

## “EMPLOYER BRANDING AS A RETENTION STRATEGY”

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### Abstract

The term "employer branding" was first publicly introduced to a management audience in 1990, and defined by Simon Barrow, chairman of People in Business, and Tim Ambler, Senior Fellow of London business school, in the *Journal of Brand Management* in December 1996.

Employer brand management expands the scope of this brand intervention beyond communication to incorporate every aspect of the employment experience, and the people management processes and practices (often referred to as "touch-points") that shape the perceptions of existing and prospective employees. In other words, employer brand management addresses the reality of the employment experience and not simply its presentation. By doing so it supports both external recruitment of the right kind of talent sought by an organization to achieve its goals, and the subsequent desire for effective employee engagement and employee retention. Employee value proposition This serves to: define what the organization would most like to be associated with as an employer; highlight the attributes that differentiate the organization from other employers. This paper outlines the importance of employer branding, benefits. The objective of this study is to identify retention strategies that help to retain the employees, and also to identify the ways through which an organization can enhance its reputation.

Keywords: Employer, branding, retention, employees, strategies, recruitment.

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### 1. Introduction:

Retention management focuses on the effective system of measures that lead to retention of employees. It includes all activities that systematically influence the binding, performance and degree of loyalty of staff. "Retention" may be no more than a symptom, but it's something you should take seriously. In today's heating economy and rapid shift in demographics, organizations will be competing for talent regardless of the industry. All companies measure turnover. In some industries (retail, customer service, hospitality) turnover rates of 30-40% are common and sometimes even accepted.

Branding was originally used to differentiate tangible products, but over the year it has been applied to differentiating people, places and firms (Peter, 1999). According to Aaker (1991), established brand is regarded as a critical means for differentiating between products and

creating competitive advantage for organizations. Similarly, employer branding has become a new approach for gaining an edge in the competitive world. The term “employer brand” denotes what people currently associate with an organization. Employer branding refers to

This paper outlines the importance of retention management and the retention management initiatives that help the business organizations to retain the talent. The objective of this study is to identify the retention strategies that help to retain the talents. To understand the importance of employer branding as a retention strategy. To understand the benefits of employer branding and most importantly of all, employees are what we call an "appreciating asset." The longer they stay with an organization the more productive they are - they learn the systems, they learn the products, and they learn how to work together, which in turn reduces the cost for the organization as well as increases the productivity. Some of the common requirements for an organization to retain the employees are good working environment, better compensation package, developmental opportunities for employees, career growth opportunities etc.

Employer branding activities can be one of the useful retention strategies, employer branding helps to convey “value proposition” i.e. the totality of organization culture, systems, attitude and employee relationship and people who share goals for success and level of employee satisfaction.

## **2. Literature review**

The term employer brand was first used in the early 1990’s to denote an organizations reputation of an employer. As such employer branding involves constructing the value on an organization that creates the image that a company want to communicate to its potential employees, current employees & stake holders.

Ambler and Barrow (1996) have defined employer branding as the development and communication of an organization's culture as an employer in the marketplace. It is the package of functional, economic and psychological benefits provided by employment, and identified with the employing company. It conveys the "value proposition" the totality of the organization’s culture, systems, attitudes, and employee relationship along with encouraging your people to embrace and share goals for success, productivity, and satisfaction both on personal and professional levels.

According to Lloyd, “Employer branding is the package of financial, economic & psychological benefits provided by employment & identified with the employing company.” According to Martin & Beaumont, “Employer branding is defined as managing a company’s image as seen through the eyes of its associates and potential hires, emphasizes ensuring that the organization is seen as an attractive employer for both recruitment and retention purpose”.

According to Ritson (2002) companies with strong employer brands can potentially reduce the cost of employee acquisition, improve employee relations, increase employee retention and even offer lower salaries for comparable staff to firms with weaker employer brands.

The main research and theoretical analysis is generated by Richard Mosley (1990), who originally created the concept. In addition most of the research focusing on employer branding is based on the work of Backhaus and Tikoo (2004), Barrow and Mosley (2005) and Moroko and Uncles (2008; 2009). The author found that the literature is rather simplistic in its views all literature and case studies found have only one message: "employer branding is good". Hence the author has not been able to find much literature on negative impacts or research proving otherwise.

### **Conceptual and Theoretical Foundation of Employer Branding**

Employer branding, the latest buzzword to describe perceptions of an organization as an employer is being heralded in areas of the press as the answer to attracting and retaining the right talent in an increasingly competitive environment. It is not a logo, letter head or a clever advertisement but rather the communication of an organization's personality and unwritten promises about its culture to potential hires. It is the combination of factors that differentiate the organization as an employer and shape the perceptions of past, current and future employees. Brands are among a firm's most valuable assets and as a result brand management is a key activity in many organizations. Although organizations commonly focus their branding efforts towards developing product and corporate brands, branding can also be used in the area of human resource management. The application of branding principles to human resource management has been termed "Employer Branding".

Increasingly firms are using employer branding to attract recruits and assure that current employees are engaged in the culture and strategy of the organization. Employer branding is defined as "a targeted, long term strategy to manage the awareness and perceptions of employees and related stakeholders with regards to a particular firm"(Sullivan 2004).

Previous literature suggests that positive employer branding increases the applicants' Intention to apply, employees satisfaction and retention.

### **Conceptual Framework**

Employer branding is defined as "a targeted, long term strategy to manage the awareness and perceptions of employees and related stakeholders with regards to a particular firm"(Sullivan 2004).

Minchington defines employer brand as "the image of organization as a great place to work in the mind of current employees and key stakeholders in the external market (active and passive candidates, clients, customers and other key stakeholders). The art and science of employer branding is concerned with the attraction, engagement and retention initiatives targeted at enhancing company's employer brand.

At the heart of the Employment branding is the Employee Value Proposition (EVP). EVP is influenced by the organization's values, culture, leadership, environment, and talent and reward

programs. Employment branding is internally and externally promoting a clear view of what makes a firm different and desirable as an employer (Lievens, 2007).

### **Process of Employer branding**

**Research:** To know how the target group perceives the employer. Discover where the target group wants and needs from the employer.

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

**Communication strategy:** The Company needs to develop communication strategy & is based on EVP. Once an employer knows who they want to target & what to communicate, the employer has to choose the proper & effective channels for reaching them.

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

**Action:** implementing all the steps and monitoring in order to brand the organization.

### **3. OBJECTIVES OF THE STUDY**

- To identify the retention strategies that help to retain the talents.
- To understand the importance of employer branding as a retention strategy.
- To understand the benefits of employer branding.
- To suggest the strategies that enhances employer branding.

### **4. RESEARCH METHODOLOGY**

Population- staff of education institutes

Sample Size- 100 Staffs

Sampling Technique- Convenient Sampling

Data Collection - Primary Data is collected with the help of Structured Questionnaire with close ended questions and 5 point Likert's scale i.e. Strongly Agree, Agree, Neither agree /nor disagree, Disagree,

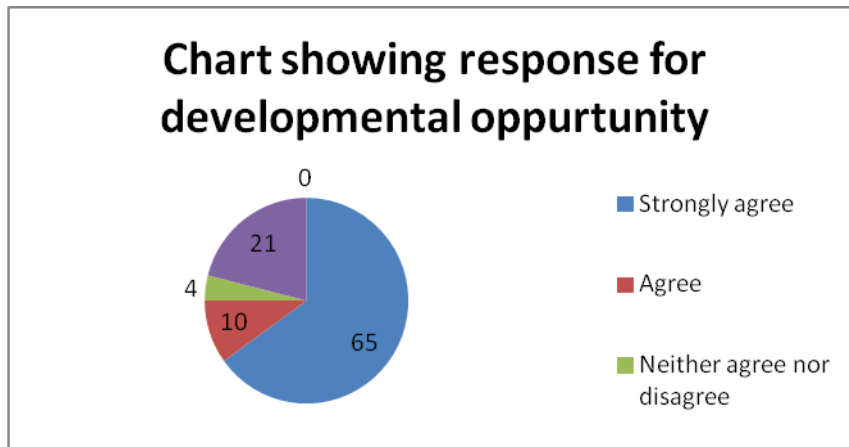
Strongly disagree for precise response of the respondents.

## 5. Data Analysis and Interpretation

1. The developmental opportunities provided in the institute helps to retain the employees  
 Table1. Showing response for developmental opportunities help to retain the employees

Response	No. of responses	percentage
Strongly agree	65	65
Agree	10	10
Neither agree nor disagree	04	04
Disagree	21	21
Strongly Disagree.	00	00
Total	100	100

**Chart:1**



### **Analysis & interpretation**

From the above table & chart it can be inferred that majority the respondents strongly agree,21% disagree,10% agree & 4% neitheragree nor disagree that developmental opportunities provided in the institute helps to retain the employees.

### **Inference:**

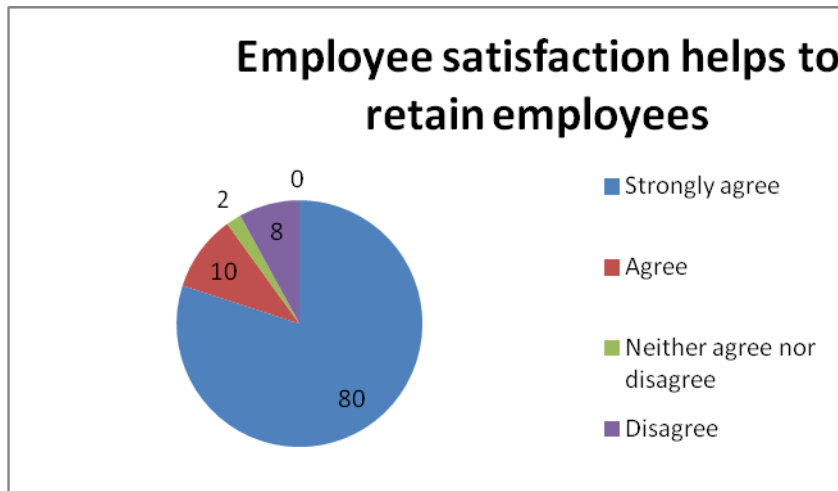
The developmental opportunities provided in the institute helps to retain the employees

2. Employee satisfaction helps to retain the employee.

**Table.2:** Showing response for employee satisfaction helps to retain the employees.

response	No.of response	percentage
Strongly agree	80	80
Agree	10	10
Neither agree nor disagree	02	02
Disagree	08	08
Strongly Disagree.	00	00
Total	100	100

**Chart:2**



**Analysis & Interpretation:**

From the above table & chart it is clear that 80% of the employees strongly agree,10% agree,2% neither agree nor disagree, 8% disagree that employee satisfaction helps to retain the employees.

**Inference:**

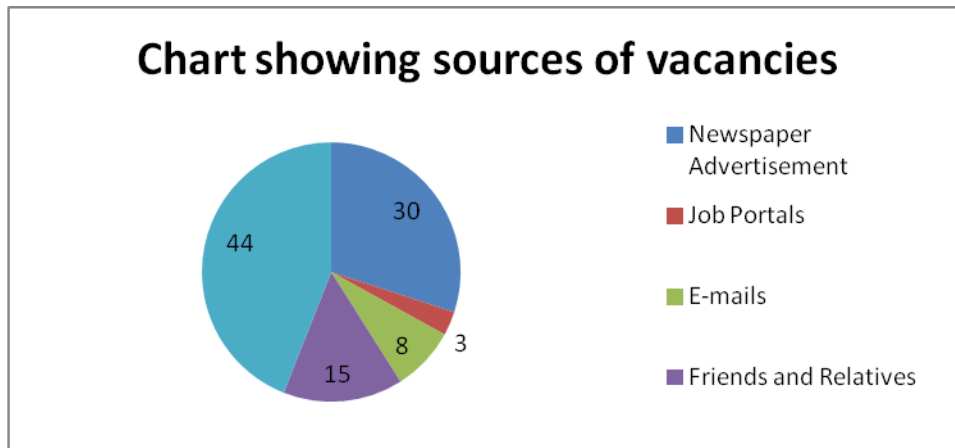
Employee satisfaction helps to retain the employee.

3. The source through which you got to know about the vacancy in the institute.

**Table3:** Showing response for sources of vacancy.

response	No.of response	percentage
Newspaper Advertisement	30	30
Job Portals	03	03
E-mails	08	08
Friends and Relatives	15	15
Employee reference.	44	44
Total	100	100

**Chart.3**



**Analysis & Interpretation:**

From the above graph it is clear that 44% of candidate’s source of vacancy is through employee reference, 30% through news paper advertisement, 8% through e-mails, 15% through friends & relatives & 3% through job portals.

**Inference:**

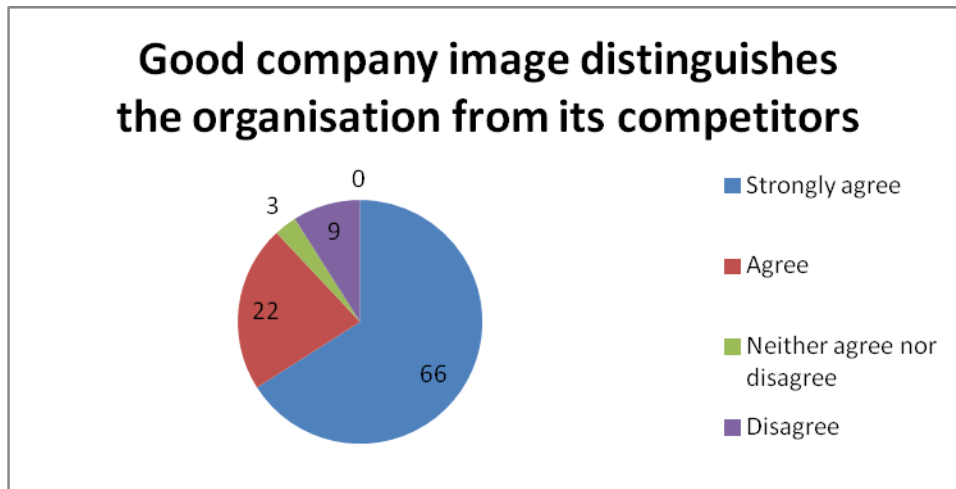
The candidate’s major source of job vacancy is employee reference.

4. Good company image distinguishes the organization from its competitors.

**Table.4:** showing response towards company image distinguishes the organization from its competitors.

Response	No.of response	percentage
Strongly agree	66	66
Agree	22	22
Neither agree nor disagree	03	03
Disagree	09	09
Strongly Disagree.	00	00
Total	100	100

**Chart.4**



**Analysis & Interpretation:**

From the above graph it is clear that 66% of the respondents strongly agree,22% agree,9% disagree,3% agree that good company image distinguishes the organization from its competitors.

**Inference:**

Good company image distinguishes the organization from its competitors.



## **6. Findings**

1. Majority of the employees agree that employee satisfaction help to retain the employees.
2. Most of the employees agree that attractive compensation package helps to retain the employees.
3. Majority of the employees strongly agree that applicants consider the company reputation while applying for job.
4. Majority of the candidates got to know about the vacancy in the institute through employee reference.
5. Good company image helps to retain the employees.
6. Company reputation helps to attract the talents.

## **7. Suggestion:**

Employer branding, however, is the process of generating appeal, creating and identity, communicating that identity and ensuring that the identity remains authentic and true. It's about ensuring that your organization is known, respected and considered to be a great place to have a career and work.

1. Institutes can enhance their reputation by taking up corporate social responsibility.
2. Providing good developmental opportunities & reward system would help to distinguish the institutes from its competitors.
3. Employee satisfaction contributes for retaining the employees.
4. Employer popularity reduces the employee turnover.

## **8. Conclusion:**

Employer branding is about managing a company's image as seen through the eyes of its associates & potential hires, emphasizes ensuring that the organization is seen as an attractive place for both recruitment & retention purpose. Companies with positive reputation are likely to attract more applicants. Companies need to ensure the consistency and transparency of all its messages in order to achieve a good reputation. Compensation & other economical benefits, recognizing employees who have contributed to the company's performance is very essential to create good working environment & encourages the employees to work at their best. Providing facilities such as good working environment, developmental opportunities, and attractive compensation helps to retain the employees. Employee satisfaction is one of the major factor which helps for employee retention.

Employer branding helps the company to reach appropriate talents required by them. If a company has strong employer brand, it need not have to search for talents because talents would eagerly choose that company. The major benefit of employer branding differentiates that organization from its competitors. So employer branding can be a useful strategy for retaining the employees, it not only helps to retain employees but also reduces the cost of recruitment ,It also helps to enhance employee performance and increases commitment towards the organization.

## 9. REFERENCES

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## Websites:

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- 2) [www.employerbrandingtoday.com](http://www.employerbrandingtoday.com)

## Annexure: Questionnaire.

1. The developmental opportunities provided in the institute makes the employees to stay for a longer time  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree.
2. Good career opportunities motivate the employees to stay for longer period in the institute.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree
3. Employee satisfaction helps to retain the employee.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree
4. Reputation of the company in the society makes the employee to stay for a longer period with the institute.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree.
5. Attractive compensation package is one of the factors that reduces employee turnover.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree.
6. Quality of work life is one of the factors that make the employee to stay for longer period with the institute.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree
7. The source through which you got to know about the vacancy in the institute.  
a) Newspaper Advertisement b) Job Portals c) E-mails d) Friends and Relatives e) Employee reference.

8. Applicants consider the company reputation while applying for job in an institute.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree
9. Employer reputation gives prestige for the employees for being associated with the institute.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree
10. Employer reputation increases the esteem of the employees for being associated with the institute.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree.
11. Good company image helps to attract the talents.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree
12. Company reputation reduces employee turnover.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree
13. Good company reputation reduces the cost recruitment for the institute.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree
14. Good company image distinguishes the organization from its competitors.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree
15. Popularity of the institute helps to retain the employees.  
a) Strongly agree b) Agree c) Neither agree nor disagree d) Disagree e) Strongly Disagree
16. The ways through which an institute can enhance its reputation are.  
a) Corporate social responsibility.  
b) Reward & Recognition.  
c) Senior leadership.  
d) Learning & development.  
e) All the above Initiatives.