Rules of Attraction
Recruit and retain the best staff with employer branding.

By Melissa Johnson and Phil Roberts

The recent economic slowdown sent many companies scrambling to cut spending across the board. Now, as the economy seems to be rebounding, companies are looking to reposition themselves as employers of choice, and to define what that means to all of their constituents. Mergers, acquisitions, bankruptcies, hiring freezes, and layoffs have distorted company identities and rattled employees’ sense of security. Employer branding is perhaps the best way to redefine—and vastly improve—the way companies recruit and communicate with an often overlooked audience: their employees.

At heart, employer branding is the articulation of a company’s brand positioning within its recruiting and human resources (HR) marketplace. That might sound dry and technical, but generally the result is quite the opposite. Much like how companies develop consumer brands, an employer brand is driven by how companies wish to create expectations, communicate values, and influence perceptions. It expresses, often vividly, what the experience is like on the inside.

Employer branding involves basic marketing strategies: fine-tuning how to position the company so it’s seen and experienced in a way that draws the most qualified people, and relaying operating principles so candidates and employees understand and are invested in them. Clients and customers might pay the bills, but it’s the people behind the scenes who enable that. Attracting and keeping the best is what an employer brand is all about.

Ensuring strong branding initiatives can be the key to a company’s staying power. This is because employer branding optimizes recruitment as it encourages employee productivity, loyalty, and retention. And this leads to business growth. So, although once thought of as trendy, employer branding is now showing up in marketing and HR budgets. It’s quickly becoming key to performance measurements by top management; just look at any company balance sheet in the “goodwill” or “intangible asset” section.

Employee Perspective

It’s estimated that at least 40% of employees plan to leave their jobs once the economy and labor-market confidence improve. Some of the principal reasons people do so (in order of importance):

• The company’s reputation and organizational structure doesn’t meet their expectations.
• They feel unappreciated in their day-to-day experience.
• They sense a lack of support.
• The company provides unclear communication of advancement opportunities.
• They are dissatisfied with compensation.

Notice that compensation is not at the top of the list. Although many companies are trying to entice candidates with bonuses and pay increases, they’re missing the primary causes of resignation.

In a study conducted by Bayard Advertising Agency (www.bayardad.com), a national recruitment company, 40% of job seekers ranked treatment of employees highest in their perception of organizations. Quality of the company’s products or services also ranked as important (29%) in determining its reputation as a place to work. Also, 77% didn’t rank a company’s financial health as their top priority in determining its reputation. Although 20% of respondents were unfamiliar with the term “employer branding,” a whopping 95% felt that it was “important.” This tells us that corporate reputation is a major factor for job seekers and employees.

---

Exhibit 1
Employee perspective

![Bar chart showing percentage of employees who consider their company's products/services better than competitor's](chart.png)
And in a recent survey by the Geneva-based World Economic Forum, more than 77% of employees believed that reputation had become more strategically important—not just for their careers, but also for their company’s success. As Benjamin Franklin said, “Glass, china, and reputation are easily cracked, and never mended well.”

Also, in a 2002 poll by Maritz Research in Fenton, Mo. (www.maritzresearch.com), nearly half of all American workers (49%) indicated their company’s brand or image played a key role in their decision to apply for the job. In addition, 90% of those people considered their company’s products/services better than those of the competitor. Only 78% of respondents weren’t influenced, by reputation, to join their company. (See Exhibit 1.)

Preparation and Process

There are several steps you should take before embarking on employer brand development:

• Create a strategy built on vital information and data.
• Address corporate identity and brand guidelines in the early stages.
• Invest by involving employees in the process.
• Be realistic in how you set and communicate goals.
• Consider budgets early, so you have the resources for bringing the brand to life.

The main elements of employer branding are: positioning, the strategy defining where you fall on the competitive landscape of where to work; personality, who you are as an employer (your values and vision); promise, how you set expectations for candidates and employees; and message, the compelling and insight-revealing values/goals/benefits you communicate.

The process starts with identifying what drives your existing brand: the perceptions and beliefs people have about your organization. According to Louis Naviasky, executive vice president of Bayard: “An employer brand isn’t simply the HR department getting together with its ad agency and coming up with the ultimate ad campaign. [Branding] is about examining the realities of your organization and getting to its essence.” It requires rigorously examining all organizational facets.

After this initial assessment, it’s time to set up measurable and attainable business objectives for the employer branding campaign. It’s also beneficial to enlist a recruitment advertising and/or marketing communications agency. These professionals have the advantage of a multi-industry perspective, and focus on HR communications, employer branding strategies, and execution. Recruitment advertising agencies also have expertise with the research tools and techniques leading to a well-informed brand strategy. The best agencies easily can translate brand strategies into compelling and creative ones—utilizing competitive review, interviews, focus groups, and employee surveys for ultimate success.

Then, introduce the brand and monitor progress through a well-defined response management program (track employee referrals, processed resumes, tendered and accepted offers, retention rates, and job posting hits). This is crucial. A recent focus study reported that only 20% of companies were measuring the consequences of their employer branding initiatives.

The Right People

Establishing a consistent employer branding strategy takes the efforts of both marketing and HR. This partnership can result in many advantages, including shared advertising dollars, improved use of resources and budgets, production efficiencies, enhanced decision making, consistent image, and better communication. Carla Coe, re c rtment and retention specialist at Memorial Hospital in Colorado Springs, Colo., agrees. “With successful patient care messages, quality employees are re c rated with our emphasis of ‘we hear, we heal, we care.’”

Proactive companies employ a liaison. This person interacts with both departments—getting a clear understanding of their needs—to facilitate the branding message. And he or she ensures that all rules and guidelines are followed, for brand consistency. Usually reporting to the director of marketing, the liaison increases the branding process’ efficiency and guides departmental cooperation.

When the right recruitment agency gets involved, the alliance can be further streamlined. Tender Loving Care (TLC), headquartered in Lake Success, N.Y., recently joined the large number of companies that are branding themselves. This national provider of home healthcare services partnered with Bayard and went to extraordinary efforts. After Bayard identified issues relating to TLC’s current brand, based on the provider’s status, both:

• centralized their recruiting efforts, generating message consistency and consolidation of advertising overlaps.

• initiated an employee referral program (“Drive for the Gold”) that’s in its second year of success in generating referrals.

• developed Internet, job fair, and national-conference master schedules to maximize budgets and realign dollars—to a more strategic focus and away from newsprint, which had dominated the budget.

• performed search-engine optimization (and TLC initiated a pay-per-click program on yahoo.com and overture.com to attract passive candidates).
“We took the company from decentralized to centralized recruiting,” says Brian Lawlor, senior HR generalist for TLC. By creating an overall brand, TLC now can effectively communicate important concepts to employees, and increase the odds that job candidates will understand and appreciate what it offers.

Channels of Communication

Employer branding is more than how a company advertises; it’s affected by every way that a company interacts with the public (e.g., advertising, media articles, interactive strategies, Web site, promotional materials). According to a 2004 survey by The Conference Board (a New York nonprofit research organization), when it comes to communicating the employer brand to employees and recruits, 81% of marketing executives favored traditional external-print-and-broadcast media, and 77% favored internal-print media. But a well-rounded employer brand program should integrate all media, especially the Internet: a rapidly growing vehicle for the recruitment industry. More than 60% of respondents were using Internet campaigns for recruitment or internal branding. (See Exhibit 2.)

Ads or job-board listings are often the first point of contact for a job seeker; it’s important to say all the right things. Employer branding showcases an organization’s reputation to the community. That’s why Poudre Valley Health System in Fort Collins, Colo., makes employees the focus of all its branding efforts, including featuring them in every recruitment ad. Candace Pruett, the HR consultant for nursing, says: “Using our employees in our recruitment ads really generates excitement and helps keep morale high. We have great employees and want to show that in our branding efforts.”

Employees at successfully branded companies sell the environment, whether it’s solid career opportunities, great management, or flexibility. This word of mouth (internal and external) has much more impact than company advertising. It builds employee loyalty and increases quality hires.

Life Care Centers of America, in Cleveland, Tenn. (the nation’s largest privately held provider of skilled nursing, rehab, and subacute care), engages employees with internal materials and links about itself in news media. Sandeep Randhawa, its Southwest division people-development director, says: “Our branding campaign provides us with a consistent and clear message regarding our image in the community. We have several newsletters and magazines that help promote our company culture and services.” Continuous company updates help employees understand a company’s vision, mission, and strategies.

A strong employer brand doesn’t happen simply by calling something a brand; it requires a careful and expert process. And, like any market strategy, it doesn’t happen overnight. It takes time for people to experience it, build faith and trust in it, and eventually embrace it. Everyone in a company can be a brand ambassador.

Companies must rely on their best employees to succeed in the new economy. And the cost of letting vacant positions go unfilled can be staggering. (Several analysts calculate an astounding $1,100 per day for each of them.) Savvy employers recognize that there’s a rich supply of talent—but it won’t last long with an improving economy and the impending retirement of the baby boomer generation. Employer branding is the way to capture top employees while building equity in the company’s brand. It’s a business tool, and a powerful one at that.

About the Authors

Melissa Johnson is a healthcare marketing specialist at Bayard Advertising Agency in Denver. She may be reached at melissa_m@bayardad.com. Phil Roberts is vice president, Western region, at Bayard. He may be reached at phil_r@bayardad.com.