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Employer brand

Introduces employer branding, why it's important, and how organisations can develop a strong brand aligned with their values

Introduction

All organisations have, consciously or not, an employer brand. It's the way in which organisations differentiate themselves in the labour market, enabling them to recruit, retain and engage the right people. A strong employer brand helps businesses compete for the best talent and establish credibility. It should connect with an organisation's values and must run consistently through its approach to people management.

This factsheet looks at why employer brand is important, how technology and social media are affecting employer brand, and its particular importance in recruiting talent, and mergers and acquisitions. It outlines the benefits of having a strong brand and the stages of developing one. Finally, it discusses the organisation's employee value proposition.

What is employer branding?

All organisations need to understand what their employees, stakeholders and customers think of them. Marketing professionals have developed techniques to help attract customers, communicate with them effectively and maintain their loyalty to a consumer brand. Employer branding involves applying a similar approach to people management and describes how an organisation markets what it has to offer to potential and existing employees.

Our 2008 guide, *Employer branding: a no-nonsense approach*, (available to CIPD members in our [HR and L&D archive database](#)), defines an employer brand as '...a set of attributes and qualities, often intangible, that makes an organisation distinctive, promises a particular kind of employment experience, and appeals to those people who will thrive and perform best in its culture'.

A strong employer brand should connect an organisation's values, people strategy and policies, and be linked to the company brand. A key part of an organisation's culture and values are the ethical standards that the employer upholds through the practice of its employees. Employer brand is therefore influenced by the ethical perspective that prospective and current employees take, as well as through business actions.

Why employer branding matters to people professionals

The concept of employer branding has become prominent in recent years. Our 2007 report *Employer branding: the latest fad or the future of HR?* (available to CIPD members in our [HR and L&D archive database](#)) identified four main reasons for this: brand power, credibility, employee engagement and the prevailing labour market conditions.

In the last two decades, 'branding' has become a central concept in organisational and social life. Many people professionals have embraced the language and techniques of branding to enhance their strategic influence and credibility. The recruitment proposition was their likely starting point, but many organisations now recognise the value of a branding approach to the whole employee lifecycle as they seek to build an engaged workforce and ensure a positive work experience.

Employer branding presents people professionals with an opportunity to learn from marketing techniques and apply them to their work. It's important that HR teams work collaboratively, for example with colleagues in marketing, public relations, internal communications and corporate responsibility, to share expertise and get maximum benefits from developing an employer brand.

Is employer brand still a relevant concept?

Employer branding remains relevant in uncertain economic times and particularly in a marketplace where there are skill shortages and organisations competing for talent. More recently, the COVID-19 pandemic has pushed employer responsiveness into the spotlight. For example, employers risk reputational damage if they treat their employees poorly which could have a negative impact on future candidates' perception of the organisation.

Our People Profession 2030 report highlights an increasing demand for responsible business, transparency, and accountability, suggesting areas where employer brand management needs attention. Additionally, our Best to good practice HR report identifies individualism as a trend that's influencing future work: specifically, increasing employee expectations by personalising their employment relationships and having a voice within

their organisations. There's more on employees' attitudes to work, levels of engagement and job satisfaction in our Good Work Index survey (previously UK Working Lives).

The popularity of social media is emphasised in our report Social technology, social business?. Its use is only going to increase and this underlines the importance of continued attention to the employer brand. Although in the past people have been more likely to use social media in their personal rather than their professional lives, this had rapidly changed. Organisations need to be particularly aware of both the positive and negative feedback that can be given by past or present employees on social media.

Cyber attacks, hackers and fake news are another modern threat to organisations and their online content. Organisations should plan for this, address negative feedback and breaches quickly and monitor where necessary.

Employer branding and mergers and acquisitions

Mergers and acquisitions have a particularly significant impact on the brand and shake the 'deal' which exists between the individual and their employer. Many employees are disempowered and may feel they are working in a job they did not pick, for an organisation they did not choose to work for.

How organisations can benefit from developing an employer brand

Organisations can use an employer brand to help them compete effectively in the labour market and drive employee loyalty through effective recruitment, engagement and retention practices.

All organisations have an employer brand, whether they've consciously sought to develop one or not. Their brand will be based on the way they are perceived as a 'place to work', for example by would-be recruits, current employees and those leaving the organisation.

To be effective, the brand should not only be evident to candidates at the recruitment stage, but should inform the organisation's approach to people management. For example, it can affect the approach to:

- Induction.
- Performance management and reward.
- Managing internal communications.
- Promoting effective management behaviours.

- People leaving the organisation.

To deliver benefits, it's important that the employer brand is not merely rhetoric restating the organisation's values, but reflects the actual experience of employees. As our [Employer branding: a non-nonsense approach guide](#) (available to CIPD members in our [HR and L&D archive database](#)) points out 'People who like the job they do and the place they work become advocates for it'.

An employer brand approach involves research with employees to understand their attitudes and behaviour, for example, through a staff attitude survey. This employee insight can inform metrics on 'people performance' in the organisation, giving an opportunity to demonstrate links to organisation performance. Organisations could choose to monitor their employer brand through quantitative data such as number of applications for roles, acceptance of offers, employee engagement scores, reduction in costs or more qualitative feedback. Organisations should be able to answer questions on 'what sets them apart from their competitors'.

How to develop an employer brand

Our guide, [Employer branding: a no-nonsense approach](#), (available to CIPD members in our [HR and L&D archive database](#)), gives detailed advice and suggestions for developing an employer brand. It identifies four stages of development:

- **Discovery.** Understanding how the employer brand is perceived by various stakeholders. This could include:
 - Holding workshops with senior management.
 - Running internal and external focus groups.
 - Carrying out employee surveys.
 - Ensuring senior leader buy-in.
 - Auditing the candidate journey.
- **Analysis, interpretation and creation.** Building a clear picture of what the organisation stands for, offers and requires as an employer – its distinctive 'value proposition'. This could include:
 - Defining brand attributes.
 - Defining overall employment value proposition.
 - Developing an overall creative brief.
 - Behaviour and attribute mapping.
- **Implementation and communication.** The brand is applied for the first time in the

organisation. This could include:

- Applying the brand to induction, applicant information, briefings for recruiters, interview and assessment process.
 - Launching brand internally.
 - Applying the brand to the organisation's website and social media communications.
- **Measurement, maintenance and optimisation.** Checking progress and maintaining momentum. This could include:
 - Probing internal and external response and perception of the new brand.
 - Measuring improvements in the recruitment and retention metrics.
 - Measuring uptake in terms of actions that demonstrate the business is 'living the brand'.

Developing an employer brand requires careful consideration of ethical practice, particularly in developing and engaging current and future potential people professionals. Find out more in our factsheet on [ethical practice and the role of HR](#).

The employee value proposition

The 'employee value proposition' describes what an organisation stands for, requires and offers as an employer. The [psychological contract](#) between employers and workers addresses and sets expectations, beliefs and obligations of the employment relationship.

Rather than focussing on a single value proposition for the whole organisation, some organisations are beginning to take a more segmented approach. Employee segmentation is driven by the recognition that employees, like customers, are not a homogenous group. It can be beneficial to personalise the employment relationship to the needs of a diverse workforce – and this can mean emphasising different elements of the value proposition to different groups of employees or creating subsets of the overall value proposition. Our guide on creating an employee resource group for black and ethnic minority employees is one example of a focused approach to ensuring representation and voice of different groups of employees is considered within the organisation.

International organisations need to decide whether to promote one single employer brand and value proposition or different ones for different areas. For example, global brand values might need local interpretation to cater for cultural diversity.

Further reading

Books and reports

KEOHANE, K. (2014) *Brand and talent*. London: Kogan Page

MOSLEY, R. (2014) *Employer brand management: practical lessons from the world's leading employers*. Chichester: Wiley.

SPARROW, P. and OTAYE, L. (2015) *Employer branding: from attraction to a core HR strategy*. Lancaster: Lancaster University, Centre for Performance-led HR.

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Journal articles

BURT, E. (2017) Menzies: 'Your employees are your best ambassadors'. *People Management* (online). 28 June.

ERICKSON, T. and GRATTON, L. (2007) What it means to work here. *Harvard Business Review*. Vol 85, No 3, March. pp104,106-112.

FARRAND, L. (2018) What are candidates saying about you online? *People Management* (online). 23 August.

KUCHEROV, D. and SAMOKISH, V. (2016) Employer brand equity measurement. *Strategic HR Review*. Vol 15, Issue 1, pp29-33.

KUNERTH, B. and MOSLEY, R. (2011) Applying employer brand management to employee engagement. *Strategic HR Review*. Vol 10, No 3, pp19-26.

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This factsheet was last updated by Rebecca Peters.