

Be different. Invest in employer brand.

Leadership teams should pay more attention to the management of their employer brand as a potential source of differentiation.

Years ago, when I first became a consultant, my boss said to me:

“There’s only one important thing in running a consultancy – hiring the right people.”

At the time, I was surprised. There seemed to be so much more to it – developing innovative solutions, managing client relationships, delivering quality work, managing other consultants, developing new business – the list was overwhelming. But after a few years of experience, the wisdom of his words became apparent.

Hire the right people and they will quite simply take care of all those things, without the need for extensive prompting or supervision. A good consultant is so highly valued that they will not only deliver, but will sell themselves over and over. So it is in all professional services firms.

The implications are clear. Winning the war for talent is a critical success factor. And that demands attention to employer brand.

Why employer brand?

Few would argue with the need to win the war for talent. Many would take exception to the association with brand. This is a word that at best irritates and at worst confuses the majority. What has it to do with hiring and keeping the best people?

Just think for a moment about how much time you spend every day engaging with your favourite brands. Your Audi car – 2 hours? Your favoured Café Nero – 1 hour? Your Independent newspaper – 30 minutes? Your Chanel perfume – 10 minutes?

Now think about how much time you spend every day engaging with the organisation that employs you? 8 hours? 10 hours? 12 hours? More?

Whether we like it or not, the most important brand in most people’s lives is the brand of their employer.

Like any other brand, a strong employer brand can be a source of aspiration. It can help define someone’s identity. It is something with which they engage emotionally. It engenders loyalty and trust.

Every organisation has an employer brand whether they like it or not. A brand is merely a set of perceptions in the minds of its customers. In the same way, people have perceptions of their employer’s brand - what’s good about it, what’s lacking in it, how it compares with its competitors. A firm can either choose to manage those brand perceptions or let them manage themselves.

As with any other brand, the benefits of getting it right are considerable. Attracting more of the best. Retaining them for longer. Keeping them highly motivated. Reducing recruitment costs. Possibly even reducing salary costs.

What makes an employer brand?

Given that the employer brand exists in the minds of employees and potential recruits, it follows that brand perceptions – good, bad and indifferent – are driven by every point of the employment or recruitment experience. So the employer brand isn't about recruitment advertising or corporate identity. It's about how the new recruit or established employee feels about the firm's relationship with them, both on a rational and an emotional basis.

As with any other brand, the challenge of making and delivering on a clearly defined promise are considerable. As an employee, I am influenced by the benefits I receive, the culture of the firm, the physical working environment, the firm's communications and the satisfaction I get from what I and my colleagues do (our mission or purpose). That's a very wide agenda to control and align. Figure 1 illustrates some of the main drivers of employer brand.

Employer brand – key components



Figure 1

But isn't this just about good HR and good management? Why does brand have to be involved at all?

Brand thinking

The advantages of applying brand thinking to the employee offer are the same as they are from applying brand thinking to the client offer.

Brand thinking deals with external perceptions rather than internal views. It doesn't matter how good we think the benefits are. If employees don't think they're good, that's the reality.

Brand thinking provides focus and coherence. A distinctive employer brand is built around a single central thought that permeates all aspects of the offer. Virgin might be the one of the best examples of this. Branson’s direct, informal and open style affects everything Virgin people do. The result is a clear employer brand and an ability to attract and retain people at lower than average remuneration.

Brand thinking deals not just with rational benefits, but also with people’s emotional responses. Whilst most will claim that their buying behaviour is entirely rational, the truth is that most purchase decisions are emotional. This is equally true of employment decisions. The employer brand is a combination of reason and emotion.

What’s the investment?

Many people associate brand with high profile advertising and marketing campaigns and view marketers as big spenders. The truth is that brand is more about alignment than it is about spend. Any brand that is clear about what it stands for and aligns every aspect of its business around that central thought is likely to succeed. So it is with employer brand. The challenge is to identify what the firm stands for and apply that to all the drivers – benefits, culture, environment and communications.

The joined-up brand



Source: "People in Business"

Figure 2

Ideally, the central idea behind the employer and client brands should be the same. At the very least they need to be consistent (see Figure 2) Virgin couldn’t sustain a business where it projected an open and informal personality to its customers but where its internal culture was driven by fear. Its brand would implode. McKinsey applies the same rigour to its hiring and people management policies as it is known to do in advising clients. PwC applies the same standards of quality to its internal people processes as it does to its client work.

This kind of “brand engineering” is much harder than spending large quantities of money, but infinitely more effective.

A better source of differentiation?

As markets become more crowded and competition more sophisticated, it becomes ever more difficult for professional services firms to find a clear source of differentiation at the client and service levels. Firms should realise the potential for differentiation that can exist in their employer brand. It's often the culture of the firm that's really different. Investing time in defining that difference and polishing all facets of the employer brand could not only win the war on talent but almost certainly communicate some very positive messages to clients in the process.

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