Employer branding and its impact on employee performance

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Introduction:
Over the past few decades, there has been an increasing realisation among academicians and practitioners regarding the potential benefits of having a strong corporate brand (De Chernatony and McDonald, 1998, Knox and Maklan 1998; Balmer and Gray 2003; Hulberg 2006). On the other hand, corporate branding also brings to the fore new challenges that cannot be solved by relying on traditional marketing frameworks, which includes aligning employee behaviour with the company’s brand promise (Hulberg 2006; Balmer and Gray 2003). The employees of an organization play a crucial role in the brand building efforts of the organization either as internal service providers or co-workers (George 1990) or as representatives of the organization in front of their acquaintances, family, and (potential) customers to name a few (Gilly and Wolfinbarger 1998).

Businesses are facing the heat due to globalization, sweeping technological changes, advent of knowledge economy, pressure for speed and innovation, mergers and acquisitions, need for flexibility and expertise at the workplace for effective and smooth functioning and war for acquisition of talents (Catteeuw et al., 2007; Wickham and O'Donohue, 2009). Hence the demand for highly skilled, marketable and mobile individuals is increasing but there is still a mismatch between supply and demand (Ewing et al., 2002; Grobe, 2003, Ployhart, 2006). Konig (2008) has acknowledged the existence of a “talent crisis” which he believes would only become worse in the time to come. “For every person entering the job market by 2012, four will exit, by 2016, the ratio will be one to six” (Konig, 2008, p. 46).

Due to such prevailing conditions many diverse choices exist for highly competent employees (Srivastava and Bhatnagar, 2008) especially in professional, information/knowledge based, technical and service driven organisations (Ewing et al., 2002). Also prospective employees are increasingly becoming more particular about choosing the right organisation to work as much as choosing the right job (Rynes and Cable; 2003). Therefore, organisations are increasingly paying more attention towards assessing their attractiveness to prospective applicants and taking steps towards becoming the ‘employer of choice’ because they have realised that a high quality workforce would be a source of competitive advantage for the firm based on the notion of employer branding (Highhouse et al., 1999, Schuler and MacMillan, 1984; Wright & McMahan, 1992; Wright et al., 1994; Sutherland, Torricelli, and Karg, 2002 Tuzuner and Yuksel, 2009, Wilkinson et al., 2001).

What is Employer branding?
The term Employer branding was coined by Ambler and Barrow (1996), it provides an integrative understanding of the different types of interaction which take place between a company’s brand and its employees both current and potential i.e. how do they perceive the corporate brand? .
Employer branding has emerged as an area of importance also because of the pressure building up on companies to increase their contracting profits in a slowing economy by having the right people at strategic positions within the organisation. Employer branding performs the dual function of portraying the image of an ideal workplace (Bergeron, 2001) along with creating its image as an employer of choice (Ambler and Barrow, 1996; Sutherland et.al 2002, Backhaus and Tikoo 2004; Berthon et.al 2005)

Some definitions of Employer Branding found in Literature:

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<tr>
<th>Author(s)</th>
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<td>Ambler and Barrow (1996: p.187)</td>
<td>&quot;The package of functional, economic and psychological benefits provided by employment, and identified with the employing company.&quot;</td>
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<td>Sullivan (2004).</td>
<td><em>Sullivan defined EB as “a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm”.</em></td>
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<td>Ewing <em>et al.</em>, (2002: p.12)</td>
<td>&quot;Building an image in the minds of the potential labour market, that the company above all others, is a great place to work.&quot;</td>
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<td>Lloyd (2002) as cited in Berthon <em>et al.</em>, (2001: p.152)</td>
<td>&quot;The sum of a company's efforts to communicate in, to existing and prospective staff that it is a desirable place to work.&quot;</td>
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<td>Backaus and Tikoo (2004: p.502)</td>
<td>&quot;Process of building an identifiable and unique employer identity... concept of the firm that differentiates it from its competitors.&quot;</td>
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<td>Knox and Freeman, (2006: p.697)</td>
<td>&quot;Image associated with an organisation uniquely in its role as an employer.&quot;</td>
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<tr>
<td>Kimpakom and Tocquer (2009: p.534)</td>
<td>&quot;An organisation's image as seen through the eyes of its actual and potential employees.&quot;</td>
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Corporate branding is not just about communicating the marketing principles; it is the summation of the whole experience along with communicating all the essential elements of the brand (Balmer, 2001). Employees are more likely to choose an organization which matches their own values so that the perceived fit would be higher (Schneider, 1987; Cable and Judge, 1996; Judge and Cable, 1997, Hulberg 2006)). They base their decisions on the symbolism and the communications of the company (Hulberg 2006; van Riel and Balmer 1997). In addition, the existing employees must be willing to “Personify and deliver the brand promise” (Schultz and de Chernatony 2002). Hulberg (2006) has stressed for a greater integration of marketing and HR functions so as to recruit train and retain the right people who would act as brand ambassadors of the company in the long run. Lievens et al. (2007) have found support for the argument that identification with organisation is stronger when employees consider its external image to be attractive.

**Organizational Commitment (Mediator)**

The interest to organizational commitment has been increasing since 1980s in different fields of social science (Allen and Meyer, 1990; Mathieu and Zajac, 1990). The concept of organizational commitment has become popular in organizational psychology and organizational behavior (Mathieu and Zajac, 1990). Mathieu and Zajac (1990) in their analysis found that group-leader
relations have correlation with organizational commitment. For instance, task interdependence increases the awareness of employees about their contributions to the organization which increases their attitudinal commitment to the organization (Mathieu and Zajac, 1990). They also found positive relationships between participatory leadership, leader communication with organizational commitment. “Leader initiating structure and consideration behaviours both tended to correlate positively with commitment at moderate levels” (Mathieu and Zajac, 1990, p.181). Meyer et al. (1989) in their empirical study examined the influence of affective commitment (i.e., emotional attachment to, identification with, and involvement in the organization), continuance commitment (i.e., perceived costs associated with leaving the company) and job satisfaction on the performance of high-level managers (p.152). Meyer et al. (1989) states that organizational commitment is mostly known by its negative relationship to turnover. In other words, the more organizations have committed employees the less they have employees leaving the organization which is costly for any organization

**Employee Performance**

From the lens of resource-based view of the firm it is clear that people (human resources), as well as HRM practices, are a source of sustained competitive advantage (e.g. Wright & McMahan, 1992; Wright et al., 1994). Also, organizations are continuously formulating new value-enhancing strategies for differentiating themselves from their competitors (Barney, 1991).

Evidence indicates that if potential employees’ harbour positive perceptions about an organization’s reputation it has an influence on their aspiration to join that organization (Cable and Turban, 2003). Reputation refers to open assessments regarding an organization, compared to other organizations (Fombrum & Shanley, 1990). In fact organizations with better reputations act as a magnet for attracting high quality employees (Turban and Cable, 2003).

**Hypothesis:**

**There exists a positive relationship between employer branding and employee performance.**

**There exists a positive relationship between employer branding and employee performance mediated by organizational commitment.**

**Conceptual model**
Conclusion

Based on the literature review we have identified that Employer branding in essence symbolizes the branding of employment experience. Also that a strategy aimed at increasing the reputation of company increase its chances of attracting talented individuals. Future studies can empirically test and validate our conceptual model.

References:


