

LONG TERM IMPACT OF EMPLOYER BRANDING ON EMPLOYEE MORALE AND MOTIVATION

G. Kavitha¹ and D. Jublee²

Abstract: Today's employees are more discerning and more dynamic than ever before, and as the world of business evolves, the way managing people has to develop to reflect and relate to this. But while there is no doubt that effective employee engagement is absolutely vital to an organization's growth and success. According to recent research more than 50% of those surveyed didn't believe that building a loyal, strong, dedicated and engaged workforce plays important role of an organisation's communications functionality. To rectify this issue, the Human Resource professionals must get to work in harmony with the persons responsible for communicates with external and internal audiences. Consumer branding tone and messages should be essentially linked to employer branding and employee engagement strategy. Even in economically volatile times, employees with right technical and behavioural competencies are continued to be a scarce resource. The employers will need to poise themselves well to capture the attention, interest and commitment of the best and brightest candidates.

Keywords: Employer Branding, Employee motivation, Employee engagement.

1. INTRODUCTION

Employer Branding is a logical process by which the employers endeavor to have a strong appeal on their future prospective and current employees. The term 'employer Branding' was first used in 1990s. Since then this word becomes broadly adopted by the global management people. According to Minchin ton (2005), the employer brand is "image of the organization as a 'better place for work'". The entire process of employer branding dealt with attraction of talent, retention and strategies for engagement. This process is deployed to enhance company's branding on employment. On contrary to consumer branding, where the brand power is used to highlight a product, the employer branding involves the usage of employee value and benefits as a highlight.

¹ Ph.D Research Scholar, Department of Management Studies, Sathyabama University, Chennai, India, Email: r.g.kavitha@gmail.com.

² Professor, Xavier Institute of Management & Entrepreneurship, Bangalore, India, Email: jubleed@gmail.com.

The term “employer brand” relates the people currently associate with an organization, but the employer branding associate with the company’s combined efforts to communicate to existing and prospective employees that the organization is a great place to work”.

1.1. Brand definition

Brand can be defined by way of the culture, image and personality. Culture broadly represents how it is to work in a company. The mental image of a people about the organization derived from branding. For example, Google MAY represents a technology driven and youthful individual. It may also symbolize liberty, innovation and enterprise for current as well as future employees.

Employer branding has internal and external aspects. The internal factors includes culture, Human resource practices, skill development and the complete employment experience of a current employee. The external factors are the factors through which a prospective employee felt about the organization. Accordingly to employer branding guru Richard Mosley, the critical aspect is to have consistency between your internal employer brand and external brand.

If what the organization promises to the external world is inconsistent with what is happening in the organization, it can create conflict with the new joiners who expects what was promised through branding. On the other hand, the current employees might feel cheated by the practices followed. This practice may leave both the current and future employees unhappy instead of retaining and attracting talent. Employer Value Proposition is the critical aspect in developing and managing an employer brand. It elaborates the direct and indirect benefits of working with the brand and core aspects of the association.

RPG Group, a conglomerate with presence in more than seven sectors given its employer value proposition in 2006. It has various companies under its net such as CEAT, Spencer’s Retail, KEC International, Zinsser Technologies, SaReGaMa, CESC, PCBL, and Harrisons Malayalam from variety of fields from tires to music. Extensive research was conducted to understand the brand value. Participants from media, employees, students are participated. Certain results found for key propositions namely, “Respect for people,” “Empowering performance,” “Diverse opportunities for growth”, and “Forward looking”. These phrases shows the power of the RPG brand among all strata of people.

After identified these key propositions, they should be adapted within the existing HR policy and the message should be communicated to external world.

For example in an interview process the candidate should be treated fairly and with respect. Also, in a performance assessment and management process, the employees should have to be provided with avenues for showing their potential, which leads to empowering the employee.

These propositions should reflect in all levels of the organization. First, the Managers should personify these values in the administration as well as on treat their employees. If the core value propositions are clear, then the employer branding will be a success. Countless of possibilities exist to spread the employer brand. Definitely the Current employees are the first brand ambassadors. The website and the career section should express the brand value. All advertisements and activities related to careers must reflect the brand. Web 2.0 tools and social networking media can be well utilized to transport these values and branding.

Employer branding can also reiterated through the physical infrastructure. If the organization talks about treating people at par and claimed to have a culture of free communication, but their executives sitting in closed cabin, then where is the involvement of employer branding.

The leadership mindset change is the first step to create a positive difference in employer branding. For example, if the organization wants to project a youthful outlook for its employer brand, then the leaders must accept that young people are required for steady progress and their inputs are valued. The next step would be a regulation processes for accommodating more young people and to create work environment for them. Instead of age as a factor for senior management, the expertise and competency may be given preference. Also the average age of people working might have to be reduced and for promotion in the job the performance can be considered instead of years of experience.

There are lots of benefits with a right employer brand and successfully convey them to the audience. First one is that, the organization will get the right talent to join and have a chance of retaining. The ratio of number of offers provided and the number of persons joined is a clear measure of a better employer brand. Once the employer brand of an organization is better and powerful, the recruitment costs and time will gradually come and a little effort is enough to recruit the people. Also over the long term the brand value causes more people to stay in the organization beyond the monetary considerations. The employee engagement procedures also have high scores as the organization itself exemplifies the image they want to convey. The main facet of employer branding is to recognize that it is not just the advertisements or communication indemnities, more than that it reflects the reality the employees have in present and will experience in future.

2. LITERATURE REVIEW

Though the literature available on employer branding is considerable to some extent, there is a scarcity of literature available on linkage of employer branding with motivation and retention. Organizations have to play dual roles today, attracting new employees and retaining the best. According to Singh (1996; 2002 a), the organization sustains costs to retain the employees and assures that an employee of his retirement benefits. He added that, in addition to the intention of employees to stay in the

organization, the intention of an organization to retain its employees also matters. He further exhibited the importance of human capital and the emergence of the need to develop the same. Singh and Sharma (2011a and 2011b) advocate for best knowledge management for improvement of satisfaction level amongst employees.

It has been witnessed that in past decade, the practice of retaining talent has become more challenging. According to Morgon (2008), the companies need to take this view seriously and look for strategies that could do better to retain the top talent. To comprehend the relationship vis a vis the employer branding and employee retention, Saunders et al. (2007) recommended a systematic investigation on the procedures of employer branding on retention efforts.

2.1. Employer Branding and its Impact on CSR, Motivation, & ITS

The model specifies the Employer Branding with other components such as CSR, Motivation, and the causal relationship that follows. The exploratory factor analysis (EFA) was now to Structural Equation Modelling (SEM) analysis. SEM provides a convenient framework analysis which includes several traditional multivariate procedures, e.g., factor analysis, discriminant analysis, as special cases (Hox & Bechger, 1998). SEM is often the path analysis.

2.2. Measurement Tools for Employer Branding Activities

To better understand the causal relations between the various factors of the model and to create a proper scientific research model and hypotheses to verify and falsify the suggested approach is to conducting a first step, qualitative expert-interviews to better understand the current goals and impact of Employer Branding on organizational performance with a specific focus on recruiting.

2.3. Suggested research design

Having adopted a positivist paradigm, qualitative research is used in this project, to ensure that all aspects of Employer Branding have been considered. Therefore, the current adoption, purpose and success of Employer Branding in selected businesses should be analyzed through an exploratory case study with qualitative, unstructured interviews. They are suggested by Easterly-Smith, Thorpe and Lowe (1991) as appropriate method when they are used to get some general input on a subject, to develop a general distending of respondents' opinions and beliefs, if the subject is confidential or personal and to get clarity on a process. (Collis J. & Hussey R., 2009) The interviews should be conducted as qualitative in-depth interviews with a selected group by judgmental sampling. The interviews will be done via phone with decision makers in Recruiting and HR-Marketing from companies of various industries. In terms of status of their Employer Branding initiatives, these companies should have already gathered first experiences in the use of Employer Branding in Recruitment and HR-Marketing, they should have a defined Corporate Brand and they should

have recruitment tracking in place. Only if these facts are given, the required information and learning can be derived in the interviews. Regarding the sample size, 15-20 interviews should be a scientifically valid number of respondents. (Mason M., 2010).

2.4. Performance indicators for the effectiveness of Employer Branding

The majority of organizations have not established performance measurements for their employer branding activities yet. According to the Kienbaum-study, only 39% of the companies inquired have established controlling-measures for their employer branding measures[20]. Summarizing the descriptions of Employer Branding above, it represents a "targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm. The strategy can be tuned to drive recruitment, retention, and productivity management efforts [21].

One goal of every employer branding activity is a higher brand awareness and positive brand attitude with future, potential, existing and previous employees as well as other organizational stakeholders. Performance-focused measures vary by the performance goal that should be achieved. Main goals for employer branding can be recruitment, retention and productivity. Looking at the goal of recruitment, the performance of the recruiting tools such as job advertisements, networking events, the recruiting-webpage and the quality of the recruitment-activities and the process itself need to be measured. Appropriate measure would be clicks on job applications, page views of the recruiting page, number of candidates visiting the network event, number of applications sent etc. Regarding the quality, appropriate measurements are quality of the applications sent, time to hire and the number of applicants remaining in the organization after the probation period. Looking at the goal of employee-retention, direct and indirect retention indicators can be looked at. Direct retention-indicators are absenteeism, sick leave, employee-turnover or -fluctuation and churn rates. Indirect indicator besides performance measures, which will be further discussed below is employee-motivation and satisfaction. A high satisfaction of the workforce has a positive impact on employee involvement [22], the performance of employees [23], the satisfaction of the organizations' customers[24] and other performance indicators. Moreover, the positive attitude towards the organization will result in higher creativity of employees, more innovation, more participation in workshops and discussions, decline in sick leave times and higher loyalty [25]. To measure employee-satisfaction, commonly employee satisfaction surveys are used. "Based on different methodology, a large number of measuring instruments for job satisfaction were developed. The reasons for this diversity in measuring instruments are subject to the different objectives in drawing up the criteria and the measures of job satisfaction. A further difficulty is that there are different operational definitions; the respective designs of the instruments have been based on [26].

Depending on the organizations previous measures used, the existing employee satisfaction survey can be used, augmented or a new survey needs to be introduced. As mentioned above, there is interdependency between retention and productivity. Motivated employees knowing their tasks and their market are more productive and therefore enjoy their jobs more. "The task is the motivation of employees to produce high-quality output". Motivation is closely linked to Employee satisfaction, which is one of the main motive forces of future company output. Moreover, a content employee has no reason to change his/her occupation reducing workforce fluctuation. Consequently, the costs of training new employees are reduced and revenues are maximized by using trained employees [27]. Looking at the goal of performance management, measures need to be independently defined based on the industry the company is working in. It might even be necessary to set different productivity goals by department and function. Popular measures are number of items produced and error rates for production departments, sales rates and revenue achieved for sales and also marketing departments, delivery times, delivery rates and number of broken items for logistics departments etc. Of course, these factors are not only influenced by employer branding, however employer branding can play an important role in improving those factors.

2.5. Battenberg/Adopting Customer Satisfaction Surveys to Measure Employee Satisfaction

Of these many performance indicators that could be measured, only few indicators are paid attention to by HR-departments: Those organizations, who do measure the performance of their activities (39%), mainly focus on retention/ fluctuation of employees (61%), number of unsolicited applications (55%), position in employer-rankings (52%) followed by click rates on recruiting-websites (48%)[28].

These disillusioning results show that there still is a long way for employer branding to be established throughout the channels it should be established in and to be measured properly.

3. CONCLUSION

The holistic concept of employer branding is just about to be established. According to the opinion of HR-experts, HR-managers and HR-consultants, it is and will be an even more important concept to guarantee the needed supply and motivation of the important factor workforce. A whole set of tools for creating and managing a perception of a potential or existing employer is already established, however, only few tools are used systematically by HR-departments and also the measuring of those employer branding activities is not properly managed yet. To successfully acquire and manage future, potential, existing and previous employees, organizations will have to go a long way in establishing a brand strategy, management- and marketing-tools in line with the organizational culture and measuring-tools to properly analyze the efficiency of the derived employer branding activities.

References

- Minchington.B (2010) "Employer Brand Leadership- a Global Perspective, Collective Learning Australia.
- Lloyd. S, (2002) ,"Branding from the inside out', Business Review weekly,Vol 24 No 10, pp 64-66
- Ambler T and Barrows (1996), "The Employer Brand– Attract, Engage , Retain, Collective Learning Australia.
- Ritson (2002), " Employer Branding and Retention" ,www.mbs.edu
- Collins, J (1995), Built to Last, Random House, UK
- Vijit Chaturvedi, "Employer Branding: A Ripple effect for organizational effectiveness", www. indianmba.com.
- Rohit Minton, " Employer Branding – A New HR Arena", www.contentwriter.in
- Minchington.B(2006), Your Employer Brand – Attract, Engage, Retain, collective Learning Australia
- Dr. V.T.R Vijayakumar, "Employer branding for sustainable growth of organisations", International Journal of Enterprise and Innovation Management Studies (IJEIMS), Vol. 1 No. 3.
- Tim Ambler and Simon Barrow, "The Employer Brand," Journal of Brand Management, 4 (3 December), 1996, 185-206.
- Kotler, Philip and Gary Armstrong (1996)Principles of Marketing (Prentice Hall International, Englewood Cliffs, New Jersey)
- Ambler, Tim (1995) "Brand Equity as a Relational Concept", The Journal of Brand Management, Volume 2, Number 6.
- Feldwick, Paul (1996) "Do we really need brand equity?" The Journal of Brand Management, Volume 4, Number 1, pp 9-28.
- Glade, B. (2008). Human resources: CSR and Business Sustainability - HR's Leadership Role,New Zealand Management, 55(9), 51-52.
- Greening, D. W., & Turban, D. B. (2000). Corporate Social Performance As a Competitive Advantage in Attracting a Quality WorkforceBusiness & Society, 39(3), 254-280.
- Hartman, L. P., Rubin, R. S., & Dhanda, K.(2007). The Communication of Corporate Social Responsibility: United States and European Union Multinational Corporations, Journal of Business Ethics, 74, 373–389.
- Hess, D., Rogovsky, N., & Dunfee, T. W. (2002), The Next Wave of Corporate Community Involvement: Corporate Social Initiatives. California Management Review, 44(2), 110–125.
- Hooghiemstra, R. (2000). Corporate Communication and Impression Management - New Perspectives Why Companies Engagein Corporate Social Reporting, Journal of Business Ethics, 27(1), 55-68.
- Jamali, D., & Sidani, Y. (2008). Classical vs. Modern Managerial CSR Perspectives: Insights from Lebanese Context and Cross-Cultural Implications,Business and Society Review, 113(3), 329-346.
- Joyner, B. E., & Payne, D. (2002). Evolution and implementation: a study of values, business ethics and corporate social responsibility, Journal of Business Ethics, 41(4), 297-311.

- Waddock, S. (2004). Parallel Universes: Companies, Academics, and the Progress of Corporate Citizenship, *Business & Society Review*, 109(1), 5-42.
- Waring, P., & Lewer, J. (2004). The Impact of Socially Responsible Investment on Human Resource Management: A Conceptual Framework, *Journal of Business Ethics*, 52(1), 99-108.
- Wartick, S. L., & Cochran, P. L. (1985). The evolution of the corporate social performance model, *Academy of Management Review*, 10(4), 758-769.
- Whitehouse, L. (2006). Corporate Social Responsibility: Views from the Frontline, *Journal of Business Ethics*, 63(3), 279-296.
- Chaudhri, V., & Wang, J. (2007). Communicating Corporate Social Responsibility on the Internet: A Case Study of the Top 100 Information Technology Companies in India. *Management Communication Quarterly*, 21, 232-247.
- Clarkson, M. B. E. (1995). A stakeholder framework for analyzing and evaluating corporate social performance, *Academy of Management Review*, 20(1), 92-117.
- Dutton, J. E., Dukerich, J. M., & Harquail, C.V. (1994). Organizational Images and Member Identification *Administrative Science Quarterly*, 39(2), 239-263.