Employer Branding: Sustainable Competitive Advantage for Organisations

Poonam C. Vinayak
Research Scholar, Aligarh Muslim Uni., Aligarh, Uttar Pradesh, India

Dr. Bilal Mustafa Khan
Professor, Aligarh Muslim University, Aligarh, Uttar Pradesh, India

Dr. Mukesh Chand Jain
Principal, Govt. P.G. College, Khair, Aligarh, Uttar Pradesh, India

Abstract:

*R**apid globalization has led to organizations spanning their operations across the globe, this marks the need for a competent workforce as firms seek sustainable source of competitive advantage in the tumultuous business environment. Thus, organizations are expending huge amount of resources to hire and retain competent talent in the organizations. Employer branding has emerged as a source of achieving competitive edge, which is pre-emptive in nature and is a long terms strategy that ensures constant and continuous flow of knowledge and skills in the firm. This conceptual paper develops a theoretical framework for employer branding by defining it and citing its constituents and cites relevant examples of Indian companies that have gained sustainable competitive advantage through usage of employer branding as a strategy.***

Key Words: Employer branding, recruitment strategy, employer image, employer reputation, organizational culture.

I. INTRODUCTION

The current dynamic business environment offers myriad of challenges for organizations ranging from rapid technological changes to growth of the knowledge economy (Catteeuw, Johnson, Flyn, Johnson, Vonderhorst, & Johnson, 2007). These changes hence enforce on dynamic skills of the workforce and the competency requirement of human resource. Due to a transition in demographic base, there is an exquisite demand for independent, skilled, mobile, intellectual capital for competent employees (Berthon, Ewing, & Lian, 2005). Competent employees have varied options available to them especially in organizations that are technical and service driven (Berthon, Ewing, & Lian, 2005). Potential employees are specific about the organization as they are specific about the job (Rynes & Cable, 2003). Therefore; firms make consistent efforts to increase their attractiveness to potential employees (Highhouse, Zickar, Thorsteinson, & Stierwalt, 1999). This has vital impact on the organizations that are in the process of recruiting as it leads to the implication of competent talent acquisition. Talent acquisition refers to attracting right set of individuals who possess right set of skill set and competencies to perform the job (Srivastava & Bhatnagar, 2010). Firms that attract a larger applicant pool have greater utility in their selection systems and a prospective competitive advantage. Shortage of competent workforce referred above requires a strong recruitment strategy which will create a distinct image of the organization from its competitors and then promote the unique employment proposition it offers. Employer Branding is an effective HR strategy utilized in connotation with employment, especially in knowledge based economy where efficient workforce is in shortage (Ambler & Barrow, 1996). Traditional recruitment strategies tend to be short-term in nature is reactive in nature and subject to job openings whereas on the other hand employer branding is a long-term strategy which is meant to maintain a constant and continuous flow of skills in the firm.

II. LITERATURE REVIEW: EMPLOYER BRANDING

The name "employer brand" was first utilized to a management audience in the later part of 20th century, to highlight the repute and character of an organization as an employer. Tim Ambler, Senior Fellow of London Business School and Chairman of People in Business named Simon Barrow defined Employer Branding in the Journal of Brand Management. They proposed that employer brand as "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company" (Ambler & Barrow, 1996). Firms are spending considerable amount of resources on employer branding exercises and campaigns, highlighting that they are finding long term value in this practice. Organizations have started believing that efficient employer branding practices shall lead to competitive advantage and also facilitates employees internalize company values and also facilitate employee retention.

Employer brand is referred 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" (Sullivan, 2004). The employer brand portrays the organization as a great place to work (Sullivan, 2004). The use of employer branding as a belief and philosophy in a knowledge economy has always been encouraged because of scarcity of skilled employees (Berthon, Ewing, & Lian, 2005). Many researchers have stressed that the brand image of the work place of a firm enhances the quality and quantity of potential applicants to the firm (Cable & Turban, 2001) and also has an impact on employee retention in the organization. Therefore, in the dynamic business world when there is strong global competition employer branding is a vital strategy for fighting the "war of talent". Employer branding is a distinct opportunity for an organization to make itself stand apart in the dynamic competition of business and the various factors that act as its USP

are employee satisfaction and delight which is the outcome of retention, job security and productivity. According to Sullivan (2004) employer branding is a long term strategy that makes considerable efforts to manage the thought process and perception of current and future employees as well and also takes into account the expectations of the stakeholders of the organization. It works towards developing a positive employee value proposition and develops a positive image of the organization as a place worth working for. It makes an effort to involve all the employees from top to bottom so that the organization emerges as a comprehensive employer brand and reflects both the realities and aspirations of the business as well as the workforce.

III.   CONSTITUENTS OF EMPLOYER BRAND

The employer brand is developed of myriad of attributes with each one contributing and strengthening the presence of the brand. Researchers have consistently examined the features that identify the organization's employment image (Cable & Turban, 2001)Using the instrumental symbolic framework (Lievens, Van Hoye, & Anseel, 2007) identified the factors that attract and retain the current as well as the potential employees towards a particular company. Slaughter *et al., (2004)* corroborated that symbolic attributes were closely related to organizational attractiveness (Slaughter, Zickar, Highhouse, Mohr, Steinbrenner, & O'Connor, 2004). Army, Collins and Stevens (2002) established that company based attributes had greater impact on job seekers than role-specific attributes. It could be adjudged from the discussion that employer brand is a multidimensional construct; it is difficult to analyze each and every aspect of it as different researchers study it from different perspective. To have a basic and clear understanding of the philosophy of employer branding, research should be done on comparing the perception of the employer brand message and the reputation of the firm. Recruitment research till date highlights the efforts made by a company to generate a pool of applicants, maintain application status and makes an impact on the job choice and can be analyzed by the definition proposed by Barber which states that "those practices and activities carried on by the organization with the primary purpose of identifying and attracting potential employees"**.** In simple terms organizational reputation is defined as a public evaluation of an organization in comparison to other firms (Fombrun, 1998) and more precisely defined by Fombrun (1996) defined corporate reputation as the "affective or emotional reaction *Employer Knowledge and Recruitment* **-** good or bad, weak or strong - of . . . the general public to the company's name." Following this conceptualization of corporate reputation, we define *employer reputation* as a job seeker's beliefs about the public's affective evaluation of the organization. It can be analyzed that employer reputation as a concept is different from employer image in a two pronged manner, firstly image does not include the affective component whereas it is a part of the employee reputation and more so reputation is the potential employee or applicant's belief how the organization is evaluated by others vis-à-vis image consists of a job seeker's own beliefs about the organization. To be clear, employer reputation is distinguished from employer image in two important ways: (1) image does not include an affective evaluative component whereas reputation does; and (2) employer reputation is a job seeker's belief about how the organization is evaluated by others, while employer image consists of a job seeker's *own* beliefs about the organization (in terms of information about the employer, job, and people in the organization). It is important to differentiate amongst the concepts of employer image and employer reputation as there is distinction in the manner researchers have conceptualized and operationalised image and reputation. Theoretically, it is stressed that the applicants should be more concerned with firm's reputation because reputation is considered to be "bonding signals" that highlights the firm's competitive position as an employer under conditions of imperfect information (Ployhart, 2006). Empirical research has highlighted and confirmed that employer's reputation is a distinct and important component of job applicant's knowledge about the employer. For instance, Kilduff (1990) supported that friends' evaluation of organizations have a considerable impact on the job seekers because they "validate" organizations as suitable employers and Jacoby, Hoyer and Brief (1992) suggested that when peers evaluate an organization positively, their opinions serve a legitimizing function. Undoubtedly, honest employer branding messages are integral for a firm's success but it is important to mention that realistic job preview also is important as they provide well-balanced messages. A realistic job interview shall carry a positive as well as a negative message about the employment opportunity (Werner & DeSimone, 2011) . A proper realistic job preview facilitates lower employee turnover and gives a clear preview of the expectations and thus increases the trust and honesty, therefore, reducing role ambiguity. The research on organizational culture can provide more support and a concrete ground to the employer brand messages that will convey vital pre-employment information and needless to mention that organizational culture plays an integral role in making a job choice. The beliefs of the firm's culture play an integral role in the self selection decisions of the job applicant. Therefore, it is pertinent that employer branding messages shall communicate proper and accurate information about the firm's culture. It has been observed that the information provided by the employer results in applicant's misperception of key cultural values and they may later become dissatisfied because of unmet expectations and chances are that they may quit (CABLE & JUDGE, 1996). Thus, there is no denying the fact that managing a productive and supportive organizational culture is the central task for managers. The internal marketing efforts target at developing an organizational culture that highlights desired work expectations and supports individual quality of work life. To achieve these objectives organizations promote the existing value of the firm's culture or sometimes use internal marketing strategies to develop positive cultural changes. The more the culture supports quality of work life, the more will be the commitment of the employees towards the organization (Lawler, 2005) . As it is observed employer branding is an effort to enhance the employment value proposition in order to enhance recruitment and retention to enhance the value of human capital. The human resource activities that are considered under the employer brand activity also support the organizational career management effort. Organizational career management refers to streamline the individual career needs with the organizational work needs and employer

branding as a strategy has been designed towards providing employees with information they need to self-assess once inside the organization. The presence of the brand image inside the firm gives information to applicants about desired behaviours, work norms and other factors necessary for success. According to Ambler and Barrow the most interesting question is whether employer branding facilitates to achieve distinct organizational performance. This is certainly a complex question in nature. It is often tough to examine a direct link between human resource program and firm performance. It is comparatively easy to determine the extent to which the program has made an influence on organizational resources, like human capital or the behavior of the employees (Knox & Freeman, 2006). In other words, it would it would be compulsory to identify the mediators that operate between the employer branding program and the organization's profit margin or profit growth. Thus, more relevant and measurable questions may include do organization's use employer branding experience have better recruitment outcomes and whether recruitment outcomes are enhanced? Researchers might conduct longitudinal studies to track changes in recruitment, employee retention and satisfaction before and after they implement employer branding as a strategy. The Conference Board (2001) has given considerable evidence for branding success ((The) Conference Board, 2001). Thus, one appropriate measure of employer branding success may be qualitative measurements of the knowledge, skills and ability of the employees. A second characteristic may be the employee turnover rate whether the retention rate increased the inception of the branding campaign. However, in many ways, retention of employees may not be as important as their behavior at work. Organizations engaging in employer branding strategies may measure success via in individual level productivity at the aggregate level.

EMPLOYER BRANDING IN INDIAN COMPANIES

India is one of the world's emerging economies, has made giant leap in its economic and social development in the past two decades and has proven itself to be a major economic and intellectual power (Kapur & Rarnamurti, 2001). It is the source of world's largest English speaking low cost workforce with enhanced level technical and managerial talent fuelled by world-class institutes like IITs and IIMs, being hard working and diligent Indian with technical and human skills are in great demand and Indian workforce is most sought after in multinational organizations. The availability of new jobs for the Indian talent results in a high turnover and hence leads to employee retention. India as a society has high power distance and collectivist nature and much analysis in theoretical terms on the concept of employer branding has not been done in Indian setting, therefore it is necessary to understand the dimensions of employer brand in the Indian setting and many Indian multinationals have understood the dimension of employer brand and applied in the firms. The conceptual paper cites some of the examples of Indian multinational organizations which have understood the importance of employer branding and have applied in their firms.

EMPLOYER BRAND: INFOSYS

Infosys recognizes the integral role of human resources and the manner in which it can sustain and increase their competitiveness. With the changing consumer employee demographics it is necessary to recruit talent that is cost effective and delivers maximum value. Thus to achieve this goal Infosys has an innovative workforce management strategy – the Global Talent Program, which is considered to be the largest talent effort to recruit from campuses and develop a workforce that has global skills. Increased profitability reduced cost, increased market share, improved customer service, higher stock value, increased productivity and higher retention rates are the results of this program. The company keeps its employees engaged in a 24*7 work environment necessary to serve its global clientele. The company has also introduced variety of programs to reduce attrition rate and these efforts have made Infosys an employer of choice. The company is rated best to work with on the said parameters namely employee satisfaction, key stakeholders, HR processes and policies (Infosys, 2016).

EMPLOYER BRAND: TATA STEEL

It is the oldest and the most respected brand and the company has drawn its major revenues from outside India. A series of international acquisitions has developed an international reach today for the company. Tata serves myriad of customers and markets and the brand is seen as trustworthy, safe, and reliable and provides value for money. The company has a reputation of an excellent place to work and has developed itself as a best place to work with and a place where growth and development exists. The company believes that it is one of the best places to work with and believes in the fundamental that successful individuals develop successful teams. The company proves to be a successful ground for personal and individual growth in its large and multicultural families. The company and its top management have also won various awards for it (Tata Steel, 2010).

MANAGERIAL IMPLICATIONS

It is imperative for multinational organizations to understand the rationale behind attracting and retaining competitive and talented workforce. There is a necessity to comprehend the factors that drive the employer of choice for potential employees in the market. The present study contributes to the above stated facts in multifarious ways. Through the theoretical discourse of important core concepts of employer branding managers are provided with the necessary knowledge of how an employer brand is developed and the manner in which it works. The paper paves the way for empirical research on various factors like employer attractiveness, employer success, compensation issues, so on and so forth, thus providing the researcher to look intricately into these aspects distinctly.

IV. CONCLUSION

There is no denying the fact that employer brand today is essential for gaining competitive advantage and Indian companies are consistently focusing on the strategy of employer brand to attract and retain a competitive workforce which will later help in their expansion and growth. It is clear from the above discussion that a strong employer brand can lead to attraction and retention of talent and also represents quality to its customers and also facilitates global recognition in a sustainable manner. It offers variety of advantages and helps in streamlining other processes like recruitment and spells the company's expectations in a similar manner from the beginning. In the end, it ensures that the best employees stays for longer and helps in meeting the super-ordinate objectives of the organization. In the end it can be said employer branding strategy refers to aligning individual needs to organizational needs to meet individual as well as organizational goals.

REFERENCES
[1]   (The) Conference Board. (2001). *Engaging Employees through Your Brand.* New York: The Conference Board.
[2]   Ambler, T., & Barrow, S. (1996). The Employer Brand. *Journal of Brand Management* , 185-206.
[3]   Berthon, P., Ewing, M., & Lian, H. L. (2005). Captivating company:dimensions of attractiveness in employer branding. *International Journal of Advertising* , 151-172.
[4]   CABLE, D. M., & JUDGE, T. A. (1996). Person–Organization Fit, Job Choice Decisions,and Organizational Entry. *ORGANIZATIONAL BEHAVIOR AND HUMAN DECISION PROCESSES , 67* (3), 294-311.
[5]   Cable, D., & Turban, D. (2001). Establishing the Dimensions, Sources and ValueofJob Seekers' Employer Knowledge during Recruitment. In F. G.R. (Ed.), *Research in Personnel and Human Resources Management* (pp. 115-163). New York: Elsevier Science.
[6]   Catteeuw, F., Johnson, J. &., Flyn, E., J. &., Vonderhorst, J., & Johnson, J. &. (2007). Employee Engagement: Boosting Productivity in Turbulent Times. *Organizational Development Journal* , 152-157.
[7]   Fombrun, C. (1998). Indices of Corporate Reputation: An Analysis of Media Rankings and Social Monitors Ratings. *Corporate Reputation Review , 1* (4), 327-340.
[8]   Highhouse, S., Zickar, M., Thorsteinson, T., & Stierwalt, S. (1999). "Assessing Company Employment Image: An Example in the Fast Food Industry. *Personnel Psychology* , 151-169.
[9]   Infosys. (2016). *Managing Talent Flat World.* Retrieved January 20, 2016, from https://www.infosys.com/HCM/whitepapers/Documents/managingtalentflatworld.pd
[10]   Kapur, D., & Rarnamurti, R. (2001). India's Emerging Completive Advantage in Services. *Academy of Management Executive , 15* (2), 20-33.
[11]   Knox, S., & Freeman, C. (2006). "Measuring and Managing Employer Brand Image in the Service Industry. *Journal of Marketing Management , 22*, 695-716.
[12]   Lawler, E. I. (2005). Creating High Performance Organisations. *Asia Pacific Journal ofHuman Resources , 43* (1), 10-17.
[13]   Lievens, F., Van Hoye, G., & Anseel, F. (2007). Organisational Identity and Employer Image: Towards a Unifying Framework. *British Journal of Management , 18* (1), S45-S59.
[14]   Ployhart, R. (2006). Staffing in the 21st Century: Challenges and Strategic Opportunities. *Journal of Management , 32* (6), 868.
[15]   Rynes, S., & Cable, D. (2003). "Recruiting Research in the 21st Century: Moving to a Higher Level". *The Complete Handbook of Psychology, Industrial and Organisational Psychology* , 55-76.
[16]   Slaughter, J., Zickar, M., Highhouse, S., Mohr, D., Steinbrenner, D., & O'Connor, J. (2004). Personality Trait Inferences about Organisations: Development of a Measure and Assessment of Construct Validity. *Journal of Applied Psychology , 89*, 85-103.
[17]   Srivastava, P., & Bhatnagar, J. (2010). Employer Brand for Talent Acquisition: An Exploration towards its Measurement. *Vision: The Journal of Business Perspective* , 1-11.
[18]   Sullivan, J. (2004). *JanuaEight elements of a successful employment brand.* Retrieved January 20, 2016, from http://www.ere.net/2004/02/23/the-8-elements-of-asuccessful-employment-brand
[19]   Tata Steel. (2010). *Asia's Best Employer Brand Awards 2010 confers 'CEO with HR Orientation' title on HM Nerurkar.* Retrieved January 20, 2016, from http://www.tata.com/article/inside/60QZ4Ku1XAc=/TLYVr3YPkMU=
[20]   Werner, J., & DeSimone, R. (2011). *Human Resource Development.* New Jersey: Cengage Learning.