Crunch branding: The innovative HR Tool to lead Indian Inc in creating favourable Employer branding and Employee retention

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ABSTRACT
Innovations are increasing being looked upon to solve many an organizational problems, be it product development, service delivery or managing human resource. The importance is the third aspect is felt more strongly due to the fact that talented manpower which fits the organizational culture and value system is hard to find and retain. The HR professionals are adopting innovative HR practices apart from an attractive and competitive salarypackage to attract and retain talent. But one major grey area that is ignored is the image the employer is conveying to attract the desired pool and the image the present employees foster. With the serious talent crunch faced by India Inc innovative HR practices has to be adopted to create a favorable Employer brand. This paper focuses on the innovative HR practice which can be adopted to overshadow the grey areas .We, authors have coined the term ,”Crunch branding” which will be a effective tool to be used for employee retention.

Introduction
The irony is hard to ignore. On one hand India known to have a vast resource of brain as well as brawn and on the other hand surveys reporting a talent crunch. In 2010 just 16 percent of the companies reported difficulties in getting the right talent for critical positions, and in 2011 the percentage rose to 67 percent. India Inc is finding it hard to fill in key positions in research, sales and IT due to lack of training and experience, an annual global talent survey said, reported may 2011 (IANS 19 May 2011.)

According to Manpower's sixth annual Talent Shortage Survey, India results are well above the global average of 34 per cent and second only to Japan, where 80 per cent of employers are struggling to fill critical positions. Talent scarcity in India has worsened, as just a year ago, India was ranked 29th among 36 countries surveyed, when 16 per cent of employers faced difficulty to fill jobs.(The economics times May 19 2011)

In the scenario where every company is looking for establishing a global presence companies in India are delaying major strategic decisions and initiatives due to lack of required skill set. Recently Smart investors published a report on 24th April 2012 stating that about 41 per cent of chief executive officers (CEO) in India have cancelled or delayed a key strategic initiative because of skills shortage, an annual global CEO survey by PricewaterhouseCoopers (PwC) states. In China, the figure stood at 31 per cent, while it was 24 per cent globally. (smartinvestors.in

For developing organizations core competencies and to move into bluer ocean areas it is essential that the organizations are manned with the right people who fit with its values and culture. The above statistics are shocking and thought provoking too, as with such a large strategic decisions affected by shortage of talent in a country like India where there is no shortage of talent shortage survey by global human resource, consultancy and staffing firm Manpower Group (IANS)

Employer branding is nothing but capturing the essence of a company letting it felt by the employees in a manner that engages them. It is a concept which tries to build the emotional links of the employees with the organization. It’s like having a finger print; just as every human being has got a different one, and is unique is its own. Similarly every organization has got an impression or identity that is different from other organization. Managing this impression that is conveyed by its culture and policies is very crucial for prospective employees and the present one too. The message that is put across to the at hand and forthcoming employee determines the talent that is attracted.

From just a discipline in marketing the concept of branding is increasingly being understood and put to good use in the HR department of the organizations. In totality it conveys the employee value proposition offered by the organization that is the sum of a company’s culture, artifacts rituals, systems, functions, attitudes a etc. The concept embraces the marketing function with the HR department. In the job market that is becoming red day by day the need is strongly felt by the employers to build and retain a talent pool , and for this they are taking the help of HR department develop and deliver employer value proposition.

Despite the global recession, employers are still finding it difficult to recruit the ‘perfect fit’ employee, where the employee matches the organizational culture and the position.(Quantum Management Indicators , July 2010)

By concentrating on the Employer Brand and by increasing their appeal to the right candidates, organizations will gain a distinct advantage in the labor market. There is a clear link between Talent Management and Employer Branding and ‘The depth and quality of planning today will separate the talent winners from the talent losers tomorrow’ Jeff Schwartz (Deloitte). (Quantum Management Indicators July 2011)

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It seems that the manpower is there but finding the right kind who culturally fit with the organization, and the job roles and responsibilities is increasing becoming difficult. Individuals who are looking for jobs are there but the right skill set required is still a tough job for the recruiters. Moreover once the right skill set is developed within the organization the next question that comes is of retaining the talent developed with so much hard effort.

The talent pool cannot be built in a short span of time as such companies are making policy changes to attract, identify, retain and build talent pool.

Through our study we want to present how companies in India are fast looking out for innovative ways to create favorable employer brand. We also intend to highlight the importance of employer branding for retaining good employees.

As the demand for talent is increasing the Indian companies besides adopting a global way of functioning and becoming more competitive, they are also adopting innovative HR practices to build and maintain the talent pool while creating a favorable employer brand. This research papers tries to bring into light such HR and Employer branding activities, which is termed as “crunch branding”, adopted by the Indian companies

Literature review

Firms are beginning to acknowledge that brands are among their most valuable assets. They recognize that developing and capitalizing of this asset is important for their long-term profitability. (LinDarOng, 2011). The term “Employer Brand” was first used in the early 1990s to denote an organization’s reputation as an employer (Dagmar BABČANOVÁ, Miroslav BABČAN, Eva ODLEROVÁ, 2010). Ambler and Barrow (1996) first coined the term ‘employer branding’. They defined the employer brand in as, “...the package of functional, economic and psychological benefits provided by employment, and identified with the employing company”.

Brands can be seen as a set of symbols which represent a variety of ideas and attributes, the net result of which is the public image, character or personality of an organization. Branding activities entails building up of particular attributes, through which the company corresponds its image that it desires to communicate to potential employees, current staff and the public (Bach, 2005). The notion of employer branding rose quite recently in the sphere of human capital management. It emerged from applying marketing principles to the field of people management (Lievens et al., 2007).

Employer branding is defined as a targeted long-term strategy to manage awareness and perceptions of employees, potential employees and related stakeholders with regards to a particular firm (Sullivian, 2004). Employer branding is central to the concept in HR Marketing. It defines the personality of a company as a preferred employer (Radford). 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).

Lloyd (2002) defines the employer brand as the image of the firm as “a desirable place to work” in the mind of existing and prospective staff.

(CIPD) defined it as: a set of attributes that make an organization distinctive and attractive to those people who will feel an affinity with it and deliver their best performance within it.

The employer brand is really the DNA of the organization. It’s the essence of who we are and how we interact with each other, with our customers and with other stakeholders. (Shane Freeman, 2007) Employer brand is understood as a brand which differentiates it from other competitors in the employment market. The term also includes long term strategy that establishes an organization’s identity as an employer in the employment market.

Ambler and Barrow (1996) define employer brand as follows: “The package of functional, economic, and psychological benefits provided by employment and identified with the employing company” (Ambler, T and Barrow1996). As Backhaus and Tikoo (2004) note, employer branding is employment specific and represents organizations’ efforts to communicate to internal and external audiences what makes it both desirable and different as an employer. On the other hand, product and corporate branding are targeted at external audience and firm is regarded as a product and service provider.

Employer branding is concerned with the attraction, engagement and retention initiatives targeted at enhancing company’s employer brand (Minchington 2010). Employer branding strategies help clients to attract and retain talent and provide a powerful new role for HR within many organizations. Employer Branding strategies are now often linked to employee engagement – a way to support retention and increase productivity. (Babčanová2010)

The employer branding process has two distinct areas including ‘proposition’ and ‘promise’. The proposition includes how the brand is expressed in the prospective employee’s mind and through promise employees converse about the positive experiences of the working environment within the organization. (REC Working Papers 2011) The employer brand is the most powerful tool for attracting; engaging and retaining the right talent/culture fit that will help leaders grow their organization. Like any brand, employer brand is about perception (Radford, 2009).

Researchers tend to assert that employer branding—defined as the process of placing an image of being a “great place to work” in the minds of potential employees—influence the firms’ success in increasing the quantity and quality of applicants (Collins and Han, 2004; Turban and Cable, 2003) and retaining their current employees (Backhaus and Tikoo, 2004).

Employer branding is important as employers wish to recruit and retain skilled employees (Berthon et al., 2005; Ewing, Pitt, De Bussy, and Berthon, 2002). Since firms operate in an environment of intense global competition, a strong employer brand emerged as the key to winning this “war for talent” (Martin et al, 2005). Empirical evidence suggested that firms’ recruitment-related activities could promote the employer brand (Collins and Stevens, 2004).

Empirical evidence has indicated that organizational attraction and acceptance intention are highly correlated with subsequent job choice decisions (Chapman et al. 2005). Employees who go the extra mile by performing spontaneous behaviors that go beyond their role prescriptions are especially valued by the management.

This phenomenon is critical for organizational effectiveness because managers cannot foresee all contingencies or fully anticipates the activities that they may desire or need employees to perform (Katz & Kahn 1978, Organ 1988).

Objectives of the study:
• To analyze the presence of Employer Branding in Indian Inc.
• To study the impact of Employer branding on employee retention.
• To find out the innovative HR strategies adopted for Employer Branding, i.e. developing a brand

Research methodology:

The purpose of this study is to find out how extensively employer branding is used among the organizations. In order to achieve the purpose of the study, secondary research was conducted. Various past literature reviews and research papers were scrutinized. Case study was also developed with reference to three companies. It is also aimed at bringing conceptual coherence to the employer brand by adding various key HR concepts into it. Research methodology adopted was conceptual and data collection was done through secondary data from books, literature reviews, journals, and websites.

Conceptual foundations:

According to Minchington (2010) most organizations have a different strategy for employer and consumer brands. Marketing being responsible for the consumer brand and HR for the Employer Brand, however, the HR, Marketing and Executive Team need to work more closely to ensure a consistent message and leverage the different departmental capabilities (Quantum Management Indicators)

The Employer Brand consists of (Quantum Management Indicators, Beames, 2009):
• Your Organisation’s Purpose and Values (Culture)
• Your Leadership Capability
• Challenges faced by your Organization
• Vision and Direction
• Market performance
• Market Status in your specific sector

Nokia is well-known for its emphasis and creativity in phone designs and usability. This is reflected in its employer brand – ‘creating amazing new ways for people to connect to each other, and to the things that matter to them’ (Quantum Management Indicators July 2010)

Effective Employer Branding leads to (Quantum Management Indicators):
• Employees being more committed to the organizational goals
• Increased employee retention
• Reduced recruitment costs
• Improved reputation as employees recommend your organization as a good place to work

Figure: 1

Steps to be followed by employers for Creating and communicating an effective employer brand (Frank Armstrong, year??, HR focus Magazine)
1. Understanding the business objective of the organization. HR department should be well aware regarding business objective to include in the brand development.
2. Identification of the talent and skills of the company, in relation with the company’s objectives.
3. Identifying employment brand attributes. Also to determining the factor which makes a distinction from others in the minds of current employees and also to the potential job candidates.
4. Seeking synergy with the corporate brand is most crucial and significant one. "Employment brand director" position is also allocated by many companies to take care of this issue. This “employment brand director” will be a person with cross-functional knowledge in HR and marketing.
5. Creating a communication plan. Its components include market, what media to use, the timing of communication and also about execution.
6. Developing creative message content and appearance.
7. Using metrics for assessing and tracking the success of the employment brand campaign. Learning about how the brand is working, what results it is delivering in talent acquisition is must. The typical four categories of measurement such as cost, quality, speed and efficiency should be calculated.
8. A good employment brand should regularly evaluate extent and communicate the message to market place and to employees. The best medium to be used is company website and medium used should be consistent. Good experience at company website leaves extraordinary effect on the employees.

Just creating employer brand won’t stand good. Every employer brand should have its own strength. It can be obtained by combining employer branding and by providing an excellent employee experience.

Figure: 2

In previous diagram creating brand strength has been discussed, but there may be question mark about how to develop it and what should be key components and areas which have to be focused on for developing a good employer brand. When we carried out our research to find the answer for this question, we came across so many employer brand components and many were not good enough. This particular one shown below has been developed by corporate eye has the essence of employer

brand and is the product of their research. It explains about the key components of the employer brand.

**Figure:** 3

Source: http://www.corporate-eye.com/blog/2008/05/what-is-employer-branding/

The talent perspective “Leaders of companies that go from good to great start by getting the right people on the bus, the wrong people off the bus, and the right people in the right seats”. Jim Collins —“From Good to Great”

**Employer Branding in India**

In today’s scenario creation of effective employer brand is very essential to have a competitive edge over others. In a survey conducted by TJInsite the research site of TimesJobs.com it is revealed that Employer Branding is not very prevalent in the Indian industry. (The Economic times 2012- http://articles.economictimes.indiatimes.com/2012-03-21/news/31220270_1_job-portals-branding-employees) However, they do believe that companies with strong employer brands can potentially reduce the cost of employee acquisition, improve employee relations and also helps increase employee retention. (The economic Times May 2012 - http://articles.economictimes.indiatimes.com/2012-03-21/news/31220270_1_job-portals-branding-employees)

**Employer Branding and Employee Retention**

Employee retention refers to the ability of the companies to retain its employees. (Wikipedia). http://en.wikipedia.org/wiki/Employee_retention. Employer branding is the best strategy used by the organizations to attract the talent and also to retain the talent. It is used not only to retain the talent but also to create cordial relationships between the existing employees and the organization. (Michael Palmer, 2007). To prove the fact some research findings has been provided below:

The research conducted on “The impact of employer branding on employee retention” by Prema Verma, states by using co-relation test that there is significant relationship between employer branding and employee retention. The value of co-relation found was 0.574. (http://www.slideshare.net/prema123/employer-branding-and-employee-retentionexplorer)

The study conducted by Chung, Boon Poh during 2010 to find out the Relationship between employer branding and talent retention in company also revealed the result that the average score of relationship between employer branding and talent retention, talent commitment was 3.44, employer branding and talent engagement and involvement was 3.60. The study also revealed the fact that there was a high and positive relationship that was existing between employer branding and talent retention. (r =0.825).

The study conducted by Botha, A., Bussin, M, & De Swardt, L(2011), also found the positive relationship between employers branding and employee retention. The key components influencing employer branding were target group needs, a differentiated Employer Value Proposition (EVP), the people strategy, brand consistency, communication of the employer brand.

Research clearly indicates the strong relationship that exists between employer branding and employee retention. When employer branding is been carried out well strategized in the organizations, it definitely have a great impact in creating a pleasant work environment, cordial relationships and thus it also helps in employee retention to great extent.

**HR Strategies**

**Case studies on Employer branding:**

**Employer Brand: Philips**

In today’s scenario, suddenly every organization woke to the alarm bell of employer branding, but this was realized by Philips way back. The most important things about employer branding is communication. It realized that they need to update the communication channels and traditional method no longer will be useful. Philips as a part of employer branding created interactive video portraits for the website which consisted of personal stories directly from the employees about their wonderful experiences working at their company. (Philips). That was indeed a great success. Philips launched its own global portraits which supported three key markets including China, India and Russia. Global portraits were created in the local version. The local version introduced helped Philips increase in both career website traffic statistics as well as in user satisfaction and their Net Promoter Scores (NPS). (Brett Michington, 2011).

Also, during 2002 Philips conducted a research and found that, global recruitment redesign programme; quality of service could be improved and needed to focus on proactive talent recruitment. It identified inconsistent positioning of messages to prospective employees – not addressing them as “One Philips”. The top lessons learned by Philips is (Jobmensink, Philips, 2010)

- People build your business
- Traditional recruitment no longer works
- Be clear about your promise
- Make it easy to do the right things right
- Think big, act smart, fail fast.

Employee value proposition created by Philips are they have programs such as simplicity day, video news letters, create own products, referral programs, student round table, leadership gateway, business course, alumni champions etc... The core component of Philip’s employee value proposition was, it offered employee free access to the library of learned objects, facilitating them to take the development at their own hands. This helps and encourages employees to grow with Philips.

**Employer brand: TCS**

TCS brand symbolizes the tremendous opportunities provided to young professionals. It was listed among top ten IT companies globally in 2010. The employer branding is handled through a cross functional team by communication, HR branding and logistics specialists. TCS also has internal portal called as ‘ultimatix’. TCS has a in-house communication tool which delivers daily news and information update to TCS user.
This application is based on different platforms. It provides news & information on real-time basis.

TCS provides following employee value proposition:

1. The most significant value proposition provided to employees at TCS is global exposure, where employees get opportunities to work on world-class projects. This opportunity paves way to understand, communicate and work with cross-cultural team. This actually acts as a frontier for TCS employees to learn and actuate the skills and also to be at par or excel beyond the limit.

2. The environment at TCS provides its employees to work freely in areas where the aptitude, talent and interests of the individuals are more focused upon. Freedom at work signifies that TCS provides ample opportunities for its employees to work across various industrial verticals, functional domains and also on technology platforms. This provides the favorable circumstances for the employees to explore their own domain/area which they best fit into.

3. Work-life balance – The most integral part is the work-life balance. At TCS they have a work-life balance program called as “maitre”, which is inclusive of various fun, cultural events and activities. It focuses on needs and aspirations of the employees but retains the “fun” element (Source: http://www.careers.tcs.com/CareersDesign/Jsps/WorkingatTCSValue.jsp)

**Employer Brand: Google**

Organizations do not focus only on profits but its great problem is talent crunch and has to manage talent pool. For the benefit of it, limelight area has been shifted to employer branding along with profits. The study released by universium regarding global talent attraction index: “The World’s Most Attractive Employers 2011” stated Google as the world’s most attractive employer among the business category. (Source: The universium) Google has mastered the art of building image of best employer in the world. (Employer branding today)

Mr. Manoj Varghese, (NASSCOM, 2006) Director at Human resources department, Google told that employer branding is being widely adopted at his company. Employer branding at Google means customer experience, access to information, innovation, engineering/customer service excellence and freedom to their employees and potential hires. Employer branding activities adopted at Google are they work closely with educational institutions, encourage interns and sponsors, conducting coding programs, technical talks, sponsor research in specific areas and encourage creativity. Google also have “TIFG” (Thanks Google Its Friday) program for employees. Some of the programs conducted by Google are:

- Indian code Jam during 2005 and 2006, which is a technical coding contest.
- Essay writing competitions as for words. (Nasscom 2006)
- Another interesting fact about Google is about its culture, very little is been driven from the top management, employees at the bottom level, drive the work. General directives are given from the top management, but if an employee finds any problem he/she can apply his skills /or use his way to solve. Freedom is provided to the employees and rather than following authoritarian style function, Google follows laissez faire style of leadership, which also makes it a most sought after company. It is crystal clear from the above facts, that how Google takes employer branding seriously and succeed in not only implementing it but also reaped enough results out of it.

**Key takeouts:**

- In India there is no shortage of manpower but finding skilled one is a major concern for Indian Inc.
- The in-house talent so developed has to be properly retained.
- Branding is no more a term to be used only by marketing people at the organization, it has started having is core value among the HR professional also and has to be strongly imbibed into the bloodstream, of the organization.
- Employer branding has to rigorously practiced by the organizations, rather than just being on the policies.
- It is evident that, organizations have taken employer branding seriously. This fact has supported through case studies in our paper.
- Employer branding has been evolved as a new strategy to be used in employee retention.
- During our research it was found that many organizations are reluctant to take strategic initiatives due to talent crunch.
- It is strongly suggested by us that to deal with this talent crunch situation, employers need to focus on branding or rather say crunch Branding.
- Moreover Innovative HR policies and Practices have to be adopted to ensure this.
- Giving a good salary package alone, will not ensure retention of talent within the organization. The need for the hour is to create an everlasting emotional link between the organization and the employees.

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