

[155-205] Employer branding — the value of the brand

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Tesco chief executive Sir Terry Leahy has said: “Your employer brand isn’t what you say it is. It is what people tell you it is.”

By “people” he means not only existing employees, but past and future employees.

An employer brand and employee value proposition is the new “must have” for businesses to promote their organisation and demonstrate that the culture and values of their workplace is one that potential recruits want to be associated with. A good brand can become the marketable point of difference between a business and its competitor.

A search of current research papers on the topic suggests that if the experience of “being at work” matches up with those values promoted through the brand, employees will be more motivated, more productive, more loyal, and more likely to stay with the organisation. However, employer brands mean different things to different people. Different people need and want different things from their employer. The challenge for the employer is to find a message that means something to all the people it wishes to recruit and retain and is not bland and predictable.

Richard Mosely from People in Business UK says that: “Organisations increasingly recognise that they cannot take the commitment and loyalty of their employees for granted. Despite the desire to ensure that employees are broadly satisfied with their working conditions, it has largely been taken for granted that if you give people a decent job they will gratefully do your bidding. This is not so. Leading companies are fast realising that valued employees, like profitable customers, are free to make choices, to join, to engage, to commit, to stay. They are also beginning to realise that to attract the right kinds of people, to encourage them to remain loyal and to perform to the best of their abilities requires a far more focused, coherent and benefit-led approach than companies have been used to providing. Given the long term trend for organisations to treat their valued employees more like valued customers, the logical conclusion for most will be to sharpen up the way in which they manage the brand that people work for — the employer brand.”

Although the paper by Professor Graeme Martin, Glasgow University titled *Employer branding: time for some long and “hard” reflections?*¹ questions whether employer branding is delivering on its promises, it also provides an excellent process chart that demonstrates the stages organisations go through to develop their brand. These three key stages can be summarised as follows:

1. **Creating an employer brand image** — what do the organisation’s senior managers want to communicate about the package of functional, economic and psychological benefits (in effect, this is its autobiographical account of the employee value proposition or brand promise).
2. **The 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” — ie its mission, strategies, culture and beliefs that define “the way we do things around here”.
3. **Employer brand reputation** — the biographical account of who or what it is, this time written by potential and existing employees who, along with others, begin to form distinct segments of interest and lifestyles.

Figure 1: Three key stages of brand development

Three key stages of brand development

Professor Graeme suggests that one of the pitfalls to avoid while going through the process of developing the employer brand is that of corporate stories which adopt a single “voice” and which are unresponsive to internal and external stakeholders. These quickly become the object of less flattering interpretations and a dynamic process of refinement. Professor Graeme says that 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.

An organisation’s experience

One example of an employer in Australia which has focused on making their employer brand relevant and dynamic is Lion Nathan. Lion Nathan wanted to build a strong brand that would position them as an Employer of Choice and assist them to attract the best talent and retain the right people. They developed a strategic plan that included considerable consultation with employees, managers and executives to ensure that the “brand” reflected what it is like to work at Lion Nathan. The strategic plan included:

1. **An employer brand audit** — researching the status quo of employer brand including awareness, competitor analysis and internal perceptions.
2. **Creating a distinctive and true brand image** — that would “sell” Lion Nathan as a unique offering and one that stands out from the competition.
3. **Educating the target** — by building a story around Lion Nathan as an employer of choice, creating an affinity with the employer brand and the passive and active job seeker, as well as current employees.
4. **Consistency** — in creating an image that would increase brand awareness through repetition.
5. **Synergy** — the employer brand should work in synergy with the corporate values and logo identity to create a unified and recognisable positioning.

A key component of the employer brand audit was a survey of staff that polled 300 employees and 12 senior managers. The data was distilled down to the seven most outstanding “attraction points”. These attraction points had to be definitive, true and engaging, and create a significant point of difference. In addition, the “promise” needed to equal the “experience” of working for the organisation. The seven attraction points are:

1. industry leading iconic brands
2. positive sociable culture
3. taking pride and being passionate about the work
4. working with talented and professional teams
5. reputable (professional and responsible) leading Australasian company
6. make a real difference while your career is supported and grown
7. work/life balance

Using the seven attraction points and further data from staff surveys as to why employees stay at Lion Nathan, a positioning statement was developed to “sum up” the unique Lion Nathan experience. This was the inspiration for the creative “look and feel”, and bound all of the branded materials together. The HR team worked closely with their corporate affairs professionals to ensure that there was alignment between the product brand image and the employee brand. Updating their website and other media resources was a cooperative effort.

Lessons learnt from the process

Rob James, People Direct Leader New Zealand, People and Culture (who led the project) said that they had learnt some very useful lessons throughout the process which are listed below:

1. Planning the research component is critical. It is important to listen to the nuances of the feedback and to check the cultural differences within different parts of the business.

2. Engaging our people and leadership teams early in the process is critical. The organisation's bi-monthly communications helped to break down some initial reticence and keep people up to date with progress.
3. Identify measures of success as part of the initial planning steps as it can be difficult to measure success down the track. Gain executive support for the criteria to be used.
4. Be sure to involve and gain feedback from suppliers and candidates.
5. There is a real need to engage with stakeholders and involve them in the "how are we going to do this" discussions.
6. Ensure that members of the People and Culture team remain as "guardians of the brand" and that they are passionate about it and able to "sell" it to the business and their internal clients.
7. Spend the media budget wisely. Identify how such funds will be spent as part of the overall planning phase.

Benefits and outcomes of the strategy

Rob James indicated that there have been some very significant benefits as a result of the branding process. For example:

1. **"Cost per hire" is down by 11%** — overall spending has been reduced through an increase in market awareness, resulting in an 11% reduction in hire costs over a period of only six months.
2. **Increases in Sydney Morning Herald (SMH) responses** — enquiries are up 296% over the campaign period. During the three-month period from January to March, candidate responses from the SMH rose from 32 to 95 enquires.
3. **Career website hits** — the website has seen a peak increase of 951%; and 146% average increase over campaign period. Weekly hits spiked during campaign advertising (up to 1146 during the campaign period versus a low of 109 during the non-advertising period).
4. **Hewitt engagement score** — has seen an increase of 7%. This internationally-recognised benchmark elevated Lion Nathan from 68% to 75% this year putting them close to the Best Employers average of 79%.
5. **Spotter's reward hires up 500%** — successful hires through the re-branded "spotter's reward" program have doubled from one to five hires per month over a six-month period, saving \$300,000 at an average fee of \$10,000 per hire.

Lion Nathan won the Award for the Employer Brand of the Year in 2007.

Footnotes

- 1 *Employer branding: time for some long and "hard" reflections?* published by CIPD July 2007 reference 4185.