



The Impact of Employer Branding on Employee Performance

KEYWORDS

Retention, Branding, Engage, Attract, Recruit.

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ABSTRACT Employer branding is the new modern word for marketers as well as in human resource management. Employer Branding is defined as “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. The organizations use many methods to recruit and hire, but now it is time to use the organization’s brand to attract talents the organization would like.

Employer brand is “the image of an organization as a ‘great place to work’ in the mind of current employees and key stakeholders in the external market.” Brands are among a firm’s most valuable assets and as a result brand management is a key activity in many organizations. The key to developing the employer brand strategy is to arrive at a comprehensive understanding of the organizational culture, key talent drivers (engagement factors), external perceptions, leadership vision, and management practices. Brand Management have been applied by the HR in order to attract, engage and retain employees in the same way as marketing applies such tools to attract and retain customers.

This article will defines about Employer Branding, Employer Branding Process and Importance, Steps in Building employer brand to attract, engage & retain talent, suggestions to attract, keep & motivate employees, Employee Retention Strategy.

Introduction

The employer brand is the most powerful tool for attracting; engaging and retaining the right talent fit that will help leaders grow their organization. In principle, brands can be seen as a set of symbols which represent a variety of ideas and attributes, the net result of which is the public image, character or personality of an organization. Employer brand is understood as a brand which differentiates it from other competitors in the employment market. The term also includes long term strategy that establishes an organization’s identity as an employer in the employment market. Ambler and Barrow define employer brand as follows: “The package of functional, economic, and psychological benefits provided by employment, and identified with the employing company.” It can stand alone as the only approach corporate recruiting managers can leverage to guarantee an end to their talent shortage problem. Now organizations pay attention on the name of the company as well as its culture because they are facing severe competition from each other and they can win this competition war successfully if they have good corporate image with qualified and talented employees.

The foundation of Employer Branding

To understand the strategic intent inherent in employer branding it is important to be familiar with the context from which it has risen and developed into the recognized discipline it is today. Since it was first coined in 1990 by Tim Ambler and Simon Barrow, as a way of combining branding techniques with human resource practices, employer branding has massively extended both in research and in number of companies applying it (Barrow & Mosley, 2005).

Employer branding is anchored in the resource based view recognizing that human capital is vital for organizational success (Backhaus & Tikoo, 2004). The increased awareness and application of the concept, however, is highly con-

tributed to past, current and future shortage of these talented employees. With a scarce talent pool, organization will apply for candidates (use employer branding) and not the other way around (Dahlström, 2011). Whereas the past shortage of talent was rooted on in the economic boom and subsequent low unemployment rates, today’s shortage is caused by other influences. Today’s knowledge economy sets forth two main factors contributing to the current and especially future shortage of talented employees, namely demographic and sociological changes. Demographically, larger generations of employee are soon to retire and the generations taking over are significantly smaller. Sociologically, there is a need for technology, engineering and other science-related scholars but unfortunately not enough are educated within this area. Further, younger generation employees tend to change job much more frequently, which challenges organizations in terms of retaining key employees (Lodberg, 2011).

Especially, the knowledge-based organizations need the talented employees, as these are among the organization’s most valuable asset and can be regarded as a competitive advantage (Ewing et. al. 2002). This is emphasized by Mosley (2007) who argues that the interest in employer branding is driven by a growing competition for the talent required by companies to realize their corporate ambitions. Therefore, organizations must differentiate themselves to attract and retain employees (Lievens&Highhouse 2003). Thus, a shortage of talented employees combined with organization’s need for them has created a “war for talent”, which is the main contributor in the increased application and recognition of employer branding as an organizational discipline.

Importance of Employer Branding

Employer branding has been a very popular concept with HR professionals, branding consultants, and market researchers in the recent past. While attracting the right tal-

ent and retaining them becomes a critical aspect for business success. A brand symbolizes a few messages. Just like a popular brand of customer product expresses certain qualities and images, an employer brand represents the corporate identity to its current and prospective employees, headhunters, and other stakeholders who get associated with the people side of the corporate.

A brand of a product expresses two aspects

First would be the real benefits like skin care, dressing, and safety.

The second aspect would be the image which it carries — for example youthfulness, futuristic, newness, stardom, respect which gets transferred to its users.

An employer brand has a similar effect on its current and future employees. Research speaks about a corporate brand in terms of its awareness, culture, personality, and image. Awareness is signified by responsiveness among stakeholders about the employer. Examples would be companies like IBM or Ford which are known for their corporate brand.

Employer Branding Process

Employer Branding – A Five Step Process An employer branding model is given that identifies key processes which will work for any employer.

Research:

To understand where an employer is positioned in the employment market and to determine the appropriate action plan is fundamental.

Employer Value Proposition (EVP):

The company or organization needs a unique employer offer. The EVP gives current and future employees a reason to work for an employer and reflects the company's competitive advantage. Employers that manage their EVP effectively benefit from an increase in their talent pool and employee engagement, as well as a potential decrease in salary costs. By analyzing the factors influencing the employer brand, and by defining a strong and true EVP, the employer will be able to deliver sound and consistent communications during the communication phase and develop an attractive, as well as unique, employer brand.

Communication strategy:

The EVP is a useful tool used by HR, Marketing or Communications to be able to emphasize the most attractive factors and be consistent in the employer communications.

Communication Solutions:

The aim at this step is to express the employer value proposition (EVP) by using the right words and images, so it becomes consistent with the corporate identity and branding efforts. Employers should strive to develop consistency throughout their communication material.

Action:

Implementing all the steps and monitoring closely is the only way to brand the organization.

Impact of Employer Branding On Employee Retention, Attraction and Engagement

According to a study conducted by Hewitt Associates, The Conference Board and The Economist (2009), there are three major benefits of strengthening Employer brand they

are:

- Enhanced attraction
- Retention
- Engagement

An employer brand can be used to help organizations compete effectively in the labour market and drive employee loyalty through effective recruitment, engagement and retention practices. All organizations have an employer brand, regardless of whether they have consciously sought to develop one. Their brand will be based on the way they are perceived as a 'place to work', for example by would-be recruits, current employees and those leaving the organization. To be effective, the brand should not only be evident to candidates at the recruitment stage, but should inform the approach to people management in the organization. For example, the brand can inform how the business tackles: induction, performance management and reward. Evans Sokro (2012) emphasized that Employer brand equity is the desired outcome of employer branding activities.

Employee Retention Strategy

There are innumerable factors which directly and indirectly influences retention. The studies conducted by various experts in the field are summarized below:

Job Satisfaction:

Derensky, (2008) found that Job satisfaction has been identified as the most crucial factor in retention of employees. According to experts, while most managers believe employees leave due to monetary terms, in reality it is an employees' relationship with their supervisor that has the greatest impact on whether they stay or leave, because the supervisor has control over the core elements that create job satisfaction, compensation, opportunity, recognition and environment.

Organization Culture:

Devi, V Rama (2009) states that organization culture characterized by teamwork, pleasant working conditions, considerate treatment of employees, growth opportunities, flexible-working practices, and good leadership and management practices foster employee retention.

Employee Motivation and Career Prospect:

One key factor in employee motivation and retention is the opportunity every employee wants to continue to grow and develop job & career enhancing skills. In fact, this opportunity to continue to grow and develop through training and development is one of the most important factors in employee retention.

Stress:

Stress leads to high turnover of employee. If the employees are unable to manage the environmental forces of change, the employees will be under stress. The ability to accept and manage change is deep rooted in the organizational culture. If the organizational culture accepts risk and encourages employees to develop new methods and products, then such employees will be more relaxed and satisfied, therefore such industries will be able to retain employees.

Branding and Psychological Contract

According to Backhaus and Tikoo (2004), in their study on conceptualizing and researching employer branding, the idea of the psychological contract and its result on the em-

ployee structure relationship provides a second foundation for employer branding. Inside the traditional plan of the psychological contract between employees and employers, employees secure loyalty to the firm in exchange for job security, Hendry & Jenkins (1997).

However, the recent trend toward saving, outsourcing, and adaptableness on the a vicinity of the employer has obligatory a brand new kind of psychological contract, inside that employers provide employees with marketable skills through employment and development in exchange for effort and adaptableness (Baruch, 2004). Inside the face of negative perceptions of this new employment reality, firms use employer branding to advertise the benefits they still offer, moreover as employment, career opportunities, personal growth and development. In general, firms area unit gave the impression to fail to deliver a number of these offerings (Newell & Dopson, 1996; Hendry & Jenkins, 1997) thus employer branding campaigns are going to be designed to change perceptions of the firm.

Employer brand and employee performance

Human resources include techniques, knowledge and behaviors of employees, as well as the controlling system, habits and learning systems which are difficult to copy. With the growing competitions in labor market, the companies attempt to attract, stimulate, promote and retain excellent employees by means of strategic human-resource practice. The employer brand will improve the employees' loyalty to their employers which will directly influence the production efficiency with the employees' identification to their employers. Meanwhile, it will decrease the employee turnover rate. Employees with low loyalty to their employers will bring the core technology and important clients to the competitive employers when they leave, which will bring a lot of loss to the original employers. The excellent employer brand will enhance the satisfaction and loyalty

of their employees. The researches on the cases of SEARS made by Rucci et al.(1997) clearly showed that how the construction of the employer brand improve its employees' work attitude and clients' satisfaction, thereby increase the profits of the company. It becomes an important part of the employer strategy for many companies to be a best employer. The employees in the best employers are highly involved themselves in their work and are better committed to their employers, which will make them have better performance and publicize their employers positively because they trust their employers. The positive relationship between the employers and the employees could improve the organization performance. It is a powerful marketing tool to be a best employer which could bring the comfortable working environment and goodhumanistic atmosphere to the public and consequently attract and retain their employees.

Conclusion

Employer Branding aims to create a strong employment brand which has a positive impact on the performance of the business. A strong Employer Brand will create a brand equity which results in positive outcome of increased employee loyalty (Retention). Literatures strongly show that the employee engagement has a strong relationship with increase in retention rates. The aim of Employer Branding is to clearly and truthfully communicate the existing organizational culture so as to attract and retain the potential employees. Employer branding have the capabilities to reinforce the complete employment experience. Communicating clearly the benefits such as training, promotion opportunities and working condition with the employer value proposition will help in maintaining the employer brand promises. Hence by enhancing the employment experience of working for a company and by developing value for employees leading to loyalty employee performance can be increased.

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