



# EMPLOYER BRANDING:

## HOW COMPANIES CAN GAIN A COMPETITIVE ADVANTAGE IN RECRUITMENT



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# INTRODUCTION

Over the last few years, talent acquisition has undergone a seismic change; there has been a radical shift in the way organizations source and engage with talent. The old recruitment methodology of “posting and praying” dramatically declines as dynamic organizations actively find and attract the best candidates.

Moreover, hiring managers and recruiters are in the midst of one of the most difficult hiring markets of all time. High demand and a diminishing candidate pool indicate that today’s top talent has tremendous bargaining power and more choices available than they’ve had in nearly a decade.

A large part of this top-tier talent enjoys supportive work culture, a clear pathway for progression and generous compensation and benefit packages, and therefore doesn’t want to give up their current positions unless there is a worthwhile opportunity. Consequently, employers are majorly left with average candidates, thus facing a Catch-22 – to either let a critical position stay vacant or settle for talent that’s not the right fit. While this candidate-driven market is good news for job seekers as there are more jobs for talented creatives, this is a tough time for those who have to hire and retain happy employees.

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A survey conducted by CareerBuilder (2014) indicated that businesses lose more than \$14,000 on average for each job position that stays open for three months or more. This galvanizes a large number of companies into building a talent pipeline to hiring needs.

Employers need to recognize the fact that enticing top talent away from the competition is not far-fetched. However, it necessitates one to take a proactive approach to recruitment that begins way before the talent acquisition manager goes through a resume or takes an interview. In this digital age

where job seekers are “more sophisticated shoppers”, recruiters wanting to increase their headcount and hire top talent will have to intensify their recruitment efforts by differentiating themselves from the competition through a strong employer brand.

Nevertheless, despite the fact that majority of talent leaders recognize that employer branding significantly impacts their ability to hire great talent, a scant recruiting budget – mere 8 percent – is drawn up for branding.



# 72%

of recruiting leaders around the world agree that employer brand has a significant impact on hiring.

# EMPLOYMENT BRANDING VS CORPORATE BRANDING: TELL YOUR OWN UNIQUE STORY

Confusing the employer brand with the corporate brand is one of the biggest recruiting mistakes a company can make. However, in reality, the two are entirely different entities having different objectives, operational strategies and target audiences – although there are some common characteristics. The corporate brand focuses on the value of the products and services you bring to market whereas the employer brand focuses on the value you bring as an employer.

For example, if you manufacture high-end servers, there is a high chance that none of your employees would be in target audience for your product brand messaging. Your employees may have a completely different image in their mind about your corporate brand in contrast to the potential customers' perceptions. And just because you have a widely esteemed company brand doesn't mean that your organization is also perceived as a great place to work. In other words, your employer brand is as important to your recruiting success as your corporate brand is to your market success.



The fundamental issue is, organizations expend a lot of time and money to build strong brands and win over customers, but they fall short when it comes to constructing a robust employer brand to win talent. It's imperative to understand how your organization as a potential employer is regarded by job seekers.

Every interaction between your company and its prospective employees, as well as their exposure to your current employees, hiring process, communication materials, etc., will help shape their perception of your employer brand. Fostering your employer brand with the same level of care and attention paid to your corporate brand can help you make your company stand out from your competitors, reduce hiring time frames and source and retain top talent you need to meet your organization's business goals.

With well-established and methodically executed employer branding programs, even companies working in relatively slower and conservative industries manage to place themselves in the minds of the potential employees as excellent places to work, offering rewarding and innovative experience and opportunities.



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## **BUILDING AN EMPLOYEE VALUE PROPOSITION: THE BASIS OF EMPLOYER BRANDING**

The emergence of Employee Value Proposition (EVP) in the recruitment world is one of the ways in which recruitment has become inextricable from marketing. Just as traditional marketers try to position their product or business in a way that will appeal to their targeted segment of the market, modern recruiters work to set up their company as a desirable and unique place of employment, defining its true essence. These attributes – encompassing the real reasons why people should be motivated to work at your company – make up your EVP; it articulates what your employees can expect to get in return for what they offer your organization. When clearly defined, the EVP serves as a powerful recruiting that helps you retain top performers and attract the best external talent, all the while differentiating your company from its competitors. However, as an employer you need to ensure your EVP doesn't focus solely on financial rewards. Your EVP needs to communicate to your audience the overall experience of what it means to be a part of your organization.

Millennials provide a perfect example to why hiring managers need to engage in such kind of targeted messaging. As a generation of workers highly committed to social issues, Millennials are motivated to work for companies whose values aligns to their own. In the Cone Communications Millennial Cause Study, nearly 79% of respondents surveyed said they want to work for a company that is socially responsible while 30% said their ideal job would allow them to contribute in making the world a better place.

For any company seeking to successfully recruit within this demographic, considering these motivations is important. In addition to that, an EVP must also be aligned to the changing aspirations, wants and needs of the diverse employees within the company. For instance, a young employee might be tempted by the idea of joining a fun-filled work environment. On the other hand, an older employee may have job security and other benefits as the highest priority.

# A WELL-DEFINED EVP HAS THE POWER TO:

29%

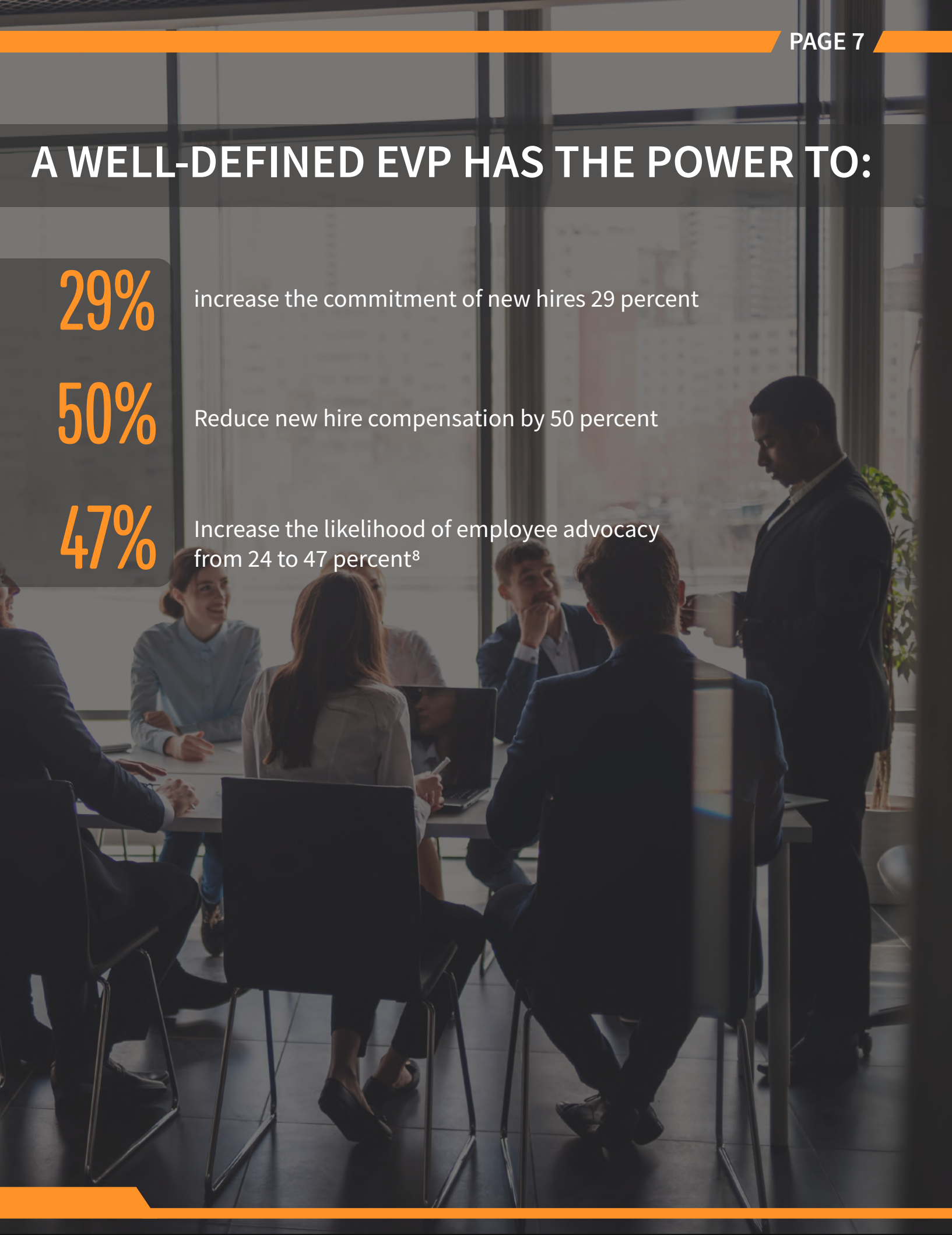
increase the commitment of new hires 29 percent

50%

Reduce new hire compensation by 50 percent

47%

Increase the likelihood of employee advocacy from 24 to 47 percent<sup>8</sup>



# EVP – THE MAGICAL MAGNET FOR ATTRACTING CANDIDATES

When considering a new job, the number one obstacle that candidates usually face is not being able to envision what their day-to-day life at the new company would be like. A clearly defined employer value proposition explains what sort of career trajectory, daily life experience and work-life balance one would experience as an employee.

While these details help form the bedrock of a strong employer brand that excites your audience and draws them into your recruitment funnel, they become even more important when the candidate makes their way into the funnel and begin weighing an application to, or even a job offer from, your company. This is primarily because as you progress towards hiring the ideal candidate, your EVP doesn't only work as a means of attracting candidates, but of differentiating yourself from your competition in an efficient way.

A well represented EVP allows candidates to compare two different prospects or job offers in a detailed manner and figure out which one offers real benefits, which one better aligns with their career goals, which one provides interesting resources to its employees, so on and so forth. If you, as an employer, don't give candidates the information to ascertain that, they'll end up filling in the blanks on their own, and they may assume that since your employer brand doesn't highlight a particular aspect, it doesn't cover it too regardless of whether or not that's true.

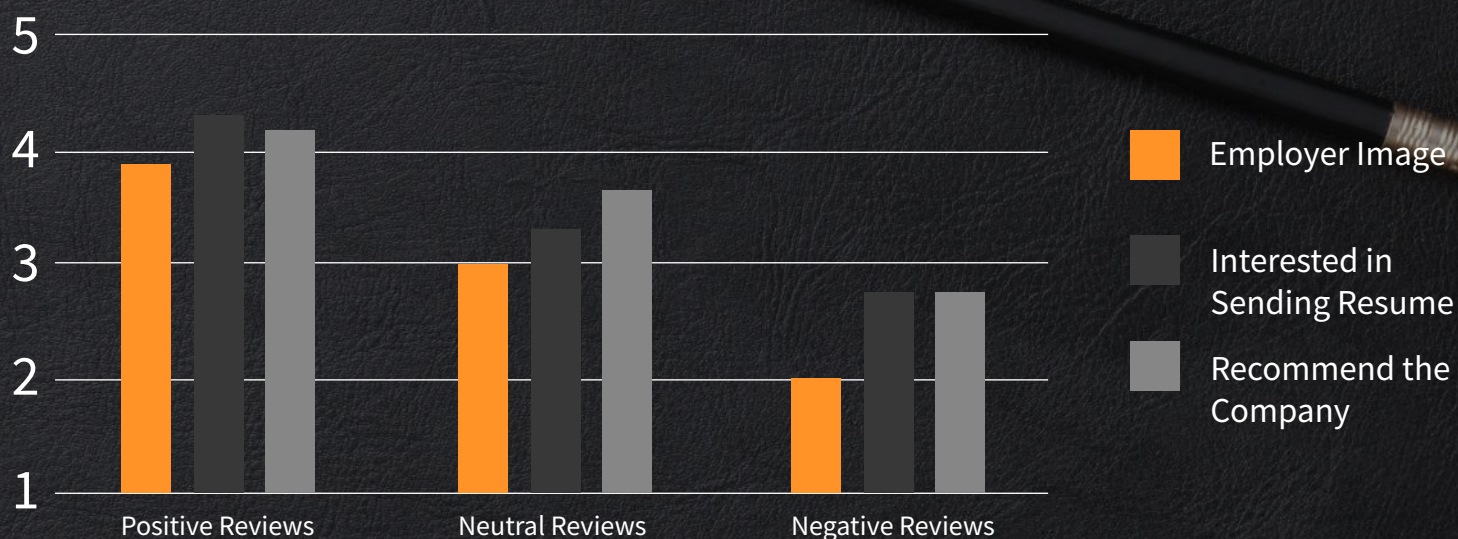
## WHY YOUR EMPLOYER BRAND MATTERS FOR RECRUITMENT

As the recruitment landscape adopts some of the remarkable strategies commonly implemented in the marketing arena, the lines between recruiting and marketing continue to blur. For companies wanting to develop a healthy pipeline of talent to ensure sustainability, merely knowing where to find the right talent isn't enough. Now hiring managers need to acknowledge that crafting a successful employer brand is indispensable for a fool-proof recruitment process and necessary to attract and retain the talent they're seeking.

Though this may seem like a fad among talent acquisition managers, a strong employer brand can have an enormous impact on whether or not potential employees want to work for your company. In fact, [according to a LinkedIn survey](#), 75% of applicants now consider an employer's brand before even applying for a job, which is why more and more companies can be seen genuinely ploughing money into building a strong employer brand based on their organization's vision, culture and values. Today 72% of recruiting professionals around the world strongly believe that employer branding has a powerful impact on hiring, and even more profound influence on your business's success.



**FIGURE 1.** Impact of Positive, Neutral and Negative Employer Reviews on Image and Recruiting Ability



Source: Melián-González and Bulchand-Gidumal

Additionally, a strong employer brand transcends just a handsome salary, perks and benefits, learning and development and an upward career progression. Job seekers now largely base their decisions on the workplace environment and culture, and ethical and lifestyle factors to see how socially responsible a business is.

An organization's employer brand is their HR calling card: it's what spurs the top talent to become aware of the career advancement opportunities at a company and consider applying. When such talent accept job offer, they prove to be more engaged and productive employees, thus driving their own success and the respective company's growth as a whole.

Companies that fail to attract the talent they need due to their lackluster image will face the repercussions in the form of expensive communication gap with serious implications for the bottom line. In fact, according to a poll from CR Magazine and Cielo Talent, almost 50% of workers wouldn't work for a company with a bad reputation, even with a big increase in compensation.



# REAPING HUGE REWARDS: THE ROI OF AN EFFECTIVE EMPLOYER BRAND

With the cutthroat competition in the labor market, your company's reputation is now, more than ever, a deciding factor in the minds of job seekers. Unfortunately, still a great number of organizations neither actively manage nor clearly define their employer brand, treating it just as an afterthought and a serious liability to their bottom line. Only 55% of recruiting leaders worldwide have a proactive employer brand strategy. Let's check out some benefits that a robust employment offers:

## ■ Increase level of employee engagement

According to a [Gallup survey](#), those who work on building their employer brand are 130% more likely to see increases in employee engagement.

## ■ Reach a wider talent pool

Organizations with a powerful employer brand are 250% more likely to term their overall talent acquisition efforts as highly effective, according to Glassdoor.

## ■ Attract better quality candidates

[CEB](#), in its 2014 report, indicated that employers that invested in employer branding reported a 54% increase in high-quality candidates.

## ■ Reduce staff turnover

LinkedIn's research found that a strong employer brand reduces staff turnover by up to 28%, and is twice as likely to drive job consideration as the company brand.

## ■ Decrease cost per hire

According to LinkedIn, recruiting costs plummet by roughly 43% for businesses with stronger employer brands compared to their competitors.

## ■ Let candidates accept a lower pay

CareerBuilder reports that 67% of candidates would essentially settle for lower pay if the organization they intend to work for has very positive reviews online. Likewise, a minimum 10 percent pay increase is essential to convince a candidate to take on a job at a company with a substandard employer brand, according to Harvard Business Review.

The cost of a bad reputation for a company with 10,000 employees could be as much as £4,080,000 (\$5,875,200 USD) per year.





Companies with a strong employer brand see a 43% decrease in hiring costs.



# HARNESSING THE POWER OF GAMIFICATION IN RECRUITMENT TO BUILD A SUCCESSFUL EMPLOYER BRAND

In today's tech-savvy world, having a well-established employer brand is the *sin qua non* for an organization that strives to lead.

Given the fact that Millennials will make 75% of the workforce by 2025, employers need to have a powerful 'Millennial' employer brand; they need to ensure they market themselves as an innovator and a tech-friendly employer, with a culture that complements a workplace lifestyle that Millennials aim to adopt. And this is where gamification steps in.

Gamification refers to the incorporation of game design elements, gaming mechanisms and principles in non-game contexts. Since Millennials grew up playing games, gamification in recruitment provides a competitive, fun, fair and an engaging experience that any static written tests out there are devoid of. In addition to that, gamified assessments also lay down rules to follow through and engage with instant feedback. All of this follows up in a structured environment built around advanced technology, and that is exactly where this generation's creative interests lie.

In a report published by professional services firm Aon, 540 Millennial job applicants were asked to share their point of view on gamification. Unsurprisingly, the respondents universally spoke in favour of gamification, citing its benefits – such as interactive and challenging assessments – and agreeing that game-style elements riveted their attention. The research, however, also highlighted some of the potential downsides of gamification, indicating the need for employers to formulate their strategy carefully to minimize risk.

Using **gamification in recruiting**, organizations can both induct the top tier talent and showcase their employer brand to hundreds and thousands of candidates, without having to spend a large sum of money on advertising and marketing campaigns to create awareness for their business. This is how employers can reap numerous benefits from the natural talent attraction traits of an attractive employer brand.

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