

Chapter 2

Employer Branding and Attractive Work

2.1 Employer Branding and Attractive Work

As discussed in Chap. 1, organizations today face the essential challenge of being attractive employers, or employers of choice. Attractive organizations are associated with jobs that attract, develop, motivate and satisfy the needs and wants of employees. In order to become attractive employers that draw new talent and retain their best employees, many organizations are working strategically with the concept of ‘employer branding’ (Sengupta et al. 2015). Backhaus and Tikoo (2004, p. 502) define employer branding as ‘the process of building an identifiable and unique employer identity’.

In order to differentiate itself from other organizations and be identified with unique characteristics from the job seeker’s perspective, an organization has to promote organizational attributes that are considered attractive and that allow it to stand out from other organizations. From this perspective, employer branding can be understood as ‘the sum of a company’s efforts to communicate to existing and prospective staff that it is a desirable place to work’ (Lloyd 2002, cited in Berthon et al. 2005, p. 153). Thus, attracting, retaining and motivating existing and potential employees who can add value to the organization are an essential part of employer branding. Another essential aspect is aligning the employer branding strategy with the other branding efforts of the organization (like product and corporate branding) (Botha et al. 2011; Moroko and Uncles 2008).

2.2 Perspectives on Employer Branding

Earlier, a boundary existed between an organization’s internal and external aspects. External relations were handled, e.g. by the marketing, public relations and strategic planning departments. Middle and lower managers, HRM, accounting departments,

etc., handled the organization's internal issues (Hatch and Schultz 2003). Today, the external and internal functions of the organization are more or less integrated. The notion of 'branding', which originates from the field of marketing, is an example of a concept that is today used and understood from an interdisciplinary perspective.

Love and Singh (2011, p. 175) suggest that a brand 'is a creation of an impression and/or image through a process of changing and reinforcing what people say or believe'. A brand image considers 'feelings, impressions, perceptions, beliefs, and attitudes toward a company' and concerns individuals' beliefs about a product or a service (Hsieh et al. 2004, p. 252).

Originally, branding differentiated tangible products, but today's organizations engage in several kinds of branding effort. Corporate branding, e.g. 'concerns the systematic planned management of behaviour, communication, and symbolism in order to attain a favourable and positive reputation with target audiences of an organization' (Foster et al. 2010, p. 401).

Two decades ago, Ambler and Barrow (1996) suggested that branding could be applied to the employment situation. 'The term employer branding suggests the differentiation of a firm's characteristics as an employer from those of its competitors' (Backhaus and Tikoo 2004, p. 502). Based on principles of marketing, it 'provides a platform to HR managers in understanding employees' (Biswas and Suar 2014, p. 58).

Since Ambler and Barrow (1996) first introduced the concept, employer branding has been used mainly to develop organizations' external reputations. Given that the employer brand also has an impact on the expectations and experiences of existing employees, it became evident that an organization's external recruitment promises had to be aligned with the internal employee experience (Mosley 2007). Thus, the employer branding strategy has to consider potential employees as well as existing employees who know the organization from the inside.

Today, the interest in employer branding is significant. Practitioners in various countries, in both public and private organizations, work with employer branding to attract employees, but also to make sure that existing employees are engaged with the culture and goals of the organization (Backhaus and Tikoo 2004; Myrden and Kelloway 2015). Employer branding is much discussed in articles in the business and practitioner press and on social media. According to Backhaus and Tikoo (2004), the term 'employer branding' yielded 3000 hits in 2004 using search engines like Google or Yahoo! Today, in January 2017, the term 'employer branding' yields 41,90,000 hits on Google. Accordingly, academics from different disciplinary areas have become increasingly interested in the field of employer branding and are producing a growing body of research on the topic. One indicator of this interest may be found on Google Scholar, which identifies 119 academic papers which were published in 2016 and had 'employer branding' in the title.

2.3 The Concept of the 'Employer Brand' and Organizational Attributes

Even though not all organizations work strategically with employer branding, 'all organizations that employ people have an employer brand' whether they realize it or not (Arachige and Robertson 2013, p. 35). Due to the large interest in the field, there are many definitions of 'employer brand'. According to Backhaus and Tikoo (2004), an employer brand includes an organization's values, policies and behaviours, and gives the organization an identity that is embedded in the organizational culture. Ambler and Barrow (1996, p. 187) provided the initial definition: an employer brand is 'the package of functional, economic, and psychological benefits provided by employment and identified with the employing company'.

Accordingly, an employer brand can be seen a 'psychological contract' between an employer and employee (Foster et al. 2010; Moroko and Uncles 2008). A psychological contract exists only in the employees' minds, but it is based on formal and informal information received from the organization, and therefore 'represents an employee's perceptual agreement about the exchange relationship he/she has with the organization' (Mangold and Miles 2007, p. 426).

Researchers have tried to identify what makes an organization's employer brand attractive. There is not yet a common classification (Alniacik and Alniacik 2012; Kucherov and Zavyalova 2012). Lievens and Highhouse (2003) divide attractive attributes into instrumental and symbolic attributes, where instrumental attributes include, e.g. compensation and benefits, and symbolic attributes concern 'subjective, abstract and intangible aspects' like traits (e.g. sincere and friendly, trendy, innovative, successful, prestigious). Kucherov and Zavyalova (2012, p. 89) suggest the following classification of attractive attributes of an organization's employer brand:

1. Functional attributes including 'content of work, training perspectives, opportunities of career growth', etc.
2. Economic attributes including 'high salary, fair system of rewards and bonuses, stable guarantees of employment', etc.
3. Psychological attributes including a 'strong corporate culture, positive interpersonal relations in company, teamworking, and objective assessment of work'.

These three groups of attributes correspond to the 'package' of benefits included in the initial definition of employer brand quoted earlier (Ambler and Barrow 1996, p. 187). Kucherov and Zavyalova (2012) add organizational attributes as a fourth category. According to Kucherov and Zavyalova (ibid., p. 89), organizational attributes are attributes that relate 'to the perception of the company in the external market by different groups of stakeholders' such as reputation of consumer brands and reputation of top managers and management style.

Other researchers suggest similar categories of attractive attributes. In their research on potential employees (students), Berthon et al. (2005) also draw on

Ambler and Barrow's (1996) initial definition of employer branding. They identify five dimensions of the employer image that are attractive to potential employees. They suggest that interest value (e.g. the perception that an employer provides an exciting work environment) and social value (the perception that an employer provides a working environment that is fun and encourages good collegial relationships) correspond to psychological benefits; developmental values (the perception that the employer offers a springboard for future employment) and application values (the perception that the employer offers opportunities to apply knowledge and to teach others) correspond to functional benefits; while economic value consists in the perception that the employer offers an above-average salary (Berthon et al. 2005, p. 159).

Today, researchers and practitioners seek to capture what is considered attractive and valued by both potential and existing employees. Yearly reports from recruiting companies, e.g. investigate what constitute attractive attributes for potential employees. According to the research, perceptions of attractiveness seem to vary within and among different groups. First, existing employees seem to differ in what they perceive, appreciate and value in an organization. Second, existing employees and potential employees both seem to value attributes in different ways (Lievens et al. 2007; Maxwell and Knox 2009). Third, there may be a discrepancy between what job seekers want and what HR professionals think makes the organization attractive, or the construed external perspective (Maxwell and Knox 2009). For these reasons, it can be difficult to summarize the attributes that both attract potential employees and retain existing employees.

2.4 Employer Branding and Values

Organizational values are beliefs and attitudes that '[go] deep inside and constitute a collective understanding regarding norms and standards of behaviour acceptable in the organization' (Hassan 2007). Organizational values affect strategies, personnel policies and relationships with different stakeholder groups (Hunt et al. 1989; Valentine and Barnett 2003), and often involve normative standards that determine what is right or wrong within the context of the organization. Such ethical values are often institutionalized in organizations through codes of ethics and policies and procedures that define and encourage ethical behaviour among employees (Valentine and Barnett 2003). Therefore, it is reasonable to believe that such values are implicitly or explicitly communicated to existing as well as potential employees. Accordingly, ethical values are integral to organizations' employer branding process.

Another reason for organizations to integrate ethical values in their efforts towards employer branding is so that 'employer branding can be transformed into a sustainable and trustworthy value creating process' that will create value for all stakeholders and not only for the organization (Aggerholm et al. 2010, pp. 107, 109).

2.5 The Process of Employer Branding from an HRM Perspective

Research suggests that if an employer brand is to be successfully developed, it should: (a) be consistent with the realities of the organization and be based on the organization's values, systems, policies and behaviours; (b) be unique, helping to differentiate an organization from its competitors; and (c) be attractive to both potential and existing employees (Backhaus and Tikoo 2004; Maxwell and Knox 2009). Based on their findings, Moroko and Uncles (2008, p. 173) present a typology of characteristics of successful employer brands, which can be used by researchers as well as practitioners (see Fig. 2.1).

According to Moroko and Uncles (2008), attractiveness and accuracy are the two dimensions that are important for a successful employer brand. They define attractiveness in terms of three concepts: awareness, differentiation and relevance. This entails that the employer brand is known among potential employees (awareness); that potential employees can differentiate employers from each other; and finally that potential and existing employees are attracted to an employer whose value propositions they find relevant. Accuracy is defined as the 'consistency between the employer brand and employment experience, company culture and values' (ibid.). Moroko and Uncles describe the strategic issues that organizations may face during the different stages of developing a successful employer brand:

1. Communication breakdown: The organization has an attractive employer brand, but potential employees do not immediately identify the organization as a possible employer because, e.g. the employer brand involves value propositions that conflict with the organization's other brands (corporate and/or consumer brands), or because the organization has not been able to distinguish itself from other competing organizations. The communication about the employer brand

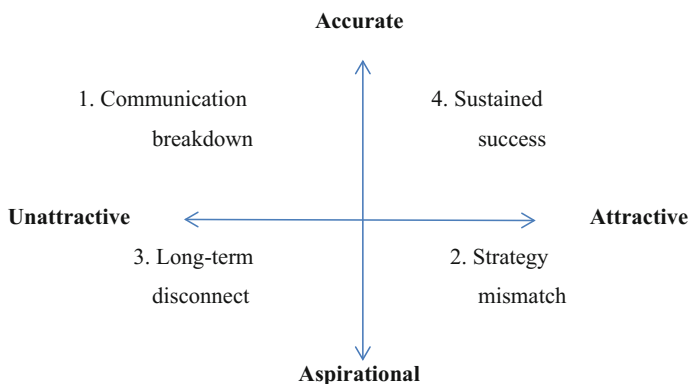


Fig. 2.1 A Typology of Characteristics of Successful Employer Brands (Redrawn from Moroko and Uncles 2008, p. 72)

by the organization and the employees perception of it are in line when there is ‘consistency between the employer brand and employment experience, company culture and values’ (Moroko and Uncles 2008, p. 160).

2. Strategy mismatch: The organization attracts the right employees, but is not able to deliver its EVP to existing staff.
3. Long-term disconnect: The employer brand is not seen as attractive by potential employees, and the employment experience of existing employees is not sufficiently robust to retain staff.
4. Sustained success: This is the most desirable situation, where potential employees are attracted to the organization and ‘their experience matches the perception they formed during the recruitment process’ (Moroko and Uncles 2008, p. 173). Such an organization can attract and retain the best candidates.

For organizations to reach sustained success (stage 4 in Moroko and Uncle’s typology), the HR function is central. From an HRM perspective, researchers suggest that the process of employer branding involves three steps. The first step is to develop a value proposition, which is the central message of the employer brand. To do this, the organization has to examine what is important for the employees. One suggestion is that HR take this responsibility by administering anonymous surveys, using suggestion boxes for existing employees, and conducting exit interviews with employees who leave the organization (Cascio and Graham 2016; Spain and Groyberg 2016). It is important that the CEO, strategic HR, marketing, IT, communication and other functional units in the organization agree on the EVP and that the message is consistent with all other the organization’s strategy and all other brands in the organization (Cascio and Graham 2016). Thereafter comes external employer branding (also called external marketing), followed by internal employer branding (internal marketing). The idea is that the right EVP can attract the right employees. The value proposition should include the organization’s unique employment offerings, and it should be able to address both existing and potential employees. The value proposition should be a true representation of what particular value the organization offers its employees, and needs to be based on the organizational culture, management style, current employment image and impressions of the product or service (Sengupta et al. 2015).

After the EVP has been defined, it is marketed to external stakeholders, like potential employees, recruiting agencies and placement counsellors. The goal of this external employer branding is to attract the best candidates and establish the organization as an attractive employer—an employer of choice (Backhaus and Tikoo 2004).

What is communicated externally informs potential employees about which employment needs will be met once they have been recruited (Wallace et al. 2014). Therefore, it is important to market an authentic EVP which mirrors the organizational culture. Potential employees’ understanding of what constitute the attractive attributes of an organization will form their expectations based on their initial attraction to an employer. Realistic expectations will increase the possibility of retaining employees, as the latter will compare their employment experiences with

the EVP offered during recruitment (Backhaus and Tikoo 2004; Moroko and Uncles 2008). Therefore, to build trust and trustworthiness, the EVP offered to those outside the organization must align with the employment offerings inside the organization, and also with other branding efforts in the organization (e.g. product and corporate brands).

Internal employer branding follows the external employer branding process. Internal branding involves the ‘adoption of the branding concept inside an organization to ensure that employees deliver the brand promise to the external stakeholders’ (Foster et al. 2010, p. 401). Internal employer branding aims at creating a culture of trust between employer and employees, and ensures that employees are committed to the values and goals of the organization. The value propositions promised in the external employer branding process must be delivered to those who were recruited. A failure to deliver the employer brand promise ‘is likely to impact negatively on the morale and performance of the workforce’ (ibid., p. 409). The internal branding process systematically exposes employees to the value proposition of the employer brand. The message of the employer brand needs to be shared among the employees, and the organization needs to educate its employees (Cascio and Graham 2016). The idea is that ‘the workplace culture is moulded around the corporate goals, enabling the firm to achieve a unique culture focused on doing business the firm’s way’ (Backhaus and Tikoo 2004, p. 503). Internal branding may be understood as ‘a result of [the] employer’s internal communication effort to develop a workforce that is committed, loyal and identifies with the set of organizational values and goals’ (Sharma and Kamalanabhan 2012, p. 304). Cascio and Graham (2016, p. 190) suggest that if there is a difference between what employees express in internal surveys and what they communicate externally on, e.g. social media, it is important ‘to learn why the employees feel the ways they do’. Cascio and Graham (2016, p. 190) further emphasize that building a positive (successful) employer brand ‘is not a one-time event’. It ‘requires constant care, time and commitment’ (Cascio and Graham 2016, p. 190).

Most often, the literature on employer branding has taken an external and marketing perspective focusing on the question how to attract potential employees. However, in this book, we study employer branding and attractive work from the perspective of already employed managers, and emphasize the importance of the organization’s internal perspective on employer branding in retaining valuable employees. We examine managers’ perceptions of organizational values (CSR and EO) and how these values are formalized in policies and further implemented and communicated. Based on our results, we propose that organizations should acknowledge ethical values like CSR and EO as crucial aspects of the organizational culture. We also suggest that organizations should include ethical values in their EVP, and institutionalize and communicate these values more actively than is usually the case. Further, we emphasize the important role that HRM could have in the employer branding process.

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Understanding Attractive Work in a Globalized World
Studies from India and Sweden

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2017, XXX, 308 p. 65 illus. in color., Hardcover

ISBN: 978-981-10-6131-8