Modelling Effectiveness of Employer Branding- An Interpretive Structural Modelling technique

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Employer Branding is the fundamental characteristic of Learning Organization which can help an employer in attracting the right talent to gain competitive advantage. The main objective of Employer Branding is to help the organisation in capturing best of minds which can help an organisation to achieve its goals efficiently. In the present paper, using Interpretive Structural Modelling interrelationships of variables which pertain to effective employer brand are derived. This modelling is done in order to identify the strategic and performance variables so that role dominance can be identified. Further these variables have been categorized according to their driving power and dependence. The methodology provide insights into the order in which dominance of several variables creating a strong Employer Branding can be identified giving a future scope of analysing the strategic variables and their interrelationships within themselves.

Keywords: Employer branding, ISM, Role Dominance

Introduction

Employer Branding is not simply an important HR issue rather it is bigger than HR. It is not what an employer define it to be but what employees of an organisation define it to be (Campbell 2009). A strong favourable brand is a powerful navigation tool for a variety of stakeholders(Balmer & Gray 2003). In this era of time based competition, the organisations must have ability to attract and retain the best talent in the industry so that it can gain a competitive advantage. To have this ability Employer branding must be responsive to the changing requirements of the job market. Effective EB needs to integrate the external orientation of job market with the internal orientation. This orientation can help in creating an effective EB which further nurtures the image of Employer of Choice. Organisations have an Employer Brand whether they know it or not. Knox and Freeman (2006) have identified the characteristics that an organisation must have in order to create a strong and effective Employer Brand.

1. Internal Branding- it has its focus on the internal constituencies, namely existing employees.

2. External Branding- it relies on the percieved perception of external stakeholders about the organisation.

3. Recruiter's perception of Firm- it is closely related to the brand image of the firm held by potential recruits and recruiters against key attribues.

In the literature, framework based on other attributes of effective EB have also been suggested. Durkerich and Carter (2000) have emphasised on reconciling perception of firms internal and externbal brand image in maintaining congruence of brand promises. This view was further extended by Killer (2002) who proposed that employees are properly aligned with the brand. This allows both existing employees and potential recruits to 'live the brand'(Ind 2001). Some comapnies have EB without creating it in a specific formalised manner. However in today's period when market has recognised Human Capital as a source of value creation for firms(Cairncross 2000). Michales et al.(2001) communiactes the role economic value proposition to attract and retain talented employers. Harris et al. Has supported the view that employees can play a more critical role in developing a strong brand image. Therefore, it is important to recruit appropriate staff that can support this image(Doward, 1992)

" For every person entering the job market by 2012, four will exit. By 2016 the ratio will be one to six."(Konig 2008). To bring the right people on board is just not a matter of simply placing a vacancy advertisement, but there is high time to realize that people capable of creating original success requires the same level of original research and planning. Literature on effective ness of EB describes the dependence of branding on the performance variables. Therefore, there is a need to identify variables influencing EB and to develop a generally applicable framework which establishes mutual relationships.

Identification of Variables

Employer Branding is an explicit promise between an employer and all its stakeholders(Balmer, 1998). Therefore, it concerns the systematic management of brand portfolio so that it can be symbolized in order to attain a favourable position in the minds of its target audience. One way to create an effective

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EB can be to analyse the impact of the factors which can promote EB.

In the proposed Interpretive Structural Modelling (ISM), to identify the variables which can promote EB and to identify their mutual relationships, Brainstorming sessions were conducted with experts and academicians. Initial brainstorming was conducted to identify the parameterson which EB model can rest upon. Literature related to EB has been scrutinized. Inially only seven variables were considered. Later on during the brainstorming sessions, experts expressed their views to include more number of variables for creating an effective EB model. In all, seventeen variables have been identified in the session . the number was reduced to eleven as some variables were of similar nature. The purpose of brainstorming was to identify relationships among EB variables. A framework for improving effectiveness of corporate branding has been proposed on these identified variables which are:

Public Relations

There is no magic when it comes to measuring the value of public relations.It begins with finding out current relationships and reputation which a company can build with its prospective employees.In managing public relations, intuition works more as compared to intellectual procedures to solve public relations' problems (Grunig and Hunt 1984). This makes it more complicated but developing effective public relations is a must for developing a strong EB.

Brand Portfolio

Brand portfolio management has proliferated into multiple meanings. It is the total value of a brand as a seperable asset(Feldwick 1996). A strong brand portfolio acts as a focal point for the interest of stakeholders. It is not just about differentiation but also about belonging.

Stratgic Policy

A strategic plan is a business technique which can affect the image of the firm as percieved by the stakeholders. It defines the mission and vission of the organisation. It should be defined in synchronisation with the organisational objectives, so that branding can be percieved as the way we want.

Employment Offerings

There are many people who believe that compensation is of secondary importance.On the other hand, there are some people who believe that employment offering is primary tool for attracting prospective employees. The long run implication of employment offerings can be assessed through the brandname that a company has established in the minds of stakeholders. Some employees form the talent pool of the organisation(Backer and Huselid,2009). There is a strong linkage between employer branding and employment offerings.

Work Environment

Organisational environment is a critical factor since it contribute to the formation of the glass ceilings(Jackson and Rutherford, 2001). Brenner (2004) asserted that the productivity of employees within an organisation depends on the conditions of their work environment. Many organisations do not fully leverage their work environment to impreove their work effectiveness. The social climate of the organisation should be free from prejudices and rigid classifications. Thus there is strong correlation between Employer Branding and work environment.

Communication Channel

The ability to communicate effectively throughout the organisation helps in forming and maintaining personal relationships (Brenner, 1998). Jyotsna (2008) identified the communication policy for an effective EB in a firm. A breakdown in communication channel leads to an ineffective flow of information. It is must to develop an effective communication system within an organisation because it can help in conveying the objectives clearly and to optimize workers productivity to ensure smooth running of the organisation.

Employee Engagement

To gain a competitive edge, companies need to win over the minds and hearts of its employees in ways that leads to extraordinary effort (Vance, 2006). Organisations are taking a more integrated internal and external approach to EB development by aligning people management process and employee engagement.

Attrition

With changing employee demographics,it has become essential to source talent where it creates maximum value. A strong employer brand can only be created by reducing the attrition statistics within the organisation. Effective programs need to be developed to stem attrition well below the industry average and thereby helping an organisation to become a top employer of choice.

Employee Satisfaction

Employee satisfaction means different things to differentiate people. A favourable employee attitude is very relevant for the creation of a service brand. Customer relevant employee attitudes needs to be developed.

Internal Recruitment

Many companys had problems attracting employees with critical skills. You can overcome the shortage of top performing employees when you create a work culture that inspire employee referrals.Internal recruitments provide better than average candidate because they are well acquainted with organisation culture(Heathfield 2000).

Company Image

Company image is the percept of reciever (Ind 1990). Interpersonal communication between employees and external stakeholders can help in shaping attitudes and image than any self communication sponsored by firms itself. Employees can also be influenced in their perception of firms' image through feedback from these external groups. Thus company's reputation is very powerful tool in building a strong EB image.

Methodology

ISM is an interactive technique in which elements are structured to form a comprehensive systematic model(Sage 1977). It helps to impose order and direction to resolve the complexity of interrelationships within the system. It is an appropriate modelling technique for analyzing the influencing of one variable on the other variables. This model helps in understanding the mutual relationships of complex set of variables.

In this paper, ISM has been applied to identify the infuential relationships of factors which can promote a strong EB. To obtain the correlation matrix,various elements which constitute EB are identified by brainstorming,thereby defining the mutual relationships.

Structural Self Interaction Matrix

Variables affecting EB are: Public Relations (1), Brand Portfolio (2), Strategic Policy(3), Employment Offerings(4), Working Environment (5), Communication Channel (6), Employee Enagagement (7), Attrition (8), Employee Satisfaction (9), Internal Recruitment(10), Comapny Image (11)

For analysing these variables, a contextual relationships of 'affect' type is chosen implying that one variable affect the other. The associated direction of relations has been depicted using four symbols:

- V- Variable i will affect variable j
- A- Variable j will affect variable i
- X- Both variables affect each other
- O- Both variables are not related

Based on these relationships SSIM is prepared as shown below:

Table-1:Self Structured Initial Matrix

Elements	11	10	9	8	7	6	5	4	3	2
1	V	X	V	O	A	A	O	A	A	A
2	V	V	O	X	V	A	V	X	V	
3	V	V	A	V	V	A	V	A		
4	V	X	V	V	V	O	O			
5	V	V	V	X	V	X				
6	A	V	V	V	O					
7	A	V	V	A						
8	V	X	A							
9	V	A								
10	V									

Reachability Matrix

The SSIM table is transformed into a reachability matrix by depicting the entries of SSIM in 0s and 1s in reachability matrix. The situations are:

1. If (i,j) entry is V, then (i,j) in reachability matrix becomes 1 and (j,i) entries is 0.

2. If (i,j) entry is A, then (i,j) in reachability matrix becomes 0 and (j,i) entries is 1.

3. If (i,j) entry is X, then (i,j) in reachability matrix becomes 1 and (j,i) entries is 1.

4. If (i,j) entry is O, then (i,j) in reachability matrix becomes 0 and (j,i) entries is 0.

Table-2:Initial Reachability Matrix

Elements	1	2	3	4	5	6	7	8	9	10	11
1	1	0	0	0	0	0	0	0	1	1	1
2	1	1	0	1	1	0	1	1	0	1	1
3	1	1	1	0	1	0	1	1	0	1	1
4	1	1	1	1	0	0	1	1	1	1	1
5	0	0	0	0	1	1	1	1	1	1	1
6	1	1	1	0	1	1	0	1	1	1	0
7	1	0	0	0	0	0	1	0	1	1	0
8	0	1	0	0	1	0	1	1	0	1	1
9	0	0	1	0	0	0	0	1	1	0	1
10	1	0	0	1	0	0	0	1	1	1	1
11	0	0	0	0	0	1	1	0	0	0	1

1* entries are included to show transitive relationships in SSIM. Final reachability matrix is prepared by including transitivity.

Table-3: Final Reachability Matrix

Elements	1	2	3	4	5	6	7	8	9	10	11
1	1	0	0	0	0	0	0	1*	1	1	1
2	1	1	0	1	1	0	1	1	1*	1	1
3	1	1	1	0	1	1*	1	1	1*	1	1
4	1	1	1	1	1*	0	1	1	1	1	1
5	0	1*	0	0	1	1	1	1	1	1	1
6	1	1	1	0	1	1	0	1	1	1	1*
7	1	0	0	0	0	0	1	1*	1	1	1*
8	0	1	0	0	1	0	1	1	0	1	1
9	1*	1*	1	0	1*	0	1*	1	1	1*	1
10	1	0	0	1	0	0	1*	1	1	1	1
11	0	0	0	0	0	1	1	0	0	0	1

Partitioning Reachability Matrix

The matrix is divided by identifying the reachability anticedent set and intersection set. The reachability set consists of element which directly affects whereas antecedent set consists of elements which may be affected. Then the intersection set is derived out of these sets for all the elements.

The elements for which the reachability set and intersection set are same as the top level elements in ISM model.The top level elements are the outcomes. Once these are identified,it is

seperated out from the rest of the elements. Then the same process is repeated to find next level of elements. On the basis of these identified levels,diagraph is build to establish a model. The various iterations of level building are shown.The process is completed in five iterations as follows:

-In table 4,the element 11(CR) is found at level 1.They will be positioned at the top of hierarchy of ISM model.
-In table 5,the element 8 (AR) and element 10 (IR) is put at level II.
-In table 6,element 1(PR) and 9(ES) are put at level III and so on.

Table-4: Iteration 1

Elements	Reachability set	Antecedent Set	Intersection Set	Level
1	1,8,9,10,11	1,2,3,4,6,7,10,9	1,10,9	
2	1,2,4,5,7,8,10,11	2,3,4,5,6,8,9	2,4,5,8	
3	1,2,3,5,6,7,8,9,10,11	3,4,6,9,10	3,6,9,10	
4	1,2,3,4,5,7,8,9,10,11	2,4,10	2,4,10	
5	2,5,6,7,8,9,10,11	2,3,4,5,6,8,9	2,5,6,8,9	
6	1,2,3,5,6,8,9,10,11	3,5,6,11	3,5,6,11	
7	1,7,8,9,10,11	2,3,4,5,7,8,9,10,11	7,8,9,10,11	
8	2,5,7,8,10,11	1,2,3,4,5,6,7,8,9,10	2,5,7,8,10	
9	1,2,3,5,7,8,9,10,11	1,3,4,5,6,7,9,10	1,3,5,7,9,10	
10	1,4,7,8,9,10,11	1,2,3,4,5,6,7,8,9,10	1,4,7,8,9,10	
11	6,7,11	1,2,3,4,5,6,7,8,9,10,11	6,7,11	I

Table-5: Iteration 2

Elements	Reachability set	Antecedent Set	Intersection Set	Level
1	1,8,9,10	1,2,3,4,6,7,9,10	1,9,10	
2	1,2,4,5,7,8,9,10	2,3,4,5,6,8,9	2,4,5,8,9	
3	1,2,3,5,6,7,8,9,10	3,4,6,9,10	3,6,9,10	
4	1,2,3,4,5,7,8,9,10	2,4,10	2,4,10	
5	2,5,6,7,8,9,10	2,3,4,5,6,8,9	2,5,6,8,9	
6	1,2,3,5,6,8,9,10	3,5,6	3,5,6	
7	1,7,8,9,10	2,3,4,5,7,8,9,10	7,8,9,10	
8	2,5,7,8,10	1,2,3,4,5,6,7,8,9,10	2,5,7,8,10	II
9	1,2,3,5,7,8,9,10	1,2,3,4,5,6,7,9,10	2,3,5,7,9,10	
10	1,4,7,8,9,10	1,2,3,4,5,6,7,8,9,10	1,4,7,8,9,10	II

Table-6: Iteration 3

Elements	Reachability set	Antecedent Set	Intersection Set	Level
1	1,9	1,2,3,4,6,7,9	1,9	III
2	1,2,4,5,7,9	2,3,4,5,6,9	2,4,5,9	
3	1,2,3,5,6,7,9	3,4,6,9	3,6,9	
4	1,2,3,4,5,7,9	2,4	2,4	
5	2,5,6,7,9	2,3,4,5,6,9	2,5,6,9	
6	1,2,3,5,6,9	3,5,6	3,5,6	
7	1,7,9	2,3,4,5,7,9	7,9	
9	1,2,3,5,7,9	1,3,4,5,6,7,9	1,2,3,5,7,9	III

Table-7: Iteration 4

Elements	Reachability set	Antecedent Set	Intersection Set	Level
2	2,4,5,7	2,3,4,5,6	2,4,5	
3	2,3,5,6,7	3,4,6	3,6	
4	2,3,4,5,7	2,4	2,4	
5	2,5,6,7	2,3,4,5,6	2,5,6	
6	2,3,5,6	3,5,6	3,5,6	
7	7	2,3,4,5,7	7	IV

Table-8: Iteration 5

Elements	Reachability set	Antecedent Set	Intersection Set	Level
2	2,4,5	2,3,4,5,6	2,4,5	V
3	2,3,5,6	3,4,6	3,6	
4	2,3,4,5	2,4	2,4	
5	2,5,6	2,3,4,5,6	2,5,6	V
6	2,3,5,6	3,5,6	3,5,6	V

Table-9: Iteration 6

Element	Reachability Set	Antecedent Set	Intersection Set	Level
3	3	3,4	3	VI
4	3,4	4	4	

Table-10: Iteration 7

Element	Reachability Set	Antecedent Set	Intersection Set	Level
4	4	4	4	VII

Conical Matrix

A conical matrix is developed by clustering variables according to level across rows and columns of final reachability matrix.

Table-9: Conical Matrix

Elements	11	8	10	1	9	7	2	5	6	3	4
11	1	0	0	0	1	1	0	0	1	0	0
8	1	1	1	0	1	1	1	1	0	0	0
10	1	1	1	1	1	1	1	0	0	0	1
1	1	1	1	1	1	0	0	0	0	0	0
9	1	1	1	1	1	1	1	1	0	1	0
7	1	1	1	1	1	1	0	0	0	0	0
2	1	1	1	1	1	1	1	1	0	0	1
5	1	1	1	0	1	1	1	1	1	0	0
6	1	1	1	1	1	0	1	1	1	1	0
3	1	1	1	1	1	1	1	1	1	1	0
4	1	1	1	1	1	1	1	1	0	1	1

Development of diagraph

Based on conical matrix,initial diagraph is obtained including transitive links. Final diagraph is obtained after removing indirect links.
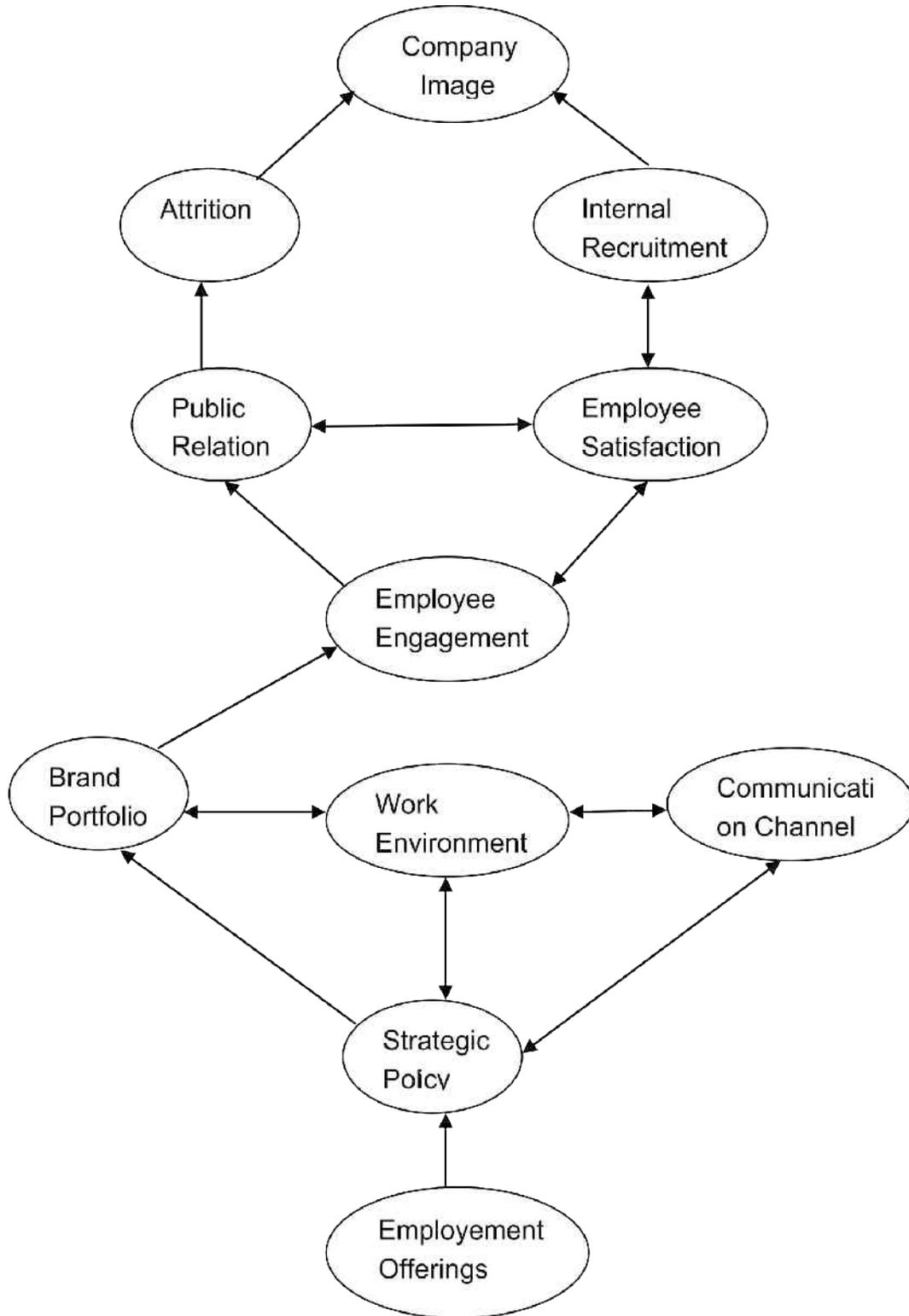
Figure no. 1- Diagraph

Micmac Analysis

The objective of Micmac analysis is to identify and analyze the variables according to their driving and dependence power for Employer Branding.

Table-10: Driving Power and Dependence

Elements	11	8	10	1	9	7	2	5	6	3	4	Driving Power	Ranks
11	1	0	0	0	1	1	0	0	1	0	0	4	VII
8	1	1	1	0	1	1	1	1	0	0	0	7	IV
10	1	1	1	1	1	1	1	0	0	0	1	8	III
1	1	1	1	1	1	0	0	0	0	0	0	5	VI
9	1	1	1	1	1	1	1	1	0	1	0	9	II
7	1	1	1	1	1	1	0	0	0	0	0	6	V
2	1	1	1	1	1	1	1	1	0	0	1	9	II
5	1	1	1	0	1	1	1	1	1	0	0	8	III
6	1	1	1	1	1	0	1	1	1	1	0	9	II
3	1	1	1	1	1	1	1	1	1	1	0	10	I
4	1	1	1	1	1	1	1	1	0	1	1	10	I
Dependence	11	10	10	8	11	9	8	7	4	4	3		
Ranks	I	II	II	IV	I	III	IV	V	VI	VI	VII		

In the table- the summed entry of "1" along rows and columns indicates the dependence and driving power, respectively. The variables are categorised into ranks. When variables are placed according to their driver and dependence. First cluster includes variables that have weak dependence and driving power. These are autonomous variables.II cluster consists of variables with weak driving power but strong dependence.These are linkage variables. Accordingly cluster of dependence variables is formed.

Figure2- MicMac Analysis
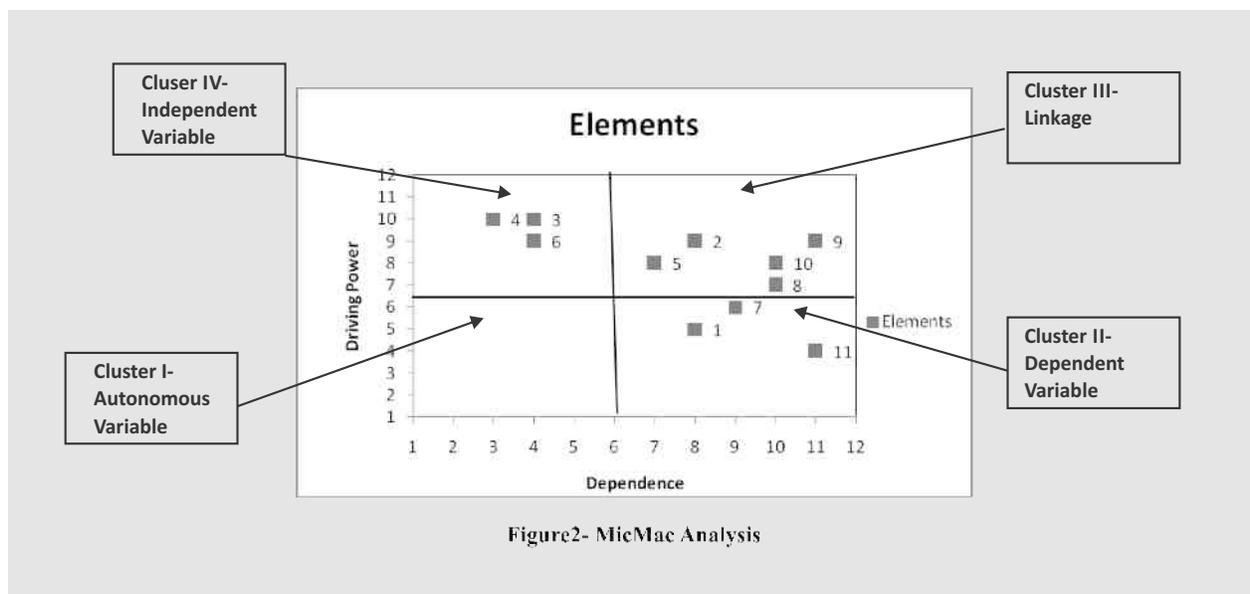
Discussion

The study indicates that Employer branding depends on brand protfolio, strategic intent, employment offerings, employee engagement and employee referrals. The top level variables have weak driving power and strong dependence. A strong employer image depends on company image and the phillosophies of the organisation. These variables help to achieve improvement in variables like Public relations and employee satisfaction. These are the middle level variables. Performance of these variables depends upon the improvement in bottom level variables. An effective development of middle level variables will help the managers to achieve top level variables. Improved top level variables helps to enhance 'Employer of Choice image'. Therefore, management should focus its attention to build up a strong integration between

strategic and operational variables via linkage variables. Companies need to adopt strategies to achieve a strong brand image. Variables like brand portfolio and employment offerings have the capability to condition employer branding.

Limitations

The present work inculcated only eleven variables for modelling effectiveness of EB. More number of variables can be identified to develop a more comprehensive framework of EB. The framework developed depends upon the opinion of few experts and relationships identified by using brainstorming only. One major limitation is the statistical validation of the model. Therefore a future research can be conducted to test validity of the model.

Conclusion

Corporate Branding are at the heart of corporate success (Kay 2004). The paper has attempted to map out the factors which can contribute in building an effective Employer Branding. The core message is that corporate reputation for being different and legitimate are driven from inside.

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