

# Talent Management Practices Enhance Employer Branding

## Introduction

There is a lot of talk these days about talent management and employer branding, both of which are aimed at the same thing: winning the talent war. This white paper will describe how these two concepts fit together, along with organizational culture, to help organizations determine their employee value proposition and successfully craft a strategy to put them ahead of the competition.

## What's the Relationship?

Organizations have to ensure the talent management programs that they use to attract, develop and retain top talent are enriching the overall employee value proposition, which is based on the organizational culture and present a competitive and accurate employer brand.



Figure 1 - the Relationship between Culture, Talent Management and Employer Brand.

**Employer Brand** is your identity as an employer. It communicates how potential employees perceive the value of your organization as an employer to current and potential employees. The employer brand is comprised of things that your company offers, both in terms of work environment (organizational culture) and benefits, perks and programs under the talent management umbrella.

**Talent Management** is the combination of strategic activities that companies undertake to translate the culture into an employee value proposition all while supporting the overall business strategy. Forecasting hiring needs, implementing talent development initiatives, succession planning, customized benefits programs, variable pay, rotational assignments, are all ways to manage the talent within an organization.

**Organizational culture** is often defined as “the way things are done here” and must be accurately reflected in your employer brand and the talent management strategies that you craft. Culture is the underpinning for the employee value proposition and your employer brand messaging. It is the soul of the organization. Culture is often entwined with the

vision, mission and values of the organization. Organizational culture is reflected in things such as dress code, office design/layout, management style, rituals, and many other factors. The tough part is that organizations are made up of sub-cultures, counter-cultures and dominant cultures among other things. There is not just one, so it doesn't make sense that you should expect all employees to conform to a mono-culture.

### **How Smart Organizations Approach It**

Tear a page from the marketer's handbooks, because segmentation is key to unlocking the energy of all three of these simultaneously. Prospective and current employees are not homogeneous. Neither is your organization. There are subsidiaries, locations, departments or business units that have unique value propositions and talent needs. Trying to create a one-size fits all strategy to address all the needs is both unnecessary and doomed to fail. Breaking down your organization into segments will allow for tailor-made solutions and will help the organization prioritize needs. Segments can be geographical, demographic, life-stage, lifestyle or based on any other distinguishing characteristic.

Moreover, organizations can't afford to fund broad-based programs that attempt to address generic benefits. Using segmentation allows employers to not only identify which programs are most relevant to employees and manage costs as well.

#### *A Cautionary Note:*

*If prospective employees are attracted to your brand and discover that working for your organization is not like the image that they had prior to joining, they will be disillusioned and you'll lose talent and eventually your employer brand will be damaged. Faking it will not make it in this case, it is much better to present an honest brand, than it is to construct a killer employer brand that doesn't ring true.*

## **Who Cares?**

Employer branding uses aspects of corporate identity and reputation to achieve multiple objectives of human resources management. Why is this critical? There are two demographic aspects that have been written about extensively which drive this: the number of available workers and the characteristics of those workers.

Firstly, there are the demographic factors. In the current labour force, demand will outstrip supply within 10 years. The statistics are everywhere – more people leaving the workforce than entering; largest generation ever (Baby Boomers) is nearing retirement. There are simply not enough people to hire to replace the current workforce. Even if the economy drastically changes how we work, organizations still need to hire, develop and retain staff.

### **Where will all the new workers come from?**

- Graduation rates are not keeping up. According to Stats Canada, the high school graduation rate is mainly flat, while university (undergraduate degree level) has increased for women, but not for men.

- Birth rates are low – most recent statistics show a “replacement rate” of less than 10%, and will not address the most immediate shortages. In fact, encouraging women to have more children may take current workers out of the labour pool, at least temporarily.
- Immigration rates are increasing and the Canadian federal government is actively courting skilled workers, but the backlog for work permits and visas is years long and the ability to transfer professional credentials is still problematic.

### What characteristics are organizations likely to see?

Secondly, there are the characteristics of the workforce, which are usually described as “generational” differences between the major groupings: Baby Boomers, Gen Xers and the Millennials...employees are looking for a different experience than previous generations. Do some digging to determine what the generations look like at your organization and whether or not the following generalizations might apply.

### What Workers Want

	Millenials/Gen Y	Gen X	Boomers
<b>Age</b>	Under 30	30-44	45-60
<b>Pay</b>	Pay me really well, I think I'm worth it	Merit based bonuses, please.	Pay me a reasonable salary, but don't scrimp on my retirement plan
<b>Health Benefits</b>	Whatever	Will my kids be covered?	I'll take all of them and if I can buy more, I'll take those too.
<b>Training &amp; Development</b>	Fast track me, give me all the training that you can, I want a career path	Only if it will get me the VeeP's job. I'd prefer a company paid MBA	I don't need any training, but I'd like to be a mentor
<b>Time Off</b>	As much as possible, I only want to work enough to pay for my snowboarding/yoga/etc.	How about a sabbatical? Or a leave of absence to complete my mid-career degree?	Well, early retirement sounds good.
<b>Perks</b>	Travel miles, electronics	Yoga classes, car allowance, company daycare	Golf membership, parking space, travel miles

Once you've identified some generational characteristics, you may want to build profiles of what your employees/prospective employees are like, which will help clarify which “perks” are most attractive to your existing employees. Use your talent management strategy to validate or expand the definition that you've created.

## Segmentation

Employer branding suggests that you segment your target market. Bundling benefits packages to appeal to these different segments, is a smart branding approach and a smart talent management strategy, which will allow organizations to offer a range of benefits without breaking the corporate piggy bank.

Benefits could be bundled loosely around generational or life-stage tendencies like this:

- Career focus (tuition reimbursement, company development programs)
- Remuneration (pay dominant bundle, including variable pay)
- Lifestyle (flexible work arrangements, paid time off, etc)
- Job flexibility (telework, job share)
- Luxury-minded (international travel, share offers)
- Body and Mind (gym membership, life insurance, life coach)

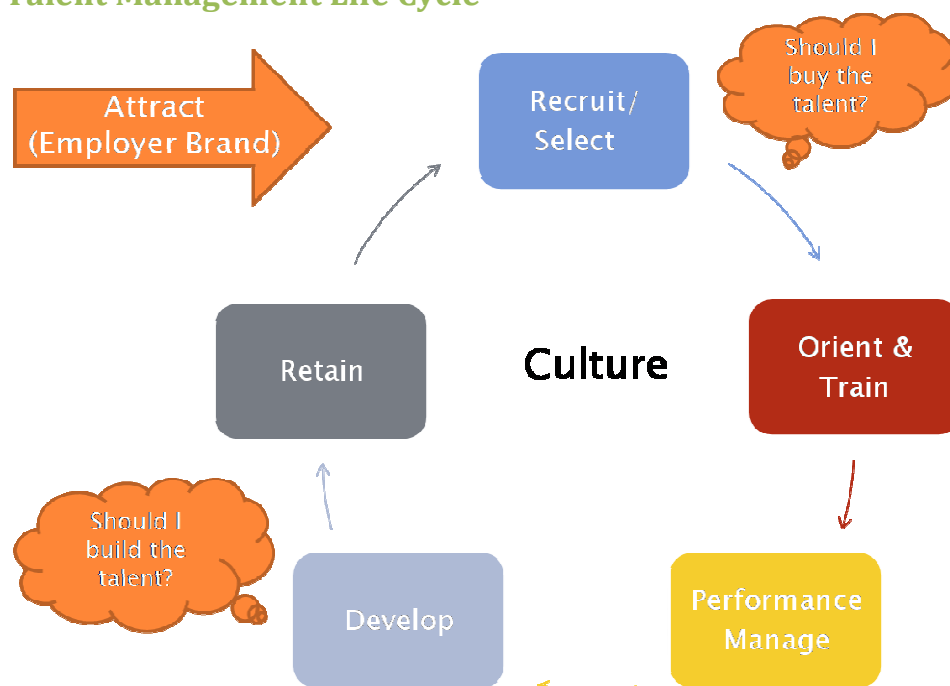
## How Can Organizations Cope?

In order to manage the investment in HR, organizations should be considering investment in employer branding strategies and targeting internal spending through employee segmentation and implement rigorous measurements for Return on Investment (ROI). Making your organization stand out above the crowd, and attract talented workers is one thing. Keeping talented workers is quite another. Talent management can help you do that.

## Talent Management – A Definition:

*“A conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational needs.”*

## Talent Management Life Cycle



Every organization wants to be able to attract and retain the best workers. A vast majority of organizations engage in both “buying” activities, where they hire a “star” to fill a gap or perceived gap in their roster or “building” activities, when they identify a high potential employee and provide some fast-tracking or extra training. Managing talent on an organizational level is a more strategic approach. Determining how to invest in programs that preserve the best of the culture and fit the employer brand is critical.

Being clear on what “the best workers” means to your organization is critical. Luring away a star employee from your competitor is by no means a “slam dunk”. The star performer may not fit in your organizational culture, which wastes time and productivity for those directly (and sometimes indirectly) involved. Worse yet, that star performer, especially one with influence, may change your culture and negatively impact your employer brand. Smart organizations consider their culture when creating strategies to attract, develop and retain talent for their organization, but still make business decisions about their workforce.

## Key Talent Management Activities

### Recruit Talent

Attraction and selection are key functions within recruitment and can be considered “buying” the talent. While some organizations find this to be an important part of their overall talent management strategy, it does pose some challenges. Having a large proportion of employees entering the organization can dilute the culture. The employer brand is front and centre in this talent management function.

### Orient & Train

Regardless of how many people are hired, this is a critical aspect of both delivering on the employer brand and inculcating your new hires. Organizations that invest in this area find that new employees are “up to speed” faster and feel that the psychological contract (what they think they agreed to) has been fulfilled. Some things to remember:

- **“Hire for attitude, train for skill”** is an adage many people in the Training field would advise.
- Invest in an on-boarding experience – after offer is accepted and before new employee starts – to ensure that the experience echoes the brand promise
- Infusing the corporate brand into employee training is also crucial (they need to deliver the brand promise through the work they do) and the employer brand should not differ dramatically from the corporate brand. For some organizations they are one in the same.
- Organizations should audit all aspects of employee training and performance support. Often, the intent to create a “branded” suite of talent management materials exists, but reality can be vastly different.

#### Some things to consider:

- *It can cost the total of a person’s salary to replace them if they leave, this is more costly the “higher up” in the organization that they are.*
- *Organizations need to identify critical roles that are essential to their success in their market and determine strategies to fill these roles, much like identifying demand and supply for a product.*
- *Ensure recruitment process aligns with employer brand (e.g. If the employer brand is built on value of innovation, it had better be unique!)*

## **Manage Talent through Performance Feedback**

Performance Management is a cornerstone of most organization's HR systems and this is the place to reinforce brand messages and exercise talent management at an individual level. Don't forget...

- Creating a rigorous performance feedback system ensures that employees know they are meeting the expectations (and will do more of the same), and employee goals should be linked to organizational goals. These must drive the brand value.
- Employee performance review cycles are natural places to conduct talent reviews – how would this employee measure up to talent assessment
- Potential to “weed out” a bad fit at a probationary review. There are both cultural implications and the possibility of a poor reflection on the employer brand to consider. Many organizations would rather keep a “warm body” in place than let an employee go and have to take the time to hire again. It is, however, short term gain for long term pain, as a bad fit will always be a bad fit no matter how much you try to convince yourself otherwise.

## **Develop Talent**

This is the best way to build talent and there are a myriad of ways to do this. Think of it as polishing a “diamond in the rough”. You should take the time to map development to critical roles within your organization. Many times, the key roles within an organization are laden with in-house operational specializations that cannot be recruited. Organizations should determine if what combination of “build” and “buy” best suit the operations.

This can be through formal employee development programs, such as:

- Training & education
- Stretch assignments
- Mentoring, etc
- Succession Planning

Building allows greater opportunity to manage/retain the culture, but need to be careful to not get stagnant both in terms of new ideas but also employer brand. Organizations need to continually audit the brand perception in the marketplace. Note that organizations which spend <2% of payroll on training are considered high learning organizations.

### **Some things to consider:**

- *Best practice organizations invest approximately \$1000 per employee on Learning & Development ((ASTD), 2007)*
- *A critical engagement driver is opportunities for development (Mercer, 2007)*

## **Retain talent**

Organizations often focus on retention when their turnover statistics rise or high profile employees are lost or poached. Retention is a maintenance function for your organization, and preventative maintenance always trumps a reactive repair. Strong retention programs actually help to attract more talent, and can confirm the “reputation” is true.

Things to consider as part of your retention package:

- Compensation/bonuses
- Rewards & recognition
- Engagement/satisfaction surveys

- Advisory boards made up of employees at various levels can help you keep a “finger on the pulse” of the employee psyche

### **Putting it all together**

While there is no “magic bullet” to employer branding, the reality is:

- Top organizations are moving beyond the “employer of choice” concept to employment brand. Adding a logo of “Best Place to Work” no longer has a distinguishing status. It has become diluted. It only matters if you are the best place to work for the target market.
- Helps align employees’ vision and values with those of the company, key to driving employee engagement
- Employment Branding gets you the talent you seek and should do so at a lower cost attraction is “built in” and may not rely on advertising. Many strong employer brands are communicated by word of mouth.
- Most organizations regularly measure employee engagement
- Having highly engaged talent is the equivalent to HR nirvana!

### **Why? (or, What’s the Business Case?)**

Investing in people may seem obvious, but how to invest can seem daunting and what type of payoff to expect might seem impossible to calculate.

#### **Employee Engagement**

- Engagement essentially measures how well your employees feel the psychological contract holds up (does my experience reflect the values I was attracted to?)
- The most "engaged" workplaces were
  - 50% more likely to have lower turnover,
  - 56% more likely to have higher-than-average customer loyalty,
  - 38% more likely to have above-average productivity
  - 27% more likely to report higher profitability

#### **Brand Awareness & Brand Differentiation**

- In the UK, a survey of 800 workers employed at organisations defined by marketing experts as 'business superbrands' shows that they feel a much greater sense of pride, attachment and trust towards their employer than the national average.
- They are also significantly more likely to recommend their company to others and claim it treats employees well, the BRMB survey shows.
- The following statements that influence commitment and performance highlight the difference between superbrand employees and the national average:
  - "I am proud to work for this company" 82% superbrand (50% national average)
  - "I have a strong attachment to the company" 76% superbrand (39% national average)
  - "I would recommend my employer to other people" 68% superbrand (38% national average)
  - "The company treats its employees well" 69% superbrand (43% national average)
  - "It is an organisation I can trust" 76% superbrand (41% national average)

- The research also showed that superbrands have a significant recruitment advantage and perform above the national average on a range of factors that affect employee acquisition, such as reputation, innovation and trustworthiness.

## Conclusion

Your organization is in the talent war, whether there is a talent management strategy or a highly evolved employer brand strategy, or nothing at all. If your organization has to hire staff and keep them, then you are an active soldier in the war. Crafting a strategy doesn't need to be difficult or expensive, but your business drivers will tell you how important and urgent it is to start.