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The Employer
Brand:
A Strategic Tool to
Attract, Recruit and
Retain Talent

By implementing a well-aligned employment brand, organizations can increase their likelihood of attracting and retaining employees that best ‘fit’ their culture.

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Introduction

In today’s competitive business environment, skills and talent shortages require new staffing and retention strategies. As highlighted in the 2007-2008 Trends List from the Society for Human Resource Management, one such strategy is the increased organizational focus on employer branding.¹

For better recognition and economic gain in the marketplace, organizations develop a distinctive brand. While the purpose of an employer brand is multi-faceted, HR professionals increasingly use the employer brand to attract, recruit and retain talent. New research on employer branding, conducted by SHRM for the purpose of this article, finds that HR professionals report a positive impact of the employer brand on recruitment and retention. In fact, 61% of companies now have an employer brand and 25% either recently developed their employer brand or are planning to do so within the next 12 months. This article discusses the competitive advantage of the employer brand in staffing management.

Employer Brand—A Value Proposition

What does the company stand for? What is the value proposition extended to potential and existing employees? The answers are revealed in the organization’s employer brand. The employer brand can be defined as the image of the organization as a great place to work in the minds of current employees and key stakeholders in the

external market (active and passive candidates, clients, customers and other key stakeholders). The employer brand captures the essence

HR professionals increasingly use the employer brand to attract, recruit and retain talent.

of a company in a way that engages employees and stakeholders. It expresses the firm’s value proposition, reflecting the organization’s culture, systems, attitudes and employee relationships.²

Today, candidates and employees alike want to know ‘what’s in it for me?’ Specifically, prospective and current employees seek to know the benefit of working at one company over others. At the same time, availability of talent is shifting with the baby boom generation retiring, some older workers choosing to work longer and the incoming

Generation Y bringing challenging expectations. In view of these changes, an effective brand is a vital tool for staffing management.

The employer brand statements in Figure 1, taken from the company career web pages, clearly mirror the overall brand slogans for which the companies are known and provide a sense of their organizational culture. These types of employer brands draw candidates and help retain talent.

An Effective Employer Brand

In many respects, the employer brand trend has been propelled forward in reaction to the deterioration of trust in business. Consequently, organizations and HR are

Figure 1 | The Employer Brand: Sending the Right Message

Company	Brand Slogan	Employer Brand
Microsoft	Your potential. Our passion.	How far can your potential take you?
Johnson & Johnson	Family of Companies.	Small-company environment. Big-company impact.
AT&T	Your world. Delivered.	Exciting Positions. Energized Environment. Cutting-Edge Technology.
Charles Schwab	Talk to Chuck.	We're looking for a different kind of employee.
Nike	Just do it.	We're all about sports. And then some.

Source: Society for Human Resource Management. (2008). Author compilation from company web sites.

under increasing pressure to present their company as a reputable place to work. They use the employer brand to bolster confidence in the company from the perspective of both the current workforce and candidates considering employment with the company.³

An effective employer brand is a long-term strategy with a transparent message. It reflects how the organization wants prospective and current employees to see the company. The most highly successful companies have three top goals for their employer brand: helping employees internalize the company's values, achieving a reputation as an employer of choice, and recruiting and retaining employees.⁴ In fact, global brand success of major corporations is now tracked, with results published annually by *BusinessWeek*.⁵

A 2006 study on employer branding, conducted by EMERGE International and Rada Advertising, revealed that a majority of organizations view employer branding as a recruiting tool for competitive advantage. In fact, two-thirds believe their brand assists them to at-

tract and retain top talent, 85% said that employer branding is important to their organization and 49% identified the employer brand as one of the top five strategic initiatives for their firm in the next year.⁶ The strategic role of the employer brand in staffing management is supported in a 2007 SHRM Foundation report, in which the C-suite identified recruiting and retaining

talented employees as a key human capital challenge for the future.⁷ Additionally, findings of SHRM's survey on employer branding show that 81% of HR professionals said their organizations have either a formal or informal HR strategy to use their employer brand to attract talent and 69% use this strategy to retain talent. Ninety-seven percent of HR professionals said their employer brand is aligned with the company's mission and vision, and 95% also align it with the company's business strategy. These research studies confirm the im-

portance of an effective employer brand for staffing management.

Finally, in their book, *Brand From the Inside*, branding experts Libby Sartain and Mark Schumann, who helped build the highly successful employer brands at Southwest Airlines and Yahoo!, explain that it takes time to establish and communicate the employer brand. Once

The employer brand is best supported by a solid talent management strategy.

it is done correctly, "the power of the employer brand will permeate through the entire organization." They emphasize that in order for employees to 'live' the brand and deliver it to customers, employees must fully understand the meaning of the brand's message behind the service or product and believe in its authenticity (see Figure 2). At Southwest Airlines, for example, employees connect with the employer brand, "the freedom to pursue good health, create financial security, learn and grow, make a positive difference, travel, work hard and have fun, work and innovate, and stay connected."⁸

Figure 2 | Three Key Points for an Effective Brand

1. Holistic: It applies throughout the company and throughout the internal and external markets.
2. Known and understood throughout the company: All employees know the brand's message and (more importantly) how it applies to them.
3. Known in the employment marketplace: Candidates will be familiar with the brand and apply to the company on the strength of the brand—for example, McDonald's "food, folks, and fun," Southwest Airlines' "freedom" or L.L. Bean's "outdoors enthusiast."

Source: Dell, D., Ainspan, N., Bodenberg, T., Troy, K., & Hickey, J. (2001). *Engaging employees through your brand*. New York: The Conference Board.

HR's Role in the Employer Brand

The employer brand is best supported by a solid talent management strategy. HR's participation in the establishment of strategic organizational goals, the workplace culture, corporate core values, management style and community

outreach strongly influences the employer brand. HR professionals who work in talent management, benefits and compensation, employee relations, knowledge management, and leadership development are all engaged in positions that ultimately have an impact on staffing.

In fact, a key HR role is to raise awareness of the employer brand, such as through recruitment advertisements, the company web site, presentations at conferences and community events. From the company reputation to the routine experience in the workplace (i.e., getting paid on time, health benefits being accurately processed, timely reimbursement of expense reports), HR itself ‘brands’ the workplace.⁹ For example, the candidate’s experience with the company—from the initial phone screening to the final interview—should reflect the employer brand. Was the candidate treated with respect? Were the interviews held on time? Did the

interviewers seem genuinely interested in the candidate? By keeping this information in mind, staffing professionals will better understand

When selecting a company, candidates carefully consider stability and growth, advancement opportunities and a reputation for being ethical.

their own important role in the employer brand.

Developing an employer brand also requires teamwork and support from top management. Culture shifting and employee retention are every manager’s concern, from the top down—not just the responsibility of human resources (see Figure 3). Most importantly, the cost of recruitment and turnover is essential to successfully make the business case for the employer

brand. For those HR professionals who are developing an employer brand and who want to ‘check in’ with their workforce, it is highly

recommended to survey the workforce to learn what is important to employees and how they view the company. This information will also help staffing professionals better focus on the organization’s strengths when presenting the company to candidates.¹⁰

Organizational Culture and Fit

SHRM research on employer branding found that organizational culture is a keen variable in both recruiting and retaining talent. Individuals join and stay with a company when they identify with the organization’s mission, vision and values. It is this cultural fit that either draws or repels candidates and employees. The research revealed that the top three factors that influence recruiting are corporate core values, a team-based culture and a reputation as an employer of choice. For retention, the top three factors are also corporate core values and a team-based culture, followed by HR policies and practices (e.g., benefits and compensation package, flexible hours, pay for per-

Figure 3 | Tips to Create an Employer Brand

- Understand the company’s business objectives and commitment to growth.
- Know what talent/skills the company needs to accomplish its business goals and objectives.
- Know the organization’s brand attributes—what makes your company stand out to candidates and employees, in contrast to the competition.
- Be sure there is synergy with the corporate brand.
- Develop a communication plan (the labor market, media, timing, execution).
- Develop the creative content and the message.
- Use metrics to assess and track the success of the employer brand campaign. What are the results regarding hiring and retention? Calculate cost, quality, speed and efficiency.
- Evaluate, execute and extend the brand message into the marketplace.

Source: Brand your company to get—and keep—top employees. (2006, October). *HR Focus*, 83(10), 7-9.

formance, work/life balance). For staffing professionals new to the employer brand concept, this information provides valuable context. HR leaders will want to ensure their company offers a competitive package as well as programs and policies that attract and retain talent.

Other components of organizational culture play an important role in staffing management. SHRM found that when selecting a company, candidates carefully consider stability and growth, advancement opportunities and a reputation for being ethical. To retain valuable talent, HR professionals report that clear and consistent commitment from top management is essential. HR policies and programs, such as superior benefits, employee rec-

ognition programs, a flexible work schedule and different perks (e.g., on-site child care, recreation centers/memberships, hotel discounts

The company reputation is critical for successful recruiting.

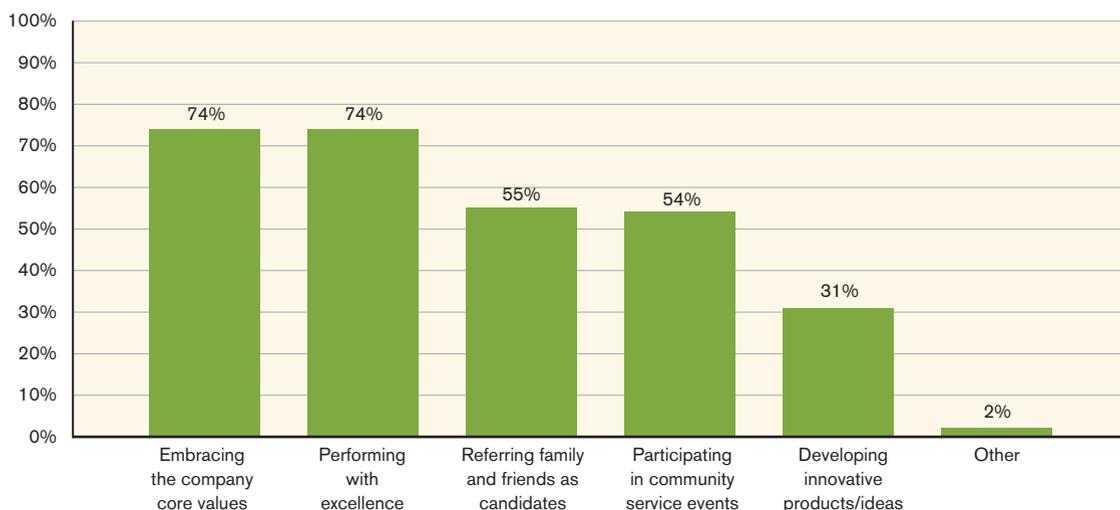
and bringing pets to work) all help to draw candidates to an organization and retain employees in the workplace. As staffing professionals develop and refine their recruitment and retention programs, they will want to keep this information in mind.

Additionally, the company reputation in the marketplace is influenced by how employees demonstrate their commitment to the company

(see Figure 4). The top three ways that employees enhance the organization's image is by embracing company core values, performing

with excellence and referring family and friends. It is through 'word of mouth' that highly qualified individuals are recruited, since committed and loyal employees tend to strongly influence the caliber of candidates they refer. Additional ways to promote the organization's positive attributes are leading by example, informing others about the company's mission and vision and speaking positively about the work environment.

Figure 4 | How Employees Can Promote Organization's Reputation and, by Extension, the Employer Brand



(n = 260)

Note: This figure includes only respondents from organizations with a recognized employer brand. Percentages do not total 100% due to multiple response options. Source: SHRM Staffing Research: The Employer Brand: A Strategic Tool to Attract, Recruit and Retain Talent

Attracting and Recruiting Talent

According to SHRM research on employer branding, 74% of HR professionals cite the company reputation as critical for successful recruiting. In fact, the top three factors that best attract talent are compensation and benefits, being known as an employer of choice and the organization’s culture. For the most effective results, a targeted recruiting strategy is highly recommended. Recruiting is also influenced by the company’s policies on family-friendly benefits, corporate social responsibility and diversity.

In today’s competitive marketplace, candidates also want to know how a company describes itself and its goals as compared with other organizations. Therefore, many firms now take specific actions to better communicate their employer brand to prospective candidates (see Figure 5). The most common action is updating the company web site, often the first place a candidate goes to learn about a company. Other common, and important, actions are updating the company’s mission and vision statements as well as corporate core values. Some companies highlight initiatives of interest to candidates, such as leadership development, diversity and community projects. As seen in recent years, many companies now apply for ‘best place to work’ awards and prominently post this information on the company home page, as these awards inform prospective candidates that the organization is considered an employer of choice.

When a company develops a branding initiative, there are typically a number of cultural and policy

changes. These changes are intended to improve visibility in the marketplace and promote the ad-

Figure 5 | Action Taken to Better Communicate the Employer Brand to Prospective Candidates

(n = 261)

Updated the company web site	67%
Highlighted company initiatives, such as community service projects, on the web site and/or in printed materials	58%
Developed an organizational tagline (e.g., SHRM’s tagline is Leading people. Leading organizations.)	56%
Communicated about the organization’s brand in a way that is understandable to everyone	52%
Established and/or updated corporate core values	47%
Updated the company mission and vision statements	41%
Developed and implemented a communication strategy (e.g., letters from the CEO, in-house meetings, recognition and rewards)	40%
Other	6%

Note: This table includes only respondents from organizations with a recognized employer brand. Data sorted in descending order. Percentages do not total 100% due to multiple response options. Source: SHRM Staffing Research: The Employer Brand: A Strategic Tool to Attract, Recruit and Retain Talent

Figure 6 | Recruitment Outcomes Organizations Experienced as a Result of the Employer Brand

(n = 255)

Hiring the right people	55%
Greater number of qualified candidates	49%
Reputation as an employer of choice	45%
Increased number of employee referrals of qualified candidates	41%
Lower turnover	32%
Increased number of diverse candidates	30%
Increased percentage of candidate acceptance rate	26%
Increased employee satisfaction	24%
Positions filled more rapidly	23%
Decreased attrition of critical skill groups	12%
Higher productivity	11%
Other	1%

Note: This table includes only respondents from organizations with a recognized employer brand. Excludes HR professionals who reported “nothing” or “not sure.” Data sorted in descending order. Percentages do not total 100% due to multiple response options. Source: SHRM Staffing Research: The Employer Brand: A Strategic Tool to Attract, Recruit and Retain Talent

vantages of working at the organization. SHRM research found that changes designed to attract candidates include the following: 1) 48% of companies update printed materials about the company and/or benefits programs; 2) 37% design or update recognition and reward programs; 3) 32% develop or update the employee referral program; and 4) 30% update HR policies and programs, such as family-friendly benefits. Many companies create a new logo and tagline, adding them to company recruiting materials and the web site.

Finally, SHRM research found that organizations experience positive outcomes in recruiting as a result of using an employer brand (see Figure 6). Among the results cited by HR professionals are hiring the right people (55% of respondents), having a greater number of qualified candidates (49%), being known as an employer of choice (45%), seeing an increase in the number of employee referrals of qualified candidates (41%), experiencing lower turnover (32%) and having more diverse candidates (30%). Other results include increased candidate acceptance rates, more rapidly filled positions and a decreased attrition of critical skill groups. These outcomes clearly illustrate the power of the employer brand for effective recruiting.

Retaining Talent

For retention, the employer brand serves a dual purpose. HR professionals use the employer brand to educate employees about the mission of the organization and their

role in that mission (customer service—internal and external) and, at the same time, help retain valuable talent.

The top three most important actions that organizations take to better retain employees are designing and/or updating recognition and reward programs (50%), celebrating goals achieved, such as with parties, free lunches, additional vacation days or personal days (46%), and developing a company intranet with information readily accessible to employees (37%). Other actions include linking corporate values with performance, holding in-house meetings about the employer brand and role modeling of corporate core values by the CEO and senior management.

Companies take a number of actions to better communicate the employer brand to their own workforce in order to further improve retention. In fact, 63% of HR professionals report that their organizations aim to effectively communicate information about the brand in a way that is understandable to everyone. In addition, 63% of companies are updating the company web site,

60% highlight company initiatives (e.g., community service projects), 51% are developing an organizational tagline and establishing and/or updating corporate core values, 41% are updating the company mission and vision statements, and 27% are applying for a ‘best place to work’ award or highlighting a current employer of choice award to their employees. In fact, as a result of leveraging the organization’s employer brand, HR professionals report significant positive results for retention. The primary results are an increase in employee satisfaction (52%), lower turnover (48%) and hiring the right people (46%).

While staffing professionals may not have direct responsibility for retention goals, the link between recruiting and retention is critical. Data from SHRM’s Strategic Research show that the average cost-per-hire is \$2,915, with the annual average voluntary turnover rate at 12%.¹¹ The strategies mentioned earlier lead to lower turnover and higher retention and, in turn, to lower cost-per-hire. Such costs have a significant impact on the company’s bottom line. Thus, when the employer

Figure 7 | Questions to Consider Regarding Your Company’s Employer Brand

- Do employees share a sense of mission and direction?
- What is the impact of your company’s reputation as a place to work on your recruitment efforts?
- What would your employees, and their friends, say about what it is like to work at your company?
- Do your employees feel they get a return on their emotional investment in the company?
- Do you know why people accept offers and why people leave?

Source: Adapted from Sartain, L., & Schumann, M. (2006). *Brand from the inside*. San Francisco: Jossey-Bass.

brand accurately represents the company culture and when staffing professionals clearly communicate the advantages of working for the company to candidates, there is a greater likelihood of hiring the right people and then retaining them.

Lessons Learned

For staffing management, evaluating the effectiveness of the employer brand is key. Evaluation can be accomplished through many means. Focus groups and surveys are useful to learn what employees think about the brand and the company. It is recommended to ask questions on topics such as work/life benefits, compensation and benefits, learning and development, career opportunities, management support, cooperation among co-workers, stimulating work, time off, and facilities. A common pitfall is when companies focus solely on making changes to the web site and not within the workplace culture itself.¹² Staffing professionals will want to ensure they are part of the reinventing process to share their viewpoints on recruiting challenges.

Research by The Conference Board highlights a number of key lessons regarding the employer brand. In today's tight labor market, company leaders say that the lack of an employer brand identity can significantly undermine staffing strategies. Many regret they had not begun branding efforts much earlier, more intensively and with priority by senior management. They find that for the branding process, culture—with focus on leadership and communica-

tion—is critical and building trust is essential.¹³

As a result of branding evaluation, many companies choose to 'reinvent' themselves. For example,

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companies that have been around for a long time may need to upgrade their image to attract talent. One such company is Union Pacific, a 145-year-old Nebraska-based railroad transportation company. The company had to overcome perceptions in the marketplace of a 'stodgy old railroad' and replace that image with a Fortune 200 company in growth mode with great technology and career opportunities. In order to reposition its brand, in early 2007, Union Pacific launched a newly designed web site, with fast-moving videos with rock music in the background and employees talking about their job satisfaction.¹⁴

Measurement is also necessary for evaluation. Organizations may or may not have yet developed metrics specifically around the employer brand. Examples of such measures are ongoing engagement data, pulse surveys, cost-per-hire and turnover, recruitment surveys to capture the experience of candidates, and employee focus groups. From these sources, staffing and HR professionals can gather data about what it

means to work at the organization, from both the employee and prospective candidate viewpoints. Other key evaluation questions are noted in Figure 7.¹⁵

In Conclusion

As organizations define and refine their employer brand and communicate it to the marketplace, staffing management professionals will likely see positive results in attracting, recruiting and retaining talent. HR must take advantage of the employer brand and reap the rewards for retention, productivity and employee satisfaction, ultimately reflected in savings for the bottom line.

Survey Methodology

To support this article, SHRM conducted a survey to explore how HR professionals use the employer brand as a strategic tool to attract, recruit and retain talent. A sample of 3,000 HR professionals employed by companies in the United States was randomly selected from SHRM's membership database, which included approximately 225,000 individual members at the time the survey was conducted (December 2007). Only members who had not participated in a SHRM survey or poll in the previous six months were included in the sampling frame. Members who

were students, consultants, academics, located internationally or had no e-mail address on file were also excluded from the sampling frame. In the end, 2,630 e-mails were successfully delivered, and 439 HR professionals responded, yielding a response rate of 17% (the number of respondents is indicated by “n” in figures and tables). The survey was fielded for a period of two weeks, with four e-mail reminders sent to nonrespondents in an effort to increase the response rate.

About SHRM

The Society for Human Resource Management (SHRM) is the world’s largest professional association devoted to human resource management. Our mission is to serve the needs of HR professionals by providing the most current and comprehensive resources and to advance the profession by promoting HR’s essential, strategic role. Founded in 1948, SHRM represents more than 225,000 individual members in over 125 countries and has a network of more than 575 affiliated chapters in the United States, as well as offices in China and India. Visit SHRM at www.shrm.org.

Endnotes

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