



EMPLOYER BRANDING: OBJECTIVES, CHANNELS AND PERFORMANCE INDICATORS

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Abstract

Employer Branding is the new buzzword for marketers as well as in human resource management. Employer Branding is defined as “targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm. The strategy can be tuned to drive recruitment, retention, and productivity management efforts.” [1]

In the paper to be presented, I will analyze how the single objectives for employer branding are translated into marketing activities and marketing channels, how the performance of the activities is measured and what indicators are used and useful to measure the performance of employer branding in the marketing context. Goal is to provide an overview on various current marketing tools presented in research literature e.g. by Prof. Dr. Christoph Beck and connect it to “customer” / “potential employee” analysis that has been undertaken in the by big recruiting agencies such as Kienbaum or career marketplaces such as Experteer.

1. Employer Branding: Acquiring and retaining “Talent”

The organizational importance for “Talent” has been growing significantly in the last decades. “Human resources are strategically the most important company resource, even though it cannot be expressed in numbers from a financial point of view.” [2] However, trends such as the demographic change, the increase of workforce mobility and the diversification of job-descriptions, especially in the first world make it more difficult to find potential employees and to keep talented managers and specialists at any career-level as motivated employees within the organization. Therefore, the competition for finding and recruiting “Talent” has grown: “All developed economies face a strong and increasing demand for skilled labor, fostered by technological change, population aging and a subsequent decline in the future native European workforce.” [3]

In the annual German HR-trend-study conducted by one of the leading HR-Consultancies, Kienbaum, the 198 HR-managers prioritize “staffing key positions” (47% “high priority” rank 1), “talent management” (38% “high priority” rank 2) and “attractiveness as employer” (31% “high priority” rank 4) as three of the four top priorities of 2011. “Staffing key positions” (49% “high challenge” rank 1) and “attractiveness as employer” (44% “high



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challenge” rank 3) are also top-challenges for this year. [4] Not only HR-managers but also HR-Consultants attribute a high importance to employer branding: In the Employer Branding Study for HR-consultancies conducted by the career-service Experteer, the 112 interviewed consultants have judged Employer Branding as being an important topic for their enterprise-clients (34% “very important”, 49% “important”) and also for their own company (also 34% “very important”, 49% “important”). [5]

So finding talent, presenting the organization as attractive employer and managing A-performers are currently important topics throughout the HR-industry. In five years, employer branding will even gain more importance: 77% of the HR-professionals interviewed have indicated that employer branding will be “very important” in 2016. [6]

“The Employer Brand can be understood as a bundle of benefits with specific, at the same time long term differentiating characteristics (following the theory of Keller 2003), in a way that the substance of an organization as employer is central to the presentation. It is meant to significantly enhance the publicity of the organization as employer, to ensure that employees include the employer in their relevant set. Moreover, the perceived advantages (Brand value) should immediately reflect in the preference-decisions of the target audience and at the same time enable a sustainable differentiation to competing offers of competitors.” [7]

A strong Corporate Brand Umbrella, hosting the Employer Brand as well as the Customer Brand is beneficial to the organization. [8] To create a unified as well as truthful brand image, this brand needs to represent the current company culture. “While the customer brand and employer brand compete in two different markets – one for products and services; the other for talent and commitment – they are closely interrelated. The employer brand, in attracting the right employees and maintaining their commitment to high performance, plays a critical role in building and supporting the customer brand. Likewise, the strength of the customer brand plays an important role in attracting the right people to come and work for the company. Once employed, the pride they share in the company’s external reputation helps in maintaining their loyalty and commitment to delivering on the company’s brand promises to its customers.” [9]

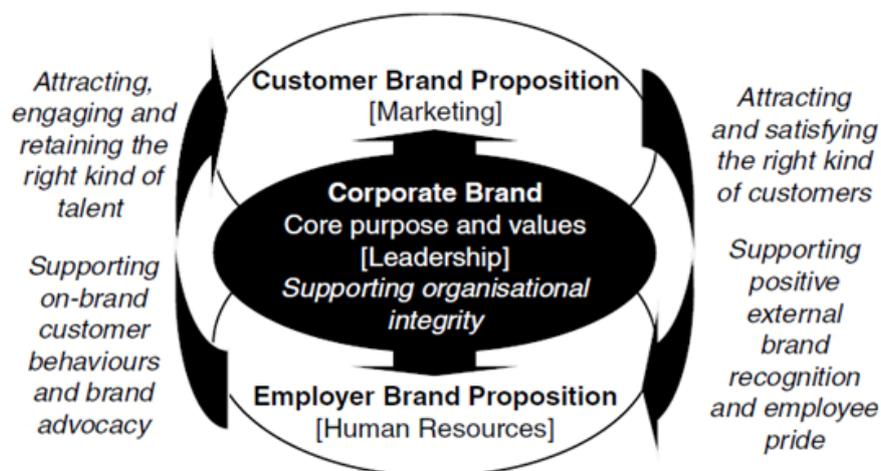


Figure 1. Integrating the Employer Brand with the Corporate Brand [10]



A successful Employer Brand needs to be closely integrated with the Corporate Brand. Core Proposition, Brand Values and Brand Personality need to reflect the organizational culture and ensure that the derived external and internal customer- and employee-propositions are homogenous. Hence, Employer branding is essential for creating a brand equity management system that will maximize long-term brand equity. A strong brand needs a brand-driven organization, which can assimilate the brand into employees. [11]

2. Objectives and Business-Impact of Employer Branding

The Employer Brand is much more than communication of internal marketing messages. A fully integrated brand behavior is evident in personnel management, corporate structures, leadership and communications. Therefore, employer branding should be driven top-down by the CEO and top-management. However, according to the previously mentioned Kienbaum-study, only 5% of the organizations attribute the responsibility for employer branding to top management. In 50% of the companies interviewed, the responsibility for employer branding is mainly in the HR-department, in 26%, HR and marketing share the responsibility and in 5% of the organizations, only the marketing-department is responsible for employer branding. [12]

“While the employee experience is far more complex than any service experience, there is a recognition that organizations would benefit from adopting a similar approach. People management involves a wide range of ritualized processes and HR ‘products’ that can be described as employee touch-points.” [13] Since Employer Branding is closely integrated with the organizational culture, values and beliefs, it entails a full framework for governing the everyday experience of employees through the communication and behavior of their immediate line managers and corporate leaders.

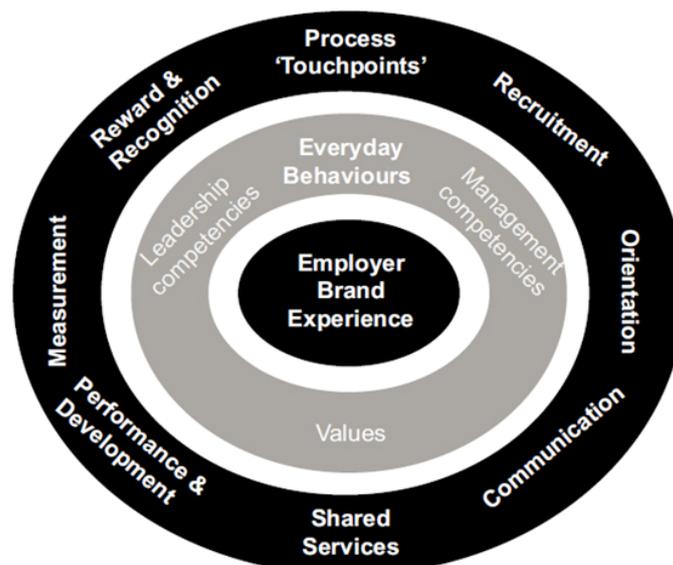


Figure 2. Employer Brand Experience Framework [14]



and inwardly directed external communication represent the concrete employer branding. All of these elements represent brand-oriented behavior.

A consistent management of these factors will result in a better understanding of the Employer Brand, which will again lead to an increase in brand-consistent behavior and communication and will transform employees into brand advocates. In this process, the support of senior management is crucial. “Organizations that intend to fully reap the benefits of becoming brand-driven need to work to create the internal culture that encourages and supports on-brand behaviors. Like any form of organizational change, affecting it begins at the top and filters down from there.” [16]

This brand-consistent behavior can be supported by various activities. These activities can be structured into different phases depending on the fact whether you are a potential employee, a future employee, an existing employee or a past employee.

In the association-phase (“Assoziations-Phase”), the organization needs to generate the first awareness as company and brand. In the orientation-phase (“Orientierungs-Phase”) potential candidates start to associate themselves with the company and in the matching-phase (“Matching-Phase”) information- and communication tools are used to support potential employees to realize whether they are a potential match with the organization and a role within the organization. Tools used in the bonding-phase (“Bindungs-Phase”) are targeted at attracting existing employees and bonding them to the organization they work for. In the ex-post-phase (“Ex-post-Phase”) the network with employees who have left the organization is maintained.

However, being a growing discipline, employer branding is not as well-established as it should be in theory. Currently, the focus of employer is mostly the acquisition of new talent/recruiting. Therefore, also the set of tools mentioned above is mainly focused at the association-phase. Both, HR-consultants and managers in HR-departments consider the own company-page as most important employer branding tool, followed by job-advertisements and networking-activities such as (online) business-networks, social-networks and networking-events such as (recruiting-) tradeshows. Media- and PR-activities are also mentioned, but in both studies they only have secondary importance. [18] [19]

4. Performance Indicators for the Effectiveness of Employer Branding

The majority of organizations have not established performance measurements for their employer branding activities yet. According to the Kienbaum-study, only 39% of the companies inquired have established controlling-measures for their employer branding measures. [20]

Summarizing the descriptions of Employer Branding above, it represents a “targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm. The strategy can be tuned to drive recruitment, retention, and productivity management efforts.” [21]

One goal of every employer branding activity is a higher brand awareness and positive brand attitude with future, potential, existing and previous employees as well as other organizational stakeholders.

Performance-focused measures vary by the performance goal that should be achieved. Main goals for employer branding can be recruitment, retention and productivity.

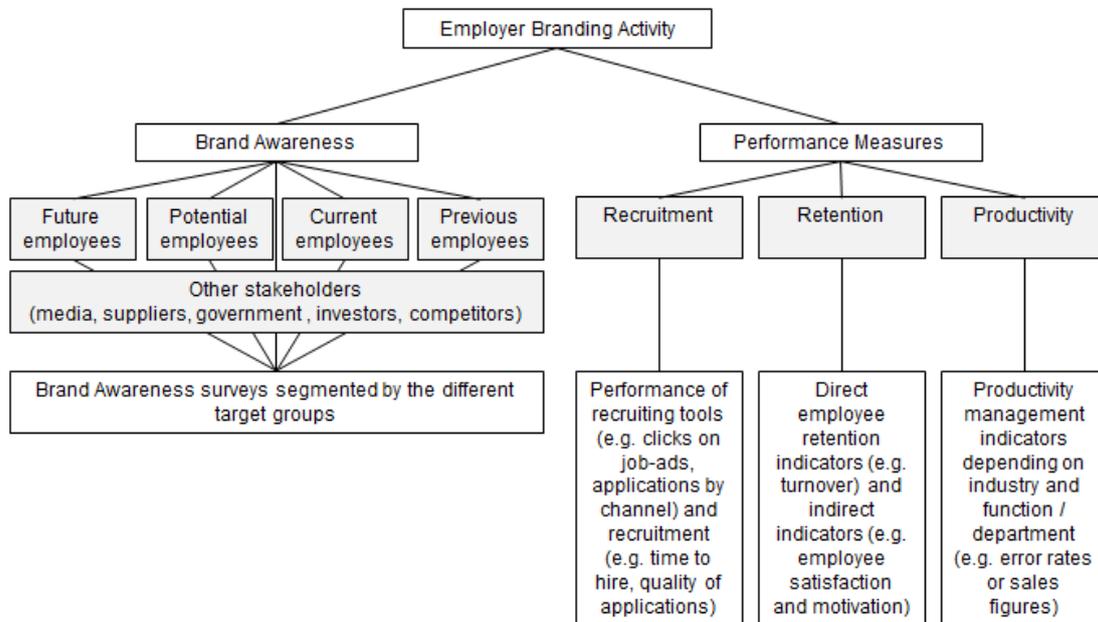


Figure 4. Measurement Tools for Employer Branding Activities

Looking at the goal of recruitment, the performance of the recruiting tools such as job advertisements, networking events, the recruiting-webpage and the quality of the recruitment-activities and the process itself need to be measured. Appropriate measure would be clicks on job applications, page views of the recruiting page, number of candidates visiting the network event, number of applications sent etc. Regarding the quality, appropriate measurements are quality of the applications sent, time to hire and the number of applicants remaining in the organization after the probation period.

Looking at the goal of employee-retention, direct and indirect retention indicators can be looked at. Direct retention-indicators are absenteeism, sick leave, employee-turnover or – fluctuation and churn rates. Indirect indicator besides performance measures, which will be further discussed below is employee-motivation and –satisfaction. A high satisfaction of the workforce has a positive impact on employee involvement [22], the performance of employees [23], the satisfaction of the organizations’ customers [24] and other performance indicators. Moreover, the positive attitude towards the organization will result in higher creativity of employees, more innovation, more participation in workshops and discussions, decline in sick leave times and higher loyalty [25]

To measure employee-satisfaction, commonly employee satisfaction surveys are used. “Based on different methodology, a large number of measuring instruments for job satisfaction were developed. The reasons for this diversity in measuring instruments are subject to the different objectives in drawing up the criteria and the measures of job satisfaction. A further difficulty is that there are different operational definitions, the respective designs of the instruments have been based on.” [26] Depending on the organizations’ previous measures



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used, the existing employee satisfaction survey can be used, augmented or a new survey needs to be introduced.

As mentioned above, there is interdependency between retention and productivity. Motivated employees knowing their tasks and their market are more productive and therefore enjoy their jobs more. “The task is the motivation of employees to produce high-quality output. Motivation is closely linked to Employee satisfaction [...], which is one of the main motive forces of future company output. Moreover, a content employee has no reason to change his/her occupation reducing workforce fluctuation. Consequently, the costs of training new employees are reduced and revenues are maximized by using trained employees [...]” [27]

Looking at the goal of performance management, measures need to be independently defined based on the industry the company is working in. It might even be necessary to set different productivity goals by department and function. Popular measures are number of items produced and error rates for production departments, sales rates and revenue achieved for sales and also marketing departments, delivery times, delivery rates and number of broken items for logistics departments etc. Of course, these factors are not only influenced by employer branding, however employer branding can play an important role in improving those factors.

Of these many performance indicators that could be measured, only few indicators are paid attention to by HR-departments: Those organizations, who do measure the performance of their activities (39%), mainly focus on retention/ fluctuation of employees (61%), number of unsolicited applications (55%), position in employer-rankings (52%) followed by click rates on recruiting-websites (48%). [28] – These disillusioning results show that there still is a long way for employer branding to be established throughout the channels it should be established in and to be measured properly.

5. Conclusion

The holistic concept of employer branding is just about to be established. According to the opinion of HR-experts, HR-managers and HR-consultants, it is and will be an even more important concept to guarantee the needed supply and motivation of the important factor workforce. A whole set of tools for creating and managing a perception of a potential or existing employer is already established, however, only few tools are used systematically by HR-departments and also the measuring of those employer branding activities is not properly managed yet.

To successfully acquire and manage future, potential, existing and previous employees, organizations will have to go a long way in establishing a brand strategy, management- and marketing-tools in line with the organizational culture and measuring-tools to properly analyze the efficiency of the derived employer branding activities.

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