

How to Build an Employer Brand that Delivers



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The Importance of Branding the Employee Experience

Leading organizations share a common trait – the ability to identify and implement practices that provide them a competitive edge among their peers. In the talent war, the proficiency of a company's employer branding can deliver the advantage needed to win the loyalty of the best talent in the marketplace.

Although a company's employer brand should closely mirror its broader consumer brand messaging, there is an important distinction between them – employer branding refers specifically to building brands that people want to work for, and developing a positive reputation as a place to work.

The online revolution has enhanced but also disrupted a lot of businesses' every day practices, including talent recruitment and retention. In today's transparent information age, the marketing disciplines that were once reserved for consumer branding have emerged as an effective tool for the HR community. They now attract, engage and retain talented candidates and employees, in much the same way that marketing applies such tools to attracting and retaining customers.

Research continues to quantify what many HR and business leaders have intuitively known for years, that companies with effective employer branding propositions are simply better equipped to source some of the more competitive pools of talent in the labor market. In fact, the Corporate Leadership Council released a study that proved successful employer brands access up to 20 percent more of the talent market, enjoy a 30 percent increase in productivity, can reduce new hire compensation premiums by up to 50 percent and reduce staff turnover probability by up to 87 percent.¹

Employer branding is about the employee experience. Just like having a unique value proposition for a product, a unique employer value proposition adds clarity to how a company positions itself, what type of people it hires and how it engages them in its business. The 2014 Randstad Employer Branding Study explores this topic, and provides a tactical approach to building an employer brand that delivers.

Building an Employer Brand that Boosts Talent Attraction and Retention

Often, organizations mistakenly focus the bulk of their employer branding efforts on building a perception that their company is a great place to work. While doing so is valid and a pertinent component of an effective employer branding strategy, the full benefits are only achieved when a company can move the dial on both recruitment of top talent and retention of said talent.

A reputation as an employer of choice is only powerful when it is translated into the day-to-day workplace and HR practices. Without follow through on an employee value proposition, turnover will quickly erode the benefits of attracting top talent.

Employer brands that deliver couple the perception of their brands as preferred employers with the reality of working there. When the promise made by an employer brand is delivered upon, the result is excellence in recruitment and retention.

“Employer brands that deliver couple the perception of their brands as preferred employers with the reality of working there.”

Employer brands that deliver also ensure that the experience and feedback of employees past and present is just as powerful as the message it promotes through designated employer branding messaging.

Why Employer Branding Matters Now

Shortages in highly-skilled workers are heating up the war for talent. As companies vie for top employees, any competitive edge that facilitates the acquisition of talent can have financial implications for organizations – making effective employer branding a must-have in today's landscape.

Demand for Talent

- 29% of CEOs said the inability to find talent they need is impacting strategic investments, causing them to either cancel or delay new initiatives.²
- 70% of CEOs are concerned about the lack of availability in key skills, with 60 percent saying this skills gap makes it harder to fill jobs.²
- Human capital – how best to develop, engage, manage and retain talent – was named the leading challenge among CEOs worldwide.³
- More than one-quarter of private companies cited finding qualified workers as a barrier to growth.⁴

Employer Branding Removes Barriers to Growth

- Companies with a strong talent brand registered a 36 percent gain in share price over the last five years.⁵
- A strong employer brand attracts talent faster, saving companies up to 50 percent in cost-per-hire expenditures.⁵
- Organizations with strong talent brands enjoy a 50 percent increase in the number of applicants per job posting.⁵

Increased Investment in Employer Branding

- 85% of employees are attracted to companies that have a reputation for providing career opportunities.⁶
- 50% of employees think it is important that other people want to work for their employers.⁶



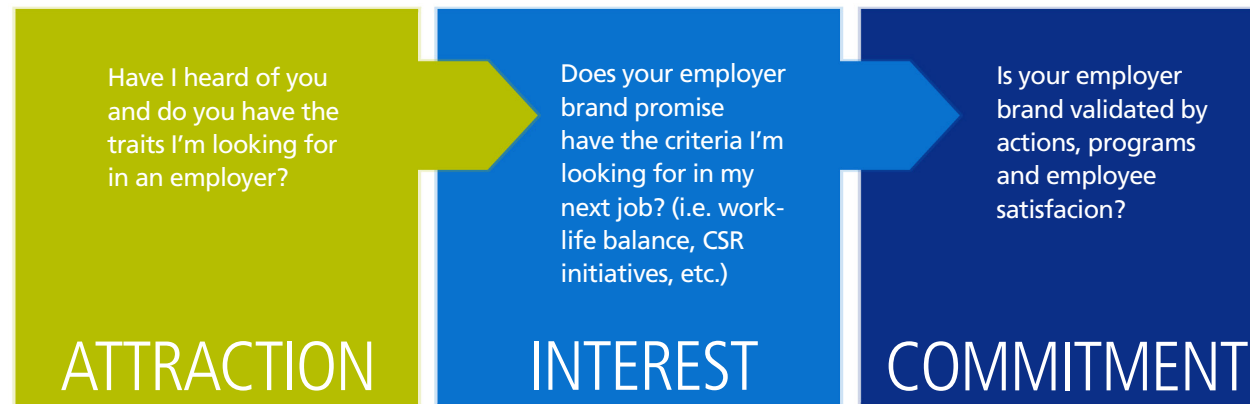
Candidates' Three-Phase Assessment of a Brand

There are many labor market experts who believe the war for talent is over – and the talent won. Particularly for the highly-skilled workforce, job searching is controlled by the employees and it's their willingness to leave a current employer—when dedication has not been built—that creates an imbalance. According to Bersin by Deloitte, more than 60 percent of all companies cite “capability gaps” as one of their top talent challenges, and CEOs now rate “human capital shortages” as the number one item on their priority lists for the coming year.⁸

Complicating the recruitment process, tools like Glassdoor, Twitter and Facebook make it simple for

employees to share the ups and down of working for a company. U.S. businesses spend more than \$110 billion on talent acquisition (more than \$3,000 per hire, on average). It is costly to risk losing acquired talent due to a company employment brand that is not in line with the new-hire's reality.

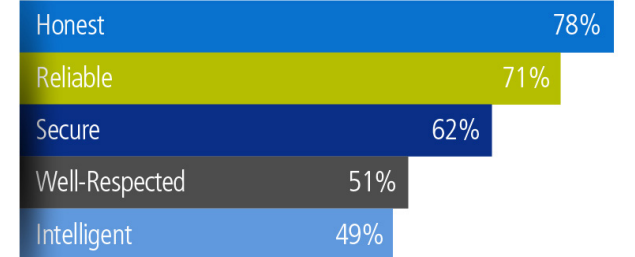
Randstad has identified a relational process most job seekers undergo when weighing potential employers. The three-phased assessment is akin to the stages of any relationship building. Job seekers assess potential employers based on a number of aspects of their employer brand as they move from attraction, to interest and ultimately commitment.



ATTRACTION **Becoming an Attractive Employer to Workers**

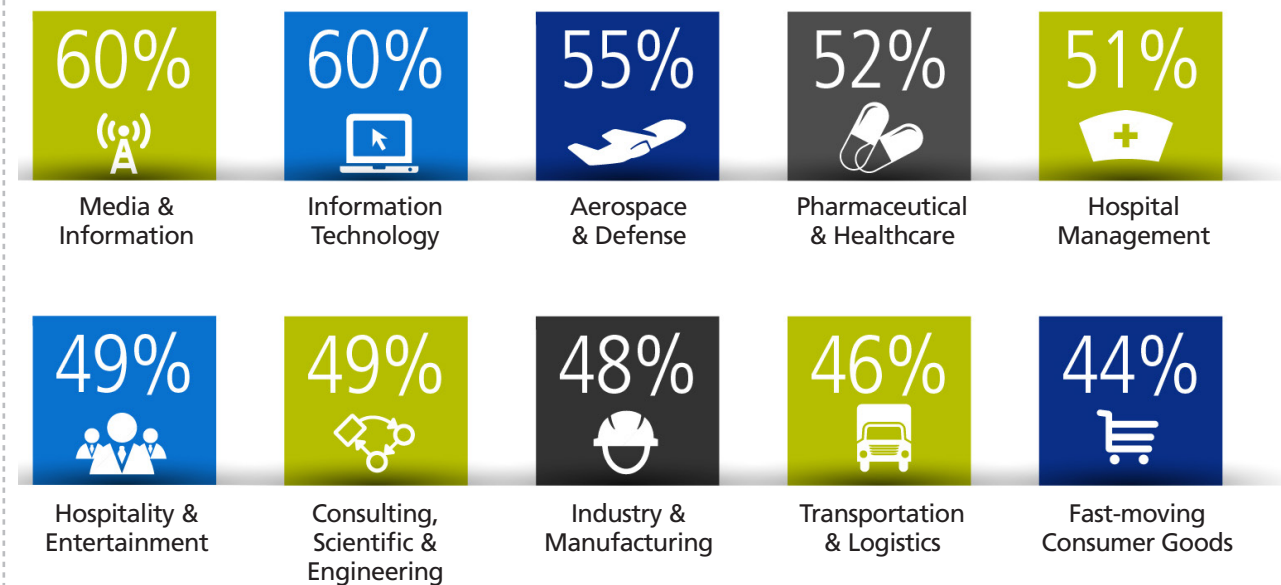
Everyone has heard the phrase, “first impressions mean everything,” and the sentiment rings true as candidates consider potential employers. During the initial phase of job searching, a company's overall brand recognition and employer branding intersect – has the job seeker heard of the company and what personality traits are associated with that recognition?

The 2014 Randstad Employer Branding Survey uncovered the personality traits of companies most sought-after by today's workforce:



Top 10 Most Attractive Sectors

Among respondents who know one or more companies operating in a particular industry, the below shows the percentage who would like to work for companies within those sectors:





Do Employer Brand Promises Interest Workers?

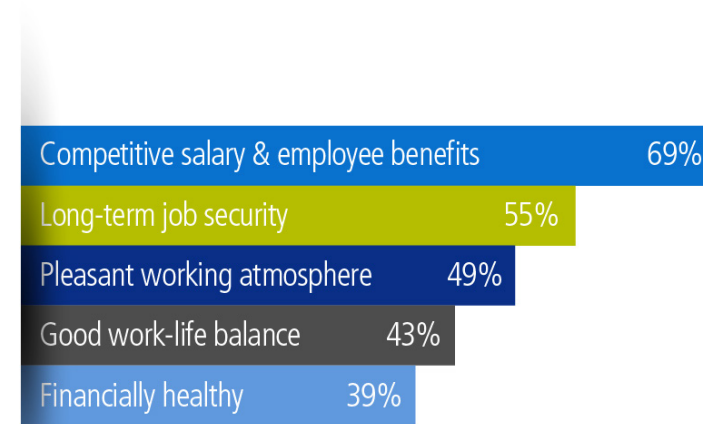
Once potential employees have assessed the symbolic, or “soft,” values of a potential employer, the next consideration is whether the functional, or “hard,” values of the employer brand match up to their expectations. This includes the details of the job and work environment (i.e. salary, benefits, flexibility, etc.) as well as the candidate experience overall.

Employer branding efforts need to continue throughout the candidate hiring experience. Failing to do so can result in a negative candidate experience and deliver a major blow to the employer brand.

In fact, a MysteryApplicant.com infographic revealed that 83 percent of job seekers share their experiences with friends and family, while another 64 percent share it on social media. Therefore, how a company approaches the hiring process will either benefit or damage its brand.

In addition to efforts ensuring the candidate experience mirrors the overall brand attributes and the employer promise, the “marketing” of a job to potential workers must promote the job criteria that are of most interest and necessity for workers today.

According to the 2014 Randstad Employer Branding Survey, the five most important criteria for workers when choosing an employer include:



Perhaps due in part to the economic upturn, many workers are placing greater importance on financial benefit as opposed to job security. And, despite recent aversion and controversy regarding flexible working and telecommuting, the importance of work-life balance remains a key determinant in whether or not they want to work for an organization.



Tailoring an Employer Brand to Address Multi-Generational Candidates

Given the current skills gap and need to secure highly-skilled and diverse talent, companies must engage the multi-generational candidate marketplace by building an employment brand and hiring process that is attractive to the needs and preferences of each generation.

The good news is that the majority of generational criteria are fundamentally alike, in that most want a competitive salary, benefits and some level of job security. However, there are subtle but vital differences in generational preferences that can greatly affect whether a candidate chooses to join an organization or not.

Randstad's survey findings uncover the varying criteria that are of greater importance to each generation, and why.

For employers, it is increasingly critical to attract and recruit the Generation Y or Millennial generation, and understand how they differ in their values, beliefs and lifestyle. Organizations will need to adapt due to the sheer numbers of Millennials who will dominate the workplace in the coming decade.

This is evidenced by a number of quantitative research, including a recent study that found the majority of Millennials prefer a collaborative work-culture rather than a competitive one (88%), and 74 percent want flexible work schedules.⁷ Millennials place a high priority on workplace culture and desire a work environment that promotes teamwork and a sense of community.

For Generation X candidates, the preservation of work-life balance moves up in importance versus the general, aggregate data. This is not surprising given that Generation Xers are most likely to be raising families and are the most frequent users of flexible work options.

Top five criteria for Generation X candidates:

- Competitive salary & employee benefits
- Long-term job security
- Good work-life balance
- Pleasant working atmosphere
- Offers career progression opportunities

Alongside raising families, most Generation X workers remain very active in building their careers and seek out opportunities that will allow them to progress. For example, a recent World-at-Work survey found that Generation Xers are the biggest users of career development services, when compared to other generations.

The Baby Boomer generation is often overshadowed by the Generation Y workforce, however these workers stand to impact employers for years to come. Although the AARP estimates there could be as many as 76 million Boomers facing retirement in the near future, 41 percent of working Boomers say they do not intend to quit working.

Top five criteria for Generation Y candidates:

- Competitive salary & employee benefits
- Pleasant working atmosphere
- Long-term job security
- Good work-life balance
- Offers career progression opportunities

When looking beyond the basics of salary and benefits, Gen Y or Millennial job seekers are most intrigued by an employer brand that promotes a pleasant work environment, job security and the ability to achieve work-life balance.



With Boomers working far longer into retirement than planned, companies will need to adjust to this trend and leverage the wisdom and experience of these employees. Not surprisingly, Baby Boomers prefer an employer brand that offers stability both in the health of the company and in job security, a pleasant working environment and a convenient location.

Top five criteria for Baby Boomer candidates:

- Competitive salary & employee benefits
- Long-term job security
- Pleasant working atmosphere
- Financially healthy
- Conveniently located

For these candidates, an emphasis on phased retirement options such as part-time roles, mentoring roles, non-executive roles, etc. will be important to highlight in an employer branding message. Given a shortage of experienced, higher level talent in the marketplace, recruiting and attracting Boomer candidates will continue to be crucial for companies in the foreseeable future.

Gen Y, They Are Unique

HR and business leaders will need to pay special attention to the acquisition of Millennial talent because these globally-minded youths will make up about 75 percent of the total workforce world-wide by 2025. And, when it comes to the issue of employer branding, Millennials say it matters. In fact, the world's largest brand consultancy, Interbrand, recently found that over 20 percent of employees under the age of 30 say they would prefer to have a lower-paying job with a brand in which they believe in.

For Millennials, the brand attributes they look for in an employer include honesty, reliability and intelligence. Also making the top five list for personality traits Gen Y workers find most attractive in employers, is whether or not the company is well-respected.



Is Employer Brand Validated by Day-to-Day Employee Experience?

Many companies fail to continue their employer branding efforts beyond the hiring process, a potentially catastrophic and costly mistake. It should not be overlooked that an organization's day-to-day working environment reflects its brand. Otherwise, top talent that it has worked so hard to acquire may jump ship after realizing the job, culture or employees do not live up to the employer brand image.

And the damage certainly doesn't stop there. In the social world we live in, word of mouth can spread quick and far, eventually damaging a company's reputation as an employer and making it more challenging to attract top talent. As candidates become acutely aware that a company is not living up to its employer brand messaging, it becomes increasingly more difficult to attract a high caliber of candidates.

For example, many companies today include work-life balance programs as a bedrock of their employer brands—rightfully so given its desire by most workers. However, according to the Randstad Employer Branding Study, work-life balance in the U.S. is most threatened by a bad working environment and poor cooperation with colleagues.

The study asked workers to identify factors that put their work-life balance at risk, and found:



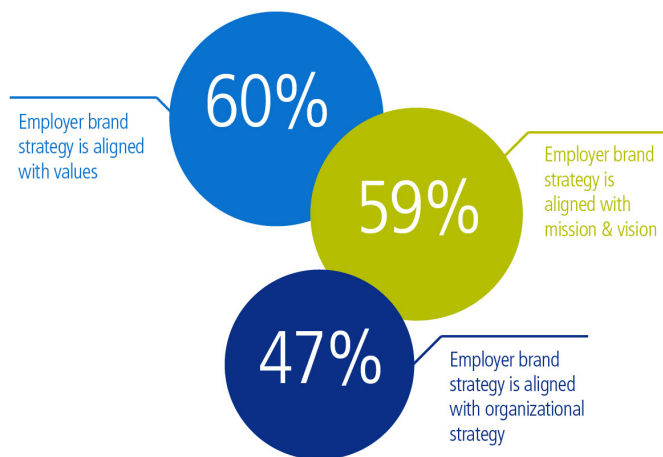
In order to avoid undermining their employer brands, companies need to ensure they are fostering a culture where employees feel supported by their managers and co-workers to achieve work-life balance. This can often be better achieved by formalizing a work-life balance program so that every person on the team or in the company knows what to expect, what support is available and have clear expectations between manager and employee.

Being able to depend on your colleagues and management to move projects or deadlines along in your absence is critical to work-life balance. Furthermore, ensure that employees feel their time away from the office truly is their time. In fact, the latest Randstad Engagement Survey found that only two-in-five employees (40%) reported the blurring of lines between work and home increased their productivity.

The Employer Branding Institute 2013 Global Research Study examined key areas impacting the success of employer brand strategy in national and global companies. The survey asked management and executive leadership at more than 3,000 organizations to what degree their company is “living” their employer brand as opposed to being simply rhetoric.

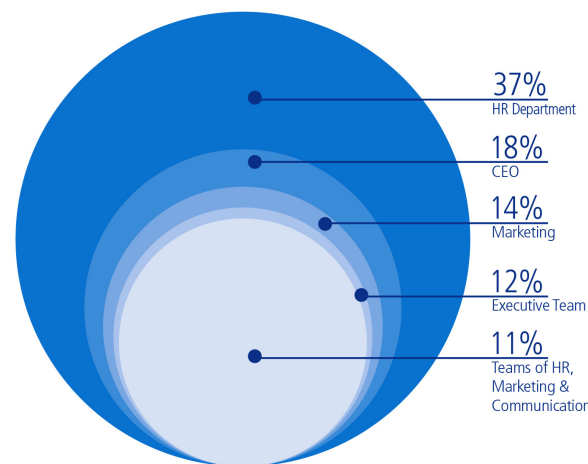
Walk the Walk

Source: Employer Brand International (EBI) 2013 Global Research Study



Who Drives the Employer Branding Strategy?

Source: Employer Brand International (EBI) 2013 Global Research Study

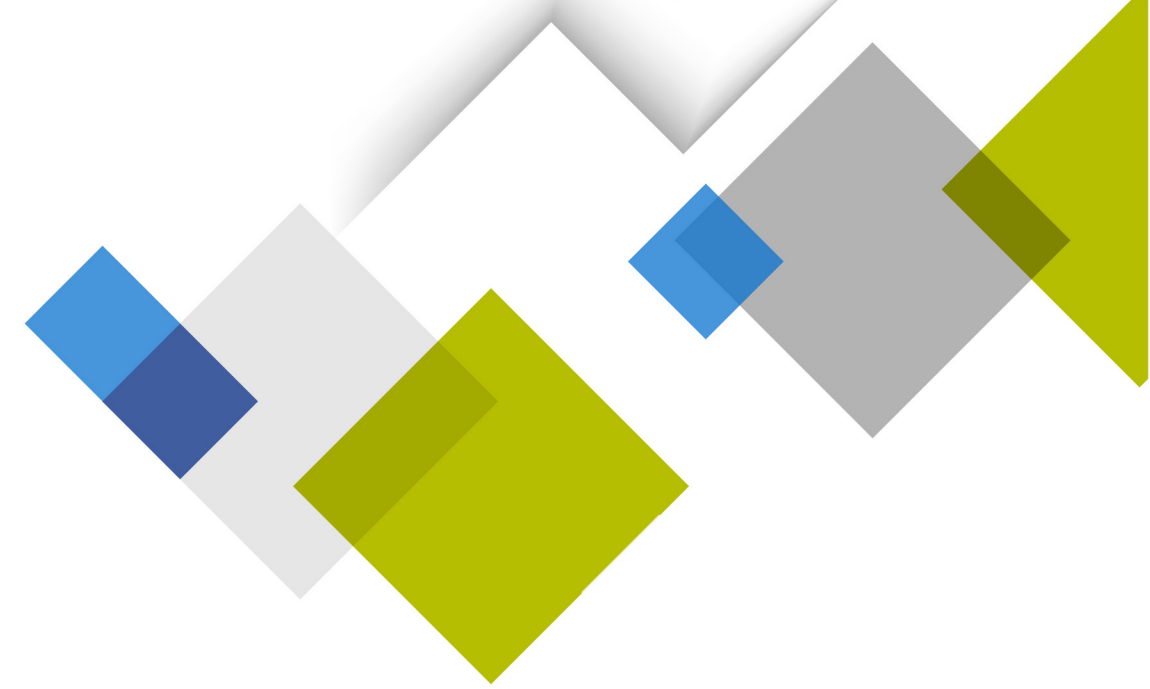


Conclusion

In an increasingly competitive labor market, attracting and retaining talent remains a pressing issue for business and HR leaders. As such, employers need to understand the range of factors that influence career decisions and the role of employer branding in attracting human capital that best fits and contributes to the strategic objectives of an organization. While businesses have long used marketing and branding practices to engender loyalty in customers, there is a compelling need to mirror those efforts to differentiate organizations and make them attractive from an employee perspective. Employer branding strategies cannot be left to chance. Instead, they require a laser focus on building core components – factors like company culture, candidate perception/ experience and employee engagement.


Finally, organizations must ensure that the employer branding message actually exists at their companies. If an organization wants to be known as an employer that values work-life balance, it must create a workplace that encourages team members and co-workers to support one another in their quest for balance. This includes formalizing workplace policies that allow for flexible working, and requiring supervisors or managers to eliminate any issues with lack of cooperation among workers. If a company is passionate about diversity, it must ensure its corporate hiring practices and culture mirror that message. The bottom line is, an empty brand promise can reap devastating outcomes.

For more information on employer branding, visit www.randstad.com/workforce360.



Citations:

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For additional information on employer branding, please visit Randstad's Workforce360 site, by going to www.randstadusa.com/workforce360. Workforce360 is Randstad's panoramic U.S. thought leadership knowledge center that offers valuable insight into the latest economic indicators and HR trends shaping the world of work.