

## Employer Branding - The Competitive Edge For Corporate Success

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### Abstract

A new concern has come to Human Resource Management (HRM): the way organizational branding can influence human resources to be applied and to be committed to enterprises. This application of branding to human resource management has been designate as “Employer Branding”. In an organization good employers have a strong identity and a positive image in the marketplace. To be successful, organizations need to attract the employee market. Marketing tools associated with Brand Management have been applied by the HR in order to attract, engage and retain employees in the same way as marketing applies such tools to attract and retain customers.

The paper deals with the concept of employer branding, its importance, trends and techniques. In the present Indian scenario it throws light on balancing employer branding with financial viability and its implementation. It also discusses about the implementation of employer branding in India companies.

***Key Words: Employer branding, employer image, corporate branding, career development***

## **Introduction**

The term “Employer Brand” was first used in the early 1990s to denote an organization’s 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.

Employer branding is concerned with the attraction, engagement and retention initiatives targeted at enhancing company's employer brand. Employer branding is central to the concept in HR and 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.

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.

Employer branding can be used as a long-term talent attraction, management and retention strategy. It is a viral-based perception management program that is intended to raise the organization’s image in the marketplace as a well-managed business, thereby attracting a steady flow of top quality applicants over a period of time. Simply put, it provides potential employees with a window into what it is like to work both in and for an organization.

While employer branding offers a unique opportunity to differentiate from the competition, it also creates meaningful and enduring reasons for employees to remain loyal to their organization and employer. Employer branding should be viewed as an ongoing process that is at the heart of the employment experience, providing touch points that begin with initial employer brand awareness and continuing throughout the tenure of employment.

Even during extraordinary periods of economic growth or recession, employer branding is crucial as all employees are discerning clients, to be attracted, engaged and retained by organizations and employers. When properly planned and implemented, effective employment brand strategies can deliver high impact and long-term results including:

- Competitive advantage
- Significantly enhanced talent pipeline
- Increased employee engagement levels
- Greater workforce diversity
- Stronger corporate culture
- Stronger PR tool kit
- Increased support for the organization and brand
- Increased shareholder

### **Objectives**

- To understand the concept of employer branding, its importance, trends and techniques.
- To discuss the implementation of employer branding in India companies.

### **Review of literature**

Branding in the field of Human Resource Management (HRM) has recently received a lot of attention and is generally explained as improving the image of an employer (Backhaus & Tikoo, 2004). The concept of Employer Branding was first coined by Ambler and Barrow (1996), who described it as “the package of functional, economic, and psychological benefits provided by employment, and identified with the employing company”.

Employer branding is defined as a targeted long term strategy to manage awareness and perceptions of employees, potential employees and related stakeholders with regards to a particular firm (Sullivan, 2004).

One of the first studies into employer branding was derived from marketing and discussed by Ambler and Barrow (1996). The authors described an integrated brand management, when the corporate brand provides a customer value proposition. This meant that the identity and image of an organization should be aligned with marketing (customer experience) and human resource (employee experience) practices.

Fombrun and Shanley (1990) suggested that “investigating reputation’s influence requires a fully articulated model of organizational performance that also acknowledges the effect of market, product, and strategy variables”.

Van Riel & Fombrun (2002) claimed that “a high degree of top of mind awareness of corporate brands will tend to have a positive impact on reputation if the antecedents of familiarity are positive. Negative publicity or underperformance on the stock market generally creates a high degree of familiarity, with negative connotations”. Van Riel & Fombrun (2002) developed the RQ-method (reputation quotient method), which solicits the general public’s nominations of best and worst companies, and uses the resulting distribution to identify the pool of companies to rate.

Backhaus and Tikoo (2004) are often viewed to be the first authors who acknowledge a change in branding in relation to HRM and state that employer branding is based on the assumption that human capital brings value to the organization. The employer branding is seen as a three leg process in which [1] the value proposition of an employer brand is developed, [2] the employer brand is marketed external, and [3] the employer brand is marketed internal and becomes a part of the organizational culture (Backhaus & Tikoo, 2004; Lievens, 2007).

As Backhaus and Tikoo (2004) argued “Although firms commonly focus their branding efforts toward developing product and corporate brands, branding can also be used in the area of human resource management. The application of branding principles to human resource management has been termed “employer branding”.

Backhaus and Tikoo (2004) suggested that employer branding is “the differentiation of a firm’s characteristics as an employer from those of its competitors. The employment brand highlights the unique aspects of the firm’s employment offerings or environment”. More precisely “...the need for companies to differentiate themselves and to market is the unique employment proposition they can offer” (Ewing et. al., 2002).

### **Importance of Employer Branding**

Universum gives five reasons why employer branding should be a vital management tool for every organisation and company today.

- 1. Shortage of skilled labour:** With the emergence of China, Russia, India and Brazil as economic powers and due to the aging population in the U.S., European Union and Japan, the competition for skilled workers has or will continue to increase. Adding to this trend, there is also a clear shift in students’ preferences moving from technical degrees to non-technical degrees. Companies or organisations that are perceived to be attractive employers will have an easier time to recruit top talent.
- 2. More with less:** A mantra coined during this economic downturn, there is high pressure to cut costs and increase productivity, which has made the need to get the right people in the right jobs even more crucial. Employer branding results in more successful recruitment and retention of top talent. Moreover by properly communicating the reality of the work environment companies are more likely to attract talent that fits their organisational culture, thus increasing the number of people with the right skills in the correct positions.
- 3. Growth & profitability:** Hiring and retaining top performers is essential for growth and to maintain a competitive edge. Employees who have the right skills, experience and knowledge, in relation to the critical areas of a business to drive growth, are strategically important. In addition, as developed economies move more towards the tertiary/service sectors, people become the primary asset. Employer branding increases your profit margin.
- 4. Popularity:** Research on the talent market reveals that graduates and professionals want to work for companies with great reputations. They often turn to family members, friends or colleagues for advice and approval when making a decision about which employers to consider. Moreover, the consumer/corporate/employer

brands are intertwined. If a company is viewed as being an unpopular employer, it will consequently affect everything else and cause disequilibrium in the corporate ecosystem.

- 5. Strength:** Being an attractive employer provides a company or organisation more bargaining power, as employees will want to work for them more than anyone else, even those that have rare or most in demand skills—irrespective of salary levels. An attractive employer can create for employees an illusion that their choices are limited outside of the organisation, constantly maintaining an image of being the most desirable employer, giving the right reasons or incentives for their top performers to stay.

### **Employer Branding in any Economic Situation**

Strong affinity and identification with employer brands turn employees into brand ambassadors. With employees as brand advocates, they create brand differentiation for customers and clients – something difficult for competitors to duplicate. This differentiation becomes competitive advantage and employees add to the edge.

Superiority over competitors also improves chances of winning over candidates who also apply for positions at competitors. Employees who epitomize the employer brand will also outperform the competition in the long run.

Organizations should also embrace employer branding for many other reasons: it leads to increased loyalty to the organization and length of employment; employees feel and become more capable in serving clients because they understand the brand promise and employees who believe in the brand work better with all stakeholders.

During any challenging economic situation, organizations that seize the opportunity to engage with their current and potential employees will differentiate themselves from those that adopt a defensive stance in view of the clouded economic outlook.

Organizations that remain upbeat and proactively build and strengthen their employment proposition as well as the promise they make to their employees will be favorably positioned ahead of competitors when the first signs of economic recovery shine through.

## Trends in Employer Branding

### 1. New players will take up the space left by those that retreat due to the uncertain market conditions.

In the stock market there's a term dubbed "shake out weak hands" which happens when oscillations in the markets make those that don't truly believe in an investment to get rid of it. 2012 might be the "**shake out weak hands**" for employer branding and talent attraction: those companies that don't yet truly believe in the benefits will withdraw and focus on short-term recruitment, while those that have defined their long-term goals will keep working strategically and aim to be the ideal employer of their talent groups.

### 2. Employer branding definitely becomes "glocal"

There has been the time of many Employee Value Propositions (EVPs), then the time of one global EVP. The trend now is **one global EVP but adapted to the local reality**. While each company needs to have a "soul" (a set of core values that define what the organization is), talent across the globe is different and has its own interpretation of what their organization represents. Gen Ys who work for the same company, but in different locations, tend to associate the company to the same set of core values; yet the importance they give to each attribute, under the drivers of employer attractiveness differ.

### 3. "Do or Die" for employer branding & social media

Since Bank of America got defaced in Google+, we're all convinced that companies will be present in the mainstream social media (Linkedin, Facebook, Twitter, Google +, Weibo, Ren Ren...). Not being present represents a **big risk of identity theft**. Key question are: why be there (define goals), what to communicate (set the message) and how to monitor & act? The answers differ based on target groups.

### 4. Winning companies have an Employer Branding Dream Team

There are 4 people / departments that should be highly involved:- **CEO**: has the inspiring vision and the decision-making authority. The CEO will be the key to ensure that the vision is included in the EVP and that the teams work together.

- **Communications Director:** Promotes the company's reputation & image and has vast experience in adjusting messages to the target audience. She/he has a budget to spend on communication and is used to creating the messages and going through the media purchasing process.

- **HR Director/Regional HR Director:** Has the full overview of the HR strategy in the company. This person understands the full scope of job characteristics and remuneration & advancement opportunities.

- **EB Director /Talent Attraction Director:** Has the insight on the talent attraction strategy, a full overview of the people & culture and the knowledge about how external & internal talent groups perceive the company as an employer.

The **employer branding dream team** should have the 4 roles above; otherwise companies risk missing one of the five important areas.

## **5. EVP becomes more inspirational by taking in the vision**

EVPs will start to be more inspirational. An organization can define what makes the organization an attractive employer based on 40 different attributes, including the **company's vision in the EVP** will make it more appealing to desired target group. After all, organizations don't just go to work to deal with international colleagues or to have work/life balance – there's more to it! It works to fulfill the purpose in life, the one which is aligned to the company's vision.

## **6. Talent attraction and retention enters the gamification arena**

Gamification is taking over marketing activities. Gamification is “the use of **game design techniques and mechanics to solve problems and engage audiences**”. Marketing has been using it to engage audiences: recognition / badges, special benefits or tailored communication are all part of the game. Now companies are using gamification in their online communities and start rewarding the talent that is truly engaged and favorable to the brand.



## **7. Many companies are investing in market intelligence**

Companies have started using **talent market data to define Key Performance Indicators (KPIs)**, implement smart talent segmentation and plan their communication activities in a very efficient way. With uncertain economic times, the need to make sound decisions is even bigger – that’s why there’s market research.

### **Techniques Used in Employer Branding**

**1. Celebrate and market your people** – Purchasing advertisements in a business or association magazine and/or newspapers and other prominent mediums and putting the face of successful staff right into the advertisements. Not only do readers relate to real people, but also employees will be proud of being selected to portray the success of the company.

**2. Reward employee referrals** – Employees know and understand the corporate culture of an organization. They know who will fit and excel and those who won’t. So it is important to set up an employee referral system to grow a group of employees that have synergy and enjoy working.

**3. Continue sourcing potential candidates** – Research potential candidates and/or hire an executive search professional to develop a comprehensive list of potential candidates and build pipeline of candidates. This list can be used to quickly make contact and sell the opportunity.

**4. Create increased brand awareness** – Utilizing current talent, sponsor and support highly visible public events. Ensure that staff representatives attend these events. Where possible, bring marketing materials that help to identify and increase brand awareness.

**5. Get back into networking** – Many successful professionals and business leaders fail to keep up with the networking game. Instead, they focus only on their current work and collegial social group. Stay involved and remain out there and visible. People will associate success with organizational success. Keep a positive attitude – there will be lots of questions today... the most common one being, “how are you doing?”. Whether or not the truth is may not be doing well, for the public audience, it is always doing well. Positive attitudes attract positive people.

**6. Take advantage of website** - Website must be complimentary to any paper-based marketing that is undertaken. It needs to be interactive, informative and consistent with your overall message. Invite viewers to look at your products or services, to read about successes and to see employees at work. .

**7. Apply for awards and recognition** –These programs will help catapult organization to the level of employer of choice, and/or the top 100, top 50, or top 25 in the industry.

**8. Develop a relationship with a leading search firm** – Search professionals are in touch with candidates long before any of them will call upon company or organization. Therefore, it is important to develop a relationship with a preferred search professional. As this individual becomes more knowledgeable about company, he/she will be able to identify and match candidates to organizational culture.

### **Employer Branding Implementation in Indian Companies**

Employer–employee relationships have undergone a paradigm shift over the past few decades. The war for talent has meant companies are jostling for space in an increasingly crowded job market where skill is at a premium. A successful employer branding strategy can have a far reaching impact in increasing the number and quality of applicants. With companies like Infosys, TCS, Tata Steel , CEAT figuring prominently in establishing their brand as a best place for working and also attracting the best talents across the world , one can safely summaries that wooing talent is the new battle to be fought. This can happen only when there is a perception that their workplace is attractive. Infosys and the companies seek to do this by a strong learning culture and leadership development strategy, where each employee has a career roadmap to follow.

### **Employer brand: Infosys**

At a time when organizations are debating the strategic importance of their human resources, Infosys recognizes that the key role of its human assets can sustain and increase its competitiveness. With changing employee demographics in the world, it has become essential to source talent where it is cost effective and deploys it where it creates the maximum value. To achieve this objective, Infosys has developed an innovative workforce – management strategy – the Global Talent Program. This is the largest sustained effort by any company to recruit from campuses outside of India and develop the skills of a global workforce through training assignments in India. After training, the trained personnel are

deployed by Infosys in their home countries. Increased profitability, reduced cost, increased market share, improved customer service, higher stock value, increased productivity and higher retention rates led to the winning the Optimas Award in the GLOBAL outlook category for 2007. In addition to this, Infosys keeps its employees engaged and enthusiastic in the demanding 24\*7 work environment necessary to serve its global clientele. To meet the global challenges and also to reduce attrition rate, Infosys introduced a wide variety of programs that provides the best aspects of universities but with professionalism that a workplace required. These programs have helped stem attrition, which is well below the industry average and have made Infosys a top employer of choice. Business today and its knowledge partner Mercer Human Resource Consulting rated Infosys the Best Company to Work for In India” in 2006, based on a methodology built on four quadrants of HR metrics, employee satisfaction, perceptions of key stakeholders, and HR processes and policies.

(Source <http://www.infosys.com/HCM/whitepapers/Documents/managingtalentflatworld>)

### **Employer brand: Tata Consultancy Services (TCS)**

The work environment at TCS is built around the belief of growth beyond boundaries. Some of the critical elements that define the work culture of TCS are global exposure, cross domain experience, and work life balance. Each of these elements goes much deeper than what it ostensibly conveys. The TCS employer brand positioning builds on its strengths and it communicates that TCS as an organization that offers its employees a complete Global IT Career by highlighting the three main value propositions:

(a) Global exposure: Global exposure at TCS extends beyond geographical boundaries. This means working on world class projects on a global scale and exploring cutting edge technologies, fresh out of the world renowned research labs.

(b) Freedom to work: TCS has established an environment that focuses on individual aptitude, talent, and interests. As a proven practice, the company promotes the employees cross domain experience. It provides the employees with opportunities to function across different industry verticals, service practices, and functional domains as well as varied technology platforms.

(c) Work life balance: TCS has introduced many programs as per the needs and aspirations of our employees while retaining fun as a key element. The company understands the need of an increased flexibility in order to navigate the different spheres of life.

(Source: <http://www.careers.tcs.com/CareersDesign/Jsps/WorkingatTCSValue.jsp>)

### **Employer brand: Tata Steel**

India's oldest and most respected corporate brand 'TATA' at present stands 65<sup>th</sup> in the world brand valuation league as per Brand Finance Global 500 March 2010 report. A series of international acquisitions and 65 percent of group's revenues drawn from outside India has helped the 140 year old group to achieve a major international reach today. Tata has many different markets and many different types of customers. However, customer's images of Tata brand are remarkably similar. Indian consumers see Tata brand as trustworthy, safe, and reliable and provider for value for money. The company has always developed a reputation as an exciting place to work in. The employer brand is much more tightly focused and allows everyone, from top executives to staff to workers to feel that they are working in a comfortable environment where growth and development always exist. The Tata Steel group believes that people are its key assets and value creation for the company depends principally on their professional and personal wellbeing. Adhering to the adage "successful individuals create a successful team", Tata Steel has always given priority to the people, encouraging them to take initiatives and look beyond the obvious. The organisation provides a fertile ground for the personal and individual growth of each member in its large and multicultural family. For these initiatives, Asia's Best Employer Brand Awards 2010 conferred the title 'CEO with HR Orientation' on HM Nerurkar, managing director, Tata Steel, at a recent ceremony held at Suntec, Singapore. Additionally, the 'HR Leadership Award' was also conferred on Radhakrishnan Nair, chief human resource officer (CHRO). (Source: <http://www.tata.com/article.aspx?artid=60QZ4Ku1XAc>)

### **Employer Brand: CEAT Tyres**

CEAT Tyres, the flagship company of RPG Enterprises, was established in 1958. Today, CEAT is one of India's leading tyre manufacturers and has a strong presence in both domestic & international markets. The company emerges as one of the best employer brand amongst the Indian tyre companies. Awarded by the Employer Branding Institute Australia, the company bagged seven awards from the western region for its different HR practices. CEAT, the only tyre company from the western region received awards in 2009 in the following seven categories:

Best HR strategy in line with business , (ii) Talent management (iii) Innovative retention strategy, (iv) Continuous of HR Strategy at work, (v) Innovation in career development , (vi) Excellence in training, (vii) Excellence in HR through technology The company has told in a

press release on 28<sup>th</sup> December 2009 that this award recognizes CEAT's contemporary and forward looking people practices. Its own innovative HR practices reflect the ethos and values of our company where CEAT transforms the best workplace in the country.

(Source:

[http://consumer.admanya.com/pressrelease/ceat\\_emerges\\_as\\_the\\_best\\_employer\\_among\\_the\\_indian\\_tyr](http://consumer.admanya.com/pressrelease/ceat_emerges_as_the_best_employer_among_the_indian_tyr))

## Conclusion

Today, an effective employer brand is essential for gaining competitive advantage. Increasingly, Indian corporations are becoming intentionally strategic to utilize the employer brand to attract and retain talent for the expansion and growth. The increasing focus on competitive advantage is leading many Indian firms to rethink their employer brands. A powerful employer brand has the capacity to attract and retain talent and represent quality to its customers, with the goal of gaining global recognition in a sustainable manner. The right kind of employer branding has also plenty of advantages as it provides a personality to the company and helps structure recruitment. It pulls in the right kind of candidates and spells out the company's expectations from them right

at the beginning. Most importantly, it ensures that the best employees stay on longer, thus allowing the company to carry on its operations smoothly. Ultimately, the key to a successful employer brand is to ensure that expectations are fully aligned with the realities of working for the organization.

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