

2020 OUTLOOK:
THE FUTURE
OF EMPLOYER
BRANDING

PART TWO OF
A FOUR-PART
SERIES

The Employer Brand Misalignment

WHAT STANDS IN THE WAY OF BEST-IN-CLASS TALENT ATTRACTION?



universum

Why does talent attraction matter so much? Attracting and retaining top talent is a critical part of global organizations' competitive advantage – as important as capital and innovation.

To study it in more depth, Universum surveyed more than 2000 senior executives, including CEOs (365), heads of HR and recruiting (887), branding (106) and marketing (192), among others. Our goal was to understand current attitudes for different functional areas and industries, as well as how leaders envision change over the next five years. We detail complex topics such as: Who is accountable for employer branding? (It would likely not surprise you that opinions vary widely.) Are employer value propositions (EVPs) working as they should? And whether the key performance indicators (KPIs) being monitored are the best ones.

"OVER THE PAST 100 YEARS, THERE HAS BEEN A FUNDAMENTAL SHIFT IN THE WAY COMPANIES COMPETE. HISTORICALLY, MARKET WINNERS WERE THOSE WHO HAD ACCESS TO CAPITAL AND FINANCING. WITH CAPITAL, YOU COULD BUILD THE BIGGEST PLANT, MAKE THE LARGEST IT INVESTMENTS, OR RUN THE MOST IMPACTFUL MARKETING CAMPAIGN. [...] TODAY THE BASIS OF COMPETITION HAS SWITCHED...

IN A WORLD WHERE SPEED WINS, TALENT IS THE CRITICAL ASSET.

A HIGH PERFORMING WORKFORCE CAN SEE WHAT IS ON THE HORIZON, REACTING AND ADAPTING TO THE ENVIRONMENT BEFORE THE COMPETITION. EVEN IN A WORLD OF HIGH UNEMPLOYMENT, HIGH QUALITY TALENT HAS NEVER BEEN IN SUCH FIERCE DEMAND."

– "WELCOME TO THE TALENT ECONOMY",
LINKEDIN

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In part one of this series, *State of Employer Branding*, we demonstrated that CEOs, talent leaders and marketing leaders each think very differently about who owns employer branding.

Does HR own Employer Branding?

32% OF CEOs SAY
HR OWNS IT.

58% OF HR EXECUTIVES
SAY HR OWNS IT.

At the top, 60 percent of CEOs say they themselves own employer branding, while just 32 percent of CEOs feel the role is owned by HR. Talent executives of course think differently; most say HR owns employer branding.

In this installment, we explore the phenomenon in more depth. What other schisms exist within the organization related to talent attraction and management? What can executives do to surmount hurdles? And who must take the lead?

PwC reports 93 percent of CEOs say they know they need to change their talent attraction strategy, but 61 percent say haven't done so as of yet. It's an astounding admission – and points to a true lack of understanding about how to move forward. Let's begin.

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A deep organizational divide

Looking across all functional areas, we see an interesting spread of opinion about who is **informed** about employer branding, **consulted** about it, primarily **responsible** for it and **accountable** for it.



Among the findings:

- Overall, HR is most likely to be listed as *primarily accountable* for employer branding. Even so, HR wins only 34 percent of overall votes.
- Marketing and corporate communications tie as those *primarily responsible* for the task (each are chosen by 30 percent of respondents in this category).
- Overall there is little agreement about what area of the organization should own employer branding. No one functional area gets more than 34 percent of responses.
- 41 percent say HR is either informed or consulted about employer branding (or put another way, 41 percent believe HR has a relatively passive role in employer branding).

FIGURE 1

What are the implications?

There seems to be little consensus about who owns the process, and who is accountable for results – making it hard to imagine employer branding is a well-thought-out, disciplined program within most organizations. What's more, HR simply does not stand out as having a directive to lead employer branding.

And clearly CEOs are at odds with members of the talent management team over the role of employer branding. With 32 percent of CEOs saying HR owns employer branding, and 58 percent of HR executives saying HR owns it, it seems employer branding is experiencing an identity crisis within many organizations.

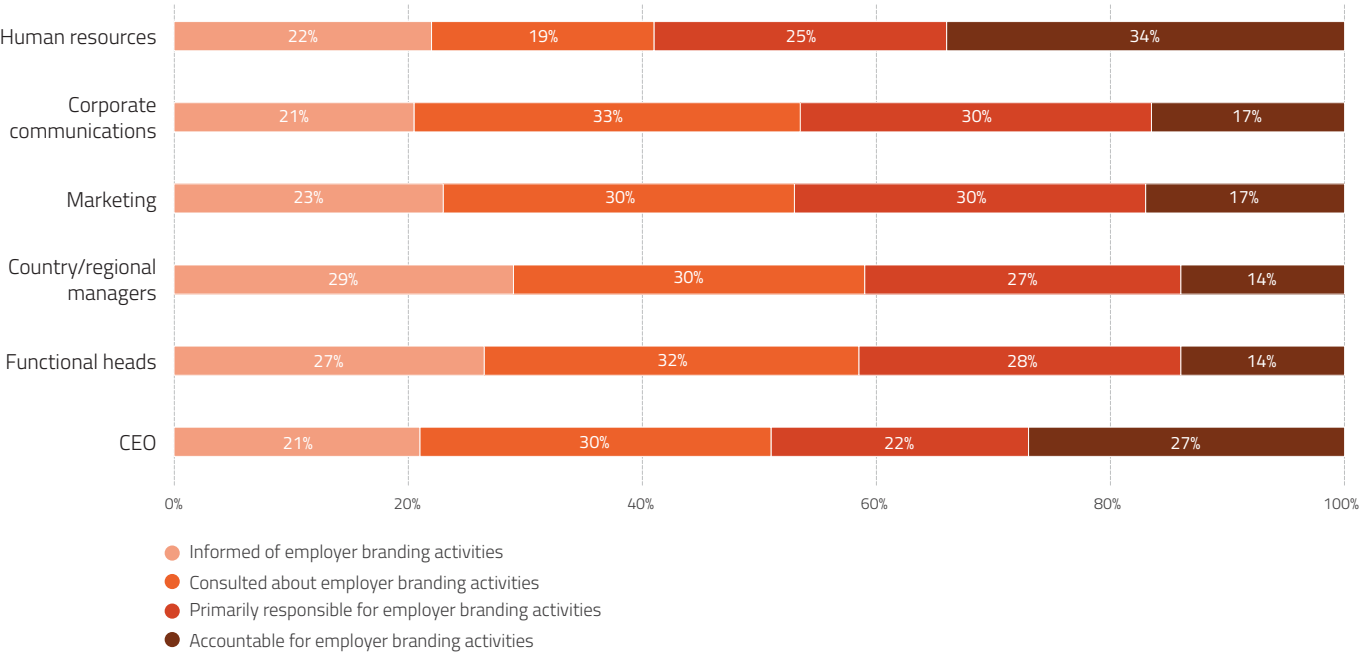
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41%

BELIEVE HR HAS A
RELATIVELY PASSIVE ROLE IN
EMPLOYER BRANDING.

FIGURE 1
TO WHAT DEGREE ARE THE FOLLOWING DEPARTMENTS INVOLVED IN YOUR COMPANY'S EMPLOYER BRAND?

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Engagement from top management

If it's true that there's so little consensus, internal engagement about employer branding will likely show the rift. We set out to understand how engaged internal stakeholders are – particularly top management – and how they would like that to change over the next five years.

CEOs were most likely to report that they expect/prefer *no change* in

engagement from top management in the next five years; 45 percent say they expect no change and 26 percent say they expect only somewhat higher engagement from top management.

Those in the talent field, however, tell a different story. Nearly half of those in HR and recruiting (46 percent) say they expect/prefer somewhat higher engagement from

top management in the next five years, and 50 percent of those in employer branding expect the same. Marketing also indicates they expect modest change; 44 percent agree.

Only one quarter of respondents say they want much higher engagement from top management.

Again, the difference of opinion between CEOs and their talent and branding teams shows an unhealthy schism. Those on the front lines want more engagement, while their CEOs largely do not see the need for change.

That said, these numbers do not exactly advocate for significant change. Considering the differing opinions among CEOs, HR and marketing, it's interesting that there's no strong call-to-action from any of these stakeholders for more engagement from top managers.

FIGURE 2



CONSIDERING THE DIFFERING OPINIONS AMONG CEOs, HR AND MARKETING, IT'S INTERESTING **THERE'S NO STRONG CALL-TO-ACTION FROM ANY OF THESE STAKEHOLDERS** FOR MORE ENGAGEMENT FROM TOP MANAGERS.

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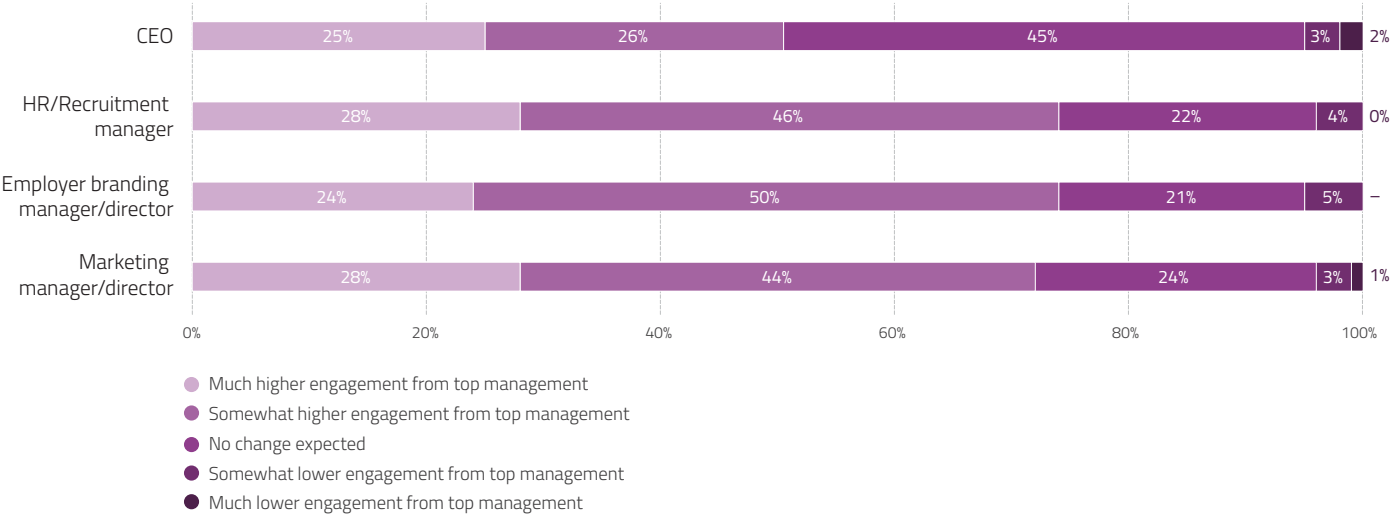
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FIGURE 2
HOW DO YOU EXPECT/PREFER
THE ENGAGEMENT LEVEL FROM
TOP MANAGEMENT TO CHANGE
FIVE YEARS FROM NOW?



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EVPs: Still not a pervasive tactic

In a red-hot talent market, the employer value proposition (EVP) helps crystallize what an employer offers to the employee and is a critical tool in talent attraction. Getting it right is a foundational exercise for global organizations competing for top talent.

Our research shows that 61 percent of organizations have an EVP in place. Yet when we drill down and look at how different stakeholders answered, it's clear that the problem is as much poor communication as a lack of strategy. Eighty-one percent of employer branding professionals say they indeed have developed an EVP, while only 44 percent of CEOs say the same. In HR, 61 percent say they have developed an EVP, and 63 percent of those in marketing say the same.

For those working in employer branding, the message is clear: Even if you have developed an

employer branding proposition, it may not be working effectively if a significant number of those in HR, marketing and the C-level don't know it exists.

[FIGURE 3](#) / [FIGURE 4](#)

When asked what resources their organizations used to develop an EVP, we found a wide diversity of answers. Almost 60 percent developed it internally, and of those, a little more than half used external data to do so. One third (33 percent) used a creative agency or employer branding experts to develop it.

[FIGURE 5](#)

Reviews about the EVP in use were mixed. Fifty-five percent say they are satisfied with how it was developed and almost half say they are satisfied with how it was activated internally and externally (48 percent and 47 percent, respectively).

We found, however, that those who developed an EVP in cooperation with an external partner were much more likely to be satisfied, compared with other methods – 62 percent of those who developed an EVP with an external partner, for example, were satisfied compared to 57 percent of those having worked only with internal resources. Those working with outside firms were also much more likely to be satisfied with how the EVP was activated externally; 61 percent of those working with agencies were satisfied, compared with an average of 51 percent for others.

[FIGURE 6](#)

We also asked what activities help to engage an internal audience. No single choice wins rave reviews, though the top three cited are workshops with current employees (35 percent), intranet (29 percent) and social media (25 percent).

[FIGURE 7](#)



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FIGURE 3

HAS YOUR COMPANY
DEVELOPED A SPECIFIC
EMPLOYER VALUE
PROPOSITION?

● Yes

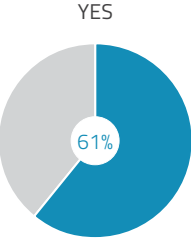
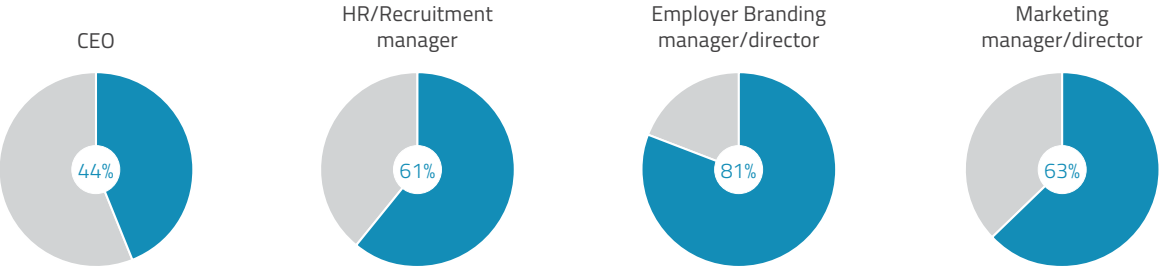


FIGURE 4

HAS YOUR COMPANY
DEVELOPED AN EMPLOYER
VALUE PROPOSITION?

● Yes



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FIGURE 5
**WHAT RESOURCES DID YOU
USE TO DEVELOP YOUR
EMPLOYER VALUE PROPOSITION?**

Internal versus external

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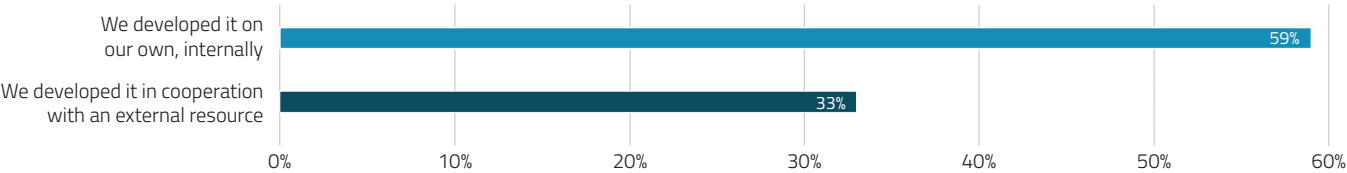
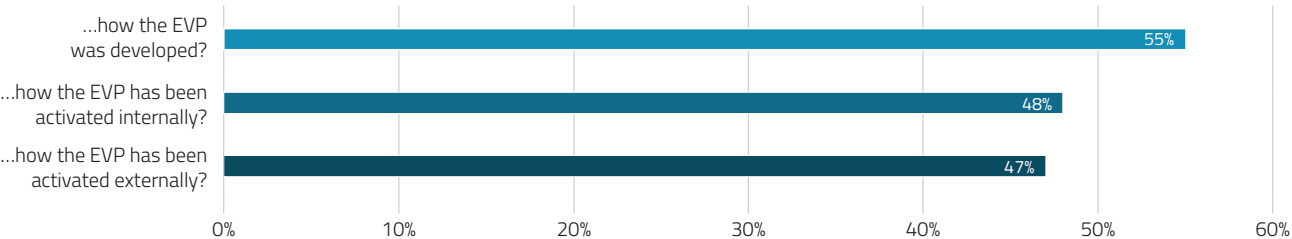


FIGURE 6
HOW SATISFIED ARE YOU WITH...

Satisfied and very satisfied

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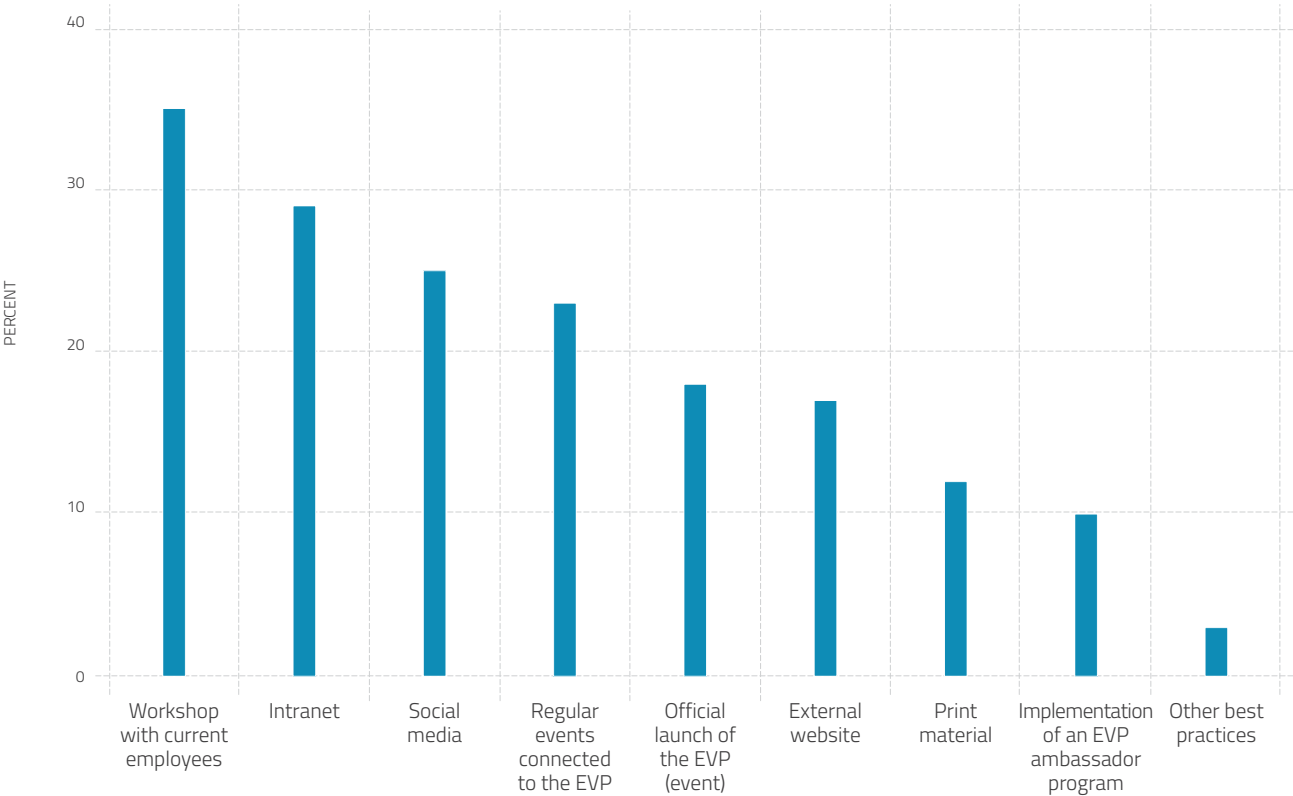
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FIGURE 7
WHEN IMPLEMENTING YOUR EVP
WHICH ACTIVITIES DO YOU FIND
MOST HELPFUL TO ENGAGE YOUR
INTERNAL AUDIENCE?

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KPIs: Measuring the right thing?

Given how much money organizations are spending on employer branding, it's interesting to see how well key performance indicators (KPIs) measure those efforts. We found most KPIs focus on internal indicators (e.g. retention and new-hire quality) and very few focus on external indicators (e.g. external rankings or external brand perception).

The top three KPIs today are all inward-facing: average retention rate (used by 46 percent), new hire quality (45 percent) and employee engagement level (45 percent).

External indicators like rankings and brand perception all registered under 20 percent of respondents today, but show modest improvement in five years. These findings are surprisingly low given the importance of external indicators for measuring employer brand strength. Third-party rankings



number given the expertise and tools available in most marketing departments to achieve it.

What is perhaps most startling is that many important KPIs – such as average retention rate – are being measured today by less than half of respondents *and will not be measured by any higher share in five years either*. When asked what will be important in five years, respondents choose fewer indicators. Is this a case of a lack of clear goals? Or a lack of confidence about what will matter in five years?

An interesting side note: 28 percent say they use *average number of applicants per year* as a KPI but only 16 percent expect to use it in five years – a welcome sign given this indicator often does not show the level of enthusiasm for a company, but only a poor job description that netted too many unqualified candidates. **FIGURE 8**

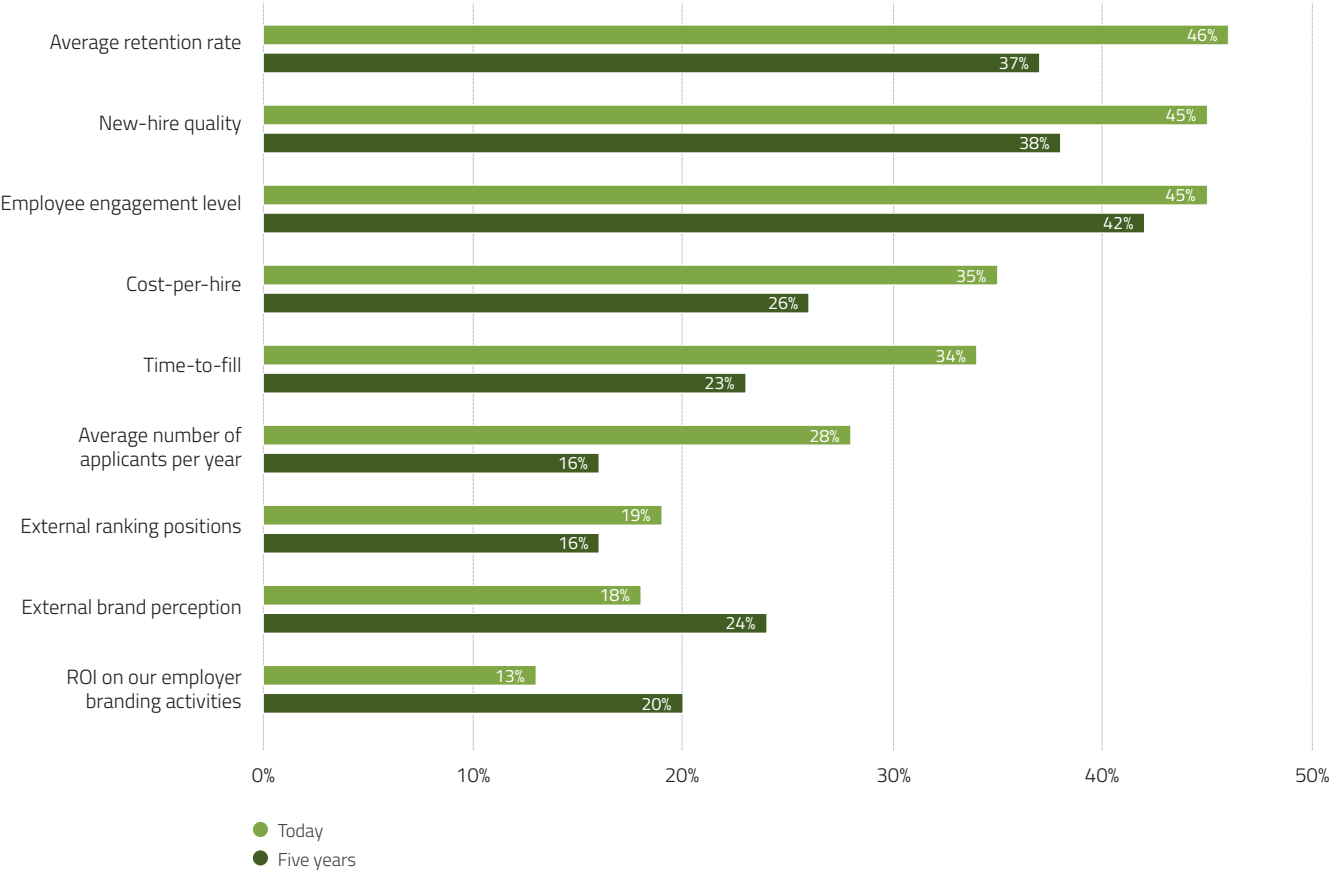
28%

SAY THEY USE *AVERAGE NUMBER OF APPLICANTS PER YEAR* AS A KPI BUT ONLY 16 PERCENT EXPECT TO USE IT IN FIVE YEARS.

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FIGURE 8
WHICH OF THESE KEY PERFORMANCE INDICATORS ARE MEASURED WITH REGARDS TO HR/EMPLOYER BRANDING AT YOUR COMPANY TODAY? WHICH WILL MATTER IN FIVE YEARS?

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Where do we go from here?

In 2012, *Harvard Business Review* published an article about the amazing work Xerox had done in uniting its employer brand and consumer brand. The model was held up as something other global brands should strive for.

And yet, nearly three years later it's clear most organizations are far from this ideal. It amazes (and troubles) us that the divide between the CEO, marketing and talent management is so deep. Even more notable, there's no clear call to improve engagement.

If talent is as critical to competition as capital or innovation, then it stands to reason that it should be treated with the same degree of discipline and focus as those two goals. Yet, as of today, it's clear the

resolve is not there for most to do so. Most leaders know change is needed (93 percent of CEOs say they know they need to change their strategy to attract and retain talent), but still the path to meaningful change is not well defined. We believe this study uncovers important starting points, such as refining and communicating EVPs, and revisiting which KPIs are used.

In the next two installments of *2020 Outlook*, we will look at two critical issues of talent attraction: (a) how companies are changing to embrace candidate personas over traditional qualifications like alma mater – and all the implications of that shift, and (b) how well large global organizations are using social media to attract talent.

Want more information about auditing your own brand, taking steps to improve accountability within your organization, or even resources that point to where you can start?

Check out our Employer Attractiveness Rankings

For more information about Universum's research services, [click here](#)

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Who's in charge of Employer Branding at your organization?

Get in touch with Universum today and let us help you build a better employer brand



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The 2020 Outlook survey is based on 2338 interviews conducted online between mid-October and mid-December 2014 across 18 countries. Respondents are representing a variety of industries and job functions. More than 50 percent were working within HR and 16 percent were CEOs of their respective organization, while 23 percent were working

for organizations with more than 1000 employees in the country. The following industries are covered by the research: Banks, Chemicals, Construction, Consumer Electronics and Household Appliances, Educational and Scientific Institutions, Engineering and Manufacturing, Fast Moving Consumer Goods, Technology Hardware & Equipment, Legal

Services, Management and Strategy Consulting, Non-Governmental Organisations (NGOs)/Non-Profit Organisations (NPOs), Energy (Oil & Gas, Renewable Energy, Nuclear Energy), Real Estate, Retail, Software and Computer Services. Please note that industry breakdowns are only shown for industries with more than 100 survey respondents.

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