

HRO Today Research Flash Report

Volume 3, Issue 5



You Are What They Think:
How Companies Invest and
Measure the Impact
of Employer Branding

You Are What They Think:

How Companies Invest and Measure the Impact of Employer Branding

HRO Today Flash Reports are a series of ongoing research initiatives that address today's topics of interest in the HR community. HRO Today Flash Reports are focused briefs that can be used to support business decisions and further discussion among industry practitioners and thought leaders. This report covers the North America Region.

This report examines how organizations measure the impact of their employer branding activities and the ways they invest in those brands. Best practices are shown by comparing those that consider their employer brand a high priority vs. those attaching less significance to it.

This study is sponsored by PeopleScout.

Methodology

Beginning in March 2019, a series of emails were sent to subscribers of HRO Today Magazine and HRO Today newsletters to take part in an online study on behalf of HRO Today. Study respondents were manager level or above within Human Resources departments.

Respondents were from the North America region and were screened to ensure that they were personally familiar with their company's employer brand. Because of the size and diversity of the region and small sample size, these results should be viewed as directional.

Those invited to take the survey were not aware of PeopleScout's sponsorship of this study.

Conclusions

According to a recent study by LinkedIn, 72% of recruiting leaders worldwide agreed that employer brand has a significant impact on hiring.¹ The study goes on to say that the number one obstacle candidates experience when searching for a job is not knowing what it's like to work at an organization.

In order to gain more insight into the scope of employer branding, our study respondents were asked if they saw their employer brand as a candidate attraction effort only, or as part of a wider engagement initiative. Nearly nine-in-ten (85%) of our study respondents stated that it is part of a more broad-based initiative. The employer brand extends to all stakeholders in a business, from stockholders or owners, to business partners, suppliers and ultimately customers and candidates.

While most are looking at traditional talent acquisition areas like website traffic, quality of hire, and social engagement, only 20% are using those means to understand employer branding success. Less rigorous analysis of employer brand, compared to the measurement of other areas of TA, may be from lack of resources or lack of understanding of how to do it. Most of our respondents (87%) feel their employer brand does not completely distinguish their organization from others competing for the same talent. Companies are struggling to express exactly what makes their employer brand unique, despite knowing the importance of the brand.

1. Johnson, Steve. "Global Unemployment Hits Lowest Point for 4 Decades," Financial Times, December 5, 2018
[ft.com/content/1e8f4cf4-f257-11e8-ae55-df4bf40f9d0d](https://www.ft.com/content/1e8f4cf4-f257-11e8-ae55-df4bf40f9d0d)

HOW DO COMPANIES MAKE THEIR EMPLOYER BRAND A PRIORITY?

This study distinguishes companies that view employer branding as a high priority from those that do not. Those differences are outlined below.

- Nearly three-quarters (71%) invest in a strategy to increase social media followers and the same amount expand their internal communications strategy to promote their employer brand.
- They're also far more likely to invest in encouraging employees to take an active role as brand ambassadors.
- Not only have organizations increased the employer brand budget amount, they have specific budget dollars allocated for it, though it's usually a component of the talent attraction budget. Given the evolving goals of employer branding that go beyond talent acquisition, this allocation will likely evolve as well, joining the 22% that currently have a separate, stand-alone budget for employer branding.
- They attempt to distinguish the brand from competitors, though they report decidedly mixed results.
- Virtually everyone that considers their employer brand a priority feels it is essential to the overall TA strategy.
- They use more tactics to amplify their employer value proposition (EVP) or employer brand. Those who say they make employer branding a high priority report an average of 7.1 different ways they invest in the brand vs. an average of 3.4 among those that do not. The three most common are: an implemented social media strategy, expanded internal communications and encouraging employees to take an active role in the employer brand.
- They measure the impact of employer branding activity, such as social engagement rates and quality of applicants.
- Those with a high-priority employer brand are much more likely to feel that the responsibility for the employer brand is a joint responsibility between HR/TA and marketing.

DETAILED FINDINGS

How Companies Have Invested in EVP or Employer Brand

How have you invested in your employer value proposition (EVP) or employer brand in the last 24 months?

Study respondents were asked to identify how they have invested in their EVP or employer brand in the last 24 months. The most common investment is an expansion of internal communications promoting the brand to employees. This internal focus could surprise many, but it makes a great deal of sense. First, employees don't want to hear different messages from new recruits and may question why leadership hasn't been transparent with them about company messaging. Additionally, a mismanaged or misaligned EVP strategy will ultimately affect new employees who may feel disconnected if their work experience doesn't match what they heard during the recruitment process. Above all, marginalizing internal stakeholders squanders the opportunity to leverage some of the biggest EVP proponents who create a significant recruitment marketing advantage.² Employees are the most compelling brand advocates for the organization when communicating its employer brand because they know best what it's like to work for the company.

Encouraging employees to take an active role in promoting the employer brand, selected by over one-half (51%) of respondents, is in alignment with the focus on expanded internal communications, one that gives the employer brand legitimacy and is an extension of a referral program.

An implemented strategy to increase followers on social networking is more of a tactical than strategic investment, but it's clearly important as it was selected by 55% of study participants as a way they have invested in their EVP or employer brand. Social media recruiting uses social media platforms (such as Facebook, Twitter, LinkedIn, Instagram and Snapchat) for talent acquisition. Using social media for recruiting invites back and forth conversations between companies and candidates. It involves creating interesting content, presenting it in a compelling way and maximizing each unique social media platform to its fullest potential.

2. "Employer Branding = The Internal Consumer Comes First," HR Technologist, August 30, 2017
hrtechnologist.com/articles/performance-management-hcm/employer-branding-the-internal-consumer-comes-first/

Candidate experience is a very hot topic in TA right now, and it's not surprising that over one-half (51%) indicated it's a way companies are investing in their EVPs. The job market is hyper competitive, and in some cases, there are many more jobs than qualified candidates. Improving the candidate experience, through ease of application and updates, is now table stakes in attracting talent.

But despite how many ways companies have invested in their EVPs or employer brand and the stated importance of it, only one-in-five (20%) have established metrics to measure the success of their employer brand. This could be from a lack of resources or a lack of understanding about how to do it.

HOW COMPANIES HAVE INVESTED IN EVP OR EMPLOYER BRAND

	Total
Expanded internal communications promoting brand to employees	58%
Implemented strategy to increase followers on social media	55%
Encouraged employees to take active role in promoting employer brand/brand ambassadors	51%
Elevated candidate experience	51%
Increased budget for employer brand	40%
Expanded campus recruiting	40%
Launched formal employee recognition programs	40%
Proactive engagement on Glassdoor or other social proof sites	29%
Enlisted an outside consultant	25%
Produced videos to introduce members of team and show the work being done	25%
Expanded veteran hiring	25%
Increased headcount that focuses on the employer brand	22%
Conducted assessment of competitor or competitor in-kind employer brands	22%
Established surveys that measure awareness and impact of the employer brand	20%
Establishment of metrics to measure success of employer brand	20%
Creation of a website dedicated to communicating their brand ethos to prospective employees	15%
You have not substantially invested in your employer brand	7%

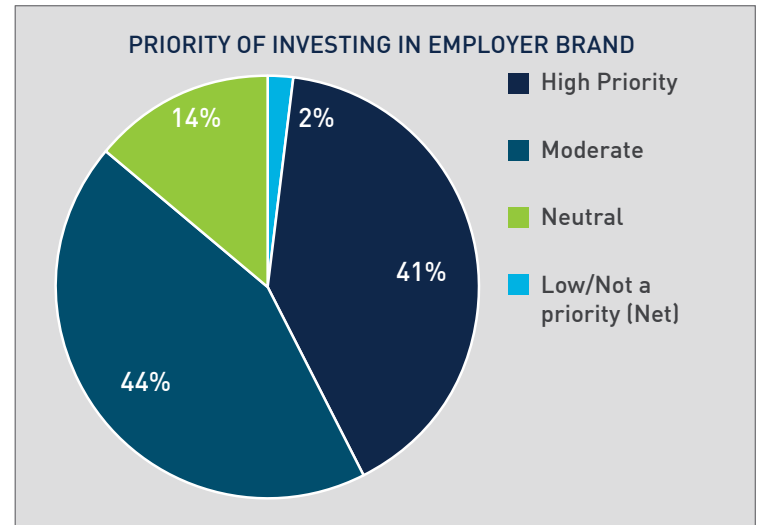
Only 20% have established metrics to measure the success of their employer brand.

Extent of Priority in Investing in Employer Brand

How much of a priority is investing in your employer brand?

Study participants were asked to what degree they prioritize their employer brand. In total, 85% felt it was a high or moderate priority, with about half of that group (41%) stating it was a high priority.

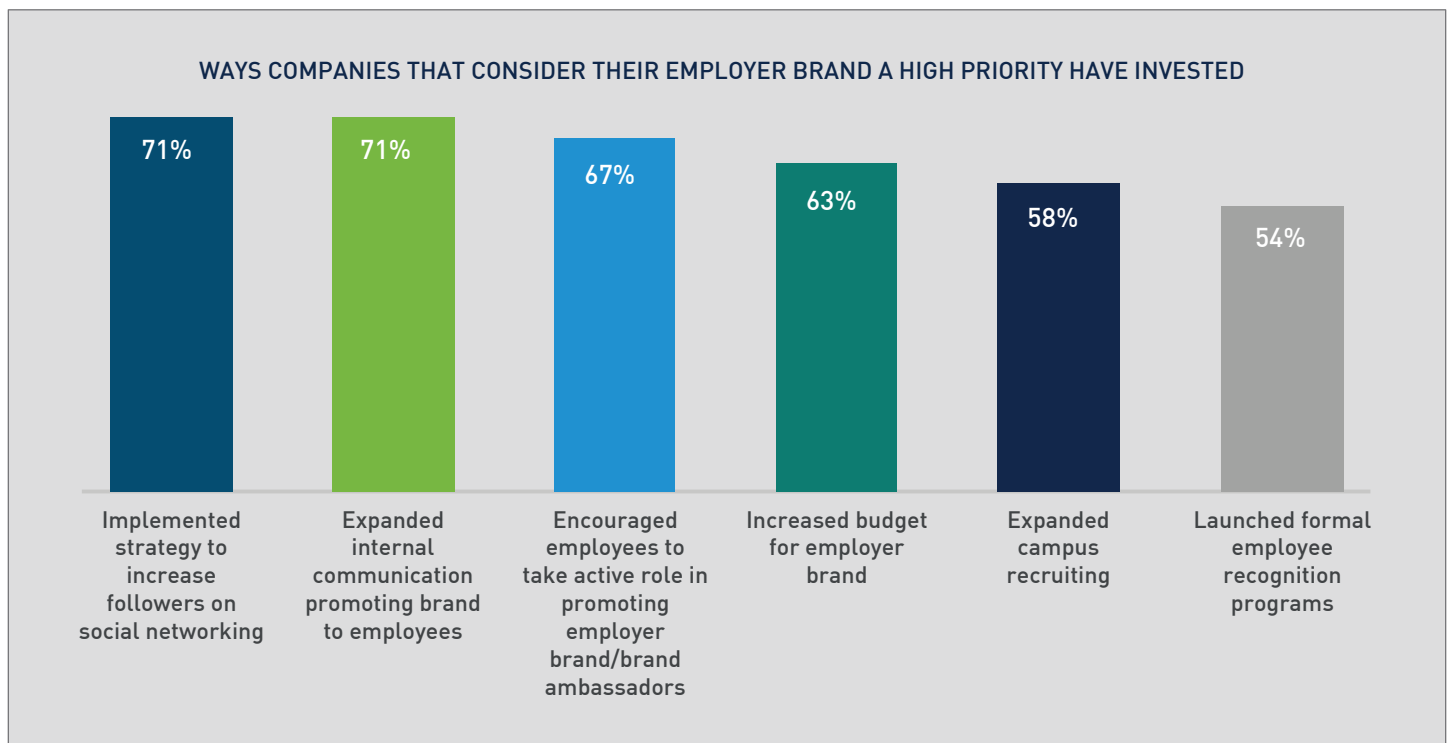
Employer branding starts with attracting the attention of potential candidates, keeping them engaged with your organization through onboarding and then reminding your employees why your company is a great place to work.



Moving forward in the report where appropriate, we compare the differences in opinions of those who consider their employer brand a high priority (41%) with everyone else (59%). The differences uncovered offer unique insight into how those who invest in their employer brand as a high priority act differently from those who see their brand as less than a high priority.

Ways Companies that Consider Their Employer Brand a High Priority Have Invested

The chart below examines respondents who indicated investing in the employer brand was a high priority by those areas in which they have invested. As one would expect, every area had greater buy-in among those who considered the employer brand a high priority than those who did not. But some areas were of particular importance and had a significantly higher number of respondents investing in them. The areas that at least half of respondents indicated they invested in are shown below. In total, there were six ways that met these criteria: an implemented social media strategy, expanded internal communications, encouraging employees to take an active role in employer brand promotion, increased budget, expanded campus recruiting and formal employee recognition programs.



Budget Allocation

Do you have a separate budget for employer branding or is it part of your talent attraction budget?

Respondents were asked if they had a separate budget for employer branding. Less than one-quarter (22%) have a separate budget, while another one-third (33%) don't have funds specifically dedicated to employer branding. For the time being, employer brand activities are most often considered part of the overall TA budget.

The chart below shows those respondents with specific budget allocation by the priority placed on the employer brand. The conclusion is that as employer branding becomes more of a priority, the likelihood that there is specific budget for it increases dramatically. Nearly eight-in-ten (79%) of those who consider employer branding a high priority have a dedicated budget, compared with only 59% of those who did not.

Responsibility for Employer Brand Messaging

Who has responsibility for managing your employer brand messaging? Use the slider below to indicate more towards marketing ("0") or more towards HR/talent acquisition ("100").

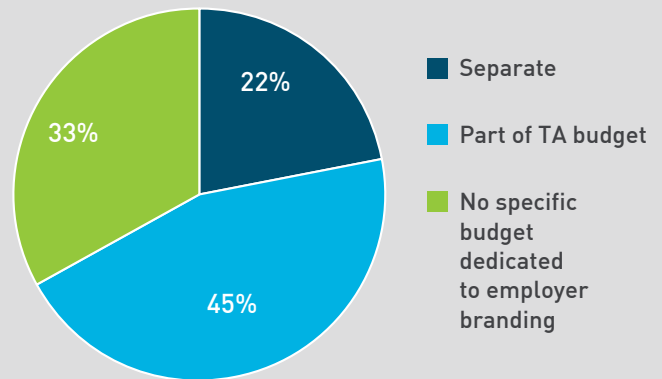
Respondents were asked which department has responsibility for managing the employer brand on. Most indicated that employer brand messaging on social media is HR/TA's responsibility. The average score was 62.1 on a 0-100 scale, meaning responsibility clearly leaned toward HR and TA. More than twice as many respondents (60%) felt the responsibility was HR/TA's compared to marketing's (27%), while the rest felt it was equal responsibility (13%).

Marketing plays a much bigger role in managing an employer brand when analyzing the difference between those assigning a high priority to employer branding compared to those who do not. Less than one-half (46%) of those with a high priority indicated responsibility was only HR/TA vs. 71% of those without a high priority. Those with a high priority are much more likely to feel it's a joint responsibility between the HR/TA function and marketing.

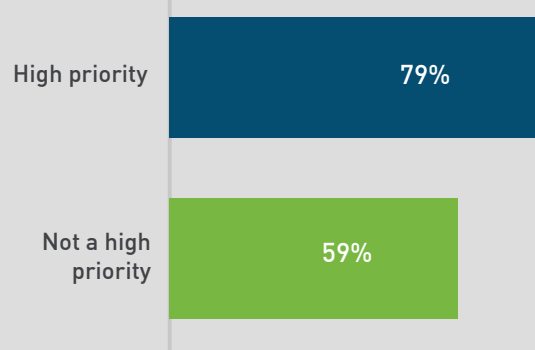
RESPONSIBILITY FOR MANAGING EMPLOYER BRAND BY DEGREE OF PRIORITIZATION

	High Priority	Not a High Priority
HR/TA	46%	71%
Equal	21%	6%
Marketing	33%	23%

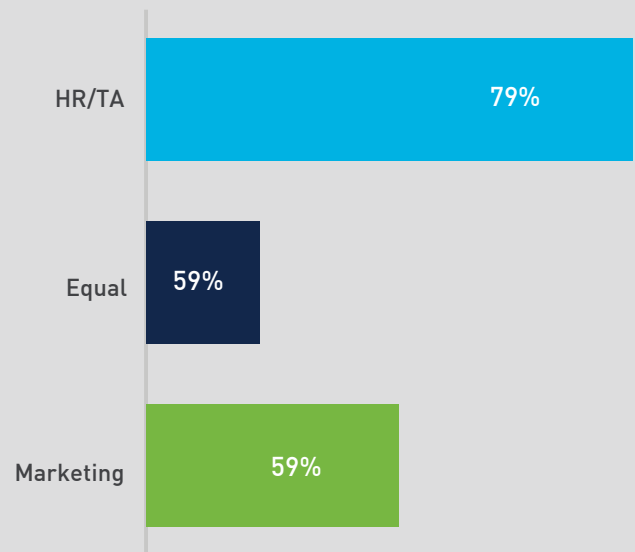
BUDGET ALLOCATION



PERCENTAGE OF COMPANIES WITH EMPLOYER BRAND BUDGET BY DEGREE OF PRIORITIZATION



RESPONSIBILITY FOR MANAGING EMPLOYER BRAND



Extent Employer Brand Distinguishes Companies Among Competitors

To what extent does your employer brand distinguish your company as a preferred place to work from other organizations competing for the same talent?

Overall, only 13% feel that their employer brand completely distinguishes their company, while 64% feel it does somewhat. The resulting average is 3.8/5.0. Clearly, HR has a long way to go before it considers its work in employer branding as top tier.

Those who feel their employer brand is a high priority are more likely (83%) than those who do not make the brand a high priority (69%) to believe that the brand distinguishes the company completely or somewhat.

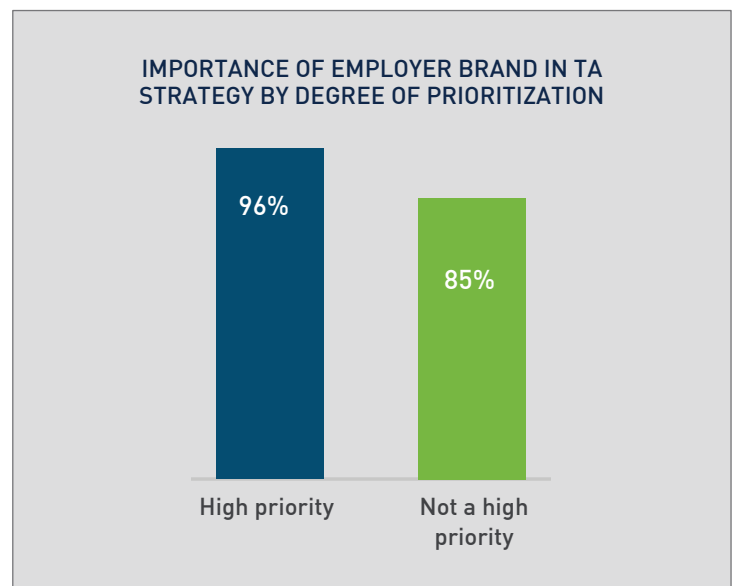
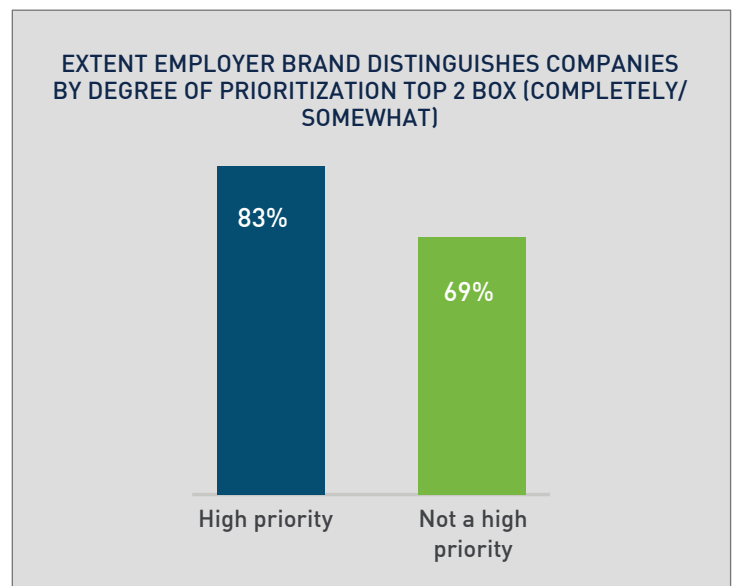
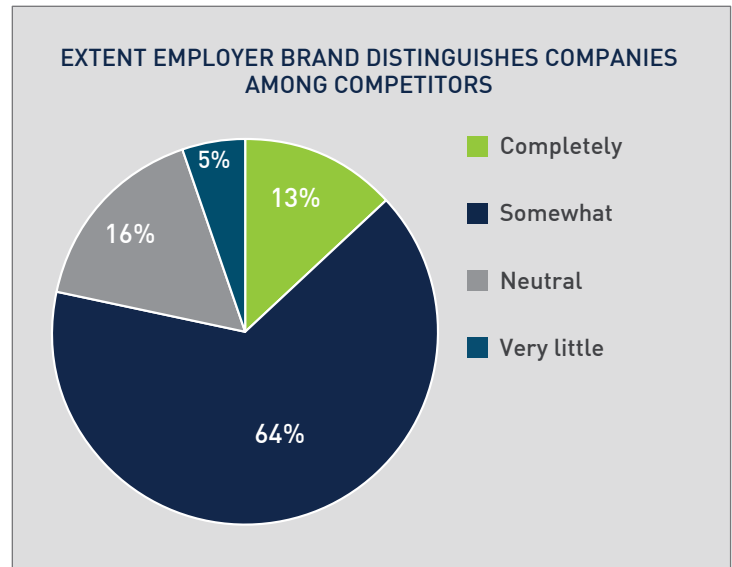
Importance of Employer Brand in TA Strategy

How important to the success of your talent acquisition strategy is creating an employer brand that supports all steps from initial attraction through onboarding?

Nearly nine-in-ten (89%) of all respondents felt the employer brand was very important/important (top 2 box).



Virtually everyone (96%) that considers their employer brand a priority feels it is important to the overall TA strategy. The development and maintenance of the brand along with the EVP isn't a luxury human resources can afford to ignore. It's a key component of the way they're going to find the talent to make their business successful in the long term.



Measuring the Impact of Employer Branding Activities

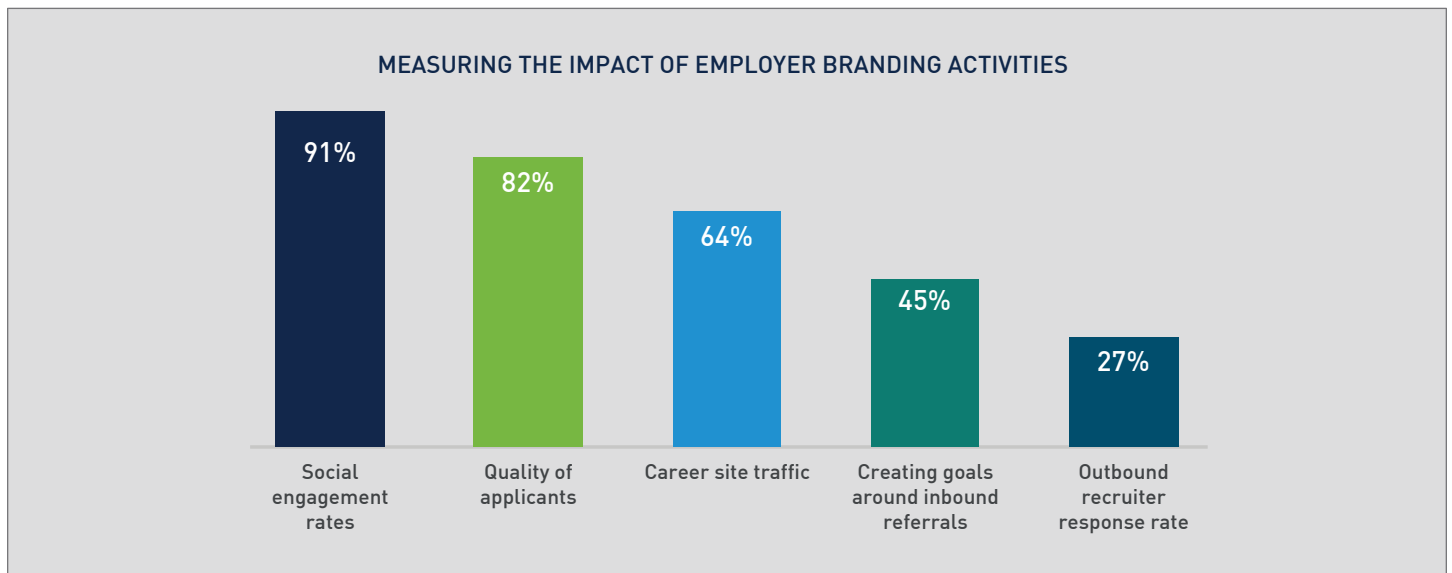
How do you measure the impact of your employer branding activities?

The respondents who stated they measured the impact of employer branding activities were asked to indicate how they measured them.

The most prominent way to measure the impact of employer brand efforts is through an examination of social engagement rates (likes, clicks, shares and comments), which were selected by nearly all (91%) of those with established metrics to measure success of employer brand. This measurement can be accomplished by automatically monitoring mentions and interactions on social media channels relevant to the employer brand. These social media listening tools not only gauge brand awareness, some can offer insight into sentiment, which leads to understanding how people feel about an employer.

Well over three-quarters (82%) look to the quality of their applicants as a way to measure the impact of their employer branding activities. Combined with other measures, quality of hire can provide keen insight into where the best candidates can be found.

Nearly two-thirds (64%) indicated they look at career site traffic. There are a number of ways to measure career site traffic as it pertains to the employer brand. Tracking the number of visitors, how engaged these visits are, where visitors are coming from (sources), if they are joining the talent pool, if they are completing job applications, and, ultimately, the number of hires are commonly measured. This information can then be tied back to data about the quality of hire. In addition, segmenting each of these areas to further understand the characteristics of who is coming to the site and what they ultimately do is essential.



Role of Employer Brand

Finally, do you see your employer brand as an attraction-only activity or part of wider employee engagement?

Respondents were asked if they saw their employer brand as a candidate attraction effort only, or as part of a wider engagement initiative. They overwhelmingly agreed (85%) that it is part of a more broad-based initiative. Engaging current employees and increasing retention are common goals, but really the employer brand extends to all stakeholders in a business, from stockholders or owners, to business partners, suppliers and ultimately customers.

ROLE OF EMPLOYER BRAND	
	Total
Attraction only	15%
Wider employee engagement	18%



HRO Today Magazine and newsletters are read by more than 140,000 HR executives and leaders worldwide and covers the latest industry trends in HR outsourcing, services, shared services, and operations. HRO Today Magazine is the publication of choice for the most senior executives facing the strategic decisions about operational excellence. HRO Today Magazine and www.hrotoday.com offer the best content choices for the HR leaders seeking online information in the form of newsletters, webinar series, and online video content. HRO Today is a product of SharedXpertise.



PeopleScout, a TrueBlue company, is the world's largest RPO provider managing talent solutions that span the global economy, with end-to-end MSP and talent advisory capabilities supporting total workforce needs. PeopleScout boasts 98% client retention managing the most complex programs in the industry. The company's thousands of forward-looking talent professionals provide clients with the edge in the people business by consistently delivering now while anticipating what's next. Affinix™, PeopleScout's proprietary talent acquisition platform, empowers faster engagement with the best talent through an AI-driven, consumer-like candidate experience with one-point ATS and VMS integration and single sign-on. Leveraging the power of data gleaned from engaging millions of candidates and contingent associates every year, PeopleScout enhances talent intelligence for clients across more than 70 countries with headquarters in Chicago, Sydney and London and global delivery centers in Toronto, Montreal, Charlotte, Bristol, Krakow, Gurgaon and Bangalore.

For more information, please visit www.peoplescout.com.

