

Employer Branding: A strategic HR tool for improving Employer attractiveness

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ABSTRACT

Branding is a word most people associate with marketing sneakers or selling soda. But when applied to an organization, it means much more. An employer brand can define a company's identity for both current and potential employees. Employer brand is not just a tagline or human resources policy - it is what team members experience in the company on a daily basis. It is the way in which the true character and purpose of the organization is communicated. It is the total image of the company, from the inside out. Corporations are becoming intentionally strategic to utilize the employer brand to attract and retain talent and, ultimately, to expand and grow. The employer brand is, in short, is a strategic tool to attract - and retain - talented people in workplace. This paper discusses the concept of employer branding and the factors influencing it. It also highlights the strategies for implementation of employer branding and its implications.

Keywords

Employer Branding, Company Identity, Strategic Tool.

Introduction

The term "Employer Brand" was first used in the early 1990s to denote an organization reputation as an employer. Employer brand is understood as a brand which differentiates it from other competitors in the employment market. The term also includes long term strategy that establishes an organization's identity as an employer in the employment market. Ambler and Barrow defines employer brand as follows: The package of functional, economic, and psychological benefits provided by employment, and identified with the employing company. Minchington defines employer brand as "the image of organization as a great place to work in the mind of current employees and key stakeholders in the external market (active and passive candidates, clients, customers and other key stakeholders). The art and science of employer branding is concerned with the attraction, engagement and retention initiatives targeted at enhancing the company employer brand.

Employer branding is central to the concept in HR Marketing. It defines the personality of a company as a preferred employer. The employer brand is the most powerful tool for attracting; engaging and retaining the right talent/culture fit that will help leaders grow their organization. Like any brand, employer brand is about perception.

As mentioned above, branding has moved into the field of Human Resources from the discipline of marketing. In principle, brands can be seen as a set of symbols which represent a variety of ideas and attributes, the net result of which is the public image, character or personality of an organization. As such, branding activities involve constructing particular attributes (e.g. the values on an organization) that are considered to represent the image that a company wishes to communicate to potential employees, current staff and the public. Employee and employer branding are distinct activities due to the difference in what has been branded. Employee branding is targeted to the existing workforce, but employer branding by highlighting that the organization is an employer of choice reinforces the employee branding message to the existing workforce. Nonetheless, it is important to note that the two activities have a different emphasis. (Table 1)

Table-1. Differences between Employer and Employee Branding

Area of Employer and Employee branding	Employer branding	Employee branding
Direction of branding Activities	External and internal	Internal
Branded entity	The organization	The employee
Target of branding	Current and potential employee	Customers who interact with brandy employees
Roots	Personnel/ HR management	Marketing Literature The management of culture literature Organizational socialization literature Marketing literature
HR activities Induction	Recruitment and selection Advertising External and internal Communication Benchmarking	Training and development Performance management Competency-based HR systems Internal communication
Aim	To ensure the company attracts new recruits of quality and retains existing employees	To ensure employees act, on brand" and share the values of the organization's brand
Intended outcomes	Winning the war for talent High quality, motivated and high performing work force Having the competitive edge	Increased employee Commitment and identification Increased customer satisfaction And loyalty/identification

Factors Influencing Employer Branding

Biswas in his study in a manufacturing company results revealed that employees values (Interest, social, economic, developmental and application values) are affecting the employer brand. Hence, the factors pointed out, can be categorized into:

- i. Interest value is the degree to which an employee is attracted to an employer which provides exciting and challenging work environment.
- ii. Social value which paves way for the working environment that is fun and happiness.
- iii. Economic value which satisfies compensation expectations, job security and promotions opportunities
- iv. Developmental value which provides recognition, self growth and career enhancement.
- v. Application value that provides an opportunity for applying the known concepts and ideas in the work. It also been argued that when the company satisfies all the above mentioned values, the higher will be its employer brand

Corporate Cases

In a world where top performing employees are becoming a scarce commodity, finding the right people is critical for business success. At a time when low birth and death rates are significantly shifting world demographics, the dilemmas of the 21st century are not only 'Who will make up the workforce?', Yet more importantly 'Who will own it?- Multinational corporations are aware of the current and future challenges of a shrinking workforce. To counter problems in securing their talent pipeline requires a talent attraction and employer branding strategy", advised Petter Nylander, Universum's CEO.

Headlines like RINL (Rashtriya Ispat Nigam Limited), personnel department gets ISO 9000 for its excellent services in Human resources, , Standard Chartered bank employees to have 5 days week, ICICI plans to recruit 30,000 employees in the coming year , Accenture on course to hit 35,000 headcounts in India or launching of a completely a new Brand strategy TCL a China based electronic company termed " Creative life "for global market or Infosys to open BPO unit in Mexico , or that of wipers in Egypt or the UB group acquiring Shaw Wallace.. these statement as news of daily magazine or topic of discussion create what is known as Brand image or the "Trust mark "or as defined by Minchington (2005) as "the image of the organization as a great place to work in the minds of current employees and key stakeholders in the external market (active and passive candidates, clients, customers and other key stakeholders).

Stockholm, September 20th 2012 -Based on the preferences of over 144,000 career seekers, with a business background from the world's 12 greatest economies, Universum releases the global talent attraction index: "The World's Most Attractive Employers 2012". Following are the top ten corporate cases with the largest number of followers and job postings.

- Hewlett Packard (Information Technology and Services) - This company readily meets the need for small and mid-size customer access to unified communications and collaboration tools. More than 827,500 followers are watching the job boards when HP posts.

- IBM (Information Technology Services) - More than 3,000 of IBM's employees previously came from HP. So it's no surprise this New York City-based company is so high on the list. Nearly 162,000 of its employees are making it a well-connected company. Job applicants flock to fill the 460+ job postings.
- Google (Internet) - This San Fran behemoth has been gobbling up startups and making acquisitions look like a game in recent years. On top of that, employees have some of the most amazing perks in the business, contributing to incredible morale and productivity. Get a free haircut, chef made meals, bar none healthcare including on site medical staff and throw in massages and game rooms. Is it any wonder there are so many people clamoring to work there and applying every day for the more than 1,700 job postings.
- Microsoft (Computer Software)- A partner with HP in the UC&C trade, Microsoft recently launched Lync, a channel toolkit to make training, incentive programs and presentations a breeze. With the market expected to reach \$44 Billion (Yes, that's with a B) in revenue by 2015, everyone wants to work with Microsoft .
- Accenture (Management Consulting) - With 500,00-plus followers for merely 214 jobs, competition is fierce to get into this Ireland based company. Accenture is focusing on a corporate citizenship initiative to equip 250,000 people by 2015 "with the skills to get a job or build a business." Company heads want this program to make a sustainable different in long-term economic vitality around the world. A worthy goal which is leading more and more job seekers to connect with and follow employees at the company.
- Deloitte (Management Consulting) - Auditing and financial services are in high demand and this company is one of the best. It also starts hiring early by recruiting directly from MBA programs. And the love is returned as almost 7 percent of MBAs want to work there. This love fest could also account for the 388K plus followers for nearly 3,000 available jobs.
- Oracle (Information Technology and Services) - Another Silicon Valley based company, Oracle boasts of having all of the Fortune 100 as customers for its business hardware and software systems, particularly HR People soft systems. Recruits could see this company as a foot in the door of the other companies
- Apple (Consumer Electronics) - Developers who dare to dream big, dream of working for Apple, in spite of crazy hours and keeping the air of secrecy swirling involving new tech advances. Competition is intense enough inside the company. Imagine what it is outside unless "you know a guy."
- Dell (Information Technology and Services) - Dell's Chairman and CEO says he doesn't want to follow in the footsteps of IBM or HP, but rather come

out of their respective shadows. To do this, the company will increase acquisitions and focus on business solutions for Smart phones. As widely used as smart phones are, a job seeker would be hard-pressed not to find something exciting about up and coming portable technology at their fingertips. Nearly 326,000 people following Dell's job postings agree.

- Ernst & Young (Accounting) - Ernst & Young stays ahead of the rest of its industry. Almost 80 percent of its workforce considers EY the world's most successful entrepreneurs. Nearly 3,20,000 potential job candidates want a piece of that action.

Strategies to Build Employer Brand

- i. Determine your current employer brand. Conduct an anonymous survey or focus group to determine what your employees are currently experiencing. Review exit interviews for patterns and information. Be prepared to accept your baseline - your perception may be very different than your employees' reality. It's not about who you want to be, but who you actually are as an employer.
- ii. Look at your most successful employees. What do they have in common? Why do you deem them to be the most thriving? How do you define achievement at your organization? Create a success profile of these competencies and share them to motivate others and anchor your employer brand. Utilize this profile when you interview prospective employees and look for the qualities that you find in your most successful team members.
- iii. Think like a marketer. Successful marketing executives create a "unique selling proposition," or USP, that clearly defines how their products are different, and better. Create a unique selling proposition for your Company - how are you unique and superior to other employers?
- iv. Create a strategy to implement it. Once you have established your baseline and your USP, The most effective way to execute an employer brand is to engage your employees in the process. Who better to spread the word than the people who will be living the brand each day? Coca-Cola tests its new sodas at grocery stores, not annual meetings. Employers should test the brand in the break room, not the board room.
- v. Develop your flagbearers. Use those most loyal to your employer brand as champions of your message. They have the credibility to promote your brand to others throughout your organization. In today's market, there is a strong, positive correlation between those firms who are deemed the "employer of choice" and those firms who are financially and fiscally sound. A strong employer brand can position you as the employer of choice - and make you the company that takes the lead. So, how do you build your employer brand? Nike didn't "just do it" overnight - brands take time to catch on and adhere.

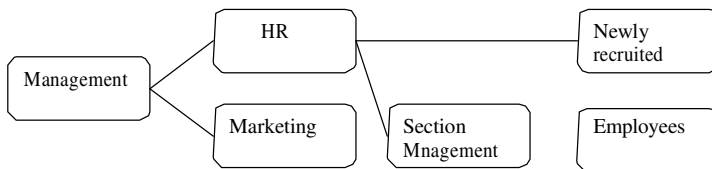
Implementation of Employer Branding

Barrow and Mosley (2005) claims that the role of the management is crucial for the existence of an employer brand and that the management should be the driving force behind the development and communication of the employer brand. They further conclude that employer branding should be a part of the overall corporate strategy and penetrate the whole organisation.

Several authors, including Miles and Mangold (2004), states that the HR and/or the marketing departments should, and indeed normally do take a large responsibility for the creation and communication of the employer brand as HR is the department closest to the employees and the recruitment process. Sartain (2005) also states that they (HR) are the Department most suited to communicate the organizational culture in a consistent manner. Davies (2008) points out that the marketing department of a company should be involved in the process, together with the HR department, as they have the necessary experience required to conduct the internal marketing of the employer brand.

According to Backhaus and Tikoo (2004), the responsibility is often delegated from the HR and marketing departments to the section managers, who take an important part in the maintenance of the corporate brand. The authors state that managers can do this by spreading the positive organizational culture together with HR and monitor any changes, such as rumours spreading etc., which could have a negative influence on the workforce attitude. Such negative changes can thereby be followed up more rapidly and countermeasures can be put in place.

Figure 1. A descriptive image, intended to explain how the employer brand can be spread in the organisation.



Source: Foogel & Stuart (2012)

Implications of Employee Branding

Competition for talent is heating up in many industries and will probably intensify, since demographic trends make it increasingly difficult for companies to replace valued employees when they retire. In response, many companies are trying to sharpen the way they market themselves to recruits, by applying employer branding techniques to recruitment. According to Personnel today survey 95% of respondents believe employer branding is important. Work place branding seems destined to continue as an organizational strategy in the future.

It's apparent that the benefits derived from having Best Employer work place brand provide an organization with a competitive advantage. It has become of great interest to organization especially the practitioners in the human resources community as they strive to continue to implement the appropriate processes and tools to attract and retain employees. It conveys organisations value proposition- the totality of organisations culture, systems attitudes and employee relationship along with encouraging organisations people to embrace and share goals for success productivity and satisfaction both on personal and professional levels. Employer branding is a distinguishing and relevant opportunity for a company to differentiate itself from the competition creating its branded factors and its USP for employee satisfaction and happiness resulting in retention, productivity and efficiency.

Conclusion

In today's business environment, companies encounter many obstacles which could affect the corporate image negatively. Employer Branding plays an important role on beforehand when it comes to these unplanned impulses. Nevertheless, it is essential that employees at all levels are aware of the culture, norms and values of the organization in order to facilitate the pulling effect of the employer brand, which plays an important role in achieving a high level of satisfaction among the employees as well as to transform the organization into an appealing place for work .

In recent years, the world has witnessed the dramatic entrance and success of Indian corporations in the global marketplace. With the continued influx of multinational corporations in India-as well as Indian corporations expanding beyond their own borders-the opportunities for India to contribute to the world economy have significantly increased, with the likelihood of favorable outcomes for "Brand India" in the domestic and international markets. Thus, as India, Inc. forges forward to make a wider mark in the world, the employer brand as a strategic HR tool will take on greater importance in Indian organizations-in how it is developed, communicated, marketed and ultimately yields growth, profits and sustainability for today and into the future.

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