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Employer Brand and its Influence on Employee Value Proposition: A Literature Review

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Abstract

This paper examines the concept of employer branding and its relationship with Employee Value Proposition (EVP) in attracting, engaging, and retaining talented employees in competitive labor markets. It explores how the alignment of employer branding and EVP strengthens workforce attraction, engagement, and retention strategies. The study discusses both internal and external branding approaches that create associations between organizational identity and employee perceptions. It highlights the advantages and challenges of maintaining a strong employer brand and examines the stages of EVP development and key employee engagement drivers. Based on an extensive review of the literature, the paper analyzes how organizations communicate their EVP through social media, recruitment campaigns, employee engagement initiatives, and other branding activities. Employer branding serves as a silent communicator of organizational values and employee experiences. However, inconsistencies in messaging, lack of authenticity, and failure to deliver promised benefits can damage both employer brand credibility and EVP effectiveness. The paper argues that employer branding has evolved beyond a marketing exercise into a strategic human resource function with a direct influence on EVP. A strong employer brand provides a sustainable competitive advantage in talent management, enhances employee satisfaction, and improves retention. The study concludes that a synergistic relationship between employer branding and EVP is essential for organizational success in an era of changing workforce expectations and intense competition for talent.

Keywords: *Employer Brand, Internal Branding, External Branding, Employee Value Proposition, Engagement drivers*

1. Introduction

In today's highly competitive and dynamic business environment, organizations are increasingly recognizing that their ability to attract, engage, and retain talented employees is a critical determinant of long-term success. The growing emphasis on talent management has led organizations to focus not only on building strong corporate brands for customers but also on developing a compelling employer brand for current and prospective employees. Employer branding has emerged as a strategic human resource management practice that helps organizations differentiate themselves in the labor market and position themselves as employers of choice.

The concept of employer branding was first introduced to describe the package of functional, economic, and psychological benefits associated with employment and identified with the employing organization. It reflects the image and reputation of an organization as a workplace and communicates what employees can expect in terms of career growth, organizational culture, work environment, rewards, and overall employee experience. A strong employer brand creates positive perceptions among potential candidates and existing employees, thereby enhancing recruitment effectiveness, employee commitment, and organizational performance.

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Closely linked to employer branding is the concept of Employee Value Proposition (EVP), which represents the unique set of benefits, opportunities, and experiences that an organization offers in exchange for the skills, capabilities, and contributions of its employees. EVP serves as the foundation of employer branding by articulating the value employees receive from working with an organization. It encompasses both tangible rewards, such as compensation, benefits, and career advancement opportunities, and intangible aspects, including organizational culture, leadership quality, work-life balance, recognition, and purpose-driven work. An effective EVP helps organizations attract high-quality talent, improve employee engagement, and strengthen retention efforts.

The relationship between employer branding and EVP is highly interdependent. While EVP defines the promises and benefits offered to employees, employer branding communicates these promises to internal and external stakeholders. A well-designed EVP provides credibility and substance to the employer brand, while effective employer branding enhances the visibility and attractiveness of the EVP. Together, they create a coherent and consistent employee experience that influences employee perceptions, attitudes, and behaviors throughout the employment lifecycle.

The rapid growth of digital communication platforms and social media has further increased the importance of employer branding and EVP. Organizations now have multiple channels through which they can showcase their workplace culture, employee achievements, diversity initiatives, and career opportunities. However, the effectiveness of employer branding depends on the authenticity of the EVP being communicated. Any disconnect between organizational promises and actual employee experiences can result in dissatisfaction, reduced trust, negative employer reputation, and increased turnover.

As employee expectations continue to evolve, organizations must move beyond traditional recruitment strategies and adopt a more holistic approach to talent management. A strong employer brand supported by a compelling EVP can provide a sustainable competitive advantage by fostering employee engagement, loyalty, and organizational commitment. Therefore, understanding the influence of employer branding on Employee Value Proposition is essential for organizations seeking to build a motivated workforce and achieve sustained success in the contemporary business landscape.

2. Methodology

This research deploys a secondary literature-based research design drawing contents from published academic sources. It relies on existing published literature rather than primary data collection. To ensure credibility, only scholarly sources were included, excluding non-academic blogs, opinion pieces, or unpublished manuscripts. Relevant paper and content were identified from databases such as Google Scholar, HR journals, books, published reports from the Internet, press reports from various press and newspaper articles etc. Keywords used in the search was Employee Value Proposition, Employee Brand, Engagement, Retention, Recruitment. The words were used in combination or as one. As this study relies solely on published literature proper attribution and citation practices were strictly followed to maintain academic integrity. Some points to note are that there may be some limitations attached like restriction to English-language publications may exclude relevant studies in other languages and reliance on secondary data means findings are constrained by the scope and quality of existing studies.

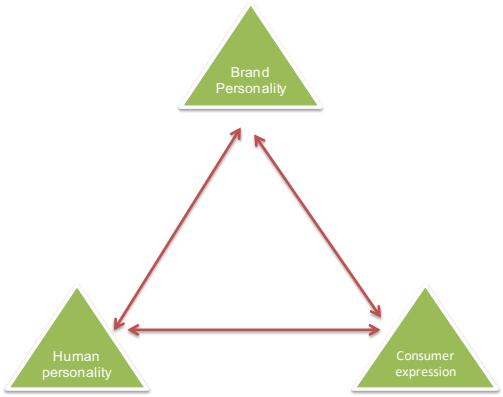
3. Employer Branding

With the increasing intensity of the war for talent, employer branding has become an important consideration for organizations. The term “employer brand” was first coined by Barrow and Ambler (1996) and who defined employer brand as "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company.” Interestingly, this was also the first published attempt to test the application of brand management techniques to human resource management. Human capital increases the value of any firm; hence, employer branding is important to enhance the performance of the firm through skillful and careful investment in human capital (Backhaus & Tikoo, 2004).

External Branding

Any organization has an external and internal brand. The external brand is associated with the image projected to its customers, investors, shareholders, and suppliers. Internal brand refers to its employees. In short, employer branding means involving all those who are important for the organization. External branding is not just about the logo, it involves scope and scale of the effort, origination of brand identity, target audience, allocation of responsibility for the performance of the brand (Hatch & Schultz, 2008). Employer branding is associated with ambitions and the values and beliefs of those who are connected to the organization. It determines the organizational activities from top management to down and instills it effective functions. Hence, Hatch and Schultz (2008) place high importance on employer branding calling it as a key asset that an organization can possess. A successful brand represents an identified product, service or person; the user perceives it as unique that meets their requirement (Kotler et al., 2009). Figure 1 illustrates the intertwined nature of the brand personality, human personality and the perception of the consumers.

Figure 1: Employer Branding Connection



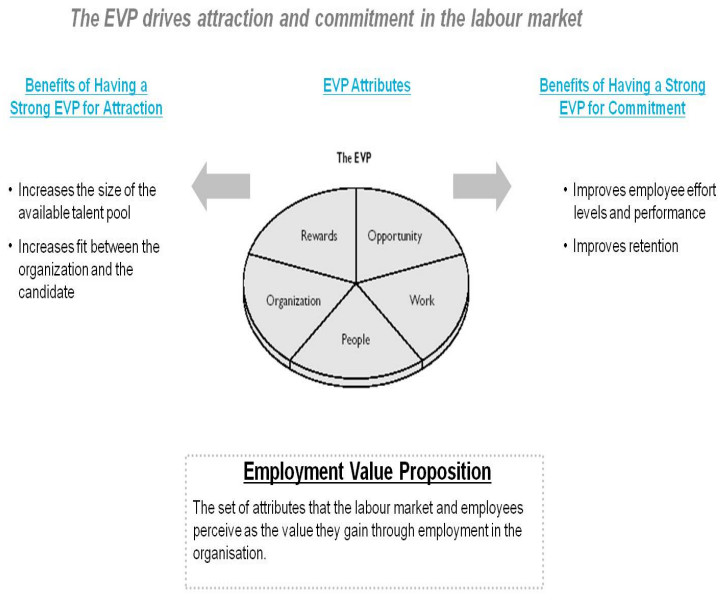
From the marketing context, the branding helps to identify and differentiate products with brand management being restricted to product and product line assessment (Schroeder, et al., 2006). The employer branding is tangible through advertisements, charities, foundations, etc. It draws the attention from even those who are not directly associated with the organization (Kapferer, 2008).

Internal Branding

Organizations internally brand itself to achieve the employer of choice status. Effective employer branding requires a clear understanding and articulation of the unique Employee Value Proposition (EVP) of the organization. Walker (1992) defined EVP as "a set of attributes and qualities – often intangible – that make an organization distinctive, promise a particular kind of employment experience and appeal to people who will thrive and perform their best in its culture." EVP comprises a comprehensive package of tangibles and intangibles that employees receive in return for their contributions to the organization. Tangibles include salary & benefits, health plans, subsidized meals, recognition schemes etc. Intangibles include exciting and meaningful work, learning and development, inclusive and value-based culture, meritocracy, career progression, work-life balance initiatives etc. Nevertheless, employer branding is not just about projecting a company as an employer of choice but a tool has been adopted as a tool to motivate and engage employees (Barrow and Mosley, 2005).

Further, Richard Mosley an employer branding guru, emphasizes on ensuring alignment between the external employer brand and the actual delivery of the EVP to the employees (Krishnan, 2010). If there is a mismatch between these two, employees can feel significantly demotivated leading to attrition, which would eventually lead to erosion of employer brand equity. Thus, once the EVP is articulated, the organization can create a compelling internal and external communication plan around it to ensure that a strong employer brand can be created. Further, EVP is strongly regarded by the employees as it refers to their work and their organization (Patra 2012). Figure 2 illustrates the detailed EVP attributes and its benefits.

Figure 2: EVP definition



Source: *Corporate Leadership Council, Attracting and Retaining Critical Talent Segments, 2006.*

4. Employer Branding Outcomes

Every organization strives to develop a brand one for the public, investors, customers, and suppliers, termed as external branding and the other for its employees, internal branding. Employer branding initiative when planned and executed with diligence would generate rapport between an employer and its employees, build mutual beneficial working arrangement and establish commitment mutually (Patra, 2012). Further, employees who are satisfied in their work would stay with the organization and develop loyal customers thus work engagement is more importantly related to organizational commitment (Levinson, 2007). Quantitative research from the Corporate Leadership Council (2006) shows that organizations which manage their EVP well show higher levels of new hire commitment. This commitment continues even after a year's tenure in the organization.

Engagement with employee affects their performance (Kahn, 1990). Lockwood (2007) suggests that "Engaged employees work harder, are more loyal and are more likely to go the 'extra mile' for the corporation." Similarly, engagement considered as an elusive force by Macey and Schneider (2008) motivates the employees to achieve increased performance. Employees who are engaged advocate the cause of the organization, its services and products and brand it as a place to work (Scottish Executive Social Research, 2007). On the contrary those who disengaged can discourage other performing employees and those who intend to join the organization (Penna, 2006). Though there is no strong evidence for the link between organization performance and attitude, a number of studies show that the reverse is true thus linking the organization performance and attitude (Balian and Sparrow, 2009). Harter, et al. (2002) proposed that increasing employee engagement and environment to support the cause can result in the success of the business.

Employer branding has other benefits for the organization besides those points discussed above. These benefits are (Corporate Leadership Council, 2006):

a. Increased organizational ability to attract passive candidate segments, providing a greater choice in candidate selection to employers. Passive candidates refer to those who are currently employed and not actively seeking another job.
b. Reduced costs of vacancy due to faster recruiting cycle times
c. Reduced sourcing costs (due to less reliance on recruitment agencies and search firms)

d. Reduced compensation costs, since an attractive EVP requires a lower compensation premium to attract candidates
e. In addition, a strong employer brand attracts better quality of candidates as it leads an organization towards being an employer of choice.

Employer branding is also about projecting an organization to its clients, suppliers, investors, etc. A strong employer branding may also adversely affect an organization, when an organization is defensive minded, especially when a product fails, it is directly linked to name of the organization resulting in damaging other products by association. Expansion of portfolio of offerings may become difficult while chained to a flag-ship product. Culture and tradition of a company can work contrary to the development of completely new power brands (Florea, 2011). The lack of a clearly defined and strategically aligned Employee Value Proposition (EVP) often results in disengagement, high turnover, and weakened employer branding.

5. EVP Development Stages

Now that a business case has been established for having a clearly articulated and well managed EVP, the different steps involved in managing and enhancing EVP are analyzed.

The four main stages of EVP management as identified by Davenport (2013) are:

Tactical Stage – The organizations at this stage do not have a formally defined EVP, even though an organizational culture and a compensation plan are there, since these are essential for any organization to remain in existence. However, at this stage no attempts have been made to formally understand and articulate the EVP. Employees have to understand and interpret the EVP for themselves.

Integrated Stage – These organizations have formally articulated EVPs and well-established linkages between their talent management and rewards strategies. They have clear connections between competencies, selection processes, performance management, leadership development and career progression.

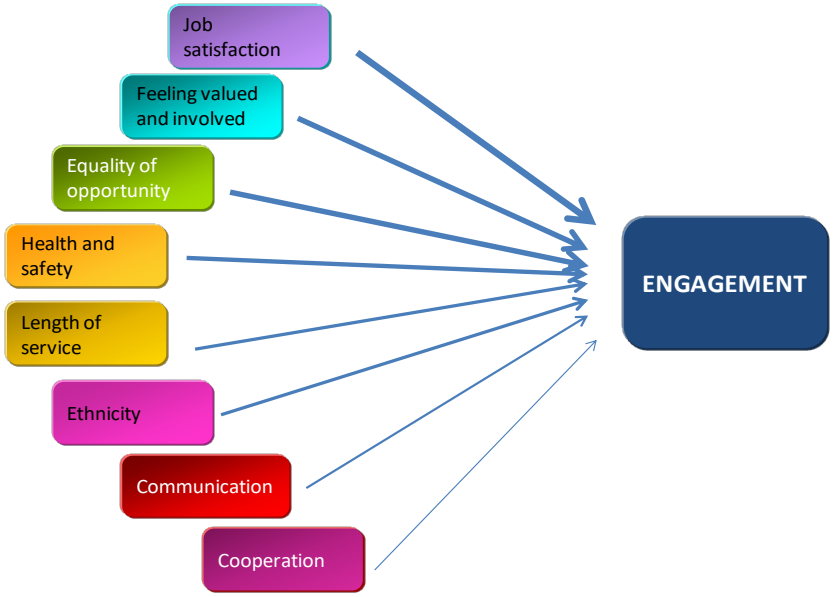
Communicating & Delivering Stage – After articulating the EVP and establishing strong linkages between different talent management programs and processes, organizations need to communicate the EVP to employees and deliver on the promise of the EVP. These organizations usually have multiple and high-quality communication platforms to communicate their EVP to their employees and the external world.

Segmenting & Differentiating Stage – This is the highest stage in the evolutionary spiral of the EVP. Organizations that reach this stage are able to clearly differentiate the uniqueness of their EVP from their competitors in the talent market. They also invest considerable effort in articulating and customizing the EVP for their key talent like High Potentials and High Performers. These organizations are twice as likely to report a significantly higher financial performance than their competitors.

6. EVP and Employee Engagement

Research in the past has proposed several drivers of employee value proposition which has a strong relationship with employee engagement. Employee Value Proposition is influenced by Employee engagement and the organization's reputation, culture of the organization, its leadership, the styles of management, the quality of communication, and the levels of trust and respect (Lockwood, 2007). However, the key factor is emotional commitment by the employee to the job and the organization. Figure 2 (as under) illustrates the critical drivers of employee engagement.

Figure 1: *Figure 2: Engagement drivers*



Source: *Adapted from IES Engagement Survey, 2005*

Engagement drivers are the essential factors that motivates an employee to connect to his or her work and it increases the commitment of an employee towards the organization. The drivers as stated above have an impact on hoe employees feel, think and act at work. Understanding the engagement drivers and its relation to employee engagement helps organizations to improve performance and culture, especially in today's remote and hybrid workplaces. The above figure states that the above eight engagement drivers have a direct impact on the engagement of an employees. Employers to create a high value brand needs to ensure that all the above eight engagement drivers are embedded in the work system and are the DNA of an organization. The engagement drivers if adhered to by an organization will enhance employee satisfaction score and help in recruitment in line with desired competencies as well as help in retention of employees. The effectiveness of the engagement drivers in enhancing engagement needs to be measured at frequent intervals and corrective actions if need be needs to be taken. There needs to be a mechanism of soliciting feedback from employees and using it to refine the employee value proposition from time to time. An employee value proposition is not static and evolves in line with organizations changing needs and priorities.

7. Implications of EVP Management For HR Practitioners

Employee Value Proposition articulation and management is a nascent and growing discipline in Human Resources Management. Given its importance in attracting and retaining high quality talent in a fiercely competitive talent market, it is imperative that HR practitioners make it an integral part of the HR function. A compelling employee value proposition can drive higher engagement by ensuring employees feel valued and recognized for their contribution. When employees feel that their needs are being met, the attrition is bound to reduce thus saving an organization of the high cost of replacing talent. HR practitioners need to prioritize a compelling Employee Value Proposition that goes in line with organizational goals. This will not only enhance employee experience but also enhance business outcome such as increased engagement and reduced employee turnover.

8. Conclusion

Summarily, employee's satisfaction is important to strike balance between work and life which is directly related to their value experience at work. This satisfaction thrives on factors like cost to the employee, balance between reward and benefit received as defined by the employee. The balance between cost and quality will result in competitive

advantage for the employer to attract and retain quality people. it is evident that Employee Value Proposition management is critical for organizations to be regarded as "employers of choice". The senior leadership teams of organizations need to be deeply committed to the Employee Value Proposition management process, to ensure that they deliver on the Employee Value Proposition promise. The earlier this is done by an organization the better it is considering short term and long-term goals of the organization. After all, and at the end of the day, the concerned leadership or the founders come up with an idea and the employees help build the company from grounds up. Creating an authentic Employee Value Proposition is not only about what the organization says but also on how the organization acts.

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