



## HR branding: Transforming the thinking in Indian industry

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### Abstract

The 90's was an era of Liberalization, Privatization and Globalization in India, which resulted in making Indian economy one of the fastest-growing economies in the world. With constant reforms, improvement in technology and high FDI investment, 21st century India has become an apt place for business investment that has the potential to create a positive impact on the global economy. These changes were accompanied by changes in business like change in business structure, stakeholder concept and the most important in perception of human resource. Human resource is now considered as the most important resource for the organization. Shrinking business borders and globalization have resulted in business, cultural and talent exchange among countries, which has caused severe alterations in HR functions worldwide. From handling macro issues including global workforce & virtual team management to micro issues such as employee counseling the role of a HR professional has become very challenging. Thus, now there has been a considerable change in functionality, scope, expectation and responsibility of HR department. With this fact into consideration, in this exploratory research, researcher want to highlight various HR issues and challenges in different Indian industries like IT, ITES, retail and FMCG and want to apply the concept of HR Branding as a transformative solution for these issues.

**Keywords:** Indian industry, HR issues, industry challenges, HR branding

### Introduction

The era of globalization, privatization has made a remarkable change to Indian economy. It accelerated the growth of Indian economy leading to the growth of various industrial sectors in India. The market size, profitability, sales, size of the industry has all shown a positive growth. As every coin has a another side, in the same way growing industries slowly started showing a sign of increasing HR issues and challenges. These issues and challenges are becoming a major hurdle in the industry success Now all experts, HR professionals, thinkers, academicians, scholar are trying to find out the solution for these issues. One of such solution to various HR issues is HR Branding.

### Literature Review

#### HR Branding: A Conceptual Understanding

Human Resource is increasingly receiving attention as critical strategic factor. Now Human asset is getting most important priority in the organization. Human resources helps in transforming the lifeless factors of production into useful products. These products and services are endowed with the power of the brand while serving the customers in the market. Thus Branding involves creating mental structure and helping consumer, organize their knowledge about product and services in a way that clarifies their decision making and in the process provides value to the firm.

Based on this world renowned concept, the researcher want to introduce the concept of Human Resource Department Branding (HR Branding) as an effective tool for various HR issues in different industries in India. As the functions of HR

started spreading across the organization, the services rendered by the HR department to the employees can be treated as the same thing as selling services to the external customer. Hence, the HR department should care about its brand identity.

Customers differentiate firms by their products. Marketers have traditionally used "The 4 Ps" (product, price, position and promotion) to set the products of their firm apart from those of the competitor in the market place. In the same way employees differentiate their jobs by HR branding. For a company to be successful, it has to attract, motivate and retain the best and brightest talent of workforce, making it competitive in the race. Thus In today's knowledge driven economy, HR plays a strategic role in bringing in the right kind of people into the organization. The brand 'HR' can be well built by concentrating on the factors, which directly or indirectly influence the expectations of an employee. HR department should take decisions that would not discourage employees from being aligned to the brand behavior. As product brand is based on customer expectations and involvement, in the same way, for a HR brand, it need to be built internally that is possible by making high participation of internal customers in benefit plans, training programs and company functions. Greater the acceptance of performance plans, compensation programs, and policies and procedures and employee assistance programs, greater the value of brand of HR which results into higher satisfaction among employees.

Many research have taken HR Branding as a topic of discussion and tried to explore the concept. But every concept

is different as it depends on the industry set up and HR issues that particular industry is facing. Thus multiple concepts are coming forward regarding HR Branding.

Organization need to be aware that they need to brand HR right from the beginning. This new culture welcomes the new employees and handholds them into the organization and their respective departments so that they get accustomed with the organization and its work culture. HR initiatives for their employees, right from the date of joining till the time they are separated from the organization is all part of HR branding. (Sturman, 2012) <sup>[9]</sup> Today most of the organizations believe that it is necessary to brand HR department within the company as it allows the employees to know what their organization has in store for them.

Further this research paper states that HR branding can strengthen the company's overall business efficiency. Thus organizations can treat potential and current employees as internal customers, and employment opportunities as the product that they offer. Different models of consumer marketing applicable for product market can be applied for branding Human Resource Department.

Thus according to this research paper, as strong brand is a pre-requisite for any product to serve their customers, similarly HR Brand is a pre-requisite to serve its customers (employees). Unless this Department is not developed consciously as a strong and positive brand, attracting and retaining customers (employees) would be difficult.

(Urbacova, 2013) <sup>[11]</sup>, the paper focuses on the topic of Human Resource Branding in the Czech Republic and the Slovak Republic. The main aim of the paper was to evaluate, and identify seven factors that impacts the Human Resource Branding:

1. Reputation/Integrity
2. Culture
3. Recruitment/Orientation
4. Pay and benefits
5. Work/Life balance
6. Leadership and management
7. Performance management, growth and development

The author added that building strong Human Resource Branding (HR Branding) requires a pre-set process supported by top management and a correctly formulated strategy in place. An organization's website and the process of applying for employment provided thereon influences potential employees' interest in sending their CV to the organisation. This is also confirmed by surveys conducted by Kim *et al.* (2011). If an organisation's presentation on its website is poor, it will discourage talented candidates from applying in the organization. Thus for HR Branding social media also plays an important role.

(Deshpane, 2010) <sup>[3]</sup>, According to this paper HR branding is an act or source of creating bonding between the employee and the HR team. As a result of these initiatives, the employees enjoys a sense of comfort and is aware of the fact that the HR team is always available to take care of their every need in the organization and is motivated to perform better. The only thing that is required for the success of the HR department is for the employees to know that there is always someone to help them. And all the organization needs to do is

tell this to the employees.

(Ravneet, 2012) <sup>[7]</sup>, This paper studies the concept of HR Branding from the marketing perspective. The author attempts to demonstrate the important linkage between internal marketing (IM) and human resource management (HRM). Marketing and Human Resource management should be aligned and integrated with each other. In other words, it is necessary, to have a market-oriented HR managers in order to make an impact on the success of an organization. HR managers should apply the same strategies that marketing managers uses to promote products and services outside the organization. Therefore, the tools that are widely used in the external environment (e.g., market research, segmentation and targeting) could be employed internally to motivate the employees. This research paper is making internal marketing concept applicable to HR department of the company to brand its activity. HR department which has branded its core activities will surely helps organization to solve their HR issues.

HR is the first face of an organization for a new prospective employees. It is the very first department to whom all existing and potential employees interact. Thus, after going through all these research it is clear that if this department is branded, definitely it will enhance the company image inside and outside the organization. To do so and to demonstrate HR department as a brand, the organizations have to align HR strategies with business strategy. Once these two strategies are aligned with each other, it creates a great place to work with, lesser employee issues in the organization.

### Research Objectives

The topic selected for the present study is very wide in scope, but to make the study practically possible following objectives are set by the researcher.

1. To explore different industries in Indian economy,
2. To discuss various challenges and HR issues of Indian Industries
3. To apply the concept of HR Branding as a transformative solution to these HR issues and challenges in Indian industries.

### Research Methodology

The study is exploratory in nature. Secondary data is used for the purpose of the study. To develop this study in depth literature review has been used which is majorly collected from web sites. Different books, previous research findings are also referred by the researcher.

### HR Issues and Challenges in Indian Industry

As discussed in the earlier topic, Indian industry is extremely wide in scope and functionality. In coming years, the industries are having tremendous growth opportunities not just in India but due to right government policies, tax concessions, export import policies, wide opportunities are available internationally as well. In such a competitive era the companies can compete with each other on various grounds like product and services, market share, product-line, customer loyalty, product brand and skillful workforce.

Now a days, every industry is facing with lot of HR issues and challenges. Some of them are employee attraction, retention,

motivation which are becoming more challenging due to shortage of skill labor in the market. Many HR practitioners, professionals, academicians, research scholars are coming forward with various ways to deal with these issues. As problem identified is half way solved, following are the major finding of numerous research articles on HR issues and challenges in different industries.

(Tiwari, 2012) <sup>[10]</sup>, according to the research paper the biggest challenge businesses and Governments facing is the development of competent, forward looking and effective human resource. Superior human resource is a critical part in any organization. Author added that though business spends tremendously on capital, human resource remains the key determinant of an organization's success. Talking about the challenges of Indian companies in general, the author added that weak education system, lack of on the job training, lack of facility of education advancement, less capital allotment for HR department, are some of the reasons of increasing HR issues and challenges in Indian companies.

(EIMANI2, 2014) <sup>[4]</sup>, mentioned in the research paper that earlier HR functions were dominated by transactional work, such as payroll and benefits administration, but now big transformations took place in companies. Now HR department has become extremely important player in various strategic initiatives like mergers, acquisitions, talent management, succession planning, industrial and labor relations, and diversity and inclusion. Thus market changes not just made a significant change in role and functions of HR but at the same time it increases issues and challenges of HR department in Indian companies.

The article further added that, some major issues of HR departments are like workforce diversity, employee engagement and talent retention, managing change and motivation. As every industry is growing job seekers have lot of options in the market, leading to talent crunch for the companies, The 14th Annual Global CEO Survey, conducted by PWC, showed positive signs of job growth worldwide in but in the same survey 52% CEOs confessed to the fear of their talent pool being poached by competitors. It shows how companies are worried about their talent retention and motivation factors.

(Chaudhari, 2016) <sup>[2]</sup>, in this article on blog, titles "4 Major Challenges Faced by the HR Community of Contemporary India", Miss Swati talked about, employee recruitment, retention, talent management and enhancing the employee productivity are major 4 challenges Indian companies are facing now.

The article further added that with lot of conscious efforts by HR professionals and HR department, Indian companies can pave a way from these issues for the holistic success of the business.

(LCL Logistix (India) Pvt. Ltd., 2011) <sup>[1]</sup>, according to this white paper on Indian Logistic sector, there is an acute shortfall of personnel with adequate training and education in logistical management in India. At management and mid-tier levels, the logistic sector in India suffers from poor organization, lack of leadership, disjointed skills and positions, and a lack of process-driven systems. Thus one of the fastest growing sector is also facing lot of HR issues and challenges.

According to Ms. Neeta Bhatla, Krishan Kant Pandey, today the glory of retail sector is coming down due to tremendous HR issues. Though retail industry is one of the most fascinating industry for youths to work with, lot of HR issues and challenges are around the business. The author further explained various HR issues, Ms. Neeta said, as retail frontline jobs are less in pay, lack of motivation is a major issues in retail sector, Unavailability of experienced manpower, threat of poaching, differences in work culture and values in the arena of work, Lack of formal retailing education, stressful working environment, Workforce diversity, are increasing HR issues in retail sector. Other emerging and more attractive industries like IT, Automobile are making these issues worst. (Neeta Bhatla, 2014) <sup>[5]</sup>.

Talking about ITES companies, these companies are also facing lot of HR issues. The growth of outsourcing industry in India is impressive and companies are providing services in low-end as well as high-end services. However according to Soni Agarwal,, sustaining this impressive growth is not possible always as these companies are facing continuous challenges in terms of competition, global slowdown, scarcity of talent, attrition of employees, and many other HR and technology related issues. (Soni Agarwal, 2011) <sup>[8]</sup>.

With a global explosion in market-opportunities in the IT sector, the shortage of manpower both in numbers and skills is a prime challenge for HR professionals. Along with this, recruitment of world-class workforce and their retention, compensation and career planning, technological obsolescence employee turnover and performance management are the major HR issues and challenges, this sector is facing today. (Rakesh S. Patil, 2011) <sup>[6]</sup>.

These are the HR issues and challenges in different Indian sectors. To speed up the growth of the sector and to stand successfully in international competition these issues need to be addressed with proper way in proper time. HR professionals, Practitioners academicians and scholars are suggesting different ways to find out the solution for these issues. One such suggestion is the application of HR Branding or creating the Brand for HR Department within the organization.

### **HR Branding: A Transforming Concept**

Today organizations are started considering their Human Resource as their Human Capital, making organizations more and more conscious about their workforce. Talented, skillful, committed workforce are the reason for changing the identity of Indian Industry from Labour intensive to knowledge based industry leading to more awareness about their (HR) issues among HR professionals. Today no industry can afford to lose their strong employee base from bottom line to top management. As explained earlier by the researcher, selection, retention, talent attraction, employee motivation are the major problems which now a days different Indian Industries are suffering, if HR department can work on its image enhancement and can frame more employee oriented policies, it can create a very promising image of it among its internal and external customers i.e employees. This will surely help the organization to solve their HR issues effectively. Thus in the changing scenario HR branding will become highly practiced transforming concept in Indian industries.

### Limitations of the study

1. In the present study, researcher tried to explore the concept of HR branding and its applicability as a transforming concept for HR issues and challenges in different industries in India. As no other existing research was available leading to less availability of literature.
2. HR Branding is comparatively young concept so exploring the concept was a big problem.
3. As the topic was industry oriented, conducting primary research was not possible.

### Conclusion

Today, HR branding has become a very booming concept. Many corporations strategically utilizes the HR brand to attract and retain external & internal customers (employees) which is a biggest challenge for almost all the Indian industries. As this is a market oriented era, if the company has a good HR brand in market, it will get good response. If not; it's very difficult to convince people to work with the company. Due to all these complications Human Resource Branding has become a concept of great interest among the Human Resource professionals around the world. Thus today HR professionals are looking at Human resource department as a brand for employee attraction, retention and for solving other HR issues prevailing in Indian industries.

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