EMPLOYER BRANDING: A STRATEGIC TOOL TO ENHANCE ORGANIZATIONAL EFFECTIVENESS

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ABSTRACT

In the new economic order, the corporate world is incessantly looking for competitive advantage. An eminent strategy used in the contemporary times to gain long term competitive edge is creation of ‘brand’. A brand is made up of intangibles – perceptions, feelings and associations that exist in one’s state of mind. The ultimate goal of any branding effort is to create a loyal customer. In the case of employer branding, that customer is the employee. 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. According to Minchington (2005) employer branding is the image an organization has as a ‘great place to work’ in the mind of current employees and key stakeholders in the external market that include active and passive candidates, clients, customers and other key stakeholders. Although employer branding targets employees
and external stakeholders, predominantly for any organization the present employees are its primary market, as they are the ones who carry the image of the organization to the outside world and act as ‘brand ambassadors’.

In recent years employer branding has gained popularity among academicians and practicing managers. In view of the interest this paper examines the concept of employer branding in depth and the various forms attached to it. An endeavor is made to associate the subject employer branding with the concept of 4ps of HR. The paper also offers a contemporary viewpoint by providing illustrations of employer branding practices followed globally and in India. Thus an attempt is made to cover the topic holistically by combining theoretical insight with pragmatic instances.

INTRODUCTION

In the new economic order, the corporate world is incessantly looking for competitive advantage. An eminent strategy used in the contemporary times to gain long term competitive edge is creation of ‘brand’. A brand is made up of intangibles – perceptions, feelings and associations that exist in one’s state of mind. Brands provide a source of identification and assurance of quality. They communicate the value they create for their customers. These features differentiate triumphant brands and reinforce their leadership credentials. The concept of branding for products and services is well known. Marketers have conventionally been using the 4 P’s – Product, Price, Promotion and Place to distinguish their brands from that of the competitors. The new corporate climate has amplified the importance and scope of HR across organizations. The war to attract and retain talented employees has guided the use of the concept of branding to the HR department entitled as ‘HR Branding’. The strategy of creating a USP applicable to products is applied to HR and in this wake the 4 P’s of HR are evolved namely People, Pay, Performance and Prospects.

4 Ps of HR

People

People are the most valuable assets of any enterprise. The concept of people here relates to both the internal and the external customers. The internal customers would include employees in the organization. The external customers are the group; with whom the organization has indirect interaction. In order to build a successful brand it is vital that a strong relationship is established between the both the internal and external customers. The process of branding however can be initiated by internal brand. Internal brand building is done through active participation of internal
customers in benefit plans, training programs, performance plans, compensation programs and employee assistance programs.

Pay

The compensation package paid by the organization is very important in brand building as it would draw and motivate talented workforce. Rewards package need to be designed in such a manner that they establish both internal and external equity. Pay equity refers to an employee's perception that the compensation received is equal to the value of the work performed. Equity thus embraces the concept of fairness. Merit-based rewards, bonuses, perks, incentives etc are assortment of reward options that are used in the prevailing climate for brand building.

Performance

Performance of any organization has two dimensions- actual performance and performance management. Actual performance is inferred from the rising trend of profits, profitability and ROI. Performance management is the process of creating a work environment in which people can perform to the best of their abilities. The actual performance of the organization is an extrinsic variable whereas performance management is an intrinsic variable. Performance and performance management both are important role in constructing a brand image.

Prospects

This component emphasizes the need for career development and advancement within the organization. Every employer who enters the organization must have clarity of the career progression available for his/her growth. The job progressions serve as a basis for developing career paths the lines of advancement within the organization for individuals. Most of the organizations prepare interesting and attractive brochures to describe the career paths that are available to the employees. A career plateau is a situation in which for either organizational or personal reasons the probability of moving up the career ladder is low. This is a situation when the employees may tend to leave the organization. Branded organizations help individuals cope with plateaus by providing opportunities for lateral growth when opportunities for advancement exist. Career management is a joint responsibility of both the employer and the employee. Providing promising career development initiatives will help organization build a superior HR brand.

Background of ‘HR Branding’

Traditionally branding in HR was limited to employment function however in contemporary times HR branding is not restricted in its scope but it extends to all the stakeholders of the organization. The evolution of this concept can be traced in four phases. In the first phase the concept of branding was limited to protecting the logo, or name of a particular product service or business. The HR department played a very little or no role in supporting the brand. In the second phase companies had a master brand or logo which gave more emphasis to vision and values of the enterprise. HR’s role was to be supportive to individual brands. In the third phase companies
could now capitalize on the vision and values of a strong corporate brand to bring about organizational change, such as in bringing together units through mergers. HR's role had enhanced as they became the key players in aligning these change programs. In the final and the fourth phase brand is currently the centerpiece of the overall strategy with HR holding a pivotal role in facilitating employees who will carry the name of the organization to the external customers and talk for the quality practices of the HR department.

Thus historically, employment function in HR branding were designed for short-term gain that had centered on restricted functions of writing job descriptions, placing advertisements, visiting job boards, attending job fairs and mining social networking sites in an effort to fill job openings. HR branding, on the contrary now, is a long-term strategy that attracts, motivates and retains teams of top-talent management and staff and discourages those who might not be an appropriate for an organization. The HR brand has to be aligned congruently with what the company delivers to the employee, customer, public and shareholder.

**Forms OF HR Branding**

*Employment Branding* - The image of the organization as a 'great place to work' in the minds of the general public and in the minds of external market (potential candidates, clients, customers and other key stakeholders).

*Employer Branding* - The image of the organization as a 'great place to work’ that makes an employer distinctive, promises a particular kind of employment experience and appeals to employees who will thrive and give their best in its culture.

*Employee Branding* - The image projected by employees through their behaviors, attitudes and actions to the outside world is employee branding. This image is impacted by the employees' attitude and engagement towards the employer brand image promoted through the culture of the organization.

The three theoretical forms of HR branding are based on the evolution process of the concept. Many academicians, practicetioners and researchers however use the three forms of HR branding interchangeably. In the present study all the three forms and issues of HR branding are enveloped together using the terminology *employer branding*.

**Employer Branding**

The term ‘employer brand’ appears to have first been coined by Ambler and Barrow (1996), who defined it as “the package of functional, economic and psychological benefits provided by employment and identified with employing company”. Sullivan (2004) defines employer branding as "a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm." In other words, the employer brand represents the array of economic, functional and psychological benefits that an employee might receive as a result of joining an organization. Just as product brands convey an image to customers, an employer brand conveys an organizational image to
potential and current employees. In that regard, the employer brand presents a "value proposition" about what people might receive as a result of working for a particular employer (Backhaus and Tikoo, 2004). Employer branding is not just restricted to employees but it embraces within its scope all the stakeholders. An encompassing definition by Minchington (2005) defines employer brand as “the image of your 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).” Thus employer branding is not about tinkering with terms and conditions or corporate colours in the workplace, but about the total employment experience (Tim Ambler, London Business School, 2005). 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.

The terms `employer branding' and `corporate branding' are used quite interchangeably, even though there is a subtle difference between them, as a result of which, it becomes very imperative to discuss some crucial perspectives on this relationship. Corporate branding is the universe and the employer branding strategy should be aligned with the core branding strategy of an organization. The corporate branding aims at implementing the brand promise to the customers and helping the employees to imbibe the company values. Moreover, a corporate brand also facilitates customer retention and fulfills the brand promise by aligning the brand values with the key processes like customer service. On the other hand, employer branding is far more employee centric as it aims at employee retention and recruitment by becoming an employer of choice. In this case, the employers try to deliver the brand promise to their employees, so that they ultimately win employee satisfaction and commitment.

The entire cycle of employer branding starts with the creation of an employer brand image, which is an autobiographical account of the brand offerings or its promises to the prospective employees. Employer brand image is made up of organization's identity and corporate identity. An organizational identity addresses the `who are we' question, which encompasses the shared values, beliefs and behaviors; the corporate identity addresses the `what are we' question, by communicating the mission and strategies which are embedded in the organizational culture. The next stage in the model is the employer brand reputation, which is nothing but a biographical sketch from the existing and the potential employees, on how satisfied are they with the organization's seriousness towards the fulfillment of brand promise. As a result, the organization which enjoys an impressive reputation before the potential employees attracts superior quality human capital and boosts the motivation of the existing employees. This results in an improved organizational performance.

**Employer Branding: The World Scenario**

American Express, Cisco Systems, Amgen, Starbucks, and Intel, all of which have received recognition on The List of 100 Best Companies to Work for in America are leaders in Employer Branding as well. They share the common trait of treating their employees better than their competitors and invest heavily in employee training and development.
2002 Gallup survey reported that less than a quarter of American workers are fully "engaged" in their work, costing the US economy $300bn (and £50bn in the UK) per year. Gallup surveys in Great Britain, France and Singapore revealed similar findings in 2003.

The surveys revealed that more than 80% of British workers lack any real commitment to their jobs, with a quarter of those being "actively disengaged," or truly disaffected with their workplaces. Gallup estimates that actively disengaged workers cost the British economy between £37.2 billion ($64.8 billion U.S.) and £38.9 billion ($66.1 billion U.S.) per year due to low employee retention, high absentee levels, and low productivity.

Gallup survey results in 2003 also showed that only 12% of French workers are engaged in their work, with approximately 2.5 times as many workers (31%) being actively disengaged, or disconnected from their jobs.

In Singapore's workforce, the percentage of actively disengaged employees is on the rise. At 17%, this figure is up five percentage points from 2002. Gallup estimates that the lower productivity of actively disengaged workers penalizes Singapore's economic performance, costing between $4.9 and $6.7 billion annually.

Employer Branding: The Indian Scenario

The practice of Employer Branding has just caught on in India in the past year or two but strong employer brands can give companies a significant competitive edge — something that becomes all the more important in an economic downturn, when margins are tight and business is sluggish. Organizations with strong internal brands attract and retain good employees instead of watching them join a competitor. In the current scenario where organizations are competing with each other to recruit the best talent and employees change jobs for just a few thousand rupees, employers need to stand out in the crowd. A number of Indian companies are realizing that, to attract and retain talent, they need to look beyond just salary, promotions or benefits. They need to offer a value proposition that is unmatched by others in the market. Generally when surveyed for "employers for best practices", employees from winning organizations almost always say that their jobs offer them continuous challenges. In today's cluttered marketplace, the employer brand is a very valuable tool in brand recognition, talent attraction and increased employee ties. While defining and promoting an employer brands it is important that organizations take great care to ensure that the internal perception of the employee stakeholder is clearly aligned and in synchronization with the same. If not, such an exercise can actually be more detrimental to the organization. Cases of a few Indian Companies that are focusing exclusively on Employer Branding are discussed below:

Tata Consulting Services

India's leading IT Giant, Tata Consultancy Services (TCS) has revolutionized the business by offering state-of-the-art innovative services and achieving the reputation of having the best places to work. The TCS employer brand stands for global opportunities, world's best training ground and employee-friendly practices. TCS attracts the best professionals by offering tremendous
growth opportunities, like providing world class training in different platforms, as well as opportunities to work in different geographies.

It is handled by a cross functional team comprising of specialists from HR, communication, branding and logistics. The organization has adopted a two-pronged external and internal approach to employer branding as depicted below:

- Externally, the management tries to ensure that they consistently communicate with their clients in all their interactions. These interactions may be in the form of campus presentations, recruitment ads, client presentations or IT quizzes for schools and colleges, across the country.
- For managing internal communication processes, TCS has a sophisticated HR portal `Ultimatix', which is their central nervous system. The portal is an effective tool for facilitating communication internally on day to day events and, at the same time, in establishing a positive employer brand before its clients.
- Apart from this, the organization's HR policy provides several opportunities for building an employer brand internally. The primary focus is on promoting workplace harmony, employee flexibility, introducing rewards and recognition programs for encouraging high performance leaders and employee engagement through job rotation programs and specialization.

Google

Google India is one of the dream employers for millions of ambitious job seekers from both engineering and non-engineering streams. The search engine giant leads the global market by offering a wholesome experience of information and innovation to its customers. This they attain by developing the competencies of the employees to work on projects in cross-functional teams with complete flexibility and freedom.

Google manages it employer brand by

- Working very closely with the academic institutions and establishing collaborative relations in the areas of research, internships, sponsorships and conducting coding contests, conducting technical talks and encouraging engineering excellence.
- Google enjoyed the loyalty of its employees by achieving the recognition of being one of the most liveliest places to work, where life and work issues attract equal importance by promoting work-life balance through several initiatives and stimulating creativity.

Standard Chartered Scope International

The company focuses equally on building an optimal internal and external brand experience by playing upon their strengths. Moreover, they strive for maintaining a consistency in communication and culture building. The organization enjoys the fame of being among the top 10 employers in 2007, India, according to Hewitt Associate findings. Apart from this, they have also bagged the best employer brand awards for the year 2007 and 2008 for innovation in recruitment.
The organization has strengthened its employer brand by attracting and retaining world class talent, developing and empowering high performance leaders by creating a high performance culture, managing career aspirations and fostering a learning environment.

- For acquiring the world's cream talent pool, they trust heavily on backward integration, which includes faculty development and curriculum enrichment. Besides this, alternate channels like part-timers, housewives, non-graduates and tier-II and tier-III are also considered, apart from giving a lot of stress to diversity and inclusion in acquiring talent.
- For driving employee engagement, the HR frequently organizes fun events, ensures quarterly floor communication by senior leadership, and has also introduced work@home employee assistance program for promoting work-life balance.
- The organization has initiated innovative leadership development programs for broadening the perspective of the employees and offers an international exposure by forming cross-functional teams for higher growth opportunities.

**Godrej Group**

Godrej group manufactures a range of consumer and industrial products — locks and safes, typewriters and printers, home appliances, edible oils and agro products. Godrej Consumer Products Ltd. was awarded ‘The Best Employer 2007-08’ by global human resources management and outsourcing company, Hewitt Associates. Following are few of the reasons that make Godrej a great place to work.

- “Bright Future, Brighter Living”, the (Godrej) brand’s new positioning and the group has embarked on its new employment branding exercise by changing the look and feel (of the workplace) through various communication touch points, including stationery, catalogue, in-house journals, website, et al, and bringing about a physical transition through workshops and gatherings.
- Most employees have been with the organization for over a decade and are prospering in a healthy work environment. Smoking at the sprawling 20,000 acre Vikhroli campus of Godrej is strictly prohibited, thereby making the environment healthy. Moreover, the Godrej Group is considered to be a pioneer in creating a green atmosphere at their workplace.
- Godrej has successfully metamorphosed itself into a professionally run, blue chip company. Keeping pace with time, Godrej adopted a participative management model, well supported by team spirit and employee improvement programmes.
- It has been consciously working on its Employee Value Proposition (EVP) to identify the needs of its employees and potential target recruits. Communicating the EVP and living up to it in terms of practices in the organization has been the core reason for the success of the organization in attracting and retaining talent.

**Mahindra Group**
Mahindra is the market leader in multi-utility vehicles in India. Mahindra & Mahindra is the only Indian company among the top tractor brands in the world. The Group has a leading presence in key sectors of the Indian economy, including the financial services, trade, retail and logistics, automotive components, after-market, information technology and infrastructure development. Saptachakra, the Annual Confluence of the HR Fraternity of the M&M Group, took place on February 24, 2007, The theme of this meet was ‘Employer Branding’ to achieve the unified goal of “Making M&M a Great Place to Work”. Recommended strategies:

- Training calendar based on ‘learning point system’.
- Structured Training Need Identification process resulting in measurement of competency index.
- Memorable pre-joining and joining experience through employee care.
- Fun @ Workplace - celebrating successes, festivals, birthdays, as well as organising quizzes, outbounds & off-sites.
- E-learning initiative.
- Development Centers for Talent Calibration.
- Ex-employees as brand ambassadors – Mahindra Saathi.
- Recruitment handbook covering competencies, recruitment policies, level wise grade wise benefits.

**RPG Enterprises**

RPG Enterprises is an industrial conglomerate that provides power transmission, retail, technology, and entertainment services. The company owns and operates power stations, music recording studios and stores, and chain of hypermarkets. It also produces and distributes drugs and pharmaceuticals. Additionally, the company manufactures and markets tires, natural rubber, carbon black, and telecommunication cables. It operates through its subsidiaries CEAT Limited, Phillips Carbon Black Limited, CESC, Nitel, Music World, RPG Life Sciences Limited, and Saregama India Ltd. RPG Enterprises was founded in 1979 and is headquartered in Mumbai, India.

RPG is focusing on internal employee branding for its nearly 40,000 employees and working to extend the brand experience themed around “going for growth” across all touch points, including recruitment, performance appraisal, career development, rewards and recognition.

- It has identified leadership styles and behavior that need to be inculcated across group companies.
- In order to strengthen and standardize its internal processes and systems, the RPG consistency across group companies is determined first before launching an external campaign communicating our employment brand. The company believes that employees should first experience the employment brand.

**Infosys Technologies**

India’s second largest IT Giant, Infosys’s market capital has grown from $250 in 1981 to $18 billion 2005. Over the years the company has expanded its services to package implementation,
testing, re-engineering, consulting and business process management and engineering services from its initial offering of development and maintenance of IT services.

Infosys has recognized earlier that people are the key assets of the company operating in the knowledge-intensive industry. Employer brand was conceived and implemented under employee relationship management process defined as ‘Infoscion Management Process’. The initiatives taken by the company are as below:

- To nurture talent pool for future job assignments, it has engaged in industry-academic programme called AcE and global internship program called Instep.
- Selection is based on the individual’s ability to learn, academic achievement, conceptual knowledge as well as compatibility with company’s culture gauged through various selection tests and interviews.
- All new recruits are required to undergo 14.5 weeks intensive training program.
- Training support is provided through various training departments at different career milestones. It encompasses aspects-technical training, Quality process training, Personal effectiveness and managerial programs training.
- It has set up an ‘Infosys Leadership Institute’ to prepare employees for the complexities of the market and rapidly changing environment and to create higher customer value.
- People with high-learnability quotients are promoted through various levels in technology, management and leadership based on meritocracy.
- Compensation is in three ways- learnings through training and development, emotional value through support to work-life balance and financial value through compensation.
- Compensation is at par with national and international competitors. It was the first company to offer stock options in 1998 that has made a number of employees’ millionaires.
- Its campuses offer facilities like gym, food courts, residential facilities, crèche etc.
- To enhance creativity events are conducted in arts, culture and sports through clubs inculcom.
- Insync a communication portal enhances internal two-way communication process.

Conclusion

In today's knowledge driven economy, HR plays a strategic role in bringing in the right kind of people into the organization. In a sense, HR is the first face of an organization for a prospective employee. Market research has revealed that strong brands contribute to strong competitive presence. For a company to be successful, it has to attract, motivate and retain the best and brightest, making it competitive in the race. As organizations are complex, open systems, single interventions are not enough. The victorious organizations have compelling people strategies that are perfectly aligned with the organization's business strategy. Once the HR strategy is aligned with the business strategy, one can begin creating a great place to work. The employer branding has to be aligned congruently with what the company delivers to the employee, customer, public and shareholder.

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Failure to meet employees’ increasingly individualistic expectations in terms of receiving fair recognition, feeling a sense of belonging, doing challenging work and being given opportunities for growth will ultimately undermine both the attractiveness and competitiveness of the employer. Employer branding is one such strategy that ensures the organization is able to attract and retain the building blocks of what is rapidly becoming an organization’s source of greatest competitive advantage – its human potential. A successful employment branding program, as seen in the various illustrations cited in the paper, increases an organization’s exposure and favorable reputation, creating consensus among its employees and the outside world that the organization is a great place to work. Additionally, employment brand management efforts reduce the turnover rate among top performers and increase overall workforce satisfaction and productivity.

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