



Research insight

Employer branding

The latest fad or the future for HR?

Foreword

Employer branding has received a lot of airtime recently, particularly throughout the HR community – you only have to pick up the latest trade magazine or conference circular to see opinion, thought and the latest case study or survey on the topic.

So what is employer branding? How can you get started? Should you be? What is the relationship to HR? Does it really work, or is it the latest passing fad? What is its future and what is the outlook for HR?

The Chartered Institute of Personnel and Development (CIPD) invited eight leading commentators to give their perspectives. Their brief was to offer their personal and professional reflections on the future of employer branding and HR.

Can employer branding make an organisation more successful than its competitors? **Helen Rosethorn** and **Job Mensink** passionately believe ‘yes’, but only if you make it a way of business life.

Shirley Jenner and **Stephen Taylor** put the spotlight on employer branding. Is it just a fad – one in a long line of passing fancies – or the future for HR?

How does HR embrace the brave new world of employment brands? Why should they? **Glyn House** describes how to get started and argues why the employment brand is an end-to-end way of thinking about why people choose to work for an organisation.

Simon Barrow creator of the original employer brand approach, identifies and discusses four major trends that will influence the future of employer branding and HR.

From where has employer branding emerged? **Suneal Housley** examines this, HR’s relationship with it and argues that all employer branding efforts should be in the pursuit of a clear employer value proposition.

Graeme Martin reflects on employer branding and asks, ‘Does it really work in practice?’ This ‘thought-piece’ is a short but hard look at the issues and implications for practitioners.

The CIPD is very grateful to all the authors for their stimulating and insightful contributions and hope that this will create further debate on the topic.

Future publications planned from the CIPD on employer branding include the launch this autumn of a guide to developing and communicating an employer brand.

If you’re interested in this and other work we’re conducting, please go to www.cipd.co.uk/research/_empbranding.htm

If you would like to comment on this publication then please email research@cipd.co.uk

Sally Humpage
Adviser, Research and Policy, CIPD

‘The Employer Brand’ is a registered trademark of People in Business.

About the authors

Simon Barrow, Chairman, People in Business

Simon Barrow spent five years as a brand manager with Colgate-Palmolive before joining the advertising business and later becoming Chief Executive Officer (CEO) of Ayer Barker. After ten years he then became CEO of Barkers Human Resources – which included the consultancy People in Business, the buy-out of which he led in 1992.

It's Simon's combination of marketing and HR experience that drives his consulting work. He is a past chairman of the Recruitment Society, a member of the CIPD, the Market Research Society and an adviser to the City Disputes Panel. He was a co-founder of the Careers Research Forum, financing research in career management practice. He founded and was the first chairman of the Employee Research Interest Group of the Market Research Society, promoting awareness and best practice in that field.

It was his combined experience of working in marketing and HR that led to Simon's creation of the Employer Brand concept and the development of an approach to employer brand management that aims to bring to people's working experience the same care and coherence they would expect if they were valued customers. His book, written with People in Business colleague Richard Mosley, *The Employer Brand: Bringing the best of brand management to people at work*, was published by Wiley in 2005 and has been translated into German, Spanish, Swedish and Russian. He's a frequent global speaker and workshop leader on this subject.

Simon believes that great brands are today built from the inside out, and that the process starts at the top.

Glyn House, Operations Director (including HR and Marketing), wagamama

Glyn House has been selling food all his professional life. He started with Sainsbury's aged 18 and by age

26 had responsibility for a major supermarket. He later entered head office management in Sainsbury's HR department and then became the company's first employer brand manager. In 2005 he moved to become HR Director of the fast-expanding casual dining company wagamama and last August was asked to take on the additional role of Marketing Director. In May 2007 he added the role of Operations Director and is responsible for most of wagamama's 2,000 employees.

Suneal Housley, Country Manager, Universum

Suneal is an employer branding consultant and Country Manager for Universum, a global leader in employer branding – specialising in the field since 1988 – and a trusted partner to a majority of Fortune 100 companies. Universum offers research, consulting and media services in 28 countries across five continents with the goal of enhancing employers' appeal over their current and future ideal employees. After graduating from the London School of Economics, Suneal wrote for the *Financial Times* in Markets and World News. Following this, he moved to Sweden to join Universum, but has now returned to the UK to head the London office and work with leading FTSE organisations to strategically improve their employer brand. He's also a contributor to the best practice journal *Universum Quarterly* and Universum's international 'EB' seminars. Through continued international research, experience and knowledge-sharing, Universum continually strives to advance the field of employer branding.

Dr Shirley Jenner, Manchester Metropolitan University Business School

Shirley is Senior Lecturer in HRM and Organisational Behaviour at Manchester Metropolitan University Business School. Shirley has conducted extensive academic and practitioner-based research into employer branding, recruitment and retention. Shirley has a successful track record of practitioner-oriented publications and consultancy in this field, including her

doctoral research into the adoption of branding and relationship marketing in eight UK companies. Shirley has also written recruitment and career management materials for the UK Higher Education Careers Service and the Chartered Institute of Marketing.

Professor Graeme Martin, Glasgow University

Graeme is Director of the Centre for Reputation Management through People at the University of Glasgow (www.gla.ac.uk/crmp), which carries out research, teaching and consulting work on the links between reputation management, corporate branding and HR. Graeme has undertaken a number of projects for the CIPD, including an earlier research report in 2003 into branding and HR. He has also recently co-authored *Corporate Reputations, Branding and People Management: A strategic approach to HR* for Butterworth-Heinemann. As part of a wider project on innovations in HR and evidence-based management, he is currently researching employer branding with close colleagues in the UK and China, on whose behalf he is writing this essay.

Job Mensink, Senior Director Recruitment Marketing, Philips International

Job is responsible for the worldwide marketing of Philips as an attractive employer for talented individuals. Before joining the global Human Recruitment Management team, he worked in a range of strategy, marketing and innovation roles for Philips business-to-business and consumer businesses.

His achievements include the development of globally standardised ways of working for end-user-driven innovation. He studied Innovation Management at Delft University of Technology and Economics at the Erasmus University in Rotterdam. Job is a passionate marketing teacher and guest lecturer at various institutes and universities.

Helen Rosethorn, CEO, Bernard Hodes Group

A Durham University graduate, Helen's early career was in journalism and PR – including some time working within the European Commission – before landing in the world of HR and communications.

She initially worked with Hay MSL – latterly part of TMP Worldwide – establishing and running operations in the

north of England. She then joined Macmillan Davies, which was acquired by Omnicom Inc, and her career moved her and her family to the south of England. Her communications background served her well in building Bernard Hodes Advertising, today the Bernard Hodes Group, into one of the UK's leading employment marketing and talent specialists, helping organisations find and keep the people they need to meet their business goals.

Helen has always been passionate about branding and her initial work on employer branding began when she was working on her MBA at Bradford Management School. Today, as well as running Hodes and operating as a member of the Hodes Global Network Executive Board, she operates as a principal consultant within the Solutions Consultancy, finding time to write and speak on the evolution of employer branding and employee engagement.

Outside of work Helen's passions are her family and sport – although she says the pressures of two teenage daughters are starting to take their toll!

Stephen Taylor, Manchester Metropolitan University Business School

Stephen is employed as a Senior Lecturer in HR Management (HRM) at Manchester Metropolitan University Business School, where he teaches HRM, employee resourcing and employment law. He has carried out extensive research in recent years on recruitment, engagement and employee retention issues. Stephen has written about employer branding in his CIPD publication *People Resourcing* (2005). He is the author of 13 books and many more articles on HR and employment law issues. He has also contributed articles on employee retention issues for the CIPD's website and has twice written the commentary for the CIPD's annual recruitment and retention survey publications

Employer branding – more than just a fashion statement?

Helen Rosethorn, CEO Bernard Hodes, and Job Mensink, Director, Philips International

This was the title I gave to a CIPD presentation earlier this year – and something that still worries me for the future of employer branding.

It's an idea whose time has come, the topic of numerous articles, conferences and even books. So why worry about tomorrow if employer branding is doing its job right now? But is it?

I was Chair of the CIPD Recruitment Marketing Awards this year – a role I also performed a number of years ago. This time, however, there was a category called 'Employer Branding', and the day came when all the entries were lined up for marking. I was disappointed. There were a few strong entries, but the vast majority had missed the mark by a long way.

This only reinforced concerns I have about employer branding and raises a number of questions that, depending on the answers, indicate a healthy – or not so healthy – future, and will dictate whether it is something that we all talk about with wry smiles in 20 years' time.

Do organisations really have a full appreciation of what it is and therefore what it can and cannot deliver? Who should champion its cause, build the business case and sustain it? In today's business environment, with the pressure on short-term returns, how do you prove that it has real relevance?

For me there is something quite clear at the heart of the matter – always has been and always will be – which is the deal between the organisation and its employees. That is what branding is about of course. A brand offers a promise, the consumer 'buys' that

promise and is satisfied or otherwise, continues to buy the product or otherwise, speaks positively about their brand experience or otherwise. And what a successful brand does is build distinctiveness – a sense that only that brand delivers consistently in that way.

The war for talent is biting and, as Accenture's latest survey of CEOs shows, 60% of them are laying awake at night worrying about the need to attract and retain the best people. It's forcing, quite rightly, organisations to look inside themselves and question the engagement they have with their people and what it really takes to find and recruit the talent they need. 'Employer of choice' was an early response – perhaps a misguided one? No organisation should be aiming to be all things to all people – different types of people are right for different types of companies. So more recently the focus has moved on to what it takes to build and sustain an employer reputation that binds and attracts the 'right' talent.

So where and why are definitions of employer branding falling short? There are two big issues: first, how joined up an organisation is in its approach, and second the reality of how brands actually play out inside organisations.

Too often employer branding lives in a silo called recruitment or resourcing. We can all see the reasons why the concept might first emerge here – but it goes way beyond this function and is a complete organisational responsibility and opportunity. I'm not arguing that it shouldn't be championed from one particular part of the organisation but, quite frankly, it ought to be something the CEO cares about.

And that leads me nicely to the reality of where the rubber hits the road. There's a major truth to the people dynamic in most organisations: 'people join brands and leave managers'. It's the behaviours – particularly of leadership – that actually deliver the 'deal' to employees. However, even if the top is enlightened, it's the middle management group in many organisations that appears to be falling way short of what is needed. A recent year-long study of feedback from more than 5,000 employees in 25 companies in the UK highlighted that the problem with managers was their inability to coach, set clear goals, delegate, celebrate success and show flexibility of style.

One organisation that has taken this challenge to heart is Royal Philips Electronics of the Netherlands, a global leader in its sector and Europe's largest electronics company, with 121,000 employees in more than 60 countries. An early adopter of the concept of employer branding, Philips plotted the key points on the employee journey and then, supported by research, identified the moments that are critical to the brand experience for their people. Hodes worked with Philips in 2005 to help them articulate their 'touch point' wheel, which in the last year has been refined further by Job Mensink, their Senior Director of Recruitment Marketing.

Brand tsar?

Various stakeholders have been mentioned so far, but we have not got to the real question of ownership. Organisations have begun to appoint employer brand managers – typically anchored in HR or marketing. I recruited one for a mobile telecoms company six years ago – I believe that role was one of the first of its kind in the UK. Despite the growth in these roles, their effectiveness varies hugely depending on the clout they are truly given and the wider business environment in which they operate. Two colleagues have left Hodes to pursue such roles. Has it improved the employer reputations of these organisations – inside and outside – to have a dedicated champion like this? Feedback is mixed and the same issues arise. Success demands 'glue', sponsorship from the very top and an appreciation of the topic!

Within Royal Philips we started four years ago with a dedicated person for employer brand development and activation in corporate HR. This person, as well as her current successor, was recruited from a global marketing function with a lot of experience and network in the Philips marketing community. Probably this is one of the simple success factors behind the relative speed in creating one global approach for employer branding. This can only happen as a concerted effort of HR, marketing and communications. (Job Mensink, Royal Philips)

Business results versus business indulgence

I referred earlier to the disappointment of the entries in the 'Employer Branding' category of this year's CIPD Recruitment Marketing Awards. One consistent weakness was the lack of metrics and hard evidence to show that the employer branding efforts of the entries had delivered business results. It begs the question of whether at the outset organisations are building the business case around real bottom-line outputs. Many organisations who have grasped employer branding would say you cannot expect overnight results and that they are 'on a journey', but that won't help justify ongoing investment in the boardroom.

In the same way that I have argued for joined-up thinking around adopting employer branding – and business linkages to make it happen – the measurement of its success or otherwise must stretch across organisational life and not be 'siloe'd'. Yes, there are some obvious talent metrics around attraction and retention. And there are some less-well-used ones, such as the ability to directly source – avoiding third-party costs – through improved reputation. But brand champions like me would like to see more metrics that go all the way through to the customer.

We learned that the best way to engage our management and our marketing colleagues in a joint approach is by always starting with the facts and figures. It's really in our nature to start any programme from the principle 'if you can't measure it, you can't manage it'. In my experience this also helps to focus the team on a few selected goals, and to celebrate successes when you hit a target and are moving in the right direction.

Within Philips we have taken the ‘talent journey’ as the starting point for our brand activation planning. With the four Cs (see Figure 1) we are able to foresee the key priority and opportunity areas. We have developed a set of measures for each phase, so it is possible to take a thorough look at ‘where are we now’ per phase, per country and per talent segment.

This may sound a bit more straightforward than it really is, but I believe we have just enough facts and figures to describe the state of the brand per segment. With that, our management is comfortable to continue with some ‘enlightened’ intuition in our discussions about our budget and action plans. Getting our marketing and communication colleagues fully involved in the discussion became much easier now that we started to use their tools and language. (Job Mensink, Royal Philips)

Closing thoughts

So can employer branding in one organisation make that organisation more successful than its competitors? I passionately believe the answer is ‘yes’, but only if an organisation starts with the right definition of employer branding and aligns its organisation for success from the top.

Employer branding is not a project or a programme. Nor is it a rush to freshen up your recruitment advertising. It’s a way of business life. Understanding what engages people and being clear about what an organisation offers and does not, means that you are more likely to recruit and therefore retain the right people. Candidates go through six to twelve interviews to become a Googler – something justified strongly by Google on the basis that they recruit for success and never have to lose people: at 3% turnover in the digital sector, they seem to be getting something very right.

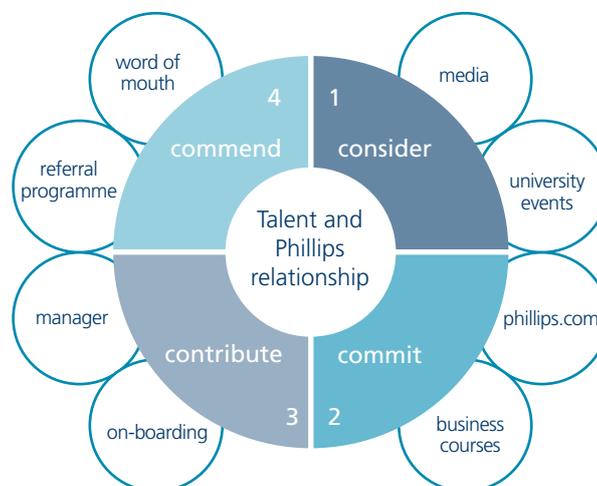
So why am I worried about employer branding? Because the rush to brand misses the importance of behaviours. Brands are too often talked about in ‘communication’ mode and that belittles the concept. Maybe the words will fall by the wayside. Some think that ‘employer reputation’ will take over. The 1990s saw great interest in something called ‘the psychological contract’ – and then that idea seemed to crash and burn. Maybe it didn’t; maybe the phoenix from the ashes was employer branding.

References

BERRY, M. (2007) 360-degree feedback analysis reveals manager shortcomings. *Personnel Today*. 22 May. p6.

MATTHEWS, V. (2007) What keeps the chiefs awake at night? *Personnel Today*. 22 May. p26–28.

Figure 1: The four Cs in the talent and Philips relationship are used to structure the recruitment marketing mix



Source: Royal Philips (2007).

Employer branding – fad or the future for HR?

Dr Shirley Jenner and Stephen Taylor, Manchester Metropolitan University Business School

Does the current increased interest in employer branding activities herald the beginning of a significant new trajectory in the development of HR management (HRM)? Or is it simply another in the long line of passing fancies that excite the profession for a few years before becoming yesterday's fad? It is too early to tell for certain, but in our view there is a good case for considering the former to be a serious possibility.

What is known about employer branding practice in the UK?

To anticipate future trajectories for employer branding, we should first ascertain if it has already become established. In spite of the high visibility of employer branding in much of the corporate identity, marketing and HR literature, there is little empirical data available in the UK. Most surveys emanate from the corporate reputation and recruitment consultancy industry or other bodies with a vested interest in promoting brand markets. Survey samples are frequently based on North American or international sources of data. A 2007 survey by Robert Half suggests that globally only 20% of companies intend to adopt employer branding over the next two years, compared with 35% who have no such intention. Their findings also suggest the adoption of a formal branding strategy is more likely among larger-sized organisations. When it comes to understanding the nature of employer branding and the level of its adoption in the UK, there are more questions than answers. More research is needed.

Employer branding: a slippery and elusive term?

Although the use of the term employer branding now has a familiar ring, what exactly is it? Employer branding has emerged from applying marketing

principles to the field of people management. It represents organisations' efforts to communicate to internal and external audiences what makes it both desirable and different as an employer. However, there are so many prescriptive models and formulations of employer branding to choose from. Even the most tentative glance towards the burgeoning literature suggests employer branding is a slippery concept. Can the relationships between the various strands of corporate identity and reputation, brand management, brand equity and employer branding be unraveled? Can ideas and concepts from the marketing of services and products really be transferred so easily to the realm of people management? Is employer branding a new language to express the meaning and significance of work, a fresh iteration of person–environment fit psychology, or just more hollow rhetoric?

Why now?

Employer branding emerged as an influential approach to HRM in the USA and the UK in the years immediately before and after the turn of the century. But why is this a concept whose time has come? There are four main reasons: brand power, HR's search for credibility, prevailing labour market conditions and employee engagement.

First, the past 20 years have seen the rise of the brand as a central concept in organisational and social life. Branding underpins a growing, influential and profitable reputation management, PR, consultancy and recruitment advertising industry. The past decade has seen unprecedented growth in the importance of corporate social responsibility (CSR) for investors, employees and other stakeholders.

Second, HR professionals continue in the search for credibility and strategic influence. Embracing the language and conceptual tools of brand power seems an obvious choice. This direction reflects continuity with earlier iterations of HR, for example with organisational development and culture change.

The third reason for the rise of employer branding is due to labour market conditions. Unemployment remains low and skills shortages continue. Tight labour market conditions are combined with a tough trading environment. Employers are thus obliged to compete more fiercely with one another to recruit and retain effective staff, while also being severely constrained in the extent to which they can pay higher salaries in order to do so. A strong employer brand is being promoted as the key to winning this 'war for talent' by establishing organisations' unique selling point in employment terms. The branded employment product simplifies choice, reassures prospective employees about quality and reduces risk.

Fourth, recent years have seen an increased interest in promoting employee engagement. This includes attempts to recruit, socialise and retain a committed workforce. From a branding perspective, the recruitment proposition forms the basis for workplace satisfaction and identification with organisational goals and values. Interest in questions of identity, workplace roles and the management of human emotions and behaviour are taking centre stage, particularly in the service and retail sector where employees interface with customers and 'live the brand' through aesthetic or emotional labour. Under such an approach, HR policy and practice can influence who is employed, how they look, behave, speak, think and feel – particularly important in the realm of lifestyle brands.

What might hold employer branding back?

Understanding why employer branding has emerged provides only partial indication of the future trajectory it might follow. Its success may also be based on its ability to provide the benefits it promises. An obvious problem may be overcoming management and/or employee resistance or cynicism. There are important questions raised by the notion of expecting employees to live the brand. Is it ethical? Is it desirable? Is it 'kitsch' (by which we mean a process that has capacity

to 'prettify' the problematic and so mask genuine difficulties and problems of human communities and life, including the workplace)? Thus employer branding may be accused of being an activity that glosses over the gaps, contradictions, frustrations and disappointment inherent in the real.

A related potential pitfall is over-branding: the creation of unrealistic expectations of organisational life. This is a well-established problem in graduate recruitment and employment.

Another knotty problem is how to express one employer brand when operating with complex organisational forms. Sustaining a brand may prove difficult in diverse workforce settings, with strategic partnerships, joint operations or with interims and outsourcing.

One further problem may well be colonisation of the HR domain by people from corporate communications and marketing functions.

Future trajectories

Employer branding is one of several evolving HRM responses to the particular product and labour market circumstances that most organisations are currently facing. Other examples are 'total reward management' with its emphasis on aspects of the employment experience that are 'rewarding' in the broadest sense of the word, and 'employee engagement' initiatives that seek to raise organisational performance by refashioning the traditional management–subordinate relationship.

Employer branding as we know it today will inevitably play a role in this process in more and more organisations. But surely we will also see HR managers borrowing and recasting other tried and tested tools from their colleagues in the marketing function? This will involve the HR function viewing employees and potential employees as 'internal customers' and doing what the Chartered Institute of Marketing sees as its profession's core task: 'anticipating, identifying and satisfying customer requirements'.

We would therefore anticipate an increase in the use of surveys of employee opinion and of market research activity among potential employees to

establish what exactly people are seeking from the experience of employment. This will lead to the identification of distinct market segments, employers realising that different types of employment experience are sought by different groups according to age, attitudes and lifestyle.

Another set of marketing tools that are obvious candidates for HR adaptation are those that are deployed by companies to develop long-term relationships with their customers. Just as marketers seek to retain customers by adapting the products they offer to suit each stage of the typical consumer life cycle, so employers will use similar approaches to help retain staff. We already see this kind of approach evolving, for example, in the development of flexible benefits systems that allow staff to tailor individual packages to suit their needs and to change them over time.

Finally, just as highly personalised marketing of goods and services is becoming possible due to developments in IT, we can expect managers to seek ways of meeting the idiosyncratic preferences of valued individual employees. Rarely used but often talked about approaches such as job-sculpting will thus become more common, whereby jobs are designed to fit people rather than the other way around.

Conclusion

Peaks and troughs in the popularity of employer branding are likely to be influenced by prevailing product and labour market conditions. However, the power of the brand in all its forms is likely to become even more deeply embedded in our cultural landscape.

Consumerism... pervades our everyday lives and structures our everyday experience and yet it is perpetually altering its form and reasserting its influence in new guise (Miles 1998, p2).

References

- BALMER, J.M.T. (2001) Corporate identity, corporate branding and corporate marketing: seeing through the fog. *European Journal of Marketing*. Vol 35, Nos 3 & 4. pp248–291.
- EDWARDS, M. (2005) Employer branding: HR or PR? In: BACH, S. (ed). *Managing human resources: personnel management in transition*. 4th ed. Oxford: Blackwell.
- LINSTEAD, S. (2002) Organizational kitsch. *Organization*. Vol 9, No 4. pp657–682.
- MILES, S. (1998) *Consumerism as a way of life*. London: Sage.
- WILLIAMS, M. (2000) *The war for talent: getting the best from the rest*. London: Chartered Institute of Personnel and Development.

The changing world of employment brands and HR

Glyn House, Operations Director, wagamama

The world is changing and HR people love change. We manage change programmes, we have specialists in it and we talk about 'the only constant is change'. So it should be easy for us to embrace the brave new world of employment brands... shouldn't it?

Combining marketing and HR

At wagamama, we have had responsibility for marketing and HR within the same leadership area for some time now. We believe that we have three brands that we must manage: the corporate, customer and employment brands all require specific attention and intervention, and while they do of course overlap considerably, the stakeholders within each must all feel that they are receiving value from this relationship.

Stephen King, Research and Planning Director of J Walter Thompson, said in 1976, 'A product is made in a factory, a brand is bought by a customer.' I love this quote. I think it's a great starting point from which HR teams can consider their employment brand. Very often, as HR teams we're concerned with the product, namely the rule or process that we're discussing, rather than the full holistic range of features and benefits that are the reason that people choose to work for your organisation.

I recently presented to a collection of senior HR people about how we combine our marketing and HR thinking at wagamama, and I was surprised to find myself being challenged on their perception that the word brand is a 'dirty' word. Some felt that it was all about spin and was some sort of black art and not something that HR professionals should be thinking about or associated with. I could not disagree more. While Naomi Klein, in her book *No Logo*, has

predicted the end of brands, I don't believe that this is the case. People care deeply about brands. Brands are emotional, they appeal to people and create dreams. Perceptions of brands tend to be deeply lodged, people are generally loyal to them (think about the last time you changed your toothpaste brand...) and people want to be associated with them. That said, they are becoming more cynical and savvy as consumers and don't want to be sold a dud.

This, then, is a perfect arena for us to move our thinking into exploring the perception of what your brand is like to work for. The job of HR leaders is to embrace the notion of an employment brand and start to explore why people work for you. HR leaders need to look at what the perceptions are of those who do work for you and those who do not and, as a result, what you need to start, stop or continue doing to develop this perception so that you become the place where people choose to work.

So where do we start?

Get the executive team to buy into this; otherwise, don't start. This is bigger than HR and will need people working together to understand this and, more importantly, to take the action necessary. In addition, as ever, if you can't measure it, you can't manage it. We believe there are a number of key areas as to why people choose to work for us. Once these are identified, conduct research to measure the level of importance your teams attach to each area and then, importantly, their satisfaction levels relevant to each area. You may consider segmenting your workforce, as feedback will be different for various groups. Once received, this feedback can then be overlaid against other business priorities and become

a powerful platform for planning your HR strategy and ensuring that attention is given to that which your people believe to be important, in addition to what the leadership team believe to be the case. Of course, your teams may attach a high level of importance and low satisfaction to an area that you decide not to address, but at least you have the knowledge to make that decision and, where appropriate, engage your workforce in a dialogue to understand the impact of not addressing this.

The future

So what of the future? As I said, the world is changing. Our insight predicts that the number of brands available in the future will reduce as the strongest brands get stronger. We are starting to see this everywhere. Football clubs, the high street and the forecourt are good examples. Employment brands will not be immune to this. People will choose to work for those brands that are the best at this.

Research also tells us that people are now much more interested in experiencing things than owning them. Think of the iPod and the demise of CDs, or of people now choosing to be part of a car club and rent a different super car each weekend rather than own their own. This will have implications for the world of work and we have to be alive to what this will mean. Again, I believe that thinking in the employer brand way will help, rather than tackling this in a traditional way.

Great brands are frequently built on great communication. I recently heard a futurologist describe the current revolution in communication, in the way that people expect this to be personalised and owned by the people – think blogs, MySpace, YouTube – to be as big a revolution as the introduction of the printing press. That is big. We have to quickly understand what this means to the world of work that we are called on to lead and manage. A new way of thinking is required and talking to our friends in marketing may help to develop and accelerate this area.

So there we are. The employment brand is much, much bigger than the physical manifestation of what your recruitment looks like. It is an end-to-end way of thinking about why people choose to work for you. Employing the most talented people has to be the most important thing that you are asked to do. Do it better than the competition and you can conquer the world. Do it worse and the best you can ever hope for is second place.

References

KLEIN, N. (2000) *No logo: no space, no choice, no jobs, taking aim at the brand bullies*. London: Flamingo.

The future of employer branding and HR?

Simon Barrow, Chairman, People in Business

I see four major trends gathering pace in the next few years based on my observations on recent events in this field:

- Brand management, and brand management for real, will emerge as key to managing effective employer brands.
- HR will split in two.
- Senior management will spend more time on people than on finance and investor relations and will be seen to do so.
- Many suppliers to HR, communications and marketing services will need to be able to relate to this rise in senior management interest at a strategic level.

All these are interconnected, as you will see.

A few overall comments first. One of the reasons Richard Mosley and I wrote *The Employer Brand: Bringing the best of brand management to people at work* (published by Wiley in 2005) was the urgent need for clarity and discipline about what the employer brand is and what it is not. I hope that our book, and the global speaking on the subject since, have made this clearer, but there is still serious work to be done. Ask anyone for their definition of an employer brand and what it entails and you will still get a wide range of answers.

Check Google for 'employer branding' or 'employer brand' – there are over 250,000 pages (up from around 150 in 2001). Many will use the language of marketing but it remains a sprawling and confusing range of claims, opinions and processes that must make it hard for students of the category. The category needs greater rigour and needs to reflect reality. That is why we

developed an approach under the heading 'Employer brand management the hard way – the only way', aiming to describe the actual demands of real brand management.

1 Brand management in the employer brand area

Why stress how hard it is? Because you need to use a blunt instrument to demonstrate that the role of the employer brand is not about projecting the brand to current and potential employees; it is about the nature of the job itself. It's easy enough to tinker with recruitment techniques or HR administration. These are well-defined and established tasks, and doing them has not historically meant having to work that closely with other disciplines. But real brand management is all about working with other functions, persuading skilled and powerful people to do things differently because you the brand manager have the responsibility to deliver a coherent offer and rationale across the whole customer or employee experience. That can indeed be hard.

Just as only a small part of marketing is about advertising (on some products and services none at all), so it is in brand management. I estimated my time percentage as a brand manager in my Colgate days as:

- working with major trade customers – 20%
- customer market research – 20%
- planning and undertaking local and global senior management reviews – 15%
- advertising, creative development and media-buying – 10%
- legal, corporate social responsibility, and health and safety – 10%
- administration – 5%
- consumer and trade PR – 5%.

Many people working in recruitment and internal communications are not yet stretched across a similar range of areas relevant to the employment experience; they aren't yet truly employer brand managers. Their time is spent on research and specific recruitment and promotional tools making the best of the way the jobs are advertised, not necessarily making changes to the working experience needed to achieve the organisation's objectives. However, talk this way with many HR and communications audiences and you may see eyes glaze over – they need help on their day job right now and the political changes necessary to give them the status and influence necessary is just too much. That is someone else's job.

My next prediction is:

2 HR will split in two

Given the above issue, it's already happening. Consider the number of non-HR job titles that are emerging, like People Director, Talent Director, Organisational Development Director, among others.

This tells me there is an aggressive proactive force trying to get out from under the classic 'HR department' and its essential work on administration, process, regulatory matters, disciplines and compensation. And what about internal communications? Why is it that most internal communication responsibilities are in corporate affairs or marketing? The usual answer is because HR are not experts in communications. That may be true, but it's a cop-out and denies HR a place at the top table when what to say to employees is critical. Anyone who saw the Tony Blair/Alastair Campbell relationship as CEO and Communicator in the Oscar-winning movie *The Queen* will have seen the closeness of the two roles. Yet a confident top HR executive will perform better on internal communications than a PR person because they will know their people better and will respect reality rather than spin. People like that need to be at the CEO's side.

I see another change too. People with business acumen, communication strengths and 'big picture' thinking will use HR as a great springboard. Given the importance of people at work, is it not an essential stepping stone to the top today – either as a first job or as a key mid-career experience?

This takes me on to senior management, and my third prediction is that:

3 Tomorrow's CEO will spend more time on their organisation's reputation as an employer than with the investment community (and fund managers will worry if they don't)

Of course the best CEOs already do (and they make the best clients for a supplier like us), but there are not yet enough of them. With such bosses, people measurements get the same time in executive reviews as finance. Assessments of performance for managers are 50% results and 50% people, and that is reflected in bonus payments. And in such organisations, you don't find poor employee research results on management ability assessments like 'addresses poor performance rapidly'. People-driven senior management doesn't hang around.

My final prediction concerns the plethora of suppliers to employers in the above areas, and it is that:

4 Suppliers to HR, communications and marketing will have to relate successfully to new, and higher, levels of client management and be able to see their contribution in the context of the organisation's employer brand overall

In specific terms, I forecast the following:

- The big 'strategic' consultants will make a formal contribution to employer brand thinking within the next 12 months.
- Recruiters, with the great advantage of being closest of all to the muck and bullets of the people marketplace, will add real consulting ability so that they can contribute at a strategic level as well as delivering the warm bodies.
- Employee researchers who only produce research reports will lose business to good researchers who are consultants as well. To turn employee research evidence into solutions needs knowledge of the organisation's culture, priorities and what is politically possible.
- Brand consultants, dominated historically by design, will endeavour to enter the employer brand space and will hire HR-related talent. Were such skills to hand in developing the controversial logo for London's Olympic Games in 2012?

- HR consultants with long-standing services in compensation and benefits bought by HR people will try to raise their game too.

All this is not to say that the HR equivalent of suppliers of paper clips will be affected by employer brand pressure. 150,000 UK CIPD members will continue to buy all manner of services to make them and their organisations more efficient. But top management are reaching down and expecting more from their suppliers.

References

BARROW, S. and MOSLEY, R. (2005) *The employer brand: bringing the best of brand management to people at work*. Chichester: Wiley.

Harnessing shift

Suneal Housley, Country Manager, Universum

Employer branding is emerging from adolescence. For some organisations, especially those that put a premium on innovation, it is a critical element integral to meeting business needs and is used strategically and operationally to influence potential, current and ex-employees, as well as other stakeholders. For other organisations, employer branding is still seen as outside of the normal realm of operations, with suspicion and even antagonism.

Forces at work

Part of this results from the way in which employer branding has been thrust upon the HR profession by changing demographics, new generations, technological advances and global economics. Globalisation has brought with it problems and opportunities, especially in relation to talent. Just as talent has become more important and a major chunk of capital in the developed economy, talent shortages have hit not just the West but also the developing markets of China and India, which Western corporations depended upon.

It's a basic economic principle that scarcity puts power into the hands of the supplier, and in these days that is the empowered worker. Loyalty is no longer a given; employees have long since said goodbye to the idea of a job for life (or even a decade) and are increasingly acting as consumers in a crowded market.

This is reflected in higher demands from geographically and socially mobile candidates, linked in to global information networks. We are seeing the rise of a new generation, the 'Millennials' or 'Generation Y', with 30 million entering the workforce in the US and 51 million in Europe. They are young, ambitious people who see international careers and flexible working as a right, not a benefit, for whom rapid career advancement and work-life balance are requested in

the same breath, along with financial strength and high ethical standards. Their patterns emerged in the Universum surveys about three years ago and continue to develop and raise complex questions. Is HR ready to embrace churn and the challenges of re-recruiting and rapid integration into corporate structures?

Employer branding has reacted to the technological revolution of globalisation by experimenting with multiple hi-tech contact points – iPods, mobile phones and YouTube. Web 2.0 has brought the recruiter into the virtual world through viral marketing, networks such as Facebook and Jobster, and the online avatars of Second Life. But beware the backlash against this barrage of advertising among a cynical, brand-savvy generation. Product branding increasingly uses word of mouth and 'buzz agents' to promote brands. How will this sit within future employer branding strategies?

Sharing the responsibility

Employer branding as it stands is the result of seismic changes in the world, which until recently HR had been left to wrestle with. It has been forged in a period of rapid globalisation. In the same way that the speed of technological growth means that IT students are learning things that will be obsolete within three years, traditional HR skills are not capable of tackling the new environment and hence HR requires a reorientation.

So far, HR in many organisations has had a somewhat ad hoc or piecemeal approach to employer branding. However, through the chaos and confusion, order is emerging. Innovative organisations have started to take the first steps towards the kinds of strategies that will be required to gain mastery over the current environment.

Employer branding and reputation management have the power to give organisations the competitive edge in

attracting, retaining and, what's more, getting the most from their employees, thereby meeting the challenges posed previously.

As jobs for life disappear, job security declines and traditional differentiators such as salary and compensation package lose their pulling power – the employer brand has emerged as the true differentiator. Learning its lessons from consumer branding, employer branding seeks to induce affinities and loyalty through identity.

Increasingly, therefore, the aims, messages and methods of consumer branding and employer branding are overlapping. Both departments – marketing and HR – are now sharing on a more equal level the responsibility for fulfilling corporate goals. As a result, there is a co-dependency at play and it makes sense to share knowledge, expertise and strategic vision across the organisation. While CEO buy-in helps swing budgets, it is HR–marketing co-operation that really ensures fantastic, coherent (employer) branding.

Universum employer value proposition (EVP) workshops are now attended by not only HR professionals and directors of recruitment, but also marketing directors, advertising managers, communications departments and other key stakeholders.

How far this relationship should go is a discussion that is going on in some organisations, but so far I have yet to see an organisation where they have become too integrated, or where it has been detrimental. This is probably due to a history of independence, which both 'sides' seek to preserve. The question remains, 'Does HR become part of marketing? Does communications become part of HR?'

There are clearly specialisations in each department that are unique to the unit function, and there are critical differences that must be kept in mind to be truly successful. As Tobias Nickel, Head of Recruiting for BMW, said in *Universum Quarterly*, 'Product marketing's objective is to get more customers – the more customers the better. When we introduced our employer branding marketing strategy to our brand strategists and product strategists, they had never heard of anybody trying to reduce the number of customers they have.'

With limited examples and theory, each organisation will have to work this out for themselves. Working together

or not, the outcome of these efforts in employer branding should be a daring and ruthless pursuit of an honest, unique and clear EVP.

The future holds a time where EVPs are created with all the strategy and consistency of other vital business processes, such as supply chains and IT networking. This includes strategic research, benchmarking and metrics, global alignments, internal alignments, and targeted, long-term branding.

Growing pains

As employer branding moves into maturity, the time and planning involved will increase, but so will the returns in the long term. Data from the corporate executive board quoted in *The Economist* suggests that effective EVP management can bring tangible benefits, including a 20% increase in the pool of potential workers, a four-fold increase in commitment among employees and a 10% decrease in payroll costs.

To create a successful EVP, companies must understand three things:

- 1 image – potential employees' values and preferences in careers, brands and employers – as well as their perceptions of your organisation
- 2 identity – the internal truths of working life in your organisation
- 3 profile – the image your organisation is trying to portray, including corporate brand and CEO messages.

The strongest EVPs will be found to exist in all three areas simultaneously. To achieve this target, group and company-specific research into careers and employment is used on unprecedented scales by employers as well as external agencies.

Employer branding leaders are matching their global corporate credentials with a global employer brand, creating a consistency of message and experience wherever talent comes into contact with them through brand portals and brand academies. In the age of the blogosphere, companies can no longer communicate disparate or contradictory messages in different locations.

Furthermore, the importance of the internal to the external brand is exploding. As employer branding rises up the list of corporate priorities, more power is being given to align the internal truth with the desired

message. This means more developed channels for communicating with your employees to offer them more from their work life, especially development and education, such as McKinsey's internal talent market and Bloomberg's 'university'. This is also the power to adapt job roles, such as in the classic example cited in the *Harvard Business Review* of UPS truck-loaders.

Returning to the 'Millennials'/'Generation Y', how willing is your organisation to change, that is, to meet the needs of a generation for whom a three-year wait for promotion is too long and who are used to constant feedback and support from managers and mentors? Are you ready for their ingrained sense of equality and fairness of treatment? Then there is the ageing population of over-50s continuing in the labour market with their own demands around work schedules and roles. Finally, diversity and CSR are often talked about but in the future these will have to be an integral part of the corporate DNA.

Finally, strategic employer branding also includes usage of benchmarking and metrics to measure success compared with the competition. Every company has an employer brand, but do you know what yours is doing for your company? What are the metrics for success? It's not how many awards you win for your campaign posters or online application, it's not how many hits you get to your career website, and it's not even about the number of applications you get. It is about how the people your efforts brought in join, stay and affect the bottom line, it is knowing how many people in your company want to move on as soon as they get a chance and it is knowing what your staff say to the people they meet about their job and company.

As Libby Sartain, Senior HR Vice-President at Yahoo Inc., states, 'If you execute your employer brand well, you will have a whole company full of recruiters, and they will all understand how to act and behave in their environment.' Alumni, campus ambassadors, along with every single employee of the company, can be the tools of your employer branding.

To top that off, if you have addressed your EVP successfully, what they say will be true, it will be in line with everything else they expect of the company and it will appeal to the groups of people you want to work for you.

The future is mastering your environment.

References

- CABINET OFFICE. (2001) *Alternative predictions for the UK workforce in 2015 [online]*. London: Cabinet Office. Available at: <http://www.cabinetoffice.gov.uk/strategy/downloads/su/wfd/alternative.pdf> [Accessed 20 June 2007].
- CAPELLI, P. (2000) A market-driven approach to retaining talent. *Harvard Business Review*. Vol 78, No 1, Jan/Feb. pp103–111.
- CLARK, A. and POSTEL-VINAY, F. (2005) *Job security and job protection [online]*. Discussion Paper, No 678. London: Centre for Economic Performance. Available at: <http://cep.lse.ac.uk/pubs/download/dp0678.pdf> [Accessed 20 June 2007].
- MERCER, D. (1999) *Future revolutions: unravelling the uncertainties of life and work in the 21st century*. Rev. ed. London: Orion Business.
- NICKEL, T. (2006) You have to open the door and give people a glimpse of what it is like inside the company. *Universum Quarterly*. Issue 2, September. pp12–13.
- OSWALD, A.J. and BLANCHFLOWER, D. (2000) *Is the UK moving up the international wellbeing rankings? [online]*. Warwick: University of Warwick. Available at: <http://www2.warwick.ac.uk/fac/soc/economics/staff/faculty/oswald/bonber.pdf> [Accessed 20 June 2007].
- SARTAIN, L. and SCHUMANN, M. (2006) *Brand from the inside: eight essentials to emotionally connect your employees to your business*. San Francisco, CA: Jossey-Bass.
- TATTANELLI, C. (2007) Be prepared: here come the millennials. *Universum Quarterly*. Issue 2, May. pp28–31.
- THE ECONOMIST. (2006) Talent. Surrey. *The Economist*. 5 October.
- UNIVERSUM COMMUNICATIONS. (2005) *Employer branding: global best practices*. Stockholm: Universum Communications.

Employer branding – time for some long and ‘hard’ reflections?

Professor Graeme Martin, Glasgow University

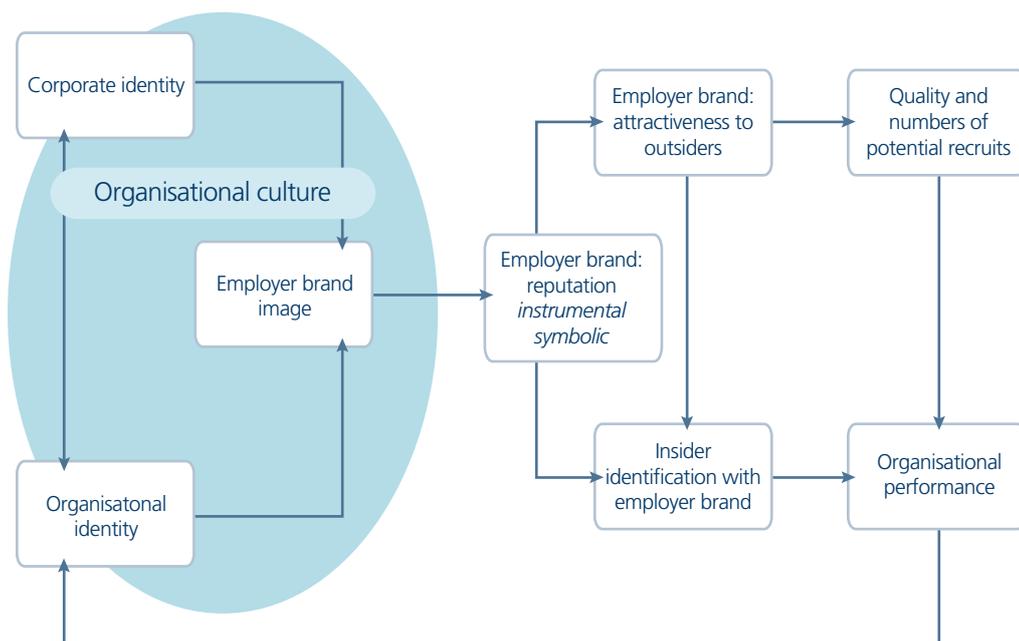
Introduction

According to some of our work-in-progress research, employer branding is one of the current ‘big ideas’ in UK HR. However, though things have moved on from our first CIPD report in 2003 on this topic, it is based on a number of questionable assumptions and some woolly thinking. Furthermore, employer branding has still not been subject to a forensic examination of how it is supposed to work in theory, whether it works in practice, from an evidenced-based perspective, and under what conditions it will work most effectively. The purpose of this essay is to take a short but hard look at these issues and discuss their implications for practitioners.

Does it work in theory?

Employer branding is essentially a product of widely held beliefs about a ‘war for talent’, itself based on some questionable assumptions about the importance of investing in individual employees’ knowledge and skills and their impact on organisational learning, knowledge and innovation. We’ll return to these roots and assumptions later, but first let’s examine the theory of employer branding. Drawing on our previous work on corporate reputations, we have tried to put together a short but convincing storyline to capture the process of employer branding (see Figure 2), and to clear up some of the terminological confusion that devils this topic.

Figure 2



The storyline of this model is as follows. The essence of employer branding is (1) to attract talented individuals and (2) ensure both they and existing employees identify with the organisation and its brand and mission to produce desired outcomes for organisations. The process runs along the following lines.

Employer brand image

Employer branding begins with the creation of an employer brand image, what an organisation's senior managers want to communicate about its package of functional, economic and psychological benefits; in effect, this is its autobiographical account of the employee value proposition (or brand promise). It also aims to influence wider public perceptions of an organisation's reputation since both potential and existing employees also see their organisations in the light of what they believe significant others feel about it. Organisational identity is the first of two key drivers of employer brand image. It is best thought of as the collective answer by employees and managers to the 'who are we' question, revealed in its shared knowledge, beliefs, language and behaviours. This organisational self-concept is not just a collection of individual identities but has a metaphorical life of its own, often independent of those who are currently employed in it.

Corporate identity

This is the second key driver of an employer brand image. It is an organisation's projected image expressed not only in the form of tangible logos, architecture and public pronouncements, but also in its communication of 'what it is' – its mission, strategies and culture. Both of these drivers are products of the more deep-seated notion of organisational culture – the often hidden values, assumptions and beliefs that define 'the way we do things around here'.

Employer brand reputation

If the employer brand image is its autobiographical account of who it wants to be, the employer brand reputation is the biographical account of who it is, this time written by potential and existing employees who, along with others, begin to form distinct segments of interest and lifestyles. So, in an important sense, we should really speak of biographies in the plural sense, since what you see depends on where you stand and what you value; different groups of people are likely

to expect and attribute different value to different aspects of the employer brand image.

A further important feature of employer brand reputations is that they work (and are intended to work) at two levels – satisfying the instrumental needs of people for objective, physical and tangible benefits, and satisfying the symbolic needs of people for meaning, which roughly translates into their perceptions and emotions about the abstract and intangible image of the organisation.

Nevermind the theory: does it work in practice?

This section is necessarily short because we really can't respond with any certainty to this question. As others have suggested in this collection of essays we simply don't have much direct evidence on employer branding beyond cases of so-called 'best practice', often long on hyperbole and short on evidence, and through self-reporting by companies (would you really buy treatment for an illness on the basis of its medical equivalent?). There are, however, a few serious, independent studies of particular aspects of employer branding. Here's a summary of some of it, most of which tends to focus on the distinction between instrumental and symbolic benefits to recruits and actual employees. Note that some of these findings are contradictory, but there are some 'promising', rather than best, practices implied by these results.

Unanswered questions

Our conclusions from current theory and evidence on employer branding are that the process is more complicated than most practitioners would acknowledge and that the evidence so far is piecemeal but supportive of promising practices in particular contexts (hence the contradictions in Table 1). Our modelling of the process is necessarily simplified for the purposes of this essay, but what it potentially shows are the number of points at which the theory and practice can break down and where context really matters. Three examples may suffice.

- 1 The balance of power in an organisation (between marketing and corporate communications versus HR) is likely to determine the extent to which image triumphs over substance and, thus, the levels of cynicism among employees. Feelings of being

Table 1: Current theory and evidence on employer branding

	Key findings	Authors
Attracting potential recruits	Certain kinds of recruitment practices can be used to market employer brands better than others. Engineering students' employment intentions and actual decisions were influenced by two dimensions of employer brand image: general attitudes towards the company and perceived job attributes. The relationships between word-of-mouth endorsements and the two dimensions of brand image were found to be particularly strong, though they worked in interaction with publicity, sponsorship and advertising.	Collins and Stevens (2002)
	(a) A recent Danish study involving 10,000 graduates showed they were more interested in the prospects of professional development than either workplace conditions (autonomy, work-life balance, work hours, and so on) or the corporate communication of leadership and performance or products and ethics. (b) Pharmaceutical companies and consulting firms were much more highly rated as employer brand images than retailing, telecommunications or oil and gas companies. (c) Familiarity with the employer brand was not closely correlated with its reputation. (d) Direct communications of the employer brand (through advertising, fairs, and so on), has less impact on employer brand image than more interactive methods (for example companies hosting events) and endorsement approaches (having students endorse the company, hosting research, placements, and so on).	Andersen (2007)
	Early recruitment and advertising had beneficial effects on increasing the quantity and quality of applicants.	Collins and Han (2004)
	Symbolic attributes of the employer brand image were more important than instrumental (job and organisational) attributes in helping potential recruits to differentiate among banks.	Lievens and Highhouse (2003)
	Students tended to be attracted to organisations that had personality traits similar to their own.	Slaughter et al (2004)
Employee identification and organisational performance	Employer branding policies of top 100 US companies were associated with not only stable and highly positive workforce attitudes but also performance advantages over the broad market, and in some cases, over the matched group, with beneficial effects on organisational performance.	Fulmer, Gerhart and Scott (2003)
	(a) Those instrumental and symbolic factors that were important in attracting applicants to the Belgian Army were also important to those individuals pursuing a career in it. (b) Perceived competence of the organisation was the most important factor in explaining employees' identification with the army. (c) Organisational identification is more related to pride and respect than to material (instrumental) benefits, such as advancement, travel, pay and job security.	Lievens, Van Hoyer and Anseel (2007)
	(a) How agreeable (friendly, supportive, honest) the employer brand image was seen to be by managers in a large British study of 870 managers in 17 organisations was the best predictor of their job satisfaction and affinity (identification with the organisation). However, perceived differentiation (uniqueness) and loyalty were influenced by quite different dimensions. (b) The perceived competence of the organisation was not found to influence managers' perceptions of its uniqueness, their loyalty, job satisfaction or affinity. (c) Managers had a greater affinity to employer brands that were seen to be arrogant, aggressive, authoritarian and controlling!	Davies (2007)

'brandwashed' are a frequent response to exercises in one-way corporate communications.

- 2 Given the multiple reputations assigned to an employer brand image by different groups of people with different interests and values, does it make sense to speak about image in the singular?

We know that some organisations are moving towards segmentation approaches and specific employer value propositions, certainly a step forward in particular sectors that are able to individualise the employment contract, but do they know enough about differences among groups and individuals to do this, especially given the overly simple '12 or 20 question' engagement surveys used by many of these companies? One of the potential consequences of the lack of segmentation is what Mark Huselid and his colleagues see as the inevitable mediocrity produced by uniform employer-of-choice schemes, which often translates into over-delivering to those that they don't want to keep and under-delivering to those that they do want to keep.

- 3 Single-factor explanations of talent management and organisational performance will always be found wanting; life is just too complicated for simple analyses.

So, there will be many, more powerful factors that intercede in or moderate the line of sight between employer brand attractiveness and the numbers of people attracted and between identification and organisational performance. One need look no further than competitors' strategies in the recruitment phase and the many alternative explanations to employer branding of organisational performance. Which brings us neatly back to its roots and assumptions.

The first set of these assumptions is the war for talent and the importance of human capital (ie individual talent) to organisational performance. Now few people would argue that attracting and retaining individuals doesn't matter (and, therefore, that employer branding has no justification). However, there is increasing evidence that it may matter less than is assumed, that its relationship with organisational learning and performance is not a direct one and, indeed, investing

in individuals, especially to the detriment of other forms of capital, is positively dangerous for your health.

As we noted, there is a huge problem with any single-factor explanation of organisational performance, even one as (self) important as talented leaders – it simply does not wash that recruiting and developing the best people leads directly to increases in the 'IQ' (and levels of 'emotional intelligence' (EQ)) in an organisation. Indeed, there's evidence to the contrary: one major study has shown how the focus on 'stars' led to declining levels of performance in the hiring organisations and in those of the 'talented' individuals recruited.

Another study of more than 900 US companies has shown that investing in individual human capital led to a decline in the rate of transformative innovations over time. This rate of innovation only rose when there was a complementary investment in social capital (trust, team-building, networking and bonding), which by itself was a much more important predictor of innovation. So, lest we forget this lesson, remember the case of Enron – a case of talent management and employer branding *par excellence*. As Bert Spector has argued, HR, with its talent management and employer branding policies, were the unindicted co-conspirator in Enron's demise.

Implications and additional lessons for managers

- HR managers need to have a good theory or model of how employer branding works in their own organisations. What works in one organisation or one industry sector may be quite different from what works in another. Context and the history of an organisation matters in telling a novel, compelling, credible and sustainable story about an employer brand image, so we cannot sensibly talk about best practices, only promising practices.
- Given this important proviso, there is some hard evidence and useful insights to be learned from emerging research in employer branding and its close relative, talent management. HR managers would be advised to look at this evidence-based work before leaping.
- As in nearly every sector of organisational life, senior managers have to strike a dynamic balance between being different and being legitimate. Those organisations with a legitimate, socially

responsible message and actions to match are likely to appeal to an increasing number of younger people schooled in the new era of sustainability.

- Nevertheless, it's dangerous to think in terms of the typical employee or recruit. The factors that attract people to organisations may be similar in type to those that lead existing employees to identify with them. However, the weighting of specific attributes or components of these types of factors will be different for different types of recruits and for differing types of existing employees at different stages of their careers.
- Research has also shown that corporate stories adopting a single 'voice' and which are unresponsive to internal and external stakeholders, quickly become the object of less flattering interpretations and a dynamic process of refinement (witness the growth in alternative corporate websites). Organisations need to understand the differences among groups of potential recruits and among existing employees by engaging in an ongoing conversation with them. They also need to apply, where relevant and acceptable, more-focused employee value propositions to these different segments and be flexible to responding to changes among them.
- Symbolic aspects of the employer brand carry more weight than instrumental aspects, so organisations have to focus their communications on these key differentiating factors.
- Young graduates and professionals in particular seem to be more interested in professional development and, to a lesser extent, in the products, services and ethics of the organisation, than in its leadership and performance characteristics. Yet it is the latter that forms the basis of much of the corporate communications of employer brands.
- Above all, however, organisations should not forget in this era of 'celebrity' and the individualisation of employment that employer branding should be concerned to develop social as well as human capital. It is the interactions between the person, the group and their internal and external networks that leads to increased intellectual capital in the 'extended' enterprise and, therefore, to continuous innovation. Corporate communications and talent management will only get us so far.

References

ANDERSEN, K. (2007) Workplace reputations: lessons from Scandinavia. *Paper presented to the 11th Annual Conference of the Reputation Institute, Norwegian School of Management*. Oslo. 1–3 June. http://www.reputationinstitute.com/conf/oslo2007_conference

BOUDREAU, J.W. and RAMSTAD, P.M. (2007) *Beyond HR: The new science of human capital*. Boston, MA: Harvard Business School Press.

COLLINS, C.J. and HAN, J. (2004) Exploring applicant pool quantity and quality: the effects of early recruitment practice strategies, corporate advertising, and firm reputation. *Personnel Psychology*. Vol 57, Issue 3, September. pp685–717.

COLLINS, C.J. and STEVENS, C.K. (2002) The relationship between early recruitment-related activities and the application decisions of new labor-market entrants: a brand equity approach to recruitment. *Journal of Applied Psychology*. Vol 87, No 6. pp1121–1133.

DAVIES, G. (2005) *Managing the employer brand [online]*. Available at: http://www.psdgroup.com/resources/humanresources/psd_hr.focus_autumn05.pdf [Accessed 21 June 2007]

FULMER, I.S., GERHART, B. and SCOTT, K.S. (2003) Are the 100 best better? an empirical investigation of the relationship between being a 'great place to work' and firm performance. *Personnel Psychology*. Vol 56, Issue 4, Winter. pp965–993.

GROYSBERG, B., NANDA, A. and NOHRIA, N. (2004) The risky business of hiring stars. *Harvard Business Review*. Vol 82, No 5, May. pp92–100.

HUSELID, M.A., BECKER, B.E. and BEATTY, R.W. (2005) *The workforce scorecard: managing human capital to execute strategy*. Boston, MA.: Harvard Business School Press.

LIEVENS, F. and HIGHHOUSE, S. (2003) The relation of instrumental and symbolic attributes to a company's attractiveness as an employer. *Personnel Psychology*. Vol 56, Issue 1, Spring. pp75–102.

LIEVENS, F., VAN HOYE, G. and ANSEEL, F. (2007) Organizational identity and employer image: towards a unifying framework. *British Journal of Management*. Vol 18, Special Issue, March. pp545–559.

MARTIN, G. and HETRICK, S. (2006) *Corporate reputations, branding and people management: a strategic approach to HR*. Oxford: Butterworth-Heinemann.

PFEFFER, J. and SUTTON, R.E. (2006) *Hard facts, dangerous half-truths, and total nonsense: profiting from evidence-based management*. Boston, MA: Harvard Business School Press.

ROSENZWEIG, P.M. (2007) *The halo effect: and the eight other business delusions that deceive managers*. London: Free.

SLAUGHTER, J.E., ZICKAR, M.J. and HIGHHOUSE, S. (2004) Personality trait inferences about organizations: development of a measure and assessment of construct validity. *Journal of Applied Psychology*. Vol 89, No 1, February. pp85–103.

SPECTOR, B. (2003) HRM at Enron: the unindicted co-conspirator. *Organizational Dynamics*. Vol 32, Issue 2, May. pp207–220.

SUBRAMANIAM, M. and YOUNDT, M.A. (2005) The influence of intellectual capital on the types of innovative capabilities. *Academy of Management Journal*. Vol 48, Issue 3, June. pp450–463.

We explore leading-edge people management and development issues through our research. Our aim is to share knowledge, increase learning and understanding, and help our members make informed decisions about improving practice in their organisations.

We produce many resources on employment issues including guides, books, practical tools, surveys and research reports. We also organise a number of conferences, events and training courses. Please visit www.cipd.co.uk to find out more.



Chartered Institute of Personnel and Development
151 The Broadway London SW19 1JQ
Tel: 020 8612 6200 Fax: 020 8612 6201
Email: cipd@cipd.co.uk Website: www.cipd.co.uk

Incorporated by Royal Charter Registered charity no.1079797