# Chapter 1 An Overview of Employer Branding With Special Reference to Indian Organizations

Shikha Rana IMS Unison University, India

**Ravindra Sharma** Swami Rama Himalayan University, India

## ABSTRACT

Talent acquisition is the most crucial activity an organization goes through. The reasons for its criticality are not just confined to the cost and time involved in recruiting talent but also matching the right incumbents at the right place and at the right time along with the organizational fit are the most essential factors to deal with. Nowadays, organizations are working in VUCA (volatile, uncertainty, complexity, and ambiguity) environment that seeks a lot in terms of employee performance. Employer branding was initiated by Ambler and Barrow (1990) with an aim to attract and retain the best talent through various activities, and the contemporary research has proven that if branding of the organization is done in an effective manner then it retains the best talent; further, it enhances job engagement and motivation. The present chapter elaborates the concept of employer branding, benefits, and importance of employer branding. Recent surveys and trends of employer branding in Indian organizations have also been discussed.

### INTRODUCTION

Employer brand was first coined in early 1990 by Ambler and Barrow and through this the concept of brand, was introduced to the field of human resource management. It is the identity of the organization as an employer of choice. An organization becomes attractive place for its employees when it is able to get a tag of good brand. According to a research study percentage of job offers accepted, no. of job applicant per role, average length of tenure and staff engagement if is high in an organization as compared to its counterpart in a particular industry then that organization would emerged as an attractive employer brand (Moroco & Uncles, 2008). Further, employer brand is also ascertained attractiveness

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of the sector, company's reputation, quality of products and service, location, work environment, salary structure, employee benefits, people and culture, work/life balance and corporate social responsibility (Figurska & Matuska, 2013). Chartered Institute of Personnel and Development (CIPD) has accentuated the concept of employer brand in the following manner:

Employer brand 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. (CIPD, 2016)

Another prominent organization of human resource management, Society for Human Resource Management (SHRM, 2008) has stressed on employer brand in the following way:

The image of the organization as a great place to work in the minds of current employees and key stakeholders in the external market (active and passive candidates, clients, customers and other key stakeholders)

Employer Branding on the other hand is a process which includes:

The package of functional, economic and psychological benefits provided by employment, and identified with the employing company (Ambler & Barrow, 1996).

Employer branding and its relationship with retention and job engagement can easily be understood by the following definition:

An agreement under which the offer of the employer (manifested in organizational goals, values and initiatives that build trust in the employees) and counteroffer from employees (in the form of a high level of engagement and low retention) are matched (Martin et al., 2005)

Employer branding cast an image of the organization presenting it as a good place to work (Sullivan, 2004). The main function of employer branding is to make company attractive for the potential employees to get the maximum benefit of the market. Now it is considered as an integral part of business strategies (Jackie Orme, 2008). Employer branding has been highly extended to both research and practice (Barrow & Mosley, 2011). Employer branding has emerged as a new concept to meet the challenges of globalization, cut throat competition and changing market scenario. The need for attracting the best talent from the labour market and sustain the top performers is gaining due importance nowadays for the long term success of an organization. The major difference in definition between employer brand and employer branding focuses on the aspects of establishing, communicating, and finally delivering the content (employers offerings and values).

Ambler and Barrow (1996) identified the three dimensions of employer branding such as psychological, functional and economic aspect and employer branding can be examined on the basis of these three aspects. Economic aspects deals with the remuneration and rewards, functional aspects includes factors like g. training and development, skills and job related activities for future development of an employee and the psychological aspects includes identity, belongingness and recognition by the organization.

Employer attractiveness is an important aspect associated with employer branding. Berthon et al (2005) defined it as "the envisioned benefits that a potential employee see in working for an specific organiza-

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