

Emerging Markets Queries in Finance and Business

Strategic marketing and management tools used to increase employee efficiency

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Abstract

Since the mid-1990s some of the marketing and management concepts and techniques like branding or methods of portfolio analysis have been used for employees. Employee brand is the emotional relationship between employees and their company. The purpose of the paper is to implement and analyse branding employees to formulate strategies and increase employee efficiency. Effective actions of internal marketing are enhanced when the organization's brand values are based on the experience of interactions with company employees.

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1. Introduction

The concept of branding has become nowadays increasingly widely used in various fields. While at the beginning branding was used for products, in the mid 1990's, the second wave of branding began, named corporate branding. Brand studies have not focused only on consumption, but rather on a corporate level, brands inside the company. Two directions have emerged to exploit the benefits of brands: brands as management tools and brands as a corporate catalyst. The first perspective uses management to guide the brand

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and concentrates on the level of the individual organization and on its products and services. The main authors for this perspective are David Aaker and E.T. Grether Kornberger, 2010. In brands as a corporate catalyst perspective, the brands become the central and most important function that organizes the entire corporation, inside out, valuing the brand from employers to the outside. Through its employees, customers are supposed to see what the company stands for, what represents and wants to transmit to the stakeholders about the organization. This perspective is sustained especially by Majken Schultz and Mary Jo Hatch Kornberger, 2010.

Although companies usually concentrate their branding strategies on developing product and corporate brands, this marketing concept and its advantages can also be used in the area of human resource management Backhaus and Tikoo, 2004. The internal marketing concept argues that the organizations' personnel are the first market of any company; the rationale being that employees are internal customers and jobs are internal products Gronroos, 2000. In fact, in 1991 Kotler has defined internal marketing as "the task of successfully hiring, training and motivating employees to serve the customer well". Job products must attract, develop and motivate employees, thereby satisfying the needs and wants of these internal customers, while addressing the overall objectives of the organization Rafiq and Ahmed, 2000. Instead of using marketing to build a brand impression among customers, companies could benefit more by creating brand positioning internally, and then spreads in world about it via creative marketing.

In recent years, the concepts of employer, employment and employee branding have entered in the lexicon of HR specialists and particularly consultants Martin et al, 2005.

These concepts have important implications for how HR departments recruit and retain staff Edwards, 2005. Employer, employment and employee branding are important activities that a modern HR department should focus on to be competitive and help to ensure that HR function becomes more of a strategic force in a company's business activities Edwards, 2005. Although these concepts have become popular topics in the HR practitioner literature, empirical research is still relatively scarce.

The present study is focusing on employee branding and its competitive advantages in implementation not only to service companies, but to production organizations. Authors proposed a model for employee branding and implement it on a Romanian branch of an international company. CSi Romania is a company that develops a series of motivation strategies based on the competencies and employee appraisal. Anchored in objective and subjective criteria, the company makes annually a list of "high-potential employees" and rewards these employees with training sessions, career plans and financial incentives. Managerial implications appearing from the findings of the study are also discussed.

2. Theoretical framework

For some companies the importance of the concepts of employer, employment and employee branding have been recognized since the early 1990s.

The concept of employer branding suggests the differentiation of a firms' characteristics as an employer from those of its competitors. Employer branding underlines the way of how the company is perceived by current and potential employees with the aim of "winning the war on talent" Ulrich, 1997. Simon Barrow is acknowledged as the creator of the term "employer brand" as early as 1990 Thorne, 2004. Ambler and Barrow 1996 defined employer branding as the package of functional, economic and psychological benefits provided by employment, and identified with the employing company. The authors suggest that, just like a traditional brand, an employer brand has both personality and positioning. Employment branding is therefore concerned with building an image in the minds of the potential labor market that the company, above all others, is a "greater place to work" Ewing et al, 2002. The employment brand highlights the unique aspects of the firm's employment offerings or environment Backhaus and Tikoo, 2004. Miles and Mangold 2004 defined employee branding as "the process by which employees internalize the desired brand image and are motivated to project the image to customers and other organizational constituents". This definition provides insight into how

organizations could achieve a competitive advantage by strategically utilizing the employee branding process. The employee branding process enables the organization to consistently deliver its desired brand image to customers, thereby solidifying a clear position in the minds of customers and employees alike. When done well, it provides a competitive advantage that is achieved through employees, who have internalized the desired brand image and are motivated to project that image to customers and other organizational constituents. Employees can reinforce, strengthen, and even create a brand image for their products and organizations Miles and Mangold, 2004.

Miles and Mangold proposed in 2004 and adapted in 2005 a six steps model with feedback Miles and Mangold, 2005 and in 2006, Artain and Schumann propose a series of elements that a brand should supply to its employees, which companies should follow to create employee branding Artain and Schumann, 2006. Both models take into account similar concepts.

3. Proposed models for Employee Branding

Employee Branding is an instrument able to define the employee identity within the company, at the level of organizational culture. The concept of organizational branding encapsulates the following components:

Identity. The organizational structure of the company can define the employee-brand. Also the power distance (top management) is an important criterion in positioning the employee in the organizational setting. Along the position in the company, another important dimension is employees' personality. The personality is the dynamic organization within employee of those psychophysical systems responsible for the thinking and for behaviour patterns.

Competencies. These are the sum of knowledge, abilities and attitudes that sustain employees' capacity to fulfil in an efficient manner (at certain agreed standards) its tasks and responsibilities associated with the job. Competencies can be structured as follow: core competencies, key competencies, professional competencies, entrepreneurship competencies, managerial competencies and social competencies.

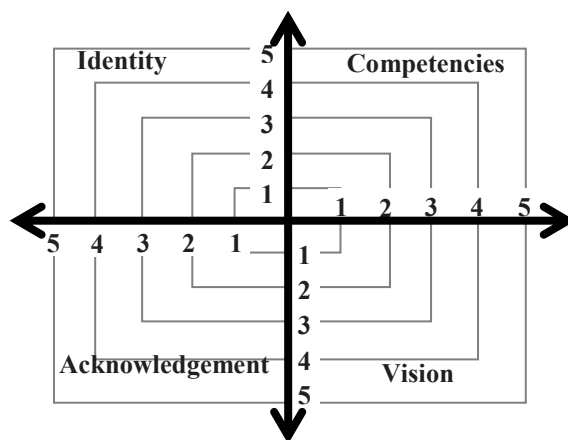


Fig. 1. Employee Branding

Acknowledgement. Employees need attention, regular feedback and constant help to develop their professional life. This kind of attention has a tremendous impact on the efficiency of the organization as a whole. Acknowledgement is manifested through organizations position towards the employee, embodied in the internal policies increased salaries and bonuses, promotions, appreciation, involvement in the decision process and in various projects and also in the feedback received by the group or team as a whole.

Vision. This component starts with the general vision of the company, and continues at the level of each employee, even if their values and contribution differs. It is possible to reach in an efficient manner the objectives of the company only if the vision of the company and the vision of the employees are pulled together, and layered on the same values.

These key components are represented in Fig. 1. The geometrical shape of the employee brand will be given by the position this four component stake in the diagram above. The more space the area of one shape takes, the stronger is the employee branding, or the notoriety of this concept. The values of each employee branding component from the Employee Branding Instrument are represented on a scale from “0” to “5”, where “0” means the lowest importance and “5” the greatest importance.

4. Findings and discussions

The instrument was introduced to the CSi Romania, the Romanian branch of the Dutch mother company, and as the first step in mapping the employee branding a simulation was made on two persons, one from top management and other from middle management, the HR manager (Y) and the Planning leader (X). The evaluation is presented in Table 1.

Table 1. Evaluation employee branding for X and Y

X employee	Y employee
<p>IDENTITY (Grade: 3) Job Title: Planning Leader; Department: Planning Position: Middle Management; Personality: analytic, ambitious</p> <p>COMPETENCIES (Grade: 3.5) Core competencies: developed; Key competencies: developed; Professional competencies: medium; Entrepreneurship competencies: weak; Managerial competencies: medium; Social competencies: developed</p> <p>RECOGNITION (Grade: 4.5) Employee satisfaction: high; Employee category: High Potential; Recognition from management: high; Recognition from colleagues: high; Involvement in various projects: INTRANET, feasibility studies, 5S, process mapping, internal training delivery</p> <p>VISION AND MISSION (Grade: 4) Vision and mission: Optimising production processes through resource planning with the purpose of obtaining a greater synchronicity between company offer and market demand.</p>	<p>IDENTITY(Grade: 4) Job title: HR Manager; Department: HR; Position: Top Management; Personality: professional, task oriented</p> <p>COMPETENCIES (Grade: 4) Core competencies: developed; Key competencies: developed; Professional competencies: developed; Entrepreneurship competencies: medium; Managerial competencies: developed; Social competencies: developed</p> <p>RECOGNITION (Grade: 4.5) Employee satisfaction: high; Employee category: decision factor; Recognition from management: high; Recognition from colleagues: high; Involvement in various projects: active presence in local social activities.</p> <p>VISION AND MISSION (Grade: 4) Vision and mission: Continuous development of knowledge and abilities necessary for the development and effective implementation of specific human resource practices, according to the company vision and mission.</p>

As a result of scores analysis, the geometrical shape was obtained like in Fig.2.

From a strategic perspective this tool is important on various levels. Mathis and Jackson 2008 consider that organizational strategy and implicit HR strategy follows three elements: staffing job analysis, HR planning, recruitment and selection, compensation wage or salary, incentives programs and benefits and employee development performance management and HR development. These elements combined in different manners can give two types of HR strategies: differentiation strategy and cost-leadership strategy. Differentiation strategy of the organization is translated in to HR strategy as: shorter planning horizons, hire the HR

capabilities needed and broader and flexible jobs and employees. This strategy is mainly focused on the staffing activities. Cost-leadership strategy of the organization is translated in HR strategy as: long HR planning horizon, build skills in existing employee and job and employee specialization for production and control. This strategy is mainly focused on compensation and employee development perspective.

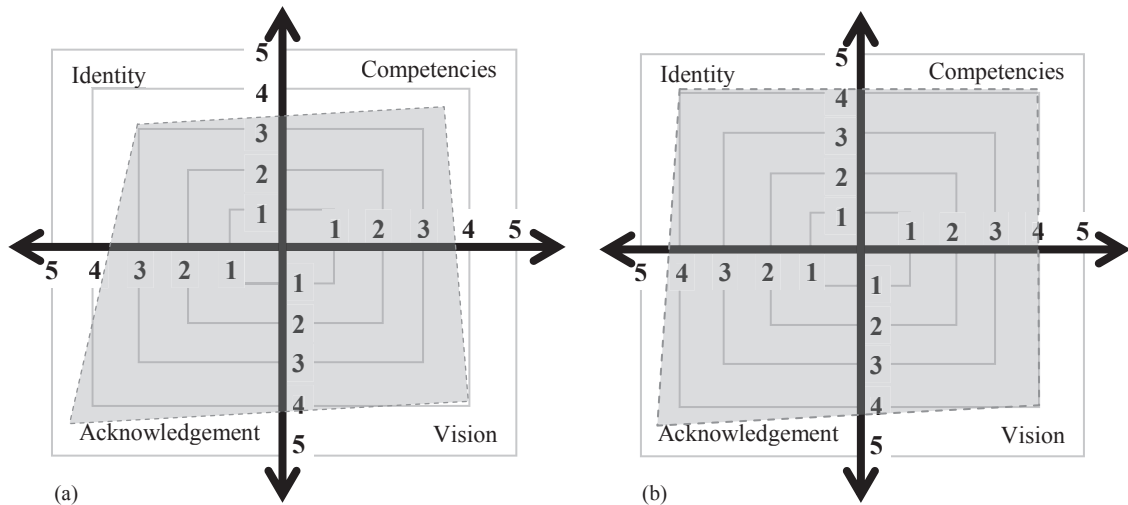


Fig. 2. (a) Employee Branding for X; (b) Employee Branding for Y

If we consider this model we can see the usefulness of the employee branding tool we propose as a mean of *differentiation strategy* on the labour market. This tool helps to create a coherent picture of the organization, to position it as employer of choice and this is a great advantage in the staffing process. For example, “Some organizations have added an awareness of recognition programs the acknowledgement component of the proposed tool to their existing curriculum of courses offered to managers to encourage employees to excel. Indeed, these programs can play a pivotal role in enhancing the employer’s brand and promoting the organization as an employer of choice Jensen, McMullen and Stark, 2007, p.216. On a more technical approach, this tool is vital in building a “recognizable brand by using a recognizable “look” in both recruiting and product ads” Luecke, 2002, p.36. If we consider the *cost-leadership strategy*, this tool is useful in protecting the employee brand. In a long HR planning horizon, a special attention must be paid to employee dissatisfaction because this kind of emotion can travel in a domino effect, a long way and very quickly through sites and social networks Gallagher and O’Leary, 2007. By monitoring constantly these four dimensions developed in the employee branding tool, the employee brand is “firewalled”. This tool allows also matching the reality with the perception of the employees in order to sell the brand within and outside organization properly Armstrong, 2007. When employee brand is an imaginary concept developed only on paper, and not fully implemented, a harmful image of ignorance is projected. On the positive side, employee branding transcend transactional rewards and enter the realm of relational rewards, “intangible rewards concerned with learning and development” Armstrong, 2007, p.34, but also with recognition, delegation, leadership, core values, work/life balance and so on. This kind of a personal approach reduces the turnover and increases the retention rates even in the most stressful work places, such as call-centres Pawan et al, 2009. The concept attached to this practice is total reward management Armstrong, 2007, Jensen et al 2007 and if we consider the long term approach, this is the way to get the HR commitment.

5. Conclusions

The proposed Employee Branding Instrument is based on following features: can be used for formulating internal brand of the company; helps preparing and mapping the process using organizational structure; enhance group to team evolution by sharing and supporting the same brand; provides the company with a snapshot on efficiency, employee satisfaction and position in relation to the objectives and strategies of the company; and finally offers sound criteria for brand evaluation.

Because this is a proposed model in the testing phase we acknowledge its limitation and for a better assessment of the internal brand we will choose, in the next stage of our research, a sample close to the number of company employees. Also we will pursue the idea of various levels of brand analysis: individual level, group/team, department and organization as a whole. Overlapping these levels we can increase the accuracy of the brand evaluation and maybe reveal interesting juxtapositions based on variables stability or fluctuations in the Employee branding model.

The usefulness of this instrument depends only on the pragmatic creativity of the user. For example, another future research direction is the way this model of employee branding relates with the emotional intelligence concept as developed by Goleman 2004. We can envision components of emotional intelligence manifested in employee branding, and elevated to an organizational level.

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