

Employer Branding as an HR Tool for Talent Management – An Overview

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ABSTRACT

Branding was originally used to differentiate tangible products, but over the year it has been applied to differentiating people, places and firms (Peter, 1999). According to Aaker, D.A. (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. Employer Brand is "the image of your organization as a 'great place to work' in the minds of current employees, potential candidates, clients and other stakeholders. The term was coined in 1996 by Ambler, T and Barrow, S, in the Journal of Brand Management, London. Employer branding is defined as "a targeted, long term strategy to manage the awareness and perceptions of employees and related stakeholders with regards to a particular firm" (Sullivan 2004). The employer brand puts forth an image showing the organization as a great place to work (Sullivan, 2004). Employer Branding is very significant in today's workplace as it involves employee attraction, employee engagement and employee retention. Like actual product branding, organizations have started to invest employer branding as employees are the internal customers of the firm. This made the Indian business organisation to strategically utilize employer branding as a strategic HR tool to attract and retain the talent to achieve pinnacle success in business. This paper spreads a light on the concepts of employer branding, a tool for talent attraction and the present status of employer branding in India.

Keywords: Branding, Employer Branding, Employee Engagement, Great Place to Work, Talent Attraction, Talent Management.

INTRODUCTION:

The current business environment has become more vibrant and marked with challenges of intense global competition, technological changes, rapid innovations, the growth of knowledge economy and the need for flexibility and expertise in the workforce. It has resulted in the changing skills and competency requirements for the survival and success of the organization. In the current competitive world, it is a challenge for the organizations to identify, attract, recruit, and manage a talented workforce. The talented workforce can only build a strong corporate edifice which leads to achieving a pinnacle of success in the corporate world. "Talented Workforce" is a scarce resource and the corporate world has realized the fact that it must be retained and properly managed. The retention of the talent occupies a prime position in human resource management. In today's vibrant, dynamic and competitive era, attracting and retaining the talent is the need of the hour. The term 'Talent' has received a remarkable momentum after the publication of a handbook "War for Talent" by a McKinsey and Co., in 2001 (Michael et al., 2001) and it stated that the organizations are facing a difficulty in attracting and retaining great talents and that this will continue for at least two more decades. In the current employment scenario, it is becoming a challenging task for the organizations to attract and retain the employees

with required skills (Lyons, B. D., and Marler, J.H. (2011) Therefore, the organizations are striving their best to attract and retain a talented workforce to prune off the competitive edges to a standstill in the corporate world. To achieve this competitive advantage, the organizations have started devising new human resource management strategies to create an image in the minds of the present and prospective employees that it is a 'great place to work.' One such human resource management strategies devised for talent attraction and retention is employer branding. Employer branding is a company's image as an employer. 'Employer branding' stemming from the application of marketing principles to human resource management (Backhaus and Tikoo, 2004) and it was first coined by Ambler and Barrow (1996).

Employer Branding:

The employer branding is a synthesis of marketing and human resources principles and practices. It is based on the concept that the customers have different perceptions of an organization's brand and image, so do the prospective employees and other stakeholders. In the way the potential customers form preferences for one product brand over others, the potential employees also evaluate the attributes of competing jobs and employers (Michelle, et, 2014). As traditional advertising communicates characteristics of a product to consumers, employer branding suggests that marketing concepts can be applied to recruitment in which jobs are regarded as products and current or potential employees as customers or potential customers (Fyock, 1993).

The application of branding principles to human resources management has been termed as employer branding (Backhaus and Tikoo, 2014). The organizations are employing employer branding as a tool for attracting, recruiting, retaining and assuring that the present employees are engaged in the culture and values of the organization. Ambler and Barrow (1996) were the first to coin the term 'Employer Branding' by bringing together the concepts of Human Resources Management and Brand Marketing which define the term as 'the package of functional, economic and psychological benefits provided by employment, and identified with employing company'. According to Sullivan (2004), 'Employer Branding' is a targeted long-term strategy to manage the awareness and perceptions of the employees, potential employees, and related stakeholders with regard to a particular firm. Conference Board (2001) proposes the 'employer branding establishes the identity of the firm as an employer. It encompasses the firm's value system, policies and behaviours towards the objectives of attracting, motivating and retaining the firm's current and potential employees'. Employer branding constitutes a part of the psychological contract between employer and employee and provides a competitive advantage with tangible positive impact on HRM.

India is a fast growing country in IT/ITeS sector in the world since 1960 with surging demand for talented and skilled workforce. The landscape of the software and hardware business environment in the country has undergone a tremendous changes and become boundary less, technically driven and highly competitive. It has created major challenges such as talent attraction, recruitment, training and development, performance appraisal, career advancement and retention and management of a pool of talent in human resources management. Today, HR managers have shifted their focus from conventional methods of talent management to modern strategic HR methods. One of such modern strategic HR methods of talent management now-a-days being adopted by HR managers is 'employer branding' for attraction, recruitment and retention of current and potential employees successively.

The talent has become the key differentiator between two equally high performance work organisations (B.E. Becker, M.A. Huselid, and D. Ulrich, 2001). The key function that HRM is playing strategically in the organisation is talent management to achieve its desired set of objectives. The talent an organisation possesses in the form of its employees' skills and competencies, leading to organizational capability, has become the key to success in today's highly competitive business environment (Lawler, E. E, 2009; Lockwood, N. 2006). Talent management ensures HR functions to have a direct impact on the performance of the organisation through the careful management of its talent portfolio. It has developed and evolved over the years in response to the many challenges at work place.

The talent management has gained popularity following the publication of a report on 'War for Talent' in the late 1990 and drew extensive attention to a rising demand for talent intensive skills that outpaced supply in many sectors. The various aspects of talent management are attraction, recruitment, selection, onboarding, mentoring, performance management, career development, leadership development, replacement planning, career planning or recognition and rewards, etc. (Heinen and O'Neill, 2004), which get HR to the business strategy tablestakes.

Employer branding is a new dimension in managing the talent of organisation from the perspective of retention and attraction management. Presently, employer branding has become a top priority for IT/ITeS organisations

in their quest to win the war for talent. It attracts prospective candidates' attention and creates a desire to apply to the organisation as an employer of choice and thereby retain and manage the talent for its survival and success.

REVIEW OF LITERATURE:

In today's world of dynamic business, quality of human resources is acquiring a great talent for building a string organizational image to achieve a pinnacle success. Ever increasing opportunities in job market have given a plethora of options for the job aspirants to experiment with them. On the other hand, the organisations are struggling a lot to attract and retain the talent. They need to communicate to the outside world about their value proposition which includes ethos, culture, value system, prosperity and future prospects to attract talent. Those organisations which well project themselves as the best place to work and employer of choice can attract the talent and also reduce attrition of skilled workforce.

Talent management describes an art of talent acquisition and retention which are critical aspects of HRM. There are various tools that are used by the organisations in attracting, recruiting, engaging and retaining the talent. Many a times, the various tools and strategies used for the purpose are short lived and the organisations find themselves challenged in attracting the desired talent with desired quantity. In case of physical products, the size, quality, quantity, packaging, colour, promotional benefits, etc. are the different strategies used by the companies to attract the customers to their products and services. Likewise, job security, competitive pay package, flexi working hours, training and development programs, career advancement, challenges, unique opportunities, fair evaluation of performance, organizational culture, etc., are strategically employed to attract, manage and retain the talent. One of such innovative HR tools for talent attraction and retention now-a-days being used by the organisations is employer branding. Employer branding is relatively a new and dynamic field in management research. The following section presents an analytical overview of the previous studies on the subject employer branding and talent management in two sections:

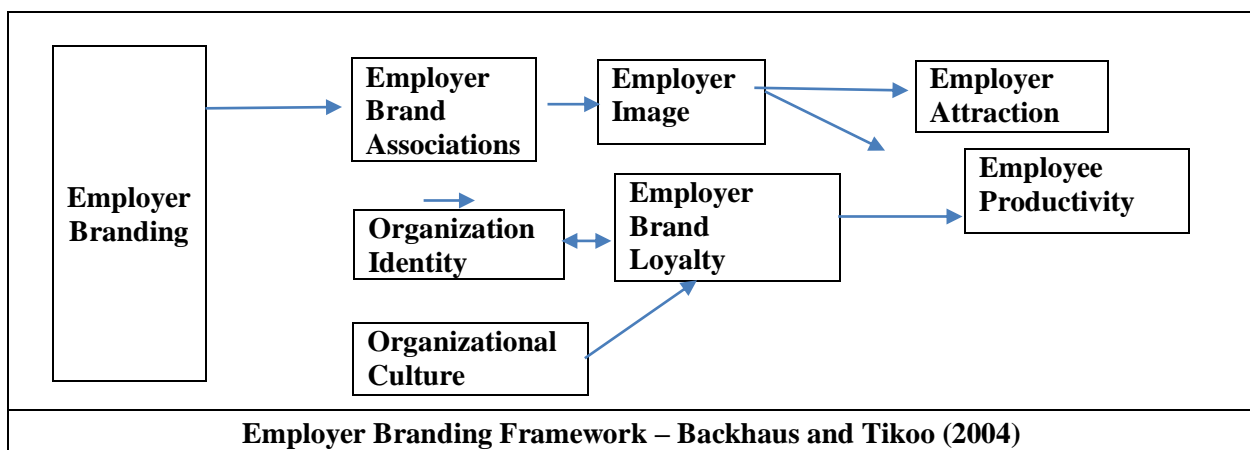
Section 1: Employer Branding and

Section 2: Talent Management

Section 1: Employer Branding:

The authors Ambler and Barrow (1996) are the first to unite the disciplines of HR-management and brand management in order to create a conceptual framework which they call the 'employer brand'. They describe employer branding as "the package of functional, economic and psychological benefits provided by employment, and identified with employing company".

In a conceptual paper, Backhaus and Tikoo (2004) summarize employer branding as "the process of building an identifiable and unique employer identity" and the employer brand as "a concept of the firm that differentiates it from other competitors".



Aaker. A.D. (1991), in his article titled 'Managing Brand Equity: Capitalizing on the Value of a Brand Name' emphasized that 'employer branding associations' as the "thoughts and ideas that a band name evokes in the minds of consumers. The brand associations can be visualized in terms of smell, taste, or other sensation or feeling about the brand". Brand associations are the determinants of brand image that it is an amalgamation of

the product/non-product related attributes, and the functional/symbolic benefits encompassed in the brand associations that reside in consumer memory (Magne Supphellen, 2000). The product-related attributes describe the tangible objectives of the products and relate them to functional benefits derived from using such products/service. On the other hand, non-product related attributes represent the mental imagery and inferences of the consumers about a product, these attributes fulfill the needs and expectations of the consumers corresponding to symbolic benefits.

As explained by Richard W. Mosely (2007), the primary focus until recently has been on the use of employer branding to develop a distinctive external reputation, with only limited application of the term to describe internal efforts to drive positive employment engagement or culture change. The challenge is integration of employer branding as an umbrella which takes care of talent management in its full life cycle from pre-employment to employment period i.e. attracting, engaging and retaining the employees.

Cooper, K (2008), discussed employer branding in terms of “what a company to offer its employees. Employer branding can be used as a long-term strategy to manage the awareness and perceptions of employees, potential employees and related stakeholders with regard to particular organisation... Employer branding strategies assist in shaping the perception of an organization as an employer of choice... Employer branding is the communication of a company’s brand positioning within its recruiting and human resources marketplace.

The research paper on ‘Talent Management and Employer Branding: Retention Battle Strategies’ by Neethi Chhabra and Mishra (2008), focuses on various strategies of talent management and employer branding to retain the talented workforce. They advocate that in order to retain talent ‘Great Company’ and ‘Great Job’ are the major factors than monetary compensation and lifestyle. They suggest that the strategies of talent management should be properly aligned to make it a great place to work. In other words, talent management can attract and retain talent through employer branding. They also suggest for incorporating employer branding in various processes like attraction, recruitment, retention and training and development of the personnel.

Pallavi and Jyotsna Bhatnagar (2010), in their research paper on ‘Employer Brand for Talent Acquisition: An Exploration Towards its Measurement’, address the challenge of talent management through employer branding. Talent attraction is the result of employer branding. The employer branding is determined through career growth, reward strategies, people orientedness, learning and development of an organization. These factors of the employer branding discovered under the study, are categorized as a caring organization and enabling organization. The aspects of what the organization is and what the organization has for its employees are the major deciding factors of employer brand.

The power of the employer brand has been rightly summed up by Fernon (2008) in the article ‘Maximizing the Power of Employer Brand’ as ‘the ability to deliver organizational success by attracting and retaining the right people, providing an environment in which employees live the brand, improving organizational performance in key business areas of recruitment, retention, engagement and the bottom line and differentiating employers from each other, creating competitive advantage’. It is considered to benefit both individuals as well as the organization.

Section 2: Talent Management:

Talent management is a recent, practitioner-generated term covering a range of long standing practices that aim at getting the right person in the right job at the right time (Peter Cappelli and JR Keller, 2014) and the strategic importance of it has been realized after the survey report on ‘War for Talent’ was published by McKinsey in 2000. According to the report, in today’s knowledge economy, the caliber of a company’s talent increasingly determines success in the market place. In the survey, 72 per cent of the managers say that winning the war for talent is critical, yet only 9 per cent are confident that their current actions will lead to stronger pool of talent in the next three years.

Pallavi Srivastava and Jyotsna Bhatnagar (2008), suggested that as Talent Management becoming more growing concern, there is a need for practicing due diligence in their talent acquisition strategy. To meet the demands for talent with a specific skill set in a given timeline, the organisations are adopting innovative recruitment practices to find the correct skills sets and competencies. The purpose of the paper is to discuss some of the practices and also to investigate talent acquisition and its relationship to levels of employee engagement. By reflecting recruitment and culture need, an environment is created at the workplace where employees feel passionate about their work and exhibit the behaviours that organisations need to drive better results. It is suggested that organisations should make efforts to build effective, practical and holistic talent strategies that are not only able to attract talent but also address employee engagement and the retention of key skill thus boosting the productivity and business performance. During talent acquisition, due diligence is

required in assessing the person-organisation fit and providing an enabling work environment to keep the talent anchored to the organisation.

The global report by Deloitte (2012) said that critical talent is becoming increasingly difficult to replace due to shortage of skilled employees available in the labour market. The entry barriers to fill the roles, time taken for development etc. are the major hurdles in pathway of acquiring talent. Therefore, the report recommends that talent management should follow segmented approach as the expectation of employees differs according to generations, geographical area, gender, etc. It was found that 'millennial' and 'generation X' expect financial incentives and promotions, whereas 'baby boomers' need support and recognition. It was also found that men appeared to focus on financial incentives, while women were more likely to seek recognition.

Cindy McCauley and Michael Wakefield (2006) explained in their article on "Talent Management in the 21st Century: Help Your Company Find, Develop, and Keep Its Strongest Workers" that talent management processes include workforce planning, talent gap analysis, recruiting, staffing, education and development, retention, talent reviews, succession planning and evaluation. It also found that to drive performance, deal with an increasingly rapid pace of change, and create sustainable success, a company must integrate and align these processes with its business strategies by assessing available talent in today's increasingly competitive markets.

Schweyer (2004) described the various stages of talent management in his article on 'Talent Management Systems'. It includes sourcing of talent from various sources of recruitment (i.e., finding talent); screening of applicants after the applications are received from the potential applicants (i.e. sorting of qualified and unqualified applicants); selecting the potential and talented candidates suitable for the desired positions (through assessment/testing, interviewing, reference/background checking, etc., of applicants); on-boarding of selected candidates from a pool of applicants in a suitable position (offer generation/acceptance); retention of on-board employees in the positions (i.e. taking suitable measures to keep the talent that contributes to the success of the organization); training and development of skills of the employees (i.e. training, development, growth, assignments, etc.) and renewal of the workforce with suitable employment skills after analyzing the current potentiality. The organizations should follow the defined processes involving all the managerial personnel and the stakeholders to realize the benefits of talent management strategies by translating the organizational initiatives into achieved goals.

Thus, the review of the studies on employer branding and talent management shows that employer branding can be used as an effective tool for talent management in the organisation. Talent management is a crucial factor of HRM and is used as a means to achieve better talent attraction and talent retention.

Employer Branding in India:

Today, an effective employer brand is essential for competitive advantage. Increasingly, Indian organizations are becoming intentionally strategic to utilize the employer brand to attract and retain talent and, ultimately, to expand and grow. At its most effective, the employer brand is a long term strategy with a transparent practice and message that promotes the organization as an employer of choice. According to SHRM Survey Report, 2016, highlights that HR uses the employer brand for three main reasons: 1) Organizational culture and employee fit; 2) Positive outcomes for recruiting; and 3) Retaining talent with corporate values and a team-based culture. As highlighted by Indian management researcher and author Jyotsna Bhatnagar, the employer brand is an important differentiator in India for talent management. The fit between employer and employee is important for hiring compatibility. A successful employer branding strategy can have a far reaching impact in increasing the number and quality of applicants. In India, the concept of employer branding is still at budding stage and it has to blossom as a critical tool to attain a powerful corporate footprint in the corporate world. In a survey conducted by TJinsite the research site of TimeJobs.com it is revealed that Employer Branding is not prevalent in the Indian industry. However, they do believe that organisations with strong employer brands can potentially reduce the cost of employee acquisition, improve employee relations and also helps increase employee retention.

A Survey Report on Indian Industry

Has your company developed a clear employer branding strategy?

- | | |
|------------------------------------|------------|
| • Yes, we have a clear strategy | 24% |
| • Yes, it can be further developed | 26% |
| • No, but we are working on it | 37% |
| • No, we don't have any strategy | 07% |

Recommendations from Indian Executives:

The three Indian HR executives interviewed by SHRM were asked for their most salient advice about building an employer brand in India. Mr. Manmohan Bhutani, Vice-President, People and Operations, Fiserv India, emphasized that “the employer brand is not just for the ‘big, glamorous’ MNCs, with their own high-profile consumer brands. Employer brands, as a strategic HR tool, are for every local authority, charity, SME, government department and academic organization that needs to recruit, retain and engage good people.” Additionally, it is critical to bring in the expertise of the employer’s workforce to successfully build and disseminate the brand. Vijayan Pankajakshan, Director, Human Resources, CHEP India Pvt Ltd, suggests that “Employees should be involved in developing the employer brand, with a 360-degree view of all potential target stakeholders for the employer brand.” The challenge—and importance—of effectively meshing different cultures, particularly with today’s environment of global mergers and acquisitions, also came to the forefront. Mukund Mandayam, Director, Human Resources, Quintiles India, notes that “It is important to not directly impose global/Western policies, philosophies, systems and processes into the local environment without first understanding what the local talent will accept welcomingly and what it will resent.” This point is important for HR leaders in multinational corporations to keep in mind when moving operations into the Indian marketplace or merging/acquiring Indian corporations. The interviewees’ final recommendation is that the view of the brand in India should match in the eyes of both the employee and the consumer, with a seamlessness that illustrates thoughtful, intentional and strategic communication to the workforce as well as external stakeholders and the marketplace at large.

Key Advice and Recommendations for Building an Employer Brand in India for Talent Management
1. Every employer brand is an investment that should demonstrate a return comparable to other forms of business investment.
2. Offer a strong value proposition to talent in India.
3. Employer brands are at least as much about retention and engagement as they are about recruitment.
4. Retain the core of the brand (if it is an MNC) and contextualize development.
5. Keep the local context in mind: recognize, accept and adapt to the local culture.
6. The employer brand should incorporate sensitivities of employees in foreign countries (if the Indian company has overseas operations).
7. The advertising of the employer and employee brand should be as synergistic and mutually reinforcing as possible.
Source: Employer Brand in India: A Strategic HR Tool (SHRM, 2016)

CONCLUSION:

Today, in the war of talent, the organisations need to apply strategic HR tools to attract, retain and engage the potential employees. Employer branding is one such strategic tool that ensures an organisation to build a talent pool to gain a competitive advantage in the global market. Indian organisations are becoming intentionally strategic to utilize the employer brand to attract and retain talent for the expansion, growth and diversification of business activities. A powerful employer brand guarantees the organisation to gain global recognition projecting its image, culture and transparent business practices. It has also plenty of advantages as it provides a personality to the organisation and helps to build a dynamic recruitment structure to pull in the right kind of candidates to transform the expectations into reality. Most importantly, it ensures that the best employees stay longer, thus allowing the organisation to carry on its operations smoothly and steadily. It is, therefore, every business organisation has to develop a strong employer brand to excel in its field. In India, the organisations like TCS, Infosys, HCL, Accenture, Capgemini, Mphasis, and others are prominently involved in establishing their employer brand as the best place for working and attracting the best talents across the world.

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