Employer branding: A new strategic dimension of Indian corporations

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ABSTRACT

Employer branding is defined as a targeted long-term strategy to manage awareness and perceptions of employees, potential employees and related stakeholders with regards to a particular firm (Sullivian, 2004). This includes direct and indirect experiences of dealing with the firm. 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. With the liberalization of the Indian economy in 1991 and subsequent economic reforms, Indian companies are becoming internationally strategic to utilize the employer brand to attract and retain talent which leads to expand and growth of the business. This paper gives some concept on employer branding and also to examine how Indian organizations with a positive corporate reputation can attract and retain employees. It also focusses to explain the importance, applicability, outcome and creating an effective employer branding strategy of Indian companies.

Key words: Employer branding, Branding, Indian corporation,

1. Introduction and significance of employer branding in modern businesses

Branding was originally used to differentiate tangible products, but over the years it has been applied to differentiating people, places and firms (Peters, 1999). According to Aaker (1991), established brand is regarded as a critical means for differentiating between products and creating competitive advantage for organizations. Similarly, employer branding has become a new approach for gaining an edge in the competitive world. It refers to the process of identifying and creating a company brand message, applying traditional marketing principles to achieving the status of employer of choice (Sutherland et al., 2002). According to Barrow and Mosley (2005), employer branding is used not only to transfer the message of the personality of a company as an employer of choice, but it also has been used to adapt the tools and techniques usually used to motivate and engage employees. Like a consumer brand, it is an emotional relationship between an employer and employee.

Ambler and Barrow (1996) have defined employer branding as the development and communication of an organization's culture as an employer in the marketplace. It is the package of functional, economic and psychological benefits provided by employment, and identified with the employing company. It conveys the "value proposition" - the totality of the organisation's

culture, systems, attitudes, and employee relationship along with encouraging your people to embrace and share goals for success, productivity, and satisfaction both on personal and professional levels. Employer branding is a distinguishing and relevant opportunity for a company to differentiate itself from the competition creating its branded factors as its USP for employee satisfaction and happiness resulting in retention, productivity and efficiency.According to Sullivan (2004), employer branding is a 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. This means involving employees at all levels in the development of the brand so that it accurately reflects both the realities and aspirations of the business and its workforce In recent years and also in the globalised economies, the world has witnessed the dramatic entrance and success of Indian corporations in the global marketplace. With the continued influx of multinational corporations in India—as well as Indian corporations expanding beyond their own borders—the opportunities for India to contribute to the world economy have significantly increased, with the likelihood of favorable outcomes for "Brand India" in the domestic and international markets. Thus, as India, Inc. forges forward to make a wider mark in the world, the employer brand as a strategic HR tool will take on greater importance in Indian organizations—in how it is developed, communicated, marketed and ultimately. Big companies of India are using to solidify their brand to tap the tremendous growth potential that diverse markets represent. In product marketing, consumers make purchase decisions based on their brand perceptions and expectations of the brand experience. Similarly, for enhancing the brand image of these companies, employer branding not only would enhance and solidify corporate reputation for fairness, inclusion and opportunity for all, but also encourage more motivations and productivities in the work. Employer branding closely relies on marketing concepts for highlighting the positioning of a company as an employer. The 'customer' here is the 'employee/potential employee', while the aim remains the same: attracting new customers while retaining the current ones. Also, just like a consumer brand, the employer brand highlights the emotional and rational benefits that the employer provides to the employees.

2. Literature Review

There are a plethora of theories about marketing and branding, and a large number of literatures discussing corporate image and corporate reputation, however, there are only a few theories available concerning employer branding, especially the linkage between employer brand and consumer marketing communication methods. A brand was defined as a name, term, sign, symbol or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors (Gardner & Levy, 1995). Clark (1987) on the other hand, offered another definition relating brands with values, i.e. brand is values that provide the important link between consumers and marketers, while Kapferer (1992) approaches brands under a holistic view. He claimed that a brand is not a mere product. It is a product's essence and often brands are examined through their component parts like brand name, logo, design or packaging etc.

According to Keller (1993) brand equity elevated the importance of brand in marketing communication strategy and is often used to persuade customers to buy a product or service. However, in recent years, especially in today's competitive market, employer branding is used to recruit and retain good employees from a diverse work force. Most companies tend to promote

factors that make their firm a good place to work and also offering a bright and cheerful office space, an ethos of collaboration and teamwork, flexible working hours, crèche facilities, or even an excellent canteen. Levering (1996) has opined that a good workplace is believed to produce higher quality products, support more innovation, have the ability to attract more talented people, and experience less resistance to change and lower turnover costs, all of which translate directly into a better bottom line. According to Sutherland, Torricelli, & Karg (2002), in organization's skilled employees are hard to attract and difficult to retain and it has become critical to business success. The employer branding is used for corporate identity and reputation which communicates its image to current and potential employees. Luthans and Peterson (2002) have found employees who are engaged in their organization with satisfaction demonstrate good performance and achieve success. This helps the corporate managers to be more effective and successful, which in turn increases the manager's self efficacy. Research has shown that self efficacy is positively linked to work performance, in that individuals with higher self efficacy are more likely to be proactive in initiating work, and show sustained effort and determination in their pursuit to achieve the task, even when problems occur.According to Robert & Dowling (2002), superior performing firms have a greater chance of sustaining superior performance over time if they also possess relatively good reputations. It is consistent with the growing body of strategy research that links high-quality intangible assets with sustained superior performance. Collins and Stevens (2002) have also stated that early recruitment and advertising may have beneficial effects on increasing the quantity and quality of applicants. Fulmer, Gerhart and Scott (2003) have analyzed employer branding policies on top 100 US companies. They found that employer branding policies were associated with not only stable and highly positive workforce attitudes but also had effect on organization's performance. 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. Levinson (2007) also suggests that employees who are happy in their work are more likely to stay in that organization, and found that work engagement is significantly related to organizational commitment.

3. Conceptual & theoretical foundation of employer branding

Employer branding is the process to communicate an organization's culture as an employer in the marketplace. An employer brand is the sum of all the characteristics and distinguishable features that prospective candidates and current employees perceive about an organization's employment experience. The employment experience serves as the foundation of the employer brand and includes tangible features such as salary, rewards and benefits, but also extends to intangibles such as an organization's culture, values, management style and opportunities for employee learning, development and recognition (Newell & Dopson, 1996; Hendry & Jenkins, 1997). Figure 1, which is described below gives an idea about employer branding and its determinants.

In establishing employer branding, organizational identity comes when there is a common ownership of an organizational philosophy which is manifested in a distinct corporate culture. It helps organizations to enhance employer brand identity. An organization's image refers to how the potential and existing employee receives and perceives the employer brand. Organizational culture is an idea in the field of organizational studies and management which describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values) of an

organization. Employer image is a composite psychological impression that continually changes with the firm's circumstances like performance, pronouncements, etc. It is the employees' perception of the firm. Employer brand loyalty serves to define what the organisation would most like to be associated with as an employer; highlight the attributes that differentiate the organisation from other employers; and clarify the employment deal (balancing the value that employees are expected to contribute with the value from employment that they can expect in return). These leads the employers to attract the employees and it would also enhance the productivity of the employees.
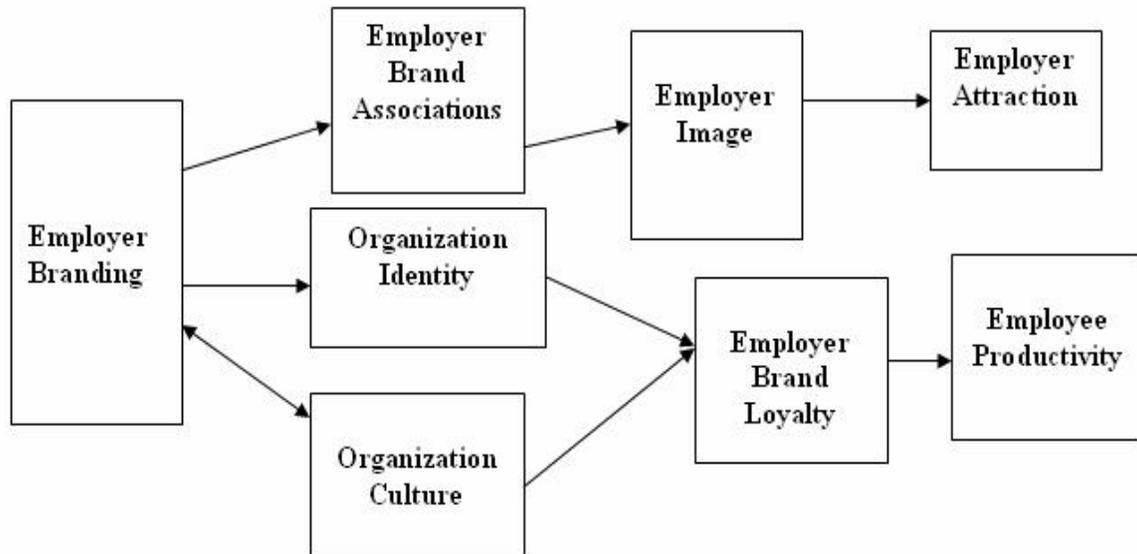

Figure 1: Employer branding and its determinants

According to Ccorporate Leadership Council (1999), a firm's employment brand is ultimately based on its actual employment offers and its ability to deliver on its promises. Like a product brand, the employer brand has multiple components, each contribute to strength of the brand with current and potential employees. The employer brand and its components are shown below in figure 2 & 3.There are five components that make a good employer brand. The first component is product brand strength. A product has added values which meets certain psychological needs of the consumers. These added values are elicited that the brand is of higher quality or more desirable than similar products from competitors. This is also applicable on employer branding. The second component is the company culture and environment. This includes the values that the company stands for, work rituals and systems in place and examples set by the top leadership.

The third component is work life balance. There is no point wasting time and money attracting people towards something the company cannot deliver. The fourth component is work environment. . If the people at the top do not show their commitment through the required actions and behaviors, the employer branding process will not be successful. The fifth is the compensations and beliefs, which is the job offer made to an employee. This is made up of the financial compensation, job role and responsibilities, designation, work environment and career development plan.

The Contribution of the Product Brand to the Employment Brand Varies by company
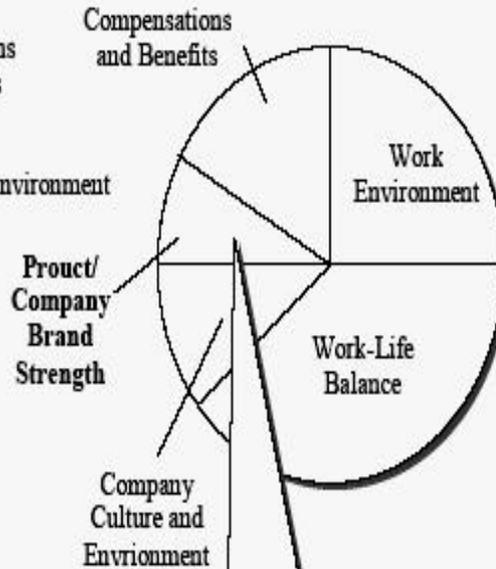
Employment Brand #1

-Entertainment Company

Employment Brand #2

-Bank

Compensations and Benefits

Prouct/ Company Brand Strength

Work Environment

Work-Life Balance

Company Culture and Envrionment

Compensations and Benefits

Work Environment

Prouct/ Company Brand Strength

Work-Life Balance

Company Culture and Envrionment

For some companies a very stong (or even famous) product brand can contribute a great deal to the strength of the company's employment brand; employees are attracted and retained in large measure due to a desire to be affiliated with the with the product or company

For many companies, however, the product brand may play a much weaker role in the employment brand; this is likely the case fro companies and products that are not as easily differentiated in the marketplace

Figure 2: The Contribution of the Product Brand to the Employment Brand (Source: Corporate Leadership Council, 1999)
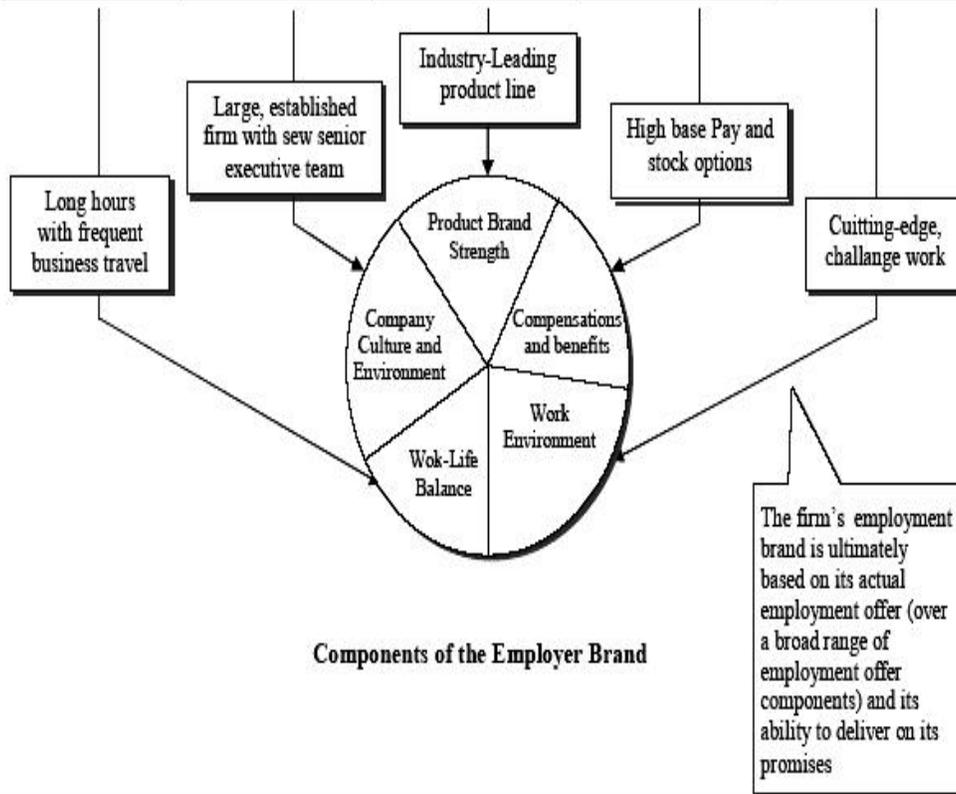
Figure 3: The Components of the Employer Brand
(Source: Corporate Leadership Council, 1999)

4. A Strategic Model Developed on Employer Branding

In developing product branding strategy, a lot of factors are involved. They are i) nature of business, ii) nature of market, iii) target reception, iv) budget flexibility, v) long term mission of the organization, and vi) organizational structure. Similarly in employer branding, the organisations are following to develop their brands. Every organisation has an external brand and

an internal brand. The external brand is the image that an organization projects to the customers, suppliers, investors, and the public. The internal brand is the image of the employers to the employees. When properly planned and executed, an employer branding initiative can generate lively dialogue between an employer and its employees, build a rationale for a 'mutual working arrangement', and establish compelling reasons to commit to the arrangement (see Figure 4).
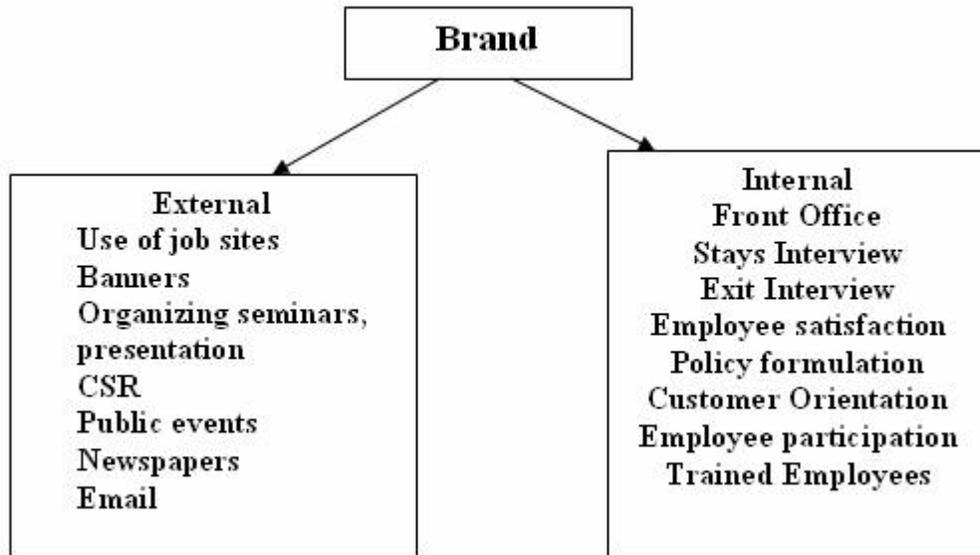

Figure 4: Employer Branding Model

4.1 External Branding

External branding refers to branding which is done by using external sources and which may (or may not) require some investment in monetary or other forms.

- 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, pop ins etc.

- Banners – Banners are also 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 your choice and price.

- Organizing seminar, presentation- The organization can organize talks, presentations, seminars etc. for attracting people towards your organization.

- Corporate social responsibility (CSR)- Corporate social responsibility refers to corporate getting associated with society for some noble cause. The association can be in any mode either getting associated with a Charitable 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 terms 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.

4.2 Internal Branding

Internal Branding is concerned with the current and potential employees' information about the employment experience and what is expected of them.

- 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 terms of internal events participation or external events.

- Trained employees: The organization should impart proper training of employees before they are engaged in work. The training should be in all the aspects like policies, vision, mission and activities of the organization. This will project a good picture of organization on the new employee.

5. Employer branding on Indian companies

Employer–employee relationships have undergone a paradigm shift over the past few decades. The war for talent has meant companies are jostling for space in an increasingly crowded job market where skill is at a premium. A successful employer branding strategy can have a far reaching impact in increasing the number and quality of applicants. With companies like Infosys, TCS, Tata Steel , CEAT figuring prominently in establishing their brand as a best place for working and also attracting the best talents across the world , one can safely surmise that wooing talent is the new battle to be fought. This can happen only when there is a perception that their workplace is attractive. Infosys and the companies seek to do this by a strong learning culture and leadership development strategy, where each employee has a career roadmap to follow.

5.1 Employer brand: Infosys

At a time when organizations are debating the strategic importance of their human resources, Infosys recognizes that the key role of its human assets can sustain and increase its competitiveness. With changing employee demographics in the world, it has become essential to source talent where it is cost-effective and deploys it where it creates the maximum value. To achieve this objective, Infosys has developed an innovative workforce –management strategy – the Global Talent Program. This is the largest sustained effort by any company to recruit from campuses outside of India and develop the skills of a global workforce through training assignments in India. After training, the trained personnel are deployed by Infosys in their home countries. Increased profitability, reduced cost, increased market share, improved customer service, higher stock value, increased productivity and higher retention rates led to the winning the Optimas Award in the GLOBAL outlook category for 2007.In addition to this, Infosys keeps its employees engaged and enthusiastic in the demanding 24*7 work environment necessary to serve its global clientele. To meet the global challenges and also to reduce attrition rate, Infosys introduced a wide variety of programs that provides the best aspects of universities but with professionalism that a workplace required. These programs have helped stem attrition, which is well below the industry average and have made Infosys a top employer of choice. Business today and its knowledge partner Mercer Human Resource Consulting rated Infosys the Best Company to Work for In India" in 2006, based on a methodology built on four quadrants of HR metrics , employee satisfaction, perceptions of key stakeholders, and HR processes and policies. (Source :http://www.infosys.com/HCM/white-papers/Documents/managing-talent-flat-world.pdf)

5.2 Employer brand: Tata Consultancy Services (TCS)

The work environment at TCS is built around the belief of growth beyond boundaries. Some of the critical elements that define the work culture of TCS are global exposure, cross-domain experience, and work-life balance. Each of these elements goes much deeper than what it ostensibly conveys.

5.2.1 TCS Value proposition

The TCS employer brand positioning builds on its strengths and it communicates that TCS as an organization that offers its employees a complete Global IT Career by highlighting the three main value propositions:

(a) Global exposure-Global exposure at TCS extends beyond geographical boundaries. This means working on world-class projects on a global scale and exploring cutting-edge technologies, fresh out of the world renowned research labs. The opportunity to understand, interact, and work with people from cultures all over the world creates kaleidoscopic avenues for learning that propel the employees to be at par the best in the world.

(b) Freedom to work -TCS has established an environment that focuses on individual aptitude, talent, and interests. As a proven practice, the company promotes the employees cross-domain experience. It provides the employees with opportunities to function across different industry verticals, service practices, and functional domains as well as varied technology platforms.

(c) Work life balance-TCS has introduced many programs as per the needs and aspirations of our employees while retaining fun as a key element. The company understands the need of an increased flexibility in order to navigate the different spheres of life. (Source: http://www.careers.tcs.com/CareersDesign/Jsps/WorkingatTCSValue.jsp)

5.3 Employer brand: Tata Steel

India's oldest and most respected corporate brand 'TATA' at present stands 65th in the world brand valuation league as per Brand Finance Global 500 March 2010 report. A series of international acquisitions and 65 percent of group's revenues drawn from outside India has helped the 140 year old group to achieve a major international reach today. Tata has many different markets and many different types of customers. However, customer's images of Tata brand are remarkably similar. Indian consumers see Tata brand as trustworthy, safe, reliable and provider for value for money. The company has always developed a reputation as an exciting place to work in. The employer brand is much move tightly focused and allows everyone, from top executives to staff to workers to feel that they are working in a comfortable environment where growth and development always exist. The Tata Steel group believes that people are its key assets and value creation for the company depends principally on their professional and personal wellbeing. Adhering to the adage "successful individuals create a successful team", Tata Steel has always given priority to the people, encouraging them to take initiatives and look beyond the obvious. The organisation provides a fertile ground for the personal and individual growth of each member in its large and multicultural family.For these initiatives, Asia's Best Employer Brand Awards 2010 conferred the title 'CEO with HR Orientation' on HM Nerurkar, managing director, Tata Steel, at a recent ceremony held at Suntec, Singapore. Additionally, the 'HR Leadership Award' was also conferred on Radhakrishnan Nair, chief human resource officer (CHRO). (Source : http://www.tata.com/article.aspx?artid=60QZ4Ku1XAc=)

5.4 Employer Brand: CEAT Tyres

CEAT Tyres, the flagship company of RPG Enterprises, was established in 1958. Today, CEAT is one of India's leading tyre manufacturers and has a strong presence in both domestic & international markets. The company emerges as one of the best employer brand amongst the Indian tyre companies. Awarded by the Employer Branding Institute - Australia, the company bagged seven awards from the western region for its different HR practices. CEAT, the only tyre company from the western region received awards in 2009 in the following seven categories: Best HR strategy in line with business , (ii) Talent management (iii) Innovative retention strategy, (iv) Continuous of HR Strategy at work, (v) Innovation in career development , (vi) Excellence in training, (vii) Excellence in HR through technology The company has told in a press release on 28th December 2009 that this award recognizes CEAT's contemporary and forward looking people practices. Its own innovative HR practices reflect the ethos and values of our company where CEAT transforms the best workplace in the country(Source: http://consumer.admanya.com/pressrelease/ceat_emerges_as_the_best_employer_among_the_in dian_tyr).

5.5 Conclusion

Today, an effective employer brand is essential for gaining competitive advantage. Increasingly, Indian corporations are becoming intentionally strategic to utilise 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. A powerful employer brand has the capacity to attract and retain talent and represent quality to its customers, with the goal of gaining global recognition in a sustainable manner. The right kind of employer branding has also plenty of advantages as it provides a personality to the company and helps structure recruitment. It pulls in the right kind of candidates and spells out the company's expectations from them right at the beginning. Most importantly, 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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