

**EMPLOYER BRANDING – SOURCE OF COMPETITIVENESS
OF THE INDUSTRIAL PLANTS**

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Abstract

The paper deals with the concept of employer branding, which is very important to follow, as an employer brand represents the core values of an organization. Organizations considered good employers have a strong identity and a positive image in the marketplace. To be successful, organizations need to attract the employee market. Marketing tools associated with Brand Management have been applied by the HR (Human Resources) in order to attract, engage and retain employees in the same way as marketing applies such tools to attract and retain customers.

Key words

employer branding, employer image, employee, human resources management, marketing

Introduction

The term “*Employer Brand*” was first used in the early 1990s to denote an organization’s reputation as an employer. [3] Employer brand is understood as a brand which differentiates it from other competitors in the employment market. The term also includes long term strategy that establishes an organization’s identity as an employer in the employment market. Ambler and Barrow define employer brand as follows: “The package of functional, economic, and psychological benefits provided by employment, and identified with the employing company” [1]. Minchington defines employer brand as “the image of organization as a great place to work in the mind of current employees and key stakeholders in the external market (active and passive candidates, clients, customers and other key stakeholders). The art and science of

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employer branding is concerned with the attraction, engagement and retention initiatives targeted at enhancing company's employer brand. [9]

Employer branding is central to the concept in HR Marketing. It defines the personality of a company as a preferred employer. [10]

The employer brand is the most powerful tool for attracting; engaging and retaining the right talent/culture fit that will help leaders grow their organization. Like any brand, employer brand is about perception. [10]

As mentioned above, branding has moved into the field of Human Resources from the discipline of marketing. In principle, brands can be seen as a set of symbols which represent a variety of ideas and attributes, the net result of which is the public image, character or personality of an organization. As such, branding activities involve constructing particular attributes (e.g. the values on an organization) that are considered to represent the image that a company wishes to communicate to potential employees, current staff and the public. [2] Employee and employer branding are distinct activities due to the difference in what has been branded. Employee branding is targeted to the existing workforce, but employer branding by highlighting that the organization is an employer of choice reinforces the employee branding message to the existing workforce. Nonetheless, it is important to note that the two activities have a different emphasis. (Table 1)

FEATURES OF EMPLOYER AND EMPLOYEE BRANDING [2]

Table 1

Area of employer and employee branding	Employer branding	Employee branding
Direction of branding activities	External and internal	Internal
Branded entity	The organization	The employee
Target of branding	Current and potential employee	Customers who interact with brandy employees
Roots	Personnel/ HR management Marketing literature	The management of culture literature Organizational socialization literature Marketing literature
HR activities	Recruitment and selection Advertising External and internal communication Benchmarking	Induction Training and development Performance management Competency-based HR systems Internal communication
Aim	To ensure the company attracts new recruits of quality and retains existing employees	To ensure employees act „on brand“ and share the values of the organization’s brand
Intended outcomes	Winning the war for talent High quality, motivated and high performing work force Having the competitive edge	Increased employee commitment and identification Increased customer satisfaction and loyalty/identification

Employer brand management expands the scope of this brand intervention beyond communication to incorporate every aspect of the employment experience, and the people management processes and practices that shape the perceptions of existing and prospective employees. [3]

Housden divides human resource levers to the following ones (Figure 1): 1. Employer Brand (What do people think of the organization?); 2. Talent Management (How does organization manage its talents?); 3. Reward & Recognition (What keeps organization’s talent with the organization?); 4. Communication (How does organization talk to its talented people?); 5. Recruitment Processes (How does organization attract talented people to it?); 6. Performance Management (Where is a talent in the organization?). [8]

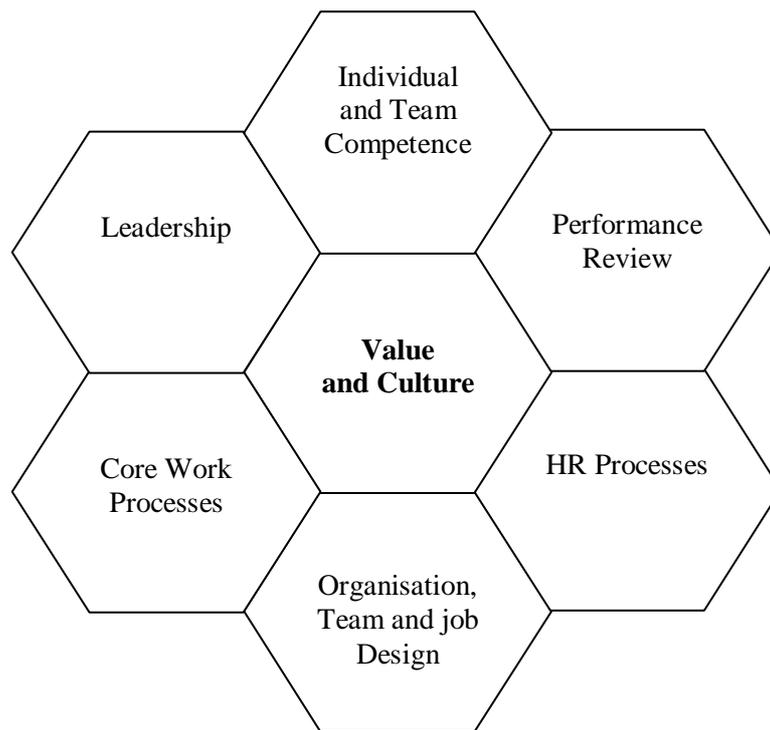


Fig. 1 Human Resources Levers [8]

There is a proven relationship between excellence in key components of employer branding and the level of market premium organizations enjoy. Harris considers the main components of employer branding are employee engagement, employee communication, training and development, and external reputation. [7]

Nowadays, the global employer-branding leader in the market is called Universum. Universum drives the industry forward having focused exclusively on employer branding (EB) for over 20 years. In September 2010, Universum presented the world’s Top 50 most attractive employers. Universum releases the global talent attraction index: “*The World’s Most Attractive Employers 2010*”, based on close to 130,000 career seekers (students of top academic institutions chose their ideal companies to work), with a business or engineering background. [6]

This is the first global index of employer attractiveness and highlights the world's most powerful employer brands of those companies that excel in talent attraction and retention. The global rankings are based on the employer preferences of students from Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia, Spain, U.K., and U.S. Following the unprecedented world release in 2009, Google still manages to keep the no. one position, but this time facing growing competition from the big four auditing firms. In the business category, 2010 has been a good year for the auditing industry, as the top four companies now take four out of the top five places in the ranking. On a less positive note, the companies in the Banking and Investment industry, Management Consulting, and Oil & Gas, now encounter the problem of being perceived as less attractive employers [6].

In the engineering category (Table 2), however, the IT-sector companies continue to dominate: the top three employers – Google, Microsoft, and IBM – maintain their positions from last year. The notable changes are Japan's Sony at no. four and Apple's new entry. German car manufacturer BMW is still the most powerful employer brand in the automotive industry [6].

THE WORLD'S MOST ATTRACTIVE EMPLOYERS 2010 –
– TOP 10 ENGINEERING [5]

Table 2

TOP 10 - Engineering	Rank 2010	Rank 2009
Google	1	1
Microsoft	2	2
IBM	3	3
Sony	4	7
BMW	5	4
Intel	6	5
General Electric	7	6
Siemens	8	8
Procter & Gamble	9	10
Apple	10	New

THE WORLD'S MOST ATTRACTIVE EMPLOYERS 2010 –
– TOP 10 BUSINESS [5]

Table 3

TOP 10 - Business	Rank 2010	Rank 2009
Google	1	1
KPMG	2	8
Ernst & Young	3	5
PricewaterhouseCoopers	4	2
Deloitte	5	10
Procter & Gamble	6	6
Microsoft	7	3
The Coca-Cola Company	8	13
J. P. Morgan	9	7
Goldman Sachs	10	4

AIESEC (Association Internationale des Étudiants En Sciences Économiques et Commerciales) in Slovakia organises events to support relationship between potential employees and employers. (e.g. National Career Days, Talents of Tomorrow, AIESEC Symposium, recruitment campaigns, webportal Chcemkarieru.sk.). [4] Companies from the TOP 10 of The World’s Most Attractive Employers 2010 (Table 3, business field) like Deloitte, Ernst & Young, Procter & Gamble, PricewaterhouseCoopers, KPMG presented their activities at the National Career Days 2010. Participating companies understand the need of presenting their activities at such events to get attention of potential talented employees.

Within employer branding program of AIESEC, organizations conducting their business in the Slovak Republic have the opportunity to reinforce organization’s brand among students and recent graduates. With products aimed at the employer brand, organizations get direct access to university students [4].

Influencing candidates to join the company requires a targeted recruitment strategy and communications approach according to a wide-ranging new survey from Employer Brand International (EBI). The “Influencers of Employment Choice Global Research Study” surveyed more than 400 employees worldwide on what influences their employment choice. Research study investigated the “Influencers of Employment Choice”, specifically, which of 15 employer brand attributes have the strongest influence on why employees choose to join an organization over another. The report includes global segmented results for gender, age, organization type, country, position in company and tenure. One of the research issues was related to the employer brand strategy. Just 16 % of respondents have a clear employer brand strategy and 13 % of studied employers confirmed no developed employer brand strategy (Figure 2) [6].

Employer Brand Strategy

- I do not know
 - Yes, but it can be further developed
 - No, we have not developed a strategy
- Yes, we have a clear strategy
 - No, but we are working on it

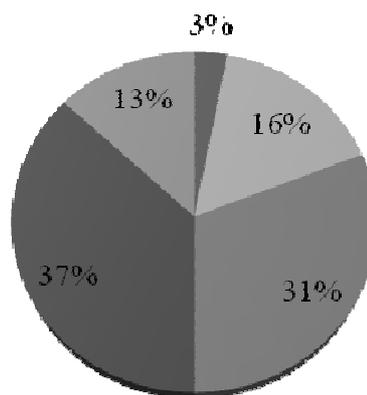


Fig. 2 EBI Research Study Results in “Employer Brand Strategy” [6]

The study found if employer wants to influence women in their employment choice they need to communicate flexible working patterns and a friendly working environment. Compared to men, flexible working patterns are six times more likely to influence women in their employment choice. The opportunity to work with thought leaders, an organization with a culture of innovation and a clearly defined mission has a stronger influence on employment choice for males. The research shows employees in private companies can be influenced to join companies who value leadership, reward for performance and a global perspective in their work much more than not-for-profit and government sector employees. On the other hand, government employees are more influenced in their employment choice by companies that offer flexible work patterns and who can demonstrate an authentic approach towards corporate social responsibility. *Other key findings of the global survey include [6]:*

1. Being rewarded for performance decreases in strength of influence of employment choice as age increases.
2. Working for a company that provides a high level of customer service increases in influence of employment choice as age increases. It is nearly 5 times as strong an influence for 50+ years compared to 18-29 years.
3. A friendly working environment is also a stronger influencer of employment choice for younger age groups and declines with age (nearly 3 times stronger for 18-29 years compared to 50+ years).
4. The opportunity to work with thought leaders is nearly twice as strong an influencer of employment choice for employees in the private sector compared to government.
5. Working for a company with inspiring leadership is three times a stronger influence for employees in the private sector compared to not-for-profit and government employees.

The results of the research assist to inform and guide organisations in their talent attraction and retention practices.

Conclusion

Employer branding is the response of Human Resources Management to the particular market circumstances. Very important factor in achieving employer branding objectives is to have a clearly defined employer brand strategy. Regarding the career seekers in the field of engineering, potential hires find companies that are innovative, produce exciting products and offer exciting services.

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