



Centre for  
Performance-led HR

# Employer branding

## From attraction to a core HR strategy

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# 1. Introduction and Purpose of the Paper

**The attractiveness of an organisation to an employee is an important predictor of the ability to recruit and subsequently retain them, so for several years now human resource management (HRM) functions have adopted the marketing concept of brand management and applied this marketing thinking to their HR strategies under the label of employer branding.**

## What is a brand?

For the American Marketing Association a brand is a name, term, sign, symbol, or design, or a combination of these, intended to differentiate the goods and services of one seller and to differentiate them from their competitors. The branding literature focuses on the importance of a range of interactions - customer-customer, employee-customer, and organisation-customer – and argues the last two of these are more open to influence by organisations<sup>1</sup>

Branding is the process of brand creation and development, “creating mental structures helping consumers to obtain knowledge about the product or service so as to ease decision making on purchase”<sup>2</sup>

Brands are about active management - maintaining relationships and communication in the producer-seller-investor-consumer system. The seller-user part of this system is further broken down into the attitudes and relationships created within different markets. The corporate brand creates four separate images, of which the employer brand (the image in the labour market) is one<sup>3</sup>:

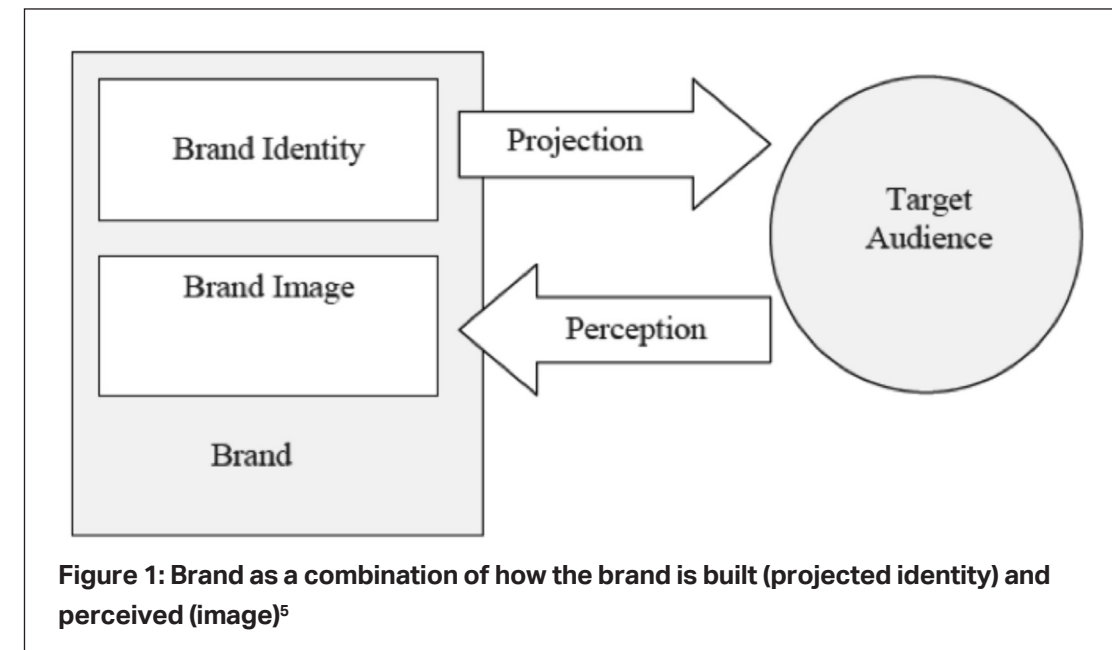
- Business 2 Business (B2B, corporate market);
- Business 2 Customer (B2C, consumer market);
- Business 2 Labour (B2L, labour market and employees: existing; potential; and former);
- Business 2 Government (B2G, market of government and social structures).

Branding can be applied to almost anything – with the corporate brand being a good example of how organisations have learned to convert their values and culture into a unique sales proposition for their products and services. It involved a shift in attention from goods and services, to the organisation itself, its activities and its people. This opened up space for HR to become involved, with marketing academics acknowledging a key role in shaping the corporate brand:

*“... With corporate branding employees not only make a significant contribution to the value of the brand, they also signal about brand evaluation. In this case, the head of HR should be estimated as the main member of the branding team as it develops the policy that influences the creation of brand, in particular recruitment programs, adaptation of new employees, training and rewarding”<sup>4</sup>*

Because the functional and emotional values of the service brand are delivered primarily through personal interaction between consumers and employees, the concept of employer

brand has become important. Its key components are driven by the corporate culture and values, the existing people, the employment conditions, the motivational mechanisms and the opportunities created by the full spectrum of HR practices (the outcome of all of these is assumed to be advocacy).



**Figure 1: Brand as a combination of how the brand is built (projected identity) and perceived (image)<sup>5</sup>**

The projection is through a range of primary, secondary and tertiary channels:

- Primary: recommendations and reviews of employees, corporate events, intranet, communication during an interview at the organisation (recruiting process)
- Secondary: organisations’s career website, job search websites, advertising in the media, presence of the company in social networking, job fairs and career days, university programmes and other.
- Tertiary: word of mouth.

However, employer branding strategies are often based on a *series of assumptions*. We have to look to other management research to “underwrite” these assumptions and “validate” any particular branding approach or programme. Brand management academics believe that employer branding as a topic must be multi-disciplinary and as such, they remind us that we need to reality-test a number of our assumptions about how employer branding actually works.<sup>6</sup>

This White Paper asks:

- What do we know about how you manage brands from the field of marketing?
- Does this tell us in HR anything useful about how we might use employer branding more broadly i.e. beyond our existing applications of employee value propositions (EVPs), use of branding for candidate attraction or to attract graduate populations?
- Can we develop our work in employer branding to build a broader HR proposition?

It draws upon a systematic review of the employer branding research conducted by the Centre. We have examined the recently published evidence on employer branding based on a literature search on the ABI-Inform database using various search terms around employer branding, and selecting only academic scholarly journal studies. This search has elicited 42 studies.

The purpose of the paper then is to:

- retrace some of the key frameworks that serve as a basis for judging the quality and completeness of any organisation's thinking and strategy in the realm of employer branding.
- lay out some of the "principles" that have shaped work on employer branding
- track back from the empirical and conceptual study to the underlying models, theories and frameworks that are driving the field of employer branding
- highlight the main empirical findings and received wisdom from this evidence base as it relates to the management and design of an employer branding initiative

*"...The EVP should be an explanation of who you are as a company and what you stand for and can be summed up quickly and easily. Be prepared to have the conversation about who you are as an organisation – this doesn't hinder you from protecting your brand".*

In the next section the paper lays out the differences between employer branding and corporate brands. Then the subsequent three sections of the paper lay out what we know, and what we assume, when we think about employer branding as:

- a form of *psychological contract*
- a form of *social identity*
- a form of *two-way signaling*

Finally, it concludes with some overall observations about the management of employer brands. The paper should allow any particular organisation to position and contextualise the approach that it is taking.

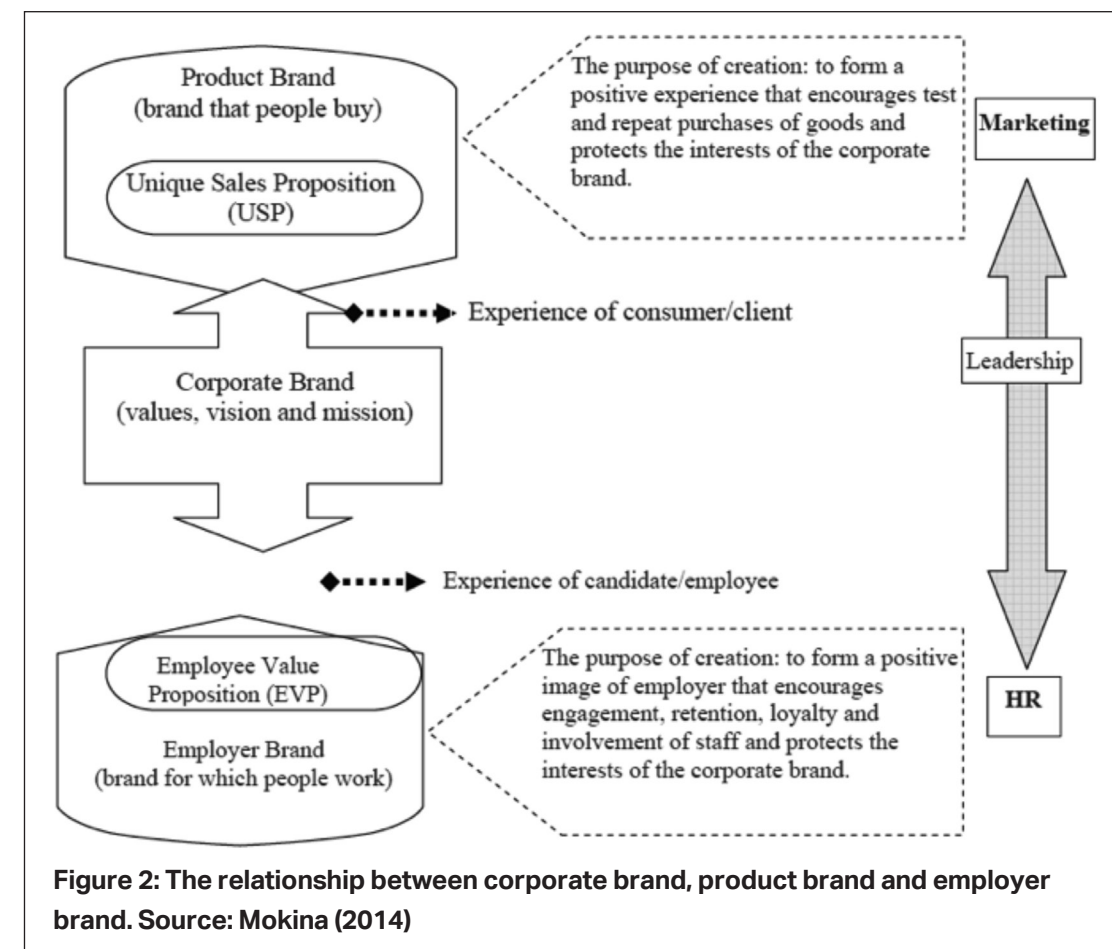
## 2. What is Employer Branding?

The earliest definition of employer branding was provided in the late 1990s and in the context of the war for talent. Employer branding was seen as most applicable in sectors where the unique talents and contributions of individuals were seen as part of a distinctive competitive advantage.

There are also some differences between the corporate brand and the employer brand. The employer brand is:

- a feature of employment conditions in the organisation, which characterise it as *an employer*.
- directed both on internal audiences (internal labour market) *and* external (external labour market), while the corporate brand is directed on external audiences
- directed on a certain target group of candidates *rather than on the mass attraction of* customers, clients and other stakeholders.

Therefore there is always a need to reconcile the workings of key HRM practices with the corporate brand – such as alignment with values, or the representation of key internal and external employment groups or segments.



**Figure 2: The relationship between corporate brand, product brand and employer brand. Source: Mokina (2014)**

Traditionally, employer branding has been seen as a useful tool in the recruitment market, where the application of traditional marketing techniques can be used by an organisation to differentiate itself in the labour market in order to successfully attract and retain talent.

Whilst studies of employer branding incorporate some theory, they are in the most part practical studies that focus on important tactics. They use the idea of a brand in two main ways:

1. to attract and retain valuable talent to the organisation; and
2. to ensure that such talent actively engages with the culture and strategy of the organisation.

The main objective of the employer brand therefore is to influence positively current and prospective employees in order to attract employees who are both high-potential and loyal.

### Definitions of employer branding

Employer branding has been defined as:

*the application of the idea of branding principles to HRM<sup>7</sup>,*

*the package of functional, economic and psychological benefits provided by employment [employment branding] and identified with the employing company [employer branding]<sup>8</sup>*

*the feelings, impressions, perceptions, beliefs, and attitudes toward a company<sup>9</sup>.*

The creation of an employer brand is seen as requiring a three-step process:

1. The development of the value-proposition embodied in the brand, and offered to employees, on the basis of information about the organisation's culture, management style, qualities of current employees, current employee image, impressions of product or service quality.
2. External marketing of this proposition to targeted potential employees and other agents in the recruitment process, designed primarily to attract applicants, and support, align and enhance the corporate brand.
3. Internal marketing of the employer branding in order to carry the "brand promise" made to recruits into the organisation, embed it into the culture, and ensure commitment by employees to the values and goals inherent in the brand.

The economic benefits of employer branding are considered to include rewards and remuneration, functional benefits included such things as training, skills and development activity.

Psychological benefits include identity, recognition and belonging.

Any organisation pursuing an employer branding strategy needs to be very clear about what it means by employer branding and how far it wishes to apply the strategy. As can be seen above, ideas about employer branding have developed from an initial focus on managing recruitment and retention more proactively, through to the shaping of a broader HR strategy. The concept has been extended under an internal marketing umbrella to take on a broader set of strategic activities. Employer branding is now seen as a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regard to a particular organisation, based on the creation of an image.

### Crossing The Digital Divide: Managing the employer brand at The Rank Group

The Rank Group has multiple businesses, and hence multiple brands.

There is currently no Rank-level marketing function that is tasked with looking at an overarching Rank Employer Brand. The challenges faced by Rank Organisation are very similar to those seen within the retail sector,

- There is a tension between the brand values and employee realities in physical retail space, and that experienced through the growth of online retail business and channels.
- Recent expansion has been through acquisition, bringing the need to align the employee experience in newly absorbed businesses. For example, 18 months ago Grosvenor expanded through an acquisition of 19 casinos.

The answer depends on what any business wants to do with its brands.

Some businesses want the brand values to be separate, while others want them to be aligned.

However, at a strategic level, at a Group level, there are some important questions to consider.

Does it matter if, for example, the digital business has a totally different set of value propositions to the retail business? Does there need to be any higher level alignment between the various businesses and their brand? Are levels of internal mobility between businesses on a sufficient scale to require integration between brands? What are the arguments for and against a decentralised versus a centralised, coordinated and integrated approach to employer branding?

Much of the most recent employer branding work in The Rank Group has sat within the talent acquisition function. Principally this is as a result of previous work done on employee segmentation. They looked at their people recruitment in terms of it being inclusive, diverse and engaged. This was used to identify employee segments

principally in terms of motivations to work: what they currently had within their retail business (and to an extent also the digital business, which at the time was at an early stage in its evolution), the makeup and split of the type of people that worked for them. Rank hires for attitudes and behaviours and trains for skills. The types of people hired, and their enthusiasm and passion, are particularly important for venue type roles. The elements of branding revealed from the segmentation work were overridingly around social values, ultimately reflected in seven values such as "we will be a team", "we will be customer obsessed", "we will be professional", "we will stick together when the going gets tough", and "we will have fun along the way". These values were subsequently embedded within the appraisal process, interview documents, and made part of reward and recognition strategies.

Rank has various mechanisms where people can have a voice, which are listened to and provide guidance when people tell them what they want, what they need, what will help them, and what will engage them. The overriding message that came out from this research was that it was the type of organisation where you could make a difference, where your thoughts, views and opinions were heard, and where you could contribute and influence what happens in the business.

Delivery of the values is important to manage retention behaviour, and so the consistency of leadership is also seen as contributing to the value proposition and ensuring the values are deep seated.

They also looked at generations (Gen X, Gen Y, Baby boomers etc.) and the turnover and retention behaviours in those categories. Exit surveys of people leaving revealed different age demographics and subsequently guided Rank to change some of their processes such as induction, recruitment, learning and training practices and use of technology within their business. They drive the employer brand by ensuring they are delivering the right sort of message, in the right language and format, and using the appropriate channels for their potential hires.

The Rank Group is keen to encourage transitions between its component brands and there are recent examples of people moving from the retail business to digital. As the organisation diversifies, ensure this brings a need to be transparent and make career opportunities available across brands and also inter-brand.

More integration also means that the organisation has to focus on its brand messaging for external candidates, but also understand what it stands for in terms of career opportunities. It also needs to communicate within its retail business to ensure they cross over more to the use of technology, a prominent driver of the digital business experience. In order to create such alignment, they believe that values alignment is the most appropriate way to go.

In practice, employer branding is based on the assumption that human capital brings value to the organisation, and the more distinctive an employer brand, the more the brand itself has value.

### How do HRM specialists assume Employer branding works?<sup>10</sup>:

- through skillful investment in this capital, organisational performance can be improved.
- just as with organisational capabilities, the possession of employees that are rare, valuable, non-substitutable and difficult to imitate, becomes a source of advantage
- it is the internal marketing of the employer brand that makes a workforce difficult to imitate, and therefore provides a sustainable advantage.
- however, organisations must first create the service brand through internal marketing between the organisation and its employees
- once marketed, a strong employer brand then contributes to triggering favourable employee attitudes.
- once the brand actually triggers favourable employee attitudes, it is these attitudes that are then important in the second process of driving the customer experience<sup>11</sup>.

However, there are very different ways in which employer branding is considered to work, and each way of thinking tends to bring its own assumptions and suggestions for best practice.

Employer branding managers have to deal with political and reputational challenges, many of which are unpredictable too far in advance, and have to consider how they can ensure the brand itself is resilient to such challenges. For example, in the recent UK election, press attention was given to executive compensation, living wage and zero hours contracts. Nuancing and factual responses might not get airtime. The response of most professionals is to say that the only response is to be true to your own values, and ensure they are really lived in the business.

In turn this raises the question "who owns the organisation's values"? It is no longer just HR. Every employee, every manager, every function, makes or destroys the values. The "Who owns the values" question also leads us into the issue of technology and social media. Social media are having an explosive impact on employer branding. There are immense reputational issues surrounding what any advocate or critic might say – or might not say – through social media. How do employer branding functions embrace this?

- Do they contractually require employees not to use the organisation in their personal blogs?
- But then how do they cope with sites such as Glass Door with anonymous employee posts about their employer, or sites where interviewees (successful or not) rate the interviewer!
- Or when celebrities attract huge followers to their websites, blogs and video blogs and express opinions? Or TV on demand extends the time period over which reputational challenges remain current in the minds of the public?



- Do naturally disaffected people crowd out the use of such media? Or are deeper truths being expressed?
- Do you trust your employees to respond on you own behalf? The need for speed of response accelerates, but no single function can make such judgements or provide all responses.

But this need to be more authentic and closer to the lived reality of the organisation brings its own strategic challenges. The more the employer branding strategy is honed to each part of the organisation, the more challenging it becomes to align a corporate brand with the various local businesses. Employer brand managers find themselves having to build brands across more and more boundaries these days – from global and corporate to local and country brand, from component business to business within the group, from owned operations to those run by franchisees or other partners, from those parts of the HR process that are run in-house to those owned by external but strategic service providers.

### **Aligning a global employer brand to the employee life cycle at Rolls-Royce**

Employer branding activity in Rolls-Royce – carried out under the umbrella label of branding and attraction – sits within Talent and Leadership Development within the HR function. Work on the employer brand and recruitment activities, sits within that talent acquisition team. The role has a global dimension, working with teams in key locations such as Singapore or India, to tailor the messages and support regional teams. Global labour markets often work differently in terms of the attraction process. For example, in India, prestige is important, and much recruitment is based on referrals. Therefore, global branding messages have to be adapted to support local labour market activities. The Rolls-Royce brand value is ‘trusted to deliver excellence’ and the logo and corporate brand has to mean the same thing to people all over the world. The messages about excellence and quality engineering are used to inform the employer brand. Their campaign is called Create – which was born from the simple idea that Rolls-Royce and its employees “create power”. The group continues to be one of the world’s leading engineering companies, providing integrated power systems for aircrafts, ships and land applications. Reflecting this, they take a very creative and visually stimulating approach to employer branding, using creative messaging that will resonate with all types of audiences. This is supported by a number of brand pillars, incorporated into the employee value proposition. This means understanding what it means to be a person who delivers excellence. The core pillars therefore point to excellence, pride, personal growth (through training and development), an ambitious future for the company, responsibility, (including global ethics, and CSR) and innovation. The employer brand has to articulate what the brand pillars mean. As part of the global induction, everyone in Rolls-Royce is given a Rolls-Royce passport based around the core company vision and values and what they expect from people. This is intended to give everyone a clear vision of what the company is trying to achieve and their responsibilities.

The employer branding team is involved in a wide range of activity. The first strand of activity is developing the employer branding framework, and rolling these messages out across the experienced hires. This addresses questions about who are Rolls-Royce, what does Rolls-Royce look and feel like in the market place, how does it create a campaign and a branding message that can be utilised globally and that is flexible enough to show what they do and what they stand for as an organization. This requires close co-ordination with the outsourced delivery resourcing company, working collaboratively on key campaigns for experienced hires. These campaigns cover many areas of expertise, which might range from the nuclear business to marine service engineers. In developing the brief within the employer brand framework, attention has to be given to how the project related roles relate to the framework, so that Rolls-Royce can go out with a similar looking theme and messaging that works across often very technical roles. A key need is to build future talent, and this means that the employer branding activity has to be linked with employee engagement.

A second strand of activity involves working on the recruitment and attraction needs across the employment lifecycle, attracting and developing the best people from around the world and celebrating diversity. They have recently developed a global induction and onboarding process as part of their need to manage the transitioning period from someone who is an external person to being an employee of Rolls-Royce.

A third strand of activity covers work on early career recruitment. Rolls-Royce recruits around a thousand graduates, interns and apprentices globally each year. The brand team has to work with recruiters, other research companies, graduates and university liaison teams to develop the attraction and branding materials that will attract the best graduates and apprentices into the organization. This also involves community and education outreach work around the STEM (Science, technology, engineering and mathematics) subjects, and the branding team helps to support this activity.

A fourth strand of activity is around the Rolls-Royce career site and digital strategy. When Rolls-Royce talks to early career and experienced hires, the messages and content has to give the best candidate experience and have engaging content. It has to provide a navigation structure that develops this candidate experience. Rolls-Royce has switched to a fully responsive site and are aligning their career site to different audiences. This activity also incorporates looking after all the key channels and social media sites that they use to engage with their key audiences.

The branding team also supports the diversity team, for example giving a voice to young female engineers and apprentices, and working with various groups to ensure employees have an open and honest collaborative environment.

These boundaries place limits on what can be integrated with an employer branding strategy, who needs to be influenced and how, what information might be owned, and what tools techniques and practices might be used to track success or not.

Authenticity of course is not just a question of honesty and accurate reflections of the realities of the organisation. Sometimes simple pragmatics concerning the structure of an organisation, and the level at which it chooses to co-ordinate employer branding activity, can have an impact on the authenticity of the activity. In reality, the ownership of brands is often quite complex. It might be constructed at a international and group level, leaving some elements of the value proposition less meaningfully aligned with the reality of a local or regional labour market (internal or external). There might be multiple brands brought together by a group structure, and the balance and shape of employment across these component organisations may differ across geographies. Important decisions have to be made about the level of integration and standardisation of toolkits and philosophies, versus local responsiveness, across markets (product and country) and between markets and corporate headquarters. At a local (country) level, the messages built into the employer brand might be aligned and used in the context of different HR priorities. For example, in one country there might be a pressing need to improve employee engagement, in another the challenge might be more one of market image. The way in which the branding activity is "brought to life" and made authentic therefore is often a matter for local markets. The cultural identity of employees when they come into an organisation is important, and what people need from a brand changes over the lifecycle of their relationship with an organisation. Local markets play an important role in shaping much of the employer branding activity.

Key questions:

- How does the organisation use the brand to attract and engage potential employees?
- How does it sustain that brand through the subsequent on boarding and career enablement journey?
- How does it help them to come to an understanding of what the brand means, even if they do not eventually join the organisation?

Choices about structure are not the only consideration. The general level of outsourcing in recruitment activity is another factor. It impacts how easy or not it might be to argue for, or demonstrate a direct return on investment (ROI) on employer branding expenditure and budgets, or to tease out the benefits that might derive from any people investments. It might not be possible, for example, to show whether investments in a web portal might impact or reduce costs in a later part of the candidate journey. PR campaigns may be judged in terms of the number of press mentions, but when it comes to judging the ROI of employer branding, there is so much background noise that obscures the value of activity.

The employer brand of course can have value in the attraction process. It might be used to "sell" an overall package in the labour market – where the benefits (or the downsides that competitors might chose to attack when they try to raid talent) are seen not just in terms of the wages but

also the whole work experience. A number of organisations have found that tenure is beginning to shorten, and this is affecting their branding efforts. For quite a few of them, over the last few years, a large number of people have left the organisation within 12 months. The key contributing factors from internal research appear to be:

1. The market is more buoyant and people are prepared to move when they might not have been ready to move before – usually the move decision is driven by a combination of work-life blend and money. There is more aggression in the labour market
2. A perceived lack of enablement i.e. "I am finding it difficult to do my job because the organisation makes it hard for me"
3. Authenticity – particularly for those people who are leaving within 12 months. The reaction of employees is "This wasn't what I was expecting, I thought it was something else and when I got here it wasn't what I expected. Had I known that upfront I would have self-selected out and saved time and money". Or "you didn't do a good job of explaining to me what was expected of me and I don't like it here".

*"...Shortening tenure means more attention to early enablement – when people join an organisation how does the brand impact their talent enablement? If your talent brand is better than another organisation does the person hired become more effective or better performed as a result? If tenure is shortening, is it shortening the ROI? How quickly you can reduce ROI if you invest in your talent brand in the acquisition stage?"*

Changes in loyalty and commitment also shift the behaviour of target audiences.

The employer brand has to meet the needs of both active but also passive "buyers".

As organisations give more importance to their employer branding, then it is being used to integrate many of the core HR processes as they apply across the employee life cycle (employee journey). So values, behaviours and attitudes models are being incorporated beyond the attraction process, into realistic job preview, interview probes, competency frameworks, induction, team work areas (physical and virtual), employee voice and recognition activities and forums, performance appraisal, training and development programmes.

Some organisations have the control or flexibility over their employee surveys or engagement processes to be able to track whether these values or behaviours are actually experienced day to day, others would like to do such tracking but do not control the surveys.

Experts in the field are therefore driven by a series of pragmatic questions:

### Questions from practitioners

*How do you deal with the silos, how do you get more joined up thinking?*

*What channels are most effective from to present a genuine impression of what you are about, without people feeling that you are pitching too overtly from a sales perspective?*



*How do you get external people to really understand and to buy into your brand values, and understand that what you are saying is a reality?*

*How can you ensure consistency through change, so that through changes, particularly leadership changes, the DNA remains consistent?*

*How have people either successfully recreated their brand, or changed their brand as their mission or context has changed?*

*How do you match engagement with the brand and values, to its contribution to organisational goals?*

*What role does authenticity play in how employers and organisations view their brand?*

*What is best done centrally at the corporate level and what's best done in each market?*

*What can be done about early enablement – when people join an organisation how does the brand impact their talent enablement?*

*If your talent brand is better than another organisation, does the person hired become more effective or better performed as a result?*

*What are the impacts of brand e.g. on ROI? What kind of impact can it have from a skills perspective, attracting new people and retention? Is there a way we can start to measure this impact?*

*If tenure is shortening, is it shortening the ROI in your brand strategy? How quickly you can reduce the time to ROI?*

This range of social and technical developments is forcing new activities upon any employer brand manager. For example, the impact of social media on employer branding activity is significant. Communications are “always on”, and there are a range of evolving challenges. Not averse to using an acronym, we can spell these risks out using the acronym of C.O.R.P.O.R.A.T.E. !

### **The need for more CORPORATE approaches**

- **C**onsistency: the means by which organisations can promote their brand now crosses multiple media and outlets, creating challenges of maintaining a consistent experience across the various “touchpoints”
- **O**wnership of the images: creating a challenge of control across other people’s media
- **R**elevance: Different talent segments show different patterns of “buying” behaviour, seeking different things from a brand.
- **P**ower in the relationships: where the goal is to attract high levels of talent, then such talent is not just seeking a job but also an employer who meets their needs. Many have more power during conversations and any process of relationship development.
- **O**rganisation: The range of activities and responsibilities that HR functions might choose to bring together under their structures or employer branding function are now very wide.
- **R**isk: Organisations find themselves having to empower various groups, such as their internal workforce or brand ambassadors, to communicate and manage relationships, and this creates challenges for the level of control versus the level of trust that policies allow or exert.
- **A**uthenticity: both the internal and external labour force may choose to seek information, build their own picture of, evaluate and then engage with the actions and images of any organisation
- **T**ransparency: the rules by which they judge authenticity seem to require much higher levels of transparency, applied to a broader set of organisational and social behaviour, than has historically been the case
- **E**xpertise: The above challenges put pressure on the expertise, capability and knowledge of line managers, the supporting HR functions, and the brand ambassadors.

### 3. Branding as the development of a psychological contract with brand equity

"... There are not enough people from my perspective within the HR function that have a branding/marketing brain and I think there are lots of people doing lots of pockets of great things very much in silo and not thinking about the whole part. My biggest challenge is getting people to think, when they are doing an activity, how can they maximise that".

#### 3.1 Is Employer Branding a form of Psychological Contracting?

The first foundation, and broad design principal, is to see employer branding as a form of psychological contracting. The majority of studies have adopted this broader psychological contract perspective. This approach argues that:

- Specifications of the "exchange deal" between employers and employees stress the need for employers to provide employees with "marketable" skills, in return for employee effort, flexibility and commitment.
- Commitment is considered a prerequisite for employees to be brand champions (i.e. deliver the brand promise).
- Organisations therefore need to have a relationship orientation (i.e. an ability to provide the "soft" tools such as trust, respect, consideration, open communication) before there may be any attachment to the brand.
- Employer branding serves to advertise the benefits still offered by an organisation, and to change perceptions if they do not recognise these benefits.

This approach to employer branding has the following implications:

#### The implications of a Psychological Contract Approach to Employer Branding

The approach is based on the following evidenced assumptions, and is often also seen as *Workplace branding* rather than Employer branding:

- A favourable image (reflected in various Best Employer-type league tables and awards) helps to expand the applicant pool<sup>12</sup>, and forms part of a psychological contract that represents what the organisation offers in return for the commitment and performance of employees.
- Employment adverts, for example, have been shown to serve an important role as a form of sensemaking for employees, enabling them to understand the sorts of employment exchange relationships on offer<sup>13</sup>.
- The HRM practices and brand image form part of the employer's side of this deal, and create what is called an "anticipatory psychological contract", but it is the actual fulfilment of this anticipatory contract that is the strongest predictor of employee satisfaction and commitment<sup>14</sup>.

- Expanding the applicant pool allows the organisation to then be more selective in meeting workforce requirements<sup>15</sup>. We know that recruitment practices in the earlier stage of the process affect the utility of those practices that come later in the process<sup>16</sup>.
- Employee's perceptions of the brand evolve over their employment relationship in a number of ways<sup>17</sup>:
  - o The source of brand moves from images conveyed by advertising and word of mouth at the attraction stage, through to more grounded and tailored experiences conveyed through the leader/supervisor-employee relationship as the employment matures.
  - o The individual's preferences and the priority of different brand offerings changes from point of entry through different career stages.

#### 3.2 How does a psychological contract approach create brand equity?

A "psychological contract" approach can have "brand equity" in the traditional sense of:

- identifying and maximising the assets associated with a brand, and
- neutralising any liabilities that subtract from the brand.

This accurate brand knowledge is then considered to propel more useful applicant behaviour in terms of willingness to apply, accept offers, and subsequently stay with an organisation<sup>18</sup>.

#### What is our brand?

Measurement instruments typically focus on five dimensions that seem to predict favourable employee attitudes<sup>19</sup>:

- economic value (the degree to which the employer provides above average rewards, compensation and benefits, job security and promotion)
- development value (the degree to which the employer provides recognition, self-worth, confidence, career-enhancing enhancing experiences that serve as a basis for future employability)
- social value (the degree to which the work environment is fun, happy and supportive)
- interest value (the degree to which an employee is attracted to an exciting and challenging workplace, with novel work practices, makes use of employee capabilities, and produces high quality products and services)
- application value (the degree to which the employer provides opportunity for employees to apply what they have learned and to teach others in an environment that is both customer-orientated and humanitarian)

More recently, another two other sets of values have been added to this<sup>20</sup>:

- diversity value and
- reputational value.

The most common way to establish an effective contract is to see employer branding as a “best in class” challenge.

### **Eight common criteria for employer branding success<sup>21</sup>:**

Inspired leadership

Strategic clarity;

Open and consistent employee communication;

Clear expectations around performance management;

Cultures to promote training and development;

Flexible and innovative benefits;

An appealing physical workplace; and

Corporate citizenship.

### **3.3 Creating the functional co-ordination behind an employer branding strategy**

“...Organisations learn to join things up in different ways. However, if I were to ask each of the component functions about overall strategy, people might find it difficult to articulate, because we’ve not actually sat down and laid it out. [But] the strategy is there, it emerges out of all the stuff that you do, all these meetings. So in you heads, it is there”.

### **Aligning corporate reputation with employer branding at McDonald’s**

At McDonald’s UK employer branding activity reports directly to the Senior VP People. Employer Reputation is about challenging (and changing) perceptions of McDonald’s as an employer and of their employees, busting myths about ‘McJobs’, and ensuring they are seen as a top employer. The messaging and activity also has to align with different audiences – stakeholders (giving people the skills and opportunities they need to fulfil their potential and the benefits to the community of this), young adults (as the wider customer base and future employees – the majority of their workforce are young people) and employees (increasing engagement and pride – pride is a very important part of their activity - and improving the customer experience).

Reputation and recruitment are heavily aligned as the work they do in reputation helps them attract people and build their talent pool, and also helps with retention.

McDonald’s believe there is also a direct link between their people story and perceptions of quality. They know that publicly showing their pride in their people really motivates their crew, improving confidence and commitment and therefore driving their business from within. The food quality perception in their restaurants is important and influences what customers, and young people who could potentially be employees, think about McDonald’s not just as a brand but as an employer. Their non-food stories also play an important role in building credibility amongst their customers, making them more likely to believe the more direct food quality messages.

Separate to this, an initiative launched internally (The Vital Ingredients) highlights a series of behaviours that help McDonald’s staff deliver a great customer experience, thus influencing reputation. These simple but core behaviours are incorporated into the whole employee journey, from realistic job preview, recruitment, performance appraisal and training. The employer brand insights and ideas that draw upon work on reputation must in effect then be sold through all the HR processes. The implicit brand is that working at McDonald’s is a great first job or return to work job, is flexible, builds on skills, enables qualifications and progression.

McDonald’s crew members apply online. They recruit for attitude/behaviour and not necessarily qualifications. Their online recruitment tool helps people rule themselves out of the application process by asking a number of typical situational type questions. As such they encounter welcome meeting and games, the work on which was led by the training team. The messaging across games, videos and all forms of interactive tools, is used to bring messages alive, signaling the importance of soft skills and engagement. The reputational messages are about McDonald’s as an employer, why it is a good place to work, how they can develop their skills, career progression, and training. It is all about education, inspiration, motivation and pride.

Internal reputation is also important for retention purposes, and McDonald’s mobilises both the recruitment websites and the internal website (ourlounge) for its staff. The need for brand ambassadors also creates the need to integrate activity. However, McDonald’s understand that they cannot expect all their people to be brand ambassadors. They use ourlounge to help educate, motivate and excite people about the brand, their products and delivering a great customer experience.

### **3.4 How does brand reputation in HRM influence job pursuit mechanisms?**

General reputation in terms of having good HRM appears to impact job pursuit through the following three mechanisms:

- perceptions of organisational prestige,
- anticipated levels of organisational support, and

- the fostering of role performance.

What support is there for this? The following represent some recent findings:

- A study on the graduate market showed that an organisation's reputation in compensation, work-family, and diversity efforts increased intentions to pursue employment with that organisation<sup>22</sup>;
- A study of 12 firms in India showed that positioning in best employer surveys did result in significantly higher intentions of candidates to apply, primarily as a result though of familiarity<sup>23</sup>.
- A study of 113 Russian organisations<sup>24</sup> similarly showed that investments in employer brand resulted in economic advantages such as lower rates of employee turnover.
- A study of 438 employees on building bank brands examined the link between leadership behavior and employee commitment<sup>25</sup> in an Irish bank.

### 3.5 The central importance of leadership style

Such studies show that brand behaviours are very dependent on leadership style, but that different leadership styles are more or less effective depending on the level of employee.

#### Lessons from studies on the impact of leadership style

The leadership style shapes the brand-building of leaders – and these behaviours need to act as an integrating force that mediates between the corporate identity structures and scripts, and energises brand building amongst employees. The commitment of leaders to the brand influences<sup>26</sup>:

- personal brand adoption and emotional attachment to this,
- display of brand supporting behaviours during service encounters
- interaction with colleagues to produce a team climate conducive to the brand behaviours.

However, the evidence suggests that leadership style works as follows:

- A considerate leadership style instills a sense of obligation to remain with the organisation – it increases employees' emotional attachment to the organisation, but reduces their continuance commitment. *Employees may be likely to adopt brand communication out of a sense of obligation.*
- Initiating structure has a negative but non-significant relationship with affective commitment. It instills a feeling of a lack of perceived alternatives amongst employees, especially amongst front-line staff.
- Managerial level employees respond differently – i.e. more positively - to a structure-driven leadership style. For these employees, brand behaviours are most likely created *through task clarity and employees' perceived responsibility.*

### 3.6 Does the perceived employer brand actually impact employee level outcomes?

A study of employees in an insurance company found a link between a range of perceived employer brand dimensions and two important (but different) outcomes<sup>27</sup>:

- employee identification with the organisation; and
- employee satisfaction.

However, although the perceived employer brand affects both satisfaction and identification, it does so in different ways.

- Economic and development value only impacts employee satisfaction but not their identification.
- Perceived social value however is useful in shaping both satisfaction and identification.
- Reputational value predicts identification, but not satisfaction.

*"... it is not an easy task to find the right proportion, as some dimensions clearly support one outcome but not the other"<sup>28</sup>.*

Another study of a Canadian day care centres addressed three questions<sup>29</sup>:

1. *Are the preferences for branding attributes at the point of entry similar to those near point of exit (high intention to job search).* Although the respondent's priorities changed between point of entry and near-exit through job search changed, most priorities remained in the same relative order.
2. *Are there generational and career stage differences in these entry and exit priorities?* Comparing new entrants to leavers, pay, promotion and security has become more important for leavers, and development opportunities and values have become less important.
3. *Is current satisfaction with brand image attributes related to an employee's commitment, satisfaction and retention?* Values and job security are the most important predictors of affective (emotional) commitment to the organisation

The study also concluded that although there were few differences by age or career stage, the variation within each factor suggests that a brand image has to be relatively broad to accommodate diversity.

However, it is important to note that a number of studies use different frames of analysis, and these reveal some important managerial implications. We discuss these other approaches in the next section.

## 4 An employer brand as a form of social identity

*"...The way that you attract the people with the most talent and the most to offer to your organisation is that you have to find something in them that strikes a cord that draws them in like magnet. To do that you have to bring something that isn't just their skill, it's also their personality. Employer Branding is probably the most important aspect in talent acquisition second only to candidate experience"*

The second foundation and design principal is to understand an employer brand as a form of social identity. As noted in the previous section, a lot of the work on employer branding has come from a recruitment perspective – what makes an organisation attractive to potential employees.

However, there has also been some focus on what is seen as a more important question. What makes an organisation's employer brand *attractive to its current employees*<sup>30</sup>.

### Why might attempts to benchmark an employer brand be misguided?

Academics coming from a background that looks at corporate identity are sceptical of attempts to benchmark around an employer brand:

- employer brands that conform to an "ideal blueprint" cannot reflect the distinct identity of an organisation nor any obvious basis for aligning employee behaviour with the values of the corporate brand.
- research on an ideal blueprint tends to focus almost exclusively on the attributes sought by potential employees, Marketers also need to understand what makes an employer brand attractive to existing employees.

### 4.1 The nature of identity

The identity of the organisation is seen as those aspects of an organisation's ethos, aims and values that create a sense of individuality<sup>31</sup>. This identity is developed through the actions of corporate founders and leaders, by tradition and by the environment. Employee values and behaviours need to be aligned with the desired values of this brand.

### The basic tenets of a social identity way of thinking about employer branding

This view of employer branding argues the following:

- Current employees do not evaluate the attractiveness of their own organisation's employer brand in the same way as potential employees. They strategically select the attributes on which organisations may be compared, and adjust the importance and value (positive or negative) assigned to each attribute, in order to identify how their organisation is "different from" and "better than" the rest

- The attributes that employees consider most attractive are therefore likely to be different in each organisation. Efforts to become an "employer of choice" are unlikely to have the desired effect on employee behaviour or on their willingness to support the corporate brand
- Organisational identity is similar to group identity, in that the group has to identify with the brand and incorporate this into their own self. Only with such an identity will employees be motivated to both engage in corporate citizenship behaviours and to project an image of the organisation to external stakeholders.
- Organisational identification therefore is the intervening variable between an organisation's employer brand and the behaviour of employees.

In terms of empirical work, studies have looked at the phenomenon of brand personality. This is a projective technique that represents brand associations by using the metaphor of the brand as person<sup>32</sup>. This is some agreement on what these personality dimensions are.

### A Typical Corporate Personality framework<sup>33</sup>

- Agreeableness (friendly, reassuring, sincere).
- Enterprise (up to date, imaginative, innovative).
- Competence (reliable, hard-working).
- Chic (stylish, prestigious, elitist).
- Ruthless (arrogant, controlling).

### 4.2 What are the common attributions that employees make about their employer?

A comparative case study analysis of four organisations (a non-profit sports organisation, television production company, film distribution company and data analysis company) found that<sup>34</sup>:

- The specific attributes considered most attractive by employees are different in each organisation.
- However the categories of attribute are almost identical



### The common attributions that employees make

Employees make attributions about:

- Employment (work environment, workforce, type of work, style of management, employee rewards, and management-workforce relations)
- Organisational successes (past, current and anticipated)
- Construed external image, and product or service characteristics (typically described in terms of the underlying values and adjectives implicit in this service, such as creative, controversial, inspiring etc).

### 4.3 What seems to create positive brand-related behaviours?

A study of the antecedents of positive brand-related employee behaviours in a sample of 371 Australian employees<sup>35</sup> found that the antecedents to both brand commitment and brand citizenship behaviours are organisational and individual.

The study examined the network of relationships between three important antecedents:

- organisational socialisation,
- organisational relationship orientation and
- employee receptiveness with brand commitment and citizenship behaviours.

The key findings were that:

- Organisational socialisation influences brand citizenship behaviour, but has no impact on brand commitment - therefore while organisational training, communication of brand values and co-worker support provides guidance for employee actions, it does not necessarily induce an emotional reaction nor attachment to the brand in the employee.
- Relationship orientation (i.e. trust, respect, consideration, open communication) shows a positive relationship with brand commitment, but no relationship with brand citizenship behaviour
- Irrespective of how well internal branding programs are structured, employee responsiveness was important. If employees lack the desire to embrace branding initiatives, the outcome of employee "pro-brand" behaviours is unlikely to be realised.

### 4.4 Do things change your employee's identification with the brand?

Changes in identity are often shown to be important during significant change events.

For example, a study examined the implications of changes in employment brands in the context of a multinational acquisition in a sample of 251 current employees of both the acquired and acquiring firm<sup>36</sup>. It looked at changing perceptions about:

- provision of unique employment experiences,
- organisational identity strength,
- perceived prestige, and
- the judgment made by employees about whether the acquiring organisation was acting in accordance with the claims it made about corporate identity.

These perceptions did indeed change throughout the acquisition, and these changes impacted the level of identification, level of discretionary effort and intentions to leave 12 months after the event.

Another study of 424 employees and 964 customers in four fashion retailers showed that perceptions of employee age had an impact on the corporate brand. The symbolism of certain categories of employees to customers had a clear impact on both corporate image and customer satisfaction.

Using measures of brand personality, the more competent but less enterprising the perceived corporate brand, the more negative the impact on customer satisfaction<sup>37</sup>.

In summary, such findings show that organisations need to be aware that their *employer brand can be symbolic – it sends broader signals and has two-way effects.*

## 5. Employer branding as a form of signaling

The third foundation and design principal stems from work in economics, marketing and strategy. This work has become the basis of much work around recruitment<sup>38</sup>. It argues that employers should base their employer branding interventions around ideas from what is called *signalling theory*<sup>39</sup>. A typical definition from this perspective would be:

*“corporate image is in the eye of the receiver ... [it] is simply the picture that an audience has of an organisation through the accumulation of all received messages”<sup>40</sup>*

It is evident that a number of organisations – examples used include the likes of Nike or Body Shop – *have a de facto employer brand* without doing any formalised marketing of this. In such instances, this imaging actually needs to be more actively managed.

### The key arguments made by signaling approaches to employer branding

This approach argues:

- Stakeholders use observable factors as signals about an organisation’s commitment to a specific issue. Translated to the field of recruitment, job seekers have little information about recruiting organisations and so make inferences about working conditions and other organisational characteristics.
- Internal brand management is the primary means to ensure that employees are attitudinally and behaviourally ready to deliver the brand promise<sup>41</sup>
- The key determinants of brand strength as a result of internal brand management practices are brand commitment and brand citizenship behaviours<sup>42</sup>
- The need to understand the different purposes that components of an employer brand serve in terms of image. Branding is seen in the context of a broader set signals that are emitted by the organisation, which are interpreted in either a reasoned or emotional way.

### 5.1 Three mechanisms that signal an organisation’s prestige, values and orientation

Signals about the organisation’s prestige, specific values and orientation impact work through

#### Three signal-based mechanisms<sup>43</sup>:

- The job seeker’s anticipated pride in being associated with the organisation.
- The fit they perceive between their values and the values of the organisation.
- Their expectations about how the organisation treats its employees.

The importance of the job seeker’s anticipated pride in being associated with the organisations is shown a stream of work from early interest in reputation, through social identity, organisational image, brand equity and communication, employer branding initiatives work on the premise that an organisation’s reputation sends signals that affect the inferences that job seekers make, and signals about prestige and being held in high regard impact attractiveness. Employees derive some of their identity through their affiliation with prestigious groups, including their employer<sup>44</sup>.

The importance of employees perceiving a fit between their values and the values of the organisation is underwritten by work on person-organisation fit and job choice. This shows that person-organisation fit is one of the strongest predictors of recruitment outcomes. Signals sent to job seekers about specific values inform the job seekers’ own perceived value fit<sup>45</sup>.

Finally, the importance of job applicant expectations about how the organisation treats its employees is underwritten by research that shows that people develop attitudes about an employer even before they start to work for it, and recruiters themselves send signals about employee treatment<sup>46</sup>. Organisations send signals to job seekers about their overall orientation to their employees and concern for well-being and pro-social issues. This signaled “expected” treatment builds perceptions about general fair treatment.

### Sellafield: The most important work that you will ever do

Sellafield, the largest of the UK’s nuclear sites, has for several years relied on its brand in Cumbria, being seen as a good organisation to work for in the region in terms of career prospect and stability of employment. However, they are giving renewed attention to employer branding and are in the process of re-developing their brand. Their work on employer branding forms part of their 5-year HR strategy, one part of which involves a capability plan, which focuses on the importance of resourcing and bringing fresh talent into the organisation. There is a reason why employer branding is seen as part of a capability plan. They see a significant and increasing demand for engineering skills in regards to large capital projects. Sellafield has to make itself an attractive proposition in this labour market. But Sellafield will become the largest construction site in Europe by 2020. This is a totally new proposition. Legacy does not mean looking backward but looking at the historical legacy i.e. what does Sellafield leave as a legacy? Whatever is done at Sellafield will have some permanence. Its brand engagement is about doing something of national importance.

However, in the nuclear industry, work on employer branding deals with a range of legacy issues. Prior to the latest industrial arrangements initiated in 2005, there were historical organisations that carried their own brands – for example the BNFL (British Nuclear Fuels Limited) by repute had a strong employer brand. As the industry model was broken up into a variety of site licences, each with operating companies, and the separate regulatory body of the Nuclear Decommissioning Authority, both the brand identity, and the strength of this brand, was impacted. The brand of Sellafield started off with a simplistic view of the world, which was as a power plant, which is something

that it has not been for 12 years. An organisation like Sellafield is relatively complex and has lots of history to it. Work on employer branding has to capitalize on insights that in the normal run of things would take a while to understand properly. The branding work therefore has to evolve and augment other immediate initiatives.

There is then a pragmatic need – skills are needed in the future – but this also changes the branding propositions that might be important. Their approach to employer branding involves two elements: why do you work for Sellafield; and what is the attraction of a scientific career in the nuclear industry. They have studied the perceptions of existing and potential employees working in Sellafield, understanding what people like or do not like about working for Sellafield, and looking at candidates who have relevant skillsets but might not apply.

Although there are some generic industry-wide brand pillars, the proposition really has to be about the organisation and be Sellafield-centric. For the brand proposition to have a sense of authenticity, it must be a technical reflection of professionalism, but it must also reflect the extent, scope and importance of the mission - safeguarding the environment and the importance of this mission for the future. It must also reflect elements of scale and activity, and unique requirements such as construction sites, whilst also focusing on the values of the organisation.

## 5.2 But do internal communications approaches to employer branding work?

In the context of employer branding, internal corporate communications is defined as:

*"... a process between an organisation's strategic managers and its internal stakeholders, designed to promote commitment to the organisation, a sense of belonging to it, awareness of its changing environment and understanding of its evolving aims".*

The success record of internal communications and branding implementations is still seen as being poorly conceptualised<sup>47</sup>. Studies of internal branding show that employees in practice assess the effectiveness of their organisation's communication capability, and it is this perception that then mediates the authenticity of the employer brand<sup>48</sup>.

We still seem to know little about:

- How job seekers come to obtain information about employer brands
- The extent to which, and how, job seekers actually process the information from employer branding initiatives

However, thinking about an employer brand from an internal communications perspective, branding specialists argue that three tasks become important:

1. Aligning the external and the internal image, so that those attracted by external image are not disappointed by a somewhat different internal reality<sup>49</sup>.

2. Being clear about the full spectrum of signaling that is needed in order to allow consumers of the brand to form an accurate image.
3. Whilst inferences drawn from recruitment experiences have been shown to influence job seekers' attitudes and choices, little is still known about the mechanisms that link these signals to important outcomes<sup>50</sup>

## 5.3 How do job seekers actually process the information from employer branding initiatives?

In thinking about the second task, branding experts classify product and service attributes into those that serve different purposes.

### What has to be signaled by an employer brand?

Brands have to send two sorts of signal – the instrumental and the symbolic purposes of the organisation<sup>51</sup>:

- *Instrumental attributes* outline *what the product actually does* (the product being sold might be the organisation, its proposition for employees etc). They are subject to managerial control and are readily communicated. They typically focus on the outcomes or consequences of HRM policies and practices, such as job security, pay, development opportunities etc.
- *Symbolic attributes* outline *what the product implies*. They arise because people ascribe human traits to organisations. They typically focus on qualities of the organisational culture, such as status, being part of a family or club, or values such as integrity, honesty or fairness.

Again, what does the evidence suggest about how applicants arrive at these two types of signal?

This differentiation between "instrumental" and "symbolic" signals has been used to examine brand information conveyed in online recruitment materials, or in the context of graduate recruitment among potential recruits and recruiters during the recruitment process<sup>52</sup>.

We know the following about the signals that employees have received:

- At the point of recruitment, employees have very generalised views of the employer brand, so organisations must highlight a few important factors.
- Even when job applicants are close to the point of entering a firm, the employer brand is still not stable - there are still differences between external and internal employer brand images.
- However, when using brand to manage retention, employees have by this stage formed quite specific ways of linking together the instrumental and symbolic components of the brand, and the rationale that connects these is important.

The evidence suggests that the use of signaling in adverts however is still surprisingly limited and is therefore under-exploited<sup>53</sup>:

- Job adverts typically convey 4.5 times as many instrumental cues than symbolic ones, but 13% of adverts containing no symbolic cues whatsoever<sup>54</sup>.
- Whilst there is a correlation between an attractive employer brand image and likelihood to apply for a job, there are statistically significant differences between the perceptions that applicants have about the internal and external employer brand image on core attributes.

#### **5.4 What must organisations do to create positive emotions amongst employees?**

Work on the management of the two sets of attributes outlined above - instrumental and symbolic - has also informed much general research on the creation of positive emotions amongst employees.

##### **Messages from work on employee attribution**

This work argues that organisations need to bear in mind the following:

- Perceptions about instrumental and symbolic attributes have a reciprocal relationship. Formal and instrumental policies, such as performance management, may in their conduct send signals about the symbolic and cultural qualities of the brand.
- Regardless of whether this is planned, employees make these attributions, and they attribute "causal" explanations to what they believe managerial motivations to be behind the use of particular practices, or indeed the absence of a practice<sup>55</sup> e.g. having collaborative processes for layoffs is seen as symbolic of fairness and honesty.
- These attributions are made by groups of employees<sup>56</sup>, not just by individuals.
- To manage either or both instrumental and symbolic attributes of the employer brand, the organisation needs to be able to show that the instrumental or symbolic attribute helps distinguish them from others, and serves improve the ability of employees to compete in the labour market.

To investigate the mechanisms that in reality shape the ultimate attractiveness of an organisation amongst active job seekers, studies of have used experimental manipulations of websites and analysis of recruitment materials from job fairs<sup>57</sup>.

In conclusion, the evidence suggests, then, that employer brands seem to be most strongly shaped by the following instrumental factors<sup>58 59</sup>:

- pay structure (absolute and relative);
- flexibility of work arrangements (for younger and older generations for whom lifestyle or eldercare duties are important);
- security;
- development opportunities to learn and use knowledge, skills and abilities;
- prospects for promotion;
- organisational values;
- commitment to principles, policies and practices; and
- corporate social performance.

## 7. Conclusions

This White Paper argues that most organisations adopt a broad psychological contract approach to employer branding. Whilst this is a pragmatic approach, and one that is likely to lead to clear economic and HRM benefits for the organisation, in taking a psychological contract perspective there is the risk that the branding analysis becomes embedded in too general a review of the current employment relationship. Whilst this is always useful, it should not totally colour the work on the employer brand. By examining the findings that have come from two other approaches – a social identity and signaling perspective – it should be clear that the boundaries between an employer branding strategy and the other aspects of HRM are very flexible. Employer branding strategies can be informed by these wider potential developments.

It is self evident that in order to “select” the most useful key elements of their employer branding strategy, organisations have to identify how they believe their brand helps distinguish them from others, and how each distinction creates a specific benefit e.g. how it serves improve their ability to compete in the labour market, creates anticipated pride in being associated with the organisation, creates a fit between employee values and the values of the organisation, or creates an expectation about how the organisation treats its employees.

In sending signals to the labour market, most organisations tend to over-focus on *what the organisation actually does* and the proposition this creates for existing employees (e.g. outcomes or consequences of HRM policies and practices, such as job security, pay, development opportunities). However, it is also important to stress *what the organisation implies* – the attributions that arise because people ascribe human traits to organisations (e.g. qualities of the organisational culture, such as status, being part of a family or club, or values such as integrity, honesty or fairness).

Moreover, there are two audiences for such work – potential recruits and the existing workforce. In terms of the first audience, potential employees, in order to maximise the assets associated with a brand (or to neutralise any liabilities) any internal research must identify

- elements that features to do with employment (work environment, workforce, type of work, style of management, employee rewards, and management-workforce relations),
- organisational successes (past, current and anticipated), external image, and
- product or service characteristics (typically described in terms of the underlying values and adjectives implicit in this service, such as creative, controversial, inspiring).

In terms of the second audience, the existing workforce, then employer branding strategies need to be driven more by:

- personal brand adoption and emotional attachment to this,
- display of brand supporting behaviours during service encounters
- interaction with colleagues to produce a team climate conducive to the brand behaviours
- employee identification with the organisation; and employee satisfaction.

In addition to its role in attraction and retention of talent, the concept of employer branding has been extended into an internal marketing strategy aimed at managing the awareness and perceptions of employees, potential employees, and related stakeholders with regard to the organisation, and the creation of an image.

There are also often differences in how the employer brand is perceived and how it works by age or career stage. More junior employees tend to adopt brand communication out of a sense of obligation to the organisation. Managerial level employees respond more positively to a structure-driven leadership style, with brand behaviours created through task clarity and employees’ perceived responsibility. Pay, promotion and security become more important as tenure increases, and development opportunities and values become less important. However, between point of entry and near-exit, most employee priorities do appear to remain in the same relative order.

Organisations therefore need to understand the differences between the value proposition as perceived and expected by new and recent recruits, and that experienced by more seasoned staff - the development of a single employee value proposition for all employees is generally difficult.

It is also important to ensure alignment between those elements of the employee value proposition that are created through images conveyed by advertising and word of mouth at the attraction stage, and the more grounded and tailored experiences conveyed through the leader/supervisor-employee relationship as the employment matures. The adoption and display of brand behaviours is often very dependent on leadership style, and these styles vary in effectiveness depending on the level of employee.

Although not directly linked with the development of an employer brand, a number of issues tend to work against the perceived authenticity of the efforts you will undertake. Organisations need to evaluate their existing internal research to identify those inadvertent signals that need correcting:

- the formal and instrumental policies (such as performance management) that *may in their conduct be sending signals* about the symbolic and cultural qualities of your brand.
- the “causal” explanations that employees use to explain what they believe are the managerial motivations behind *the use* of particular practices, or indeed *the absence* of a practice.

Many organisations therefore often need a programme of internal brand management in addition to their work on external recruitment to ensure that employees are attitudinally and behaviourally ready to deliver the brand promise. The more distinctive any organisation’s employer brand, the more the brand itself has value. Simply identifying generally attractive features of the organisation and the employment relationship is not sufficient. Employer brands that conform to an “ideal blueprint” cannot reflect the distinct identity of an organisation nor any obvious basis for aligning employee behaviour with the values of the corporate brand.



## End Notes

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