



# EMPLOYER BRANDING: STAIRWAY TO SUCCESS

**What is the USP of your Employer Brand?**

**Aditi Sharma** brings out the importance of employer branding and the need for differentiating people practices, for companies to attract high-quality talent and achieve a healthier bottomline

■ Cover Story: Employer Branding

**WHAT** makes an employee happy, healthy and wise? The answer lies in working with a company that has successfully differentiated its people practices and provides the employees with an environment that matches up to the expectations that have been created in the market. This is where employer branding becomes imperative.

The actual 'concept' behind employer branding has been around since a while now. Every company has its own HR policies and culture - the only difference lies in the way and the extent to which these companies market such a proposition. Indian old-timers like Aditya Birla Group, Godrej and DCM Shriram never specifically focused on creating a certain image about their workplaces in the minds of employees and potential employees. They were simply 'known' as the best, most reliable brands to work with.

This model has now changed. Employees today have more resources at their disposal than ever

before. The company brand definitely matters, but increasingly, it is the employer brand (*those HR practices that the company is 'famous' for*) that truly attracts the kind of employees that all employers want. In fact, a July 2008 Mercer Insight states: "We see companies with strong employer brands that are able to pay below the median and still attract and retain high-quality employees." At the same time, there are companies that successfully extend their company brands and merge them with the employer brand. McDonald's is one such example. Their catchphrase "I'm Lovin' It!" applies not just to their outlets, but to the employment experience as well. The McDonald's People Promise affirms: "We're not just a hamburger company serving people; we're a people company serving hamburgers".

Employer Branding closely relies on marketing concepts for highlighting the positioning of a company as an employer. The 'customer' here is the 'employee/potential employee', while the aim remains the same: attracting new customers while retaining the current ones. Also, just like a consumer brand, the employer brand highlights the emotional and rational benefits that the employer provides to the employees.

One of the earliest definitions of the concept was provided in 1996 by Simon Barrow (*of People in Business, a consulting firm that specialises in employer branding*) and Prof. Tim Ambler (*Senior Fellow at the London Business School*), who defined Employer Branding as "the package of functional, economic and psychological benefits provided by employment, and identified with the



employing company".

This package of benefits offered by the company has come to be known as the 'Employee Value Proposition' (EVP). In their book, *The HR Value Proposition*, authors Dave Ulrich and Wayne Brockbank define EVP as the standard that 'specifies what employees will get from the firm when they meet expectations'.

More recently, Brett Minchington (*author of 'Your Employer Brand: Attract, Engage, Retain'*) defined employer branding as "the image of the organisation as a 'great place to work' in the minds of current employees and key stakeholders in the external market."

The top ranked company in the Best Workplaces in India survey-2008 was RMSI Pvt. Ltd., an emerging enterprise that has been working hard to get the basics of employer branding right. RMSI has become known for its systematic and transparent policies, and employee satisfaction has been extremely high in the areas of perks and appraisal systems. This goes to show that a company need not be the largest player in the market in order to develop a good branding strategy; all one needs to do is take care of the employees, so that the employees can, in turn,

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take care of the organisation.

Many in the industry are of the opinion that HR Marketing and Employer Branding are terms that can be used interchangeably, although this is not true. HR Marketing has a limited scope, wherein the focus is more towards marketing the HR function to internal customers; primarily, the senior management and Board of Directors. Employer Branding, on the other hand, is a broader term. It involves the prior development of a vision (*how we want the company to be, and what kind of employee policies should we institute to achieve this vision*) and requires commitment from the senior management *before* it can be effectively implemented.

Prof. Ambler agrees with us, stating, "Many see HR Marketing as marketing to HR directors and management. Others see it as integrating (*external*) marketing across functions. And most 'marketing' by HR boils down to one-way communication, for instance through leaflets, emails and staff information meetings."

### Components of an Employer Brand

Simon Barrow suggests that there are four components that make a good employer brand.

The first is the *Employment Package*, which is the 'job offer' made to an employee. This is made up of the financial compensation, job role and responsibilities, designation, work environment and career development plan. These factors help in 'sealing the deal' with potential recruits. There are some companies which effectively convey their employment packages through their recruitment advertisements. The award-winning recruitment ad campaign at the 2008 Pink Slip Awards (*given for creative excellence in recruitment advertising*) went to JWT Mindset for its conceptualisation of the Broadridge Financial Solutions campaign. This winning ad has the headline "Thank God it's Monday!" and goes on to explain how the company creates such an experience for its employees.

The second component is the *Culture and Environment*. This includes the values that the company stands for, work rituals and systems in place and examples set by the top leadership. Many industry experts believe that the proposed

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**Prof. Tim Ambler**  
Senior Fellow, London Business School,  
and a pioneer of the Employer Branding concept, along with Simon Barrow

Employer branding is much closer to "internal marketing", that is, treating employees as customers and seeking recruitment of the most value-adding employees, their retention, their understanding of and commitment to the company's vision, short- and long-term goals.

Thus "brand equity" usually refers to what is largely in the customers' (*and consumers'*) heads about the "brand", i.e. what they are or hopefully will be buying.

"Employer brand equity" is the equivalent for (*potential*) employees.

Both of these are assets built by good external and internal marketing respectively.

The concept is especially important for service businesses because the external brand equity is created by customer contacts with market-facing staff, that is, employer brand equity. If employer brand equity is maximised in those firms, customer brand equity will take care of itself.

Microsoft-Yahoo merger (*which did not materialise because Jerry Yang, the chief executive was not happy with the share price he was offered*) would never have worked anyway due to the way the two companies have branded themselves as employers. Microsoft's culture has been known to very deep-rooted and arrogant, with a focus on winning every 'game'. Yahoo, on the other hand, is a much younger company and has no qualms in cooperating with others and openly discussing its business policies.

The third component is *Integrity*. There is no point wasting time and money attracting people towards something the company cannot deliver. Dr. T.V. Rao (*a pioneer of the HR function in India*) clarifies, "In the past few years, it seems to have become fashionable to indulge in employee en-

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### How GREEN is Your Employer Brand?



International employer brand strategist and author, Brett Minchington on how to enhance your employer brand by promoting your company's commitment to a 'greener' environment

- Only accept job applications and resumes online
- Reduce your reliance on newspaper recruitment advertisements
- Include corporate social responsibility statements on your web site
- Include details about your commitment to the environment in offer letters
- Offer subsidised employee bus pools to encourage commuting employees

**THE WINNING AD HAS THE HEADLINE "Thank God it's Monday!"** and goes on to explain how the company has managed to create such a conducive experience for its employees



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that their organisations deliver a strong EVP. The same survey highlights that an organisation's access to candidates in the labour market can increase by as much as 50 percent if the EVP is managed and communicated effectively.

### Employer Branding Process

Employer Branding involves a comprehensive study of the 'the way we are' and 'the way we want to be' for the organisation.

It is important to start by defining and identifying the existing employer brand, by asking employees for feedback on the way they perceive the company and its 'personality'. This will help the HR team define the positive and negative qualities of the systems and culture in place, hence providing a clear idea about employee expectations - the hygiene and motivation factors.

The next step is the development of the ideal employer brand as per the company's requirements. The focus should be on 'what differentiates your company from the competition'. What is it about your company that offers employees something that no other company does? This could be any aspect of the employment package: from a family-oriented environment (*like the Sahara Pariwar ideology*) to opportunities for further education (*Genpact has 5000 employees currently enrolled in programmes with universities*). As Somikaa Mahapatra (*Head-Compensation and Benefits, Recruitment at Hutchison 3 Global Services*) puts it, "If we do not connote a USP to our image, we will not be able to differentiate

agement, and benchmarking of companies through best-place-to-work surveys for the sole purpose of image building."

The fourth and final component is *Management Performance*. If the people at the top are not committed, or do not show their commitment through the required actions and behaviours, neither will the branding process be successful, nor will such an exercise be sustainable for too long.

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our company from the rest."

Then comes the implementation. It is imperative to work on the recruitment process to ensure that the right 'fit' of people is brought in, so that it becomes easier for the organisation to retain them in the long-term. The brand values should be instilled in the operations, structures and processes of the company. HR managers should make sure that all communication sent out (*internally and externally*) is consistent. This includes advertisements for recruitment, information on company website and leadership traits of the top management.

### Conclusion

A company should think about investing in Employer Branding only if it is serious about positioning itself as an employer in the market. There is no barrier to using the concept for image-building, as long as what is being promised is actually being delivered by the company. Companies would not want to be faced with a situation wherein their current employees are not engaged, or are not proud to work for the company; while prospective employees are confused about the kind of message the company is giving out.

If companies do not want to face this kind of a situation, they need to start branding their EVPs. They should be open about factors like compensation packages and attrition rates, rather than pretending to 'have it all'. Employers, and especially the HR team, should take a stand on what the company stands for. If a company, for instance, does not believe in hiring graduates fresh out of colleges, it should make this fact known clearly, so that job-seekers know the companies they should (*and shouldn't*) apply to. This not only provides focus to the potential recruits, but it also reduces the work of the HR managers.

The right kind of branding has plenty of advantages, and companies that invest now will be highly successful in the future – and HR will truly be able to add value to the organisation.

Simply put, employer branding works. It provides a personality to the company and helps structure recruitment. It pulls in the right kind of candidates and spells out the company's expectations from them right at the beginning. Most importantly, it ensures that the best employees stay on longer, thus allowing the company to carry on its operations smoothly. All of these benefits help the company save time and money, and that is something every organisation would be thankful for, especially in times like the present. **thf**