

Employer branding on ability to attract talent



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The functional area of our proposed study is human resource management. We intend to study the impact of employer branding on ability of employer to attract talent, engage its work force and retain its best people. The concept of employer branding emerges as an association between human resource management and brand management principles. The concept of employer branding started as a trend but in current day situation it is more of a need. In this study we analyzed the concept of employer branding as being practiced by Matrix Technologies.

Organizations brand themselves for these important objectives. Foremost concern is to create a recognizable position in the market and to distinguish themselves among their competitors. Secondly they are concerned about maintaining a unique image and communicating an idea to represent their organizational philosophy towards their stakeholders. They are even more concerned about engaging and retaining the best workforce.

1. 3. Employer branding

Employer brand is characterized as all the procedures performed by a business to convey its own distinctiveness to a target group consist of employees and the candidates, thus the brand becomes a focus for these subjects parallel with the corporate traditions and principles. As an organization, whether you've taken the time to define it or not, you have an employer brand.

Sullivan defines employer branding as 'a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm (Sullivan 2004).'

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The term employer brand was first used in the early 1990s to denote an organization's reputation as an employer. Since then, it has become widely adopted by the global management community.

While the term 'employer brand' denotes what people currently associate with an organization, employer branding has been defined as the sum of a company's efforts to communicate to existing and prospective staff what makes it a desirable place to work, and the active management of a company's image as seen through the eyes of its associates and potential hires

The term 'employer brand' was first publicly introduced to a management audience in 1990, and defined by Simon Barrow and Tim Ambler, in the *Journal of Brand Management* in December 1996. This academic paper was the first published attempt to 'test the application of brand management techniques to human resource management'. Within this paper, Simon Barrow and Tim Ambler defined the employer brand as: 'the package of functional, economic and psychological benefits provided by employment, and identified with the employing company'. By 2001, of 138 leading companies surveyed by the Conference Board in North America, 40% claimed to be actively engaged in some form of employer branding activity. (Barrow & Ambler, 1996)

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. The first book on the subject was published in 2005, and the

second in 2006. In 2008, Jackie Orme, the Director General of the UK Chartered Institute of Personnel Directors confirmed the growing status of the discipline in her opening address to the CIPD annual conference, with the observation that: 'When I started out in the profession, nobody talked about employer branding. Now it's absolutely integral to business strategy - resonating well beyond the doors of the HR department'.

Same acceptance of the rising importance of employer brand thinking and practice has also been recently in evidence in other countries like USA, Australasia, Asia, and Europe, along with the publication of frequent books on the subject.

1. 3. 1. Employer Brand Management

Employer brand management is not only the presentation of employer but a tool to support the internal and external recruitment in organizations to achieve its goals, and the subsequent desire for effective employee engagement. For employee engagement, first employee attraction and then employee retention is also crucial. The challenge today is not just retaining talented people, but fully engaging them, capturing their minds and hearts at each stage of their work lives.

1. 3. 2. Benefits of Building a Good Employer Brand

Three benefits that have been identified in studies that make a case for employer brand management are enhanced attraction, increased retention and greater engagement with staff. In essence, this means attracting better

quality candidates at a lower cost, more effective and proactive employees and, ultimately, increased revenues.

The benefits of having a strong employer brand are numerous. This presents a number of opportunities for human resources, as well as enhanced marketing functions (Jonathan Andrews, 2009).

1. 3. 3. Employee Engagement

Employee engagement is defined as 'the extent to which employees commit to something or someone in their organization, how hard they work and how long they stay as a result of that commitment.

Engagement at work was conceptualized by William A. Kahn (1990) as the 'harnessing of organizational members' selves to their work roles. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances (Kahn, 1990).

Employee engagement" is the same thing as " employer brand strength" - the degree to which employees are engaged is a positive correlation to the perceived strength of employer brand in the eyes of management and employees (Waldman, 2010).

1. 4. Problem Statement

'An assessment of employer branding practices and their effectiveness with respect to employee engagement and retention in Matrix Technologies.'

1. 5. Objective of the Study

- ' To analyze the reasons for employer branding.
- ' To evaluate the importance of employer branding with respect to utilization of potential workforce.
- ' To assess the role of employer branding practices of organization to attract, engage and retain its personnel.
- ' To evaluate the effectiveness of employer branding practices as being carried out in Matrix Technologies.

1. 6. Significance of the Study

- ' This study will help our considered organization to improve its employee value proposition.
- ' This study will provide foundation for other emerging organizations to manage their positioning in the market.
- ' It will enhance understanding of how employer branding is associated to employee attraction, engagement and thus retention.
- ' This study will help companies on how to use employer branding for managing and retaining their workforce.
- ' Through evaluation of gap found in expectation and actual practices, results will help bridge the gap.
- ' This study will also be useful for employees as well. It will enhance their comprehension of what to expect from the employer.

2. Literature Review

According to Mark Gray, it is surprising that how many companies get it wrong when trying to define the concept of employer branding. Companies have heard of employer branding, but don't really know how to tackle it. Many companies interpret employer branding as recruitment advertising, focusing on activation rather than articulation (defining a unique brand promise), which is a bit like putting the cart before the horse. This often sees companies spend thousands on advertising the wrong brand messages.

'Employer branding is an emerging discipline with its roots in classical marketing and brand management principles. The idea is first to develop an emotional link with the best talent, and then offer prospective candidates tangible benefits based on evidence, in order to engage them with the organization. The promise and fulfillment of an employer brand enables the attraction, retention and engagement of appropriate talent for the business to continue delivering on the corporate brand promise'(Gray, 2009).

An employer brand is not a substitute for, or a separate brand, to the corporate brand but rather an extension, expressing the corporate values and attitudinal requirements in a people context. Companies must fight to attract, retain, motivate and engage the right people. To do this, they need to position themselves as a place where the right personalities want to work. Yet, very few local companies focus enough attention and resources on this process.

In marketing the company's brand image to candidates, employer branding applies the same marketing and branding practices to HR tactics as would be

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used in customer-targeted efforts. However, in the case of employer branding, authenticity in presentation is even more critical, as great talent will very quickly validate your proposition using a wealth of information available on the web, for example, using social networks.

The ability to attract and engage skills depends on a strong employer brand as people's perceptions of 'what it is like to work at a company' is becoming increasingly important in their 'buying decision'. The link between shareholder value and people is evident as motivated people improve your ability to drive value. Companies with strong brands have to capitalize on this opportunity. Organizations with weak brands have to do a lot of work on their employer brands to re-educate the market accordingly.

Another inhibiting factor to managing employer brand effectively is complexity involved. Employer branding is a broad-based discipline involving many different activities across an organization, not to mention the change management thinking required from day one. This requires specialist brand and change consultancy coupled with marketing skills to successfully develop and launch a new image.

Most companies lack these abilities in-house. Most corporate brand agencies possessing these skills lack an understanding of good HR or shy away from related activities, as it seems an unlikely match for their strategic efforts. This creates the need for specialist providers that can successfully operate across all boundaries.

Employer branding is a cost-effective, sustainable strategy with a far better return on investment than traditional recruitment advertising. Companies

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need to proactively understand what prospective employees are looking for and map what they can provide to them.

Once a strong employer brand is established, the success of future recruitment campaigns will enable companies to get a much better return on traditional advertising (Gray, 2009).

Employer brand is further explained as 'the image of your organization as a 'great place to work' in the mind of current employees and key stakeholders in the external market (active and passive candidates, clients, customers and other key stakeholders (Minchington 2005)'.

Employer branding is therefore concerned with the attraction, retention and most importantly engagement initiatives targeted at enhancing a company's employer brand.

Employee engagement is a key business driver for organizational success. High levels of engagement in domestic and global firms promote retention of talent, foster customer loyalty and improve organizational performance and stakeholder value. A complex concept, engagement is influenced by many factors'from workplace culture, organizational communication and managerial styles to trust and respect, leadership and company reputation. For today's different generations, access to training and career opportunities, work/life balance and empowerment to make decisions are important. Thus, to foster a culture of engagement, HR leads the way to design measure and evaluate proactive workplace policies and practices that help attract and retain talent with skills and competencies necessary for growth and sustainability (Lockwood, 2007).

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There is ample evidence that employer branding and employee engagement, when linked, can have significant efficiency and commercial impact

Strong employer brands have an employee value proposition ('EVPs') which is communicated in company actions and behaviors and evoke both emotive (e. g. I feel good about working here) and rational benefits (this organization cares about my career development) for current and prospective employees. These EVPs reflect the image the organizations want to portray to its target audience. A company's employer brand is reflected in the actions and behaviors of leaders and is affected by company policies, procedures, and practices (Brett 2010).

According to Sullivan, 'Emergent conditions have led many organizations to reconsider the nature of their employment offer. A day's pay for a day's work is no longer sufficient to attract and retain the best and brightest. Thus, the job offers of 'best employers' now extend well beyond the so-called needs of specific 'generations', to operate as an employment brand across a broad spectrum of the labor market. In an increasingly competitive labor market branding has emerged as an important workforce policy tool for firms (Sullivan, 2001).

Notwithstanding the emergence of high performance and quality workplace systems in leading workplaces, research indicates that workforce policy approaches of this type 'cover no more than one third of employers' and are unevenly spread throughout different parts of participating enterprises. The relatively modest take-up of high performance and quality workplace practices, suggests that enterprises have more work to do in the area of

employer branding that can take firms from mediocre growth to a high growth (Gospel, 2003 & Sullivan, 2001).

Ambler and Barrow defined employer brand in terms of the benefits it conveys on employees. In other words, the employer brand represents the array of economic, functional and psychological benefits that an employee might receive as a result of joining an organization. Just as product brands convey an image to customers, an employer brand conveys an organizational image to potential and current employees. In that regard, the employer brand presents a 'value proposition' about what people might receive as a result of working for a particular employer (Ambler and Barrow 1996).

Employer branding represents a firm's efforts to promote, both within and outside the firm, a clear view of what makes it different and desirable as an employer. In recent years employer branding has gained popularity among practicing managers. The article discusses the relationship between employer branding and organizational career management.

Discussion of employer branding is further expanded to include branding for talent. To brand for talent is to market an organization as a place to work to create demand 'as a magnet for talent' to attract, retain, and engage the right people to do the right work at the right time with the right results. The impact is a company as famous for talent and for its products and services.

To build the employer brand, an organization must work from the inside out, with a consistent substance, voice, and authenticity throughout the

employment relationship. It is believed that the employer branding may be the most powerful tool a business can use to emotionally engage employees.

Schumann and Sartain in 'Brand for Talent' state that segmentation is at the core of any effective marketing program. The talent brand can move beyond generic messaging to express what will truly make the difference to a worker. For some, the brand may instigate a choice and for others reinforce a choice. But segmentation doesn't mean creating a separate talent brand for each segment. It simply means adapting the talent brand message for each segment based on insight into audience needs and preferences.

At the crux of the employer branding process from the firm's perspective is the attraction, retention and engagement of 'the best' employees. In this context, 'best' refers to those employees who can add value to the company and are able to deliver on the company's brand promise. In defining the employee value proposition and aligning it with the company's brand promise, the company may attract potential employees with skills and personal values that allow them to deliver on the brand promise and enable them to represent the brand and company in a consistent way (Ambler & Barrow; Reichheld, 1996).

Thus, employees are able to meet or exceed customers' expectations based on brand promise or previous encounters with the company. By exceeding customer expectations (i. e., by providing positive disconfirmation) customers attain satisfaction (Woodruff et al, 1983).

Reichheld & Sasser (1990) report a 5% rise in customer loyalty (i. e., a 5% fall in defection) may increase profit from 25%-85%, dependent on the
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industry under study. By fostering conditions for profitability and a positive external corporate reputation, the employer branding process attains an aspect of self-perpetuation. Profitable firms with positive external reputations attract (Fombrun & Shanley, 1990; Denton 1997), retain and engage (Michaels et al, 2001) employees who want to share in and be associated with the company's success.

In actively managing their employer brand, firms can maintain consistency of key brand messages across stakeholder groups, a practice which may be of value (Duncan & Moriarty, 1998). Not only does congruence positively influence the perception of all related messages (to employees, customers and other stakeholders), it also ensures that employees are 'properly aligned' with the brand and what it represents (Keller, 2002).

Satisfied, loyal employees are more likely to remain with the firm (Heskett et al, 1994) and to share good views about the company with each other and prospective employees (Reichheld, 1996). Positive word of mouth amongst employees assists in building camaraderie within and across teams, engendering greater loyalty to the firm and to team members (Herman, 1991), thus improving staff retention. Furthermore, existing employees have a large 'signaling' impact on prospective employees (Rynes, et al, 1991). Positive word-of-mouth helps contextualize the employment experience for prospective employees, attracting those with values that will fit with the brand and allow them to flourish (Chambers et al, 1998).

The literature and initial anecdotal evidence indicates that firms undertaking employer branding experience positive outcomes, particularly with respect to engagement of desirable employees.

The concept of employer branding is starting to attract industry attention. For example, the popular job search site Monster. com has created a section on how to build an employer brand (Backhaus, 2004). It is being realized that brands are one of the most valuable assets of the firms and as a result brand management is the core activity in many firms. Although firms usually focus their branding efforts towards developing product and corporate brands, but branding is increasingly being utilized in the area of human resource management.

Increasingly, firms are using employer branding to attract recruits and assure that current employees are engaged in the culture and the strategy of the firm. Employer branding is defined 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'.

There are three reasons for this focusing on building and maintaining employer brand. First, organizations are realizing more and more that they cannot take the commitment and loyalty of their staff for granted. The old notion that if you give someone a decent job, they will gratefully do your bidding is ill-conceived and somewhat irrelevant in modern organizations. Valuable employees, just like profitable customers, are free to make their own choices and engage as they wish. The way to attract and retain skilled and able employees who perform to the best of their ability is through a

coherent benefit-led approach that many companies are not accustomed to providing.

Second, employer branding provides an effective bridge between HR, internal communications and marketing. Recruiting, retaining and engaging the right people are becoming all the more important in business as most organizations now recognize their staff as their most important asset.

Third, employer branding draws on a discipline that has proven lasting value in the marketplace. Employer branding draws on established principles of branding and brand management. This is the most effective way to sustain people's commitment and loyalty.

In today's world, overlooking an organization's brand strategy and how a brand is perceived by employees is short-sighted. One of the most effective ways to ensure commitment and buy-in from employees is by building a strong employer brand with which they can identify (Mosley, 2009).

All corporations should recognize the importance of a strong, powerful brand that bonds with their customers, and the companies that are most successful with that outperform the Standard & Poor's index really nicely,' Parish says. 'It's a lesser known fact that companies with a high rating from both the consumers and their employees double that return. If you can get the employees on board, what amazing business results you can have.'

Satisfied customers are better to deal with, and satisfied employees give better service. At the end of the day, while customers appreciate better quality products and services (i. e., a great brand), employees derive

satisfaction from being part of an enterprise that is associated with an enviable market reputation.' (Parish, 2007)

Firms appear to be expending considerable resources on employer branding campaigns, indicating that they are finding value in the practice. According to the Conference Board report on employer branding, organizations have found that effective employer branding leads to competitive advantage, helps employees internalize company values and assists in employee retention.

Human resource practitioner literature describes employer branding as a three-step process. First, a firm develops the 'value proposition' that is to be embodied in the brand. Using information about the organization's culture, management style, qualities of current employees, current employment image, and impressions of product or service quality managers develop a concept of what particular value their company offers employees (Sullivan, 2002). Intended to be a true representation of what the firm offers to its employees, the value proposition provides the central message that is conveyed by the brand (Eisenberg et al., 2001).

Employer brands are developed to be consistent with the firm's product and corporate brand. There are some similarities between the employer brand and the product and corporate brand, but there are also two key differences. One, the employer brand is employment specific, characterizing the firm's identity as an employer. Two, it is directed at both internal and external audiences whereas product and corporate branding efforts are primarily directed at an external audience (Frook, 2001).

More recently, Ewing et al emphasize the usefulness of employer branding in an increasingly knowledge-based economy where skilled employees are often in short supply. Companies invest great sums of money and intellectual firepower on clever ads and recruiting campaigns, but next to nothing on making sure they actually deliver a great work experience that makes a great Employer Brand possible.

If a company is spending thousands of dollars on 'Employer Branding' that focuses on creating an alluring employer brand that is really a myth, that they are wasting their time and money. This money always pays them back but the condition is; whatever they are saying must be true.

According to David Lee the employer should ask the following questions from their employees once they join their organization, and practically become a part of it.

- ' Employees can be asked about their perceptions towards the organization.
- ' Their opinions can be sought regarding strengths and weaknesses of the organization.
- ' Feedback can be taken on regarding comparisons among employers.
- ' Find out what new hires heard about the organization and why they chose it over other potential employers.
- ' Gap between expectations and experience can be assessed.

' Employees representing different demographics and professions can be asked to give their recommendations for improving positioning as an employer.

So, if an employer really wants to be the employer of choice in the true sense of words, then first they have to invest in their supervisors and managers training and be concerned about manager's accountability, through this they can create a positive work environment and achieve whatever they desire.

The side benefits which an employer can enjoy if they try to become an employer of choice through successful employer branding are:

Lower"".. turnover

Lower"".. absenteeism

Higher""productivity

Better""customer service

Higher"".. work engagement

A more positive, 'can do' workforce

A compelling Employer Brand is formed when the reputation of the organization in the marketplace is such that they don't have to spend their time and energies to convince people to work for them. People should already know about that organization and its worth. They should know that this is a great organization as an employer, and they must develop the desire to work with

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it. Unlike those organizations who have either a poor reputation as an employer or who haven't differentiated themselves.

When an organization develops a very strong employer brand then they don't have to wait for the budget to recruit people, instead the employees working within the organization act as a tribe of headhunters. If the employees feel passionate about their employer they will automatically refer others as well. If the experience of an employee is exceptionally well in an organization he will definitely tell others about it, and this word of mouth forms the foundation of Employer Brand. On the other hand if a person is just staying in an organization for the sake of job then he has nothing good to talk about, and no sincere desire to bring others there.

Companies with a strong Employer Brand have a set of defining stories that detain the spirit of who they are and what they are like as an employer. Instead of just saying that 'We value our employees' or 'If you work here, your ideas and input will matter', organizations should make it practical to engage the employees with them.

Through Employer Branding companies develop a recruiting process which is self-reinforcing, that continually increases their ability to attract and retain and engage the best employees. If an organization wants to benefit from the power of an Employer Brand and if they desire their employees to be vigorous recruiters, then they need to execute their Employer Brand promise.

Most of the organizations fail to fulfill the expectations of their employees here. They think of Employer Branding as the process to attract people and
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increase their sales, they actually don't know what an Employer Brand is. It is not only marketing but actually it is far more than that. If an organization doesn't actually do the great things they say, then they are not doing employer branding they are actually preparing a recipe for high turnover. Thus, creating an Employer Brand requires that the management team should look around and ask honestly 'Do we really deliver a great work experience? This question should be asked not only by themselves but also the employees working there.

Employees within an organization usually do not speak up to the matters which are highly important for the organization's branding. Employees develop a habit of remaining silent and ultimately disengaging themselves and becoming increasingly less likely to refer someone for employment. For that purpose employee feedback should be supported, along with the 'customer feedback' to management.

If the organizations take measures to develop an Employer Brand then they can vividly enhance their ability to recruit and engage talented staff. As they will be able to attract the people instead of always going to them and they will be able to retain and engage them as well. To develop such a powerful brand it demands a lot of hard work and effort instead of just constructing a great image.

The branding of the employer (or HR-branding) includes attraction, retention and engagement initiatives to improve the company image as an employer. Employer branding has identified as its target, long-term strategy of

awareness and perception of employees and potential employees stakeholders used specific company.

To build the employer brand, firm's must work within, maintaining needed strength, openness and fairness throughout the working relationship. It is believed that employer branding can be the strongest tool for businesses that want to engage employees emotionally. There is also much evidence that the combination of employer branding and attraction of workers gives significant efficiency and commercial benefit.

It is not known, however, whether there may also be neutral or negative outcomes attributable to the employer branding process. For example, Aldrich (1999) elevated what may be a potentially undesirable outcome of the process. He posits that when there is a high level of cultural consistency in an organization, organizational growth may be threatened as variation to existing work practices introduced by employees is likely to be low.

Organizational behavior literature points to a similar phenomenon where employers hire employees with similar characteristics, skills, and attitudes to themselves. This approach is not necessarily beneficial to the firm as it limits diversity (Robbins, 1996).

Similarly, negative outcomes of the process may arise when employees find their experience of employment differs from that promised by the company in communication of the employer brand. Rousseau (1990) describes a psychological contract as 'individual beliefs in reciprocal obligations between employers and employees' . Brands, by definition contain a 'promise of performance' which, if unfulfilled in the eyes of the employee, may have

negative consequences for the employee and firm including reduced job satisfaction, reduced organizational trust, decreased job performance and increased turnover (Feldwick, 1991).

3. Theoretical Framework

The term 'employer branding' has gained considerable popularity among practitioners. Research in this area of interest is still limited and thus raises interesting questions for management researchers. Organizations are practicing employer branding and the concept has received much attention but due to lack of research in academic arena, the fundamental theoretical foundation for employer branding has not been fully developed. The practice of employer branding is turned on based on the assumption that human capital adds value to the organization and therefore substantial investment in human capital can enhance performance and productivity of organization.

Arguably, the possession of resources that are rare, valuable, non-substitutable and difficult to imitate allow a firm to move ahead of its competitors (Barney, 1991). While we commonly think of plant, equipment and capital as resources that create competitive advantage, human capital has also been shown to operate as an important resource creating competitive advantage (Priem and Butler, 2001). For example, a st