

## Branding for Talent Attraction and Retention of Employees : A Literature Review



### Management

**KEYWORDS :** Employer branding, talent retention, talent attraction, company brand.

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### ABSTRACT

*Attracting and retaining talented workers is recognized as a critical success factor by organization. Employer Branding is also very prominent in Human Resource Management point of view and acts as one of the communication magic tools for acquiring and retaining the talent in this fast changing technological era. Employment branding reflects the image of the company in the eyes of existing and prospective employees about working for the company. Building employment brand is one of the few long term solutions to the shortage of talent problem. The best way to retain the talented people in the organization for a long can be done by building loyalty through employer branding. There is an urgent need for creating this positivism in the minds of the prospective and current employees for attraction and retention of talents.*

### INTRODUCTION

In the state of economic environment attracting high quality applicants is critical to organizational performance (Barber 1998; Rynes 1991). Competition for talent is heating up in many industries and will probably intensify, since demographic trends make it increasingly difficult for companies to replace valued employees when they retire. More and more companies are addressing this issue and hence, the competition for talent is increasing day by day. It constitutes an important concept in today's knowledge base contexts where attracting employees with superior skills and knowledge is considered as the primary source of competitive advantage. Attracting and retaining valuable staff members is becoming increasingly difficult in today's competitive environment. The application of concepts of employer branding used for attracting and retaining the talent pool. Employer branding is an innovative concept that links Marketing (brand management) to Human Resource Management. Employer branding can be used as a tool to manage the scarce resources called talent. Employer branding develops the company brand and helps employees to create an appealing image of the organization for the skilled candidates. Employer brand shows that a strong employer should provide an identity to an employee, a personal reputation or image. However, employer brand should be consistent in a sense that what is communicated to future employees must be the true story about what is actually happening inside the company. It is essential the employees at all levels are aware of the culture, norms and values of the organization. In order to attract and retain the best talent anywhere in the world, an organization must have a strong and positive employer brand. According to Glen (2006), organizations with a solid strategy for developing an employer brand will be an attractive force for both external and internal top talents.

In this study the researchers reviewed various research studies on building brand loyalty for recruiting and retaining talented employees. The outcome of the research work done by various researchers over a period of time is presented in the paper which emphasize the importance of employer branding.

### LITERATURE REVIEW

In today's knowledge economy, every organization dreams of being the first person to grab the right talent. This urge has led them to adopt various strategies which give them a competitive advantage over their competitors in attracting the best talent. One such strategy is "employer branding", which takes an effort to market the opportunities that the organization offer to its employees, so that they have the right talent in right place in the organization.

Employer branding is the application of the long-term strategy of branding to the human resource tasks of recruiting and retention. Subsequently, this employer value proposition is communicated to potential employees who intend to gain a clear picture of what benefits arise for them when working for a specific organization (Ambler and Barrow, 1996). A major determinant of an organization's ability to recruit new talent is organizational reputation. Perception of a firm's reputation is important because it provides vital information to a firm's stakeholders including consumers, investors and potential applicants (Fombrun, 1996). As a result companies are being forced to examine the image that they portray as an employer and apply branding strategies that they use for their products to their organizations, a relatively new concept known as employer branding. The perceived reputation of a firm can influence its ability to recruit top talent (Gatewood et.al.1993; Rynes 1991)

Ambler and Barrow (1996) have defined employer branding as the development and communication of an organization's culture in the market place. It is the package of functional, economic and psychological benefits provided by employment and identified with the employing company. Branding was originally used to differentiate tangible products, but over the years it has been applied to differentiate people, places and firms (Peters, 1999).

Human Resource Practitioner literature described employer branding as a three-step process. First, a firm develops the "value proposition" that is to be embodied in the brand. Intended to be a true representation of what the firm offer to its employer, the value proposition provides the central message that is conveyed by the brand (Eisenberg et.al. 2001).

We commonly think of plant, equipment and capital as resources that create competitive advantage. Human capital has also been shown to operate as important resource creating competitive advantage. For example, a state -of-the-art facility and technology can create competitive advantage only when there is a highly competent workforce utilize them (Boxall, 1999).

Michaels et al., (2001) considered the battle in future shall be for getting the right talent. They identified three fundamental forces behind the war for talent Viz. the irreversible shift from the industrial age to the information age, demand for high caliber talent, and growing propensity for people to switch from one job to another. He also proposed the explicit development and communication of employee value proposition (EVP) to attract and retain talented employees. According to conference Board Report on employer branding (conference

Board, 2001) organizations have found that effective employer branding leads to competitive advantage, helps employees internalize company values and assists in employee retention.

Lloyd (2002) has defined employer branding as a process of placing an image of being a great place to work in the minds of the targeted future employees. Ewing et.al. (2002) emphasized the usefulness of employer branding in an increasingly knowledge-based economy where skilled employees are often in short supply. Finally, they presented an agenda for researching and establishing employer branding as an effective practice for Human Resource Management. According to Ritson (2002), companies with employer brands can potentially reduce the cost of employee acquisition, improve employee relations, increase employee retention and even offer lower salaries for comparable staff to firms with weaker employer brands.

Employer branding program is becoming the key factor in talent acquisition and talent retention program in most organization. Most companies through their HR department do conduct their employer branding programs. Strong employer branding shapes their expectations about their employment (Lievens and Highhouse, 2003). The effective employer branding leads to competitive advantage, help employees internalize company values and assists in employee retention. According to the American Marketing Association a brand is a name, term, sign, symbol, or design, or combination of them which is intended to identify the good and services of one seller or group of sellers and to differentiate them from those of competitor.

Due to increasing job mobility on the labour market, approaching, acquiring and retaining talented employees has become a tricky challenge to the Human Resource Management. The concept of employer branding was adopted from products branding and corporate branding. Employer branding is the application of branding principles to Human Resource Management (Bachaus and Tikoo, 2004). A strong and effective employer branding not only enables to attract desired potential candidates to apply for jobs in the corporate but also enables to attract the existing talented workforce to excel their performance and career and retain them. The main purpose of employer branding is to retain their existing talented workers as well as to attract new talent to join their organization.

Miles and Mangold (2004) defined employer branding as the process by which employees internalize the desired brand image and are motivated to project the image to customers and other organizational constituents. Employer branding is defined as a target long term strategy to manage the awareness and perceptions of potential employees and related stakeholders with regards to a particular firm. The employer brand put forth an image showing the organization as a good place to work (Sullivan, 2004). Firms are using employer branding to attract, recruit and assure that current employees are engaged in the culture and the strategy of the firm (Bachaus and Tikoo, 2004).

In an era where skills and knowledge of employees are amongst the main competitive enablers, organizations cannot ignore the significance of attracting and retaining talented people (Hallen, 2007; Minchington, 2010; Mohaptra, 2005; prinsloo, 2008). Lievens et.al.(2007) stated that, employer branding is a specific form of managing corporate identities by creating both within and outside the firm an image of the firm as a distinct and desirable employer.

When a firm reaches a higher level of external recognition by

development of an employer brand, it becomes much easier for it to attract new talent (Bouchikhi and Kimberly, 2008). It is an effective tool for effective recruitment, employee engagement and retention. (Barrow and Mosley, 2005).

The power of the employer brand has been rightly summed up by Fernon (2008) as the ability to deliver organizational success by attracting and retaining the right people, providing an environment in which employee live the brand, improving organizational performance in key business areas of recruitment, retention, engagement and the bottom line and differentiating employers from each other, creating competitive advantage.

From the employees' point of view, being a member of an organization having a strong employer brand enhances their self-esteem and strengthens their organizational identification (Lievens et al., 2007). Constant delivery of the brand promise leads to trust and loyalty ensuring a steady supply of applicants (Holliday, 1997) and maintains high commitment and high performance among employees and high performance among employees leads to organizational effectiveness by promoting the organization's credibility with employees (Burack et al., 1994). It attracts the right kind of candidates with the culture fit and at the same time gives the prospective employees an assurance of the work experience as expected by them (Bhatnagar and Srivastava, 2008).

#### CONCLUSION

Employer branding is relatively new approach towards recruiting and retaining the best possible human talent within an employment environment that is becoming increasingly competitive. Managers can use employer branding as an umbrella under which they can channel different employee recruitment and retention activities into a coordinated human resource strategy. More relevant and measurable questions might include: do firms using employer branding experience improved recruitment outcomes; is employee retention improved? Is employee productivity improved? Is employee satisfaction improved? Researchers might conduct longitudinal studies to track changes in recruitment, retention and satisfaction outcomes before and after implementing employer branding. Employer brand is relevant in the context of employee recruitment, engagement and retention. Empirical study should be carried out to measure the strength of the employer brand for attraction and retention of employees.

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