

Becoming an employer-of-choice: An effective Talent Management Strategy

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Abstract

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With more complexity in the business environment, organizations need to give even greater emphasis to meet their talent management needs. Attracting and retaining the right candidates has become critical. Developing and projecting a brand image that supports the talent management needs of the organizations is becoming need of the hour. Creating brand ambassadors of the existing employees also strengthens its talent management efforts. The process of branding the organization or employer branding draws its roots from marketing and branding literature and has gained its relevance in developing the image of the organization as an employer of choice. The paper discusses the scope of employer branding in attracting an experienced pool of employees and also as an enabler of organization's internal brand building effort. The process of developing the brand is extensive and requires commitment and support from all in the organization.

1. Introduction

In today's highly competitive and globalized business environment, it has become imperative for an organization to possess highly skilled and motivated workforce in order to keep up with fast pace of the market. The demand for highly competent workforce is increasing steadily, in particular for those with the right skillset, knowledge and expertise. The resource crunch is intensifying in the face of increasing job mobility, demographic changes, aging workforce, and an inexorable demand for skills, knowledge, experience and education. There is also a growing propensity to switch jobs more often. The highly-skilled workforce, especially in knowledge intensive, technical and service-oriented sectors, have companies vying for them (Ewing et al, 2002). The workforce, today, is also particular about the jobs and organizations that they choose to work for (Rynes and Cable, 2003). Thus, adding to the fierce competition for skilled workforce in the labor market. Hence, organizations are using innovative ways to try and market themselves to these potential recruits. The challenge lies in developing a brand and an image about the organization to target these high potential recruits.

An organization not only needs to attract and recruit but also continuously engage, productively utilize and retain its high caliber workforce to support its talent management strategies and thereby develop or retain its competitive advantage. This requires organizations to build and portray

a brand image to target those with right competencies and skills. The answer to this lies not in short-term strategies but a long-term commitment to being the Employer of Choice or being the Best Place to Work. This application of branding principles and practices to HR function to market themselves to potential recruits and retain existing workforce is termed as employer branding. The concept of Employer branding has been described as "the sum of a company's efforts to communicate to existing and prospective staff that it is a desirable place to work" (Lloyd 2002).

Thus, employer branding is increasingly being used by organizations to distinguish themselves when it comes to the 'battle for talents'.

Research reports on AFM are, however, not so enough. Researchers of Indian Institute of Technology have made a progress on AFM theory

2. Employer Branding

Employer Branding as a practice is gaining importance. Employer brand puts forth an image promoting the organization as a preferred employer to work for. Attracting talent has become a central and critical function for any organization today. As potential employees gather knowledge about the positive aspects of the employer image, they are more likely to identify with the brand, and will more likely choose to seek membership with the organization. Thus, the ability to use a brand to convey symbolic benefits to prospective employees makes employer branding especially useful. The concept of employer branding was instituted by Ambler and Barrow (1996) in their article on employer branding. According to the authors, employer branding is "the package of functional, economic, and psychological benefits provided by employment, and identified with the employing company". Ambler and Barrow emphasized that the main function of employer branding is "to provide a coherent

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framework for management to simplify and focus priorities, increase productivity and improve recruitment, retention and commitment” (Barrow and Mosley, 2011). The research in the field of employer branding has grown substantially since then. Employer branding addresses the challenges of corporate branding, thus providing a strategic framework which is distinct and identifiable and employer brand that includes both marketing and HR (Ambler and Barrow, 1996; Moroko and Uncles 2008). Backhaus and Tikoo (2004) define employer branding as the process of building an identity as a concept of the firm that differentiates it from its competitors. Employer branding has also been viewed as the emergence of a psychological contract between employees and the organization (Backhaus and Tikoo, 2004; Martin and Hetrick, 2006) that is developed and formed as a candidate seeks employment with the organization and is strengthened over a period of time as the employment relationship develops between the two. From the given definitions, it can be inferred that employer branding is about establishing and promoting an image that makes it different and desirable as an employer.

3. Employer Attractiveness

Organizations vying for talent in highly competitive job environment have to differentiate themselves and be seen as attractive to prospective applicants (Lievens and Highhouse, 2003) and current employees. Employer attractiveness or organizational attractiveness is, thus, a closely related concept of employer branding that is defined as “the envisioned benefits that a potential employee sees in working for a specific organization” (Berthon et al, 2005). Employer attractiveness is thus seen as a strategic response to staffing challenges of the organizations today. Research indicates that potential recruits are affected by their perception of organizational image (Chatman, 2005; Rynes, 1991; Aiman-Smith, 2001) which leads to employer attractiveness. The information available to job seekers helps in shaping their perceptions which in turn impacts organizational attractiveness and the initial job choice decisions (Gatewood et al, 1993). Backhaus and Tikoo (2004) describe the three-step process of employer branding that begins with developing a unique “value proposition” that clearly establishes the identity of the organization. The value proposition embodies culture, management philosophy and style, employment image, impressions of product or service quality, etc. In totality, it includes the offerings by an organization that makes it different and desirable. The organization can, thus, steer its efforts to attract, retain and motivate those “who can add value to the company and are able to deliver on the company’s brand promise” (Moroko and Uncles, 2005; Ambler and Barrow, 1996). The firm, then, markets the value proposition to prospective employees either directly or through mediators such as executive search firms. It is important that the employer brand provides a consistent brand image that supports all other branding efforts (Sullivan, 1999). The third aspect of employer branding relates to committing to the brand “promises” made to the recruits so as to develop a workforce that is committed to a

set of values and organizational goals established by the firm. According to a study by Great Place to Work institute survey in 2011, being an employer of choice benefits an organization in reducing turnover, fostering innovation and creativity, increasing resistance against downturn and providing higher levels of customer satisfaction and loyalty

4. Internal Branding: Creating Brand Ambassadors

Credibility of employer branding efforts can be reinforced with employees’ values and behavior. It is, therefore, important that there is an alignment of between employee’s values and the brand’s desired values (Harris and de Chernatony, 2001). According to Bergstrom et al. (2002), internal branding refers to three things : conveying the brand to employees, convincing them about its brand value and associating every job in the organization to delivery of the brand „essence“. Sergio Zyman (2003, p. 204), renowned former chief marketing officer, aptly stated „before you can even think of selling your brand to consumers, you have to sell it to your employees“. He further suggested that positioning the brand in the mind of consumers is dependent on company’s employees. A successful internal brand management is based on the premise that an employment relationship is an exchange between the employer and employee whereby an employer provides for material and socio-economic benefits in return for employee’s loyalty and efforts. For this relationship to foster, it is imperative that the environment is conducive to encourage positive employee behavior that leads to increased efforts and strong brand building. This is attained by communicating brand identity to the employees for which information generation and knowledge dissemination are considered necessary (King and Grace, 2010). Employer branding leads to strong organizational identification and, thus, positive employee attitudes. According to Social identity theory, organizational identification is a powerful predictor of employee turnover intentions, organizational citizenship behavior and employee performance (Riketta, 2005). Lohndorf and Diamantopoulos (2014) go on to suggest that organizational identification and other organization variables play an important role in identity-based motivation for turning employees into brand champions. This further leads to desirable employee behaviors. Understanding the way employees react and respond to the internal initiatives will help the organization in designing and investing in such initiatives. The purpose of internal branding exercise is only then fully accomplished (King and Grace, 2010). The organization can steer its efforts to attract, retain and motivate those “who can add value to the company and are able to deliver on the company’s brand promise” (Moroko and Uncles, 2005; Ambler and Barrow, 1996). The employer branding and its utility for talent management process can thus be summarized with the following conceptual model:

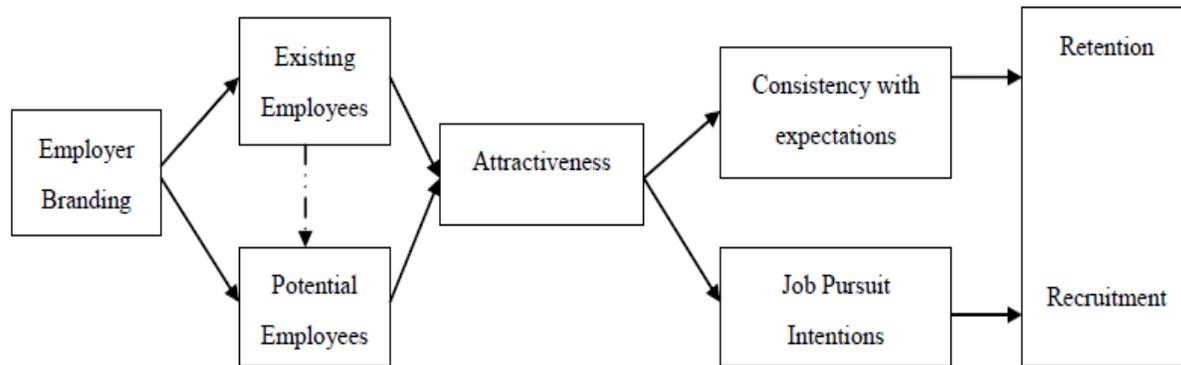


Fig. 1 Employer branding and its utility for talent management process

Employer branding may be thought of as an effective talent management technique to attract, recruit and retain the right fit for the organization. The positive human capital practices, thus, has an impact on shareholder value and contributes to the bottom line. Effective employer brands have strong employee value proposition (EVP) which is visible in organization's actions and behaviors and evoke both affective and tangible benefits for prospective and existing employees. The EVP, thus, propounded by the organization must reflect that image that it wants to portray to its target audience. A company's employer brand is reflected in its policies and practices. The same when planned well and implemented effectively leads to profitability and competitive advantage for the organization.

5. Conclusion

Employer branding is gaining increasing importance both in academic literature and in practice. It helps to attract and retain employees so that they become brand ambassadors and support the organizations' branding efforts. Companies, today, are increasingly harnessing the power of social media and other tools to develop and market their brand. Positions like Employer Brand Marketing Lead, Employer Brand Manager, Director of Marketing Communication and Employment Brand are increasingly being offered by organizations. Employer Branding awards have been instituted by various rating agencies all over. There also exists an online Employer Branding institute imparting information on employer branding practices around the world. Thus, creating a strong brand image for the organization supports its talent management function and develops brand ambassadors within the organization. However, it requires long-term and sustained efforts by the organization to build and internalize its brand image.

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