

EMPLOYER BRANDING: A PROACTIVE RECRUITMENT STRATEGY

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As companies seek to attract the best talent and to win the retention battle, they are coming to the conclusion that it pays big dividends to influence the candidate's psyche long before the job ad is ever placed. As David Mason-Jones discovers, the branding of companies can be a lot more subtle than just the product or service brand.

Communicate culture and value

The great hope offered by an effective employer branding strategy is that many of today's HR challenges – those revolving around retention, loyalty and engagement – can be solved long before they ever arise.

The employer brand is the series of messages and images that the company puts out to the employment market to communicate the culture and value – from the employees' point of view – in working for the company.

Good employer branding leads to partially qualified recruitment candidates and enhances the probability of a good match between the applicant's expectation of the job and what it actually delivers. Poor employment branding can result in a mis-match between what the applicant expects in the job and what the cold hard reality turned out to be.

Accurate employer branding becomes an issue in a tight talent market where prospective employees are aware of the range of options open to them.

Select Professional's general manager, Kalena Jefferson, says: "If a prospective employee in financial services has a range of job offers or job prospects, then the candidate may decide based on what he/she thinks is the company with the better employment reputation. This goes further than the remuneration."

Jefferson points to survey results which indicate that the employer's reputation is a key factor in the minds of at least 76% of prospective employees.

From the employer's point of view it also makes sense to spend the recruiting effort on candidates who are already enthusiastic about your company rather than those who are just looking for a job.

Nestle Australia Limited's director for HR Oceania, Masele Siatu'u, says: "We want to employ people who want to join us, so therefore it is in our interests for people to understand up-front what it is likely to be like to work for us. We want to get people who are aligned with our culture right from the start. It is better for us for people who are not in synch with our culture to not even look at us in the first place."

Employer branding has an important role to play in the way the employment market is developing. It can convey messages to two apparently divergent groups – the younger Gen Y group and the mature worker phenomenon brought about by the ageing of the population.

Clear employer branding is not a popularity race

In a recent survey by Select Professional about employment attitudes in the financial services industry, Macquarie Bank came up as a company scoring highly in both the group with positive employer branding images and also featured in the group with poor images.

Strangely, this is not a sign of confusion or failure to communicate. Rather it is a sign of success in communication. It shows that Macquarie Bank has gained a highly specific employer brand image which is very clear in its message. It is all about the entrepreneurial environment of the bank and the idea that it is a demanding place which can involve a high risk of failure but also a high reward for success. Some personalities are attracted to this set of ideas – and they would have scored Macquarie Bank positively and an employer brand – but other personalities are not the least attracted to the concepts and they would have scored the bank poorly.

Growing awareness of concept

For about the past four or five years the concept of Employer of Choice has been gathering pace in the market. The annual Hewitt's survey 'Best Employers in Australia and New Zealand,' has been instrumental in creating awareness of the employer of choice concept. The concept of employer of choice is not synonymous with the idea of employer branding but the awareness of employee attitudes it has created has led to a growth of interest. One avenue to employer of choice status is through employer branding.

Clayton Utz' human resources director, Kris Webb, says: "As awareness of the employer of choice concept grew, we read further into it and saw that we had already been carrying out many of the features of the concept – including the idea of employer branding.

"Some elements in our employer branding were that we were at the high prestige end of the legal profession carrying out challenging corporate work. And the reality associated with branding was certainly true and so the problem of mis-match between the image and the reality was avoided."

The Clayton Utz case shows a recognition of the of an underlying feature of any employer branding strategy; that is, the promise held out in the brand campaign must align with the reality.

Employee branding helps company expansion

Not only can employer branding help recruit the right employees, it can also help an orderly company expansion by removing the drag caused by a high turnover rate. This can be shown in the recent growth pattern for the legal firm Henry Davis York in Sydney.

In 1998 the partners had formed a strategy to grow through organic growth but any attempt an advance with their existing high turnover would have been two steps forward and one step back every inch of the way.

Branding – in particular employer branding – was an element in solving the retention problem, attracting top level graduates and lawyers and enabling the growth plans.

Henry Davis York's director of HR, Deborah Stonley, says: "Our successful employer branding strategy in the years since then has been significant in our growth. The turnover rate has plummeted to half the industry average."

Planning process

Planning is critical and good employer branding strategies are not the result of knee jerk management decisions or a desire to follow the latest fad. Several successful employer branding campaigns demonstrates this.

Suncorp, which has just been rated No 1 in a survey of 5000 clients and candidates of the finance recruiter, Select Professional, is a case in point. The survey gained opinion and feedback from accounting and finance professionals about which companies they saw as having highly appealing employer brands.

Suncorp Careers' manager, Tracey Fitzgerald, says: "In 2002 the Suncorp customer brand was very strong but, as a specifically employer brand, we had little direct presence. We received a huge benefit from our general reputation and consumer brand but the concept of Suncorp as a specifically employer brand was low.

"We embarked on a deliberate planning process where we reviewed our corporate brand, the promises it makes and the type of employee we need to deliver on the promises.

"We established the principle that whatever the employer brand is, it must truly reflect our culture and the value we are aiming to deliver. We have now fully worked through this process and are very happy with the recognition we have achieved," she says.

Deliberate planning is also a feature of Nestle's move towards the adoption of an employer brand.

Nestle's Siatu'u comments: "About 18 months ago we saw some presentations about employer branding.

"We knew that we had a positive employment reputation but we were not quite sure exactly what that was nor how to quantify it. We started by looking at our business strategy and goals and by matching our strategy with our people requirements we then defined our employment culture," she says.

Deloitte's national partner, people and performance, Alec Bashinsky, says: "We needed to perform with a better employment value proposition at the graduate level and we also needed to improve our lateral lines of recruitment – that is people who are already in the industry."

To support this Deloitte developed the seven Deloitte Signals which are basic to its culture.

Bashinsky says: "We believe it is worthwhile taking time to refine these steps because it is essential the external employer value proposition is a true reflection of the reality of the firm. The EVP and the reality must achieve a seamless match."

Communicating the message

The communication task in an employer branding campaign is two fold – one part is the communication with the candidate market and the other is with the existing staff.

Clayton Utz' Webb says: "We make a huge emphasis in communicating our brand to law students at university right from their first year. In this regard we provide lectures at university about career advancement options and fund university prizes for subjects of relevance to our area of work – that is, corporate commercial law.

"We also identify potential candidates through our summer clerkship program and communicate out employer brand by this means," she says.

At the same time, existing employees must understand the brand so that, for the new employee, the brand becomes the reality in the workplace.

Suncorp's Fitzgerald says: "We communicate the brand with our existing employees through our development of an employer brand hand book."

Other initiatives to convey the Suncorp brand have included the use of branding strips in the Friday issue of the Financial Review. The head office is in Brisbane but these branding strips can reach out to professionals in the finance sector working in Sydney, Melbourne and elsewhere.

The role of HR is not to force the issue or own the employer brand. This is a role for CEO level and the Board. The role for HR is to highlight issues, research options, present strategies and facilitate Board discussion. Once an employer branding decision is made the role of HR is to oversee its deployment and communication within the company.

Measuring success

The important thing in measuring success is to rely on objective measures as far as possible. These may include monitoring company statistics such as turnover. They may also include staff surveys.

Suncorp's Fitzgerald says: "We survey new employees in the first month to identify if the culture and conditions they find actually match with the employer brand. We have just introduced a survey of employees at the three month engagement to keep an eye on this in the longer term. We interview people who have left us to gain information about the match or mismatch of our employer brand."

"We also do an arms length, Gallup, employee engagement survey annually," says Fitzgerald.

Another indicator of success is how the employees respond to an external comparative survey.

Clayton Utz' Webb says: "When I came to think about the challenge of how to measure the alignment between our brand and our actual employment conditions, I realised that the acid test would be how our employees would vote if they were given the opportunity to reveal their opinions anonymously. That is why we have been delighted with the recent achievement of winning the Queensland Law Society's 2005 Employer of Choice Award."

Avoiding pit falls

The worst thing an employer can do is to under estimate the individual and his/her ability to think. If there is a mismatch between the EVP and the reality, the new employees will pick it up very fast and this could become the seed for future disengagement.

Sometimes the employer branding messages inadvertently given out by the company are the very reverse of what the companies are trying to convey with their product brand.

EOC Consulting's managing director, Cliff Stoneman, says: "The Northern Territory Police provide an example. Recently were advertising in the southern states for mature age people to join the Northern Territory Police. The Police had correctly identified that there were positions where a mature worker would be a highly suitable candidate. They had a story to tell but made a fundamental branding error in telling that story.

"The newspaper ads were headed prominently 'Northern Territory Police' and the job searcher – with a pre existing brand image – would have simply flicked past this ad if they did not already see themselves with a police background.

Employer branding – the counter view

But the move towards adoption of employer branding strategies is neither uniform nor accepted by all. Vodafone, for example, believes that more value is created by having a strong customer brand alone.

Vodafone's director of people and brand, Wendy Lentonm says: "We do not get involved in creating a separate employer brand. We have quite deliberately decided this.

“We see the full focus of our brand as being our customer brand and we believe that to spend time and effort creating two separate images for two different company functions could produce a set of discordant signals to the market.

Conclusion.

There is a growing awareness of the similar sounding concepts of employer of choice and employer branding. While the ideas may be associated, they are not identical. They are however related and, with the heavy caveat that the brand must line up with the truth, improvements in a company’s employer branding can boost that company’s place in the employer of choice pecking order by improving employee engagement.

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EMPLOYER BRANDING SUCCESS AT CBD LAW FIRM

Henry Davis York, a Sydney CBD legal firm specialising in commercial law has seen enormous growth and success in the past seven years and its employer branding strategies have been a component of this.

Seven years ago the firm had a total head count of around 147, including 29 partners. Today, the firm numbers around 350 all up including around 200 legal staff and 43 partners.

In 1998 the partners had formed a strategy to grow through organic growth but this aim was impacted badly by a high annual turnover rate – well above 28%.

Henry Davis York’s director of HR, Deborah Stonley, says: “We were mid ranking in size but with an high market acceptance in commercial law in Sydney.

“I had come from a much larger enterprise with a big emphasis on brand awareness and I could see the gem we had at Henry Davis York.

“We needed to communicate this gem with prospective employees and to differentiate ourselves from the much bigger tier one national law firms. One of the points of distinction we developed was the ability of new graduates to gain closer partner supervision in a mid size firm. We stressed our close knit nature.”

An important strand in communicating the message was that it had to be targeted towards the specific people who may become Henry Davis York employees. As the firm does not have a national network, nation-wide TV or newspaper advertising would be a waste of time because most of the message would go out to people who were less likely to be candidates for Sydney employment.

One avenue for this was through a summer clerk program run for law students in the penultimate year at university. The students work in the firm’s office for a period over the

summer and get to gain a feel for the culture of the place and the type of legal work involved. The summer clerk brochure for careers events at University was tightly coordinated with the employer branding strategy.

The firm also built employer branding awareness through an involvement with Law Societies at universities. This included sponsoring awards, financial support to Law Society activities and providing content and advertising for publications.

One of the measures of success has been in what has happened to the retention rate. From the year 2000 to 2004 we saw a drop in turnover to 14%-16%.

Stonley says: “We believe a reasonable market average for turnover in the Sydney market is above 30% in all age and experience grades. In some sectors it is much worse. A recent survey by FMRC – a financial management research centre at University of New England – revealed that up to 43% of 4th year solicitors and 35% of third years solicitors left top tier law firms in the year to February 2004.”

Stonley also states that it is important, however, not to rest on your laurels. “From July 2004 through to early 2005 we saw a rise in our turnover rate and our analysis shows this is a result of foreign recruiting for Australian lawyers. Since March this year this has started moving down again.” she says.

Other elements in the employer branding strategy have included building selective relationships with key legal recruiting forms. “We work closely with the consultants in these companies to make sure they understand our employer brand,” says Stonley.

<Case study ends>

<Select Professional’s survey results>

SURVEY SHOWS EMPLOYER REPUTATION A KEY FACTOR

Select Professional’s recent survey in the finance sector found that employer reputation was key attitudinal factor among prospective employees.

Key factor	Percentage of interviewees
Reputation for treating employees well	76%
Good team environment	68%
Good career path	64%
Money	61%

Note: In this table the interviewees could pick multiple choices so that these percentages come to over 100% - they are not cumulative.

These results do not lead to the conclusion that remuneration is unimportant as an employer branding issue but it leads to the conclusion that prospective employees are looking for more than just money when it comes to seeking employment.

When asked a similar question from the opposite angle – What are the key features as to why you would not want to work for a certain employer, the following pattern emerged.

Key factor	Percentage of interviewees
Don't treat employees well	54%
Poor team environment	48%
Poor job security	32%
Poor career path	32%

Note: In this table the interviewees could pick multiple choices so that these percentages come to over 100% - they are not cumulative.

<End Select Professional's survey results>

<Start Deloitte's Seven Signals >

DELOITTE SEVEN SIGNALS PART IF ITS EMPLOYMENT CULTURE

- i. Recruit & Retain The Best
- ii. Talk Straight
- iii. Empower & Trust
- iv. Continuously Grow & Improve
- v. Aim To Be Famous
- vi. Play To Win – Think Globally
- vii. Have Fun & Celebrate

- It is estimated that in their lifetime:
 - Generation X will have 3 careers and 8 jobs
 - Generation Y will have 5 careers and 15 jobs
- Generation X and Y are more likely to look

<End Deloitte's 7 signals>