

# Employer Branding: A Literature Survey

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## ABSTRACT

The working environment, now-a-days is becoming increasingly competitive. To reach that competition, Employer Branding is fast emerging as a long term human resource strategy to attract and retain talented work force. The purpose of this research paper is to make a conceptual Literature of review. Our most definitive finding concerns the impact of Employer Branding .Which can be firmly linked to Brand.

**Keywords--** Employer, Branding, Employee, Retention, Attracting, Culture

Branding through social media in Recruitment process to build a brand image of the organisation. The Employer brand is combined 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 organization.

## II. LITERATURE REVIEW

### I. INTRODUCTION

In many developed economies ,changing demographics and economic conditions have given rise to increasingly competitive labour markets. Where competition for good employees is strong. Cosequently, strategic investments in attracting suitably qualified and skilled employees are recommended .Every company wants to increase their market share ,brand equity and Reputation of the company but without good employees can't be possible to achieve it. Employer Branding denotes an organisations reputation as an an Employer .The term was first used in the early 1990's, and has since become widely adopted by the global management community .To attract talent ,mainly focusing on the 21<sup>st</sup> century ,the image of the company must be good as talented employees are not selected by the company rather than they select the organisation as their Employer. The success of every company largely depends upon the efficiency and talent of its employees . Now- a-days Attracting and Retaining talented employees has become for companies a big challenge.

Employer Branding in the context of recruitment is the package of psychological ,economic and functional benefits that potential employees associate with employment with a particular company. This word has become very popular among Human resource professionals because it offers the possibility for them to think strategically on promoting the organisation as an employer. In the Present Scenario, organisations are using Employer

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 top100 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.

### III. 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

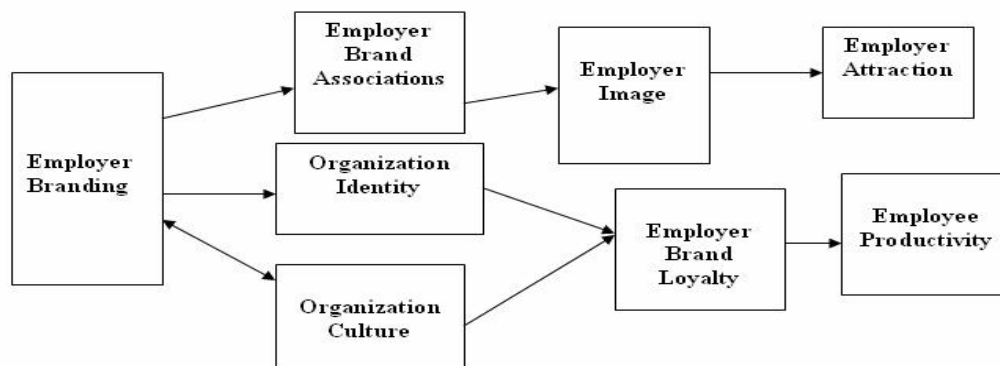


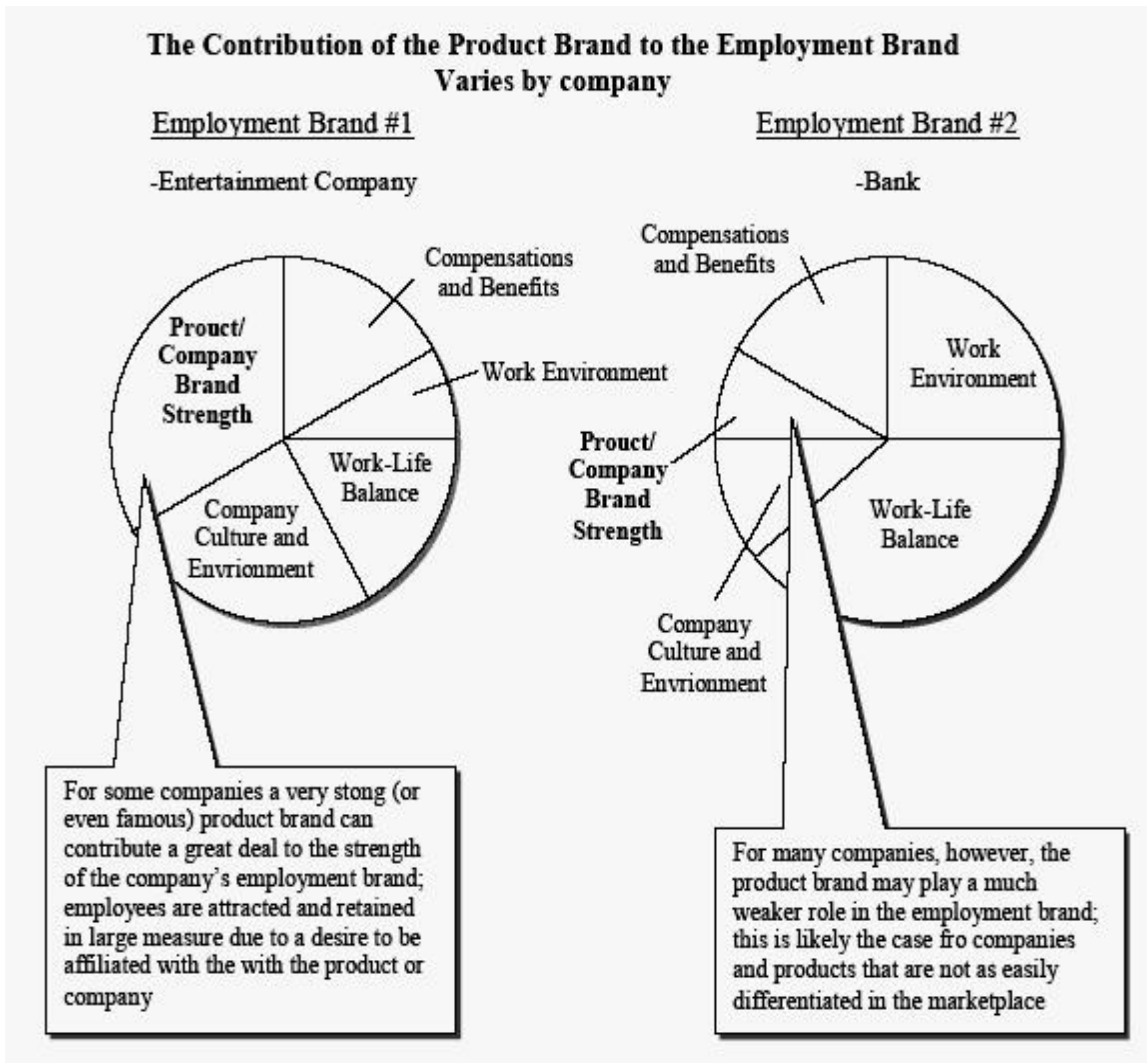
Figure 1: Employer branding and its determinants

According to Corporate 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.

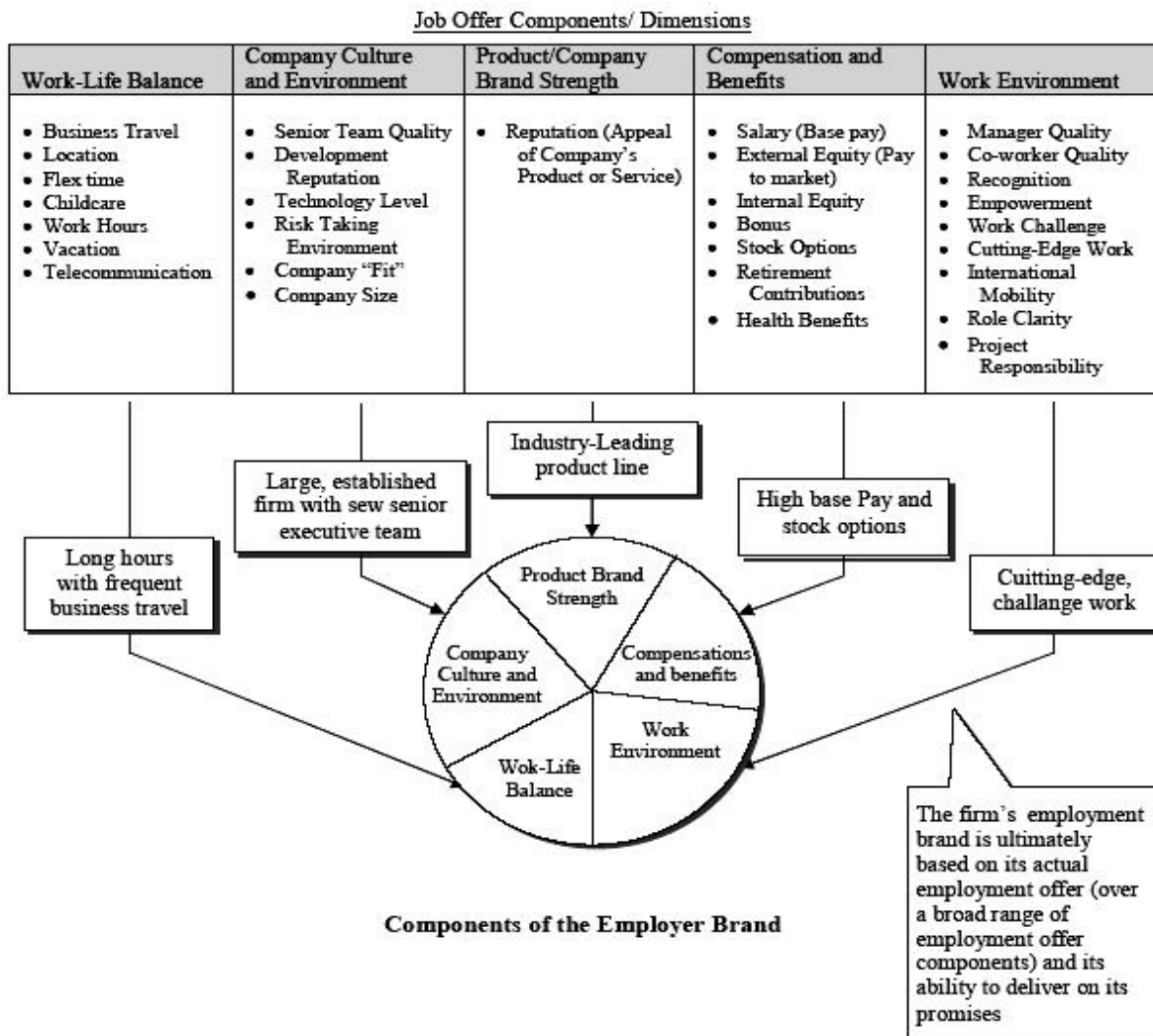
The employer brand and its components are shown below in figure 2 & 3. There are five components that make a good employer brand. The first component is product brand strength. A product has added values which meets certain psychological needs of the consumers. These added values are elicited that the 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.



**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)

Ambler and Barrow (1996) were some of the first academics to acknowledge the concept of employer branding, acknowledging its ability to attract potential employees and retain current talent. They defined the topic initially as a package of benefits which is provided by an employer during employment (Ambler & Barrow, 1996, p.187). Further research into the concept by Backhaus and Tikoo (2004) stated that employer branding is the process in which an identifiable and unique identity as an employer is built. More recently, Sivertzen, Nilsen and Olafsen (2013) proposed that employer branding is the development of an organisation's image and reputation as a prospective employer, and would affect its ability to retain employees

Armstrong (2007) established that the aim of an employer brand is to become an employer of choice. The importance for organisations to be able to attract, recruit and retain talent has been identified due to the growing

shortages within labour markets (Chhabra & Sharma, 2014; Lievens & High house, 2003). Companies should understand employer branding, as it is the instrument that allows firms to show how they differentiate themselves from competitors (Ito, Brotheridge, & McFarland, 2013). Likewise, employer branding helps to improve organisational performance within the context of HR in areas such as recruitment, retention, and engagement, by allowing them to differentiate themselves from competitors (Chhabra & Sharma, 2014; Russell & Brannan, 2016).

Fernon (2008) additionally argued that, if done correctly, employer branding has the ability to retain the best people by providing an environment that allows employees to live the brand through various aspects such as training and progression. This increases their satisfaction and likelihood of remaining employed with the organisation (Cable & Graham, 2000; Jain & Bhatt, 2015).



Organisations that provide a current employee with a superior employment experience automatically build themselves a strong employer brand for external perception, and they will benefit from this (Jain & Bhatt, 2015; Oladipo, Iyamabo, & Otubanjo, 2013). Employees who have careers that are well managed, and who are satisfied and engaged in their work are more likely to stay with that organisation, but it has also been researched that engagement is associated with organisational commitment (Bambacas, 2010; Levinson, 2007). This perception and image surrounding the superior employment experience and HR effectiveness will be communicated externally from the organisation, thus adding to the positive perception and appeal (Deery, 2008).

Frook (2001) identified how internal employer branding creates a culture of trust between an employer and employee, while Deery (2008) suggests this is a vital part of the brand as employees are key for creating a positive employer brand. Supporting research proposes that recruiting the right talent becomes essential, as employees are the best form of employer branding, alongside the role of the employer brand image within the recruitment market (Ewing, Pitt, de Bussy, & Berthon, 2002; Gilani & Jamshed, 2016). Furthermore, internal brand management is becoming a method that organisations are using to acquire a competitive advantage, by building their internal brand to have such a strong positioning that it is difficult for any competitors to imitate or beat (Burmam & Zeplin, 2009; Martin, Gollan, & Grigg, 2011).

Organisations can create and maintain their strong positioning by ensuring that they have a number of established evaluation and feedback systems for employees, so HR can manage the brand in order to remain attractive (Chunping & Xi, 2011).

Gaddam (2008) discusses how the employer brand should be present in every part of the employment experience and should promote an employment package, including career development, working environment, benefits, social and mental satisfaction, etc., in order to retain employees. This has been supported by Huczynski and Buchanan (2013, pp. 5-6) who developed the 'Employment Cycle', which illustrates the stages an employee should go through whilst working for an organization. So from recruitment to induction and from training to performance appraisal, an employee goes through many stages that exposes him/her to the corporate brand through the organizational culture and internal brand communication. The aim of the cycle is for organisations to be able to promote their 'superior employment experience' throughout the entire employment cycle to enable them to become an 'employer of choice', which is an extremely successful method of increasing retention (Munsamy & Venter, 2009).

## IV. CONCLUSION

After analyzing more than 50 research Papers and Articles I concluded that, This paper explored the Literature review on Employer Branding and its influence on Employee behavior . Today, an active employee value proposition and employer brand is a key for increasingly upper hand. The many variables identified in the proposed conceptual framework give a clear idea of the direction that future research should take in order to confirm the relationships and process of Employer Brand Management from an employees perspective .Increasingly Indian companies are revolving out to be decisively calculated to use the employee brand to attract and retain talent for the development.

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