Chapter 2

Review of Literature
Chapter II
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2.1 Introduction
This chapter intends to present an overview of the available literature regarding Employer Branding and its relation in Talent Attraction and Retention

2.2 Talent Attraction
“Forces are in play: Talent is always scarce. Having the right talent in the right place at the right time is a make-or-break factor for entries of all types and sizes- companies and nations alike” (Rueff and Stringer 2006., & Ali, Faisal, 2008).

The word talent originally comes from the term talentum which stands for gift. Generally, ‘talent’ is used as a synonym for a special ability or skill. Anyone is portrayed as talented, if he or she “has the potential or factual ability to perform a skill better than most people”.

To attract talent it is important to appeal to their personal interests and concerns. It is not only about the remuneration or salary package, but also things like career opportunities, flexible working hours, family matters and quality of life. (Hirschman, 2002) It is important to focus even deeper on what attracts people and fulfill them in their lives, instead of just concentrating on the brand (Buss, 2002). The author talks about tapping into somebody’s passion and focus on emotions (Hirschman, 2002). People are in fact so interested in working for an employer with a good reputation that they are willing to accept a lower salary. There is a clear correlation between reputation and relationships, especially between employee and employer. Hence, an

organization's reputation is a valuable asset that the organization has to develop and secure. (The HRM Network, 2002)

There are many ways to attract talent. Some successful approaches when recruiting are described by The Conference Board (2002). They underline the importance of a stable organization. The organization needs to endure recessions and volatile times and remain a viable employer. The organization must furthermore provide career opportunities and offer room for personal development. Additionally, there should be accountability for talent and appropriate definitions for roles on all levels in the organization. Finally, The Conference Board (2002) emphasizes the importance for the organization to always be recruiting – in bad times as in good. The organization reputation and brand are vital for attracting talent.

Organizations face greater competition for talented employees in an increasingly global economy, the need to deploy creative ideas to attract, develop and retain talent will become more important than ever (Corporate Leadership Council, 2006).

Talent attraction is an ability to attract the talent and it is more important than the ability to retain it. It is developing talent retention strategies to retain existing people or lure back those that have moved away. Broader efforts to attract talent on a bigger scale are likely to be more efficacious in the longer run (Southern Technology Council, 1998).

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4 Louis Tornatzky, Denis Gray, Stephanie Tarant, and Julie Howe, Where Have All the Students Gone? Interstate Migration of Recent Science and Engineering Graduates, Southern Technology Council, 1998
The rapid changes of the economy have introduced a new set of challenges for attracting the highly potential and performing individuals that contribute to the corporate success (The Conference Board, 2002). Which employer a potential employee chooses depends on the level of attraction of the different alternatives (Nilsson, 1998).

‘Brand communication has two main roles, to attract attention to the brand and to build the brand profile.’ (Nilson, 1998) This quote illustrates an overview on the theme of talent attraction. If the efforts of the organization when using a strategy of Employer Branding, correlates with the image of the target groups, attraction may occur.⁵

2.2.1 Attraction Channels

The ‘attraction’ is a function of communication. It can be due to organization communication in the form of brochures, product and service specifications, advertising, organization websites, online and offline media presence, PR releases etc. It can also be in the form of third party information. Friends, colleagues, local employment exchanges, and many others could have voiced an opinion which may have a distinct influence.’ (Nilson, 1998) There are vast amounts of different channels by which companies can attract talent, (Joinson, 2002). Below, a number of channels are presented starting with the most interactive and personalized ones.

Advertising is a common alternative for attracting talent. It may prove useful focusing on the organization’s unique asset and attracting people to make contact. Advertising is used to announce that an organization is available on the labor market. It also has the purpose of providing information, of building a personality and of creating long-term brand values. (Joinson, 2002)

⁵Fredrik & Nordkvist (2004), Talent Attraction in Knowledge based Organizations, Linkopings Universitet
‘New communication media such as the Internet and corporate intranet are an emerging force in branding efforts, but more traditional channels – print and face-to-face meetings – still dominate (Dell et al, 2001).’ Ever more companies are using Internet as an attraction channel. The advantages of using the Internet include efficiency in cost and time, an excellent reach to the most desirable segments of the talent market, better targeting especially on campus, centralized and standardized record keeping which makes it both easy and cheap to gather, track, organize and store the information, and better Employer Branding. Companies that use Internet recruitment are more appealing to students and are perceived as leading edge and dynamic.

Many companies feel that they can’t afford not to use this channel of recruitment as it inevitably affects the perception of the organization and its employer brand. The downside of e-recruitment is the volume of information that makes it harder to store and screen as well as time-consuming incoming inappropriate mail, the poor quality of some applicants that lower that overall quality of the whole pool, the specific skills acquired to manage the system. Web-based recruiting applications continue to grow in importance. In many cases, the web has become the key to broader outreach strategies, especially for cost-effective access to passive job seekers, and student community from the graduation level to higher education levels. In a way Employer Branding process acts as an ‘attraction’ catalyst in the eyes of potential and current employees. There is no room for ‘announcing’ jobs anymore; today it is more about explaining what it is going to be like working at the organization (Joinson, 2002).
An organization needs to be perceived as a beautiful alternative in the eyes of the job seeker. Companies need to work on their image, emphasizing both the benefits of the specific job positions and the organization’s overall reputation as an employer, in order to attract talent. (Hirschman, 2002).

On the other hand Employers are challenged to pay special attention to young people’s needs and wants. Employees want to feel special (Poe, 2002) and, basically, younger generations look for personal development.

Another demand of the younger generations is the existence of ‘meaningful’ work. The notion of meaning is connected to quality and management, as well as factors like challenging tasks, flexibility, satisfaction and commitment. The work also has to be partly autonomous and include a certain relationship with colleagues. Overell, (2002) and Hirschman (2002) suggest that candidates should be offered the opportunity to contribute to the organization’s growth and development.

Attracting talent is a central and crucial function of any organization of today. Knowledge-intensive firms are competing for the same pool of potential employees. These organizations are often using Employer Branding to distinguish themselves from their competitors in order to attract talents to their organizations. (Lee & Maurer, 1997)

It is said that an unsatisfied customer tells ten people about his experience while an unsatisfied employee tells a hundred. Employer Branding reflects the work culture in an organization. It has
become more critical in today’s times, as most professionals are looking at a stable career and establishing a long-term relationship with the organization. Employer Branding practices help create a steady flow of top quality applicants over a period of time – ensuring these initiatives eventually pay for themselves. By investing in Employer Branding initiatives now, organizations can save on attraction and recruitment costs in the future.\textsuperscript{6}

2.3 Talent Retention

It is a process of systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs.\textsuperscript{7}

The most important task of human resource personnel is to retain the talented people with the organization. It is a fact that the talented people are assets of the organization and are also the key for its success. Retention must be a natural outcome of an innate desire of the employees. Under such conditions employees will contribute their best and accomplish the organizational goals. Any forced contracts or deals in employment will be counterproductive.

In the liberalized economy, the word that makes its presence felt most in the business world is 'competition'. In the reformed organization it is “retention”. The primary source of long-term competitive advantage for a business firm or an industry is its employees and their relation with employers. Industries (organization) always look for a competitive advantage. A competitive advantage is according to Porter (1990) an effective combination of the area conditions and the organization’s strategy. Success is about being in the right place at the right time to perceive changes in the own industry, actively positioning the organization according to the changes and act according to them.

\textsuperscript{6} Ramandeep Kaur, Building an Employer Brand, \url{www.naukrihub.com}

\textsuperscript{7} Employee Retention (2002). Report of the Employee Retention Workgroup
It is vital for an organization to identify where the best knowledge is being generated in order to attract competence as well as identifying the schools and institutions where the best and most specialized human resources are being trained. A decisive factor of organization success is that it treats employees as permanent and does everything to retain and develop this vital resource to upgrade and sustain competitive advantage. (Porter, 1990)

The competitive advantage lies in retaining the talent. Hence, talent retention has become a critically important topic that has captured the attention of the Indian and multinational organizations. It is a strategic issue that now commands the focus, time and resources it deserves.

Retaining key talent, those employees in jobs that are critical to the organization, is essential to an organization's success as employees in these roles can make a significant difference to organizational performance. Developing an employment brand to meet these requirements can give the organization an edge in attracting and retaining the best talent and it need not require an expanded compensation budget to achieve these goals. Promoting the organization itself as being the place to work can avoid budget battles. The brand campaign can also enhance internal culture development programs, as well as increase motivation and productivity.

Employee retention is defined as “a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. Also of concern are the costs of employee turnover (including hiring costs, productivity loss). Replacement costs usually are 2.5 times the salary of the individual. The costs associated with turnover may include lost customers, business and damaged morale. In addition, there are the hard costs of time spent in screening, verifying credentials, references, interviewing, hiring and training the new employee just to get back to where you started” (McKeown, 2002).  

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Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs. How to retain valuable employees is one of the biggest challenges companies have in the competitive marketplace. Initially, companies used to accept the "revolving door policy" as part of doing business and were quick to fill a vacant job with another eager candidate. In the present situation, businesses often find that they spend considerable time, effort, and money to train an employee only to have them develop into a valuable commodity and leave the organization for greener pastures. In order to create a successful organization, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a desire to leave in the future.

In the recent Manpower Inc's 2012 Talent Shortage Survey reveals that the talent crunch at global level remains a pressing issue. Despite the global recession and weakest employment outlook in recent times, employers are observing a scarcity of talent in critical areas. To give more clarity, there are plenty of Information Technology jobs in India and Japan at the moment, yet employers in these very countries express difficulty in getting the right personnel; why because, employers not only look for people with IT degrees, certifications and programming skills, but also those prospects who possess the right managerial skills and domain knowledge of the business.
Figure 2.3.1: Representation of percentage of employers having difficulty in filling job vacancies across the globe.

Source: Manpower Inc., 2012

According to Talent Shortage Survey 2012 of Manpower Group, Top 10 jobs that have difficulty in filling the vacancies by employers in India are as follows. India IT sector continues to seek qualified personnel to meet business objectives.\(^9\)

\(^9\) 2012 Talent Shortage Survey Research Results, Manpower Group
i. Information Technology Staff  
ii. Marketing / Public Relations / Communication Staff  
iii. Engineers  
iv. Sales Representatives  
v. Teachers  
vi. Accounting and Finance Staff  
vii. Call Center Operations  
viii. Insurance Staff ((Qualified Agents, Clerks etc)  
ix. Secretaries, PAs, Administrative Assistants and Support Staff  
x. The Researchers  

Figure 2.3.1 (a) : Representation of percentage of employers having difficulty in filling job vacancies across the globe.

Source: Manpower Inc., 2012

Employees are the biggest asset of an organization who in turn create innovative products, services and mobilize revenues for organization’s existence and growth. They not only create
products and services but also attract customers. Considering today's fast changing business environment, the demand for skilled workforce with specific competencies and expertise has become more pertinent (Campion, M. A., Palmer, D.K and Campion, J.K, 1998).

Recruitment and development of employees is a large burden for companies in most industries and, because of this, there is a clear organizational, if not societal, imperative for firms to attract and retain their knowledge workers (Allen & Griffeth, 1999). Hence, the retention of talent has been a central topic of discussion in the academic Human Resource Management (HRM) literature for some time now and has become increasingly important since knowledge has grown to be a key corporate asset (Horn & Griffeth, 1995).

The above brief literature review has clearly brought to focus the ample scope and the current gap in the chosen field of research, where provision is adequately obtained to probe with deeper researches with more cause and effect studies as well as comprehensive model building, on Employer Branding so as to channelize the organizational resource allocation efforts, enabling a systematic planning beforehand for evaluating the plausible outcomes!

2.4 Introduction to Employer Branding

2.4.1 Evolution of Employer Branding

Globalization of business is creating new demands on individuals, organizations, and nations to work together in more and different ways. In the age of digital and communication technologies, there is a great relevance of network forms of organization. In this phase of economic development where speed of innovation matters, talent retention is very critical. The concepts
such as intellectual capital, relational capital, and organizational capital are also emerging. Organizations are giving due weightage to intangible, non-financial benefits perceived by employees. The traditional notion of worth of an organization which was linked only to financial, short-term variables which are oriented towards the shareholders' interest is becoming insufficient. Increasing importance of intangibles in the upcoming knowledge economy is undisputable in the recent years. There are many firms which have begun measuring, managing and reporting their intangible assets. However, the complete disclosure of Employer Branding is still at its nascent stage. Employer Branding has gained significant attention of not only the Researchers, but also of the companies which understand the importance of their intangible assets.\(^{10}\)

The notion of the employer brand is still a relatively young one, and it has its origins in distinct schools of thought. The idea of the employer brand emerged in the early 1990s, and a number of people laid their claim to its creation. There are two branches of the employee brand tree. The first one is recruitment communications linked to the growth of corporate brand and the second in Occupational Psychology, in particular, the idea of the psychological contract. Both concepts have their existence for long time. The combination of these two concepts had propelled the concept of Employer Branding that has become popular\(^{11}\) (Helen Rosethorn, Bernard Hodes Group).

\(^{10}\) Neerja Kashive, *Creating employer brands by valuing human Capital in organizations and measuring intangible Assets*, ijeeb 2012

\(^{11}\) Helen Rosethorn, *The Employer Brand, Keeping Faith with Deal*, Gower, 2009
2.4.1.1 Defining Branding

Walter Landor, a well known advertising personality proclaimed that brand is a promise. By identifying and authenticating a product or service it delivers a pledge of satisfaction and quality." Another author says ' it is the personification of an organization, product or service which allows one to charge a premium price for an otherwise generic product or service'. A well-known brand is generally regarded as one that people will recognize, often even if they do not know about the organization or its products/services. These are usually the organization's name or the name of a product; it can also include the name of a feature or style of a product. The overall 'branding' of an organization or product can also stretch to a logo, symbol, or even design features of it.

A brand is a set of perceptions which form the differentiation among the brands (Aaker, 1991). The brand perception determines the expectation the customer has of a brand, an expectation that presents the customer's feelings towards a very specific experience that is promised by the branded product or service (Herman, 2001). A brand can create psychological or sociological benefits that are the consequences of fantasy.

2.4.1.2. Linking Talent with Branding

In an ever changing business environment, it is crucial for an organization to possess highly qualified and talented personnel to motivate and keep up with the fast paced market needs. Demand for competent persons is increasing steadily when it comes to key portfolios in

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organizations. In contrast, the demographic change in certain parts of the world is witnessing a trend where in the number of people in the age group of 20-29 will go down by 20 per cent, while the age group of 50-64 will amplify by 25 percent (Buck & Dwortschak, 2003); it means the population is getting older. If someone considers the direct impact on labor market, it is evident that organizations will encounter problems finding highly skilled successor to replace the 40-70 percent of all senior executives who may be eligible for retirement in the next five – eight years (Gandossy, R.P & Kao T, 2004)

2.4.2 The Concept of Employer Brand

As product (or service) branding is the key to successful Marketing Department so is the Employer Branding to the Human Resources Department.

It is a collection of various ideas and beliefs that influence the way current and potential employees view an organization and the employment experience it offers. EBR communicates the organization’s culture, values which may promote employees’ commitment. Employees who are well-fit in its culture work passionately to move the organization forward

A concept of attraction and retention of skilled personnel is termed as Employer Branding, which has become more and more popular in recent years. India, an emerging economy, has witnessed unprecedented levels of economic growth, along with countries like China, Russia, Mexico and Brazil. India has benefitted immensely from outsourcing of work from developed countries as it has got a great pool of cost-effective workforce, strong manufacturing and export oriented

industrial infrastructure. This has led to an employee market where the best candidates are targeted by many organizations and choice of employer is abundant (CIPD, 2010).

In theoretical perspective a strong 'employer brand' has the ability to attract and retain the right people, improve their productivity, engage, motivate, innovate and therefore standout from the rest. An organization's wellbeing and its reputation depends on the fulfillment of employees aspirations.\textsuperscript{14}

What can Employer Branding do for an organization? When properly planned and executed, an Employer Branding initiative can generate a lively dialogue between an employer and its employees, build a foundation for a 'mutual working arrangement' and establish compelling reasons to commit to the arrangement.

Employer Branding is the essence of the employment experience, providing touch points that originate with initial employer brand awareness, and continuing throughout the tenure of employment, even extending into retirement. Employer Branding is a distinguishing and relevant opportunity for an organization to differentiate itself from the competition.

Employer Branding is the process of planting the idea that 'this organization is a great place to work' in the minds of potential job candidates. It is essentially a promise of what it would be like to work at your organization and is similar to corporate branding, which involves using an organization logo to convey a certain image or idea to the general public.

\textsuperscript{14} A guide to Employer Branding, www.karianandbox.com
Conceptual models on Employer Branding are a few and covering only limited aspects. The concept of Employer Branding is borrowed from the domain of marketing. It helps organizations understand themselves from three perspectives. One identifying themselves within their market as an employer of current staff, secondly, as a potential employer to new recruits, thirdly as supplier (or) partner to customers. It is a relatively new idea, but in practice some organizations have been making use of Employer brand implicitly for some time. But the Researcher feels that these concepts are not addressing the issue of talent retention in a holistic way. Therefore the Researcher developed a model analogous to 8Ps of service marketing as Employer Branding is related to services. It is important to understand the meaning of the ‘brand’ first and then its relevance in the context of talent attraction and retention.

2.4.3 Understanding of Employer Branding: a macro perspective

The focus of Employer Branding literature has been to define the phenomenon and consider its foundations (Ambler & Barrow, 1996) or examine specific aspects of the process, for example, employer brand attributes, attractiveness or positioning (Davies, 2008).

According to Van Aucken (2003), “The larger part of branding is how an organization delivers on its promise that really differentiates it from the rest of the marketplace.” And the people who deliver on that promise are employees. As a result, making sure they understand and can deliver the brand to customers is crucial, especially in today’s business scenario, when the relationship between employees and customers essentially is the product the organization sells. Therefore, companies need to consider the role of HRM as a strategic partner in envisaging their corporate mission and vision.
In this body of work, positive outcomes are ascribed to Employer Branding based on the marketing, Human Resources and Organizational Behavior literature used to theoretically underpin the Employer Branding concept. The practitioner-oriented literature also makes similar claims about the benefits of pursuing an Employer Branding strategy, typically illustrated by anecdotal evidence from specific firms (Hatfield, 1999; Donath, 2001; Woods, 2001; Buss, 2002; Lee, 2002; Simms, 2003; McGivern, 2005; Sartain, 2006; Schumann, 2006). These virtuous circles of Employer Branding outcomes proposed, normatively, in the academic and practitioner literature provide compelling motivation for examining this area of branding in greater depth. These outcomes are summarized in the below figure.

Figure 2.4.3.1 The virtuous circle of Employer Branding

In the following sections, the Employer Branding literature, together with the broader relevant
literature (Marketing, Human Resources and Organizational Behavior), is discussed with respect to the positive outcomes of Employer Branding detailed in Figure 2.4.3.1; To provide structure for the discussion, the impact of the outcomes of Employer Branding on the external position of firms is considered first (outer circle) and is followed by the impact on the internal capabilities of firms (inner circle). Impacts on firms related to the interaction of the internal and external outcomes are then detailed (noted by arrows joining inner and outer circles).

**Employer Branding and its impact on the external position of the organization**

The first group of positive outcomes ascribed to Employer Branding impact on the organization’s external position, that is, the organization’s position with respect to customers, competitors, markets and the broader environment (Aaker, 2007). In the Employer Branding context, external impacts are relevant to a range of stakeholders and interested parties in addition to those mentioned by Aaker: prospective employees, alumni, shareholders, recruiters and the media. These outcomes have the ability to impact the performance of the firm (e.g., through customer satisfaction, revenue and profit). They also may influence the image of the firm, that is, through outsiders’ perceptions of the firm, and through the attributes of employees and the ways in which they represent the firm (Rindova & Fombrun, 1998; Hatch & Shultz, 2002; Kapferer, 2008).
At the root of the Employer Branding process, from the firm's perspective, is the attraction and retention of the best employees. In this context, the best refers to those employees who can add value to the organization and are able to deliver on the organization's brand promise (Backhaus & Tikoo, 2004).

In defining the value proposition for employees and aligning it with the organization's brand promise, the organization may attract prospective employees with skills and personal values that allow them to deliver on the brand promise, and enable them to represent the brand and organization in a consistent way (AB: Ambler & Barrow, 1996). Thus, employees are able to meet or exceed customers' expectations based on brand promise or previous encounters with the organization (BC: Mosley, 2007).
When customer expectations exceed, they attain higher levels of satisfaction which can drive increases in customer loyalty. This, in turn, drives revenue growth and profitability (C: D – Miles and Mangold, 2004). There is a strong link between employees’ alignment with the brand promise, customer satisfaction and increases in profit. (Schultz, 2004)

**Impact of Employer Branding on the internal capabilities of the organization**

Employer Branding outcomes can also impact the organization’s internal capabilities, that is, the firm’s strengths, weaknesses, problems, constraints and strategic options (Aaker, 2007). Positive outcomes attributed to Employer Branding strengthen internal capabilities through attracting, retaining and motivating staff (Davies, 2008) and increase strategic flexibility through being able to efficiently attract desirable employees (Chambers et al., 1998). There is significant overlap of the outcomes attributed to Employer Branding, with respect to the internal capabilities of the firm and the positive outcomes of internal marketing and internal branding (Mosley, 2007).
In actively managing their employer brand, firms can maintain consistency of key brand messages across stakeholder groups, a practice which may be of value (E – Duncan and Moriarty, 1998). Not only does congruence positively influence the perception of all related messages (by employees, customers and other stakeholders), it also ensures that employees are properly aligned with the brand and what it represents (F – Keller, 2002; Backhaus & Tikoo, 2004; Vallaster & de Chernatony, 2005). This allows employees to —live the brand, delivering on the objectives of the brand/organization, and reinforcing corporate values and performance expectations among new and existing staff (E: F – Ouchi, 1981; Greene et al., 1994; Harris & de Chernatony, 2001; Ind, 2001; Miles & Mangold, 2004).
The relationship between expectations and behavior has been explored in the employee citizenship behavior literature. Morrison (1994) contends that employee pro-social behavior (characterized by Bateman and Organ (1983) as employee citizenship behavior) is more likely to occur when such behaviors are incorporated into role expectations. Furthermore, when performance expectations and values are clear, a contract is formed between the organization and the employees (Rousseau, 1990). Expected behavior and resulting rewards are explicit, evaluation of staff is objective, and good performers are rewarded and nurtured, becoming satisfied and loyal (F: G – Mendes, 1996; Mosley, 2007; Davies, 2008).

Satisfied, loyal employees are more likely to remain with the firm (Heskett et al., 1994) and to share good views about the organization with each other and prospective employees (G: H – Reichheld, 1996). Positive word of mouth among employees assists in building camaraderie within and across teams, engendering greater loyalty to the firm and to team members (H – Herman, 1991), thus improving staff retention. Furthermore, existing employees have a large —signaling impact on prospective employees (Rynes et al., 1991; Knox & Freeman, 2006). Positive word of mouth helps contextualize the employment experience for prospective employees, attracting those with values that will fit the brand and allow them to flourish (H: A – Ambler & Barrow, 1996; Chambers et al., 1998; Ind, 2001; Miles & Mangold, 2004). Positive, consistent word of mouth helps to counter information asymmetry for prospective employees, reducing perceived risks and increasing the credibility of the employing firm, thereby increasing employer attractiveness (Wilden et al., 2009).
Hatch & Schultz (1997) stated that the Networking, business process re-engineering, flexible manufacturing, de-layering, are the new focus on customer service, which is influencing the external and internal boundaries of firms to collapse. So too are the boundaries between the outcomes of external and internal marketing. For example, Lings (2004) draws on the work of Grönroos (1981, 1982), Piercy (1995), Berry and Parasuraman (1991), Heskett et al., (1994), Gummesson (1987) and others to illustrate the relationship between the benefits of internal and external market orientation and performance. He proposes that internal market orientation (i.e., internal market research, communications and responsiveness) acts as internal performance (employee satisfaction, retention and commitment) which in turn acts as an antecedent to both
external market orientation and external performance (customer satisfaction/retention and profit). As indicated by the arrows in Figure 2.4.3.4, these relationships are mutually reinforcing. For example, the link between points G and D is made as: satisfied, loyal employees support profitability through increases in productivity (Heskett et al., 1994; Uncles, 1995; Bolino et al., 2002; Backhaus & Tikoo, 2004); turnover is reduced (Lings, 2004) and employee citizenship behavior is displayed. In addition to increasing profitability, the latter can enhance a firm’s reputation. (Backhaus & Tikoo, 2004)

It is important to note that many of the interactions between internal and external outcomes of Employer Branding have been examined through the perspective of internal marketing. Conceptualization, such as the employee-customer-profit chain, explicitly link positive employee attitudes to positive customer attitudes and behaviors, which in turn promote revenue growth (Rucci, et al., 1998). Recently, the pathways between internal marketing activity and profit growth have received increased attention. Empirical support for the relationship between the internal marketing —mix (strategic reward, internal communications, training and development and senior leadership) and business performances are being established (Ahmed, et al., 2003). Evidence for the impact of internal marketing on corporate culture, job satisfaction, service and customer orientation and corporate brand perceptions have also been documented (Papasolomou and Vontris, 2006; Gournaris, 2008).

From the above model, it is imperative that an organization’s consumer and corporate brands generally come close to life through an interplay of the efforts of those managing the brand and stakeholders interacting with the brand (customers, shareholders, distribution channels and employees) (Holt, 2002; Hatch & Schultz, 2009). The same can be said of employer brands in
that they take shape through both — the package of functional, economic and psychological benefits provided and promoted by an employing firm and through current and prospective employees identifying benefits with the employing firm (Ambler & Barrow, 1996). This interplay can be seen as the Employer Branding process, or the process by which the intended targets of an employer brand (current and prospective employees), interpret, interact with and respond to efforts made by the organization to manage the employer brand.

Ambler & Barrow wrote an article in the year 1996, about Employer Branding in which it has defined the meaning of Employer Branding that is to build an image for current and potential job-seekers that the organization is a good place to work at. In short the authors also claimed that an employer brand has a personality and a position, not very unlike a consumer brand. A strong employer brand is seen as important in order to attract new employees and efforts of Employer Branding initiatives result in retention of talent. (Berthon et al 2005)

### 2.4.4 Definitions of Employer Branding

**Ambler, T. and Barrow, S. (1996).** The Employer Brand is the package of functional, economic and psychological benefits provided by employment and identified with the employing organization. The main role of the employer brand is to provide a coherent framework for management to simplify and focus priorities, increase productivity and improve recruitment, retention and commitment.\(^{15}\)

**Turban et al. (1998)** found that an organization’s public image, the characteristics of the recruitment and selection process and the characteristics of the recruiter were related to organization attractiveness. Applicants are more likely to want to work at organizations which

they find attractive: ‘The science of Marketing may be relevant here, because attracting and retaining employees have a lot of parallels with attracting and retaining customers to buy products or brands’ (Lievens et al., 2002).16

Ruch (2002). Employer Branding has been defined as the ‘organization’s image as seen through the eyes of its associates and potential hires’, and is intimately linked to the ‘employment experience’ of ‘what it is like to work at a organization, including tangibles such as salary and intangibles such as organization culture and values’.17

Backhaus and Tikoo, (2004) 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’. Employer Branding aims to differentiate the organization’s characteristics as an employer from its competitors in the labor market through highlighting and marketing the unique aspects of the employment package, known as ‘the value proposition’18

Libby Sartain and Mark Schumann (2006) The Employer Brand means how a business builds and packages its identity, from its origins and values, what it promises to deliver to emotionally connect employees so that they in turn deliver what the business promises to customers19.

16 Stephen Pilbeam, Marjorie Corbridge (2006), People Resourcing Contemporary HRM in Practice, FT Prentice Hall
18 Stephen Pilbeam & Marjorie Corbridge (2006), People Resourcing, FT Prentice Hall
19 Libby Sartain & Mark Schumann (2006), Brand from the Inside, John Wiley & Sons
Lievens et al. (2007), Know and Freimann, (2006). An employer brand is a set of tangible and intangible attributes and qualities that make an organization distinctive, promise a particular kind of working experience, and appeal to those people who will thrive and perform their best in its culture.20

Andrew Pinkess (2008) Employer Branding focuses on communicating with employees, potential staff, the recruitment industry, business partners and adjacent communities. It informs people about the merits of working for and with an organization. Its aim is to make staff feel good about their work and their employer, bring in better people, improve their motivation and keep them for longer.

Mark Gray (2009) defined Employer Branding as an emerging discipline with its roots in classical marketing and brand management principles. It aims to position an image of an organization as — a great place to work. The idea is first to develop an emotional link with the best talent, and then offer prospective candidates tangible benefits based on evidence. The promise and fulfillment of an employer brand enables the attraction, motivation and retention of appropriate talent for the business to continue delivering on the corporate brand promise.

20 Information Science Reference (2009), Handbook of Research on E-Transformation and HRM Technologies: Organizational Outcomes and Challenges
2.4.5 Review of Publications on Employer Branding

2.4.5.1 Book Title: HR from the Heart: Inspiring stories and strategies for building the people side of great business. (2003)\(^\text{21}\) Authored by American Management Association

HR from the Heart has lots of personal stories from the authors, written authentically and from the heart, challenging a lot of HR mental models, and asks why HR has an obsession with sitting at the executive table, reporting to the CEO, and queries why the profession has a need to label everything with tiresome buzzwords. This book is about reflecting on HR career and taking charge of it. The author with rich experience (former VP HR for Yahoo! and Southwest Airlines) suggests that every great HR career should promote HR values and implement the six essential ingredients as follows:

- Release your company from the tyranny of too many policies
- Cultivate powerful relationships
- Trust your own judgment and stand up to the so-called experts
- Evaluate tantalizing, but potentially misleading, job offers
- Brand and sell your department and its value to the organization
- Be the best employer for the right reasons, not for the PR
- Be a leader in your organization in good times and bad

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\(^{21}\) Libby Sartain & Martha I Finney (2003), *HR from the Heart: Inspiring stories and strategies for building people side of great business*, AMACOM

66
2.4.5.2 Book Title: The Employer Brand: Bringing the Best of Brand Management to People at Work, authored by Simon Barrow and Richard Mosley (2005)\textsuperscript{22}

The authors had dealt with the concept of how to manage the reputation of the organization from the perspective of employee and prospects in small and large businesses. It also addresses issues like building awareness in the market place, a reputation for service, quality and value.

It is certainly the case that, beginning to build a distinctive image as an organization and as an employer cannot be embarked on early enough. The most important brand relationship may be about your choice of breakfast cereal, your car, or even your football club, but sooner rather than later, it has got to be your employer brand - how employees feel about your organization. How potential employees view a future employer can be critical to the business’ success or failure. Building a strong employer brand increases an organization’s ability to attract and retain good staff.

New as well as established companies make a splash on the ideal image in recruitment advertising to sell the benefits of the employer when this sort of perspective plainly lacks depth. A young, ambitious business creates a coherent brand framework from the start. It is worth adopting conventional brand management techniques and bringing in experienced young marketers to build the brands. Applying the brand principle to the organization to improve overall performance should be a matter for the board; if the process is to help reduce costs and improve financial results. Many strong brands have enduring values and a stunning survival rate. Some of the brand management lessons learned here must apply to the employer brand.

\textsuperscript{22} Barrow, Simon and Mosley, Richard (2005), The Employer Brand: Bringing the Best of Brand Management to People at Work, Wiley Publications
2.4.5.3 Book Title: Your Employer Brand authored by Brett Minchington (2005)

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. The author defines the employer brand 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). The art and science of Employer Branding is therefore concerned with the attraction, engagement and retention initiatives targeted at enhancing your organization’s employer brand.”

Just as a customer brand proposition is used to define a product or service offer, an employer brand proposition (otherwise referred to as an employer value proposition, employee value proposition or EVP) is used to define an organization’s employment offer. Likewise the marketing disciplines associated with branding and brand management have been increasingly applied by the human resources and talent management community to attract, engage and retain talented candidates and employees, in the same way that marketing applies such tools to attracting and retaining clients, customers and consumers.

The book features the innovative Employer Brand Excellence Framework which might be the best solution to the attraction, engagement and retention of employees in a shrinking talent pool.

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2.4.5.4 Book Title: *Brand from the Inside: Eight Essentials to Emotionally Connect Your Employees to Your Business*, authored by Libby Sartain and Mark Schumann (2006)\(^{25}\)

Branding experts who helped build employer brands at Southwest Airlines and Yahoo! describe this secret weapon for business. It emphasizes on leaders across an organization who give a step-by-step instruction on how to motivate employees to consistently deliver the experience the customer brand promises. By building the employer brand from inside the business—ensuring consistent authenticity, substance and voice throughout the organization, any organization can unleash a powerful tool to emotionally engage employees and recruit and retain the best people.

The author elucidates that branding efforts must reach employees as well as customers. Generally, they focus on their core concept with a positive orientation toward employees, although their lists, checklists and lists within lists do get repetitive. Maybe all those lists are intended to help the staff in human resources, where they place much of the responsibility for internal branding.

2.4.5.5 Book Title: *Employer Branding: Concepts and Cases*, authored by Anand Rao and Payal Baid (2006)\(^{26}\)

The concept Employer Branding has been illumined with real time cases and it comprises three sections. The first section analyses the concept of Employer Branding. The second one discusses the process in building employer brand while the third section elucidates the application of the concept in various Indian and International companies.

\(^{25}\) Libby Sartain & Mark Schumann (2006), *Brand from the Inside: Eight Essentials to Emotionally Connect Your Employees to Your Business*, John Wiley & Sons

2.4.5.6 Book Title: The Employer Brand: Keeping Faith with the deal authored by Helen Rosethorn (2009)\(^\text{27}\)

The culture an organization cultivates as an employer is just as important to its success as the brand image of its products or services. A culture that is at odds with the organization's commercial activities is a very powerful signal to customers, employees and other stakeholders; it is a signal that will impact the employers' sales, market reputation, share value and their ability to attract and retain the kind of employees that they need. In fact, Employer Branding is a complex process that involves internal and external customers, marketing and human resource professionals. Helen Rosethorn's book puts the whole topic into context, it explores some of the shortcomings of Employer Branding initiatives to date and provides a practical guide to the kind of strategy and techniques organizations need to embrace in order to make the most of their employer brand. At the heart of the book is the concept of the strategic employee lifecycle and ways in which an organization should engage with potential, current and past employees.

The Employer Brand focuses on the experiences and perspectives of organizations that have applied employer brand practices. It is a book about marketing – and the relationship of customers and employees; about culture – and the need for fundamental change in the role of the human resources function; about Psychology – and the changing aspirations of the next generation of employees; and about hard-nosed business – and the tangible and intangible benefits of a successful Employer Branding strategy and how to realize them.

\(^\text{27}\) Rosethorn, Helen (2009), The Employer Brand: Keeping faith with the deal, Gower Publishing Limited
2.4.5.7 Book Title: Brand for Talent: Eight Essentials to Make Your Talent as Famous as Your Brand authored by Mark Schumann, Libby Sartain (2009)\textsuperscript{28}

Brand for Talent provides a compelling framework and great practical tips. It evokes as a marketer, that nothing is more important than building a strong, relevant brand. As a leader, nothing is more important than creating an energized, talented group of employees. Brand for Talent is a wake-up call to the realities of today's hiring marketplace. Using the power of a consumer brand as a force to retain talent is given. It provides unique information about people strategy.

2.4.6 Inventory of Employer Branding theories

Employer Branding is a framework constructed by reviewing theories of branding, reputation, image and organizational identity. Employer Branding has gained much attention in corporate boardrooms, but little in the academic arena; the underlying theoretical foundation for Employer Branding has just started. The practice of Employer Branding is founded on the assumption that human capital brings value to the firm, and through skillful investment in human capital, firm performance can be enhanced\textsuperscript{29}. Marketing of the employer brand establishes the firm as an employer of choice and thereby enables it to attract the best possible workers. The assumption is that the distinctiveness of the brand allows the firm to acquire distinctive human capital.

Employer Branding focuses on the internal development and external positioning of the employer brand. It encompasses the companies' value system, policies, processes and behaviors towards the objective of attracting, engaging and retaining the company's current and potential

\textsuperscript{28} Libby Sartain & Mark Schumann (2009), \textit{Brand for Talent: Eight Essentials to Make Your Talent as famous as your brand}, John Wiley & Sons.

\textsuperscript{29} Kristin B and Surinder, \textit{Conceptualizing and Researching Employer Branding} State University of New York at New Paltz, New Paltz, New York, USA Career Development International, Vol. 9 No. 5, 2004 pp. 501-517
employees (Backhaus K and Tikoo 2004). In this research, selected relations between employee and human resource personnel are analyzed in depth. The focus lies on talent attraction and retention of the talent. Regarding some elementary parts like organization culture, characteristics, professional and personal transactions of the organization, the internal positioning is necessarily included.

Further, once recruits have been attracted by the brand, they develop a set of assumptions about employment with the firm that they will carry into the firm, thereby supporting the firm’s values and enhancing their commitment to the firm. By systematically exposing workers to the value proposition of the employer brand, the workplace culture is molded around the corporate goals, enabling the firm to achieve a unique culture focused on doing business the firm’s way.

Southwest Airline’s Employer Branding initiatives is the case of how a firm can create an outstanding workplace culture that competitors have found difficult to imitate (Stamler, 2001). This distinctive, unique workforce, however, can be a source of competitive advantage only if it is consistent in its delivery. If the source of competitive advantage is not sustainable, neither is advantageous (Barney, 1991). Besides helping create a workforce that is hard to duplicate, internal marketing also contributes to employee retention (Ambler and Barrow, 1996) by using the brand to reinforce the concept of quality employment and thereby contributing to employee willingness to stay with the organization.

Psychological theory of contract and its effect on the employee relationship with the organization provides another fundamental foundation for Employer Branding. In the traditional concept of
the psychological contract between workers and employers, workers promised loyalty to the organization in exchange for job security (Hendry and Jenkins, 1997). However, the recent trend toward downsizing, outsourcing, and flexibility on the part of the employer has imposed a new form of psychological contract, in which employers provide workers with marketable skills through training and development in exchange for effort and flexibility (Baruch, 2004).

In marketing terms, brand equity is “a set of brand assets and liabilities linked to a brand that add (sometimes subtract) the value provided by a product or service to a firm and/or to that firm’s customers” (Aaker, 1991). Customer based brand equity relates to the effect of brand knowledge on consumer response to the marketing of the product (Keller, 1993). In the face of negative perceptions of this new employment reality, firms use Employer Branding to advertise the benefits they still offer, including training, career opportunities, personal growth and development. In general, firms have been perceived to fail to deliver some of these offerings (Newell and Dopson, 1996; Hendry and Jenkins, 1997) so Employer Branding campaigns can be designed to change perceptions of the firm. The concept of brand equity provides a complementary theoretical perspective for understanding Employer Branding.

2.4.6.1 Good Employee Positioning Framework

TMI network, a well-known talent management organization developed a framework called GEP (Good Employee Positioning) for effective Employer Branding. The GEP philosophy is that successful organizations are not ‘good employers’ to everyone. The fact is that every organization has a ‘cult’ culture and only members of the cult will stay and prosper, the rest will
perish. In the present competitive scenario, GEP framework helps in positioning the employer in the minds of prospective as well as current employees.

**Figure: 2.4.6.1 GEP Framework**

<table>
<thead>
<tr>
<th>Compensation and Benefits</th>
<th>Job Security and Stability</th>
<th>Exit Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionalism</td>
<td>Training Systems</td>
<td>Exit Value</td>
</tr>
<tr>
<td>Realistic Goals</td>
<td>Exposure</td>
<td>Ethics</td>
</tr>
<tr>
<td>Interdependence</td>
<td>Bargaining Power</td>
<td>Value</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Empowerment</td>
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<tr>
<td>Salary</td>
<td></td>
<td>Evaluation</td>
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<tr>
<td>Perks</td>
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<tr>
<td>ESOPs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement Benefits</td>
<td>Work Culture and Environment</td>
<td></td>
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<tr>
<td></td>
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</tbody>
</table>

(Source: Employer Branding, Human Capital Online, November 2006, T Muralidharan and Rohit K Shenoy)
2.4.6.2 The Employer Brand Wheel

![Diagram of The Employer Brand Wheel]

Practice develops out of theory and theory evolves out of practice. Similarly, the subject on Employer Branding and Employer Brand Management evolved out of the experiences of various practitioners and scholars. Simon Barrow and Richard Mosley (2005) in their book *The Employer Brand: Bringing the Best of Brand Management to People at Work* define the dimensions of the Employer Brand in the form of The Employer Brand Wheel. The framework lays out the key factors influencing employees’ experience of the employer brand.

The Employer Brand is measured along the dimensions of Vision and leadership, Policies and values, Fairness and Cooperation, Corporate Personality, External Reputation, Communication, Recruitment and Induction, Development, Performance Management, Working Environment, Reward System and Post-employment.

Apropos to the model, developing an Employer Brand in an organization is not a difficult task but needs to encompass the expertise from across a range of functions within. Initially, HR should take the lead, but Marketing, Public Relations, Legal, Production Unit, Finance & Accounting, and senior management also have a vital role to play in designing a practical and
workable solution that not only will increase the company's profile, but will minimize risk to the organization and boost profitability.

An oblivious factor is that the Talent Acquisition Department (new name for recruitment) is more used to feast or famine approach to recruitment, which is no longer effective. The reality is that your employees are being fed by public opinions, attitudes, interests and desires. This means that a continuing Employer Branding approach is also critical from an internal perspective, so it is not only attracting high-caliber people, but retaining them. Top organizations understand the importance of employer brand both for attracting the right external talent, and for engaging their current employees.

2.4.6.3 Universum’s Employer Branding Model

The concept of Employer Branding is being recognized by a rapidly growing organization base and the purpose of these models is to allow companies to structure their Employer Branding activities in order to ensure success. Richard Mosley’s Universum and PiB models have been developed for the benefit of organizations. In Universum’s model, it has given importance in three angles precisely on Research, Value Proposition and Communication. In the PiB approach it is further elaborated on various activities of Human Resources’ functionaries explaining how the employer brand wheel can help in its HR activities by adding the Action component.

Figure: 2.4.6.3 Universum’s Employer Branding Model

Source: Universum Communications
Research

Research has been the foundation on which the companies grow. Continuously maintaining a close dialogue with employees within the organization as well as leading academics in the field, the quality and validity of the outcome is justified and made practical. This approach enables staying at the frontline of the development of Employer Branding.

Value Proposition

A strong and true Employer Value Proposition (EVP) is one of the main competitive advantages for any employer. It is important to analyze all parameters that influence the employer brand and thereby deliver concrete and tangible solutions all the way through to the Communication phase.

Communication

The selected employer value proposition needs to be communicated in a planned fashion in order to affect the target group. Choice of communication channels should be guided by what the organization wants to achieve with the communication. Maybe use a wide variety of channels - some are traditional like using ads and brochures, others are more unusual, such as using social media, online games and movies.

Action

Companies may have experienced great plans that have collapsed because of lack of implementation efforts or organization of internal work. The top management and employees are vital for proper implementation of discussed plans. It requires putting the same effort and resources into this stage as into all previous steps in the chain. Commitment and engagement from the rest of the organization is vital (Carlo Duraturo, 2010).  

2.4.6.4 Employer Branding Framework

Conceptualizing and researching Employer Branding: 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. Given this managerial interest, the article presents a framework to initiate the scholarly study of Employer Branding. Combining a resource-based view with brand equity theory, a framework is used to develop testable propositions. It discusses the relationship between Employer Branding and organizational career management.

Figure: 2.4.6.4 Employer Branding Framework


Finally, it outlines research issues that need to be addressed to develop Employer Branding as a useful organizing framework for strategic Human Resource Management31.

31 Kristin Backhaus and Surinder Tikoo (2004), Conceptualizing and researching Employer Branding Career Development International Vol. 9 No. 5, 2004
In the literature review, the Researcher made an attempt to explain about the concept of employer brand and its relevance to Human Resources Management. The Researcher elucidated by mentioning that organization cannot run without having talented personnel. Having talented people in their organization will be the top most priority of any organization in the coming years. How companies are working with breeding and nurturing talent. There are four different ways of breeding and nurturing talent, attracting people, developing people, employee retention and knowledge transfer.

The forthcoming chapter explores the scientific methods to understand the Employer Branding tool to attract, engage and retain talent.
2.4.6.5 Definition of Concepts from the literature review

Table 2.4.6.5.1 illustrates four main concepts that have been found in the literature review that are going to be used in the research. Working definitions of how these four terms are defined in this research are also included in the table.

Table: 2.4.6.5 Definition of Concepts and their Working Definitions

<table>
<thead>
<tr>
<th>#</th>
<th>Main Concept</th>
<th>Working Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Corporate Branding</td>
<td>A corporate brand is created from the organizational identity in line with organization’s strategic vision, culture and stakeholders’ image (Hatch &amp; Schultz, 2008)</td>
</tr>
<tr>
<td>2</td>
<td>Internal Branding</td>
<td>The teaching and communication of brand values to employees to strengthen their emotional and intellectual commitment to a brand (Foster et al. 2010; Punjaïsri et al 2009).</td>
</tr>
<tr>
<td>3</td>
<td>Employer Branding</td>
<td>The Employer Brand as the package of functional, economic and psychological benefits provided by employment and identified with the employing company (Ambler, T. and Barrow, S. (1996))</td>
</tr>
<tr>
<td>4</td>
<td>Psychological Contract</td>
<td>The psychological contract is the employee’s perception of the mutual obligations existing with their employer’ (Rousseau, 1990)</td>
</tr>
</tbody>
</table>
2.4.7 Gaps in the literature Review

In the emerging economy, "competition" is the word that makes its presence felt most in the business environment. The primary source of long-term competitive advantage for a business firm or an industry is its people. Human resource has to be handled with great care in this era of cut-throat competition. Organizations are always on the lookout for a talented employee pool for achieving and sustaining the competitive advantage in the long run. But, there is a widening gap between the demand and supply of future business leaders and competent employees. It could be due to the lack of experiential learning and lack of awareness among potential employees. Hence, it is an uphill task for employers to attract the right kind of workforce and retaining the current employees. This is the right time for the advent of a technique called 'Employer Branding' considered as the most effective strategy that is fast gaining worldwide attention which may act as a differentiating factor for the employer who uses it effectively.

Recruitment and retention of talent (Moroko 2005; Ambler and Barrow 1996). But the research has tended to focus on issues related to recruitment. As a result, little is known about how Employer Branding can actually be used to support the corporate brand. More specifically, the Researchers are yet to explain what makes an organization's employer brand attractive to current employees. This represents a critical gap in the literature because an employer brand can only produce desired behaviors if it is considered attractive by current employees.

Employer Branding has been advocated as an effective strategy for achieving the objective if Effective Employer Branding is about building the overall image of the organization, both internally and externally. At all levels of building the image of the employer, it requires
involvement of the employees and their views on continuous improvement in the organization. The tagline, "employer by choice", is a popular device to attract the best talents. Employer Branding is a concept where the recruitment process has to be managed in the same way as customers are. It involves employees and customers, human resource and marketing professionals. The success of Employer Branding depends on the prevailing culture in the organization. The employer brand image has its impact on the brand image of the product/services.

Theoretically, many of the employer brand models (Employer Brand Wheel, Universum Employer brand) ascertain that the concept was developed with the help of marketing concept, but very little literature or evidence was there to emphasize which marketing concept was influenced to develop employer brand model. Hence, the Researcher made an attempt to develop 8Ps of Employer Branding model with the analogy of 7Ps services marketing model which is the uniqueness of this study.

2.4.8 Conclusion

In the literature review, the Researcher made an attempt to explain the concept of employer brand and its relevance to Human Resources Management. The Researcher elucidated that an organization cannot run without having talented personnel. Having the talented people in their organization will be the top most priority of any organization in coming years. How companies are working with breeding and nurturing talent? There are four different ways of breeding and nurturing talent; attracting people, developing people, employee retention and knowledge transfer.

The forthcoming chapter provides an overview of the Information Technology and its allied areas and profile of the organizations studied.