Employer Brand Management

An Approach to Uncovering Why Anyone Should Choose to Work at Your Organization

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WHY SHOULD ANYONE WORK AT YOUR ORGANIZATION?

To deliver a great employment experience, you must assess your organization's competitive positioning as an employer and develop a compelling employer brand that goes beyond just a creative platform.

BUSINESS IMPACT

A strong employer brand enables you to connect with more of the candidate market with deeper, more meaningful messaging – because understanding what is important to your employees and candidates is giving them the answer to the question, "Why work here?" An employer brand will also help you to differentiate your organization from other employers, both in and out of your sector. You will find some talented competitors in your sector, as well as some outside of your sector – those that require highly transportable skills, such as those in finance and human resources.

Your employer brand will provide new and existing employees with a resonant message that promotes engagement. We are at an interesting time in the employment market because with an unemployment rate in the 8-10% range, the need to attract candidates is not as critical as it has been in the past. What is critical at this juncture is the need to engage your existing workforce at the maximum level possible. With a combination of innovation and productivity, organizations will be able to work their way out of the current market situation. The key is to shift focus from an external to an internal perspective.

You will enable your organization to attract candidates based on important tangible and intangible brand attributes rather than just commodity attractors such as compensation. When you look at brand from a product standpoint, you are supporting pricing. Looking at brand from an employer standpoint is quite different – you are mitigating pricing. When a candidate is looking at an organization, they are looking at whether or not they are aligned with your mission, if the benefits are outstanding, if they find a work/life balance offering that cannot be found elsewhere, etc. In this way, you can push the need to compete on a dollar-for-dollar scale down.

An employer brand will provide a unified voice for your organization that brings clarity to your recruitment efforts, from the career site to employee referrals. So many organizations are fragmented when they speak about themselves as an employer. Getting to a "one voice" approach truly helps to drive the effectiveness of communications.

Your organization will support its business objectives through strategic alignment of the value proposition. You will be able to connect your entire employer component directly to the business objectives of the organization.

And keep in mind that it is one thing to state them, and quite another to actually support them.

Improve Candidate Attraction

The Corporate Leadership Council is an employer-focused research organization that has conducted some research into the employee market over the years. In 2006, they conducted a worldwide survey that resulted in significant findings. What the graph below shows is statistical reference to the assertions made above – that you can attract more of the employee marketplace when you are managing what we call the Employer Value Proposition (EVP).

As you can see, with a managed EVP, you are able to effectively source from more than 60% of the labor market.

Organizations with unmanaged EVPs are able to source from only 40% of the labor market.
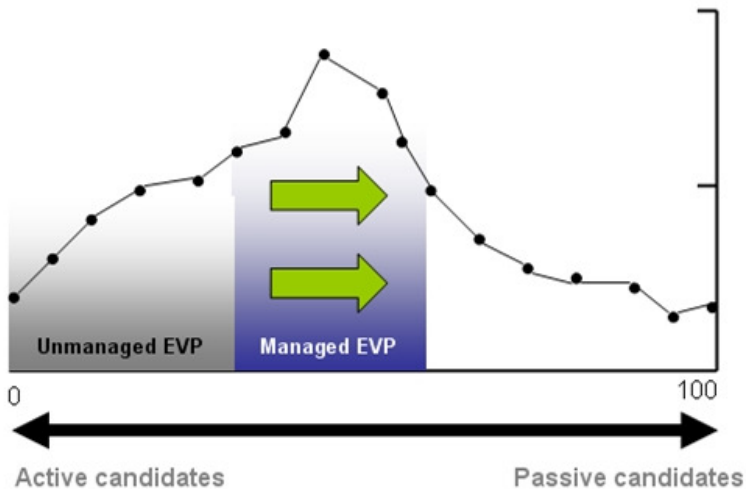
Source: 2006 Corporate Leadership Council - Attracting and Retaining Critical Talent Segments study

The EVP is one of the core foundational components that encapsulates why people should work at your organization. In developing an EVP, you start to get the message out to those who are normally considered passive candidates: those who have a great skill set that you would like, but tend to be firmly locked in their organization – yet may be open to the right opportunity.

Improve New Employee Commitment

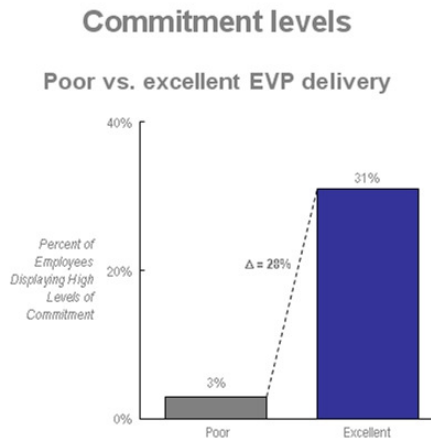Organizations that really deliver well against their Value Propositions experience a much higher degree of commitment from employees coming into the organization.

The difference is almost 30%, and it is not just during the first few months: it actually permeates beyond that.

Commitment levels

Poor vs. excellent EVP delivery

Percent of Employees Displaying High Levels of Commitment

Δ = 28%

Poor: 3%
Excellent: 31%

Source: 2006 Corporate Leadership Council - Attracting and Retaining Critical Talent Segments study

Reduce Compensation Costs

The chart below shows that when organizations try to bring employees into the organization and those individuals do not see the EVP as particularly attractive, they end up paying a 21% premium on each individual's current compensation. So, for example, say you are trying to attract an individual who is not actively searching for a job, and whose salary is $100,000. If they do not view your Value Proposition as particularly attractive, on average you will pay $121,000 to bring that individual on board.

Average compensation increase when changing organizations
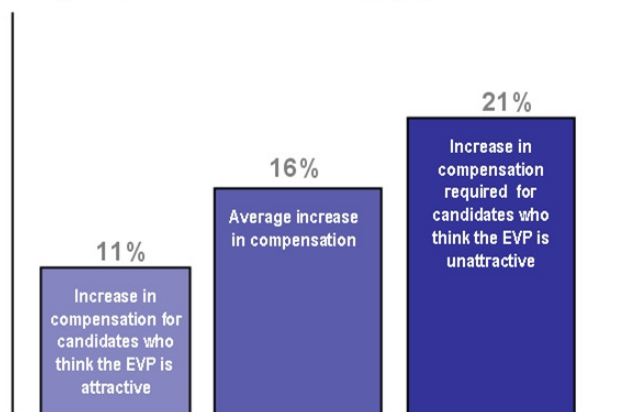
Only an 11% increase in compensation is needed to attract candidates who feel the EVP is attractive, while a 21% premium is needed to lure candidates who feel the EVP is unattractive.

11% Increase in compensation for candidates who think the EVP is attractive

16% Average increase in compensation

21% Increase in compensation required for candidates who think the EVP is unattractive

Source: 2006 Corporate Leadership Council - Attracting and Retaining Critical Talent Segments study

Conversely, organizations where the Value Proposition is seen as attractive and compelling on average pay only an 11% premium, or $111,000. If you extrapolate that across all staffing and hiring, that is really quite an impact on the bottom line of your business.

WHAT WE KNOW ABOUT WHAT ATTRACTS EMPLOYEES

Thus far, you have been provided with all of the business reasons and the key drivers for why you would want to explore making your organization known as a place where people would want to work. Now you will be provided with information that you can use to help assess where you are as an employer. This will not only help you from the standpoint of attracting employees, but it will also help you in connecting with current employees.

The data shared in this section represents an aggregation of results from employee perception surveys conducted by TMP Worldwide from 2004 through 2008. A total of 32,724 respondents are represented in this data, as well as 31 different types of business units, ranging from finance to healthcare and everything in between. While this data is 70-80% North American based, it does have some representation from Asia/Pac, Europe and South America.

EMPLOYER BRAND ATTRIBUTES

Importance vs. Delivery Benchmark

The grid below tracks more than 30 employer brand attributes, and in doing so, it not only tracks whether or not these individual attributes are important to employees, but it tracks the degree to which employees feel that their organization delivers against them.

Corporate
1. Company size
2. Direction of company
3. Global company
4. **Leadership**
5. Product diversity
6. Product innovation

Environment
1. **Co-worker quality**
2. Diversity of thought
3. Innovation of colleagues
4. **Manager quality**
5. Shared mission
6. **Teamwork**

Expressed Values
1. Cultural diversity
2. **Customer focus**
3. **Ethics**
4. Integrity of colleagues
5. Prestige of company
6. Quality product

Fulfillment
1. Empowerment
2. Importance of work
3. Recognition for performance
4. **Respect**
5. Sense of achievement

Practical
1. **Benefits**
2. Compensation
3. **Flexibility**
4. Location
5. **Stability**
6. Work/Life balance

Professional
1. Advancement opportunities
2. Career mobility
3. **Opportunity to learn**
4. Training

What the graph shows from bottom to top is the degree to which individuals feel that a given attribute is important. So, for example, the most important attribute on this scale connects to benefits. The blue box surrounds the 50% range, which means that given a choice of five attributes, 50% of respondents have said that benefits is the most important attribute to them.

The next most important to employees, not surprisingly, is compensation. Since benefits and compensation are the two most important attributes, as well as the two primary price point components when it comes to attracting employees, it really is worth your while to try and reduce their impact by emphasizing some of the other important attributes. Nonetheless, what it shows is that at the very minimum, you have to have compensation and benefits that are at least market-competitive – otherwise you will really struggle in the attraction and retention aspects.

The next most important attributes are advancement opportunities and the opportunity to learn, which are also not surprising, as these respondents are looking to move their careers forward.

The grid also moves from left to right, where we are looking at the individual employees' assessment of how their organization actually delivers these very same attributes. So if you look at the attribute that is farthest to the right, and therefore the most well-delivered for most of these organizations, you see the size of the organization. Note that people are quite fine with the size of the organiation. But that attribute is fairly innocuous, and it is not driving much in terms of the attribute scale, because as you can see, it is fairly low on the importance scale. So what you are looking to do is really find a set of attributes that are both important and well-delivered.

This set of data is a benchmark, and gives you a sense of what is going on in the marketplace. It provides you with a frame of reference to say, "How do I think that our organization is doing against these attributes?" Are you delivering, for example, the benefits, compensation and advancement opportunities in a way that at least 70% of your employee population would consider you to be delivering on?

By using this scale, we can see that the attributes of the employee experience that tend to be both well-delivered and important to individuals in the marketplace are (in bold on the grid): leadership, coworker quality, manager quality, teamwork, customer focus, ethics, respect, benefits flexibility, stability and the opportunity to learn. There are also some employee experience attributes that are not well-delivered even though they are quite important. If you can position your organization positively against these attributes, you will be viewed as more successful, providing you are, in fact, delivering on those attributes in an appropriate manner. They include compensation, advancement opportunities, work/life balance, recognition for performance and career mobility.

It is not quite as simple as it seems, however. What we have done here is aggregate the responses of all 32,000+ individuals regardless of the totality of their work experience, or the totality of their tenure in an organization or particular job category, etc. Therefore, the process is much more complicated and precise in determining how to attract individuals to your organization.

Employer Brand Attribute Importance According to Work Experience

What the table below shows is how the attributes that are important to the marketplace change based on the total number of years in the marketplace.

Top five attributes according to total years of work experience

<1	1-3	3-5	5-10	10-20	20+
Advancement opportunities	Advancement opportunities	Advancement opportunities	Compensation	Compensation	Compensation
Compensation	Compensation	Compensation	Advancement opportunities	Work/life balance	Benefits
Benefits	Work/life balance	Benefits	Work/life balance	Benefits	Work/life balance
Work/life balance	Benefits	Work/life balance	Benefits	Advancement opportunities	Stability
Career mobility	Opportunity to learn	Career mobility	Stability	Stability	Ethics

In terms of advancement opportunities, we see that from <1 year of experience all the way up to 3-5 years experience, this attribute is viewed as the most important. This is not surprising, as these individuals are just beginning their careers. As we reach 5-10 years of experience, advancement opportunities are still one of the top five attributes, but not THE top. When we reach 10-20 years, advancement opportunities are being supplanted not only by compensation and benefits, but also by work/life balance. And when you think about it, in both work and in life situations, people have progressed a bit more, and there are other things that become more important to them.

When we get to 20+ years' experience, the picture changes completely. After 20 years of experience, advancement opportunities are not as critical to an employee. They may think that there are many other things that are important to them in their employee experience now – they have either advanced to the point that they are able, or to the point that they want to, and so other things enter the picture. Things like ethics, for example. Those who have worked for 20+ years may begin to believe that the organization they work for has to represent their particular values.

The bottom line is that when you are thinking about demonstrating why people should work at your organization, what a candidate deems important is not only determined by their job category, but also by their level of experience. You need to think about them in different market segments and get the positions and information to speak to them in a way that is appropriate for each segment.

Attribute Delivery

We have discussed attribute importance, but what we will consider now is how people look at their organization and its ability to deliver particular aspects of their employee experience as they gain experience in the workplace. The point we highlight here is that while some individual attributes are certainly important, what's more interesting is how, as employees progress in years of experience, there are fewer and fewer attributes on the list. The reason behind this is that when employees enter an organization with <1 year of total work experience, they are really just grateful to be receiving a paycheck. However, employees believe that leadership, manager quality, training and advancement opportunities are only sufficiently delivered through their first year. And as total years of experience increase, employees become increasingly critical of an organization's ability to deliver employment experience attributes.

Attributes delivered according to total years of experience

<1	1-3	3-5	5-10	10-20	20+
Ethics	Quality product	Benefits	Quality product	Importance of work	Importance of work
Importance of work	Co-worker quality	Stability	Integrity of colleagues	Ethics	Integrity of colleagues
Integrity of colleagues	Ethics	Integrity of colleagues		Co-worker quality	Ethics
Leadership	Integrity of colleagues	Ethics		Integrity of colleagues	
Opportunity to learn	Importance of work				
Manager quality	Teamwork				
Stability	Opportunity to learn				
Quality product	Benefits				
Benefits	Stability				
Co-worker quality					
Training					
Teamwork					
Advancement opportunities					

Instead of viewing this as demoralizing, you can look at it as an opportunity for your organization. For example, when trying to attract individuals with more than three years of experience all the way to 20+ years of experience, if you can make a compelling case for why your organization really does deliver against a whole host of attributes, you will be able to make significant inroads.

Employees of all levels of experience believe they work in ethical organizations and with colleagues who have integrity. This may say as much about self-perception as it does about the organization: "Why would I associate with an organization that is not ethical – therefore my organization and colleagues must have those same qualities."

If your organization can deliver those attributes that are important to the different experience groups, you will be viewed as a great place to work, and you will also have an opportunity to differentiate vs. other competitors.

HOW TENURE IMPACTS PERCEPTIONS OF EMPLOYERS

When we say "you should work here," we tend to say that in reference to someone in the external applicant pool. These days, it also needs to include the internal employee population for two reasons:

1) As mentioned previously, as an organization, you have to achieve the greatest degree of engagement productivity out of your existing workforce given the challenges most organizations are currently facing.

2) Eventually there will be an upturn, and hiring and staffing will become a growing part of your organization. When that happens, the place that most people will go to get their information regarding you as an employer is your employee base, because information transferred directly from the source is the most trusted. Therefore, networking, employee referral, and word-of-mouth carry much more weight. In addition, we have entered an era of social networking that has been greatly expanded thanks to many web-based tools, such as LinkedIn, Facebook and Twitter. Here, individuals can connect not only with people they know intimately but also their "online friends" and acquaintances. As such, the ability to promote your organization either in a positive or negative way is really within the power of your current employees, and we certainly want them to be thinking about you from a positive standpoint.
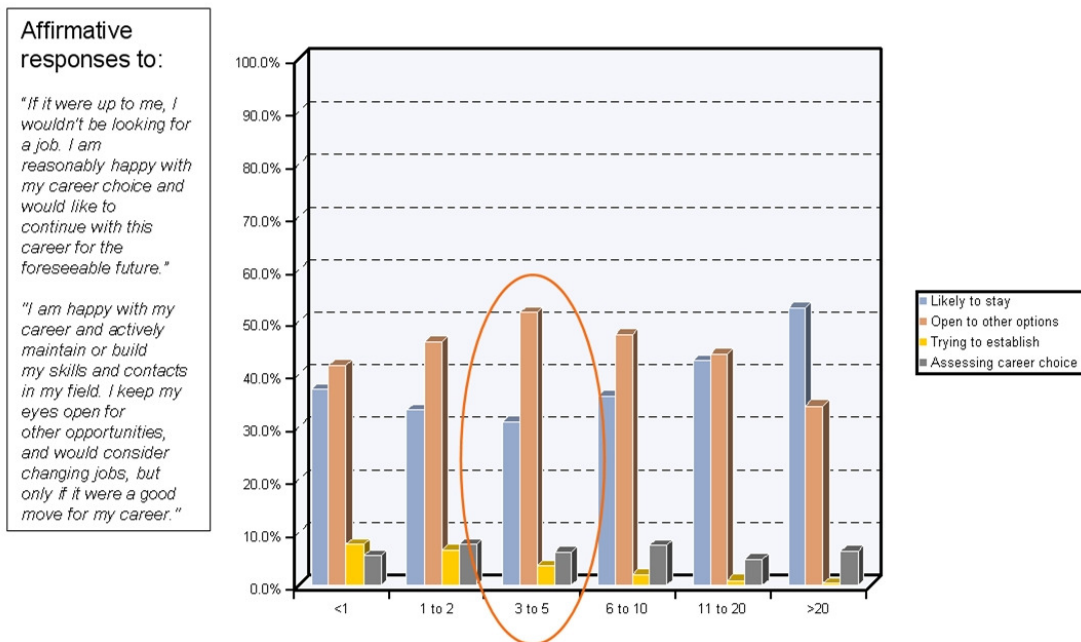
How Tenure Affects Perceptions

The graph below examines the concept of employees' commitment to an organization in the context of tenure. From left to right, the graph displays the amount of time that employees are with an organization. To be clear, we are not talking about total work experience now – we are talking about tenure within a particular organization.

The main things to look at here are the blue and brown bars. Blue indicates the likelihood that individuals will stay with your organization. Notice that the likelihood to stay decreases from <1 year to the point of 3-5 years with an organization, then at that point it begins to rise. The number of individuals open to other opportunities with other organizations rises from <1 year, peaks at 3-5 years and then starts to diminish.

Affirmative responses to:

"If it were up to me, I wouldn't be looking for a job. I am reasonably happy with my career choice and would like to continue with this career for the foreseeable future."

"I am happy with my career and actively maintain or build my skills and contacts in my field. I keep my eyes open for other opportunities, and would consider changing jobs, but only if it were a good move for my career."

So what does that tell us? We know that people in their first year make a determination as to whether an organization is right for them or not. Those who do not leave within their first six months are still not completely committed to the organization, and in fact, it is not until they reach the 3-5 year mark that they really make that determination. They judge this based on whether or not they have advanced, if they see additional opportunities to advance, and whether or not they have experienced the kinds of challenges, excitement and intellectual engagements that they anticipated they would. They are making their decision at this point, and as we can see, after 3-5 years, you can see a higher and higher percentage of the employee population making the determination to commit to an organization.

Given this, we can see that the critical juncture for employers is at the 3-5 years of tenure mark, when employees are more likely to be open to other employment possibilities than commit to their current employer by a 5:3 ratio. After that point, the commitment to remain with an organization rises steadily beginning at the 6-10 year mark. In addition,

approximately 5% of an organization's employee population is reassessing their career choice, regardless of tenure.

Employers should focus talent management strategies and corresponding retention communications on the 3-5 year segment. Specific retention levers can be uncovered with company-specific research, resulting in more specific and therefore relevant communication.

Commitment and Engagement vs. Tenure

The graph below shows a variation on the previous insight: now, in addition to commitment, we are overlaying their propensity to be engaged in your organization. This is based on something we call "declared engagement," which is the employee's perception that they are both emotionally and intellectually engaged in their work on a day-to-day basis.
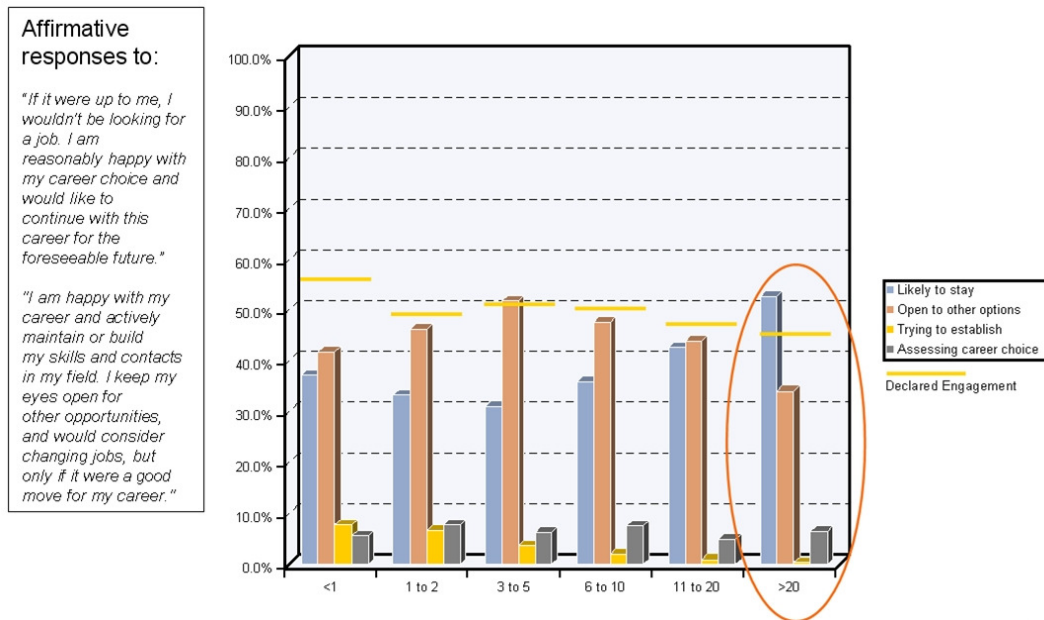
Again, the blue and brown bars show that the 3-5 year mark is the critical juncture of committing to an organization. The yellow lines display the declared level of engagement for each of these tenure categories, and what we find is that the level of engagement drops fairly steadily, though not dramatically beginning with the <1 year group all the way to the 20+ group. The level of engagement falls within the 45 – 50% range, and what you see for those individuals who have more than 20 years of experience at an organization is a group of people who are less engaged than any other population, but are more inclined to stay within your organization.

What does that mean? It means that the level of declared engagement by employees has a direct correlation to the amount of tenure with that organization. The critical juncture for employers in this instance is the 20+ years of tenure mark. This means a greater possibility of accumulating employees who "stay and quit."

This is problematic because this employee population is more likely to be less connected with the organization, and still be there doing the day-to-day work, but not driving the

organization forward – certainly not something that will help in this particular employment market or economic situation. Based on this, employers can expand employee engagement by focusing talent management strategies and corresponding engagement communications on the 20+ years of tenure group.

WHY EMPLOYEES REALLY LEAVE

TRIGGERS VS. TOTAL EXPERIENCE

Part of our study was to uncover the triggers that drive individuals out of an organization, or to look for another opportunity.

Discretionary vs. Non-Discretionary Drivers

Non-discretionary reasons for leaving an organization are those that come about not of the employee's own free will, e.g. company reorganization, downsizing, completed contract, etc. The graph below shows that non-discretionary reasons for individuals who have <1 year of experience tend to reflect completion of education.
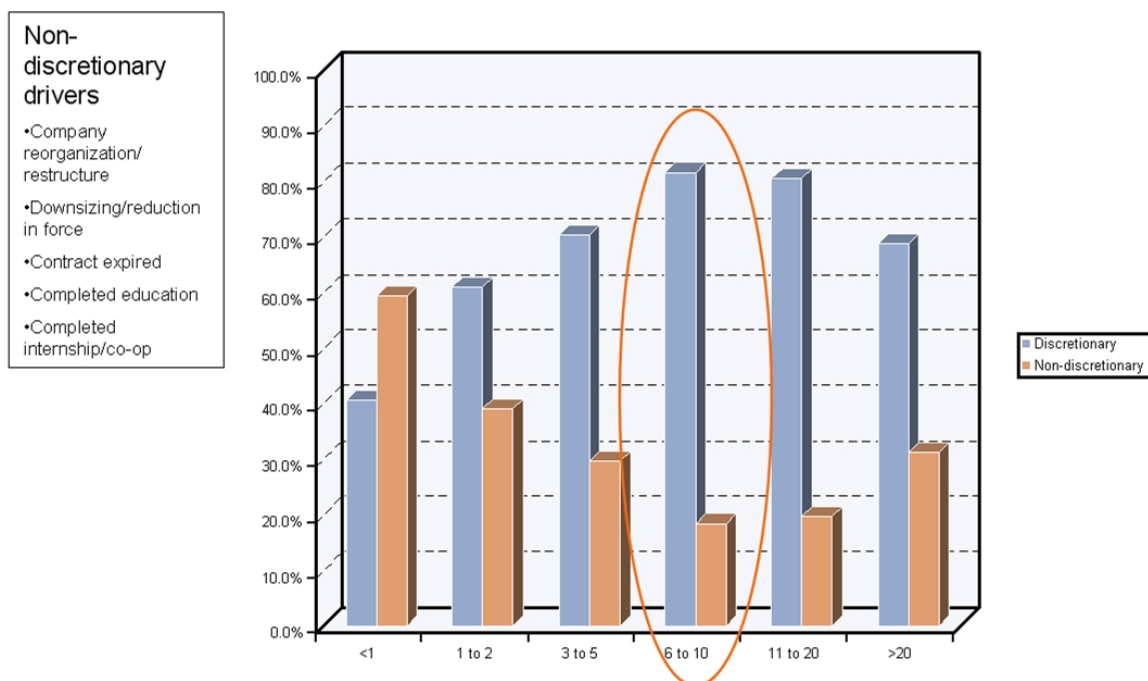
Employees with 6-10 and 11-20 years of total experience are most likely to have left an organization for discretionary reasons. Conversely, these cohorts are less likely to have left for non-discretionary reasons such as company reorganization or downsizing.

More than any other cohort, employees with greater than 20 years of experience are most likely to have left their last job due to non-discretionary reasons.

Manager-Influenced Drivers

One of the things you may hear frequently is that individuals come to an organization for the opportunity but leave because of their manager. Our data shows that to be only partially true. A more accurate description would be that individuals come for the opportunity and leave for manager-influenced reasons, but not because of the manager him- or herself.

To emphasize that, in the graph below, blue represents the percentage of the employee population in particular groupings that left specifically because of the manager. This is something that the manager did that was so abhorrent that it caused the individual to leave. As you can see, at 2-3%, this number is actually very low.
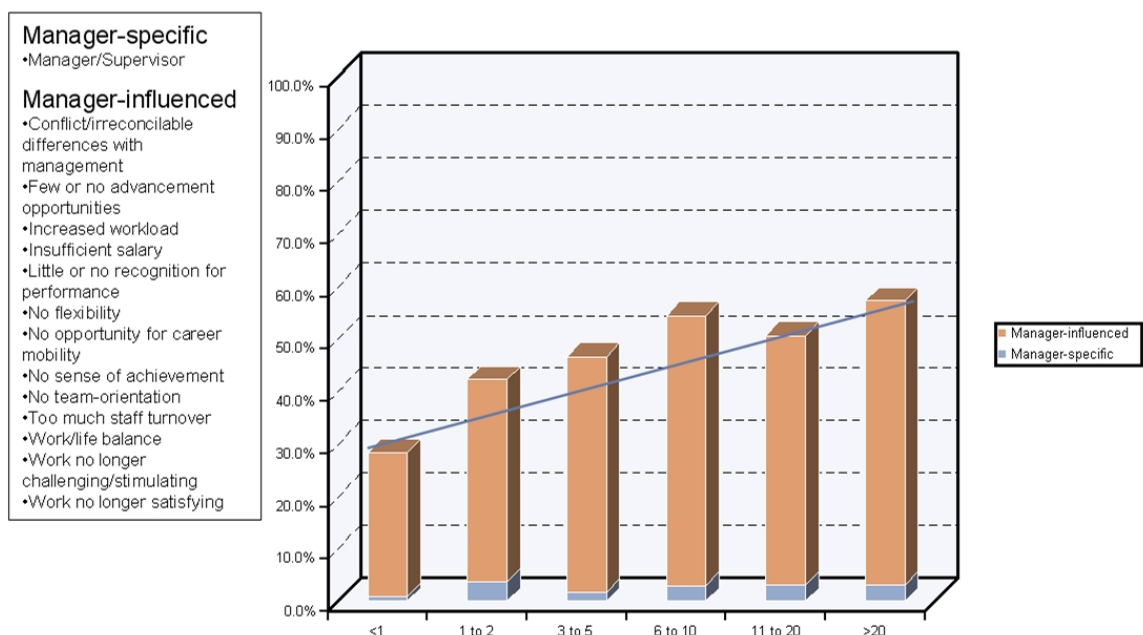
However, when we think about manager-influenced reasons, e.g. irreconcilable differences with management (possibly philosophical in nature), few or no advancement opportunities, no flexibility, etc., as total work experience increases, the degree to which manager-influenced drivers are moving people out of an organization increases.

We suggest utilizing policies, procedures and practices that enable employees to affect their own careers, which can help diminish these manager-influenced drivers. So for example, if your organization offers career path tools that the employee can access directly, it can help protect you from people leaving because of these drivers.

Triggers Based on Total Years of Experience

The table below shows how these triggers can change based on an employee's total years of experience. For those with <1 year of total experience, completing their education tends to be the primary trigger, and that continues for quite a while. However, at 6-10 years of experience, the main trigger becomes the lack of advancement opportunities at an organization. This continues through to 20+ years of experience. However, at this point, the primary trigger is no longer advancement opportunities, but has shifted to the lack of satisfaction in the level of the work.

<1	1-2	3-5	6-10	11-20	20+
Completed education	Completed education	Completed education	Few or no advancement opportunities	Few or no advancement opportunities	Work no longer satisfying
Completed internship/Co-op	Few or no advancement opportunities	Few or no advancement opportunities	Location	Location	Company reorganization/ restructuring
Few or no advancement opportunities	Location	Location	Insufficient salary	Company reorganization/ restructuring	Downsizing/ reduction in force
	Insufficient salary	Work no longer challenging/ interesting	Work/Life balance	Downsizing/ reduction in force	Location
		Insufficient salary	Work no longer challenging/ interesting	Work no longer challenging/ interesting	Work/Life balance
		Work/Life balance	Completed education	Work/Life balance	Unstable/Declining company growth
			No opportunity for career mobility	Insufficient salary	Few or no advancement opportunities
				No opportunity for career mobility	
				Direction of company unclear	

>10% selected this reason	5-10% selected this reason	Manager-influenced, discretionary

Employers should seek to connect the messaging of their employer brands with the primary triggers for leaving (e.g. messaging around advancement opportunities and interesting work when targeting those with 1-5 years of experience). Talent management strategies and corresponding retention communications should also be targeted according to triggers for each experience category.

WHAT CANDIDATES WANT TO KNOW

Now that you have insight as to what makes a great employment experience, why people leave, and what the difference is between the importance and delivery of these various components based on tenure and total years of experience, how can you get that messaging out to individuals either inside or outside the organization in a way that is compelling and that they want to digest?

MESSAGE CONTENT PREFERENCES

If you think about the way in which your story can be told, whether it is a conversation between a hiring manager and a prospective employee or part of a career site does not matter. What matters is that you are recognizing what is important to people.

If you look at the graph below, you will see that more than 60% of the employment market population has indicated that the most important information is the type of work that they will be doing in your organization, as well as environment, culture, etc. The next most important is to what degree they will be successful in your organization, followed by the company success and the company work. Candidate-focused content becomes somewhat more important for those with 3-10 years of total work experience. Company-focused content becomes more important for those with more than 10 years of total work experience.

Preferred message content by total years of work experience
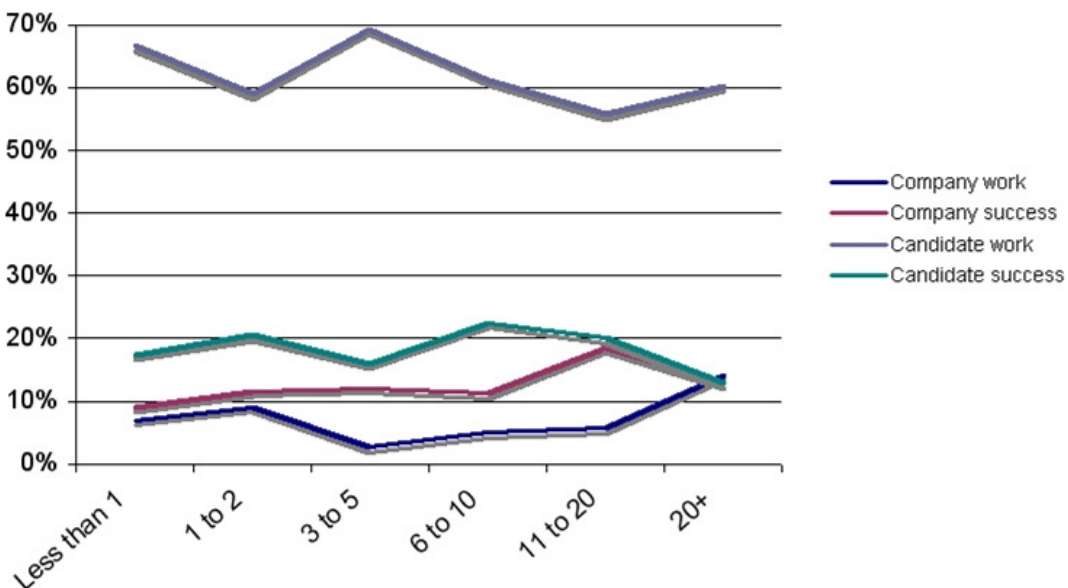
Even though candidates are primarily interested in the type of work they will do at an organization, in this economic climate, candidates are starting to want to know more about a company's success, as they want to know more about the viability of that company.

It is interesting to note that the majority of organizations do not speak directly to candidates about their potential success at the organization. Instead, they tend to talk about themselves in their messaging because that area is most comfortable. To stand apart from your competition, content focused on candidate work should dominate all messaging, and should be supplemented with content from the other areas based on employees' level of experience.
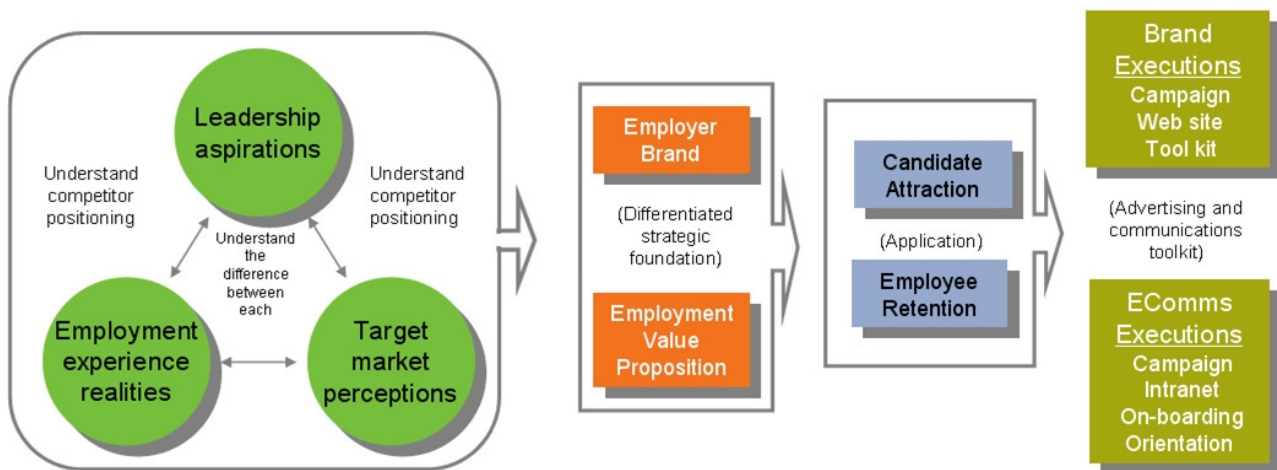
HOW TO GAIN INSIGHT INTO YOUR OWN ORGANIZATION

The diagram below visually displays our process overview, and shows how you can go about discovering all of the information you need to position your organization as one that people want to work for.

PROCESS OVERVIEW

First we gain an understanding of the aspirations that you have for the employment experience, which tends to come from leadership within an organization. We also take a look at the realities of working at an organization – uncovering what employees themselves are saying rather than relying on conjecture. In addition, we look at what the market thinks about you as an employer.

With that in mind, we look at the gap analysis and see the spot that you can occupy that you are comfortable with from a standpoint of telling your story in context with positioning of competitors. From that, your own Value Proposition and the way in which you can take that Value Proposition to market are developed. The application is important for two audiences: external candidates as well as employee retention and engagement. Then there are a host of tools above and beyond word-of-mouth that you can utilize to get your message out, including the career website, campaign intranet, on-boarding and orientation materials.