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## Employer Branding: What It Is and Why It Matters

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*The employer brand may be the best-kept secret in business today. Few companies are aware of the concept and even fewer are doing a good job assessing, managing, and cultivating their employer brand. However, those that do have a significant advantage over their competitors for top talent.*

—Tammy Garmey, senior vice president of employer branding firm TMP<sup>1</sup>

Imagine that you have internship offers from American Express (AMEX), Procter & Gamble (P&G), and Johnson & Johnson (JNJ)—all companies ranked in the top 10 at training and developing C-level marketing leaders.<sup>2</sup> Although this is a nice problem to have, how might you make a decision? What comes to mind when you think of these prospective employers? What are the positive associations that you have—and are there potentially some negative ones? When it comes to making a decision, which of these attributes matter most?

Just as brands—like Bounty (a P&G product), the AMEX Platinum Card (an AMEX product), or Tylenol (a JNJ product)—develop perceptions in consumers’ minds, companies have an “employer brand” that represents the associations held by employees and prospective employees (i.e., candidates) regarding that company as an employer. In the case of the competing internship offers, the associations you have regarding each of the employer brands are combined with other candidates and, in aggregate, serve as image ratings that these companies use to assess their employer brand performance. In this technical note, you will learn what an employer brand is, how it relates to a consumer brand, and why it matters. You will also be able to put your knowledge to the test by evaluating the attribute ratings among three different top employer brands. Finally, you will have a better understanding of how to assess, build, and enhance your company’s employer brand.

### What an Employer Brand Is and How It Relates to a Consumer Brand

A brand is a “distinguishing name and/or symbol intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors.”<sup>3</sup> This conception of brand is anchored in the classic and dominant view that a brand is something that a firm sells to consumers—the target market.

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<sup>1</sup> This is a field-based tech note. All information and quotations, unless otherwise noted, derive from author interviews with company representatives.

<sup>2</sup> Kimberly A. Whitler, “Survey Reveals the Companies that Develop the Best C-Level Marketing Leaders,” *Forbes*, August 21, 2016, <https://www.forbes.com/sites/kimberlywhitler/2016/08/21/best-companies-for-developing-c-level-marketing-leaders/#5a2ac07d4c31> (accessed Sept. 21, 2020).

<sup>3</sup> David A. Aaker, *Managing Brand Equity: Capitalizing on the Value of a Brand Name* (New York: The Free Press, 1991), 6.

An employer brand is a type of branding that represents the associations and perceptions held by internal (e.g., employees) and external (e.g., prospective candidates) constituents regarding the attractiveness of working for a company. While AMEX, for example, offers a number of different brands, the company also seeks to attract and retain talent. AMEX must create, develop, and manage both consumer brands (e.g., consumer perceptions of the AMEX platinum card) and an employer brand (i.e., employee and candidate perceptions of AMEX as an employer). Thus an employer brand represents the perceived employment experience a firm offers, differentiating the employer from other potential employers.

In practice, the concept of employer brand management is relatively new, with significantly less insight—particularly in academic research—than consumer branding. Employer branding, first identified as a concept in the 1990s,<sup>4</sup> defined a company’s reputation as an employer. The employer brand is in contrast to the popular and well-studied notion of consumer branding, which gained traction when an internal memo from Neil McElroy at P&G launched the idea of “brand management.”<sup>5</sup> The concept was that each brand should have its own team devoted to serving specific consumer needs. By shifting the emphasis from products to brands, both the academic and practicing worlds have spent the past 80 years understanding how to build and manage consumer-based brands. For perspective, the early published work on consumer brands occurred in the 1930s.<sup>6</sup> However, early recorded mention of employer branding in an academic journal was in the mid-1990s. Consequently, we are still in the early stages of understanding how superior employer brands are built.

While companies have both employer and consumer brands, it is possible for a firm to have similar or dissimilar brand perceptions of each. For example, as of 2019, Goldman Sachs is rated as a top 10 “most attractive employer” in the United States,<sup>7</sup> but has one of the worst corporate reputations (i.e., consumer brand) among the general public (ranked 93 out of 100).<sup>8</sup> In contrast, P&G is ranked as one of the top 20 “most attractive employers” in the United States, yet also enjoys a top 10 corporate reputation, indicating a degree of consistency across the two types of branding.<sup>9</sup> This demonstrates that the same firm can have very different consumer and employer brand perceptions because the target is different (consumer market versus employee market), and the value that the firm creates, communicates, and delivers to each market varies. In addition, the two can be managed internally by different groups with varying levels of sophistication in developing superior brands.

Although a company’s employer and consumer brands can have starkly different images—one having primarily positive associations and one negative—this is not ideal. Discord in the brand perception of one can have a spillover effect on another. For example, consider a market-share-leading company that has a terrific consumer-based reputation and then fails to treat prospective job applicants—such as university students—with respect when they visit for briefings, presentations, and interviews. Research from Career Builder indicates that the majority of candidates who’ve had a negative experience during the application and selection process will tell at least three friends, and a significant number will tell considerably more.<sup>10</sup> That negative employer brand image is spread within and across universities over time. Now consider that many of these students will become suppliers, financiers, consultants, or candidates that the firm would like to work with or hire. How might the negative employer brand image spill over onto these relationships? How might it impact the degree of trust in the firm? And don’t forget, all these students are also consumers. How might the employer brand

<sup>4</sup> Richard Mosley, “CEOs Need to Pay Attention to Employer Branding,” *Harvard Business Review*, May 11, 2015, <https://hbr.org/2015/05/ceos-need-to-pay-attention-to-employer-branding> (accessed Sept. 21, 2020).

<sup>5</sup> Thomas K. McCraw, *American Business, 1920–2000: How It Worked* (Wheeling, IL: Harlan Davidson, 2000).

<sup>6</sup> As an example, see J. George Frederick, “New Uses for Marketing Research,” *Journal of Marketing* 2, no. 2 (October 1937): 132–33.

<sup>7</sup> “World’s Most Attractive Employers 2019,” *Universum*, April 10, 2019, <https://universumglobal.com/blog/worlds-most-attractive-employers-2019/> (accessed Sept. 21, 2020).

<sup>8</sup> The Harris Poll (2019), “The 100 Most Visible Companies,” Harris Poll, 2019.

<sup>9</sup> <https://universumglobal.com/blog/worlds-most-attractive-employers-2019/>.

<sup>10</sup> See Richard Mosley, *Employer Brand Management: Practical Lessons from the World’s Leading Employers* (Chichester, England: John Wiley & Sons Ltd, 2014), 244.

image affect their desire to buy from the company? Just as companies want superior consumer-based brands, they should also want to cultivate strong and compelling employer brands.

### Why a Firm's Employer Brand Matters

It is a long-standing belief that consumers matter in business, as Peter Drucker famously opined: “The purpose of business is to create and keep a customer.”<sup>11</sup> A firm's ability to effectively find, create, and keep a customer better than rivals is dependent on that firm's talent—it's ability to hire and retain the best employees. Jeff Bezos, founder and CEO of Amazon, says that one of his core leadership principles is to “hire and develop the best,” suggesting that “leaders raise the performance bar with every hire and promotion.”<sup>12</sup>

The degree to which prospective employees find an employer brand appealing impacts the degree of interest they have in working for the firm. Jonas Barck, chief marketing officer at Universum, one of the world's largest employer branding firms, indicates:

At one level, it is quite simple. What a candidate who is considering different employers thinks about working for each company matters. Perception impacts their interest in and desire to apply, interview, or accept a job. It can enable one company to attract the top students in business or engineering or some other field. And it can leave another company asking why they aren't able to generate interest.

As such, it is important to develop an employer brand that is distinctive in the marketplace, anchored on what matters to prospective employees, and in line with the actual experience that employees have. Strengthening an employer brand can have a direct impact on a firm's ability to attract and retain top talent.

Despite the obvious value and importance of attracting and retaining talent, data suggest that companies struggle to develop and deliver strong employer brands. Of roughly 6,000 executives surveyed, only 23% strongly agreed that their companies attract top talent, 10% indicated they retain their high performers, and only 3% indicated that they develop people effectively and move low performers out quickly.<sup>13</sup> Further, only 19% of global employees surveyed believed that their work experience fit what their employer promoted.<sup>14</sup> While employer branding importance is evident, it is difficult to design—and execute—a superior brand image and experience.

### Employer Brand Benefits for Both Employer and Employee

In addition to helping attract top talent, there are a number of benefits that accrue to firms that develop employer brands. By retaining top talent and reducing turnover, companies that develop a strong employer brand can also enjoy lower costs. For example, the average employee turnover rate of the *Fortune* 100 Best Companies to Work for in America was roughly half (12.6%) of the average of other firms<sup>15</sup> (26%)—a

<sup>11</sup> Robert Reiss, “How Top CEOs Connect with Global Customers,” *Forbes*, December 2, 2011, <https://www.forbes.com/sites/robertreiss/2011/12/02/how-top-ceos-connect-with-global-customers/#3bd8546e6b12> (accessed Sept. 21, 2020).

<sup>12</sup> “Leadership Principles,” Amazon, 2020, <https://www.amazon.jobs/en/principles> (accessed Sept. 21, 2020).

<sup>13</sup> Elizabeth G. Chambers, Mark Foulon, Helen Handfield-Jones, Steven M. Hankin, and Edward G. Michels III, “The War for Talent,” *McKinsey Quarterly* 3, no. 3 (January 1998).

<sup>14</sup> Sarah Clayton, “How to Strengthen Your Reputation as an Employer,” *Harvard Business Review*, May 16, 2018, <https://hbr.org/2018/05/how-to-strengthen-your-reputation-as-an-employer> (accessed Sept. 21, 2020).

<sup>15</sup> “Other firms” used in research are defined as “matching firms” to the 100 Best: “Like the 100 Best, matching firms could be listed on the NYSE, the AMEX, or NASDAQ. We required that matching firms not ever been on any annual list of 100 Best companies, up through and including the January 2000 list. The primary criteria used to select company matches were industry, size, and operating performance in the matching year.”

significant cost savings.<sup>16</sup> Firms with stronger employer brands should also have a higher level of employee satisfaction, which then has an impact on customer satisfaction and, ultimately, the firm's financial position.<sup>17</sup>

From an employee's perspective, a strong employer brand provides a number of both functional and emotional benefits. From a functional perspective, a strong employer brand is more valuable on a resume—and to an individual's future career—than a weaker employer brand. Just as a student who attends a top business school observes significant benefits throughout their career because of the association with a highly selective, competitive, and superior educational institution, the same benefit can accrue to individuals who work for superior employer brands. To help make this more concrete, **Figure 1** is from a survey of executive recruiters (the individuals who place C-level executives) who identified the companies that have reputations for doing the best job “developing C-level marketing leaders.”<sup>18</sup> This question was designed to help illuminate which companies were the best at developing and training marketers to reach the C-suite—in other words, which companies had the best employer brands for developing marketing executives and leaders.

Figure 1. Companies that develop the best C-level marketing leaders.



Data source: <https://www.forbes.com/sites/kimberlywhitler/2016/08/21/best-companies-for-developing-c-level-marketing-leaders/#5a2ac07d4c31>.

The value of having one of these brands on an individual's resume is significant. It can help open doors in the future because executive recruiters are aware of the training that candidates received. Importantly, the executive recruiters who find, recommend, and then place senior executives at firms know that hiring somebody

<sup>16</sup> Simon Barrow and Richard Mosley, *The Employer Brand: Bringing the Best of Brand Management to People at Work* (Chichester, England: John Wiley & Sons Ltd, 2005).

<sup>17</sup> Barrow and Mosley.

<sup>18</sup> <https://www.forbes.com/sites/kimberlywhitler/2016/08/21/best-companies-for-developing-c-level-marketing-leaders/#5a2ac07d4c31>.

from a top employer brand decreases risk because these brands have: (1) rigorous recruiting systems that identify top talent, and (2) sophisticated training and development programs that maximize employee potential. When competing with individuals who don't have a strong employer brand on their resume, you have an advantage. This advantage can mean more career choices, more money, or a better job—all of which carry significant long-term value.

In addition to functional benefits, a superior employer brand offers emotional benefits to employees and candidates. For example, working for a superior employer brand can imbue individuals with greater confidence that they have made a smart career choice. Employees may also have stronger belief in the purpose and values of the organization, which can result in greater satisfaction, organizational commitment, and affinity.<sup>19</sup>

In sum, there are a number of benefits that result from having a superior employer brand and working for a company that has developed a superior employer brand. For a firm, it can lead to higher profit margins, as the cost of labor is reduced through lower turnover, and results may be better with superior talent. For an individual, it can serve as a brand badge that communicates a level of unparalleled training and development from a company that recruits only the best. This can translate into better jobs or higher income over time, as future recruiters and hiring companies see greater value in the experience that the individual has undergone.

### What Makes a Superior Employer Brand?

What makes some employer brands better than others? In research conducted to understand which companies had the best reputations for developing marketing-interested MBA students, I asked executive recruiters to identify the top companies and then explain what made these few firms exceptional.<sup>20</sup>

Executive recruiters provided a number of reasons why the top firms are able to distinguish their employer brands, including: (1) hiring the best talent (a virtuous cycle), (2) superior training and development, (3) decades-long track records of developing successful talent, and (4) more resources (i.e., they are typically bigger firms) that invest in creating growth opportunities (e.g., global assignments and cross-functional opportunities).<sup>21</sup>

While hiring top talent and creating superior training programs are obvious, the other two points warrant elaboration. There are a number of well-respected consumer brands that didn't make the list of top employer brands. One of the common reasons cited was that a number of the firms (especially in tech) are relatively new. Younger firms often hire talent from outside rather than developing it from within. Consequently, while they have compelling consumer brands, some younger companies are still in the early stages of developing the attributes (e.g., systems, processes, and track record) that will lead to a superior employer brand. Additionally, training and development requires investment of money and time, and many of the best employer brands are also large, well-resourced organizations. As an example of an organization that can spend hundreds of thousands of dollars developing a single individual, consider the US military, which has a "promote from within" culture, requiring significant training and development. There are specific technical programs designed to develop specialized skills and opportunities to work in different departments and locations. The military also has very specialized leadership-development programs; for example, there is a program for sending senior military leaders through an abbreviated MBA program that includes up to a year of work (at the VP level or higher) at a civilian company—such as Alphabet, McKinsey & Co., or Goldman Sachs—before returning to

<sup>19</sup> Barrow and Mosley.

<sup>20</sup> Kimberly A. Whitler, "Study Results: The Top 20 Companies for MBA Marketing Students," *Forbes*, September 4, 2016, <https://www.forbes.com/sites/kimberlywhitler/2016/09/04/survey-reveals-the-top-20-companies-for-mba-marketing-graduates/#5f82a6e2645e> (accessed Sept. 21, 2020).

<sup>21</sup> <https://www.forbes.com/sites/kimberlywhitler/2016/09/04/survey-reveals-the-top-20-companies-for-mba-marketing-graduates/#5f82a6e2645e>.



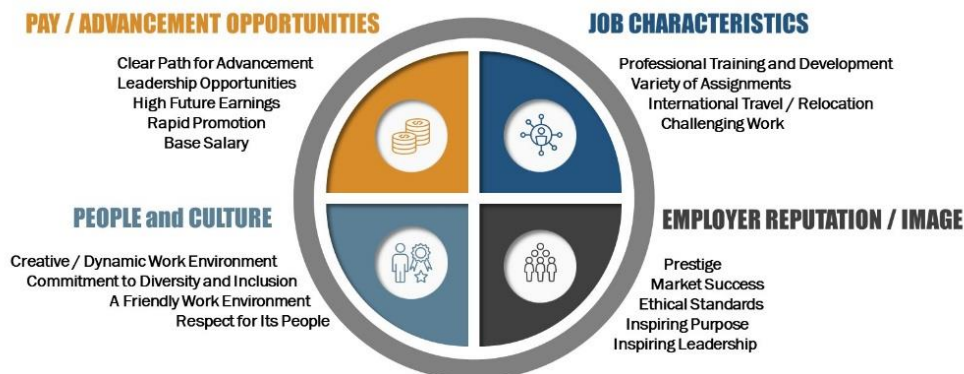
the military. These types of assignments enable the military to build competency and bring external insight into the organization without jeopardizing culture. But this requires a significant allocation of resources.

A similar firm that promotes primarily from within is P&G. As an example of how a top employer brand hires the best and then invests significant resources to maximize an individual's growth, consider Johnny Mishu (MBA '19), senior brand manager at P&G. When asked about the type of training he has received, he replied:

I was really pleasantly surprised by the commitment to our individual success. From the very first day, we had activities that helped facilitate technical development, team building, and community engagement. For example, we have P&G Brand University where I can take classes on anything and everything brand-management-related, from consumer insights, to digital marketing, to shopper psychology. I then sit in on meetings where I'm learning from the best of the best. Whether we are in a meeting with senior leaders from major media agencies (e.g., Publicis or Wieden & Kennedy) or discussing new ways to approach media strategy with major companies like Pinterest or SnapChat, I'm learning from seasoned veterans while sitting next to peers from top schools—all of whom are really impressive. Then, on top of it, we have an entire series of activities throughout our first year at the company designed to help us acclimate to Cincinnati and get to know one another. For example, we have class dinners, community service days, and small group events, all organized by a team of fellow senior brand managers who went through the same first-year experience the year before. In total, I knew I was joining a “marketing academy” that would develop my business-building chops, but I had no idea how sophisticated and complete the training and development programs are. In fact, I look forward to acquiring the skills and experience to be able to run an international business in the future.

Mishu's story identifies reasons why some employer brands are able to achieve superior images relative to peers. To understand better how to deconstruct an employer brand, **Figure 2** shows four key dimensions that comprise an employer brand. Just as consumer-based brands have key dimensions, so do employer-based brands. For example, key dimensions of a brick-and-mortar retailer's brand might include an assortment (i.e., merchandise), navigation, service, and so forth. In the context of an employer brand, Universum has identified four key dimensions that, in combination, cover the breadth of attributes candidates look for in a company: remuneration/advancement opportunities, job characteristics, people and culture, and employer reputation/image.<sup>22</sup>

Figure 2. Employer brand dimensions and specific attribute examples.



Note: The attributes represent examples within each dimension and are not a complete list of the 40 attributes.

Source: Dimensions and attributes used with permission from Universum.

<sup>22</sup> From discussion with Universum in June/July 2020.

While there are 40 different attributes that make up Universum's employer brand battery of questions (18 are represented in **Figure 2**), they are not all equal in the eyes of the "target" (i.e., the employee or candidate). Each individual has a different set of needs and priorities. As you think back to the questions posed at the beginning of this note, you might reflect on which attributes matter most to you. When individual preferences are aggregated across a group of target candidates, companies can identify what matters most (and what doesn't). This insight is critical as companies seek to develop their employer brand essence. They want to ensure that how they are positioning the brand is anchored on what matters most to the candidate. For example, if a consumer segment prioritizes attributes associated with the people and culture dimension over all others, then it would be important for the individuals managing the employer brand (1) to understand how the brand performs relative to key competitors (i.e., other companies in the target market's consideration set) on these most important attributes; and (2) assuming that the brand can deliver effectively on these attributes, to position the employer brand accordingly. Consequently, understanding which attributes matter most (and which don't) is contingent on both the target candidate choice and the employer brand.

### Who Manages an Employer Brand?

While the specific function that manages the employer brand may vary, it has traditionally been managed by the HR function at most firms.<sup>23</sup> Richard Mosley, chief strategy officer at Universum, suggests:

Historically, HR managed the employer brand because it was related to talent acquisition—a key area of responsibility for CHROs. The organization that managed the entire process was HR: relationship building with universities, the writing and posting of jobs, sifting through applications, setting up interviews, making offers, and then managing the onboarding and employee engagement process.<sup>24</sup>

What has changed more recently is an awareness that the skill required to manage the talent-acquisition process is different from the skill associated with identifying, developing, and communicating a brand. For example, consider P&G's structure. The company has brand managers who are responsible for increasing the market position on each P&G brand. The brand managers of Gillette, Tide, Bounty, Charmin, Pampers, and Olay, for example, are each supposed to strengthen their brands by improving the image of the brand, and thus attracting new consumers and retaining loyal consumers. The skill required to do this includes understanding how to assess and strengthen the positioning of the brand relative to key competitors and specific consumer needs. P&G also has an HR function comprised of five areas: talent acquisition, operations, development, diversity and inclusion, and systems/analytics/insights. These five areas in combination have skill in activities such as: internal development of personnel, promoting an internal labor market, compensation, target incentives, career planning, recruiting and selection of candidates, training and development, and so forth.<sup>25</sup>

By combining brand-building know-how with talent acquisition and management expertise, companies have the ability to integrate tried-and-true branding principles with the best HR practices regarding talent acquisition, development, and retention. As an example, P&G leaders realized that they wanted to integrate both skills. Laura Mattimore, senior vice president of global talent for P&G, explains,

Although we've been fortunate that we are an employer of choice among top students and prospects, we realized that we were sitting on an untapped resource that would significantly strengthen our position in the marketplace—our branding expertise. So we brought Jules Brès, who had traditional brand-building expertise, into the talent-management function. His job is to understand, develop, and

<sup>23</sup> <https://hbr.org/2015/05/ceos-need-to-pay-attention-to-employer-branding>.

<sup>24</sup> From discussions and meetings with Richard Mosley (June/July 2020).

<sup>25</sup> Petra D. Saá-Perez and Juan Manuel García-Falcón, "A Resource-Based View of Human Resource Management and Organizational Capabilities Development," *International Journal of Human Resource Management* 13, no. 1 (2002): 123–40.

strengthen our global employer brand. What he is able to do is acquire brand image data, assess the strengths and opportunities, and identify how to shift the brand positioning to be more effective in our top global markets. When we combine brand-building expertise with that of HR expertise, we believe we have the best of both worlds. And the benefit is that we are able to better understand, create, and deliver a superior employer brand.

Despite some firms integrating traditional brand-building and human resource expertise, it is still more common for HR organizations to manage the employer brand separately from marketing. However, firms that have developed superior consumer-based branding capability may be able to effectively leverage such skill in building their employer brand. And those firms that can develop superior employer brands will win in the war for talent.

### **Creating the Employer Brand**

The process of developing an employer brand is very similar to that of developing a consumer-based brand (see “Developing a Superior Brand Essence Statement” [UVA-M-0892]).<sup>26</sup> Essentially, developing a brand essence helps identify the characteristics upon which the employer brand will be built (e.g., rational benefit and emotional benefit). This brand essence statement serves as the filter through which the brand is operationalized and implemented. For example, if Goldman Sachs wanted to stand for “superior earnings” as a key benefit that prospective employees would value, the company would then communicate this message consistently through all touch points, from on-campus recruiting events to all collateral and promotion. Further, Goldman Sachs would find multiple ways to reinforce and prove this benefit. For example, the firm could talk about employees’ starting salaries and year-one bonuses, or compare compensation to other top companies and show how much more Goldman Sachs employees are able to make. Or the firm could share what the average five-year employee makes, or ask employees how satisfied they are with their compensation and report a very high number. All these different “proof points” help to strengthen the core benefit—superior earnings. Therefore, developing an employer brand requires developing the brand essence statement and then identifying mechanisms for implementing this consistently. Although the target, competition, and strategic positioning are different, the process should be nearly identical to that of developing a consumer-based brand.

### **Cultivating the Employer Brand**

Cultivating an employer brand is arguably more complex than cultivating that of a traditional consumer packaged goods product, such as Pepsi or Bounty. To be clear, it is not easy to develop a superior, market-share-leading brand in any context. However, there are two key factors that make developing an employer brand complicated. First, the process for acquiring a new employee and then developing a strong relationship can take months or years. A first-year business school student may only become aware of a P&G or JNJ employer brand during their first semester in school. Prior to business school, they may have never thought about these companies as prospective employers. During school, they may attend conferences, briefings, happy hours, and other events sponsored by companies. They may also talk with alumni who currently work for the firms and with more senior students who interned with the firms. They may visit websites such as Glassdoor and seek other sources, trying to acquire as much information as possible. Over the course of just one semester, they may invest 40 or more hours seeking to understand individual employer brands. This requires a very different—and much more developed—brand essence than a brand that typically has 30 seconds to engage with and communicate its benefits to consumers. To develop a one-hour presentation or a fully developed website requires layers of information.

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<sup>26</sup> Kimberly A. Whitler, “Developing a Superior Brand Essence Statement,” UVA-M-0892 (Charlottesville, VA: Darden Business Publishing, 2015).



For example, at one point in my career, I worked on what I call “30-second brands.” We had one key benefit and, typically, one key proof point. I then went to work for a direct-to-consumer manufacturing company where we communicated with consumers via catalogs and websites. I now had 30 minutes or more to engage with consumers. Each brand had to be more fully developed. I had time and space to communicate more benefits and more proof points. The stories had to be more developed, with more layers. When you have more time to engage with consumers, it requires that there is more depth and “meat” in the brand essence statement. And this takes more time to develop, test, and perfect.

The second reason developing an employer brand may be more complex is because of the communication vehicles. While the process of developing and assessing an employer brand is similar to a consumer-based brand, the communication channels used to reach and develop a relationship with prospective candidates are different. For example, consumer-based brands often use traditional methods (e.g., TV, radio, print, and out-of-home media) and nontraditional, digital-based methods (e.g., social, digital, and search-engine marketing). Business-to-business firms may also use more direct methods such as trade shows or direct mail.

In the case of an employer brand, the different channels of communication may require significantly more elaboration than a traditional consumer brand. Companies may use word-of-mouth via executive recruiters, on-campus events, or recruiting fairs to reach prospective candidates. They may also use digital methods such as professional networks (LinkedIn), social networks (Facebook), and alumni networks.<sup>27</sup> They also will use websites, collateral, presentations, videos, and so forth. The communication channels tend to be diverse. Because prospective employees are conducting a lot of searches, it’s critical that all these communication vehicles are consistent in messaging and complete in addressing all of the needs of the candidates. Referring back to **Figure 2**, employer brands will need to address a great number of the dimensions and attributes. Note, too, that companies also want their employees to be ongoing brand ambassadors, and so it is important to consider how best to promote the employer brand internally to current employees.

### Test Your Understanding

To put the concept into practice, use the brand essence statement format and think about your current or ideal employer. What is the employer brand essence statement? Is it compelling? Who do you think the employer brand is targeting? (This may vary across functions, but is there a common theme throughout the whole firm?) How is the employer brand being communicated across different touchpoints and channels? And if you were in charge of the employer brand, how might you strengthen it?

As a further test, review the following Universum data regarding the employer brand images for three brands (**Table 1**). Which brands have stronger (weaker) images? And on what attributes and dimensions? How do you think each is positioned by simply reviewing the image ratings?

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<sup>27</sup> Barrow and Mosley.

Table 1. Employer brand image ratings among candidates.<sup>28</sup>

	Importance	P&G	Goldman Sachs	McKinsey
A creative & dynamic work environment	46.1%	61%	47%	67%
A friendly work environment	42.9%	55%	30%	39%
Clear path for advancement	45.2%	63%	59%	67%
Commitment to diversity & inclusion	14.8%	52%	38%	46%
Corporate Social Responsibility	20.2%	55%	36%	39%
Enabling me to integrate personal interests in my schedule	28.9%	39%	26%	33%
Ethical standards	35.5%	56%	33%	44%
Fast-growing / entrepreneurial	19.1%	38%	37%	32%
Flexible working conditions	35.0%	38%	18%	22%
High future earnings	47.5%	69%	85%	85%
Innovation	32.3%	58%	41%	53%
Inspiring leadership	39.6%	56%	60%	62%
Inspiring purpose	38.7%	45%	36%	45%
Leaders who will support my development	53.3%	67%	63%	69%
Leadership opportunities	44.8%	72%	62%	67%
Market success	35.6%	83%	83%	77%
Professional training & development	48.2%	73%	75%	78%
Respect for its people	45.6%	70%	52%	60%
Secure employment	43.4%	63%	43%	48%
Support for gender equality	8.8%	45%	31%	39%

Source: Universum, used with permission.

## Conclusion

Although relatively new, employer branding is a critical concept that can provide a significant competitive advantage to firms that understand how: (1) it is different from a traditional consumer-based brand and requires distinct development; (2) it is different from traditional talent acquisition, development, and retention; and (3) it can provide incremental benefit to both. It is a unique form of branding that is a bridge between traditional branding and talent acquisition and helps apply brand concepts and process to the development of an employer brand. As Mosley suggests:

Interestingly, many very respected firms who have cultivated excellent brands among consumers often overlook the importance of developing a compelling and appealing employer brand. That is simply because many firms are in the early stages of understanding what an employer brand is and how to cultivate it. Those who apply best-in-breed marketing concepts to the development of their employer brand have the potential to attract and retain superior talent—all of which then impacts the consumer.

In addition to the value an employer brand brings to a firm, business professionals can use insight from this technical note to think about the attributes that matter most to a candidate in order to identify which

<sup>28</sup> Question: Which attributes do you perceive as the most attractive? (Please select a maximum of three alternatives.)

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employer brands might be a good fit. Many young professionals base their choice of employer on their consumer-based perceptions of the firm, which can be misleading.

For example, a good friend from business school loved golf. His favorite consumer-based brands were all related to his passion—golf. He landed what he thought was his dream job working for a company in the golf industry. However, once he arrived, he learned that the company did not have the culture, the training and development, nor the career opportunities he was seeking in an employer. When he started looking for new opportunities, he found it difficult because the company he was working at had a weak brand image and wasn't considered a top developer of talent. It took him time to find a company with a better brand image, and he had to take a step back. But the new company had an exceptional reputation on the attributes that mattered most to him. Using knowledge gained about an employer brand through this technical note, you can now see how a favorite consumer brand may not make for the ideal employer brand, and can apply this insight to career-related choices.