

Employer Branding: A Descriptive Study

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Abstract:

Employer Branding has become as important as the goods or services in the market place. The purpose of this paper is to make a conceptual review, benefits, limitations, the process and the impact of employer brand and the response of would-be employees. Respondents prefer one sector over others, one company over others and also the factors determining the choice are also different, but independence in work is what people value the most.

Introduction

Employer brand denotes an organization's reputation as an employer. The term was first used in the early 1990s, and has since become widely adopted by the global management community. To attract talent, especially in the 21st century, the image of the company must be good as talented employees are not selected by the company rather they select the organization as their employer. The success of every company largely depends upon the efficiency and talent of its employees. Attracting and retaining talented employees has become for companies a big challenge these days. Employer branding can be one of the best way for attracting and retaining talented

employees and solution to offset the shortage of talent. It has been adopted by several companies whether it is of small or large sized. It has become imperative for attracting and retaining right men for right job. By 2001, 138 leading companies surveyed by the Conference Board in North America, 40% claimed to be actively engaged in some form of employer branding activity. In 2003, an employer brand survey conducted by the Economist among a global panel of readers revealed a 61% level of awareness of the term "employer brand" among HR professionals and 41% among non-HR professionals. Employer branding helps companies attract and retain high performing employees. In today's competitive economic environment, the promotion of a compelling employer brand has become vital to profitability. Product/service branding influences a consumer's decision to make purchases; the employer brand is the composite of various economic and functional aspects that impact a professional's desire to work for a particular organization. This is through the culture, personality, and image. Culture broadly represents how it is to work in a company. Personality and image represent the mental image that people have about any organisation. "Our status as the preferred employer recognizes the way we recruit, groom and develop our talent and the kind of challenges and responsibilities we give to our people from early on in their career," said Sanjiv Mehta, CEO & MD, Hindustan Unilever". "The experience of leading large teams, taking independent decisions early in their career, job rotations and diversity of experiences, including international assignments, provides the best foundation for the brightest minds to be groomed for leadership" Sanjiv Mehta, CEO & MD, Hindustan Unilever"¹

Objectives of Study:

1. What is employer branding?
2. To study the benefit and limitations of employer branding
3. To study the impact of a strong employer brand
4. To study the need of employer branding
5. To study how it is to be done
6. To study and analyses the trend of employer branding in India

EMPLOYER BRANDING - CONCEPTUAL REVIEW

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

'HUL's the most preferred Employer again' The Economic Times , March 4, 2014 page no. 8 and available on : <http://economictimes.indiatimes.com/news/news-by-industry/jobs/hindustan-unilever-becomes-the-most-preferred-employer-for-b-school-graduates-once-again/articleshow/31357271.cms>

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". Minchington (2005) defines employer brand as "the image of your organization as a 'great place to work". Employer branding is concerned with enhancing your company's employer brand.

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.

According to Sullivan (2004), Employment branding is 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 strategy can be tuned to drive recruitment, retention, and productivity management efforts. It works by consistently putting forth an image surrounding management and business practices that make your organization an attractive, "good place to work."

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.

Benefits of Employer Branding:

Levering (1996) has opined that a good workplace is believed to produce higher quality products, support more innovation, to attract more talented people, and experience less resistance to transform and turnover costs, all of which translate directly into a better bottom line. The benefits are as under:

1. A strong employer brand helps an organization to face every challenging situation, say it to be recruiting or retaining employees. It has been observed that the organization with strong employer branding can even face the challenges of shift of fragmented workers of small & mid-sized business to recruit & retain employees.
2. Employer branding also helps to attract and retain the best people in the organization. It has been observed that employer brand act as a compelling force to attract & retain a good employee in the organization & also act a good motivator for the employees.
3. A good employer brand helps an organization in getting the right workforce to apply, as if the organization is very clear with the values, goals, objectives & procedure, it can avoid those candidate whose objectives or goal doesn't match with the organization.
4. It is true that "organization success attract successful people". So, the best employee while switching the job will look in for the best employer. So a good employer brand helps in attracting the best employees of the industry. Thus further helps the organization grow.

5. Employer branding is good communication policy that act as motivator to increase the productivity of the employee & also define the organization's professionalism.
6. Employer branding is helpful in employee's retention that helps the organization strength to face all challenging situations.
7. Employer branding is in making public image that helps in both monetary i.e. sales, profit etc & non- monetary benefits i.e. goodwill.

Limitations of Employer Branding:

1. It can be an expensive effort: To create the employer brand an organization has to spend not only in terms of money but also a small committee or workforce specifically looking after to create an employer brand.
2. If not implemented efficiently can lead to misrepresentation: If the cell created for employer brand is not working in right direction then might lead to misrepresentation.
3. Requires extra time and effort: To create an employer brand the organization as required creating a separate cell/ workforce/ team that will work specifically to build up employer brand. Thus, a part of employees are devoted specifically for this work.

Impacts of a Strong Employer Branding

1. **Time to Recruit:** A good employer brand helps in reducing the time to recruit the employee. Recruiting an employee is a lengthy process & can be done through many ways. Many companies start its search by looking for new candidates, by emailing them. In recruiting people inbound interest of the candidate is very important factor that they look for before applying. Apart from this employer branding also serve a very important role in attracting the candidate to apply. Job-alerts, company newsletters, new updates about the organization are different way through which an organization can built its image in the society, important thing is that an organization should consider its review on the social media i. e. how the candidates are considering about the new letters & other updates about the organization.
2. **Cost Per Hire (CPH):** A strong employer brand helps in lowering cost per hire. Many corporate managers are of the opinion that the measuring CPH is irrelevant as for the organization considered or more focused on hiring the best employees. While others consider that measuring CPH is very important criteria in hiring the people & in their entire recruitment efforts. Most of the companies have strategy to hire specific headcount with specific budget & for that measuring CPH is very important. A good employer branding helps in lowering the CPH as it act as a referrals for the organization, which act as an attraction for candidates to apply & join the organization. Thus, helps the organization to tap the best candidates at minimum cost.
3. **Company Culture:** Company's culture also plays a very vital role in building

& further strengthening the employer brand of an organization. A good branding revolves around employees & people applying in the organization. A good word of mouth spread a message about the organization image & attracts people who are looking for new job. Many corporate leaders lay emphasis on building a communication model in recruiting candidates. A good communication model will help in making a transparent organization culture that will helps the candidate joining the organization about what is expected from them.

4. **Revenue Growth:** A good employer branding act as a direct instigator in pushing up the revenue growth of the organization. Many corporate leaders are of the opinion that a good employer brand helps in building & increasing the revenue stream of the organization. The main reasons behind this is that with good brand image the organization is able to retain the best employee even at the time of recession more over it is also able to tap the workforce in minimum time & at low cost as compare to its competitors. Thus, helps the organization in building good public image. It has been observes that people are likely to spend more on buying the products for the firms have good employer brand.
5. **Quality of Hire:** An employer brand helps in building a career growth can lead to quality of hire. A good workforce helps the organization to be in better shape. Thus, for all organizations who work for employees overall development (including career development) along with organizational development spread a good message about the organizational policy in the social network. Thus, helps a good employer brand helps in increasing the quality of hire.

Employer Branding – Why?

Universum gives five reasons why employer branding should be a vital management tool for every organisation and company nowadays, reasons are as follows:

1. **Shortage of skilled labour:** There has been a tremendous change in the work force supply around the world. The demand of supply of skilled labour is falling in U. S. mainly due to increasing aging population, while maximum supply are from China, Russia, India and Brazil, has emerged as the economic powers, whereas for European Union and Japan, the competition for skilled workers has or will continue to increase. Another reason for shortage of skilled labour is mainly because the students prefer to opt for non- technical courses as compared to technical courses.
2. **More with less:** In the period of economic recession, organization would like to increase its productivity with limited workforce, for the same it starts cutting its workforce & in this process retain the best employees. A good employer branding thus results in better recruitment & helps organization in retaining the best employees mainly due to proper communication of work environment & clearly defining what is expected from them.
3. **Growth & profitability:** As discussed above retaining the best employees

helps the organization to have a competitive edge on our competitors. Employees with the right skills, experience and knowledge helps directly in contributing towards the business growth & increases its profitability.

4. **Popularity:** A good employer branding helps increasing good public image of the company thus, attracting the best candidate to apply for jobs in the organization having good employer brand. Even the revenue for these organizations is higher as compared to the ones which are low in employer branding.
5. **Strength:** Employees strength is the backbone of an organization. An organization with a good employer brand helps the organization in not only capturing the best employees of the industry but also in retaining its employees, which give organization a strength to face all the challenges even at the time of crisis.

Process of Employer Branding

Universum has created an employer branding model that identifies key processes that will work for any organisation or company which is as follows:

1. **Research:** Research is the first step in employer branding as it helps the organization to find the deviation between where an employer is positioned & where it wants to be placed in the appropriate sector. It also helps in analyzing & preparing the appropriate action plan for the implementation of the same. But for this one needs to be clear with the stages of research:
 - Clearly define your target group/audience.
 - Identify what the target group/audience wants and needs from the employer
 - Measure / Rate the present employer positioned in appropriate sector as compared to its competition
 - Last but not the least updates the research data regularly.
2. **Employer Value Proposition (EVP):** The EVP helps the organization to give motivation to the employer & also reflects the company brand image. An organization can manage its EVP effectively by increasing the employee's participation & decreasing the cost of employees (salary). Another reason to built employer brand is by different factors discussed above that helps in building the EVP accompanied by sound communication policy.
3. **Communication strategy:** A sound communication strategy is always serving as a base to define the EVP of the organization, which is a very important tool for managers at all level. A good communication policy makes the policy maker clear about what they have to communicate & how to get work done & also in defining the role & responsibility of the employees. Selecting the right way to communicate is what makes the adding point to employer branding.
4. **Communication Solutions:** The employer value proposition (EVP) helps to define the right corporate image & employer branding efforts. It is very important that the medium of communication that has been chosen for

communication should be recognized by the target audience/ group. Another important factor that the organization should maintain consistency in the entire communication material.

5. **Action:** Last step is action which is similar to controlling which helps in measuring deviations from what is planned & what is done or achieved & further taking corrective measures or preparing & implementing plans to reduce deviations.

TREND OF EMPLOYER BRANDING IN INDIA

“Another important aspect of our employer brand, which both our own talent as well as the potential talent value, is the fact that we are a purpose-driven and values led company. Our vision to grow our business while reducing our environmental footprint and increasing our positive social impact makes the career opportunity at HUL exciting for young managers, ” said Sanjiv Mehta, CEO & MD, Hindustan Unilever”

FINDINGS

According to the Campus Track Business School survey 2013, conducted by Nielsen. The FMCG major also retained the 'Dream Employer' status for the fifth consecutive year. According to the survey in 35 top MBA colleges in India, in October-November 2013, with over 1600 respondents, the following results were arrived at:

1. Most of the respondents opt for FMCG sector and the least opt for retail industry (see table 1).

Table 1: Preference of graduates’ students of B-school for sector.

Preferred Sector	Percentage Of Respondent
FMCG	34
E-commerce	26
Management Consulting	22
Diversified groups and large business conglomerates	21
Foreign banks	19
Advertising and marketing research	17
Retail Industry	16

Source: HUL’s the most preferred Employer again, The Economic Times, March 4, 2014 page no. 8

2. According to the survey among the 10 companies the best employer happened to be HUL, an FMCG company and least preference is given it face book (see table 2):

Table: 2 According to Nielsen, top 10 companies in terms of campus recruiter index (year 2013-batch graduating in 2014) are as follows:

Preference number	Dream Company name
1	Hindustan Unilever
2	Procter & Gamble
3	Google
4	McKinsey & Co
5	ITC
6	Aditya Birla group
7	Axis bank
8	TAS
9	Boston Consulting Group
10	Face book

Source: HUL's the most preferred Employer again' The Economic Times, March 4, 2014 page no. 8

One in five (20%) respondents has indicated HUL is a dream company to work for; followed by P&G (12%) and ITC (9%). Seven percent picked Tata Motors, Boston Consulting Group, Accenture and Deloitte Consulting as dream companies.

3. According to survey, the most important factors considered by the respondent were higher degree of independence at work, opportunities to work with and learn from top talent, the company's reputation, working environment, the offer of a good starting position & growth prospects within the company and total salary package offered.

Table 3: Top factors influence the students are as follows:

Factors	Respondents in percentage
Higher degree of independence at work	48
Opportunities to work with and learn from top talent	37
The company's reputation	36
Working environment	36
The offer of a good starting position & growth prospects within the company	31
Total salary package offered	29

Source: HUL's the most preferred Employer again' The Economic Times, March 4, 2014 page no. 8

Conclusion

Employer branding has been a very popular concept with HR professionals, branding consultants, and market researchers in the recent past. While attracting the right talent and retaining them becomes a critical aspect for business success, research has shown that right brand for an employer can really help in this regard. Employer Brand is a fruitful exercise if done with passion, proper understanding, trust, belief and leadership support.

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