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Employer branding: how "best employer" rankings may be used to gain an edge via strategic HRM

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Abstract

Workplace branding has received more interest in the practitioner community than academics. The lack of a solid theoretical grounding for workplace branding is a factor in the paucity of scholarly investigation into the topic. This article fills that need by explaining how to develop a strong brand at work by using marketing strategies often utilized for consumer goods. Newly popular yearly "best employer" polls are an effective form of corporate branding. By analyzing the results of these "best employer" polls, we were able to distill eight overarching themes on human resources best practices that were linked to positive outcomes. In conclusion, this work raises a number of problems and topics for further study.

Keywords Workplace branding · Best employer · Best employer surveys · Best human resource practices · Humanresources competitive advantage.

Introduction

Workplace branding, a relatively new academic concept with its beginnings traceable to the mid- and late-1990s (Rosethorn 2010), uses an approach similar to that used in the marketing and positioning of an organization's products and services. In marketing terms, the word "brand" is, like any reputation, linked to what an individual believes about a specific product or service of a company. A brand is essentially a promise of commitment and performance by an organization (Campbell 2002). It is a creation of an impression and/or image through a process of changing and reinforcing what people say or believe. It is by applying these same branding principles that human resources management policy and practices can help to create a workplace brand.

Workplace branding has been defined as "a targeted, long-term strategy to manage awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular organization" (Backhaus and Tikoo 2004, p. 2). Essentially, workplace branding allows the organization an opportunity to distinguish itself from the competition and develop a recognizable identity, through practices that are perceived as desirable to employees and the public. Successful brands are those that consistently deliver on their promises (Campbell 2002) and are supported and reinforced by the senior management team of the organization. It helps to communicate what it is like to work for that particular organization and what the organization stands for; it is an unique value proposition to potential and existing employees (Caplan 2004).

Over the years, workplace branding has grown in its significance to managers, since it is viewed as leading to positive organizational results. Organizations have found that effective branding generates competitive advantage, helps employees internalize organizational values, and assists in attraction and employee retention (Conference Board 2001). However, workplace branding has generated more attention in the practitioner community than academia, where research is embryonic. A contributing factor for the sparse academic research being conducted in this area is due to the fact that the theoretical foundation of workplace branding has not been fully developed. Some researchers and writers (for example, Backhaus and Tikoo 2004; Miles and Mangold 2005; Sartain and Schumann 2006; Barrow and Mosley 2005) provide general conceptual frameworks and some practical steps in creating a workplace brand. In this article, we will use this initial work as a stepping-stone for building the theoretical foundations in this area and bridging the practitioner and academic communities by outlining practical considerations. To do this, we will examine the utility of the "best employer" surveys in Canada and the United States in helping to build workplace branding and identify those common best human resource management (HRM) practices which contribute to them.

In the world of marketing, brand knowledge, or awareness of the brand, is important in creating a successful product or service. Brand knowledge relates to the cognitive representation of the brand (Keller 2003). One conceptualization as to how brand knowledge is developed is based on the associative network model, derived from human associative memory theory (Franzen and Bouwman 2001). This model is based on the notion that a brand will have a node in a customer's memory that may be associated with a variety of other nodes. These types of brand nodes may be linked to the brand to make up its brand association in memory (Hoeffler and Keller 2003).

It has been suggested that the brand is an important node (Keller 1993). When the brand node is activated, it in turn touches other nodes that are related to a particular brand. When brand recognition occurs, the nodes spread to other nodes that are related to the product category, quality, and price. The stronger the connection between these links the stronger is brand awareness or recognition (Raaijmakers and Shiffrin 1981). Brand awareness or recognition occurs when the “customer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory” (Keller 1993, p. 1). Stronger brands have a memory encoding and storage advantage over the unknown brands in building brand awareness (Hoeffler and Keller 2003). Consumers who are aware of the brand have “better encoding ability and better-developed procedural knowledge” (Hoeffler and Keller 2003, p. 424). A contributing factor is that stronger brands have better-developed consumer knowledge structures, which increases the likelihood that the links will be uniquely associated more with the brand. When there are less developed knowledge structures, the associations may end up being stored in the product category and not directly link to the specific brand (Hoeffler and Keller 2003, p. 424).

Over the years, there has been wide-ranging research that has identified various elements that are connected or linked back to a brand. These different kinds of information comprise the key dimensions of brand knowledge (Keller 2003), and include: *awareness*—category identification and needs satisfied by the brand, *attributes*—descriptive features that identify the brand name or product either intrinsically related to product performance, or extrinsically related to brand personality or heritage, *benefits*—personal value and meaning that consumers attach to the brand’s product attributes, *images*—visual information, either concrete or abstract in nature, *thoughts*—personal cognitive responses to any brand-related information, *feelings*—personal affective responses to any brand-related information, *attitudes*—summary judgments and overall evaluations to any brand-related information, and *experiences*—purchase and consumption behaviors and any other brand-related episodes.

Similar to the marketing concepts, workplace branding creates two principal benefits—brand association and brand loyalty. Keller (1993) states that brand associations are informational nodes linked to the brand node in memory that contains the meaning of the brand for the customer. These associations include an individual’s perception of brand quality and their attitude toward the brand. In other words, brand association is related to the thoughts and ideas that a brand creates in the mind of the consumer (Aaker 1991). These powerful memories include all aspects or touch points that a customer has experienced through the purchase of a product and service with an organization. Brand association can be verbalized but it is more of emotional response or a memory that includes a smell or a taste (Supphellen 2000). The brand association shapes images of the employer that result in the attractiveness to potential employees (Backhaus and Tikoo 2004). Individuals have a tendency to compare the employer workplace branding on an emotional level because the values expressed are those that the individual currently possesses or wishes to acquire. The better the match, the more attracted is the individual to the organization.

Social identity theory can also be used to explain employee branding. This theory is based on three elements of psychological and sociological aspects of group behavior, viz., categorization, identification, and comparison (Tajfel and Turner 1986; ANU 2006), which support the link between the organization’s workplace brand and the attraction to the individual. Social identity theory is based on the notion that people identify themselves into social categories based on various factors such as the organization they work for/membership and the impact and influences on an individual’s self-concept (Joo and McLean 2006). In other words, an individual’s self-concept is influenced in some cases by the attributes that others imply about them

based on their organizational membership. In summary, as social identity theory implies, the more potential employees become positive about an organization’s workplace brand, the more likely they would like to become part of the collective membership with the organization, as a result of the reinforced sense of self-image that membership promises (Backhaus and Tikoo 2004). Employer image has been found to influence and attract potential candidates in the recruitment literature (Sartain and Schumann 2006). Unlike “organizational attachment” constructs such as organizational commitment, organizational climate and culture, and organizational identity, an organizational brand is a more encompassing concept, oriented more toward potential employees versus a test of the “pulse” of those already working. While organizational commitment, climate, and identity measure employee attitudes toward the organization, a brand is more an outsider’s image of the organization; while existing employees may contribute toward and benefit (or suffer) from this image and brand, its focus is more on potential employees and customers. Furthermore, a brand can be viewed as an integrative mechanism to promote an organization, with organizational culture, commitment, and identity serving as tools and components of this composite measure; that is, these “organizational attachment” attributes can be viewed as instruments used to achieve and promote the organization’s image.

In marketing terms, brand loyalty is the attachment and how a consumer feels about a specific product or service (Keller and Lehmann 2003). The ultimate achievement for any organization is to create an emotional connection of brand loyalty with its customer. In workplace branding, brand loyalty is the commitment that employees provide to their employer. An individual’s emotional attachment to the organization is driven by the value they derive from the total work experience which includes the satisfaction they derive from the tasks they perform, the value they feel from their colleagues and their belief in the quality, purpose, and values of the

organization they represent (Barrow and Mosley 2005). An employee who develops an emotional connection with an organization will be more willing to understand what the direction of the business is, support and believe in the organization, and do what it takes to help the organization to succeed (Sartain and Schumann 2006). Workplace brand loyalty promotes organizational commitment and other organizational citizenship behaviors (Sartain and Schumann 2006).

One of the important words in the brand lexicon is authenticity. The workplace brand represents the ultimate test in authenticity, since it is very difficult to misrepresent the culture and personality of an organization to those employees who experience it first hand. Therefore, defining a workplace brand personality involves an intuitive reading of the current organizational culture or the employee's shared values and aspirations (Barrow and Mosley 2005). Once the desired brand has been identified, in order for employees to project a positive image, they need to know, experience, and be motivated to promote the desired brand image. As Miles and Mangold (2005, p. 535) note, employee branding (or workplace branding) is "the process by which employees internalize the desired brand image and are motivated to project the image to customers and other organizational constituents."

In summary, brand value is created at the stage when the customers and/or potential employees have a "high level of awareness of the brand; strong, positive, and unique brand associations; positive brand attitudes; intense brand attachment and loyalty; and a high degree of brand activity" (Keller and Lehmann 2003, p. 29).

Workplace Branding Through "Best Employer" Surveys: Toward an Identification of Key Human Resources Image Builders

Overview of the Survey Methodologies

Organizations may use several approaches and media to disseminate brand-related messages to the public, including traditional paid advertising, free publicity through the press, professional, and academic publications, and public relations activities. However, an increasingly potent form of branding medium lies in the now popular annual survey on "best employers" (Joo and McLean 2006). In Canada, these include studies such as 50 Best Employers, 100 Best Employers, Canada's 10 Most Admired Corporate Cultures, Canada's Best Managed Companies, Great Places to Work, and Employers of Choice. Canada's 100 Best Employers has further specialized its Best Employer to categories such as Canada's Best Diversity, for Young People, New Canadians, Greenest Companies and Top Family-Friendly Employers. In the United States, among others, there are the Fortune's 100 Best Companies to Work for in America and the 50 Best Small and Medium Companies to Work for in America. These surveys are both conducted by the Great Place To Work Institute, Inc.

In general, these "best employer" surveys are widely distributed (targeting thousands of employers); cover fairly exhaustive "best HR practices," and the results receive top media/press attention (usually the cover stories of newspapers and popular business magazines and result in monographs and books). The sponsoring organizations usually have definitive criteria that they use to judge employers. For instance, the Canada's Top 100 Employers study uses the following eight criteria (Yerema 2004): Physical Workplace, Work Atmosphere & Social, Health, Financial & Family Benefits, Vacation & Time Off, Employee Communications, Performance Management, Training & Skills Development, and Community Involvement. Each of these broad categories is further divided into specific human resource management practices (e.g., benefits program, vacation, and flex day entitlements, etc. A 3-point rating system is also included in the evaluation of the various human resources practices noted within each of the seven criteria (A? exceptional, A above average, and B? average). The inclusion of this rating system provides the reader with an easier way to identify which organization has the most outstanding "best practices" in human resources (Yerema 2004).

Canada's Top Admired Corporate Cultures is another workplace branding study. The criteria for judging include strong corporate cultures requiring programs that reinforce, support, and reward and celebrate these positive behaviors: hiring the right people, internal promotion of future leaders, measurement of these future leaders, measuring performance, excellent physical environment, effective rewards and recognition programs, good communication and training, and employee engagement.

In the United States, there are several "best companies to work for" studies, such as the 100 Best Companies to Work for in America and the 50 Best Small and Medium Companies to Work for in America which is promoted in collaboration with the Society of Human Resources Management's HR Magazine. Several other studies include identifying organizations that are "best employer" with a specialized focus, such as Working Mother's 100 Best Companies and Best Employers over 50.

The 100 Best Companies to Work For in America, as noted in Fortune magazine, and The Best Small and Medium Companies to Work for in America selection and ranking process conducted by the Great Place to Work Institute are based on the completion of an employee survey called the Great Place to Work, Trust Index. The Trust Index employee survey consists of 57 questions and a management questionnaire. In addition, the

submission of other organizational material such as employee handbooks, annual reports, the Institute reviews media reports, etc. Employee's responses count for two-thirds of each organization's score and the remaining one-third comes from the Great Place to Work Institute's evaluations of organizations the Great Place to Work, Culture audit which exhibits levels trust based on five key areas: credibility, respect, fairness, pride, and camaraderie (Rubis 2007, p. 49).

Common Criteria for Human Resources Success

In conducting the Best Employer research, Hewitt Associates found that those organizations that sustained their status as being a Best Employer over a period of time demonstrate the following qualities (Looi et al. 2004, p. 14); they have a common focus on the sustainability of employee practices; they focus a lot of emphasis on doing a few core things very well; and they have an organizational culture that reinforces adaptability.

In reviewing the criteria ratings for the five studies used for this article (Canada's Top 100 Employers, 50 Best Employers in Canada, Canada's Most Admired Corporate Cultures, Fortune's 100 Best Companies in America, and 50 Best Small and Medium Companies to Work for in America), eight common themes can be identified, viz., Inspired Leadership, Strategic Plan that promotes "Best Employer HR practices", Employee Communication, Performance Management, Training & Development, Benefits—based on "best practices", Physical Workspace, and Corporate Citizenship. In determining these themes, both authors examined the criteria for each of the "best employer" surveys and each identified the common themes separately and then comparisons were made; the eight themes (Table 1) were identified by both authors. Furthermore, the five surveys utilize a broadly similar methodology whereby the questionnaires are sent to large samples of employers, inviting their participation. The employers respond to the questions posed and, where relevant, provide supportive data.

All of the top employers have created unique cultures that provide distinctive working environments for their employees. As with all organizational cultures, the creation and fostering involves the support of the senior leadership team. The leadership team of the best employers is visible and committed to the employees. They promote essential organizational core values such as honesty, integrity, respect, collaboration, and trust and provide on-going open two-way communication to all employees. The leadership team "lives and breathes" these core values that connect employees by common values and purposes. Best Companies develop their own unique culture in which employees are able to say, "I trust the people I work with, have pride in what I do, and enjoy the people I work with" (GPTW 2007, p. 3).

Best Employers create a culture that provides a rewarding work experience for their employees by ensuring that they hire people for their "culture fit." They promote and embrace a culture that is driven to high performance and implement the appropriate reward programs in place to encourage, reward, and celebrate the achievement of goals and objectives. These best employers ensure that their overall strategic plan incorporates all or most of the organization's human resources practices and procedures are aligned to promote "Best Employer HR best practices." These best practices are based on understanding the requirements and of needs of the employees.

Benefits of Being a Best Employer

Several scholars and practitioners report that implementing HR best practices that support and reinforce a Best Employer culture is a good investment (Joo and McLean 2006). Best Employer organizations tend to be stable, difficult to imitate, and provide a special and sustainable advantage over their competitors (Joo and McLean 2006). There are potentially numerous positive outcomes for organizations that brand themselves through the Best Employer approach. For instance, Douglas (2007) found that Best Employers have lower voluntary turnover rates at 9.4% for full-time employees compared to 12.4% for other organizations; their attractive employment brand increases the number of applicants and they have higher engagement level among their employees that translates into better financial results. In fact, the top 20 best employers reported an average annual growth rate in net sales over 5 years of 12.9%, compared with 4.9% for publicly traded organizations, and enjoyed annualized cash flow returns over a 5-year period of 14.7%, while lower ranked organizations had returns of 6.5% (Douglas 2007).

Conclusion

With organizations striving to gain competitive advantages through whatever means legally possible, it seems as if workplace branding will become even more prominent in the future. However, there is a need for organizations to step back and to re-assess and evaluate how they would like to be perceived in terms of a workplace brand. The focus should be to ensure that the workplace brand works in both the good and bad times (Zinheim and Schuster 2001).

In this article, we tried to address an outstanding academic need, viz., the development of the theoretical framework with respect to branding. We also report on the initial empirical evidence on the effects/benefits of branding. Future research needs to develop this framework further. There is also a need for more robust empirical research that assesses how employer branding affects applicant attraction outcomes. From an

organizational perspective, researchers need to further assess the effects of branding on recruitment and hiring, as well as attitudes such as job satisfaction and organizational commitment.

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