Literature Review:

Employer Branding is the image of an organization as a ‘great place to work’ in the minds of the employees and key stakeholders in the external market.” The employer brand creates an image that the organization is a good place to work. This includes a covert claim that the present organization is the best as an employer when compared to all of its competitors. Employer branding can also be understood as the status of an organization that it is the best to work. The idea of employer branding was conceptualized in the late 1990s in response to the contraction of the labor markets. Since then the concept was expanded by the people management and marketing professionals. However, the concept still lacks awareness and knowledge.

Employer branding concept is a composure of two major terms: Employer and Branding. Branding is an essential term here as employer branding is an extension to the concept of branding. It is the marketing of HR practices of an organization. But, branding is “the process of developing an intended brand identity” (Kotler & Lee, 2008, p. 215).

Branding is often used to differentiate products and companies in order to build economic value for both the consumer and the company. It is concerned with the attraction, engagement and retention initiatives targeted at enhancing a company’s employer brand. (Sokro, 2012).

The concept of Employer branding has emerged in 1990 and was publicized to the management fraternity in 1996. Despite the growing popularity of the employer branding practice, academic research on the concept is limited to a few articles in the marketing literature (Sokro, 2012).

The term is often used to describe how organisations market their offerings to potential and existing employees, communicate with them and maintain their loyalty “promoting both within and outside the firm, a clear view of what makes a firm different and desirable as an employer” (Backaus & Tikoo, 2004, p. 120).

Priyadarshi (2011), observed that despite employer brand gaining considerable popularity in HR practitioner literature, empirical research is still relatively inadequate (Cable & Turban,
2001; Backhaus & Tikoo, 2004; & Davies, 2008) echo the same sentiments and feel that the advent of the employer brand as a concept has been recent in academic field and its theoretical foundation is gradually being developed even though it is being considered and applied by practitioners for some time now. Although the study of organisational attraction has revealed some insights, there remains much to be learned (Barber, 1998)

According to Dell & Ainspan (2001), organizations have found that effective employer branding leads to competitive advantage helps employees internalize company values and assists in employee retention

Employer branding as a concept is an extension of relationship marketing principles (Christopher, Payne & Ballantyne, 1991; Kotler, 1992; Morgan & Hunt, 1994) which identify the need to build acquisition and retention strategies across a number of critical stakeholder markets through closer relationships.

According to Steve Gilliver (2009) employer brand identifies an organisation in the marketplace and makes it unique. It gives everyone in the organisation a handle on what we are, and everyone interested in joining the organisation a clear picture of what to expect. It infuses the firm’s recruitment process and the interaction among people in the organisation.

According to the CIPD (2008) employer branding is a set of attributes and qualities – often intangible – that makes an organisation distinctive, promises a particular kind of employment experience, and appeals to those people who will thrive and perform to their best in its culture.

Sullivan (2004) defines employer branding 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. Armstrong (2006), also contends that, employer branding is the creation of a brand image of the organization for prospective employees. It will be influenced by the reputation of the organization as a business or provider of services as well as its reputation as an employer.
**Ambler & Barrow** (1996) defined employer brand in terms of benefits, calling it ‘the package of functional, economic and psychological benefits provided by employment and identified with the employing company. Further, employer branding or employer brand management involves internally and externally promoting a clear view of what makes a firm different and desirable as an employer.

According to **Backhaus & Tikoo** (2004) employer branding is essentially a three step process. First, a firm develops a concept of the particular value it offers to prospective and current employees. This value proposition provides the central message that is conveyed by the employer brand. It is of key importance that this value proposition derives from a thorough audit of the characteristics that make the firm a great place to work. The second step in employer branding process deals with externally marketing this value proposition to attract the targeted job applicants. The third step involves carrying the brand “promise” made to recruits into the firm and incorporating it as part of the organisational culture.

Using brand in the context of employment, employer brand loyalty was found by many to be a useful concept to be applied. Brand loyalty is the attachment that a consumer has to a brand (**Aaker, 1991**).

In the financial and service industry or in any other sector, employees play a critical role in development of brand image. Therefore, recruiting right type of talent becomes critical, as does the employer brand image in the recruitment market (**Ewing et. al., 2002**). What is even more critical is whether this image that they carried as an applicant is sustained with their stay in the organisation (**Knox & Freeman, 2006**).

**Davis** (2008) explores the role of the employer brand in influencing employee’s perceived differentiation, affinity, satisfaction and loyalty. The findings emphasised the importance of an employer brand with the results highlighting the complexity in its management, as no one aspect
has a dominant influence on outcomes relevant to the employer. An issue which sprang up was which function within an organisation should be tasked with managing the employer brand.

Ambler & Barrow (1996), make a case for the usefulness of employer branding. They conclude that branding has relevance within the context of employment. However, Ewing et al, (2002) emphasize the usefulness of employer branding in an increasingly knowledge-based economy where skilled employees are often in short supply.

An employer brand can be used to help organisations compete effectively in the labour market and drive employee loyalty through effective recruitment, engagement and retention practices. All organisations have an employer brand, regardless of whether they have consciously sought to develop one. Their brand will be based on the way they are perceived as a ‘place to work’, for example by would-be recruits, current employees and those leaving the organisation. To be effective, the brand should not only be evident to candidates at the recruitment stage, but should inform the approach to people management in the organisation. For example, the brand can inform how the business tackles: induction, performance management and reward. (Sokro, 2012) Collins (2006) showed that the beliefs of job seekers about the company as a potential employer, “employer knowledge (including familiarity, reputation and image) strongly predicted both interest in applying for a job and actual application behaviours. Similarly it is suggested that there is a strong relationship between organisational attractiveness perceptions and applicant decisions such as job pursuit, acceptance and choice intentions (Jiang and Iles, 2011).

Armstrong (2006) found that, the aim of employer branding is to become an ‘employer of choice’, a place where people prefer to work.

Internal marketing helps create a workforce that is hard for other firms to imitate. By systematically exposing workers to the value proposition of the employer brand, 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. Besides helping create a workforce that is hard to duplicate, internal marketing also contributes to employee retention by using the brand to
reinforce the concept of quality employment and thereby contributing to employee willingness to stay with the organization. (Ambler & Barrow, 1996)

Priem & Butler (2001) states that human capital has also been shown to operate as an important resource creating competitive advantage besides plant, equipment and capital as resources that create competitive advantage.

Gatewood et al. (1993) found that perception of an organisation's image is a significant predictor of decisions to pursue employment with that company. Using brand in the context of employment, employer brand loyalty was found by many to be a useful concept to be applied.

The brand is used to create an impression in the mind of the consumer. It is useful to associate a product or service with a specific image or utility. One role of brand is to create and enhance satisfaction and satisfaction predicts future behaviour towards the brand (Mittal & Kamakura, 2001).

In the recent trend toward downsizing, outsourcing, and flexibility on the part of the employer has imposed a new form of psychological contract, in which employers provide workers with marketable skills through training and development in exchange for effort and flexibility (Baruch, 2004).

Firms have been perceived to fail to deliver some of these offerings so employer branding campaigns can be designed to change perceptions of the firm in the minds of the current and future employees. (Newell & Dopson, 1996; Hendry & Jenkins, 1997)

Barney (1991) stated that the practice of employer branding is predicated on the assumption that human capital brings value to the firm, and through skilful investment in human capital, firm performance can be enhanced. Resource-based view (RBV) supports this, suggesting that characteristics of a firm’s resources can contribute to sustainable competitive advantage