer branding in HR field is that it helps in attracting and retaining the potential employees for IT organization. It is tool used for effective recruitment, employee engagement/commitment and retention (Barrow and Mosley, 2005). Recruiting the talent for the organization is vital for IT organization for competitive advantage. Retention is automatically stronger when a candidate joins an organization because of personal alignment with the employer brand. The personality, value, policies, strategies and desired behaviors in the organization have been deeply embedded across the organization. Employer is also likely to be benefited with increasing engagement from employees. Greater employee engagement and motivation has been shown in greater productivity and higher retention level.

Employer branding is considered to be beneficial to both individual as well as organization (Bergerson, 2001). It helps a management by providing a framework to simplify and focus their priorities, increase productivity, improve recruitment, retention

and commitment (Keefe, 2007, Ambler and Barrow, 1996; Backhaus and Tikoo, 2004). From the point of view of employees, being a member of an organization having a strong employer brand enhances their self esteem and strengthens their organizational identification (Livens, 2007). It also plays an important role in improving recruitment outcomes, improving the rate of retention, increasing productivity, reduction in turnover rate and it also improves the level of employee's satisfaction in the organizations. Organizations enjoy these benefits in the long run. One of the roles of the brand is to create and enhance satisfaction. Satisfaction predicts the future behavior towards the brand (Mittal & Kamakura, 2001). A well-communicated employer brand also stimulates employee productivity. (Dell and Ainspan, 2001) founded that an effective employer branding in the organization leads to competitive advantage and helps in employees internalize company values and assists in employee retention. Effective employer branding increases the image of the company as an employer. While this will likely result in an increase in the number of job applicants, but the strong effectiveness



of the brand should be measured by quality of applicants.

Similarly, an employer brand also helps in attracting, engaging and retaining the talented people and reducing turnover. Talented employees should attract and retain even during the time of recession and also help in providing the skilled manpower at the time of shortage of skilled workforce. Ritson (2002), companies with strong employer branding can potentially reduce the cost of employee acquisition, improve employee relations, increase employee retention and even lower salaries for comparable staff to firms with the weaker employer brands. Strong employer branding helps the organization to exist in the competitive environment and also increase the competition in the labor market world wide by adopting unique practices in the organization. It also lowers the cost of recruitment and advertisement. Berthon et al. (2005) look at the strength of an employer brand in terms of employer attractiveness. While measuring the employer attractiveness, they develop their own model that rates employer attractiveness on five elements of value: interest, social, economic, development and

application value. Although these elements do combine into employer attractiveness, the authors claim that the employer attractiveness is multidimensional rather than one-dimensional concept.

It emphasizes the organizational commitment towards its brand for long. Strong employer branding creates a sense of pride while working with them. Employer branding helps in boosting the image of the company as well as enhancing the talent pipeline. Intention of the employer branding is to motivate the prospective candidates to apply to the company for job. Finally, the end purpose of the employer branding is to stimulate the growth of the business and also in achieving the strategic goals of the organization.

Effective strategies for employer branding used by IT sector organizations

One of the best strategies used by IT organizations is communication. By communicating the benefits which the organizations provide to their employees, create an image in the mind of potential employees that it is a good place to work.



Just like organization brand communicates the benefits of using products and service which the organization offers to their customers, employer brand also communicate the benefits which they provides to their employees (Ambler and Barrow, 1996). An employee of the organization is the brand ambassador for their organization. They communicate about their organization externally and internally that it is good organization for work.

Social media also plays an important role in building strong employer brand in the mind of potential employees. By using twitter and creating facebook page, IT companies communicate about the organization externally and internally at the global level. By developing career section on their website IT companies creates a strong image in the mind of current and potential employees. Promoting commitment towards career development and training employer develop an image.

Organizations that fail to recognize the importance of their employer brand and monitor it accordingly are likely to find themselves at a disadvantage over the long-term. Whilst increased spend on recruitment

campaigns may aid short- term attraction of the new talent, employers may find themselves losing out on the best talent to firms with stronger employer brands. Even if you manage to attract a high level of talent the reality of how your employer brand is reflected across the organization will ultimately determine the ability of the organization to retain this talent.

Conclusion

Lack of skilled workforce is massive challenge for HR practitioners. Employer branding acts as a strategic tool to meet and cope up with this challenge or in a competitive world where everyone sees to be supreme. Effective employer branding helps the employer to engage in the best one for IT organization. Employer branding is a powerful way to capture the job market and it also ensures that the best employees stay longer, thus allowing the organization in smoothing their operations. It is an on going and never ending process for the organization. It is also acting as a economic tool for assisting IT organization for attracting and retaining talented employees even during the time of recession. In a



competitive scenario where talented employees choose their employers themselves, employer branding becomes essential.

Today, employees choose the organization for work on the basis of reputation of the organization. IT sector is having good reputation in the market. They consider employers who value their employees and treat them fairly. There is a need for employers to measure, analyze and position their employer brand in a job market which they will attract the right people with having right skills in the shortest period of time. Communication is the best way used by IT companies for developing strong image about Employer branding in the mind of existing and potential employees.

It was found that the Indian IT organizations use employer branding for the growth and expansion of their businesses and even for attracting and retaining the talented people during recession. Thus, the brand name of the organization may give a remarkable direction to the potential employees to join and stay in the organization for long-run, thereby contributing to its competitive advantage

and resulting in building an economically strong nation.

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