

## **Conceptualizing Employer Branding to Gain Competitive Advantage ; An Indian IT Organization Perspective**

**Dr. Suchi Priya**

Jaipuria Institute of Management, Noida

### ***Abstract***

*There is a radical shift in fundamentals of how business is conducted. Corporates are moving from labor-based business to knowledge-based business. They are trying to capitalize on their intellectual assets i.e. the employees rather than their infrastructure. Today's businesses are positioning themselves within the new economic realities. Global Markets, technological assignments, competitive pressures and developing employees through Employee Value Proposition on Employer branding seems to be the best way to gain competitive advantage. On one hand, many organizations have initiated a range of practices on developing new applications of information technology . But on the other hand, only few organizations believe that the most valuable assets are their employees. Employer branding, at its simplest is about how an employer sells itself to current and future employees.*

*In Indian organizations, where products are getting commoditized, EVP is the factor that can distinguish companies. The firms' Employee Value Proposition is becoming the prime source of competitive advantage. Organizations are realizing that they should adopt internal branding strategies to leverage upon the employees. Major changes have made it imperative for corporations to do deep introspection as how to meet the challenges of competition and adopt appropriate employee driven strategies to create and sustain corporate advantage. The role of Employee Value Proposition has to be examined in this context.*

### **Conceptualizing 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, letterhead 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

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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). The employer brand puts forth an image showing the organization as a good place to work (Sullivan, 2004).

Employment branding is the "package of functional, economic and psychological benefits provided by employment and identified with the employment organization (Barrow, 2001). It communicates the identity of an organization to others. It is the essence of what the organization stands for and should typify the fundamental nature of the organization. Essentially, it is the process of placing an image of being a "great place to work" in the minds of existing and prospective employees. At the heart of the Employment branding is the Employee Value Proposition (EVP). EVP is influenced by the organization's values, culture, leadership, environment, 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).

According to Estis.R (2008), goals for Employer branding for attracting and retaining Generation Next are:

1. Establish an image of the employment experience.
2. Create synergy with consumer brand, align promise to customer with promise to employee.
3. Clearly state "what's in it for me" to potential applicants.
4. Entice the right candidates to apply for the job.

According to Berthon, P.Ewing.M and Hah, L.L

(2005) Captivating company: dimensions of attractiveness in Employer branding, *International Journal of Advertising*, 24(2), 151-172.

### **Employer Attractiveness Dimensions are**

1. Interest Value: The extent to which an individual is attracted to an Employer because of the excitement and creativity of the work environment.
2. Social Value: Attraction based on a collegial work environment with good team atmosphere.
3. Economic Value: Attraction based on salary and benefits.
4. Development Value: Based on recognition of work and career enhancing opportunities
5. Application Value: The employees' ability to value what they have learnt to teach others and interact with customers in a way that is positive and humanitarian.

### **Objective of The Study**

Employer branding is a compelling reality and not a fad, its principles have always been in existence and practiced by successful organizations over the years. Through the papers I shall explore the ways the IT companies in India have formally embraced the idea of Employer branding and have embarked on the journey to deploy it. The study shall further reveal the transformation in the role of HR for building a strong Employer brand. It shall highlight the role of "I" i.e. individual, (Employees) in the acronym "IT" rather than the role of "T" Technology in knowledge-based organizations. The study shall further explore the role of knowledge-sharing culture, open and transparent communication to gain an organizational position in the minds of internal customers.

### Employee Value Proposition Among IT Firms In India : A Winning Combination

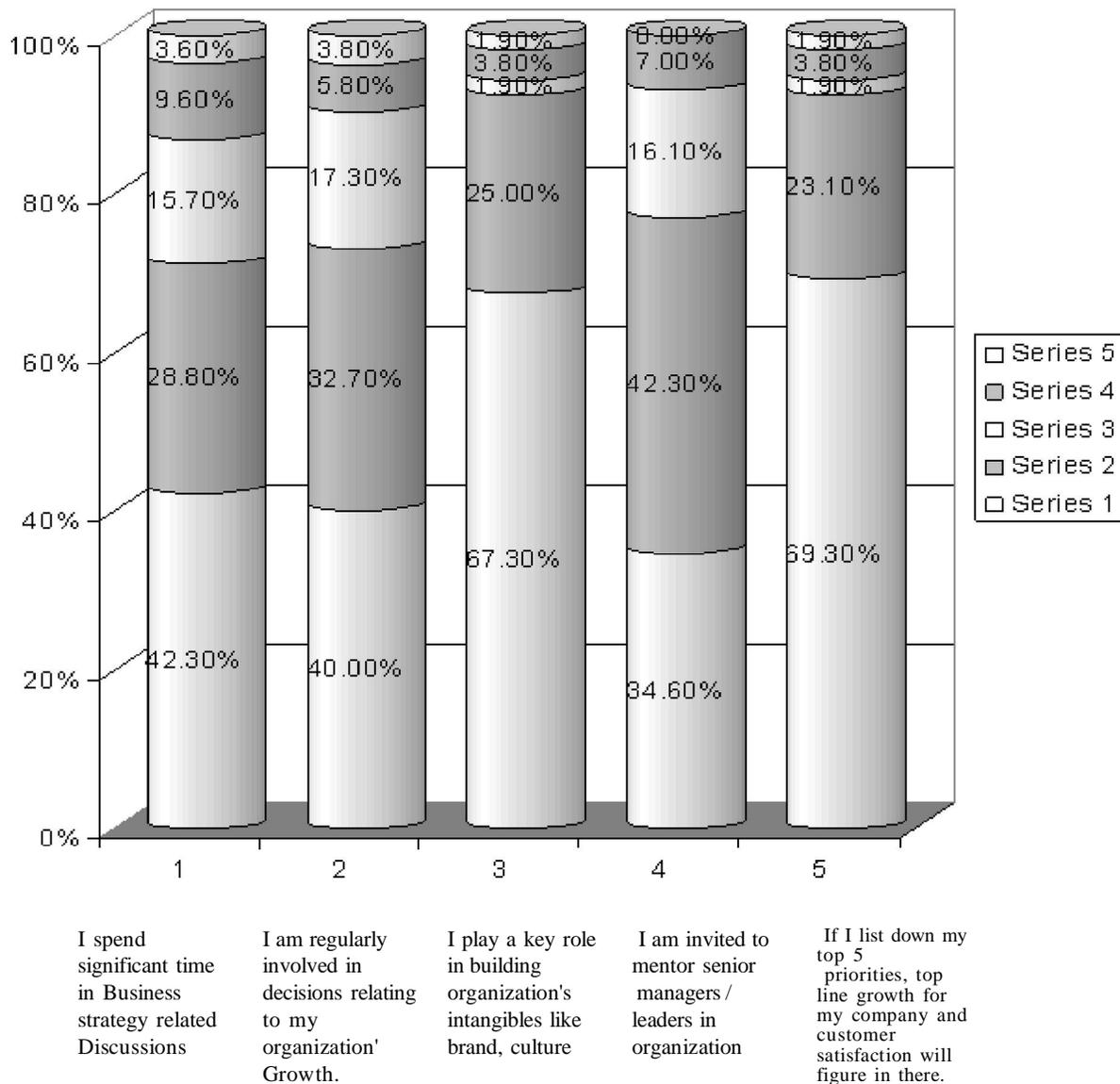
#### Re Aligned the Role of HR in Indian it Firms

(According to Nasscom Report 2010 : Figure1, Figure2, Figure3)

According to Nasscom Report 2010

### FIGURE 1 : HR Heads respond to statements related to business

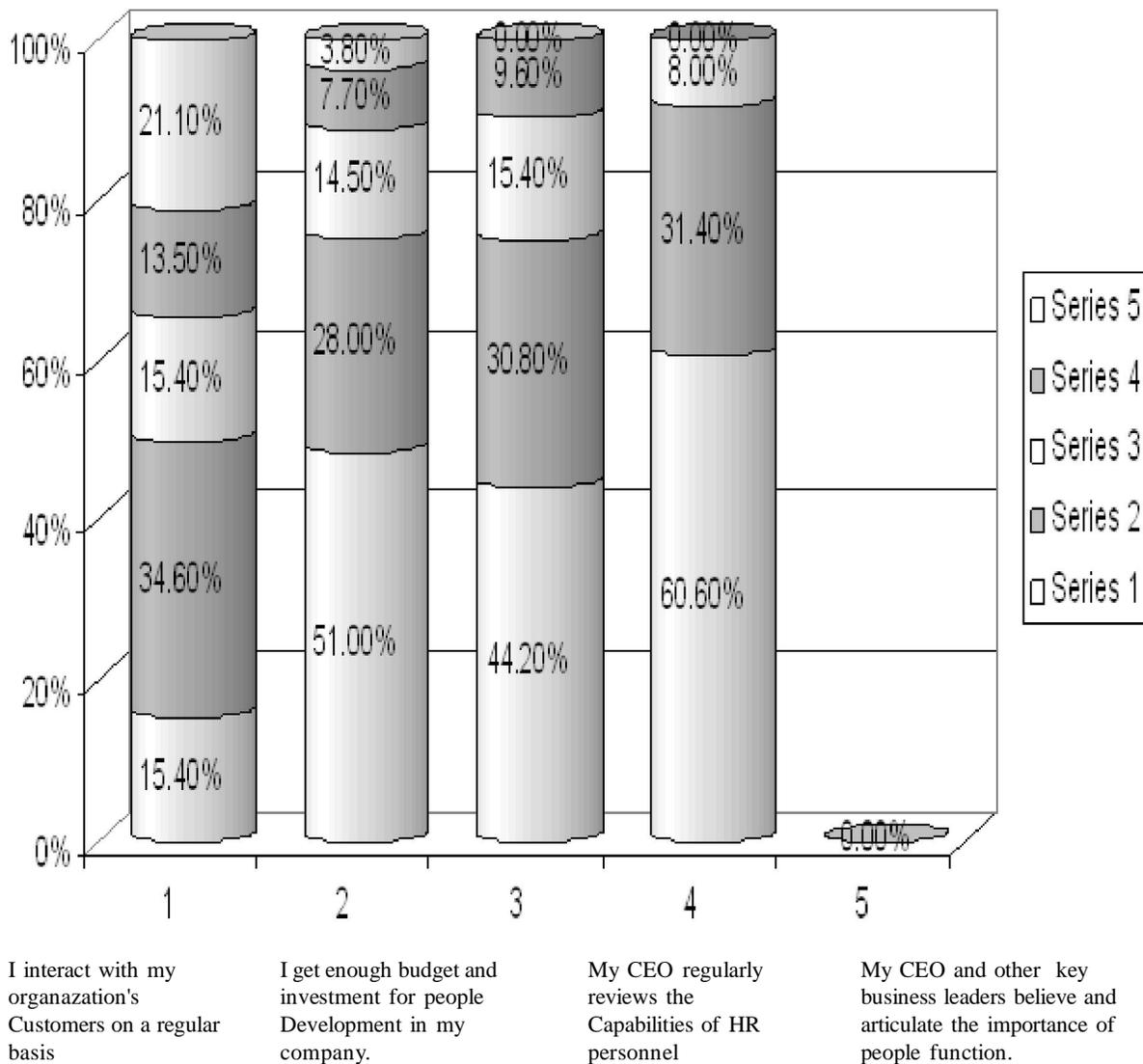
Series1: completely agree, series2: somewhat agree, series3: neither agree nor disagree, series4:somewhat disagree, series5: completely disagree



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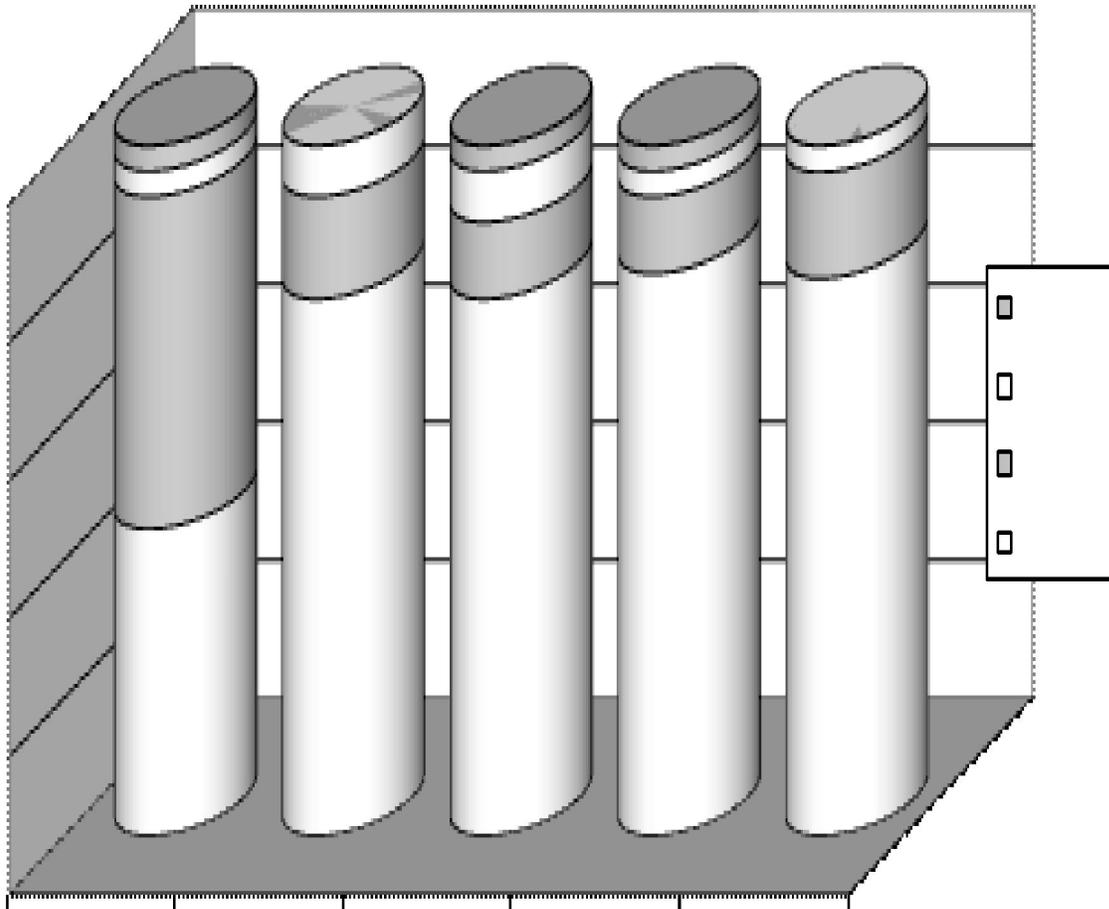
ACCORDING TO NASSCOM REPORT 2010  
**FIGURE 2 : HR Heads respond to statements related to business**

Series1: completely agree, series2:somewhat agree, series3:neither agree nor disagree, series4:somewhat disagree, series5: completely disagree



ACCORDING TO NASSCOM REPORT 2010  
**FIGURE 3 : CXO s respond to statements relating to HR's contribution to business**

Series1: completely agree, series2: somewhat agree, series3: neither agree nor disagree, series4:somewhat disagree, series5: completely disagree



My HR Head has a good Understanding of our business, Our competition, our market and our customers

My HR Head is a permanent member of our company's top leadership/ management team

In our regular top management business reviews, HR/People matters constitute a regular agenda item

My business leaders and I look up to HR as key stakeholders in running the business operations

I consult my HR Head regularly on hiring, promoting and rewarding senior executives.

have transferred their role from a HR manager to a "Employer branding professional". HR professionals on their journey to Employer branding has transcended themselves into dynamic role of analyst. They have identified the most important agenda i.e. " build organization as a resource and learning centre for its people".

Traditional HR seems to be inflexible but the demand on the role of HR has changed dramatically to understand the business and become a branding force in the organization. To make a successful transformation, the HR function has shed its traditional administrative compliance and has adopted a new "branding" role concerned with developing the organization. They have become the architects of

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"learning organization" and ensure sustained capability through nurturing the capability through nurturing the culture of openness and transparency. Employment branding starts right from the recruitment process, the recruitment process needs to reflect the brand. Every step of the recruitment process shapes the impression a potential employee has of the organization. Keeping this in mind, Intel has built a unique selection process that ensures that each candidate goes through the "Hiring for Integrity" process with detailed probes for ethics and integrity. Behaviorally, suitable candidates are identified through stringent assessment methodologies and self select-out based on lack of match between candidates' values/attitudes and the organizations' expectations. Hiring Managers at the organizations are trained on the various techniques used for this purpose. The organization ensures that the employees that are hired are equipped to maintain its quality standards. The organization also focuses on innovative hiring practices like : Employee Referral Programs", "Intern Care Programs" to ensure the inflow of quality talent. Intern Care Program is a structured internship process that helps expose the talented college students under the guidance of senior Managers- based on whose assessment the interns' performance as well as their ability to align with organization values are judged and the interns are extended offers to work with the organization.

Talent acquisition and retention is among the biggest challenges faced by modern business organizations- especially when the company is operating in technology driven environment in which HR are the main ingredients for the business. To beat this challenge, HR professionals has taken many initiatives

as part of its HR policies including training and skill development, building a sense of company ownership in each employee. One of the IT firms " Financial Technologies " - has introduced a unique scheme called " DOST " included to impart same comfort level of new entrants.

D.O.S.T. is an acronym that stands for Dedicated to On boarding Support and Training. The scheme begins with the entry of a newcomer and facilitates his or her effective and quick integration into the organization. On entry he/she is provided with a companion/friend labeled DOST who would help the newcomer to get acclimatized with the organization, its system and culture, values, policies and procedures in a systematic manner. Quick integration of employees into the organization contributes to growth and productivity. This scheme in the organization has added value in developing an EVP in the organization.

HCL Technologies has given birth to a unique path breaking philosophy-"Employee first, customer second". This approach puts employees on the top of the pyramid based on the belief that if the employees are delighted, they will in turn delight the customers. An employee would deliver value only when he is given an environment which is conducive to growth and encourages him to develop his skills. The company's approach to employee development focuses on giving people whatever they need to succeed, be it a virtual assistant or latent transformation sabbaticals ; expert guidance or fast track growth or democratic empowerment. It democratizes the companies' functions and its ways of working by putting "employees first" at the forefront. It is realized that the real value gets created in the

interface of customer and employee, it is the employee who is the closest to the customers and knows most about their ground realities. In order to deliver incremental value to the customer, it becomes important that the employee is empowered and this happens only when the traditional manager pyramid is inverted, placing employees at the top.

The Indian IT firms have realized that the employees are the strongest brand advocates. They should live and breathe the brand, understand what the brand stands for. The EVP has to be communicated, understood and embedded internally before taking the brand to the market. There is no point spending millions on marketing campaigns or infrastructure for a potential customer if the internal employees are not delighted.

The strongest and most thought-out brand identity shall slip into oblivion unless it is kept alive by the employees. True Employee Engagement will only happen if the brand is embedded into the culture of the organization.

### **Building Brand Culture**

Organization culture is increasingly recognized as a major driver to leverage upon Employer branding. Culture is not only intangible and illusive but it can also be observed at multiple levels. Culture is reflected in values, norms and practices. Values are often difficult to articulate and even more difficult to change. Their impact on creating a brand should never be underestimated in Buckman labs. Employees are regularly engaged with the customers in the belief that directly interacting with the market is the key to brand

building.

Visiting customers and suppliers is a standard practice for employees at all levels. Cultures that encourage people to directly experience sources of problems, threats and opportunities are more likely to build a strong employer branding.

The IT organization has become more open and direct and promotes a challenging work environment where people work as a team and respect and trust each other. The achievements of the employees are celebrated in a big way. The events like Osmosis and Neuron at Mind Tree are effectively providing a knowledge sharing and creating platform to the employees where they brainstorm and share their ideas. This is one of the collaborative ways of knowledge creation and sharing.

As Norris has stated "when people get together to share knowledge and give each other ideas, they are actually creating value." Nonaka and Takeuchi (1995) proposes the model:

Knowledge Creation ' Continuous innovation '  
Competitive Advantage

Looking outward / inward ' Continuous churning of  
ideas ' Competitive Advantage

According to NASSCOM Survey (2010) Mahindra Satyam had taken the initiatives like "Let's talk" that enables the leadership and HR connect sessions with off-shore and outside employees. There are CEO Blogs to communicate with employees which seek

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ideas or views and opinions on various topics. There is a social platform named "Ozone" where employees can raise a concern or provide constructive suggestions on key processes. The organization has also initiated Investment Councils- a forum which evaluates and invests in new ideas. Through "Shadow Boards" young leaders are encouraged to give innovative ideas by getting them involved in strategic planning.

The IT organization Dell has launched a unique people care initiative called "REACH" that largely focuses on positive participatory culture in the company. It proffers effective feedback dialogue between leadership and associates and engages associates through an active communication forum. Such invitation has promoted and created transparency through continuous communication. The other initiatives included focus group discussions, dash boards, customer accolades etc. whether it is a grievance, an appreciatory note, an idea or ongoing feedback the company imbibes the culture of transparency in everything it does.

Open and direct communication often is the essence of great workplace. Intel has quite a few good measures that enable employees to be open and direct like the CEO and Senior Executive blogs, listening forums, reach out sessions, a Manager / leader feedback tool among others. There is a SAM Lite Survey which is a self assessment methodology to identify gaps in the systems and methods on a continuous basis.

The initiatives taken at HCL aim at creating a culture of transparency inverting the organizational pyramid,

reversing accountability by making the management accountable to employees and decentralizing decision-making. The 360 degree feedback is a unique way of bringing transparency and creating an environment of trust.

### **Consistency**

Effective Employer building relies on a consistency of message and delivery which should not change due to weak economic climate or internal instability. A well thought-out Employer brand strategy looks to the long term objectives and is built upon a clear understanding of whom to attract and retain. HCL has realized the role of employees as more crucial. The loyalty and commitment is important to help business get through the temporary phase. The company has realized that a perturbed employee with no peace of mind and the fear of losing his job needs motivation. It is then up to the organization to stand by its employees. HCL believes there is no bigger motivation for an employee than hearing from the senior management in a transparent manner about the company's vision and policies. To this end, HCL has started U2I forum to ensure that the senior leadership is accessible to all employees, which gives them the opportunity to share their anxieties and raise questions on any issue that concerns them. U2I is a micro site on HCL Intranet that empowers employees to pose questions and raise concerns directly with the senior management.

### **Employment Opportunities**

#### **Employment opportunities for diverse sections of society:**

1. According to NASSCOM survey, 58% of IT

workforce is from Tier2 or Tier3 cities.

2. 37% women employees account for 45% of fresh intake out of which 26% of female employees are chief wage earners.
3. 5% of IT workforce is from economically backward sections and 60% of companies provide employment to differently able people.

### **Nurturing Leaders**

According to NASSCOM survey (2010), Mphasis started an employee leadership capability program-AARAMBH in 2008. The program was aimed at identifying high potential employees at the entry level and junior cadre and groom them for leadership at the middle management level . The program was supported by learning deliverables, mandatory learning courses, knowledge sharing sessions etc. The benefits that the company enjoyed was Employee retention , increased Employee productivity and engagement.

Infosys has initiated several programs to develop their employees e.g. Long Cycle Program for fresher's with non-IT background, fast track program for fresher's with IT background, Just-in-time training, Higher education schemes, Campus Connect , where the organization has partnership with over 470 colleges for providing training in technical and soft skills. There are E-learning programs which enables the individuals to do a self-study of a course on their own e.g. CBT (Computer Based Tutorials) .

HCL Technologies has initiated "Career Power" - a comprehensive career planning and development program portal which provides a framework where each employee is empowered to plan a desired career path or option. The Indian IT organizations are

securing the best talent by offering a clearly defined career plan which maps out expectations of the individual and what can be expected from the organization throughout the employees' career.

### **Conclusion**

Most HR professionals had heard of Employer branding but many are yet to understand its applications. The companies which are beginning to dip their toes into the Employer branding pool need to be very careful to not oversell their companies. The organization need to have evidence that they do what they say they do. That means rhetoric has to match the reality and the organization cannot have the talk without the walk because people are not always gullible.

Employer branding is a new approach toward recruiting and retaining the best talent within an employment environment that is becoming increasingly competitive. The value of the employer branding concept for management scholars parallels the value it has for managers. The employer branding concept can be especially valuable in the search for an organizing framework for strategic human resource management.

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