

Employer Branding: A- Star Ltd. an Employer of Choice

Anitha Thomas*

Key Words:

1. Employer Branding
2. A-Star Ltd.

Abstract

Employer branding is a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm. A brand is made up of intangibles – perceptions, feelings and associations that exist in one's state of mind. The ultimate goal of any branding effort is to create a loyal customer. In the case of employer branding, that customer is the employee. The challenge for HR is to retool and react to the changes in supply of workers, expectations of new generations and a more diverse population. In short, organizations must become employers of choice - those companies that can differentiate their HR practices from the competition in order to attract, develop and retain the people they need.

The article aims at studying and analyzing Employer Branding and its effectiveness in Engineering Company Manufacturing Air- Conditioners, A- Star Ltd (name changed for professional reasons) in Gujarat. This work uses four quadrants namely to study the Company's Employer Branding Employee Perception, HR process, Stakeholders Perception and Company overall HR performance {attrition rates, promotion rates etc}

Introduction:

"Becoming an Employer of Choice" The phrase is more than just a buzz; it is representative of a whole new design of corporate culture. It means that people will choose to work for you, to really dedicate themselves to your success, and to stay with you, even when recruiters from other employers-recruiters with exceptionally attractive inducements are courting them. Employer Branding would require an understanding of what it is like to work for an organization and what drives employees' desire to keep working for that organization. Focusing on the employer brand, organizations can better understand the attributes which are likely to attract new recruits and a specific insight into what is driving perceptions of an organization, and that's where the research comes in.

In order to win what some call the "talent war", numerous companies are beginning to take into account the image they cast in society, an image that surely reflect on the way current and potential employees think of them as employers (Gatewood, Gowan & Lautenschlager, 1993). To illustrate this idea, we just need to think about the image usually associated with companies such as: Siemens, Coca-Cola, Google, Johnson & Johnson, or Starbucks. Many organizations are now investing in the development of practices and strategies aimed at attracting, hiring and retaining qualified personnel (Davies, 2008; Minchington, 2006; Moroko & Uncles, 2008). It must be recognized that the challenge for today's employers is not only to make their employees aware of their company as a good place to work (Berthon, Ewing & Hah, 2005), or even to reinforce their ranks by the recruitment of the best possible candidates (Minchington, 2006). The stake lies rather in the capacity of these same

employers to retain their employees, and ensure their understanding of the company's goals and commitment to them (Conference Board, 2001). The refinement of the employer brand is one of many tools that employers have chosen to secure and retain the most talented employees (Moroko & Uncles, 2008) in order to help them reinforce their competitive edge while facing the turmoil's caused by the new global economy. It requires an understanding of the overall companies HR metrics, Internal Employee perception, the Effectiveness of HR Practices and Policies and Stakeholders Perception.

The present work carried in an engineering company contributes in understanding of the issues and attributes that make a company an Employer of Choice. This research demonstrates what is specific about organization and its culture that shows what is really unique about company's brand and helps to find their own voice amongst the crowd.

The employer brand says:

1. Who we are and what we do
2. What kind of place this is to work
3. What the employer and employee both get out of working here
4. What kind of people fit in here

Employer branding has been defined as the company's image as seen through the eyes of its associates and potential hires'. Literature on the 'employer of choice' became more popular in the 1990s as the 'war for talent' hit the headlines. The 'employer of choice' concept was based on research concerned with the psychological contract - the unwritten promises and expectations that form the basis of the employment relationship. Employment branding is concerned with the need for employees to 'live the brand'. This is centered on engaging employee loyalty to the brand and developing commitment to the organization.

Employment Brand = Employee Value Proposition

*The author is member of NIS Academy, Vadodara and can be reached at anitha_tom@rediffmail.com

Literature Review:

In the literature, employer brand is generally conceived as resulting from a substantial process that is made up of three different stages. First, there is the elaboration of the "value proposition". This proposition represents concretely what an employer offers to his employees or to potential employees (e.g. a stimulating job, good working conditions). Using information derived from the organizational context, such as the management style, level of skills held by current employees, organizational culture and quality of products and services provided, the company will be able to develop a general view of its value proposition (Sullivan, 2002 cited in Backhaus & Tikoo, 2004). This proposal becomes the central message under which the employer brand will be promoted (Eisenberg, Kilduff, Burleigh & Wilson, 2001 cited in Backhaus & Tikoo, 2004). Secondly, the value proposition has then to be publicized through the promotion mechanisms given to the company (e.g. recruitment campaigns, employment agencies).

To attract and retain the people you need, you must create and perpetually refine an employee value proposition. Organizations with superior employee value propositions have a compelling answer to the question, "Why would a talented person want to work here rather than with the team next door?" Creating a winning employee value proposition means tailoring a company's "brand" and "products" (Moroko & Uncles, 2008). The jobs it has to offer - to appeal to the specific people it wants to find and keep. It also means paying what it takes to attract and retain strong performers (the "price").

According to human resources consultants Hewitt Associates there are five steps to developing a strong employer brand:

1. Understand your organization
2. Create a compelling brand promise for employees that mirrors the brand promise for customers
3. Develop standards to measure the fulfillment of the brand promise
4. Ruthlessly align all people practices to support and reinforce the brand promise
5. Execute and measure.

Study Area :

A-Star is India's largest and most preferred air-conditioning and commercial refrigeration company. With six decades of experience in providing expert cooling solutions, A-Star has been associated with the most prestigious corporate and commercial installations in the country. A-Star is India's largest central air-conditioning company with an annual turnover of Rs 1178 crores, a network of 23 offices, four modern manufacturing facilities and around 2000 employees. It fulfils air-conditioning needs of a large number of corporate and commercial customers and has also established leadership in the field of commercial refrigeration equipment ranging from water coolers to cold storages.

A-Star manufactures and markets a wide range of air-conditioning and commercial refrigeration systems and products. These

include large central air-conditioning plants, packaged air-conditioning systems, split and window air conditioners, water coolers, bottle coolers, bottled water dispensers, ice-cube machines, deep freezers and cold storages. A - Star's other businesses include marketing and maintenance of hi-tech professional electronic and industrial products such as testing machines, data communication equipment, medical and analytical instruments and special control valves. Thus, the core businesses of A-Star are air-conditioning, commercial refrigeration and distribution of professional electronic and industrial equipment. Employee strength of the factory is 225 employees.

Right from selection and recruitment, employees are exposed to world-class standards in manufacturing. Training is an ongoing process both at the workplace and in the training room. Operational personnel are required to achieve specified minimum standards before they are certified to man their respective stations. Regular interaction with marketing and with customers in this field encourages continuous improvement and awareness of customer needs.

Work Culture:

A-Star has an open-door policy and encourages employees to express their views openly. The management is always open to suggestions from all quarters and is easily accessible to employees at any level. The work culture also encourages innovation and teamwork.

Employee Turnover:

Employee turnover at A-Star is within the industry norms. There are many employees with over 15 years of association with the company.

Training and Learning Opportunities:

The Company believes in providing learning opportunities to its employees and organize regular training for development of both technical and managerial skills.

HR Practices:

There are clearly defined HR practices followed in the company with respect to recruitment, remuneration and promotions. These practices are documented in company manuals and are available to all employees. Besides, various incentive schemes and awards are distributed to recognize and motivate performers. The Company strongly believes in providing equal opportunities to all employees irrespective of caste, creed, religion or sex.

The promotion rate was minimum 2-3 years for efficient employees; the career tenure rate was near to 3 years, attrition rate in 2009-2010 was 4.34%.

The strengths again point out that the culture of A-Star Ltd is very remarkable as it focuses on learning and up gradation of knowledge of employees. Even the welfare activities for the employees are very efficient. The company spends almost Rs. 30,00,000 as welfare budget.

HR Initiatives:

1. Strong emphasis on training and development to ensure

employees are updated in terms of knowledge, skills and attitude

2. Structured performance appraisal system based on mutually agreed Key Result Areas (KRAs)
3. Performance linked incentive schemes
4. Management Staff meets held for open forum discussions

Research Methodology and Objective:

This study has in-depth research, which would facilitate in identifying individual parameters that considerably, append to building an Employer Brand of an organization and just as with consumer brands; the process of Employer Branding is never finished. The business environment is constantly changing and with it, the relationship between organizations, their employees and customers. The Employer Brand must change to remain relevant and effective. That's not to say that businesses should adopt entirely new Employer Brands every few years. Rather, the Activating the Internal Brand process should be used to make small adjustments to the Employer Brand while maintaining the Employer Brand Promise consistently over time.

The Objective was to assess the degree to which A-Star Ltd is considered to be 'employers of choice' on these lines

1. To analyze the internal customers view of A-Star Ltd as "employer of choice"
2. Examines how astute HR can hold and communicate the principles and practices allied internally.
3. Assess company's image as seen through the eyes of its associates (ex-employees, recruiting agencies) and potential hires'.

Methodology:

This study revolves around four quadrants, which played a significant role in determining the brand of A-Star Ltd as Employer of Choice. It involves a detailed study of the following:

1. HR metrics and top management view
2. HR policy and process
3. Internal customers perception

4. Stake holder's perception

This research study is based on measuring inside and outside view of the A-Star Ltd as a company to work for. Inside are the employees and outside are the stakeholders. In this study internal customers refers to the employees while stakeholders refers to Ex-Employees, New Recruits and Recruiting Agencies.

Each quadrant was measured on different parameters that contribute for building the employer of choice image. Research was descriptive and source used was primary data. This was based on survey method as well as on telephonic interview. It was purposive sampling where respondents were selected on the basis of quadrants under study. For Quadrant. no.1 five Quadrant.no.2 and Quadrant. no.3 Thirty Two and for Quadrant. no.4, two agencies, six new recruits and six ex-employees were the respondent. In total 51 respondents, 43 were from the organization and 8 were from outside.

The Instrument:

Each quadrant had its own questionnaire which was both open as well as close ended questions (5 point Likert scale). For Quadrant 1, 18 open ended and 10 close ended questions. Quadrant 2 had 7 parameters, 64 close ended and 7 open ended questions, Quadrant 3 had 7 parameters, 96 close ended and 1 open ended question and last Quadrant 4 had 2 questionnaire and personal interview with agencies one questionnaire had 2 parameters, 15 close and 5 open ended. It measures employees, ex-employees, recruiting agencies and newly recruited employee's view on their organization.

Result and Discussion:

HR Metrics and Top Management View:

The study focused primarily on HR issues like, Attrition rate, Promotion rate, Performance appraisal period, Career tenure rate, Training and welfare budget and Average promotion period.

It was found that HR was very efficient in building its culture but when it comes to career management its practices are much bungled (poor). Even the promotions and growth part of HR practice is significantly ineffective in building employer brand image

Exhibit 1 : Cronbach's Alpha Value for Four Quadrants.

Quadrant	Cronbach's Alpha	No of items	Mean Score	Significance
HR metrics and top management view	.936	18	3.2	.003
HR policy and process	.951	64	3.8	.012
Internal customers perception	.926	96	3.9	.011
Stake holder's perception	.959	22	3.4	.000

Exhibit 2 : Analysis of HR Policy & Process

Constructs	Indicators	Analyzed Result
HR Policy And Philosophy	Q-1-8	80%
Leadership	Q-9-17	76%
Orientation And Training	Q- 18-23	74%
Staffing, Recruitment And Selection	Q-24- 30	75%
Performance, Compensation And Career Management	Q- 31- 44	67.86%
Recognition And Reward	Q-45-51	76%
Culture And Work life Balance	Q-52 -64	83.5%

HR policy and process:

The Exhibit 2 depicts the review of the HR policies and process from the HR executives the perception of the HR representatives shows that the culture of the a-star ltd is very arresting i.e. 83.5% again the performance, compensation and career management rates low to 67.86% because the performance issues are not taken seriously as the statement on performance issues is rated in the questionnaire. Exhibit 3 shows Factor analysis of the same indicates that performance and reward parameter makes one factor and rest makes other. This means the factor of performance and reward system was an area which made a critical view on employer branding.

Internal Customer's Perception:

The Exhibit 4 shows the perception of the employees on various parameters. It clearly shows that alignment of objectives parameter is rated highest i.e. 86.7% it indicates that employee's involvement in the goal setting process is high at all the levels, which contributes to the A-Star Ltd employer brand image.

But communication and information sharing rates only 73% which is comparatively less satisfactory to other parameters i.e. though almost always the accuracy and honesty of information is good then to most employees' perception is that management is secretive and there is not significant amount of information sharing and full and open disclosures of financial issues are not adequately disclosed.

Exhibit 3 : Principle Component Analysis

	Component	
	1	2
HR Policy And Philosophy	.980	-.184
Leadership	.751	-.536
Orientation And Training	.917	-.332
Staffing, Recruitment And Selection	.958	.269
Performance, Compensation And Career Management	.640	.711
Recognition And Reward	.567	.740
Culture And Work life Balance	.959	-.256

Exhibit 4 : Analysis of Customer's Perception:

Constructs	Indicators	Analyzed Result
Alignment of objectives	Q-1-9	86.7%
Communication and information sharing	Q-10-19	73%
Initiative, Empowerment, Innovation	Q- 20-36	85.2%
Leadership, Transparency and Culture	Q-37- 56	80.6%
Quality of work-life and employee development	Q- 57- 71	75.24%
HR Functions	Q-72-85	78.1%
Satisfaction and interest	Q-86 96	77%

To remove this discretion from employees mind the Managers can relay information that applies directly to people's jobs and careers. They can provide performance feedback and recognition, discuss opportunities for professional development and career advancement and hold salary reviews. The quality of work-life is also rated low which shows that employees are not satisfied with the quality of work-life provided to them.

The other parameters are to an extent satisfactory specially the culture and the empowerment among the employees. Employees view that they are encouraged to work out innovative ideas to achieve the long-term goals. Thus overall satisfaction and interest level of the job rates to 77% including HR functions to fall on positive side though the compensation and performance system of the HR is not appreciated to a superior degree which leads to fall in satisfaction level.

Stake holder's perception:

This quadrant looks at the viewpoint of outsiders about the Employer Brand image of A-Star Ltd. In these the recruiting agencies survey was conducted through Telephone Interview. A-Star Ltd, Dadra has two Recruiting Agencies.

This part includes outlook of the company from the viewpoint of New Recruits, Ex-Employees and lastly the Recruiting Agencies. This quadrant provides a window into how A-Star Ltd is popularly received.

Hypothesis was also set for this parameter to find out the relationship between organization climate and reasons for leaving. Regression was administered to find out the validity of the claim.

Hypothesis: There is a significant difference between organization climate and factors affecting on departure.

Null Hypothesis: There is no significant difference between organization climate and factors affecting on departure.

Since the calculated value was greater than the table value degree of freedom 5 (0.01 significance) 19.42 > 6.61, we reject the null hypothesis and conclude that people leaving the organization is nothing to do with organization climate. They leave organization for better growth and for better salary, which is something to do with HR policies and Process.

New recruits were found satisfied about the organization in total and they selected the organization mainly because of job, but

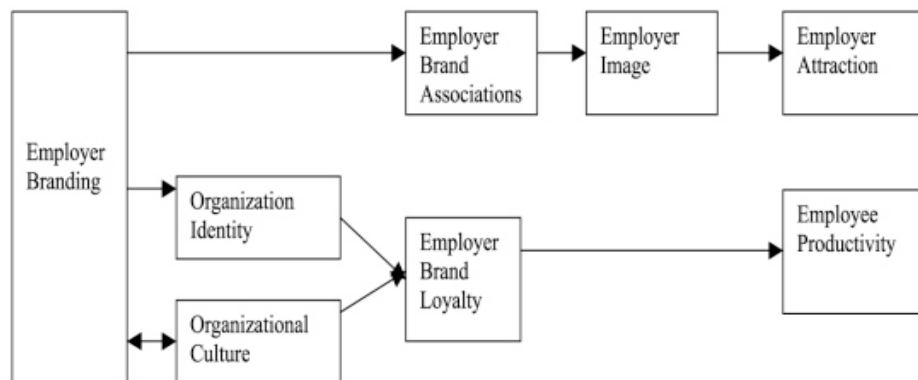
Exhibit 5 : Analysis of Stake Holders perception Construct

	Constructs	Indicators Analyzed
Ex- employee (Organization Climate)	Q-1-8	67%
Ex- employee (Factor Affecting Departure)	Q-9-22	52%
New Recruits	Q-1- 15	82%

Exhibit 6 : ANOVA

	df	SS	MS	F	Significance F
Regression	1	0.21	0.21	19.42	0.01
Residual	4	0.04	0.01		
Total	5	0.26			

Figure 1: Tangible and Intangible Employer Branding Benefits.



consideration for Air-Cool as a company was also looked into.

Discussion:

Attracting and retaining the best and brightest employees is a daily struggle for most human resources professionals. Companies that try to recruit candidates with salary, benefits and other job-specific dimensions alone have missed the point. These attributes are easily matched by the competitors. There should be an alternative approach and differentiation strategy that is difficult to copy. The key to developing the employer brand strategy is to arrive at a comprehensive understanding of the organizational culture, work experience, key talent drivers (engagement factors), external perceptions, leadership vision, and management practices. Operating from this position of intelligence supports the construct of a message platform that is authentic, compelling, differentiated, and that will be internally embraced, appropriately received in the external market and consistently delivered upon by the organization. This study can be further relate to the Cultural Fit Factor which connects between how understanding (and measuring) organizational culture allows organizations to create an authentic and congruent employment brand that attracts top talent, retains the right employees and politely, but firmly, repels employees who do not "fit." Thus creating employee value proposition and the employment brand.

The greatest benefit of employer branding is having tangible and intangible brand benefits. Tangible returns are positive employer image and association which helps them in attracting the right kind of competent employees. These tangible Brand benefits creates intangible benefits, the utmost is building an organization culture which is a compelling notion that motivates target candidates to choose an employer, become a part of the culture

and encourages them be productivity as organization wants. Thus a bond is created by a sense of shared values motivates and retains employees.

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