

EMPLOYER BRANDING IN GLOBAL SCENARIO- AN ANALYSIS OF CORPORATE SECTOR

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ABSTRACT

Employer branding” is an emerging discipline with its roots in classical marketing and HR principles. Its aim is to develop an image of the organization as an “employer of choice” in the minds of existing and potential employees, as well as other stakeholders including customers and recruiters. The objective is not only to offer these tangible benefits, but to also develop an emotional link with them. A strong employer brand should connect an organization’s values, people strategy and HR policies and be linked to the company brand. With the changing scenario of Liberalization, Privatization & Globalization (LPG) and subsequent economic reforms, all companies are becoming internationally strategic to utilize the employer brand to attract and retain talent which leads to expand and growth of business. Today, an effective employer brand is essential for competitive advantage.

This paper is a review of literature on the concept of employer branding and its evolution since 1990. It also focuses on the current global scenario of employer branding especially in corporate sector, and concluded with some steps towards creating an effective employer branding strategy.

INTRODUCTION

Branding was originally used to differentiate tangible products, but over the year it has been applied to differentiating people, places and firms (Peter, 1999). According to Aaker (1991), established brand is regarded as a critical means for differentiating between products and creating competitive advantage for organizations. Similarly, employer branding has become a new approach for gaining an edge in the competitive world. The term “employer brand” denotes what people currently associate with an organization. Employer branding refers to the sum of an organization’s efforts to communicate to existing and prospective staff what makes it a desirable place of work, and the active management of an organization’s image as seen through the eyes of its associates and potential hires. According to Barrow and Mosley (2005), “employer branding is not only to transfer the message of the personality of a company as an employer of choice, but it has been used to adopt the tools and techniques usually used to motivate and engage employees”. Like a consumer brand, it is an emotional relationship between an employer and employee.

Ambler and Barrow (1960) have defined employer branding as the development and communication of an organization’s culture as an employer in the market place. It is the package of functional, economic and psychological benefits provided by employment, and identified with the employing company. It convey the “value proposition” – the totality of

the organization's culture, systems, attitudes, and employee relationship along with encouraging your people to embrace and share goals for success, productivity, and satisfaction both on personal and professional levels.

LITERATURE REVIEW

There are a number of theories about marketing and branding, and a large number of literatures discussing corporate image and corporate reputation, however, there are only a few theories available concerning employer branding, especially the linkage between employer brand and consumer marketing communication methods. A brand was defined 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 (Gardner & Levy, 1995). Clark (1987) on the other hand, offered another definition relating brands with values, i.e. brand is values that provide the important link between consumers and marketers, while Kapferer (1992) approaches brands under a holistic view. He claimed that a brand is not a mere product. It is a product's essence and often brands are examined through their component parts like brand name, logo, design or packaging etc. According to Keller (1993) brand equity elevated the importance of brand in marketing communication strategy and is often used to persuade customers to buy a product or service. However, in recent years, especially in today's competitive market, employer branding is used to recruit and retain good employees from a diverse work force. Most companies tend to promote factors that make their firm a good place to work and also offering a bright and cheerful office space, an ethos of collaboration and teamwork, flexible working hours, crèche facilities, or even an excellent canteen. Levering (1996) has opined that a good workplace is believed to produce higher quality products, support more innovation, have the ability to attract more talented people, and experience less resistance to change and lower turnover costs, all of which translate directly into a better bottom line. According to Sutherland, Torricelli, & Karg (2002), in organization's skilled employees are hard to attract and difficult to retain and it has become critical to business success. The employer branding is used for corporate identity and reputation which communicates its image to current and potential employees. Luthans and Peterson (2002) have found employees who are engaged in their organization with satisfaction demonstrate good performance and achieve success. This helps the corporate managers to be more effective and successful, which in turn increases the manager's self efficacy. Research has shown that self efficacy is positively linked to work performance, in that individuals with higher self efficacy are more likely to be proactive in initiating work, and show sustained effort and determination in their pursuit to achieve the task, even when problems occur. According to Robert & Dowling (2002), superior performing firms have a greater chance of sustaining superior performance over time if they also possess relatively good reputations. It is consistent with the growing body of strategy research that links high quality intangible assets with sustained superior performance. Collins and Stevens (2002) have also stated that early recruitment and advertising may have beneficial effects on increasing the quantity and quality of applicants. Fulmer, Gerhart and Scott (2003) have analyzed employer branding policies on top 100 US companies. They found that employer branding policies were associated with not only stable and highly positive workforce attitudes but also had effect on organization's performance. Turban and Cable (2003) have argued that firms higher in corporate social performance (CSP) have more positive reputations and are more attractive employers to employees than firms lower in CSP. Such results suggest that potential

applicants are aware of firms' CSP and that those with more positive ratings may have competitive advantages because they attract more potential applicants than firms. Levinson (2007) also suggests that employees who are happy in their work are more likely to stay in that organization, and found that work engagement is significantly related to organizational commitment.

Evolution of Employer Branding Concept

The term "employer brand" was first publicly introduced to a management audience in 1990, and 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. This 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. In 2008, Jackie Orme, the Director General of the UK Chartered Institute of Personnel Directors (CIPD) confirmed the growing status of the discipline in her opening address to the CIPD annual conference, with the observation that: "When I started out in the profession, nobody talked about employer branding. Now it's absolutely integral to business strategy—resonating well beyond the doors of the HR department". Similar recognition of the growing importance of employer brand thinking and practice has also been recently in evidence in the USA, Australasia, Asia, and Europe, with the publication of numerous books on the subject.

OBJECTIVES OF THE STUDY

The objectives of this study are:

- To review the related literature to elaborate the concept of employer branding,
- To analyse the evolution of the concept,
- To find out how far the concept is being penetrated in corporate sector, and
- What should be the strategy to make it more effective.

METHODOLOGY

In order to make this article a meaningful one, the author has required a review of available related literature and only secondary data were collected from related journals, books and publications.

How can organizations benefit from developing an employer brand?

An employer brand can be used to help organizations compete effectively in the labour market and drive employee loyalty through effective recruitment, engagement and retention practices. All organizations have an employer brand, regardless of whether they have consciously sought to develop one. Their brand will be based on the way they are perceived

as a 'place to work'. To be effective, the brand should not only be evident to candidates at the recruitment stage, but should inform the approach to people management in the organization. The brand can inform how the business tackles:

- Induction,
- Performance Management and Reward,
- Managing Internal Communications,
- Promoting Effective Management Behaviors, and
- Exits from the Organization.

To deliver benefits, it is important that the employer brand is not merely rhetoric espousing the organization's values, but is reflective of the actual experience of employees. An employer brand approach involves research with employees to understand their attitudes and behavior through a staff attitude survey. This employee insight data can inform metrics on 'people performance' in the organization, providing an opportunity to demonstrate links to organization performance

A Strategic Model Developed on Employer Branding

In developing product branding strategy, a lot of factors are involved. They are i) nature of business, ii) nature of market, iii) target reception, iv) budget flexibility, v) long term mission of the organization, and vi) organizational structure. Similarly in employer branding, the organizations are following to develop their brands. Every organization has an external brand and an internal brand. The external brand is the image that an organization projects to the customers, suppliers, investors, and the public. The internal brand is the image of the employers to the employees. When properly planned and executed, an employer branding initiative can generate lively dialogue between an employer and its employees, build a rationale for a 'mutual working arrangement', and establish compelling reasons to commit to the arrangement (see Figure 1).

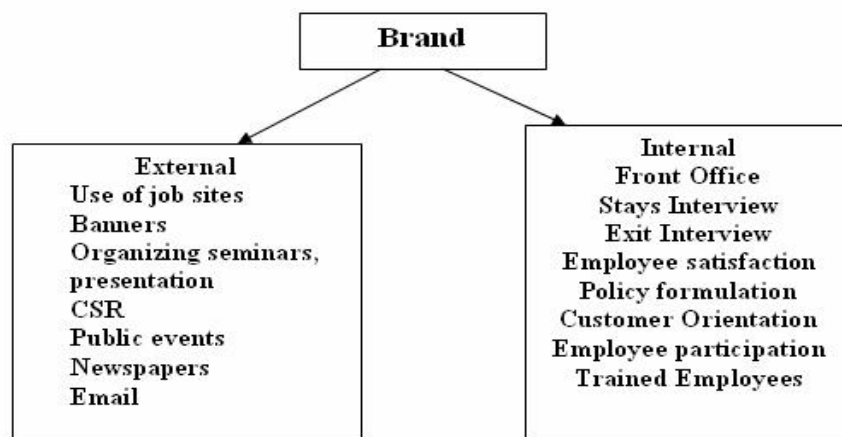


Figure 1

Corporate Strategy towards Employer Branding Objectives – A survey Report

Having a clearly defined strategy is the most important factor in achieving employer branding objectives. That's the takeaway from the Employer Brand Institute's Global Research Study of more than 2000 companies.

As per the survey report, engaging the CEO and senior management in the benefits of employer branding was ranked highly. Surprisingly, conducting internal and external market research ranked the lowest in importance, suggesting companies are rushing into employer branding without a clear direction of where they are heading. How important are the following factors to an organization in achieving its employer branding objectives is shown in Table-1.

Table 1.

Sr.No.	Factors	Rating Out of 7
1.	Having a clearly defined strategy	6.04
2.	Senior management engagement	6.02
3.	CEO engagement	6.01
4.	Development strategies for retaining talent	5.94
5.	Communication planning	5.80
6.	Development strategies for recruiting talent	5.80
7.	Defining employer's value proposition	5.77
8.	Producing communications	5.67
9.	Collaboration between different departments	5.63
10.	Conducting internal research	5.57
11.	Conducting external research	4.92

Source: Employer Brand Institute.

Note: Rank is in order from 1 to 7 (1=least important, 7=most important)

The results of the global study should be a concern for CEOs where money invested in employer branding initiatives may be misdirected and/or misaligned with the business strategy. As far as the companies having a clear defined employer branding strategy is concern, most companies are in the early stages of developing an employer brand strategy that builds competitive advantage (globally only 16% have a clearly defined strategy). So the survey results (see Table-2) provide some important guidance for leaders to ensure their investments are focused on priority areas.

Table 2. Employer Branding Global Research Study

Has your company developed a clear employer branding strategy?	
Yes, we have a clear strategy	16%
Yes, it can be further developed	31%
No, but we are working on it	37%
No, we have not developed a strategy	13%
We don't know	03%

Source: Employer Brand Institute.

The survey also found while 31% have a strategy, it can be developed further. Importantly, 37% of companies have already begun work on developing their employer brand strategy. A small percentage of respondents (13%) said their company does not have an employer branding strategy. These companies may be in the early stages of developing a business case for investment or the department responsible for managing the employer brand may be having difficulty engaging the CEO and senior managers to allocate resources toward the strategy.

Some Final thoughts

In the absence of a clearly defined strategy your employer brand strategy is likely to fall flat. Taking a strategic approach to your employer brand program is likely to result in CEO/senior management engagement and allocation of the resources required to effectively build competitive advantage like companies such as Google, PwC, and McKinsey & Co have consistently achieved over time and that regularly rank highly as 'best places to work.'

It is also of great importance to recommend the following six key areas, (Breett Minchington and Ryan Estis, 2009) to focus on to develop an employer brand strategy that will assist to achieve the employer branding objectives.

- Determine how employer branding is viewed inside your company.
- Define employer brand objectives and project Scope.
- The relation between HR, marketing, and communications.
- Discovering your employer brand.
- CEO and senior management engagement.
- Communications planning

CONCLUSIONS

In the present scenario, there is not only the need of creating a satisfaction in minds of employees, but also an urgent need of creating this positivism in the minds of external customers and stakeholders. The study shows the challenges faced by many organizations and the strategies adopted. It was also observed that many organizations are still not very much aware of this concept, though are unknowingly working on employer branding because everyone wants organization to be the best. It will be comparatively easier to welcome the new world of employment brands. Employer branding is a useful tool to help organizations differentiate what they have to offer in the labour market, and recruit, retain and engage the people they need to succeed. Just as marketers seek to understand their customers, HR people will benefit from gaining 'employee insight' through methods such as employee attitude surveys and focus groups. This insight should inform the HR strategy, influence how internal communications are handled and help in the design of effective people management initiatives.

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