

Employer Brand Building for Effective Talent Management

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Abstract

As business environment becomes more competitive and complex, organizations need to give even greater emphasis to meet their talent management needs. Attracting and retaining the right fit is of prime importance. Organizations are developing and projecting a brand image that echoes its values and philosophy and supports their talent management needs by attracting the right talent. The process of branding the organization or employer branding draws its roots from marketing and branding literature and has gained its relevance in developing the image of the organization as an employer of choice. The paper discusses the scope of employer branding in attracting an experienced pool of employees and also as an enabler of organization's internal brand building effort. The process of developing the brand is extensive and requires commitment and support from all in the organization. If managed well, it goes on to create brand ambassadors for the organization and thus, establish the organization as an employer of choice. The paper reviews the existing literature to identify the impact of employer branding on talent management, the process of branding organizations that may be adopted and how some of the global organizations are utilizing the power of an effective brand.

Keywords: Employer Branding, Organizational attractiveness, Internal Branding, Talent Management

1. Introduction

In today's highly competitive and globalized business environment, it has become imperative for organizations to remain competitive by bringing on board the highly skilled and talented workforce. The resource crunch is intensifying in the face of increasing job mobility, demographic changes, aging workforce, and an inexorable demand for skills, knowledge, experience and education. There is also an increasing tendency to switch jobs more often. The resource crunch is even more intensive in knowledge based, technical and service-oriented sectors [1]. The workforce, today, is also particular about the jobs and organizations that they choose to work for [2]. Thus, adding to the fierce competition for skilled workforce in the labor market. Organizations are using innovative ways to try and market themselves to these potential recruits. The challenge, herein, lies in developing a brand and an image about the organization to target these high potential recruits.

Post the recruitment efforts, organizations also need to continuously engage, productively utilize and retain its high caliber workforce to support its talent management strategies thus, developing and retaining its competitive advantage. This requires organizations to develop and portray a brand

image to target those with right competencies and skills. The answer to this lies not in short-term strategies but long-term commitment to being the Employer of Choice. This application of branding principles and practices to HR function to market themselves to potential recruits and retain existing workforce is termed as employer branding. According to Lloyd [3], Employer branding is “the sum of a company's efforts to communicate to existing and prospective staff that it is a desirable place to work”. Employer branding is increasingly being used by organizations to distinguish themselves in this ‘war for talent’.

2. Conceptualizing Employer Branding

Employer Branding as a practice is gaining importance as it supports the talent acquisition function by conveying symbolic benefits through their brand image. The employer brand puts forth an image promoting the organization as a preferred employer to work for. Potential employees are more likely to identify with the employer brand about which they have gathered positive insights, and thus, will choose to seek membership with the organization.

An employer brand projects the organization’s value proposition that reflects its values, philosophy, behavior, symbolism, communication, etc., differentiates the company from all others and creates a positive image on its target audience. Though employer brands are developed to be consistent with product and corporate brands, they are different in terms of their orientation. Whereas product and corporate brands are focused towards external audience, employer branding has more of an internal orientation.

The concept of employer branding was instituted by Ambler and Barrow [4] in their article on employer branding. According to the authors, employer branding is “the package of functional, economic, and psychological benefits provided by employment, and identified with the employing company”. Ambler and Barrow emphasized that the main function of employer branding is “to provide a coherent framework for management to simplify and focus priorities, increase productivity and improve recruitment, retention and commitment” [5]. The research in the field of employer branding has grown substantially since then.

Employer branding addresses the challenges of corporate branding, thus providing a strategic framework that includes both marketing and HR [4, 6]. Backhaus and Tikoo [7] define employer branding as the process of building an identity which is distinct and identifiable and employer brand as a concept that distinguishes it from its competitors. Employer branding has also been viewed as the emergence of a psychological contract between employees and the organization [7, 8] that is developed and formed as a candidate seeks employment with the organization and is strengthened over a period of time as the employment relationship develops between the two. From the given definitions, it can be inferred that employer branding is about establishing and promoting an image that makes it different and desirable as an employer.

3. Employer Branding and Organizational Attractiveness

Employer attractiveness or organizational attractiveness is a closely related concept of employer branding that is defined as “the envisioned benefits that a potential employee sees in working for a specific organization” [9]. Employer attractiveness is, thus, seen as a strategic response to staffing challenges of the organizations today. Research indicates that potential recruits are affected by their perception of organizational image [10-12]. The information available to job seekers helps in shaping their perceptions which in turn impacts organizational attractiveness and the initial job choice decisions [13]. The organization can, thus, steer its efforts to attract, retain and motivate

those “who can add value to the company and are able to deliver on the company’s brand promise” [4, 14]

Backhaus and Tikoo [7] describe the three-step process of employer branding that begins with developing a unique “value proposition” that clearly establishes the identity of the organization. The value proposition embodies culture, management philosophy and style, employment image, impressions of product or service quality, etc. In totality, it includes the offerings by an organization that makes it different and desirable.

The firm, then, markets the value proposition to prospective employees either directly or through mediators such as executive search firms. It is important that the employer brand provides a consistent brand image that supports all other branding efforts [15]. The third aspect of employer branding relates to committing to the brand “promises” made to the recruits so as to develop a workforce that identifies with the organization and is committed to a set of values and goals established by the firm. Thus, being an employer of choice benefits an organization in reducing turnover, fostering innovation and creativity, increasing resistance against downturn and providing higher levels of customer satisfaction and loyalty.

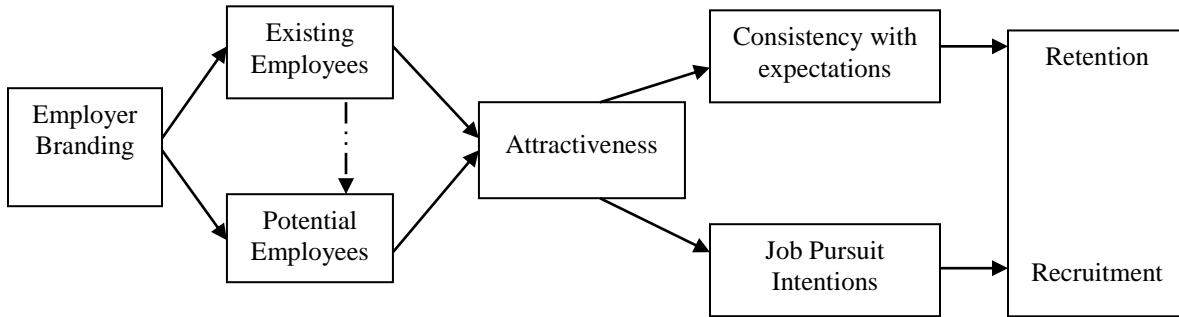
4. Internal Branding: An Enabler of Employees’ Brand-Building Behaviour

Credibility of employer branding efforts can be reinforced with employees’ values and behavior. It is, therefore, important that there is an alignment between the brand’s desired values and employees’ values [16]. According to Bergstrom et al. [17], internal branding refers to three things: conveying the brand to employees, convincing them about its brand value and associating every job in the organization to delivery of the brand ‘essence’. Sergio Zyman [18], renowned former chief marketing officer, aptly stated ‘before you can even think of selling your brand to consumers, you have to sell it to your employees’. He further suggested that positioning the brand in the mind of consumers is dependent on company’s employees.

A successful internal brand management is based on the premise that an employment relationship is an exchange between the employer and employee whereby an employer provides for material and socio-economic benefits in return for employee’s loyalty and efforts. For this relationship to foster, it is imperative that the environment is conducive to encourage positive employee behavior that leads to increased efforts and strong brand building. This is attained by communicating brand identity to the employees for which information generation and knowledge dissemination are considered necessary [19].

Employer branding leads to strong organizational identification and, thus, positive employee attitudes. According to Social identity theory, organizational identification is a powerful predictor of employee turnover intentions, organizational citizenship behavior and employee performance [20]. Lohndorf and Diamantopoulos [21] go on to suggest that organizational identification and other organization variables play an important role in identity-based motivation for converting employees into brand champions. This further leads to desirable employee behaviors.

Understanding the way employees react and respond to the internal initiatives will help the organization in designing and investing in such initiatives. The purpose of internal branding exercise is only then fully accomplished [19]. The employer branding and its utility for talent management process can thus be summarized with the following model.



Conceptual Framework of Employer Branding and Talent Management

The positive human capital practices, thus, have an impact on shareholder value and contribute to the bottom line. Effective employer brands have strong employee value proposition (EVP) which is visible in organization’s actions and behaviors and evoke both affective and tangible benefits for prospective and existing employees. EVP reflects the image that the organization wants to portray and is reflected in its policies and practices. The same when planned well and implemented effectively leads to profitability and competitive advantage for the organization.

5. The Process of Developing an Employer Brand

Employer branding enables an organization to create a desired brand image in the minds of both prospective and current employees. The employees of the organization who have internalized the desired brand image project the same to external constituents.

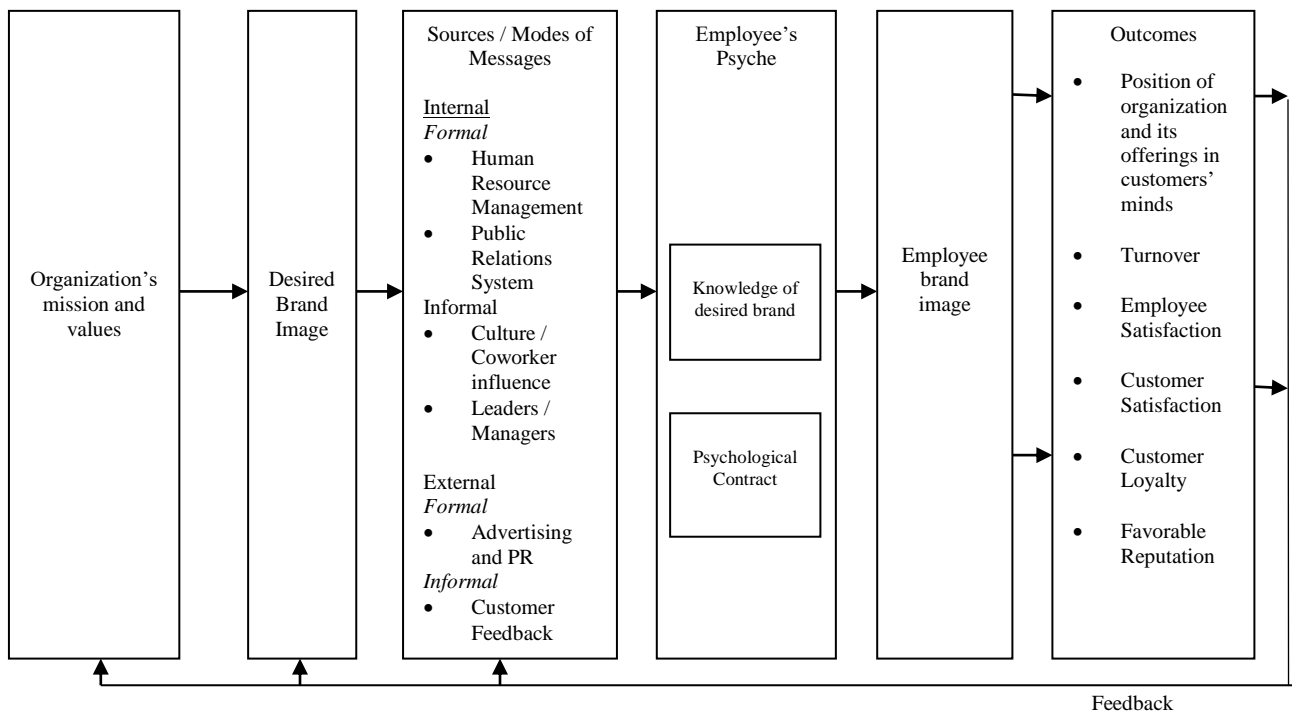


Figure 1. Employer branding process [21]

Miles and Mangold [21] in their study on positioning Southwest Airlines through employer branding suggested the process as shown in the figure 1. An organization’s mission and values

form the basis for foundation of its brand image. It lays down the organization's reason for existence and provides an overview of how the mission is to be accomplished. According to Miles and Mangold [21], the organization's brand image is further strengthened through various sources, thus, mentioned below:

- Formal internal sources – The formal messages in the form of policies and processes indicate the organization's commitment to its employees and to customer service. Further, processes such as staffing, training and development also ensure that people having compatibility with organizational values and brand image only become its part and subsequently internalize its culture, values and image. The same is then transmitted to stakeholders outside the organization.
- Informal internal sources – The brand image and values are also transmitted through informal sources i.e. through interaction between coworkers in various informal forums. The messages are also spread and internalized by managers and leaders in the organization during their interaction with their subordinates.
- Formal external sources – Organizations also target both internal and external stakeholders through advertising and public relations messages. The messages are intended to form and create a brand image about the organization. The organizations reiterate their efforts by participating in 'Best employer' or 'Employer of choice' surveys. Such surveys draw the attention of contemporary print and electronic media and positively contribute to the firms' talent management efforts.
- Informal external sources – Informal communication often comes in the form of external stakeholder feedback specifically customer feedback and word-of-mouth publicity that is positively impacted by employee attitudes and their skills. As Chernatony and Cottom [22] in their research on the topic suggest that "ultimately, what is delivered is less important than how it is delivered".

Thus, for an organization to encourage employees to resonate the brand that it intends to portray to its stakeholders. Organizations need to encourage employees to not only "personify and deliver the brand promise [21] but also to "act as ambassadors for the brand" [23, 24]. The sustainability of such efforts can only be ensured when the organization recruits, trains and develops people who are in alignment with the corporate brand [24]. Thus, a logical progression of corporate brand is the employer brand.

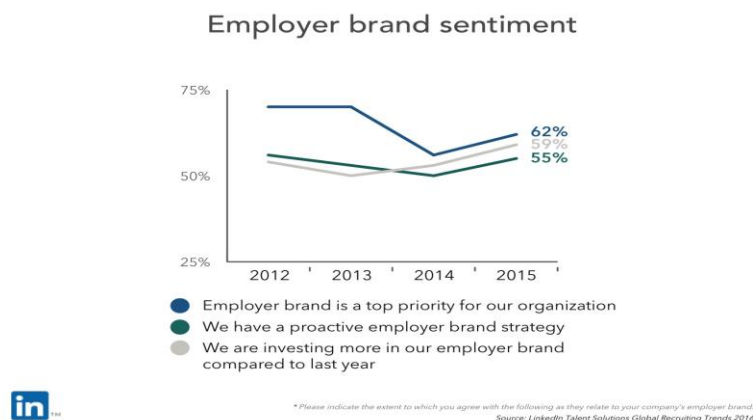


Figure 2. How organizations value employer branding [25]

Source : <https://business.linkedin.com/talent-solutions/resources/job-trends/2016/global-recruiting-trends>

6. Current Trends in Employer Branding

Employer branding is increasingly gaining attention of not only academicians but HR practitioners around the world. In a study conducted by LinkedIn [25] that surveyed 3894 talent acquisition decision makers, it was reported that organizations worldwide are increasing their spending on employer brand. The study surveyed that 59% organizations are investing more in their employer brand compared to last year. Further, figure -2 depicts that organisations, after a dip in 2014, have started investing their efforts in employer branding strategies.

Organizations are focusing their efforts in developing strong employer brands that mirror their values and culture. Organizations such as Unilever, Accor Hotels, Reliance Broadcast today are hiring professionals to develop their employee value proposition and market their brand both internally and externally. The benefits derived from a strong employer brand are evident.

Most effective employer brand tools

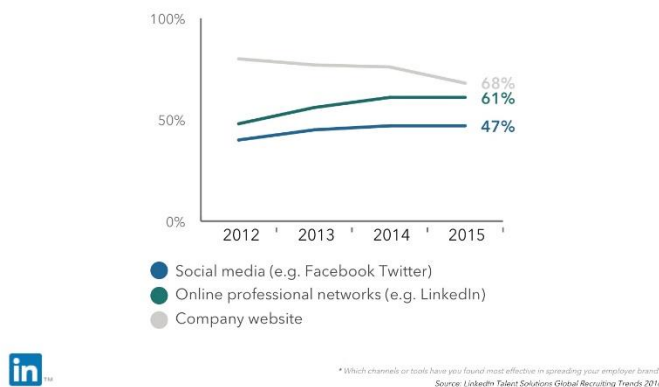


Figure 3. Most effective employer branding tools [25]

Source : https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/GRT16_GlobalRecruiting_100815.pdf

Organizations are increasingly using innovative techniques to imbibe their brand in the minds of both prospective and existing employees. Companies now-a-days are leveraging the power of social media such as facebook, twitter, LinkedIn, etc. in producing compelling recruiting videos and audience segmentation to successfully promote their employer brand and build a talent pool. The results of the study conducted by LinkedIn [25] are indicative (Figure 3) that organisations are utilizing the power of social media to promote their employer brand.

Global organizations like Dell have doubled their social media hire using employer branding [26], Continuously referred as a leading social brand in the social media circles, Dell's talent acquisition team realized early on that the organization's Employment Brand had to be more about existing employees' and alumni's experience of working with it and less about the company itself. As a result of this, Dell has become the first company to earn revenue from social media platforms such as twitter. Having excelled in the social recruiting, by 2011, Dell had 265,000 followers on LinkedIn and 70% of its workforce had a LinkedIn Profile. The number of its employees having LinkedIn profiles increased to over 90% by 2014. To add to this count, its LinkedIn followers and social hires are doubling every year and adding to the current count of 12,00,847 followers (as on 13th May, 2016) and social hires are more than doubling every year.

The employer branding campaign of HCL is centered on the philosophy of ‘employees first, customers second’. With an employee base of over 84,000 employees, the company realized that it was important to create a consistent message for its employees worldwide. The manifestation was done through a branding exercise on its internal digital platform through an integrated digital campaign. A “Spread the Word” contest was also launched in the company’s internal social networking site, MeME. The contest was about employees sharing a Facebook video of the employment experience at HCL. This enabled the company to make brand ambassadors out of all employees [27].

6.1 Employer branding in India

In India, the HR function has matured from labour welfare to human resource management and employer branding is an indication of progressive HR practices. Global HR policies are now being modified to fit the Indian culture. The growing importance of employer branding in India is evident from a survey conducted by People Matters and Monster.com [27] wherein 75% of 85 CEOs surveyed suggested that employer branding is on their top priority list.

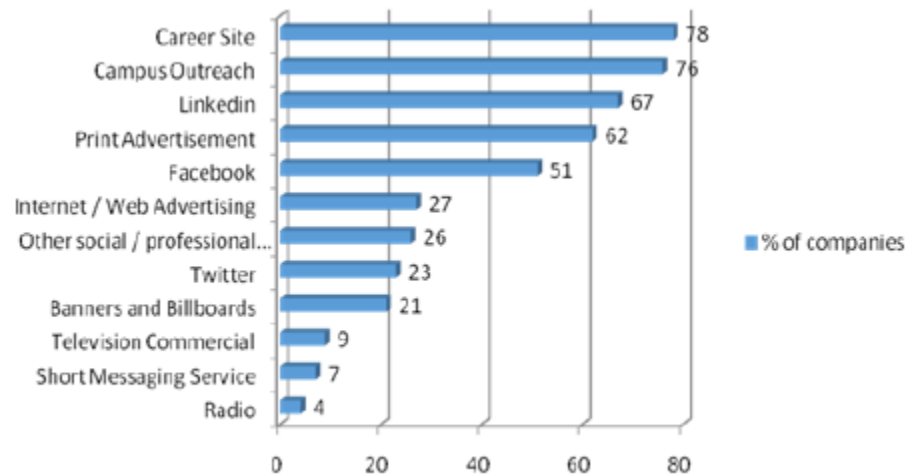


Figure 4. Employer branding channels [27]

Source : http://media.monsterindia.com/monster_2012/ebt/Employer_branding_2014.pdf

The study, further, indicated (Figure 4) that Indian organizations rely on traditional channels for employer branding, though social and non-conventional channels are making their way in to the talent management function.

Considering India’s current socio, political and economic scenario, while many factors have contributed to the skill gap, organizations are fighting a tough battle for talent. Competition has increased, talent mindsets are changing fast, technology is changing the face of information sharing; in such a dynamic scenario managing the brand image has become crucial.

Employer brand in India has strong value proposition if marketed effectively. Organizations like Tata Consultancy Services and Yes Bank have developed strong employee value propositions that are linked to their core values. The EVPs developed by these organizations are indicative of their core values and beliefs that these organizations imbibe and project to both internal and external

stakeholders. The organizations are increasingly marketing themselves on the social media and reaching out to their target audience. The best places to work survey, employer branding awards and a number of other seminars and events to share the best practices at work are an example of increasing presence of employer branding in the India.

7. Conclusion

Employer branding is gaining increasing importance both in academic literature and with practitioners. As organizations are faced with talent crunch, it is becoming imperative for them to distinguish and market their brand to prospective applicants so as to manage their talent needs in a timely and efficient manner. On the other hand, given the social transparency in today's world, employee advocacy is becoming increasingly important [28]. Organizations should focus on keeping their brand promise and commitment with existing employees so that they become brand ambassadors and support the organizations' branding efforts. Companies, today, are increasingly harnessing the power of social media and other tools to develop and market their brand. Positions like Employer Brand Marketing Lead, Employer Brand Manager, Director of Marketing Communication and Employment Brand are increasingly being offered by organizations [29]. Employer Branding awards have been instituted by various rating agencies all over. There also exists an online Employer Branding institute imparting information on employer branding practices around the world. Thus, creating a strong brand image for the organization supports its talent management function and develops brand ambassadors within the organization. However, it requires long-term and sustained efforts by an organization to build and internalize its brand image which when done leads to long-term competitive advantage.

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