



EMPLOYER BRANDING: EMERGING TRENDS WITH GROWING IMPORTANCE

Rashmi

Research Scholar, Department of Management, M.D.University, Rohtak (Haryana), India.

Abstract

With the increased demand for talent for many economic sectors, organizations are beginning to realize the positive impact a well defined and consistently communicated employer brand can have in attracting top candidates. With senior leadership starting to take a keen interest in their companies' employer brands, this is starting to grow as a big priority. The purpose of this paper is to make a conceptual review of the: definitions of employer brand and employer branding, internal and external employer branding, need for employer branding development, employer branding process and employer branding benefits.

Introduction

The term "employer brand" was first publicly introduced to a management audience in 1990, and defined by Simon Barrow, chairman of People in Business, and Tim Ambler, Senior Fellow of London Business School, in the Journal of Brand Management in December 1996. This academic paper was the first published attempt to "test the application of brand management techniques to human resource management". Within this paper, Simon Barrow and Tim Ambler defined the employer brand as "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company".

Employer branding is a relatively new approach toward recruiting and retaining the best possible human talent within a recruiting environment that is becoming increasingly competitive. The term is often used to describe how organizations market their offerings to potential and existing employees, communicate with them and maintain their loyalty "promoting both within and outside the firm, a clear view of what makes a firm different and desirable as an employer". Employer branding has the potential to be a valuable concept for both managers and scholars. Managers can use employer branding as a shade under which they can channel different employee recruitment and retention activities into a coordinated human resource strategy. The popularity of employer branding among HR Practitioners and the lack of academic research on the topic raises interesting questions for management scholars.

Objectives of the Study

- To study the need of employer branding
- To explore the recent trends and process of developing strong employer brand
- To study emerging trends of building employer brand
- To study the benefit of employer branding

Research Methodology

The research methodology is descriptive cum analytical in nature. It draws from secondary research and review of available literature on the employer branding and its emerging trends.

Review of Literature

Review of literature is an essential part of any research work. I have consulted plethora of academic journals, studies, reports and books to present an exhaustive view of the existing literature on the research theme and other connected issues. A brief review of some of the studies is attempted here:

- 1) Ambler & Barrow (1996) defined employer brand in terms of benefits, calling it 'the package of functional, economic and psychological benefits provided by employment and identified with the employing company. Further, 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.
- 2) Turban and Cable (2003) have argued that firms higher in corporate social performance (CSP) have more positive reputations and are more attractive employers to employees than firms lower in CSP. Such results suggest that potential applicants are aware of firms' CSP and that those with more positive ratings may have competitive advantages because they attract more potential applicants than firms.
- 3) According to Backhaus & Tikoo (2004) employer branding is essentially a three step process. First, a firm develops a concept of the particular value it offers to 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 derives from a thorough audit of the characteristics that make the firm a great place to work. The second step in employer branding process deals with externally marketing this value proposition to attract the targeted job applicants. The



third step involves carrying the brand "promise" made to recruits into the firm and incorporating it as part of the organizational culture. Employer branding has captured considerable attention in recent times. Academicians and practitioners have reported evidence of organizations expending considerable resources on development of employer brand programme indicating its values.

- 4) 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. The employer brand puts forth an image showing the organization as a "good place to work".
- 5) Priyadarshi (2011) observed that for an employer to be seen differently has only intensified in recent years mainly due to the availability of multiple opportunities and scarcity of good quality talent in the emerging markets. Employer branding is fast emerging a potential tool not only to communicate the potential employees but also to the existing employees that the value proposition of the current employer supersedes their competitors. The study shows the importance of managing employer brand image for existing employees through highlighting the difference between the existing and preferred levels of employer attributes. It further highlights the relationship between employer brand attributes and job related attitudes showing how these attributes impact them.

Need for Employer Branding With Emerging Trends and Process of Building Strong Employer Brand

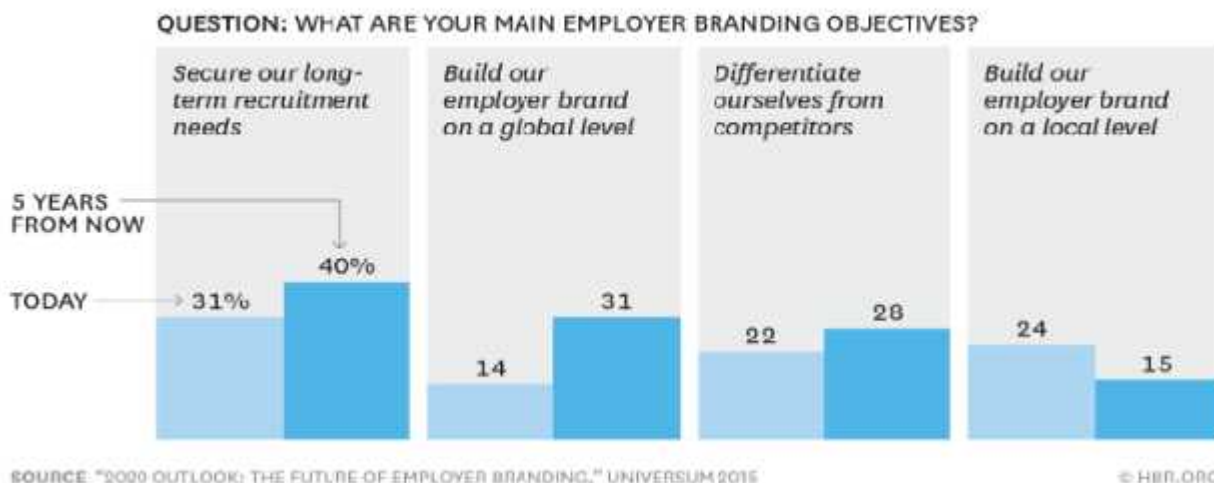
The rise of social media has made companies a great deal more transparent. People are far more likely to trust a company based on what its employees have to say than on its recruitment advertising. This means that talent attraction relies far more heavily on employee engagement and advocacy. The survey done by Universum over 2000 senior business executives, 73% of CEOs reported being concerned about the availability of key skills. So how can companies compete effectively in this new war for talent? First and foremost, it's time for leaders to focus on strengthening their organizations' employer brands. With clear signs that the competition for talent is becoming more challenging, many organizations are duly turning their attention to strengthening their employer brands.

Based on various studies, the following steps can help organization to build a strong employer brand that attract and retain the talent they need:

- To evaluate employer brand awareness and reputation, through survey research among the key external target audiences
- Define how organization is to be seen as an employer based on a realistic assessment of organization's distinctive strengths, and translate that into a clear and compelling Employee Value Proposition
- To be more proactive in using social media to share inside stories that highlight organization's strengths and build a more authentic and engaging employer brand reputation.
- Ensure that every function within the organization understands the value of a strong employer brand to the success of the business and the role they need to play in sustaining a consistent brand experience and reputation.

Employer Branding Is Becoming Strategically More Important

What CEOs and HR and marketing leaders expect it to do for the company by 2020.





Benefits of Employer Branding

Making certain decisions and actions every organization considers both costs and benefits of their performance. So the question arises about what are the benefits of employer branding in the organization? The three major benefits of strengthening organizational employer brand, identified in studies conducted by Hewitt Associates, are: enhanced attraction, retention and engagement (Mosley, 2009, p. 5). A strong employer brand associated with stronger attraction and higher than average levels of employee engagement will ultimately contribute to better financial results. As per study done by Deloitte organizations that encourage and foster employer branding enjoy 10% lower payroll cost and 28% lower staff turnover.

Depending on to whom initiatives in the field of employer branding are addressed, EB is divided into internal and external (http://www.bigram.pl). Internal employer branding is addressed primarily to existing and leaving employees and is implemented by means of development programs and building a well-defined corporate culture. External employer branding is addressed to active professionals, students, graduates and other stakeholders and is implemented by means of effective use of modern communication channels, relations with the academic community, co-operation with opinion-leading media, image-enhancing recruitment projects etc. Employer branding programs bring many benefits to organizations in the area of human resources, which are shown in Figure 1 and Figure 2.



Figure 1: Internal EB benefits for the organization in the area of human resources
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To sum up, above considerations prove, that employer branding is critical for success of the organization, as well as brings benefits to both employees of the company and applicants for work. Moreover, it can be seen as a strategic tool for enhancing company's competitive position on the market.



Figure 2: External EB benefits for the organization in the area of human resources
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Conclusion

Nowadays, the issue of employer branding is becoming increasingly important. More and more organizations realize that their future success may depend on whether they are able to attract, recruit and retain employees with the desired qualifications. Success in the war for talent is likely to be reached by those employers who are able to effectively create the image of a good workplace by communicating own strengths in and outside the organization. Companies with a strong employer brand can hire the most effective workers, often paying less. Companies with good employer brand are able gain financial benefits from socio-psychological determinants of employees' engagement and work performance. They build a trust to employer and the sense of pride in belonging to the organization. It is the key for competitive success in nowadays knowledge-based economy and the background for suitability of effective organizational culture. By strengthening employer brand, forward-thinking organizations are able to focus less on overcoming the talent shortage, significantly enhance their talent pipeline, and improve employee retention.

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