EMPLOYER BRANDING AND ITS IMPORTANCE IN ATTRACTING JOB APPLICANTS

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ABSTRACT

In today’s increasingly competitive labour markets, attracting and retaining talent has become a prime concern of organisations. Employers need to understand the range of factors that influence career decision making and the role of employer branding in attracting human capital. Hence it is becoming increasingly important to understand the contribution of employer branding in organisations today. In order to gain a competitive edge for the company/organization over others it is important to create a differentiator, which sets it apart from its competitors. Employer branding helps create that differentiating factor to attract talented people who can help in the growth of the company/organization, and increase profitability. Basic things like investing in a tag line, and internal commitment to Employer brand promise, can help create your Employer brand in the market place.

Keywords: Employer Branding; Organisational Attraction; Marketing; Job Applicants; Brand Attributes

INTRODUCTION

Over the past few years the brand as a central concept in organizational and social life has increased. Every organization has a brand. For decades, however businesses have focused almost exclusively on consumer. The importance of branding in securing customer loyalty is well documented. We are now coming to appreciate how important branding can be. There is a fast growing body of research that shows branding as an important driver of brand success. There is a direct link between how your employees perceive the company and how they help you to deliver brand promises. In other words, if they believe in you and to what extent can they go to live up to your employer brand. The only way to align their perceptions is to communicate your brand so your employees can understand and know that they share the underlying values. Why should one work here and why should one stay here? A question that every company knows its employees have asked themselves before joining the organization or will ask in the future. This question comes with other questions like: — Can I use my creativity here; Can I make mistakes; Will people guide me on behaviour; Will they listen; Will I be allowed to think laterally and proactively. To answer these questions proactively, many initiatives are
being taken by companies under the banner of an emerging concept “Employer Branding for example, Samsung, Mahindra and Mahindra Unilever and Cadbury etc have all created brands that make it easier for these companies to recruit talented workers and to motivate their employees. And all this has been possible with the Employer Branding. Hence it important to know how the concept of employer branding can be effective in attracting potential candidates.

OBJECTIVES
This research paper aims to achieve the following objectives:

- To investigate the use of Employer Branding and understand its importance in organisations as a strategy to attract talent.
- To understand the concept of Employer Branding and its significance to organisations.
- To examine the Employer Branding strategy in the dynamic competitive landscape.

The Concept & Significance of Employer Branding

The concept of employer branding is a point where marketing strategy meets personnel management. At its most effective, the employer brand is a long-term strategy with a transparent message that promotes the organization as an employer of choice.

What is Employer Branding?

Employer Branding is defined as all the operations carried out by a Business, Company or an Organization to create and communicate its own identity to a target group composed of potential candidates and employees, so that the brand attracts and holds onto these subjects in line with the corporate culture and values. A strong employer brand should bond a company/organization’s values, its people strategy and HR policies and be aligned with its vision and mission. Employer brand is the true essence of the employer-employee contract. It is the reason people join a particular company/organization and stay with it.

Significance

The objective of continually strengthening the employer brand may provide a clear indication of what needs to be added or changed within the total rewards package. Then when it’s time to implement something new, the strength of the internal brand may greatly assist in characterizing the initiative as being of value to the employees. This preconception of value not only opens the door to receptivity, it sustains an environment of interest and acceptance.

The Need and Importance of Employer Branding

Market realities that emphasize the need for Employer Branding: Shrinking employability leads to a talent war: Manpower Group, the world leader in innovative workforce solutions, in its seventh annual Talent Shortage Survey in 2012, explained the world’s ongoing talent shortage crisis — in which one in three employers (34%) globally reported difficulty in filling jobs due to lack of available talent. This has mainly been blamed on the lack of competent applicants. This further leads to a rush to hire and retain employees. Strong employer branding can help both attract talent as well as retain it.

Rising attrition rate: Technological advancements have made people more independent. Today, each individual is free to search jobs all across the globe with the help of email and various job e-portals. With this rise in the number of opportunities we also see a rise in the number of people switching jobs and hence the rising attrition rate. In such a scenario, a strong employer brand helps create loyalty among employees, provided the company/organisation delivers its commitment promised by its brand.

High cost of talent acquisition: Hiring new employees means more than just the salary which can be substantial all by itself. It also includes the cost of recruiting, training and more. The cost of recruiting includes: advertisements, time cost of internal recruiter, time cost of recruiter’s assistant in reviewing
resumes and performing other recruitment related tasks, time cost of the person conducting the interviews, medical check-up and background checks, and various pre-employment assessment tests. The cost of training also gets added; recruitment is just the first step in the process; once the right person is in place, businesses need to provide adequate training so the new employee can do the work and start producing for the company. The cost of salary plus benefits: the obvious cost of a new employee - the salary - comes with its own bundle of perks and benefits, as well. Benefits range from the minor things like free coffee to the major such as gym memberships, life insurance, disability coverage, dental plans, tuition reimbursement and the list goes on. Another cost is the cost of workplace integration: A company/organization has to provide much more than simply providing a computer and a desk and a chair; there’s also the cost of physical space as well as software, cell phone, travel and any special equipment or resources required for the job. All these costs added up together, make the cost of talent acquisition very high. This process can be avoided by retention of talent within the organisation. A strong employer brand can deter an employee’s decision to leave the organisation.

Fierce competition: Today, talent has become more important than capital, strategy, or R&D, considering the popular sources of competitive advantage those companies have: capital, business strategy, technology, and talent. Today, capital is accessible for good ideas and good projects, with venture capitalists ready to fund new ideas. Strategies have become transparent: even if you have a smart strategy, others can simply copy it and the rate of advancement of technology is simply awe-inspiring. For many companies/organizations, that means that people are the prime source of competitive advantage. Talented people not only have ideas but can also execute those ideas better and even develop other people in the company/organization.

Awareness levels of consumers and investors: With rapid growth in information exchange levels across the globe, the customer is more aware about the brand he purchases. Just as good customer service and high level of CSR activity can help create brand equity, similarly a strong employer brand helps towards creating an overall brand image in the marketplace. Business advantages that stress on the importance for employer branding: Considering profit to be the main aim in any business, it is important to align all efforts to contribute to the bottom line. Employer branding can help make money in the following ways:

Create value: A well-defined employer brand is well integrated with the business strategy and articulates the shared responsibilities for achieving success. The Return on Investment (ROI) is not just an HR metric (i.e. cost-per-hire, time-to-fill, training cost, etc) but rather revenue growth. Employee satisfaction drives customer satisfaction/loyalty and revenue growth. Employer branding fuels employee engagement, engagement fosters productivity, and productivity, in turn, fuels profitability.

Reduce Costs: With the help of good employer branding the employees connect with the cultural values of the company. This reduces the possibility of hiring unfit candidate. There is transparency in the employer employee agreement and the turnover goes down, thereby reducing recruiting costs.

Low cost initiative: Top management discussions, communication audit, employer branding surveys, executive interviews and internal focus groups can be used to define the employer brand.

**Employer Branding: Constraints and Limitations**

- **Organizational Resistance:** Employer Branding initiatives may encounter apprehension and resistance from employees as well as management. This is because management may expect employees to live the brand. Issues like is Employer Branding is ethical or desirable also need to be addressed in the contemporary context.

- **Marketing the Brand:** Another problem is how to express one employer brand when operating in the complex and dynamic organizational framework. Sustaining a brand may prove difficult in diverse workforce settings, varied geographies and cultures, strategic partnerships, joint operations and outsourcing.
Future of Employer Branding

Employer Branding will inevitably play a critical role in this recruitment process of organizations. However, this will be accompanied by HR managers borrowing and recasting other tried and tested tools from the marketing function. HR will start viewing employees and potential employees as ‘internal customers’ and will begin doing what core marketing function does i.e. anticipating, identifying and satisfying customer requirements. Other marketing tools will also be adapted by the HR function especially those that are deployed by companies to develop long-term relationships with their customers. Just as marketers seek to retain customers by adapting the products they offer to suit each stage of the typical consumer life cycle, so employers will use similar approaches to help recruit and retain staff.

CONCLUSION

Employer brand has become an effective and an essential tool to gain competitive advantage in today’s corporate world. The goal of corporations today is to achieve global recognition in a sustainable manner. The right kind of employer branding has plenty of advantages as it provides a personality to the company and helps structure recruitment. For organisations to succeed in attracting the right candidate with the help of employer branding it is very critical to establish what defines them. Hence, employer brand is the image of the employer in the minds of the existent and future employees. The need of having an employer brand is not only emphasized by the various market realities surrounding us, but also by the economic advantages of having a strong employer brand. Market realities such as shrinking employability leading to a talent war, rising attrition rate, high cost of talent acquisition, fierce competition, and awareness levels of consumers and investors push for creating and maintaining an employer brand. Economic advantages like employer brand as a means of revenue generation, as a money saver, and as an economically viable activity will support its creation. The popularity of employer branding and its importance in attracting job applicants is likely to be influenced by prevailing product and labour market conditions. However, the necessity of employer branding in all its forms is likely to become even more deeply embedded in our socio-cultural, economic and business landscape.

REFERENCES


