CHAPTER I

EMPLOYEE BRANDING IN HIGHER EDUCATIONAL INSTITUTIONS – A CONCEPTUAL FRAMEWORK

“This first chapter is intended to give milieu facts about the substance of research. At the outset, the concept of Higher Education and Indian Higher Education system has been discussed. The chapter gives an overview of Management Education system in India and in Tamilnadu. Thereafter, it charts out the theoretical framework of Brand, Branding and Employee Branding. The study covers the conceptual background of Employee Branding in Higher Educational Institutions along with Employee Brand Building in Higher Educational Institutions. Then it highlights the Employee branding practices in India and abroad. Finally the need for the study, objectives of the study, research gap and the chapterization is dealt with.”
1.1 HIGHER EDUCATION

“Education and training are key drivers of competitiveness. With the growing complexities of the global economy, to compete and maintain a presence in global markets, it is essential to enhance the human capital endowments of the labor forces, whose members must have access to new knowledge, [and] be constantly, trained in new processes and in the operation of latest technologies.” - Global Competitiveness Index, World Economic Forum 2006.

Education is considered essential for the development of an industry, society and a country. The famous Management guru and consultant, Peter F Drucker (1973), predicated that “the currency of the future economy would be knowledge”. In his 33rd book Drucker has further stated that “The next society will be a knowledge society in which knowledge will be the resource and knowledge workers will be the leading workforce”.

“Knowledge is Power” and it is Higher Education that produces knowledgeable persons. The Education Commission 1964-1966 described the role of education in social and economic transformation through a statement-“The destiny of a nation is shaped in its classrooms”. A nation cannot survive in the new millennium without increasing its own intellectual base. One of the most cherished Presidents of India Dr.A.P.J. Abdul Kalam appropriately stated that “Twenty first century belongs to the knowledge age, where acquirement, possession and application of knowledge are the most significant resources. Knowledge has been the key primer of success and power; it empowers and enriches people, causes societal revolution, encourages discoveries and innovations, causes goodness in all spheres of the society ensuing peace and prosperity”.

The Government of India is quite concerned to ensure progress in the growth of Higher education so as to build a knowledge society. India’s Education system has expanded exponentially since 1972 and there has been an increase in the spread of Educational institutions along with enrolment at every
stage. There were only 20 Universities and 500 colleges with 0.18 million students at the time India attained independence. By 1980, India had 132 universities and 4,738 colleges which enrolled around five per cent of the competent age group in Higher education.

India is the third largest Higher education system in the world next to China and USA in students enrolment, with 17,973 institutions comprising of 348 universities and 17,625 colleges. In terms of number of institutions Indian Higher Education System is the largest in the world. The number of faculty members has also increased from 24 thousand in 1950 to 342 thousand in 1999 (Maheswari and Dash 2006) to 700 thousand in 2009-10 (UGC 12th Five Year Plan WG), (Mansoor 2012). This has increased to 611 universities and university-level institutions and 31,324 colleges as on August 2011 (UGC 12th Five Year Plan 2012).

Table 1.1
Number, Nature and Category of Institutions (as on August, 2011)

<table>
<thead>
<tr>
<th>Type of Institution</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Universities</td>
<td>43</td>
</tr>
<tr>
<td>State Universities</td>
<td>289</td>
</tr>
<tr>
<td>State Private Universities</td>
<td>94</td>
</tr>
<tr>
<td>*Deemed to be Universities</td>
<td>130</td>
</tr>
<tr>
<td>Institutes of National importance plus</td>
<td>50</td>
</tr>
<tr>
<td>**Other Institutes - Institutions established under State Legislature Acts</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>611</td>
</tr>
<tr>
<td>Total Colleges</td>
<td>31,324</td>
</tr>
<tr>
<td>Grand Total</td>
<td>31,935</td>
</tr>
</tbody>
</table>

* Now 129, as Deemed to be University status of one university has been withdrawn **Other Institutes include Indian Institutes of Science Education and Research (IISERs), National Institute of Fashion Technology (NIFT), Rajiv
The present Education System in India is currently very remarkable possessing a highly developed Higher Education system which provides education facility and training in almost all aspects of human creative and intellectual endeavors: arts and humanities; natural, mathematical and social sciences, engineering; medicine; dentistry; agriculture; education; law; commerce and management; music and performing arts; national and foreign languages; culture; communications etc.

1.2 AN OVERVIEW OF MANAGEMENT EDUCATION

Twenty first century India witnessed a great change in its educational system. The traditional approach has been replaced with a more efficient professional approach through the process of liberalization, privatization, and globalization. It has also introduced new age courses in accordance with industry demand which have more economic value today. Management education is one among those which got a new dimension with the changing time. Initially Marketing, Finance and Human Resource Management were considered as functional area of management, but now management education covers more functional areas like Operations, Information Technology, International Business, Supply Chain Management, Retail and many more added to the list. India has witnessed a continuing growth in management education because of the increasing demand of trained management graduates. As a result, private sector has entered in Indian management scenario and invested a huge amount for this (Sanjeev Kumar and Dash 2011).
1.2.1 Emergence of Management – focused Business Education in India

Dating back to eighteenth century Indian Business education has a long history. Early business schools concentrated on the commercial side of business, seeking to fulfill the colonial administration needs of the British government. India’s first business school – Commercial School of Pachiappa Charities – was established in 1886 in the southern city of Chennai. In 1903, the British government started commerce classes at secondary school level at the Presidency College in Calcutta, focusing on Secretarial Practice, Business Communication (shorthand, typing, and correspondence) and Accounting. The first college-level Business School Sydenham College, Mumbai was initiated in 1913 followed by Commercial College in Delhi during 1920 which was later renamed as Shri Ram College of Commerce. These Business colleges imparted basic skills about the principles of trade and commerce to clerks and supervisors in the fields of banking, transport, and accounting. In an attempt to augment vocational skills, the Government of India introduced commerce as a third stream of specialization at the high school level in addition to science and arts.

A change in the social status of Business Education began occurring during the 1980s. Two major forces emerged. First, competition for college level education became cut-throat, due to the gap in the number of admissions at the premier undergraduate programs and the growing number of students graduating from the high schools in the science stream. Second, as companies began to grow they started hiring commerce graduates at the junior executive level, providing some in-company executive training programs, as the premier Engineering colleges failed to meet their growing needs for executive personnel. Consequently, society began seeing commerce education as a practicable alternative passport to enter into the corporate world at the executive level, rather than clerical level.

A key development that was underway was the distinction that was being made between Commerce and Management aspect of the Business education. The Commerce education concentrated on developing a strong
foundation about the knowledge of business transactions and processes, principally from the economics and accounting perspectives. In contrast, Management education focused on building knowledge about overall business and its functions. It was felt that one needed some disciplinary background, especially in science or commerce streams, or some work experience for effectively learning the management principles. Therefore, Management education was proposed for the graduate and executive levels, focusing on fostering future leaders who could guide the private and public sector organisations with a sense of social mission.

The Indian Institute of Social Science, a foremost institute of Higher Learning focused only on graduate and doctoral programs, founded India’s first Management Program in 1948. Its aim was to systematically train manpower, generate and disseminate the knowledge required for managing industrial enterprises in India. Soon after, in 1949, the Catholic community established Xavier Labor Relations Institute (XLRI) at Jamshedpur, the city of TISCO (Tata Group). TISCO had been an initiator in progressive labor relations approaches in India, and XLRI was committed towards developing managerial competence. Indian Institute of Social Welfare and Business Management (IISWBM) was set up in 1953 as India’s first official management institute under the auspices of the University of Calcutta. Motivated by the results of these early initiatives the government applied for and obtained grant from the Ford Foundation in 1961 to launch two Indian Institutes of Management (IIM) - one at Calcutta (West Bengal) and the other at Ahmedabad (Gujarat).

During the 1900s, growth occurred both in numbers and status as large number of multinational companies entered India, seeking to hire business graduates for their management training positions. Domestic companies also followed suit trying to compete with multinational corporations. Hence by considering the costs of training commerce graduates, companies offered huge salaries for those with a Master of Business Administration (defined hereafter as MBA) degree, equipped with marketing, behavioral and operations skills. As a result of increasing demand from students and employers, Universities
focused at Management Education as an academic discipline and started offering MBA programs.

Management institutes continued to grow. With the support of the pioneering IIM’s, two more IIMs were founded - in Bangalore (Karnataka) in 1973, and in Lucknow (Uttar Pradesh). In the late 1990s, IIM Calicut (Kerala) and IIM Indore (Madhya Pradesh) were established to further decentralize and develop management resources and talent throughout India.

The various models available in MBA/PGDM Education in India are:

- **University’s own MBA department** on campus. India has four types of universities in the Indian Higher education sector, namely, central universities, state universities, deemed universities and private universities. Apart from these, there are “institutes of national importance”. But only the Universities (both state and private) can confer degrees like MBA.

- **Central Universities** are established by an act of Parliament. In India, there are 20 Central Universities. The University Grants Commission (UGC) provides funds for maintenance and development of the Central Universities. Universities that are set up or recognized by an act of the State legislature are known as **State Universities**. The State governments are responsible for their establishment. It provides plan grants for their development and non-plan grants for their maintenance. 113 State Universities receive UGC budgetary plan allocation. In India there are 215 State Universities.

- Institutions of higher learning, which are not universities, are granted the status of a University in recognition of their high calibre of education. Such Institutions are called Deemed to be University, or **Deemed University**. Students are conferred degrees on completion of their programme as in other Universities.

- **A Private University** is an institution of higher learning established through a state or central act by a sponsoring body. To call an institution as a private university, the state legislature has to pass an act by which the
institution will receive the status of a University. UGC recognition is required by Private Universities so that the degrees awarded by them are of any value.

- **Affiliated Colleges of Universities** in the same place or in the state. According to Act. S. 2 (a), “Affiliated College” means any College situated within the University area and affiliated to the University and providing courses of study for admission to the examinations for degree of the University and include a college deemed to be affiliated to the University under this Act. Today technical Universities have been given this role. But they have very poor or no infrastructure facilities, with typical bureaucratic and politically appointed people directing the technical education and making a mess of it. They are mainly from Economics and Commerce departments of old setups. Affiliated Colleges may be Government, Government Aided or Self financing.

- **Autonomous college** is one which is a small university in itself. Such colleges have links with other universities for few semesters. Autonomous Institutes have affiliation to give Diplomas. But they have to be necessarily approved by AICTE as per law and also in the concern of students. It would also not be out of place to note that a PGDM is not at all equivalent to an MBA. However, PGDM from institutes who have been declared so by AIU (Association Indian Universities or Ministry of HRD, Department of Higher Education) is conceived equivalent to MBA.

- **Distance Education** offer opportunities to receive MBA Degree, to those who are not able to attend regular education. There are some Universities like Indra Gandhi Open University, Delhi, ICFAI, Kurukshetra University are running Distance Education programmes and open mode programmes. Functioning in the distance mode, they have to be preferably of 3 years duration instead of 2 years.

- Many institutes offer **PG diplomas** with a duration of one year or one and a half years to by-pass legal requirements of approval. Such a diploma is not an academic qualification. Such one year diplomas on distance education
mode or in evening campus class modes as vocational certificates are conferred by many universities.

- **Part time 3 years MBA/PGDM programs** are run by recognized Institutes and Universities in the evenings, for working executives.

- **Foreign Universities** having collaborations in India and those having students exchange programme with limited-time studies abroad, offer MBA programme (Sanjeev Kumar and Dash 2011).

According to Annual report (2009-2010) of the Ministry of Human Resource Development, there were only 20 Universities and 500 Colleges at the time of independence. But by December 2009, there were 504 Universities and university-level institutions, 243 State Universities, 53 State Private Universities and 130 Deemed Universities, and the number institutes increased at extraordinary rate. In last 7 years, the number of AICTE approved colleges has increased by almost 70 percent in total in various disciplines, whereas there has been 90 percent growth in terms of number of management institutes and 123% growth in terms of students’ intake (Sanjeev Kumar and Dash 2011).

**Table 1.2**

Growth of AICTE approved Technical Institutions

<table>
<thead>
<tr>
<th>Year</th>
<th>Engg</th>
<th>Mgt</th>
<th>MCA</th>
<th>Phar</th>
<th>Arch</th>
<th>HMCT</th>
<th>Total</th>
<th>Added in Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>1475</td>
<td>1052</td>
<td>976</td>
<td>629</td>
<td>118</td>
<td>70</td>
<td>4320</td>
<td>-</td>
</tr>
<tr>
<td>2006-07</td>
<td>1511</td>
<td>1132</td>
<td>1003</td>
<td>665</td>
<td>116</td>
<td>64</td>
<td>4491</td>
<td>171</td>
</tr>
<tr>
<td>2007-08</td>
<td>1668</td>
<td>1149</td>
<td>1017</td>
<td>854</td>
<td>116</td>
<td>81</td>
<td>4885</td>
<td>394</td>
</tr>
<tr>
<td>2008-09</td>
<td>2388</td>
<td>1523</td>
<td>1095</td>
<td>1021</td>
<td>116</td>
<td>87</td>
<td>6230</td>
<td>1345</td>
</tr>
<tr>
<td>2009-10</td>
<td>2972</td>
<td>1940</td>
<td>1169</td>
<td>1081</td>
<td>106</td>
<td>93</td>
<td>7361</td>
<td>1131</td>
</tr>
<tr>
<td>2010-11</td>
<td>3222</td>
<td>2262</td>
<td>1198</td>
<td>1114</td>
<td>108</td>
<td>100</td>
<td>8004</td>
<td>643</td>
</tr>
<tr>
<td>2011-12</td>
<td>3393</td>
<td>2385</td>
<td>1228</td>
<td>1137</td>
<td>116</td>
<td>102</td>
<td>8361</td>
<td>357</td>
</tr>
<tr>
<td>2012-13</td>
<td>3498</td>
<td>2467</td>
<td>1255</td>
<td>1153</td>
<td>120</td>
<td>105</td>
<td>8598</td>
<td>237</td>
</tr>
</tbody>
</table>

Source: [www.aicte.ernet.in](http://www.aicte.ernet.in).
Table 1.3
Trend analysis of growth in AICTE approved Management Institutions

<table>
<thead>
<tr>
<th>Year</th>
<th>No of Management Institutions</th>
<th>Increase / Decrease</th>
<th>Percentage of Increase / Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>1052</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2006-07</td>
<td>1132</td>
<td>+80</td>
<td>7.60</td>
</tr>
<tr>
<td>2007-08</td>
<td>1149</td>
<td>+17</td>
<td>1.50</td>
</tr>
<tr>
<td>2008-09</td>
<td>1523</td>
<td>+374</td>
<td>32.55</td>
</tr>
<tr>
<td>2009-10</td>
<td>1940</td>
<td>+417</td>
<td>27.38</td>
</tr>
<tr>
<td>2010-11</td>
<td>2262</td>
<td>+322</td>
<td>16.59</td>
</tr>
<tr>
<td>2011-12</td>
<td>2385</td>
<td>+123</td>
<td>5.43</td>
</tr>
<tr>
<td>2012-13</td>
<td>2467</td>
<td>+82</td>
<td>34.38</td>
</tr>
</tbody>
</table>

Table 1.3 shows that the growth of AICTE approved Management Institutions are in the increasing trend. It is the maximum of 34.38 percent in the year 2012-13, where as it is the minimum of 1.50 percent in the year 2007-08. It can be further observed that the trend percentages are fluctuating and in the year 2012-13 and it has increased from 5.43 percent to 34.38 percent. Thus it is inferred that the number of MBA Institutions are increasing as the students’ intake in increases.

Table 1.4
Growth of intake in AICTE approved Institutions

<table>
<thead>
<tr>
<th>Year</th>
<th>Engg</th>
<th>Mgmt</th>
<th>MCA</th>
<th>Phar</th>
<th>Arch</th>
<th>HMCT</th>
<th>Total</th>
<th>Added in Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>499697</td>
<td>80464</td>
<td>55548</td>
<td>32708</td>
<td>4379</td>
<td>4435</td>
<td>677231</td>
<td>-</td>
</tr>
<tr>
<td>2006-07</td>
<td>550986</td>
<td>94704</td>
<td>56805</td>
<td>39517</td>
<td>4543</td>
<td>4242</td>
<td>750797</td>
<td>73566</td>
</tr>
</tbody>
</table>
Table 1.5

Trend analysis of growth in intake of students in AICTE approved Management Institutions

<table>
<thead>
<tr>
<th>Year</th>
<th>Students intake in Management Institutions</th>
<th>Increase / Decrease</th>
<th>Percentage of increase / decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>80464</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2006-07</td>
<td>94704</td>
<td>+14240</td>
<td>17.69</td>
</tr>
<tr>
<td>2007-08</td>
<td>121867</td>
<td>+27163</td>
<td>28.68</td>
</tr>
<tr>
<td>2008-09</td>
<td>149555</td>
<td>+27688</td>
<td>22.72</td>
</tr>
<tr>
<td>2009-10</td>
<td>179561</td>
<td>+30006</td>
<td>20.06</td>
</tr>
<tr>
<td>2010-11</td>
<td>277811</td>
<td>+98250</td>
<td>54.72</td>
</tr>
<tr>
<td>2011-12</td>
<td>352571</td>
<td>+74760</td>
<td>26.91</td>
</tr>
<tr>
<td>2012-13</td>
<td>385008</td>
<td>+32437</td>
<td>9.20</td>
</tr>
</tbody>
</table>

Table 1.5 clearly discloses that the intake of students in Management Institutions is showing an increasing trend during the study period. It ranges from 92 percent and 17.69 percent. The intake of students in all the years is highly appreciable. Thus it is inferred that as the number of students’ intake increases the number of MBA Institutions in the country is also increasing.
### Table 1.6

MBA Institutes and seats in top ten Indian States

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the State</th>
<th>No. of AICTE MBA Institutes</th>
<th>Seats Available</th>
<th>Management Institutes offering PGDM Course</th>
<th>Seats Available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Andhra Pradesh</td>
<td>310</td>
<td>25840</td>
<td>34</td>
<td>3945</td>
<td>29785</td>
</tr>
<tr>
<td>2.</td>
<td>Uttar Pradesh</td>
<td>202</td>
<td>14828</td>
<td>125</td>
<td>14910</td>
<td>29738</td>
</tr>
<tr>
<td>3.</td>
<td>Maharashtra</td>
<td>203</td>
<td>18905</td>
<td>55</td>
<td>7790</td>
<td>26695</td>
</tr>
<tr>
<td>4.</td>
<td>Tamilnadu</td>
<td>188</td>
<td>14400</td>
<td>8</td>
<td>900</td>
<td>15300</td>
</tr>
<tr>
<td>5.</td>
<td>Karnataka</td>
<td>117</td>
<td>9470</td>
<td>20</td>
<td>1920</td>
<td>11390</td>
</tr>
<tr>
<td>6.</td>
<td>Madhya Pradesh</td>
<td>79</td>
<td>7235</td>
<td>15</td>
<td>1145</td>
<td>8380</td>
</tr>
<tr>
<td>7.</td>
<td>Rajasthan</td>
<td>77</td>
<td>5780</td>
<td>26</td>
<td>2295</td>
<td>8075</td>
</tr>
<tr>
<td>8.</td>
<td>Gujarat</td>
<td>78</td>
<td>6100</td>
<td>12</td>
<td>1100</td>
<td>7200</td>
</tr>
<tr>
<td>9.</td>
<td>Haryana</td>
<td>80</td>
<td>5525</td>
<td>12</td>
<td>1545</td>
<td>7070</td>
</tr>
<tr>
<td>10.</td>
<td>Orissa</td>
<td>38</td>
<td>3759</td>
<td>20</td>
<td>2158</td>
<td>5917</td>
</tr>
</tbody>
</table>

Source: [www.topmbacollegesindia.in/2011/01/top_10_indianstates_with_highest.html](http://www.topmbacollegesindia.in/2011/01/top_10_indianstates_with_highest.html)
1.2.2 Management Education in Tamil Nadu

The scope for Management Education in Tamil Nadu is no less inspiring. During 1993-94, AICTE permitted a large number of MBA and Post Graduate Diploma in Business Management programmes on self-financing basis in order to meet the growing demand for management education. Tamil Nadu along with Maharashtra and Andhra Pradesh are the three states which alone account for nearly 60 percent of the full-time seats. The competition among various Management Institutions has lead to better quality of education. The private societies and trusts in these states were quick in taking the lead in the sector of self-financing management education (AICTE, 1999) as they had the experience of establishing and managing diploma and degree level engineering colleges. In Tamil Nadu, the management educational institutions first began to emerge in 1987-88 and grew many folds between 1994 and 1999. Then the growth gradually stagnated. During 2005-06, among the 146 institutions available in the state, ninety one percent of them are self-financing institutions which do not get any grant from State or Central government.

Table 1.7
Management Educational Institutions by type of Management in Tamilnadu

<table>
<thead>
<tr>
<th>Management Type</th>
<th>1990s (in number)</th>
<th>Since 2001 (in percent)</th>
<th>1990s (in number)</th>
<th>Since 2001 (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Govt (state colleges, university depts. Deemed Universities, Central govt.)</td>
<td>4</td>
<td>8</td>
<td>3.9</td>
<td>5.4</td>
</tr>
<tr>
<td>Private aided</td>
<td>1</td>
<td>2</td>
<td>1.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Private Unaided (including Private Deemed Universities)</td>
<td>98</td>
<td>138</td>
<td>95.1</td>
<td>93.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>103</strong></td>
<td><strong>148</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source:* based on [www.aicte.nic.in](http://www.aicte.nic.in).
The rapid industrial growth in the state has resulted in the demand for skilled manpower to manage the process and has lead to the rapid development in the field of Management Education. The Management Institutes in Tamil Nadu offer both two year and one year management programs. As a latest development, few universities are offering the five year integrated MBA. The institutes not only offer mere teaching facility but also present wide scope for research and consultancy services. The cities of Tamil Nadu possess some of the best Business schools of the Nation. Bharathidhasan Institute of Management, Loyola Institute of Business Administration, Thiagaraja School of Management, Amrita, PSG, GRD and American College are some of the state’s acknowledged management learning centers which are raising the bar of Management Education.

1.3 BRAND, BRANDING AND EMPLOYEE BRANDING – INCREDIBLE CHRONICLES

Brands have become a regular feature of our everyday lives, and occur almost everywhere. For years there has been intense debate about what a brand is and how it can be established in the minds and hearts of consumers (Aaker 1996; Aaker 1997; Arnold 1992; Farquhar 2000; Kapferer 1997; Kotler 1997). According to De Chernotony 2001, pg.4, a brand is an intangible benefit, and can be explained as a cluster of functional and emotional attributes which promise stakeholders a specific type of experience. Knapp (2001), in her seminal book “The Branding Mindset” defines a brand as “the internalized sum of all impressions received by consumers resulting in a distinctive position in their mind’s eye based on perceived emotional and functional benefits” (p. 22). In fact brands can be defined as clusters of functional and emotional values making promises about unique experience (de chernatony 2001). Davis understands a brand as “all of the promises and perceptions that an organisation wants its customers to feel about its product and service offerings” (Davis 2003). Kotler (1997) views Brand as “a seller’s guarantee to deliver a specific
set of features, benefits, and services to the buyers” (p. 443). This is congruent with Blumenthal’s approach (2003), which states “brands [now] offer a sense of meaningful uniqueness that is separate from the particular product or service being offered” (p. 2). Hence it can be said that Brands are enacted in the behavior of organisational members… (they) become the way we do things around here…” (Kornberger 2010)

Idealistic and Materialistic views of Branding

In an overview of all these definitions, Grassl, in his ontological approach to marketing (1999), classifies those cited above as ‘idealistic’ views of branding, which he thoroughly distinguishes from a ‘materialistic’ view. In his framing (Grassl 1999), idealists see brand value as being anchored in customer awareness -- as intangible assets, constructed in customers’ minds by the functions of brand management (Aaker 1996; Arnold 1992; Keller 1993). Accordingly, brands can be reduced to names, terms, signs, symbols or designs (Kotler 1997). Brand materialists, however, oppose the idealistic concept of branding as “the creation of human meaning” (Blumenthal 2003, p. 3) and reject the idea of branding as an added psychological value to a product (LePla & Parker 1999; Macrae 1996). Moreover, they argue that many companies make the mistake of developing a grandiose brand promise that they cannot keep (Aaker & Joachimsthaler 2000; De Chernatony 2001; Keller 1998; Tosti & Stotz 2001). For them, the brand is interrelated with the product’s (or company’s) ‘essence’ and cannot be separated from it (De Chernatony 2001). Thus brand idealists will usually rely more heavily on advertising and promotions whereas brand materialists will seek to build the brand value upon behavior and actual product or service features.

In spite of all the differences, both camps give importance to the external audience and generally ignore the internal. Even for brand materialists, who are to be more concerned about the internal reality of a brand, branding is eventually conceived of as an outbound process that reaches out to customers (product branding) and/or stakeholders (corporate branding).
Only recently, both idealistic and materialistic theorists have begun challenging this external focus (Blumenthal 2003). They now address the synchronization of internal and external brand perception, or as Mitchell (2002) rightly puts it: “You tell customers what makes you great. Do your employees know?” (p. 99).

**Employees and Branding**

According to Ian Buckingham, Head of Interbrand Inside, “Employees are a brand’s ultimate custodians as they bring a brand to life”. If the gap between the point of view of managers and consumers’ of brands had been the center of attention in the conventional marketing literature for years (De Chernatony & Dall’Olmo Riley 1997; Knox & Maklan 2001), focus has now shifted to a potential gap between the customers’ and the employees’ view (Davis 2002; Donath 2001). In other words: If customers ‘own’ the brand, employees -- who in large part are supposed to be an intrinsic part of the brand and ultimately responsible for delivering on its ‘promise’ -- also own part of the brand (Tosti & Stotz 2001). In the context of service, customer often make no distinction between the person delivering the service and the organisation, poor staff performance often result in gaps between customer expectations and the brand promise (Parasuraman, Zeithaml and L. Berry 1985, 1988).

Hence **Branding** is about adding a higher level of emotional meaning to a product or service. This increases the value to the customer and stakeholder. Subsequently a brand value is directly and explicitly related to the stakeholder’s emotional attachment to the product or service (Bergstrom, Blumenthal & Crothers 2002, pg. 134). King and Grace (2007) explained that branding is not only a way to shape customers’ perceptions towards the organisation; it is also an opportunity to shape the employees perception. According to Jacobs (2003), a brand represents the affiliation an organisation has with its employees just as much as it represents the affiliation with its customers.

In the branding literature, the relationship between the brand and the employee is conceptualized as living the brand (e.g., Ind 2007; Karmark 2005; Gotsi & Wilson 2001). The roles which an employee plays as a living brand
(Karmark 2005) are those of delivering the brand (Kunde 2000), brand champion (Ind 2007) and brand ambassador (Gotsi & Wilson 2001), co-creator of the brand (Schultz 2005) and brand citizenship (Burmann & Zeplin 2005). In order for employees to live a brand, they have to want to do it, i.e., management cannot force them to do it (Schultz 2003; Mitchell 2004). According to Karmark (2005), living the brand is linked to the values inherent in the brand and the organisation. When employees live the brand, they will internalize these values, enabling them to deliver the brand promises to the consumer in a ‘natural’ way (Karmark 2005).

Branding includes (1) External Branding and (2) Internal Branding. Many factors influence the branding strategy of an organisation, like nature of business, nature of market, target reception, budget flexibility, long term mission of the organisation and organisational structure etc. External branding refers to branding which is done by means of external sources and which may (or may not) need some investment in monetary or other forms. The different means of doing external branding are by use of job sites, banners, road shows, corporate social responsibility, public events, newspaper, email, tagline aligning with celebrity etc. On the other hand, Internal Branding refers to the process of using the employees of the organisation for branding. It includes the various HR processes, policies and strategies of the organisation, customer orientation (internal as well as external), marketing and public relation activities (Ashabinu and Jyothi 2011).

In many ways employees are the brand and should be treated as a priority audience. Hence the paradigm of brand thinking has taken a more balanced perspective by “striving to ensure satisfaction amongst both customers and employees“(Thomson, De Chernatony, Arganbright and Khan 1999). Employees are now seen as a critically important constituent of the brand, and as such they need to develop a shared understanding of brand values, anchored in their hearts and minds to manifest brand-supporting behavior (De Chernatony 2001; Faust & Bethge 2003). Employee behavior at the moment of truth (Kasper, Van Helsdingen and Gabbott 2006) provides
lasting impressions of the brand, and impact on customer loyalty (Heskett and Jones 1994). Because the service can only be delivered by the employees of the organisation the task of getting employees to reflect the organisation’s brand image and deliver on its promises is crucial for service organisations (Miles and Mangold 2004).

Employees and Employee branding

The Human Resources Development framework views employees, as an asset to the organisation whose values will be enhanced by development. Its principal focus is on growth and employee development…it emphasizes developing individual potential and skills (Elwood F. Holton II, and James W. Trott, Jr 1996). Simms (2003) advocates a joint human resources and marketing exercise to recruit and train employees in such a manner that it is in tune with the brand positioning and brand deliverables. Any disparity at the initial planning level can lead to huge brand distract in the minds of customers. This distraction cannot be repaired by short-term techniques. It has to be corrected by a well-crafted marketing and human resources (HR) strategy.

The role of human resources in brand building is increasingly important (Aurand, Gorchels and Bishop 2005). The management of employees in brand building has been referred to as Internal Marketing, Internal branding and Employee branding (Aurand et al. 2005). These themes are closely related, especially Internal branding and Internal marketing, which are used interchangeably. However, Employee branding is rooted in the practice of internal marketing/branding but is a further evolution from these concepts (Miles & Mangold 2004). While internal marketing is about achieving customer satisfaction through marketing tools, Employee branding goes beyond this. It uses all organisational system to encourage employee to project the desired organisations image (Miles & Mangold 2004). Some authors refer to the concept of Internal branding as Employee branding (Mitchell 2002). This approach includes every employee carrying the main company values and business principles (Balmer and Gray 2003; Belasen 2007), which are also the same ones that are communicated to the customers. Bendapudi and Bendapudi
(2005:124) suggest that companies should ‘...consider employees as their living brand and dedicate a great deal of time and energy to training and developing them so that they replicate the brand’s core values’. This is regularly referred to as Employee branding or Human Capital Branding. 2004 Journal of Relationship Marketing article (Miles & Mangold 2004) defined Employee Branding as the process by which employees internalize the desired brand image and are motivated to project the image to customers and other organisational constituents (p.68).

Amongst the very first attempts to define Employee branding or Internal marketing, was that by Berry, Hensel and Burke (1976). They commented that to satisfy the customer, a company must first satisfy its own employees (internal customers). Employee has also been seen as internal customers, and achieving employee satisfaction has been viewed as a key to having satisfied external customers (Berry 1981; George 1977). Mitchell (2002) supports this view noting that employees must know everything customers know about the company, long before customers know. Further Mullich (2003) stated that companies should not be looked upon as a bundle of products or services. They should be defined by the performance of their human capital. If the projection of the company by the employees is not in tune with the external communication of the organisation, then it will create brand disconnect with the customers. Employees must therefore be treated like customers in order for them to believe in the company’s brand (Payne, Christopher, Clark and Peck 2001).

Beagrie (2003) defined Internal Marketing as a tool to achieve the goals of the organisation by motivating employees to change their cognition and behavioral process. Internal marketing has a number of other HR and organisational benefits, including high levels of employee satisfaction, better retention rates, reduced absenteeism and wider acceptance of any change programme (Beagrie 2003). Beagrie (2003) contends that internal marketing is the practice of encouraging employees to modify their behaviors and opinion in order to achieve organisational goals. Internal marketing can therefore
produce top levels of **employee brand loyalty** that can transform into incremental sales and profits. It has a significant role to play in obtaining employee commitment to living the brand of the organisation (Boyd & Sutherland 2006).

In another way, internal marketing can also be viewed as the **communication platform** for the employment relationship and hence the stage for obtaining employee commitment to living the brand of the organisation in the minds of the employees. Beagrie (2003) believes that the best way to do this is through employing the similar influential methods of communication that companies use to promote products and services externally. Companies that are good at internal marketing take care of the consumer brand and the employee brand as two sides of the same coin and integrate their communications accordingly (Boyd and Sutherland 2006). According to Burkitt and Zealley, “the challenge for internal marketing is not only to get the right messages across, but to embed them in such a way that they both change and reinforce employee behaviour” (Hugh Burkitt and John Zealley 2006).

The satisfaction of internal customers is imperative to the success of a service firm (Gremler, Bitner and Evans 1994). The paper of Nancy Bouranta, Leonidas Chitiris, and John Paravantis (2009) provided experimental proof supporting the view that internal service quality has a direct effect on external service quality. **Organisational culture** of an organisation substantively influences the ability of organisations to develop and gain a competitive advantage through an emphasis on service quality. A number of researchers also recount enhanced organisational performance with a well-built organisational culture (Barney, 1986; Saffold 1988) and enhanced employee output (Deal and Kennedy 1982; Schein 1985). Internal marketing is thought to contribute towards achieving organisational goals (Gilmore 2003). Organisations that select, develop, manage and motivate their employees to produce exceptional business results have an extraordinary competitive advantage that others cannot copy (Nalbantian, Guzzo, Kieffer, and Doherty 2004).
In addition, one of the important outcomes of internal marketing is to boost the organisational **commitment** of employees (Tansuhaj et al. 1991). This results in improved job satisfaction; increased job performance and lower turnover of staff (Jenkins and Thomlinson 1992; Mathieu and Zajac 1990; Schlessenger and Haskett 1991). Hogg (1996) has suggested that internal marketing could be the solution to gaining employee commitment, succeeding where traditional internal communications programmes have failed. Lack of commitment from employees can be detrimental to an organisation, which results in poorer performance arising from inferior service offerings and higher costs.

Drake, Gulman and Roberts (2005) suggested that the effective implementation of internal marketing techniques can create noteworthy bottom-line results. In their International Journal of Business and Management January, 2010, it was stated that through a carefully planned internal marketing plan the corporation can convert employees into company fanatics who will generate **financial rewards**. Similarly, Dunmore (2002) pointed out that a strong internal marketing strategy can be critical to achieving and sustaining competitive advantage, as well as being a key driver of change and superior performance. The successful implementation of internal marketing can lead to: enhanced employee retention, stronger individual performance, better teamwork, and more effective overall communications (Drake et al. 2005). Research studies show that there exist a significant relationship between internal marketing and consumer satisfaction and between internal marketing and service quality (Bansal, Mendelson and Sharma 2001; Ewing and Caruana 1999).

Thus the underlying principle for the implementation of Internal Marketing is to make the employees feel that **management** cares about them and their needs are met. The successful application of the concept is transformed into positive employee attitudes towards their work including **organisational commitment, job involvement, work motivation and job satisfaction** (Tansuhaj, Randall and Mc Cullough 1991). However,
Vasconcelos (2004) highlighted internal marketing as a vital instrument through which one can build work environments where employees can find and enjoy unique job experiences as well as they are fostered to achieve their full potential.

1.4 EMPLOYEE BRANDING IN HIGHER EDUCATIONAL INSTITUTIONS - A CONCEPTUAL BACKGROUND

Employee branding is defined as “the process by which employees internalize the desired brand image and are motivated to project the image to customers and other organisational constituents” (Miles & Mangold 2004).

Building employee branding is seen by several researchers as an outcome of employee branding activities. One of the most important concerns is that the knowledge of Employee branding and Employee brand building in Higher Educational Institutions is based on knowledge imparted from the business sector. As a result, there is a need to examine the specific relationship between factors influencing employee branding activities and Employee brand building in Higher Educational Institutions, especially in MBA Institutions. In addition, the review of the literature indicates the possibility that the factors influencing the faculty members affect the Employee brand building process. Hence this study will investigate the relationships between these concepts.

According to Bergstrom, Blumenthal and Crothers (2002) branding is about adding a higher level of emotional meaning to a product or service and thereby increasing its value to customers and other stakeholders. Forming the brand inside the Institution begins with communicating the brand effectively to the employees, convincing them of its significance and value, and successfully connecting all parts of the organisation to convey the brand essence. These activities are at the heart of Employee branding. Bergstrom et al., (2002) believe that organisations should ensure regular internal communication and make use of multiple communication channels in order to construct the corporate brand. A number of tools are being used in order to
familiarize employees of Management Institutions with brand values, such as distributing the College Diary, appointing brand ambassadors, organizing workshops, seminars, orientation programmes etc, thus ensuring frequent communication (Burmann & Zeplin 2005; Ind 2004). Internal brand communication tools are used by Higher Education Institutions to communicate brand messages to employees (Judson, Gorchels and Aurand 2006; Whisman 2009). Also, in order to convey institutions’ unique characteristics to their stakeholders, some institutions have implemented corporate identity programmes (Melewar and Akel 2005; Balmer & Liao 2007; Celly & Knepper 2010). In Higher education context, internal communication is likely to promote identification with the institution (Thornhill, Lewis and Saunders 1996). The institutions communicate values to their employees through corporate visual identity, for example, the institution’s name, slogan and symbol (Baker & Balmer 1997; Melewar and Akel 2005; Whisman 2009). However, the media common to Higher education’s forms of institutional communication are, for instance, university brochures, campus meetings, e-mail messages, memos and intranet (Judson et al. 2006). Like any other non-profit organisations, it is noted that Higher education, uses websites to convey brand messages to employees, or, at least, to inform them of the institution’s academic programme (e.g., Melewar and Akel 2005; Tschirhat 2008). The study by Judson et al. (2006) shows that employees think that these particular communication tools are effective. Besides, internal publications like brochures tend to be the most effective method of delivering internal branding messages to faculty members in Higher Education Institutions (Judson et al. 2006). In addition to this, the message communicated from the top management to the faculty members should be consistent with the external communication. A good communication aims to persuade employees brand knowledge, attitudes and behaviors. Armstrong, Kotler, Sounders and Wong, 2005 state that the desired brand image communicated should be a direct derivative of mission and the values stated by the organisation. The outcomes of internal communications include employee commitment, shared vision, a service-
minded approach, loyalty and satisfaction (Asif and Sargeant 2000). Thus free flow of communication among the faculty members enable them to gain knowledge of their Institution, resulting in developing positive Brand Image, to deliver the desired brand promise.

According to Henri (2006), the culture in the organisation consists of shared values and behavioral norms that show the employees what is important and how things are done in an organisation. Usually the institutional culture is reflected during the recruitment and selection process. According to Holmgren, et al. (2003), the Human resources department plays an important role in the internal branding process by incorporating the brand into the recruitment process along with training and development and reward system. Prospective employees are carefully screened during the recruiting and selection process to ensure their attitudes and personal values are consistent with the organisation’s values and desired brand image (Miles and Mangold 2005). The brand image of the Institution, its long term vision and mission, its expectation from the employees and contact procedures which clearly reinforce the culture of the Institution are clearly communicated in advertisements, the institution’s websites and other communications designed to attract employees to the Institutions.

Motivation is one of the most vital factors affecting human behavior and performance. That is why the Higher Educational Institution attaches great importance to motivation in the organisational locale. Fair pay, incentives and rewards with positive work environment, recognition by their peers, motivate the employee to talk optimistically. Thus the only way to really motivate employees to live the brand is to ensure they helped create it; that it is partially their (Tosti & Stotz 2001, pg 30- 32). Employee branding is desirable here because it serves the purpose of meeting the needs of faculty members. Abraham Maslow’s Hierarchy of Needs theory states that everyone is motivated by needs and one must satisfy each need in order (http://brand.blogs.com/manta). This means that an individual won’t worry about esteem unless their basic need for food and shelter are first satisfied.
It is crucial for managers to understand the specific individual needs and goals of their employees (Bagraim 2007). Fang Li and DeVos (2008) note that, while money may be the motivator for older employees, younger generations may have different goals, such as fulfilling their personal potential, perceiving promotion opportunities and challenging assignments to motivate them. Once biological/physiological and safety needs are satisfied, acceptance in a group becomes a prime motivator, along with adopting the same behavior and standards, then conforming to Institution’s norms. Certain Institutes like TSM, Madurai start providing motivation right from Maslow’s first level of physiological need of “food”. They offer subsidized lunch and tiffin to all their faculty members. Staff quarters are being provided by some institutions (MEPCO). Employees higher order needs are also considered by providing conducive work environment and support for undergoing faculty development and research programmes. As Employers need to meet the needs of fulfillment, self-actualization and self-esteem by motivating employees, by sharing values and beliefs of the organisation (Holmgren, et al. 2003) (Geraets 2006).

Invariably, Employee branding starts from the senior management. James (2000), Mitchell (2002) and Beagrie (2003) contend that in order for employee branding to occur management contribution has to be made a key business objective. Research on internal branding points out that the outcome of an internal branding process is totally dependent on commitment and support from upper management (Holmgren, et al. 2003, pg. 43). Management of Management institutes is providing state of art infrastructure facilities including AC classroom, library and lab facilities. They also contribute financially and morally to organise programmes, guest lectures and other activities. Management contribution towards MBA accreditation promotes the Institution brand image. The senior management also plays an important and crucial role in the implementation of the internal brand process. They have to offer a clear vision worth pursuing, which reinforces the big picture to employees. Today big changes are introduced by the Management
professionally, such as 24 hours of working, all the 7 days a week. Typically, they help their subordinates understand the organisation’s values and vision and are able to communicate a plan for achieving the vision (Burns 1978). In-room group training, tertiary or vocational courses or mentoring and coaching by senior employees brings the desired outcome that will develop the individual’s performance (Elwood F. Holton II and James W. Trott, Jr. 1996). Thus the Management “walk the talk” with respect to its brand values.

**Rewards and Recognition** plays a major role in Employee brand building. Dessler (2005:439) has stated that different people react to different incentives in different ways. The faculty members differ in personality, ability, values, and needs, and these differences manifest themselves in different desires and different reactions. To maintain brand standards, the Educational Institutions are to **reward** their employees accordingly. It should be aligned with the achievement of personal, departmental and Institutional goals. The linkage between performance and reward sends strong messages about, what the organisation feels, is imperative. It also provides the basis for employee expectations (Vroom 1964). Effective reward and recognition schemes can enhance employee’s motivation and expectations. In addition to monetary rewards, intrinsic motivation like challenging jobs, assigning duties based on faculty interest and knowledge, participation in the decision making process with regard to academic calendar, a sense of equality and equal opportunity, praise and recognition, sense of pride in the job, self esteem and work, earning respect and trust, enhanced freedom, autonomy and control over work process, opportunities for personal growth and high involvement in job decisions satisfy the employees more. But some employees even work without recognition. In this context Herzberg (2003) argues that even though unfair salaries may demotivate people, it does not mean fat pay cheques will increase motivation. The contributions of the employees should be recognized and they should be awarded in different functions (Lance A. Berger and Dorothy R. Berger 2004). The Management in many colleges encourages article publication in magazines and journals by recognizing and rewarding the faculty members during college
day function. The major objective of the reward system in Management Institution is to attract, motivate and retain the competent employees. Poor performance, frustration and employee turnover happens if the employees perceive that their colleagues who are less efficient are getting the same or high salary. Open door policy with the Head of the department and transparency in operations are much expected by the faculty members. Intangible rewards motivate the employees more than the tangible rewards.

**Training and Development** programmes are essential to enhance employee performance and to bring consistency to the external brand experience. Therefore, HR should be led by marketing and incorporating the brand concept into all employee development programs (Aurand et al 2005). Innovative HR programmes such as Orientation programmes and Faculty Development programmes are the Internal Marketing programs that not only reflect the culture of the MBA department, but tend to reduce the employee turnover. Thus training should be an ongoing or continuous process which brings about change both in attitude and current performance of the MBA faculty members. It is a short term process for increasing the knowledge and skills for doing a particular job. The faculty members of MBA are always motivated to learn new skills, by encouraging them to prepare and publish papers, inducing them to attend Faculty Development Programs organised by IIMS. The MBA departments are also organizing and conducting FDP’s on various themes such as “Case study as SPSS for social science projects”, “Effective Pedagogy for Management” and other current topics. The HOD encourages the faculty members to attend the programmes organised by CII, Regional Management Associations, Entrepreneurial schools, Chambers of Commerce and other colleges and universities. Bendapudi and Bendapudi (2005:124) suggest that Institutions should “…consider employees as their living brand and devote a great deal of time and energy to training and developing them so that they reflect the brand’s core values”. Training is also given to the employees in the following lines. (i) Teaching employees about the brand, brand values and brand image. (ii) Teaching them how to represent the
brand in their behavior, (iii) giving them opportunities to practice representing the brand, and (iv) continually associating the attributes of the brand identity with the employees themselves i.e. through ID cards. It has been stated that training has to enable employees to deliver the brand image (Keller 2003, Wallace and de Chernatony 2005) by motivating the staff to give rise to a brand-supporting behavior (de Chernatony 2001). Senior faculty members ‘live the brand’ of the Institution, which is an indirect way of training. Imparting such systematic knowledge will result in brand commitment and brand loyalty. The faculty members are encouraged to learn new skills and techniques by observing their senior faculty members and are provided with excellent training programmes to groom their technical and presentation skills. The brand value of 24*7 is always emphasized. Faculty members make themselves available up to 6’o clock and are ready to work on Sundays. Management is also willing to provide transportation and other facilities to the faculty members. The management undertakes the above employee branding programs regularly reflecting the core values of the Institution. The organisational culture of educational services is knowledge driven, demanding high quality staff with teaching skills and staff with deep and wide-ranging knowledge. However, knowledge is not the only element related to people in organisations. Other elements also need to be addressed, including those related to service personnel such as their appearance, attitudes and social skills (Kotler and Andreasen 1991), for which training and development activities are also required. In Higher education, training and development are used for “ensuring that the workforce has the necessary skills to adapt to the changing needs of the organisation” (Warner and Palfreyman 1996, p.91). In non-profit organisations, as in Higher Education Institutions, when new employees go through a training programme, employees will be trained in the appropriate skills for their work (Kotler & Andreasen 1991). For example, workshops can be provided in order to introduce the institution’s brand to staff. Vallaster and De chernatony (2005) viewed that training employees and developing them would result in managing
the brand promise. Thus, Training and Development are key features in a learning organisation (Gephart, Marsick, Van Buren, and Spiro 1996).

Every Educational Institution is measured by the **performance of its employees**. Given the close link between the employment relationship and obtaining employee commitment to living the brand of the organisation, the implication is that performance management practices need to be evident, for employee branding to be a success (Boyd and Sutherland 2006). Hence **performance appraisal** is used as an instrument to measure and check the performance of the employees and the Institution, towards the desired objectives. In words of Noe et al. 2003, performance management is the means through which managers align employee activities congruently with the goals of the organisation. Interview or survey at the exit level, i.e. final outgoing students may reveal significant information with regard to performance of the faculty members as well as the Institution. Mullich (2003) believes that while most firms define themselves by the products and services they offer, they are actually defined by the productivity, quality and service of their human capital, namely the performance of their employees. In Higher Educational Institutions formal and structured performance appraisal process are properly conducted; it helps the faculty members to clearly understand their roles and responsibilities in their teaching profession. It reviews the past performance of the faculty members and focuses on the improvement of their future performance. Philpott and Sheppard in Armstrong (2000:5) state the purpose of performance management “is to establish a culture in which individuals and groups take responsibility for the continuous improvement of business processes and their own skills and contributions”. It reveals the causes of the good quality work and poor employee performance and also diagnoses deficiencies in employees related with their skills and knowledge and determine the training and development needs for their growth. Thus the Performance appraisal facilitates self development of faculty members and makes them aware of their key performance. Welbourne (2003) proposes that to achieve good employee engagement, the performance of employees should be evaluated on a regular
basis and they should be given honest feedback. Mullich (2003) contends that employees need to be evaluated, rated and given feedback on how they performed against their goals and the company’s goals. The performances of MBA faculty members are periodically evaluated from the feedback given by the Head of the Department and by the students. The evaluation can be accomplished through using electronic surveys, hard copy surveys, focus groups, interviews or informal feedback (Drake et al. 2005). Thus Performance Evaluation enables the faculty members to undertake responsibility for continuous improvement and result in desired brand behavior.

A highly conducive work environment makes the teaching learning process more effective in Higher Educational Institution. The Management of MBA Institutions provides conductive work environment, in order to enhance the human performance, as the faculty members are endowed with wide variety of knowledge abilities, values, aptitude and attitude. As Black (2008) says the work environment must be one that values the contribution of individuals and proactively enhances human capacity. The Institution plans the job of the faculty members so that they are given challenging, innovative and creative work utilising their skills and potentialities. This not only enhances the employees’ performance, but also satisfies the employees psychologically. Modern teaching aids like video conferencing, LCD projector, simulated classrooms etc, turn out to be the brand attributes of the Institution, which motivate the faculty members to serve the students. According to William Neal and Ron Strauss (2008), organisations that want to foster affective commitment must in return show their commitment to the employee himself, by providing supportive work environments. The faculty members of management Institutions are provided with well furnished separate cabins with excellent lighting and ventilation. Each faculty is provided with exclusive laptop for their use in the college. Classrooms have LCD projector connection with internet facility, AC classrooms, computer labs with laptops of latest configuration and well stocked library with books, journals e-journals, delnet and magazines. The communication, being a social process smoothen the relationship of the
Management studies department, with all other departments. The internal communications are shared through Intranets, Internet, Public Address system, Minutes Note, Circulars and Notice boards. Thus the employees’ benefits should be the activities that they develop (functionally), the financial stimulants (economically) and the feeling of being part of something, of pursuing a direction and serving a purpose (psychologically). Employee branding programs are intended to impress brand attributes onto the work behavior of employees, who are then expected to infuse brand attributes throughout their work (Ind, 2001; Mitchell 2002; Miles and Mangold 2004).

1.5 EMPLOYEE BRAND BUILDING IN HIGHER EDUCATIONAL INSTITUTIONS – A CONCEPTUAL BACKGROUND

Though Management Institutions are teaching about corporate brands, brand building process and brand management for quite a long period, they have not yet applied those aspects practically in their own Institution. Today Educational Institutions greatly rely on word of mouth marketing. The concept of globalization and the mushroom growth of private management institutions have created a need for unique portrayal of each institution as a distinct brand. Consistent branding needs employees with internalized brand image, projecting it to the customers and other organisational constituents.

Numerous factors influence the ultimate performance of any Educational Institution. One among these factors is the prevailing culture of an Institution. However, very few Institutional Heads realize the weight that a culture of an Institution, has on its performance. Every organisation has a culture-good or bad. However there is more to a good culture than happy staff. Strategically relevant culture with intrinsic ability to adapt to changing circumstances is the need of the day in Management Institutions. Culture in an Educational Institution reflects how decisions are made, who makes them, how rewards are distributed fairly among the employees, who is promoted, how employees are treated individually, how the organisation responds to its
environment, and so on. The culture of a Management Institution is strong and cohesive when it conducts its operations according to a clear and explicit set of principles and values, which the management devotes considerable time to communicate to employees and students, and which values are shared widely across the institution. In words of Knapp (2000) for building a brand driven culture, organisations are expected to spend a substantial time and effort for achieving the desired mindset which result in producing intangible outcomes including, lower price sensitivity, more customer satisfaction, fewer customer defections, increased share of the customers’ income, and a higher probability for repeating purchases. The chairman of Starbucks quoted in business week on August 6, 2001 stating, “if we want to exceed the trust of our customers, then we first have to build trust with our people. Brand has to start with the culture and naturally extend to our customers”. This is correct; changing culture is not easy but harder than one would think. For internal branding to truly take hold, an organisation must anticipate, acknowledge and respond to culture resistance (Bergstrom, Blumenthal and Crothers 2002, pg.137). To deliver on the brand promise, employees have to act in accordance with the values of the Institution. Well practiced Institutional culture and value system develop a positive impact in the minds of the employees, which influences the behavior of the employees to support the brand. Noble, Sinha and Kumar (2002) argue that culture centers on embedded values and beliefs that guide behavior. Therefore, it is assumed that culture develops brand knowledge and acceptance which guides the employee behavior that in due course influences their performance.

Every organisation tries to implant its brand image in the minds of their customers, through repeated communication. Similarly Educational Institutions enrich their faculty members with the Brand knowledge through communication of the vision, mission and values at every possible instance. This leads to synchronization of the individual’s goals with the Institutional goals. The institutions culture of planning well ahead is expected of the faculty members. The faculty members are expected to prepare and submit the course
plan for every subject along with the probable practical assignment topics and seminar topics for students. They are also emphasized to plan about their related club activities, guest lectures in their domain area and subject oriented field visits. Assigning of specific duties like academic calendar and exams, sponsored intercollegiate seminars, Department Journal and Faculty Development programmes enrich the faculty members with the knowledge of the Institution practices, resulting in brand knowledge. Constant reporting systems and follow up by the Head of the Institute facilitates delivering the brand promise efficiently. In addition, when the employees are treated with respect and dignity, they work with commitment and loyalty. Providing employees with clear guidance and direction, as premised through the provision of appropriate brand knowledge, has the potential for role conflict and confusion to dissipate. As a result, increased job satisfaction and organisational commitment is realized (Siguaw, Brown, and Widing II 1994; Jones, Busch, and Dacin 2003).

Positive **brand knowledge** results in positive brand image. This depends upon the mission and values imparted by the Institution to its employees. A well formulated desired brand image can also define how staff members are expected to deliver customer service (Miles & Mangold 2005). The Management and Head of the Institution always express their wish of converting the Institute into a reputed B School in the future, which in turn motivate the faculty members to upgrade themselves and better prepared to deliver the customer service. **Brand image** plays a crucial role in the choice of Institution by the students and faculty members. The attitude of the recruiters and even the society are based on the brand image of the Institution. The brand of the Institution helps to shape the vision, values and culture of the organisation as well as generate value for external stake-holders such as customers. Thus Employee branding enables an organisation to consistently focus its brand image in the mind of workforce. This in fact turns into competitive advantage when employees are highly motivated; they internalize this image and project to stakeholders. As the Institution’s brand values are
realistic, the employees nurture and care the brand of the Institution and the **brand internalization** begins. The internalization process enables employees to better fulfill the explicit and implicit promises inherent in the brand name and organisational image (Greene, Walls, & Schrest 1994). Thus engaging employees with an organisation makes them work harder and be more committed. Lockwood (2007) states that “engaged employees work harder and more **committed** and may go beyond the requirement and expectations of their task”.

Providing a conducive environment for employees to feel delighted about working with the organisation and consequently getting converted into **loyal** employees is very important (Larsen 2003) in Higher Educational Institutions. **Commitment** is considered to be a key variable in determining organisational success (Morgan and Hunt 1994) as employees feeling of belongingness influences their ability to go above and beyond the call of duty in order to achieve the organisation’s goals (Castro, Armario, and Sanchez del Rio 2005). The residential MBA Institutes are conducting late night classes, which provide different learning experiences to the students. They even conduct online examination after college hours to avoid wasting time on exams, papers and class hours. This brand commitment has been considered as an important outcome of the dissemination of the brand knowledge and also as resultant of organisational effectiveness and productivity (Fiorito, Bozeman, Young and Meurs 2007); (Meyer, Allen and Smith 1993). Thus Commitment is the end result of the emotional connection of the faculty members with the Institution, which makes them to live the brand of the organisation. The faculty members are ready to spend beyond the working time of the college, acting as the brand ambassadors of the Institution.

For educational services, a strong brand reflects a promise of future satisfaction (Berry 2000). **Brand equity**, the concept portraying the ability of a brand to deliver profits at the end of the day (Kapferer 2004), is an interesting construct, because scholars believe that value creation would emanate from building brand equity (Heding, Knudtzen & Bjerre 2009). Most of the Institutes
offering MBA programme are reaping the harvest of their immeasurable efforts through their top rated alumnae in all spheres of business. Strong bondage is also developed among the faculty members, between the faculty and the student, between the faculty and alumnae, which results in ultimate job satisfaction. Satisfied faculty members project a positive image of the Institution, recommending the course to their friends, relatives and neighbors, which emphasize the role of employees and their contribution in enhancing brand equity. Thus the role of employees in building the brand and making the brand ‘come alive’ is seen as essential. Ind (1997) stated that the perception of an organisation is directly or indirectly influenced by its employees and management. Employees with Brand Equity, exhibit the desired behavior, as expected by the Educational Institution. Exhibiting the desired brand behavior reflects the satisfaction of the employees. A satisfied employee is a productive employee. The faculty members can be successful in their own jobs, only if they can make their work environment more productive with the help of other employees who work in the same organisation with different jobs and by giving support to the various jobs done. All aspects of society expect higher-quality services from the Higher Educational Institutions. In order to reach these expectations, Employee satisfaction of Higher Educational Institution is crucial. If the satisfaction level of employees’ increases, the quality level of Higher Educational Institution will increase. Thus successful employee branding practices results in low attrition rate, delighted employees and satisfied vendors and customers (Rousseau 1995).

1.6 STATEMENT OF THE PROBLEM

“One reason why students from the IIMs are readily employable is because faculty members are in close touch with industry and understands its requirements,” says K S Sundar Ram, an IIM-A alumnus and executive director at Auto Components Company Natesan Synchrocones.
The business schools in India present a strange picture. The classrooms are swelling in size over the past decade, spurred by an increase in demand for management professionals, but a few teachers. Top institutes are opening new campuses and new B-schools are popping up everywhere. Management education is more accessible than ever before, but quality has taken a backseat. Around 2,500 institutes in the country now toss out one lakh MBA graduates every year. The problem, say industry leaders and B-school professors and alumni, is that there are too few teachers, even at premier institutions. While the number of students at IIM’s flagship Ahmedabad campus increased sharply from 1999 through 2009, from 165 to 280, faculty strength went up only marginally from 83 to 90. Harvard Business School has a student-teacher ratio of 7:1.

Currently, the biggest challenge faced by Technical Educational Institutions in India is the acute shortage of qualified and competent faculties. The genesis of this lies in rapid mushrooming of technical institutions on account of surging demand of technically trained manpower by fast growing industrial sector of Indian economy; and abysmally low number of candidates in technical disciplines from premier institutions opting for the teaching careers on account of possibility of higher incomes from the non-academic career options.

While all constituting elements of an institution are important for its success, it is its enhanced ability to attract and retain the best quality faculties that separates it from the other run-of-the mill institutions (Bowen & Shuster, 1986). The faculty is the main storehouse of knowledge, driving and influencing all activities towards pursuit of excellence. The calibre and scholarship of an institution's faculty influences the quality of its teaching and research programmes; and its image in the outside academic and business world.

Further the problem of faculty shortage has been accentuated due to the entry of foreign universities in the India post to enactment of provisions of GATS Agreement to education sector in India in April 2005. This has resulted
in a scenario where technical institutions in India are vying with each other to attract and retain the best available faculty talent.

It is often said that if one takes good care of his guests, there is all the probability that the guest will become your own and will continue to be loyal with you. This is followed by organisations like Google and Marriott. Every organisation must understand this fact very clearly that the organisation's core values are defined by the extent of being productive and responsive towards the customers. Therefore, it is of utmost importance that Higher Educational Institutions should design and pursue employee-oriented mechanisms so as to compete well in market place to attract and retain the best faculty talent.

1.7 NEED FOR THE STUDY

Knowledge is power and it is the Higher Education that produces knowledgeable persons. Higher Education is essentially not just for the development of a country, but for the survival of the freedom of its people. Higher Education contributes to Human Resource Development in many ways. In fact, investment in Higher Education can be a key contributor to a country’s economic growth (Patnaik Prabhat 2007).

In India, Management education evolved through Commerce discipline. In 1903, British Government initiated secondary school level commerce at the Presidency College in Calcutta focusing on Secretarial practice, Business studies and Accounting. The College Level Business education was initiated in 1913 in Mumbai’s Sydenham College. The liberalization and Globalization has brought the unprecedented expansion of the Management education sector in India in last twenty years.

Education in general and Management education in particular has one of the most crucial roles in nation building. The MBA degree has become one of the most popular Master’s degree, as it attracts people from a wide range of academic disciplines. As more Universities started offering the degree, differences in the quality of schools, faculty and course offerings became
evident. Naturally, establishing some criteria of quality is needed to
differentiate among MBA programs, especially for prospective students trying
to decide on where to apply. Quality is an important issue in Higher Education.
Despite a vast network, the Institutions that are in focus on the world or
National rankings are very few.

Because of giving less quality in India, the queues of students lining up
to join US Higher Education Institutions seem to grow longer and longer,
regardless of very high and rising costs and visa difficulties. The attraction is
not simply the lure of eventual emigration to the US, but a genuine perception
that system is inherently superior. Because of stiff competition all over the
world, Higher Education Institutions are now actively pursuing students using a
wide variety of strategies to market their courses. As a result, Higher Education
Institutions which are excellent in **branding alone can survive in the market.**

The increased competition in Higher education has triggered a renewed
interest in branding. Brand has become the latest buzzword in
Higher education in recent years. Brand is not solely what a campus is or
wants to be – it lives in the minds of the market. **“The brand is the lasting
impression created by any form of contact with an organisation, whether
through people, the media or any form of transaction”**. As a result of
implementation of WTO, most of the foreign Universities wants to set up their
study centre in Asia; also their focus on India is very high due to high literacy
ratio in English. Higher Educational Institutions are under mounting pressure to
recruit new faculty members, increase their endowments, and advance the
institution’s reputation regionally, nationally and internationally. In reaction to
this, the need arises for all the Higher Educational Institutions to focus on inspiring
their employees as a route to differentiate themselves from their competitors to
achieve competitive advantage. Gone are those days when faculty members were
at the mercy of universities and colleges. At present staff members are
progressively savvy. Faculty members are faced by a multitude of choice in terms
of both colleges and universities.
For any major Educational Institution, there are four important stakeholders: faculty, students, employers and alumni. In the long run an Educational Institution is known primarily for its faculty and students. Hence continuous efforts should be taken to focus on maximizing the levels of satisfaction of these stakeholders. Everyone in and out the campus must know what the Institution is, what it wants to be, who its peers are and most of all what makes it distinct (Robert Moore 2003). So the faculty members are increasingly expected to do Business development roles for enrolment, placements and Management Development programmes. In colleges such as ISB, professional managers have been appointed to do Marketing roles and their salaries are comparable and sometimes even higher than regular faculty.

Inspiring the faculty members has clear Institutional benefits. Faculty members are the vital link in building relationships with all the stakeholders as they are required to convey the significance of the brand. Empirical studies undertaken by Naude and Ivy (1999) and Ivy (2001) show that employees are highly influential in the representation of Higher Educational Institutions to the public (as a result of staff reputation, research output, and top quality teaching, for example). In order to develop a strong Institutional brand, it is necessary that the faculty members become the brand ambassadors. They have to know the brand values, need to believe them and act in consistency with the values. Imparting the brand’s value system to the employees is referred to as “Employee branding or Internal branding”. Bendapudi and Bendapudi (2005:124) suggest that companies should ‘…consider employees their living brand and devote a great deal of time and energy to training and developing them so that they reflect the brand’s core values’. This is often referred to as Employee branding or Human Capital Branding. Thus the faculty members play a crucial role in the Institutional brand building process.

Apart from quality and pricing, employee behavior has empirically verified to be the most important factor for the students in deciding whether to choose the Institution or not. For this employees need to understand how their competence and interaction with each other can affect the brand positively. The
point is to implement the values into the employees and make them live the brand.

Just like production industries, service industries are also getting popularized through brand image. Education is no exception. Consequently, the future of any Institution depends more on its employees than any other factor. The behavior of the employees, their commitment to the Institution and their ability to live the brand values has consistently gained an increasing importance. Hence the need to know how employee branding works in Higher Educational Institutions and how it can be utilized to position the organisation in the minds of the employees in MBA Institutions is necessitated here.

1.8 RESEARCH GAP

At the Institute for International Research’s The Branding Trilogy conference in Santa Barbara, California, Kristine Shattuck, Los Angeles Area Marketing Manager, of Southwest Airlines said, “Enthusiastic employees spread enthusiasm to customers. Market to your employees as much as you market to your customers because if your employees don’t ‘get it’, neither will your customers”.

The current literature on employee branding is largely narrow and little empirical evidence is available regarding the influential factors of Employee branding and the successful implementation of Employee brand Building. And the researchers in earlier studies have specified one or two dimensions of factors influencing Employee branding and Employee brand Building, that too adopted by companies and other organisations. This study contributes by reiterating this limitation in marketing literature and has identified eight dimensions of factors influencing the Employee branding and six dimensions in Employee brand Building in MBA Institutions.

Having reviewed the literature related to Employee branding or Internal branding or Internal Marketing in product or service industries, several directions for further research is possible. Most studies have been conducted in
the private sector and/or western countries (e.g. Gotsi and Wilson 2001; Urde 2003; Vallaster and de Chernatony 2005; Aurand et al. 2005; de Chernatony and Cottam 2006; Vallaster and de Chernatony 2006; King and Grace 2005). Few studies have been carried out in other regions (e.g. Punjaisri and Wilson 2007) and/or the public sector (e.g. Hankinson 2004). Moreover, very few researchers (e.g. Judson et al. 2006; Balmer and Liao 2007) have undertaken the research on Internal branding in Higher Education sector. Therefore empirical research on Employee Branding in Higher Educations, especially in M.B.A Institutions has not been investigated, has given rise to the need of the study.

1.9 CHAPTERISATION

The chapters in this research work are divided as follows:

**Chapter 1: Introduction**

This chapter focuses on the background and introduction on Higher Education and Employee Branding. The statement of the problem, need for the study and research gap is also stated.

**Chapter 2: Literature Review**

This chapter focuses on the literature review, mainly on factors influencing Employee Branding and the Employee Brand Building model. It looks at the concept of Employee Branding and how Higher Education fits into the Employee branding and Employee Brand Building framework.

**Chapter 3: Research methodology**

This chapter focuses on the research methodology. Here the research design is set out with the objectives and hypothesis of the study. The study that will be conducted will take the format of a questionnaire.
Chapter 4: Analysis and Interpretations

This chapter focuses on the presentation of the research results under study I, II and III. Analysis of study I presents the profile of the respondents, study II with the dimensions of factors influencing Employee branding and study III deals with the dimensions of Employee brand Building.

Chapter 5: Discussion and Conclusion

This chapter focuses on major findings, discussion, implications of the research to Higher Educational Institutions and society, directions for further research, implication of the research to Higher Educational Institutions and society and conclusion.