

Employer branding and its' benefits' for the organizations in today's scenario

¹Anita Rani, ²Dr Balbir Singh

¹ Research Scholar, Department of Commerce, Singhania University, Pachheri Bari, Jhunjhunu, Rajasthan.

² Principal, B.A.R. Janta College, Kaul, Kaithal, Haryana,

Abstract

Today's economy is a market driven economy. Given this paradigm shift there is a vital need for exploring the major facets of 'branding' from an HR perspective. Employer branding is a targeted, long term strategy to manage the awareness and perceptions of employees, and related stakeholders with regards to particular firm. Employer branding represents a firm's efforts to promote, both within and outside the firm, a clear view of what makes it different and desirable as an employer. In recent years employer branding has gained popularity among practicing managers. Given this managerial interest, this paper presents a framework to initiate the scholarly study of employer branding. The successful creation of an employer brand puts forth a favourable image of the organization as a good place to work. In the long run it pays rich dividends to the firm by creating a favourable employee value proposition in the job market and also internal benefits through enhanced productivity, employee satisfaction/retention. This paper is an attempt to discuss about the benefits, components, dimensions, and steps of employer branding.

Keywords: Employee Value Proposition, Branding, Human Capital, Value Proposition

Introduction

According to the American Marketing Association (AMA), a brand is 'a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and service of one seller or group of sellers and to differentiate them from those of competitors'. Thus the key to creating a brand, according to this definition, is to choose a name, logo, symbol, package design, or other attribute that identifies a product and distinguishes it from others. Brands are among firm's most valuable assets; consequently brand management is a key activity in many firms. Although firms commonly focus on their branding efforts toward developing product and corporate brands, branding can also be used in the area of human resource management.

Brands and human capital constitute some of the firm's most important assets. The development of these intangible assets is an important management task for marketers and human resource managers alike.

Employer branding's foundations are in marketing practices, employing product branding principles to marketing employer brands. The brand is all about how a business builds and packages its identity, origins and values and what it promises to deliver in order to emotionally connect with its employees so they in turn deliver what the stakeholders of the organization. In some cases, the employer branding process can be rolled together with the product and corporate brand campaign. Employer branding creates emotional connections, advocacy of customers and ambassadors of employees. What is important is that there should be a match between the values, work styles and objectives of both employees and organizations in order to select and retain them. This is highly similar to the person-organization fit construct, but it represents a stronger effort on the part of the employer to exploit the 'fit-drive' of potential employees and to position the employer brand image appropriately to recruit the desired applicants. Employer branding, thus suggests that recruitment messages are differentiated by organizations to attract the

applicants that fit the organization's image of itself. In essence, employees do reinforce, strengthen, and even create a brand image for their products and organizations. Increasingly, firms are using employer branding to attract recruits and assure that current employees are engaged in the culture and the strategy of the firm. Thus, it can be summarized that the employer branding concept is borrowed from marketing. Still employer branding is a relatively new idea that has to be examined by human resources practitioners.

In fact the application of branding principles to human resource management has been termed 'Employer branding', it is defined as 'a targeted long term strategy to manage the awareness and perceptions of employees, and related stakeholders with regards to a particular firm'. There are several benefits to employer branding to an organization especially in the knowledge economy. The employers brand puts forth and image showing the organization a "good place to work". It can pay rich dividends to the firm by creating a favourable EVP in the job market leading to employee satisfactions and retention in the long run. Many organizations have developed formal employer branding programs but still there are lots of issues that have to be worked out for its effective implementation. In the backdrop of this, the paper has tried to discuss the benefits, components, dimension, and steps of employer branding.

Benefits of employer branding

The major benefits of employer branding include:

- Increased productivity and profitability.
- Increased employee retention.
- High employer attractiveness.
- Lower recruitment costs.
- Minimized loss of talented employees.
- Employees committed to organizational goals.
- Improved employee relations.

- Decreased time from hire to productivity.

Components of employers branding

The concept of employer branding has become one of the most significant developments in recent times, and of some companies its importance has been recognized since the early 1990s. Simon Borrow is acknowledged as the creator of the term 'Employer brand' as early as 1990. Ambler and Barrow defined employer branding as the package of functional economic and psychological benefits provided by employment, and identified with the employing company. The conference board in its 2001 study of employer branding practices proposed that "the employer brand establishes the identity of firm as an employer. It encompasses the firms' values system policies and behaviors toward the objectives of attracting motivating, and retaining the firms' current and potential employees." Definition indicate that employer branding involves promoting, both within and outside the firm, a clear view of what makes an organization different and desirable as a customer is the existing and potential employee. The key to employer branding lies in 'differentiating' the organizations USP i.e. the way and the extent to which firms market their desired proposition. The major components of employer branding are as follows:-

Employment Package: It is a bundle of benefits which is offered to the employees to join the organization. It is basically designed to attract the potential candidates who can contribute productively in the organization. The chief constituents for an attractive overall employment package are as follows:

- **Financial Compensation:** This includes all the monetary benefits that provide the pull and push factor for employee motivation. A fair and competitive compensation is a perquisite in attracting and retaining skilled and talented work force in an organization.
- **Job Roles and Responsibilities:** Employees should be given the clear picture about the roles & responsibilities they are expected to in order to achieve organizational goals effectively and efficiently.
- **Work Environment:** It has to be conducive with the needs of employees. It fosters the employees to contribute to their maximum in favorable conditions. So it becomes important to make employees feel good about the environment of their workplace.
- **Career Development Plan:** Employees seek for higher-ups, especially the potential ones, by delivering their best performance each time. So in order to keep up with their spirits, it is important to provide employees, especially the talented key segments, with this platform.

Culture and Environment: It includes work practices, value system, behavior and attitude of the people working in the organization. As advocated the 'OCTAPACE' imbibes the essence of ideal culture an organization can aspire to have. The OCTAPACE items are characterized by the occurrence of openness, confrontation, trust, authenticity, pro-activity, autonomy, collaboration and experimentation. These values help in fostering a climate of continuous development of human resources. A case in the points is when is when the merger between Microsoft and Yahoo couldn't materialize

due to cultural incompatibility. Microsoft had a more deep-rooted and arrogant culture whereas Yahoo fostered a much liberal and cooperative culture. So culture plays a major role in creating the right employer image in the market.

Integrity: It may be understood as an ability of the organization to deliver what it promises: an important aspect by which organizations can actually benefit. The reason being, that the existing employees are actually the 'brand ambassadors' of the organization. So, if they are happy, they would spread good words about the organization and this would in turn improve the image of the organization.

Employment Experience: The employment experience includes tangibles such as salary and benefits, but also extends to intangibles such as a company's culture and values, opportunities for learning and career progression, reward and recognition, as well as management style. The employment experience is what ultimately creates job satisfaction and loyalty. A strong understanding and implementation of a favorable embedded in management's commitment and vision statement.

Dimensions of employer branding

Employer branding is different form HR marketing, in the sense, that the former has much broader scope that the latter. Whilst the former involves the prior development of vision and commitment from the top management, the out its vision and mission, it can ascertain its marketing propositions for both its internal and external customer. So it is very important to understand the internal and external marketing aspects in order to create a differential advantage as a favorable employer brand in the eyes of the market.

- External marketing of the employer brand establishes the organization as an employer of choice and thereby, enables it to attract the best possible worker. The assumption is that the distinctiveness of the brand allows the firm to acquire distinctive human capital. Further, once recruits have been attracted by the brand, they develop a set of assumptions about employment with the organization that they will carry with themselves and thereby, supporting the organization's values and enhancing their own commitment and loyalty.
- Internal marketing helps to create a workforce that is hard for other organizations to imitate. By systematically exposing workers to the value propositions of the employer brand, the workplace culture is molded around the corporate goals, enabling the firm to achieve a unique culture focused on doing business the firm's way. Southwest Airlines has proved how an organization can create an outstanding workplace culture the competitors have found difficult to imitate. This distinctive, even unique workforce, however, can be a source of competitive advantage only if it is stable, if the source of competitive advantage is not sustainable, neither is the advantage. Besides helping create a workforce that is hard to duplicate, internal marketing also contributes to employee retention by using the brand to reinforce the concept of quality employment and thereby contributing to employee willingness to stay with the organization.

- Employer attractiveness is defined as the envisioned benefits that a potential employee sees in working for a specific organization. It constitutes an important concept in knowledge-intensive context where attracting employees with superior skills and knowledge comprises a primary source of competitive advantage. The more attractive an employer is perceived to be by potential employees. The stronger that particular organization's employer brand equity.
- The employee branding process enables the organization to consistently deliver its desired brand image to customers, thereby solidifying a clear position in the minds of customers and employees alike. When done well it provides a competitive advantage that is achieved through employees, who have internalized the desired brand image and are motivated to the project that image to customer and other organization constituents.

Steps of employer branding

Employer branding, or employer brand management, involves internally and externally promoting a clear view of what makes a firm different and desirable as an employer. This calls for a comprehensive study of the "way we are" and the "way we want to be" as an organization. Employer branding is essentially a three step process.

1. Define and identify the existing employer brand first an organization has to develop a concept of the particular value it wishes to offer to its prospective and current employees. This value proposition provides the central message that is conveyed by the employer brand. It is of key importance that this value proposition is derived from a thorough audit of the characteristics that make firm a great place of work.
2. Develop an ideal employer brand "USP". Once the value proposition is determined, the second step in employer branding consists of externally marketing this value proposition to attract the targeted applicant population. Example, Sahara India Parivar; its ideology towards 'family orientation' among its employees is clearly put forth in its EVP and all its external communications.
3. Implement the desired employer brand stand the third step of employer branding involves carrying the brand 'promise' made to recruits into the firm and incorporating it as part of the organizational culture. In other words, this last step consists of internally marketing the employer brand.
4. Thus it is very important for organizations to understand that not only the corporate image will provide them a competitive advantage but the firms will have to strive hard to incorporate branding in its core i.e. HR of the organization.

Conclusions

Today it is a market oriented era. If the organization has a good brand image in the market, it will help it in getting right workforce at right time and at the same time in exercising control over the employee cost. So employer branding becomes imperative for both organization intended to meet expectations of stakeholders and, most importantly, to create loyal customer; the customer here being the employees.

References

1. Ambler T, Barrow S. The Employer Brand. *Journal of Brand Management*, 1996; 14(2):158-206.
2. Backhaus KB, Stone BA, Heiner K. Exploring the Relationship between Corporate Social performance and Employer Attractiveness. *Business and society*, 2012; 41(3):292-318.
3. Backhaus KB, Tikoo S. Conceptualizing and Researching Employer Branding. *Career Development International*, 2004; 9(4):501-517.
4. Barney JB. Firm resources and sustained competitive advantage. *Journal of Marketing Management*, 2015; 24:199-220.
5. Berthon P, Ewing M, Hah LL. Captivating Company: Dimensions of Attractiveness in Employer Branding. *International Journal of Advertising*, 2015; 24(2):151-172.
6. Edwards MR. Employer and Employee Branding: HR or PR? Bach S. (Ed.) *Managing Human Resources*, 4/E: Balckwell Publising, 2009, 266-286.
7. Ewing MT, Pitt LF, de Bussy NM, Berthon P. Employment Branding in the Knowledge Economy *International Journal of Advertising*, 2012; 21(1):3-22.
8. Keller SL. *Strategic Brand Management: Building, Measuring and Managing Brand Equity*. New Jersey: Prentice – Hall, 2008.
9. Miles SJ, Mangold G. A Conceptualization of the employee Branding Process. *Journal of Relationship Marketing*, 2014; 3(3):65-87.
10. Stamler B. Companies are developing brand messages as a way to inspire loyalty among employees, *New York Times*, 2011; 5:5-8.
11. Thorne K. *Employer Branding in Practice Opinion Paper*, 2007, 18.