INTERNATIONAL JOURNAL OF BUSINESS, MANAGEMENT AND ALLIED SCIENCES (IJBMAS)

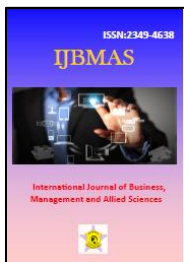**A Peer Reviewed International Research Journal**

EMPLOYER BRANDING:
THE NEED OF MODERN HUMAN RESOURCE MANAGEMENT

Dr. ABDUL QUDDUS MOHAMMED

Assistant Professor in Business, Higher College of Technology, Abu Dhabi, UAE

EMail: amohammed1@hct.ac.ae

ABSTRACT

The area of employer branding is an area of prominence in talent attraction. The main aim of this paper is to explore the employer branding literature and its effect on attracting talent, employee performance, organizational culture and gaining competitive advantage in the market. Detailed literature review on this subject area is carried out on current practices of employer branding in talent attraction, impacts of employer branding practices. It was concluded that employer branding is the value proposition of employees and how the company can communicate this proposition to its prospective applicants, which play in talent attraction and organizational success that helps the organization in smoother recruitment process, employee satisfaction, employee retention and competitive advantage.

Key words: Employer Branding, Employee Retention, Talent Attraction, Recruitment, Organizational Culture

INTRODUCTION

Employer brand is a reputation and employee value proposition of the job provider or employer. Minchington, B (2006) explains that it is the perception of prospective employer and external stake holders about the brand as an image of the organization as 'best place to work'. Includes the initiatives to enhance the company's employer brand with employee attractive, engagement and retention initiatives.

In the 21st century, companies which are technology driven and in a rapidly changing business environment, one of the challenges faced by the corporate world is the employment of a talented workforce (Chhabra and Sharma, 2014). The current trend is such that it is not multiple candidates competing for the same position in a company but that multiple companies with same position competing for the same candidates (Franca and Pahor, 2012). Also, now employees are not recruited just for their functional knowledge compatibility must exist between the organisation and the employer too (Gotsi and Wilson, 2001). As a result of this, the concept of organisations being the employer of choice has gained popularity with the Human resource management (King, 1998).

Previously, branding was only related to goods and services provided for the customers by the organisation, and were called 'personified trade marks'. But in recent years, the semantic field of 'brand' has broadened considerably. During the mid-1990, interdisciplinary research on Human Resource Management and Marketing lead to the development of the concept of employer branding (Kucherov and Zavyalova, 2012).

Employer branding is a strategy to achieve the employer of choice idea among potential candidates. According to Backhaus and Tikoo (2004), brands are a vital and key asset for many organisation, Firms usually focus their branding efforts to product branding and corporate image, branding concepts can also be used internally in human resource management. Ambler and Barrow (1996) define the employer brand in terms of benefits, calling it "*the package of functional, economic and psychological benefits provided by employment, and identified with the employing company*" (p. 187). Backhaus and Tikoo (2004) have further suggested that "*The term employer branding suggests the differentiation of a firms' characteristics as an employer from those of its competitors. The employment brand highlights the unique aspects of the firm's employment offerings or environment*" (p. 502).

Employer branding is an important for determining the success of the organization in terms of attracting potential employees through employee engagement within organization (Gilliver, 2009, Backhaus & Tikoo, 2004). The employee's loyalty, satisfaction, and affinity with the employer differentiate the employer brand from its competitors in the job market (Davis, 2008,)

This paper attempts to explore the practices of employer branding and investigate the impact of employer branding on employee performance, organizational culture and gaining competitive advantage in the market.

OBJECTIVES:

The objectives of the review paper are as follows.

- To investigate the current practices of employer branding by the top companies in the world's best employers and how these practices affect the image of the company as an employer.

- To study the effects of employer branding practices on the talent attraction.

- To explore the positive and negative impacts of employer branding practices on employee performance, satisfaction, loyalty, intentions to quit and turnover.

- To discover the impact of employer branding practices on the organizational culture, effectiveness and gaining competitive advantage in the market.

LITRATURE REVIEW:

Historically, the role of the Human resource management has been marginalised as a less important role in organisation, as it did not have direct impact on the productivity and revenue of the organisation. Due to this, the advocates of HR have developed views which can substantially donate to the financial performance of the firm, and finding the views credible the organisations have been forced to reconsider its opinion of the HRM (Martin et al., 2005).

Based on this, many researchers have strived to find multiple strategies and policies of the HRM which have a substantial impact on the organisational performance. This lead to the concept of the psychological contract being conceived (Rousseau, 2001). A psychological contract consists of promises done to individual by the organisation as it is perceived by the individual, and the resultant expectations (Rousseau, 2001). One such concept is employer branding, which was first introduced by Amber and Barrow (1996), to conceptualize the idea of the various factors involved by which a prospective employee selects a company. This was congruent to the findings of Martin et al., (2005), where the importance of developing and maintaining an employee brand was highlighted, as the war

for talent is a reality in today's corporate world where knowledgeable talent is scarce (Elving, 2013), as it is also hard for recruiters to recruit talented workers and handle the fast paced recruitment process (Capelli, 2001).

a)   Current practices of employer branding:

According to Backhaus & Tikoo (2004) employer branding is essentially a three-step process. First, a firm develops a concept of the particular value it offers to prospective and current employees. This value proposition provides the central message that is conveyed by the employer brand. It is of key importance that this value proposition derives from a thorough audit of the characteristics that make the firm a great place to work. The second step in employer branding process deals with externally marketing this value proposition to attract the targeted job applicants. The third step involves carrying the brand "promise" made to recruits into the firm and incorporating it as part of the organizational culture.

Thomsen et al., (2011) found that apart from the practices, a few other factors also are involved in creating a good employer brand, which were " *co-creation, negotiation and enactment of new sustainable relationships between the organization and its potential and current employee.*" (p. 11). The study stated that these factors must also be included, as the relation between the employer and employee or potential employee depends on the trend of the organization, such as whether it is prosperous or under a crisis, and in order to create meaningful relationships with the employees and potential employees, the organization must create a positive image that can communicate these factor to the society in general, which will be beneficial for the organization.

In the light of above points, it can be posited that employer branding starts with the analysis of the organization's values, culture, competition, HR and other policies, strengths, brand's current image, trends and the like. This leads to identification of value propositions, based on which the employer branding strategies are formulated. Once the strategies are formulated, the communication channels for internal and external marketing are identified for positioning the brand propositions in the minds of the prospective and existing employees. This leads to employer attractiveness for the potential employees and employer brand loyalty for the current employees (Chhabra and Sharma, 2014).

b)   Employer branding practices on the talent attraction:

Schneider (1987), through his attraction-selection-attrition model showed how employees are attracted to organizations which they perceive to have similar characteristics as themselves. This evolved to the Person- Organization Fit model, in which the person and the organization must be compatible with each other, and this compatibility can arise from one person supplying a need to another, or similar value across both parties or both (Daly, 2018).

According to Botha, Bussin and De Swardt (2011), there are five practices that attract talented candidates, them being needs, differentiated employee value proposition, people strategy, brand consistency and communication. The prospective candidate's looks for the fulfilment of their needs by the organization, as employees are attracted to organizations with benefits that match their inherent needs (Milkovich and Newman (2008).

Botha, Bussin and De Swardt (2011) states that "*A differentiated Employer Value Proposition (EVP) adds impetus to the employer brand*" (p. 3). The other practices of people strategy, brand consistency and communication also function in similar, as all are aimed at establishing and maintaining employer brand.

Alniacik and Alniacik (2012), conducted a study using questionnaires, and found six factors which influence employees in deciding if they want to join the organization, which were social value, market value, economic value, application value, cooperation value and workplace environment. Out

KY Publications

of these factors, social value was found to be most important among the subjects, which emphasized on the fact that employees now do not only concentrate on monetary terms.

In a study by Terjesen et al. (2007), done on university students, the five most important organizational attributes that attracted them were "invest heavily in the training and development of their employees" "care about their employees as individuals" "clear opportunities for long-term career progression" "variety in daily work" and "dynamic, forward-looking approach to their business".

c)   *Impacts of employer branding practices:*

Employee branding has widespread impact on employees, a few being employee's organisational attractiveness (Lievens, 2007), job satisfaction (Davies, 2008), the urge to recommend the organization as a good employer (Van Hoye, 2008) and their identification with the organization (Lievens et al., 2007).

Khalid and Tariq (2015), had focused on external employee branding, and found that companies who were aware of and actively exercised employer branding strategies achieved better results in the recruitment process than companies who did not adopt employee branding strategies. Sokro (2012) came to similar conclusions, as he found that employers who were reputed as being better employees during their induction had higher success rates in their employment process. Eshoj (2012), concluded that graduates looking for jobs build their opinions on companies based on a few factors which are marketing, organizational communication, organizational reputation, word of mouth and media. He further stated that "*By integrating the employer brand as a vital part of the organisation's overall communication strategy and anchored in the overall organisational strategy, an organisation may be able to influence the pre-employment context*" (p. 88).

Sokro (2012), also investigated the internal employee branding, and found that employee's prefer working for reputable organization, and prefer organizations who value their employees and treat them fairly. It is seen that organizations with highly developed employer branding strategy have a positive impact on organizational production outcomes. This proves that quality employee branding is highly beneficial for the organizations (Aldousari et al., 2017), which was further studied by Rathee and Ritu (2015), who concluded that social, economic development and organizations reputation have a significant impact on the employees perceived image of the organization.

Wahba and Elmanadily (2015) added that employer branding impact employee differentiation, loyalty, satisfaction and affinity. Mwenje (2015) argued that apart from business operations communications and product training, employees also must be made aware of the organizational strategy, the vision and mission of the organizations, and there mustn't be disparity between the employer brand and employees.

d)   *Impact of employer branding practices on the organizational culture, effectiveness and gaining competitive advantage in the market:*

Love and Singh (2011), did a study on employer branding based on "Best Employer" surveys, and found that employer who were labelled as "Best Employer" had a highly positive effect on the organization, and such organizations were perceived as better and more stable employer by the employees. By retaining employees for a longer period of time, the organization can easily gain a sustained competitive advantage and have a better image in the eyes of the employees which will lead to a more positive work culture and employees will work harder.

Vinayak et al., (2017) argues that it is difficult to directly link employer branding to organizational output measures such as revenue and shareholder value, yet the fact can't be denied that intangible assets like employer branding assist the company in further expansion and growth by successfully attracting and retaining a talented workforce.

App, Merk and Buttgen (2012), found that linking sustainable HRM to employer brand will result in a sustained competitive advantage, which in the current scenario of scarcity of highly qualified workers, will lead to them choosing the organization over other organizations. The research took into consideration factors such as the diversity of the workforce with different needs and expectation of the employer, and concluded that the employer brand should be developed keeping in mind these factors.

Axinia et al., (2011), took into account social media as a factor as well. The study suggested a model of connections between social media and employer branding, which showed in the future social media will be an important determinant of the organizations employer brand in determining the organizational culture, and depending on how the organization uses the social media to its advantage will have a proportional effect on gaining and sustaining a competitive advantage in the market.

DISCUSSION

The review was aimed at understanding the current employer branding practices and its subsequent impact on the organizational performance based on secondary analysis. It found that the practices involved in employer branding include concepts which are not purely monetary in term, such as understanding the mission and vision, understanding the organizational goals, on the job training given to the employees.

The review focused on four areas, mainly the current practices involved in employer branding by Human resource management, and in the current scenario where talent is scare and many organizations are offering same job roles, the impact employer branding has on it, as in making the company more attractive in the eyes of the prospective employees. Next it focused on the impact it has on the organizations, in both cases on internal employer branding and external employer branding, and found that in both cases, the practice of employer branding is positively linked with both recruitment and retention.

In light of the above mentioned points, the review led to the conclusion that though employer branding is an intangible asset which cannot be directly linked to the organizational revenue, it has a positive relation with organizational output, which implies that employer branding is an important factor, and is crucial for gaining a sustained competitive advantage for a longer period of time over other organizations in the market.

The review was based on secondary data analysis, and it aimed at understanding employer branding by reviewing the practices followed by the top employer of the world and to understand the impact it had on employee performance, organization culture and sustained competitive advantage. It had four main objectives, and the review found results which were positively aligned with the objectives.

CONCLUSION

The review found that, employer branding, though an emerging and new concept, and being an intangible asset, which doesn't directly impact organizational revenue, is still vital for the functioning of the organization in a highly profitable manner, and most companies in light of recent researches have started to understand and implement employer branding practices too. Employer branding is crucial in the sense, it has a positive impact on the employees and potential employees, as the society in general perceive the organization to be a good and stable organization, and if the organization does concentrate on these areas, it faces less costs and a smoother recruitment process, has a higher employee retention rate, and as such enjoys higher revenues. The literature on employer branding strategy is lacking in many aspects, as it wasn't considered as an important field by managers due to its lack of direct connection with organizational revenue and output. It is suggested

that research be conducted on the gaining empirical data to highlight a link between organizational revenue and employer branding, so as to provide statistical proof which will help the organization in comparing expenditure to revenue to determine the utility of employer branding practices in monetary terms.

Employer branding return on investment (ROI) measurement can give good picture of the efforts made by the companies to improve their brand as employer. Tracking on how the job applicants translate into hires and decreasing time to fill applicants can also help to tract employer brand. Some of the AI supported tools such as MailChimp, Hootsuite, Pathmotion, Olivia, LinkedIn Elevate can be used to create excellent employer branding content and engage directly with the prospective employers.

REFERENCES:

[1].   Aggerholm, H.K., Anderson, S.E., and Thomsen C., (2001). Conceptualising employer branding in sustainable organisations. *Corporate Communications: An International Journal*, Vol. 16(2), p.105-123.

[2].   Aldousari, A.A., Robertson, A., Yajid, M.S.A., and Ahmed, Z.U., (2017). Journal of Transnational management. Vol. 2(3), p. 153-170.

[3].   Alniacik, E., and Alniacik U., (2012).). Identifying Dimensions of Attractiveness in Employer Branding: Effects of Age, Gender, and Current Employment Status. *Procedia - Social and Behavioural Sciences*. Vol. 58 p 1336-1343.

[4].   Ambler, T. and Barrow, S. J (1996). The Employee Brand. *The Journal of Brand Management.* Vol. 4(3), p 185-206.

[5].   App, S., Merk, J. & Büttgen, M., (2012). Employer Branding: Sustainable HRM as a Competitive Advantage in the Market for High-Quality Employees. *Management Revue*. Vol. 23, p. 262-278.

[6].   Axinia, E., Bondarouk, T.V., Ruel, H.J.M., (2014). What Is the Future of Employer Branding Through Social Media? Results of the Delphi Study into the Perceptions of HR Professionals and Academics. *Social Media in Human Resources Management (Advanced Series in Management).* Vol. 12, p. 23-57.

[7].   Backhaus, K, and Tikoo, S. (2004) .Conceptualizing and researching employer branding. *Career Development International*, Vol. 9(5), p.501-517.

[8].   Botha, A., Bussin, M., & De Swardt, L. (2011). An employer brand predictive model for talent attraction and retention. *SA Journal of Human Resource Management.* Vol. 9(1).

[9].   Capelli, P., (2001). Making the most of on-line recruiting. *Harvard Business Review.* Vol. 79(3), p. 139-146.

[10].   Chhabra, N.L, and Sharma, S, (2014). Employer branding: strategy for improving employer attractiveness, *International Journal of Organizational Analysis*, Vol. 22(1), p. 48 – 60.

[11].   Davies, G., (2008). Employer branding and its influence on managers, *European Journal of Marketing*. Vol. 42(5/6), p 667 – 681.

[12].   Elving, W.J. C., Westhoff, J.J.C., Meeusen, K., and Schoonderbeek, J.W. (2013). The War for Talent? The Relevance of Employer Branding in Job Advertisements for Becoming an Employer of Choice. *The Journal of Brand Management*. Vol. 20(5). 355–373

[13].   Eshoj, P.A.N., (2012). *The Impact of Employer Branding on the Formation of the Psychological Contract.* Retrieved from http://pure.au.dk/portal/files/48764246/Thesis.pdf

[14].   Franca, V, and Pahor, M (2012). The Strength of the Employer Brand: Influences and Implications for Recruiting. *Journal of Marketing and Management*. Vol. 3 (1), 78-122.

[15].   Gotsi, M, and Wilson, A, (2001). Corporate reputation management: living the brand, *Management Decision*. Vol. 39(2), p. 99 – 104.

[16]. Khalid, S., and Tariq, S., (2015). Impact of employer brand on selection and recruitment process. *Pakistan Economic and Social Review.* Vol. 53(2), p. 351-372.

[17]. King, S.A, (1998). Review on "The Human Equation: Building Profits By Putting People First". *Mid-American journal of business.* Vol. 13(2), p 55-60.

[18]. Kucherov, D, and Zavyalova, E, (2012).HRD practices and talent management in the companies with the employer brand. *European Journal of Training and Development*, Vol. 36(1), p. 86 – 104.

[19]. Lievens, F., (2007). Employer branding in the Belgian Army: The importance of instrumental and symbolic beliefs for potential applicants, actual applicants, and military employees. *Human Resource Management*. 46, (1), 51-69.

[20]. Lievens, F., Van Hoye, G., Anseel, F., (2007). Organizational Identity and Employer Image: Towards a Unifying Framework. *British Journal of Management*. Vol. 18, S45–S59.

[21]. Love, F.L., Singh, P., (2011). Workplace Branding: Leveraging Human Resources Management Practices for Competitive Advantage Through "Best Employer" Surveys. Journal of Business and Psychology. Vol. 26, p. 175-181.

[22]. Martin, G., Beaumont, P., Doig, R., and Pate, J. (2005). Branding: a new performance discourse for HR? *European Management Journal*. Vol. 23(1), p 76-88.

[23]. Minchington, B (2006) Your Employer Brand – attract, engage, retain, Collective Learning Australia.

[24]. Mwenje, F., (2015). *Analysing the Impact of Internal Branding on Employee Engagement in the Permanent Recruitment Industry within the Social Exchange Framework*. Retrieved from http://iiespace.iie.ac.za/bitstream/handle/11622/83/Mwenje_F_Internal%20brand%20and%20its%20effect%20on%20staff%20in%20the%20service%20industry_2015.pdf?sequence=1&isAllowed=y

[25]. Rathee, V., and Ritu, (2015). Impact of Employer Branding on Employees' Attitude. *Indore Management Journal*. Vol. 7(2), p. 14-21.

[26]. Rousseau, D.M., (2001). Schema, promise and mutuality: The building blocks of the psychological contract. *Journal of Occupational and Organizational Psychology.* Vol. 74, 511–541.

[27]. Schneider, B. (1987). The people make the place. *Personnel Psychology,* 40(3), 437-453.

[28]. Sokro, E., (2012). Impact of Employer Branding on Employee Attraction and Retention. *European Journal of Business and Management.* Vol. 4(18), 164-173.

[29]. Terjesen, S., Vinnicombe, S., Freeman, C., (2007). Attracting Generation Y graduates: Organisational attributes, likelihood to apply and sex differences. *Career Development International*. Vol. 12(6), p.504-522.

[30]. Van Hoye, G. (2008). Nursing recruitment: relationship between perceived employer image and nursing employees' recommendations. *Journal of Advanced Nursing*. Vol. 63(4), 366–375.

[31]. Vinayak, P.C., Khan, B.M., Jain, M.C., (2017). Employer Branding: Sustainable Competitive Advantage for Organisations. *International Journal of Emerging Research in Management and Technology.* Vol. 6(3), p. 41-44.

[32]. Wahba, M., Elmanadily, D., (2015). Employer Branding Impact on Employee Behaviour and Attitudes Applied Study on Pharmaceutical in Egypt. *International journal of management and sustainability*. Vol. 4(6), 145-162.