



ISSN Print: 2394-7500  
ISSN Online: 2394-5869  
Impact Factor: 5.2  
IJAR 2017; 3(1): 861-865  
www.allresearchjournal.com  
Received: 29-11-2016  
Accepted: 30-12-2016

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## **An conceptual study on employer branding in Indian organizations**

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### **Abstract**

Employer branding is a relatively new discipline in which the organization creates a unique, positive and recognizable position as an attractive workplace among present and future employees' (Seldorf, 2008). According to Seldorf, 'employer branding can be seen as a melting pot of HR (employer) and marketing (branding). Like actual product branding, organizations have started to invest employer branding as employees are the internal customers of the firm. The employer brand builds an image confirming the organization as a good place to work. Today, an effective employer brand is essential for competitive advantage. A recent Society for Human Resource Management (SHRM) study on employer branding revealed that over 67% of organizations view employer branding as a strategic recruiting tool to gain a competitive advantage to attract top talent, and 49% identified the employer brand as one of the top five strategic initiatives for their firm in the next year. Currently, the focus of Employer Branding research is mainly targeted towards recruiting. However, Employer Branding also entails branding activities to existing employees and former employees.

**Keywords:** Employer branding, management strategies, competitive advantage, human resource management

### **Introduction**

"A brand is not built by accident but is the product of carefully accomplishing—either explicitly or implicitly—a series of logically linked steps with consumers" (Keller 2011, p. 125).

In light of an ever-increasing global talent shortage, organizations are seeking comprehensive strategies to attract and retain potential and current employees. The urgency of this situation is evidenced by a recent global study indicating that across more than 37,000 employers in 42 countries, over one third reported talent shortages in 2014—the highest percentage in seven years.

At the intersection of human resource management (HRM) and brand marketing, employer branding (i.e., an approach to recruitment and retention that "involves internally and externally promoting a clear view of what makes a firm different and desirable as an employer"; has been proposed as an effective organizational strategy to differentiate from competitors and gain a competitive advantage in the labor market. Thus, employer branding is seen as a prime approach for responding to recruitment and retention challenges.

Employer Brand is a concept denoting perception of current and prospective employees toward an organisation as a great place to work. In line with this definition, Employer Branding is the process of sending out the 'great place to work' image to those groups. Involved with emotional values, Employer Branding is a story-telling process that leverage the image of the employer and help bring the employer closer to the candidate pool. Generally understanding, while Marketing is the communicating process of selling a product or service to customers and Human Resource Management plays the role of attraction, recruitment, selecting, training, development, assessment, rewarding and other activities related to employment, Employer Branding is regarded as the connection between those two fields as it involves building an appealing image of the employer in the mind of potential employees. Thus, marketing concepts of branding, image, reputation, awareness, and HR concepts of organizational identity and employee satisfaction are converged in Employer Branding.

For any organization, its employees are its first market, as they are the ones who carry the image of the organization to the outside world. Today many organizations face the problem of dissatisfaction leading to lowered productivity and high attrition rates. Like all brands, employer brands are essentially marketing concepts and constructs. It is at least as much about retention and engagement as they are about recruitment. Developing an employer brand proves that HR can handle big, strategic projects and issues providing a competitive advantage to the employer.

In the this paper, the concept of employer branding have been briefly discussed on issues: definitions of employer branding, internal and external employer branding, and employer branding benefits.

### Review of Literature: Employer Branding

Since it was first coined in 1990 by Tim Ambler and Simon Barrow, as a way of combining branding techniques with human resource practices, employer branding has massively extended both in research and in number of companies applying it.

Employer branding is anchored in the resource based view recognizing that human capital is vital for organizational success (Backhaus and Tikoo, 2004) [3]. Whereas the past shortage of talent was rooted on in the economic boom and subsequent low unemployment rates, today's shortage is caused by other influences. Today's knowledge economy sets forth two main factors contributing to the current and especially future shortage of talented employees, namely demographic and sociological changes. Demographically, larger generations of employee are soon to retire and the generations taking over are significantly smaller. Sociologically, there is a need for technology, engineering and other science - related scholars but unfortunately not enough are educated within this area. Further, younger generation employees tend to change job much more frequently, which challenges organizations in terms of retaining key employees.

This is emphasized by Mosley (2007) who argued that the interest in employer branding is driven by a growing competition for the talent required by companies to realize their corporate ambitions. Therefore, organizations must differentiate themselves to attract and retain employees.

Thus, a shortage of talented employees combined with organization's need for them has created a "warfor talent", which is the main contributor in the increased application and recognition of employer branding as an organizational discipline.

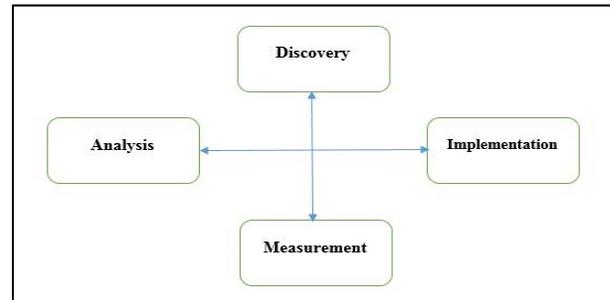
### Conceptual Framework

The Employer Branding Has Eight Different Components they include culture of haring and sequential development, achieve public recognition, building a balance between high manufacturing and best management, employees proactively telling stories, becoming a benchmark firm, branding assessment metrics, improvising candidate awareness of best practices and getting talked about are considered to be the major components of successful employer branding according to Thus, five steps compose the process of employer branding:

- (i) Understand the organization,
- (ii) Create a compelling brand promise for customers that mirror the brand promise for customers,

- (iii) Develop standards to measure the fulfilment of brand promise,
- (iv) Align all people practices to support and reinforce the brand promise and
- (v) Execute and measure.

**The employer branding model is shown in the following chart**



Source: Authors Compilation

**Discovery:** The discovery process helps the organization to identify its unique positive qualities. Discovery of existing brands helps in employer brand building process. The following are the things to be done in this stage:

- Senior management workshop
- Employee survey
- Internal and External focus group
- Select external partners
- Building rapport with marketing and communicating teams.

**Analysis- Creation:** This stage comprises two steps (i.e.) the analysis of the organization's default brand and creating new employer brand. This is the critical stage between the input and output. The organization starts to get a clear picture of interpretation what it stands for, offers and requires as an employers. The following are the things to be done in this stage:

- Define brand attributes
- Define overall employment value proposition
- Associate specific behavior with each attributes

**Implementation- Communication:** This stage showcases the brand to all key stakeholders and employees of the organization. Before the organization rushes to apply the brand to its next big recruitment push, it should make sure that it can deliver what the brand promises. The following should be practiced during implementation:

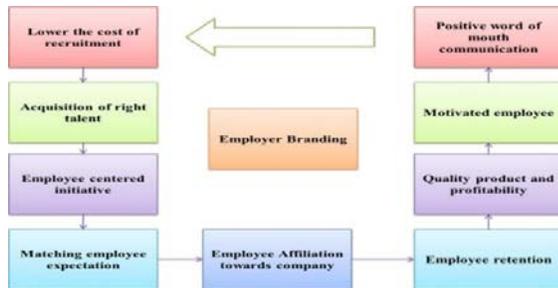
- Fair treatment
- Impartial, fair and growth promoting organization structure.
- Trustful & open-channeled communication.
- Timely decision making.

**Measurement – Maintenance:** At this stage, the brand starts to make its presence felt in day-to-day measurement. This helps to demonstrate improvement overall. In this step brand first time will be able to and demonstrate improvements on its original baseline measures and it will be clear to all optimization the brand is delivering real value. The following are the things to be done in this stage:

- Probe internal response to new brand
- Probe external perception
- Measure improvements in recruitment and retention metrics
- Review and Optimize the brand experience

### Uma and Metilda (2012): Employer Branding Framework

According to the conceptual review by Uma and Metilda (2012), it has been reviewed that the implications of Employer branding is a viscous cycle, which depicted in the above conceptual framework describes that the Good will of the company lowers the cost of recruitment and help out to acquire right talent.



Source: Uma and Metilda (2012)

Fig 1: Conceptual Model of Employer branding

When the corporate works on Employee centered initiative and matches the affiliation and ownership towards the company. Hence, it is not a tuff task for the employer/HR to retain the employees, to bring quality productivity and Keeping Faith with profitability, which in turn brings positive word of mouth, and this is the ultimate way of elevating the image of the Corporate.

### Internal and External Employer Branding

#### Internal Branding

Internal Employer Branding is the internal activities directed at current employees. To become a desired place of employment it is important think from the inside out, using internal Employer Branding to create commitment, satisfaction, loyalty and identification within the organization.

As proposed by Backhaus & Tikoo (2004) <sup>[4]</sup>, Employer Branding contributes to the formation of the psychological contract between the employee and the employer. Further on they propose that an accurate internal Employer Branding process reduces the employee's perception of violation of this psychological contract. They also propose that internal Employer Branding reinforces and changes organizational culture, which mediates the relationship between Employer Branding and employer loyalty. In addition they propose that internal branding strengthens the identification amongst employees and that brand loyalty is positively related to employee productivity.

#### Techniques of internal branding are as follows

- **Front office:** Always pay attention to your front office because first impression is last impression. It should be kept neat and clean with a pleasant receptionist who always maintains freshness and welcomes the guests with courtesy.

- **Stays interview:** HR department can always conduct stay interviews in which they can interact with the employee and ask them regarding their career prospects, there alignment with the company, there feedback regarding their concerned departments, etc. These feedbacks could be analyzed and therefore an internal brand image of the country can be created.
- **Exit interview:** An exit always carries a fair chance of initiating the chain reaction among the employees. By analyzing the exiting reasons, the organization can overcome the justified ones in the future.
- **Employee satisfaction:** Employee satisfaction is always very important for any organization to grow. A satisfied employee is a productive employee. The company must create a good and positive rapport for the company in the market outside.
- **Policy information:** A policy should be designed in such a way that it holds good even after a long period of time. A frequent internal policy change sends a message to the outer world that the company is not consistent and reliable.
- **Customer orientation:** Customers are always the most important factors in business activities. The workforce should always be motivated towards delivery of customers' perceived requirements.
- **Employee participation:** Always try to ensure the maximum participation from the employee side, either in term s of internal events participation or external events.

### External branding

External Employer Branding is the sum of all the firm's activities that are aimed at attracting employees. External Branding is focused solely on attracting the potential employees that the organization needs to hire in their current situation. In external branding, marketing the organization's Employer Value Proposition to the right people is a key factor for success. The purpose of external Employer Branding is to create a correct and transparent image of the firm as a great place to work for the potential employees that the firm wants to attract. It should also give potential employees the opportunity to get insight into how it would be to work within the organization.

#### Techniques of external branding are as follows

- **Use of job sites:** As HR the first thing which comes to the mind is recruitment, so Job sites also offer good branding opportunities through different means like Pop ups, popins etc.
- **Banners:** Banners are al so a good mean for branding. Banners can be of both types' means Online Banner and Street banners. By Online banner, the organization name will be flashed on different web pages as per y our choice and price.
- **Organizing seminar, presentation:** The organization can organize talks, presentations, seminars etc. f or attracting people towards y our organization.
- **Corporate social responsibility (CSR):** Corporate social responsibility refers to corporate getting associated with society f or some noble cause. The association can be in any mode either getting associated with a Chari table Trust or a NGO or some other public venture.

- **Public events:** Public events are one of the major ways of creating a brand image. An organization can participate in any of the public event and assuring that it does not get disappeared in the crowd of many brands or big names.
- **Newspapers:** Branding can be done through newspapers as well. If you target the local public, you can go for advertisements considering the individual day circulation, target readers, rapport of newspaper, type of newspaper etc. If you target only to employ people for your workforce requirement, you can place job Ads which may seem expensive at the first glance but in term s of attracting the correct workforce, it can do magic.
- **Email:** For mail ids related to job portals, the organization can create an auto reply which can contain brief description of the key aspects of candidate's and public interest and at the same time introducing that company to the public.

### **Challenges and Suggestions in Building a Strong Employer Brand Challenges**

The biggest challenge in employer branding is ownership. As it is often not clear who should sponsor it, the responsibility can fall down the middle between marketing, corporate communications, and HR. To succeed, it needs an integrated process linking all departments and with endorsement from the highest level within the Organisation. As an aspirational goal it also needs a pragmatic approach to achieve it. The biggest obstacles HR often face when trying to implement changes include clarity, resources and capability. Employer brand projects can be very complex more so if a company has a globally dispersed workforce that operates across diverse cultures. Having the appropriate resources including both personnel and funding available is going to require a greater understanding at Board and Shareholder level for companies to accept that the labour market is only going to get tougher and that an increased level of investment must be allocated towards Employer Branding initiatives. There is also a need for an increased capability for HR to build a business case for employer branding and to demonstrate a return on investment. HR personnel need to understand the future needs of the organisation and put forward a compelling business case for enhancing the company's employer brand to attract and retain talent and build an engaged workforce. Research has shown conclusively that an engaged workforce delivers stronger financial returns and shareholder.

### **Suggestions**

Consistency in the delivery of the employer brand is very important. The companies who really live by their employer brand are those who consistently deliver through their people, products, premises and processes, a level of service excellence that is consistent, 24/7, 365 days a year. Leading employers understand the key motivators for staff that drive performance and engagement. They conduct employee research at least once per year and act on the responses. They collect information at all stages of the employment lifecycle and make changes accordingly. The best employers also use integrated communication touch points to deliver the employment promise messages. These touch points include online (career website, blogs, social networking

sites such as Facebook, Twitter, virtual sites such as Second Life and online careers fairs. Offline touch points include press advertising, company presentations, recruitment and induction processes and community events.

Good employers have the employer branding high on the corporate agenda and include it as part of their strategic plan. Companies like Philips and Google put employees at the centre of their business strategy and drive improved business performance through engaging their employees to deliver a truly memorable customer experience. This is why these companies are regularly talked about in the press and need to rely less on paid advertising due to the high level of employee advocacy and market endorsement that exists. Main areas organizations need to focus on to improve their desirability as an employer to new employees. The main areas include:

- Companies need to ensure the employment experience across the employee lifecycle matches with the perception of the experience from the outside. The employer brand promise communicated through integrated communicated initiatives must provide a realistic view of what a new hire can expect from the employment experience from hire to retire.
- Organizations need to ensure they have a fully integrated online and offline communication plan using channels that deliver compelling and relevant messages about the employment offering to the target audience. The Phillips career website provides an excellent example of a company that has a clear talent acquisition strategy supported by online communication initiatives. The site at [www.philips.com](http://www.philips.com) provides excellent insights into what it's like to work at Philips.
- Companies need to nurture a culture that leads to an engaged workforce in order to build brand ambassadors from the inside. A word of mouth referral by an existing employee is a true source of competitive advantage not to mention the savings in recruitment and turnover costs.
- Fostering a culture that supports learning and development. The rapid rate of change in the business environment means employees need to provide a supportive environment for skill build and capability development in order to attract and retain talent.

### **Conclusion**

At its heart, employer branding is a crucial piece of effective talent strategy providing competitive advantage to organizations. By strengthening employer brand, organizations are able to focus less on overcoming the talent shortage, significantly enhance their talent pipeline, and improve employee retention. In order for Human resource leaders to drive a strong employer brand, it is critical to 1. Assess and shape an authentic message of what the organization stands for, 2. Communicate that message by leveraging the right channels, and 3. Continually measure and evaluate the effectiveness of branding initiatives against the organization's talent goals. In the increasingly difficult labour market for attracting and retaining talent, organizations need to apply brand management thinking and techniques to this issue of creating meaning and relevance to current and future employees. Employer branding is one such strategy that ensures the Organisation is able to attract, engage and retain the building blocks of what is now recognized as a firm's source of greatest competitive

advantage – its human capital. 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. Most essentially, 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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