



# Building a Strong Employer Brand

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# Overview

In a competitive and borderless world, organizations need every weapon in their arsenal to attract and retain their most important and valuable asset – talent. Even in economically volatile times, employees, especially those who possess the right technical and behavioral competencies, continue to be a scarce resource and employers will need to poise themselves well to capture the attention, interest and commitment of the best and brightest candidates.

In their quest for a great place to work, candidates are increasingly looking beyond pay and benefits to other factors including career prospects, what the organization stands for and how the organization serves its clients, the community and the world. Therefore, an organization's understanding of its employees and what attracts people to work for the organization should be as robust as its understanding of its clients and customers.

The composition of the workforce today is changing significantly. International mobility of highly skilled workers across borders is on the rise and Generation Y is an ever-increasingly important segment of the labor force as the first wave of Baby Boomers begins to retire. In addition, there is an increased emphasis on knowledge workers. These trends are drawing organizations to the front line for the best and brightest talent and are bringing to light the need for effective employer branding.

Organizations that are not prepared to confront these challenges and fail to understand the need for increased investment in employer branding to enhance talent attraction and retention will almost certainly see their business performance negatively affected in the long term.

Research has shown that recruiting and retention of talent ranks at the top of the list for business concerns even in tough economic environments as strong talent is a key competitive edge for organizations today.

Reputation management has evolved to become a board-level concern and a key component of market value. Chief executives and boards of directors now find reputation management high on their agendas.

Technological advancements have afforded the talent pool greater access to information; candidates can search the web and immediately discover information on an organization's value relative to other job opportunities. Employees' expectations need to be managed so that attrition, especially for competent and experienced talent, can be minimized.

With today's volatile economic conditions, no organization can afford to overlook the value of top talent. Organizations have to start from the inside and work their way out, until brand perceptions of all employees to external candidates are in line.

Building a strong employer brand is not the sole responsibility of Human Resources. It is a team approach that starts from the leadership and includes Human Resources, Marketing and Finance. In fact, everyone in the organization is an Ambassador of the Brand.

With a strong employer brand, organizations will be able to attract, nurture and retain talented people who are willing to invest their skills and knowledge towards the business objectives. And that is what today's competitive advantage is all about.

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# What is Employer Branding



Employer branding can be used as a long-term talent attraction, management and retention strategy. It is a viral-based perception management program that is intended to raise the organization's image in the marketplace as a well-managed business, thereby attracting a steady flow of top quality applicants over a period of time. Simply put, it provides potential employees with a window into what it is like to work both in and for an organization.

While employer branding offers a unique opportunity to differentiate from the competition, it also creates meaningful and enduring reasons for employees to remain loyal to their organization and employer.

Employer branding should be viewed as an ongoing process that is at the heart of the employment experience, providing touch points that begin with initial employer brand awareness and continuing throughout the tenure of employment.

Even during extraordinary periods of economic growth or recession, employer branding is crucial as all employees are discerning clients, to be attracted, engaged and retained by organizations and employers.

When properly planned and implemented, effective employment brand strategies can deliver high impact and long-term results including :

- Competitive advantage
- Significantly enhanced talent pipeline
- Increased employee engagement levels
- Greater workforce diversity
- Stronger corporate culture
- Stronger PR tool kit
- Increased support for the organization and brand
- Increased shareholder value

# Importance of Employer Branding in Any Economic Situation

Strong affinity and identification with employer brands turn employees into brand ambassadors. With employees as brand advocates, they create brand differentiation for your customers and clients – something difficult for your competitors to duplicate. This differentiation becomes your competitive advantage, and employees add to the edge.

Superiority over competitors also improves your chances of winning over candidates who also apply for positions at your competitors. Employees who epitomize the employer brand will also outperform the competition in the long run.

Organizations should also embrace employer branding for many other reasons: it leads to increased loyalty to the organization and length of employment; employees feel and become more capable in serving clients because they understand the brand promise and employees who believe in the brand work better with all stakeholders.

During any challenging economic situation, organizations that seize the opportunity to engage with their current and potential employees will differentiate themselves from those that adopt a defensive stance in view of the clouded economic outlook.

Organizations that remain upbeat and proactively build and strengthen their employment proposition as well as the promise they make to their employees will be favorably positioned ahead of competitors when the first signs of economic recovery shine through.

# Balancing Employer Branding with Financial Viability

Employer branding, like any worthwhile endeavor, will need top management commitment and long-term investment to get it right. Investment in an employer brand does – and will – pay off.

By getting the employer brand right, less money is needed to bring good people into the business.

Employer branding is still critical during challenging economic environments. In fact, during tough times such as these, it is more important than ever. Budgets are under pressure and it is now that HR needs to partner with Finance and other functions to demonstrate that it is true to its principles.

As HR is traditionally viewed as a cost center, it will increasingly need to justify the return on the investment for employer branding efforts. To overcome this challenge, HR has to partner with other functions and impress upon the organization the long-term benefits of good employer branding and the significant impact it can have. One way of measuring an employee's ROI will require HR and Finance to measure effectiveness and performance against the investment of the employer brand.

What is the ROI, then, of investing in employment branding during uncertain times? By strengthening employer brand, organizations are able to focus less on overcoming the talent shortage; significantly enhance their talent pipeline; improve employee retention; and increase shareholder value. In today's volatile economic times, no organization can afford to overlook the value provided by access to the world's top talent.

In a study published by the Harvard Business Review, researchers found that employers who invested more in their employees' training and development outperformed the stock markets by up to 35%. Even during the downturn in 2001, the authors recorded a 4.6% increase in stock value among companies with strong training and development budgets versus the declining markets.

Employment branding also increases employee satisfaction and morale. Since there is an established connection between employee satisfaction and customer satisfaction, branding can increase customer service levels and customer satisfaction, both of which have an established economic value.

# Developing Employer Branding Metrics

With an increasing number of systems and processes becoming replicated, the competitive advantage and sustainability of an organization rests in the collective capabilities and competencies of the employees recruited and retained in the organization.

Employer branding metrics are important to identify, track and report on costs involved in attraction and retention activities. To start with, an organization's employer branding metrics need to be aligned with business objectives and all lines of business and functions have to be involved in the development process.

All organizations are different. Therefore, there is no preset standard of measurements that suits every organization. Examples of traditional metrics that have been used to measure ROI on employer branding activities include:

- Cost per hire
- Engagement levels
- Time to fill
- Retention rates
- Turnover rates
- Absenteeism
- Headcount
- Time to productivity
- Total costs of labor to revenue
- Candidate satisfaction rates

A growing number of organizations are also exploring and adopting forward-looking measures that include promotion readiness rating, external versus internal hire ratio, quality-hire ratio, performance ratings of newly promoted managers and manager/executive failure rate.

For example, an organization that is building a talent pool and targeting university graduates may consider including metrics such as:

- Cost-per-qualified candidate by channel
- Cost-per-hire by channel
- Total yield by channel (quantity and quality)
- Diversity yield by channel (quantity and quality)
- Candidate retention by channel
- Interview-to-offer ratio among candidates by channel
- Offer-to-acceptance ratio among candidates by channel
- Percentage of candidates screened-in for further assessment by channel

Ultimately, employer branding metrics will be determined by financial resources and the capabilities to support the compilation, analysis and reporting of metrics. In addition, the culture of the organization to support such efforts will also need to be taken into consideration.

# Communicating the Employer Brand

The ongoing strength of an organization's brand relies heavily on its ability to maintain communication with employees and address concerns regarding their employer's ability to withstand the downturn and protect job security.

The ability to communicate your employer brand is vital to attracting talented staff that also fit in with your company culture.

But employer branding is not the same as advertising. Employment branding is a long-term recruiting strategy. It has a myriad of critical elements, only one of which deals with marketing through award programs, editorial content in target publications and presentations at conferences and viral programs.

To be its most effective, employer branding must be:

**Believable.** The basic premise of building an employment brand is that it must be built "virally" by others. An organization's great management practices, work-life balance programs, etc. need to be talked up by others in order to be credible and believable.

**Tell a compelling story,** with real examples and hard data to illustrate an organization's superiority. Nothing is more likely to be listened to, believed and passed along to others than a great story that illustrates what its like to work at a particular organization. Stories can be spread in articles, in person, and during presentations.

**Be interactive.** Employees can "get the word out" by answering questions, going into more or less depth as necessary and giving specialized/custom information. Employees can also spread the word and share detailed information at conferences, via email as well as through the most powerful employer branding tool, the employee referral program.



Once organizations have agreed on compelling employment messages, the next step is to select the appropriate communication channels for their target groups. An ideal approach is to use a variety of channels and platforms. The key is to find the right channel/platform that resonates most with your target audience.

Employer brand development channels may take the following forms, as offered by employer brand management consultant Dr. John Sullivan:

- Workplace rankings and awards
- World-class employee referral program
  - Research by WetFeet, LLC, and USA Today confirms that what employees say about their organization dramatically impacts how that organization is viewed in the labor market.
- Editorial placement
  - Make best practices more visible to the press: have management speak about best practices, write about them in blogs and publications that are bylined articles; get "quoted" by journalists.
- Benchmark studies
  - Allows an organization to tell its own story and position itself positively against its talent competitors.
- Cutting-edge, impressive website
  - Craft an Internet presence that supports the brand promise, makes it easy for talent to interact with you and is designed from the user's perspective.
  - The website should eventually become a primary means for spotlighting the company's great management practices and people programs.
- Write-ups in academic case studies
- World-class retention program and blocking strategy
  - An unrelenting focus on retention as well as attraction.

# Attraction & Retention: Managing Corporate Reputation at all Times

Whether they like it or not, businesses are now answerable to far greater expectations than bottom line delivery.

Driving this revolution in accountability is reputation. Recent corporate scandals have only added to the sense that the most precious asset an organization has is its reputation in the eyes of the public and potential employees. Reputations are painstakingly built up and can be quickly destroyed, but their importance can never be understated.

Potential employees these days make decisions about accepting a position with an organization based on more than just remuneration. Aspects of the organization's culture impact both on initial recruiting success and also on retention rates.

If the employer brand is right it will attract staff with a solid cultural fit to the organization. If the employer brand delivers on its promise, these staff members will be more willing to stay with an organization.

It is clear from lists such as Fortune's "Best Companies" that being a good employer is good for business, especially during uncertain time. In a downturn, a strong employer brand can improve employee motivation as well as help to keep top people on board.

The effectiveness of internal communication, the extent to which employees are motivated to perform well, and the quality of the leadership given by management, all play an important role in retaining staff. All these factors relate to the strength of the organization's employer brand and the way that it is perceived internally by current employees and externally by potential future hires.

# How to make Employer Branding a part of your Recruitment Program

An employer brand aims to attract and nurture employees who will ultimately delight the customer by living the brand and exuding commitment and confidence. It should convey the image of the ideal job at their dream organization.

Besides appealing to external job candidates, a strong employment brand builds and reinforces the public's image of the organization's vision, culture, work practices, management style and growth opportunities. It should build the perception that people are motivated, proud and happy to work there and are willing to 'go the extra mile' for the organization and its clients and customers.

Employees are increasingly behaving like consumers when choosing to join or stay with an employer. A positive employer brand can be a way of differentiating one organization from another and a way of creating a strong, distinctive and attractive identity with which current or potential employees can identify. Today's leading employers recognize that it is essential to develop good people policies and to communicate these externally as well as internally to attract the best and brightest talent.

Employer branding can be done through the following value propositions:

## Leadership

Studies show that strong leadership is the single most potent factor in motivating staff and creating a sense of belonging. Poor leadership will impact not only the success of the organization but the quality of the work environment and, ultimately an employee's ability to develop and build a career.

## Organization

This encompasses everything about the firm, including reputation, values, culture and its contributions to the world and community. Employees might be willing to work longer hours or for less compensation for an organization with stronger corporate values or a better reputation.

## Job

This involves many of the day-to-day aspects of a job. Specific focus on the emotional associations of the job, such as: To what degree is the work interesting, compelling and/or challenging? Can employees grow and find fulfillment in their jobs? Do they have the resources and training to achieve their goals? How much freedom, autonomy, growth and challenge do individuals have in the job required of them?

## Rewards

This includes compensation and benefits as well as intangible features such as career prospects, development opportunities, work-life balance and social contact with co-workers.

## Catering to the Internet-savvy Generation Y



Organizations and employers can also enhance the outreach of their brand by catering to the internet-savvy Generation Y and capturing the attention of these candidates.

Besides buying ads or placing job postings on popular job websites, interacting with potential hires on social networking sites like LinkedIn, MySpace, or Facebook has become increasingly prevalent.

In addition, organizations are posting video clips with branding messages on YouTube or making them available as webcasts or podcasts. For example, Microsoft has a group of employee bloggers who provides a snapshot of people who work at the organization as well as the professional challenges they confront.

An effective employer branding exercise should ultimately urge people to find out more about your organization. It must encourage them to visit your website, to ask others about your organization and to apply for your job.

Employment branding isn't just about getting more people to apply for your job vacancy – it is about attracting those who are aligned with your organization and believe in it – its vision, values, commitment to employees and clients as well as to ensure employees are a 'good fit' with your organization.

## The Employment Engagement Experience

Employee engagement has been a hot topic for HR professionals and managers as they strive to enhance organizational performance and productivity. Highly engaged employees can reflect the organization's core values, which ultimately strengthen the overall organizational brand.

Employee engagement consists of two dimensions, cognitive (intellectual) and emotional. Cognitive engagement means that employees are sure about their job requirements and expectations of their role, whereas emotional engagement means that they receive timely feedback and social interactions with their co-workers, which make them feel connected to their organizational members.

Having engaged workers benefits the organization in a number of ways. According to the Corporate Leadership Council, engaged workers were more likely to exhibit discretionary efforts and improve individual performance. In addition, engaged workers are less likely to feel exhausted or to express cynicism toward the organization.

To ensure top talent stays where it should — within your organization — talent managers must consider how to create a positive employee experience as a piece of an employer's overall brand. However, your employer brand is only as good as the employee's experience of that brand promise.

The employee experience starts with an employee's first interaction with an organization. The induction process is a critical component of this. This is when employees form their first impression of an organization and decide if they want to stay.

The new employee immerses in the organizational atmosphere via supplied materials, messages from colleagues and communications from HR and business

leaders. That initial interaction is reinforced by a series of touch points around the organization's mission, vision and values, learned through the attitudes and behaviors of colleagues and executives. Those touch points become the foundation of an employer brand.

That first impression may extend far beyond company offerings in position, salary and benefits. Today's workforce is equally concerned with opportunities for career advancement, rewards and recognition, management style and organizational culture.

Together these blend to make up the employer value proposition and employer brand that impact the employee experience and, ultimately, the potential hire's decision to join and remain with an organization. Successful employer brands are built on the integrity and experience of the promise.

Each level of management needs to recognize their responsibilities and expectations of them in fulfilling the employer brand promise. Developing and maintaining an employer brand requires organizational purpose and determination, realistic time frames for realizing goals and buy-in from all levels of an organization. But it will need to start with the top team.

As an initial step, managers and senior executives will need to fulfill the brand promise in the eyes of their direct reports. This should be done early in the employment experience, to build credibility and trust.



# Employer Branding: An Integrated Approach



Employer branding involves several cross-functional areas of expertise. In most organizations, the HR function is responsible for employer branding. However, since it includes marketing the workplace, many organizations involve their marketing and communications departments, in order to bring in cross-functional expertise.

Every function plays a role in shaping and determining the employee experience. So whereas an employer-branding program can begin in human resources, marketing, communications, recruitment, customer service, or somewhere else, it will ultimately have to extend across functions in order to holistically impact the employee experience and shape culture.

The intersection of brand and talent is in culture, and an organization's brand culture determines both employee and customer experiences. An increasing number of organizations involve their senior management as well, as access to human capital has become vital for the organization's business success. Leading organizations are also careful to include employees and key target groups in their employer branding efforts. They can thereby improve the workplace in the best way possible and make sure that the message they send out matches the reality as well as the needs and aspirations of the target groups.

## Factors Impacting a Desirable Employer Brand

- Attractiveness of the sector
- Company Reputation
- Quality of Products and Service
- Location
- Work Environment
- Pay
- Economic Conditions
- Employee Benefits
- People and Culture
- Work/Life Balance
- Corporate Social Responsibility

In short, employer branding is a long-term, but dynamic process that requires cross-functional collaboration across different departments, a multiplicity of skill-sets and knowledge, dedication to a set of shared organizational goals and values, continuous execution and improvement, and a willingness to change and adapt to different market dynamics, especially amid challenging conditions.

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