

Building a Company Brand to Attract Talent

Results from a Swiss study reveal how an employer's **brand** identity is **critical** in attracting high-performing employees.

By Matthias Spitzmüller, Russell Huntington, Watson Wyatt, and Alan Crozier, Q4 Consulting

A “good company tag” is critical to a company’s ability to attract, motivate and retain the best and the brightest, thus gaining competitive advantage in the marketplace. *Fortune* magazine recently reported that companies voted Best Companies to Work For yield higher returns for shareholders. In fact, employee attitudes are directly linked with company performance, according to Watson Wyatt’s *Human Capital Index*. Anecdotally, it’s easy to recognize good companies for which to work, but what accords them this status? The answer to this question is critical in enabling the top management of Swiss companies to “operationalize” the proposition: Employees are our greatest resource.

The Concept of Employer Branding

Companies that are considered good employers have a strong identity and image in the marketplace. When broken down, this image is a mixture of perception and

QUICK LOOK

- ⇒ The Swiss job market is the tightest in Europe due to its low unemployment rate, shrinking talent pools and high dependencies on foreign workers.
- ⇒ Employers of choice have highly developed employer brands.
- ⇒ Employer branding is the process of creating an identity and managing the company’s image in its role as an employer.
- ⇒ More than 70 percent of study participants have yet to make significant progress in developing an employer brand.

employee experience. Arguably successful companies manage perception and experience to the mutual benefit of themselves and their employees. “Employer branding” is the process of creating such an identity and managing the company’s image in its role as an employer.

The employer brand focuses not just on the company’s recruitment strategies, but comprises a holistic approach. It has to take into account and manage the relationship between the values, systems, policies and behaviors deployed by the company to attain its corporate objectives through its people. As organizations are complex, open systems, single interventions are not enough. The employer brand has to be aligned and congruent with what the company delivers to the employee, customer, public and shareholder.

Why Employer Branding Is an Issue in Switzerland

A consistently low unemployment rate of about 2 percent, shrinking talent pools and high dependencies on foreign workers, who constitute a quarter of the work force, make the Swiss job market the tightest in Europe. Recently, the Swiss economy has grown faster than most European Union economies. The information technology sector has seen double-digit growth and the telecommunication and banking sectors also experienced rapid expansion. This economic growth, particularly in the services sector, has left the job market critically short of qualified and experienced knowledge workers. The financial services industry estimates that it needs to grow its work force by 40 percent in the near future to satisfy its need for professional workers.

Research Methodology

The purpose of Watson Wyatt’s study was to identify the employer brand of Swiss multinationals and understand how they are aligned with the expecta-

tions of Swiss employees, especially the high performers. High performers were defined as:

- Employees whose performance in past years consistently had been rated as high, or
- Employees who were recruited recently with the expectation of exceptional contribution to the organization.

Twenty-six companies participated in the study, which was conducted in fall 2001. Company representatives were asked to describe their employer brand, while nominated employees were asked to describe the characteristics of their ideal employer. Separately, the 20 most popular employers in Switzerland, the “Employers of Choice,” were asked to describe their employer brand. All parties completed a similar questionnaire, focusing on seven factors of the participants’ brand. (See Figure 1.)

Employer Brands of Survey Participants

More than 70 percent of the study participants have yet to make significant progress in developing an employer brand. Only 16 percent have explicitly documented the brand. These employers said that their brand rests primarily on culture, leadership and management.

Do Employer Brands

Match Employees’ Expectations?

The study identified the extent to which employer brands met the expectations of high performers in relation to the employment deal. Typically, the two were not aligned. Figure 2 on page 29 exemplifies a typical misalignment of employer brand and employees’ expectations.

Of the seven factors in the employer-branding model, four have proven to be crucial for a large majority of high performers:

- Culture
- Pay and benefits
- Leadership and management
- Performance management, growth and development.

Only two of these four factors form a crucial part of the employer brands of study participants:

- A highly developed culture and outstanding leadership
- Management qualities.

However, most employer brands fail to recognize the importance of “performance management, growth and development” and “pay and benefits,” respectively.

Delving more deeply into these factors shows where highest misalignments occur. High performers expect:

- Multiple career paths to be open to them
- Supervisors to ask them for feedback
- Regular feedback on their own performance
- A transparent system for determining variable pay.

Most of the employers in the sample do not regard these as crucial elements

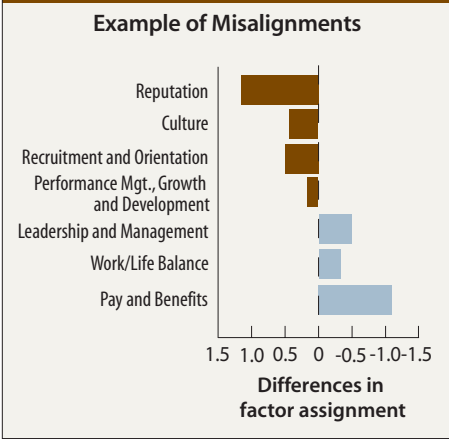


of their employer brand.

As stated, high performers demonstrated considerable expectation for their compensation. They were asked to rate the relative importance of salary, bonus/incentives, stock options and benefits. High performers consider base pay to be the most important part of their compensation package. (See Figure 3.) Interestingly, employees who have high expectations of growth and development opportunities consider variable components of compensation almost as important as base pay, whereas other employees have far greater interest in base pay.

High performers believe that their efforts and contributions to the company should be remunerated far above average

FIGURE 2: EMPLOYER BRAND AND EMPLOYEE EXPECTATIONS



compensation levels.

Is There a Pattern in Employee Expectations?

As “quality of leadership and management,” “culture,” “pay and benefits” and “growth and development opportunities” are considered to be the most important factors within the employment deal for a vast majority of high-performing employees, is there any pattern in these? Figure 4 shows such patterns.

“Culture” and “leadership and management” are factors that prove to be significantly correlated to each other: Employees who have great interest in culture tend to have high expectations in the quality of leadership and management. A culture that is neither well developed nor aligned with the company’s leadership and management practices is unlikely to appeal to a high performer.

Differences in Employer Brands

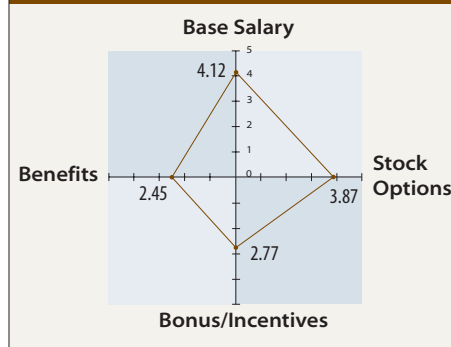
Half the study participants declared that their employer brand, albeit typically implicit, is at least moderately successful in attracting, retaining and motivating employees. Does this suggest that it is not necessary to consciously develop an employer brand to attract and motivate talented employees? To answer this question, the study examined the characteristics of the employer branding of employers of choice.

Swiss employers of choice include, among others:

- Union Bank of Switzerland (UBS)
- Credit Suisse
- ABB
- KPMG
- Nokia
- Procter & Gamble
- International Red Cross.

Compared to the 26 survey participants, the employers of choice disclosed highly

FIGURE 3: HIGH PERFORMERS’ EXPECTATION OF COMPENSATION



developed employer brands, which have been explicitly articulated to line managers, employees and potential recruits. All of the surveyed employers of choice rate their employer brands as being highly successful in attracting, retaining and motivating employees. (See Figure 5.)

Priorities of Employers of Choice

Employers of choice have built much of their standing on their reputation as “exciting places to work.” They regard their reputation as an essential part of their employer brand and tout this image among graduating classes and in the job market. Can we attribute their success simply to successful publicity? When compared to survey participants, the brands of the

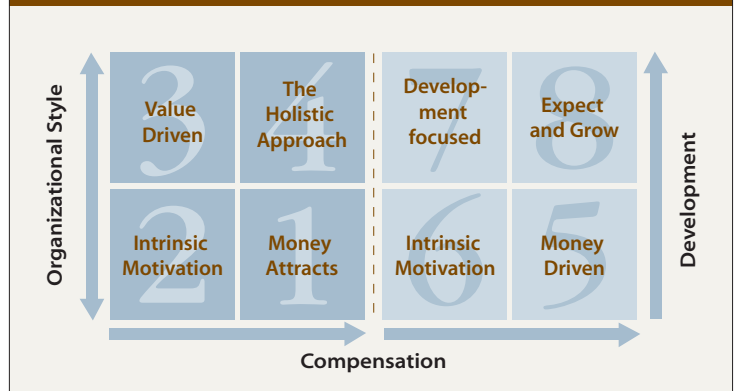
employers of choice have much higher congruence with the employment deal expectations of their high performers. This holds especially true for the quality of their “culture” and the quality of their “leadership and management.” The comparison of the self-assignment of the employers of choice in these factors to the self-assignment of other employers yields highest differences. It can be concluded that a remarkable reputation, perception and image in the job market build on both attractiveness in factors that are of fundamental importance to high performers, and elaborate efforts, which make this attractiveness visible in the job market. (See Figure 6.)

Study Outcomes


The study revealed that most participating companies only partially meet the expectations of their most valuable employees. Answers to the following questions can avoid such a mismatch. They build a basis on which an employer brand can be built successfully:

- What types of employees are fundamental to the success of the business?
- What do the high-performing employees expect from the company? As the study and the employment deal matrix show, employees’ preferences tend to follow certain patterns useful to understand in creating an employer brand.

FIGURE 4: THE EMPLOYMENT DEAL MATRIX



- Answering the above questions enables the employer to build a brand that reflects its business and culture and is attractive to targeted employees.
- Share and live the brand. The employer brand may not remain a secret for HR professionals, but should be widely disseminated and shared within and outside the company.

The employers of choice have proven that well-developed employer brands help attract and retain talent. A strong employer brand shows what a powerful means of differentiation an employer branding can be. 

ABOUT THE AUTHORS

Matthias Spitzmüller, consultant with

Watson Wyatt, can be reached at +41 1 421 25 22 or

Matthias.Spitzmuller@eu.watsonwyatt.com. Russell

Huntington, director of human resource consulting,

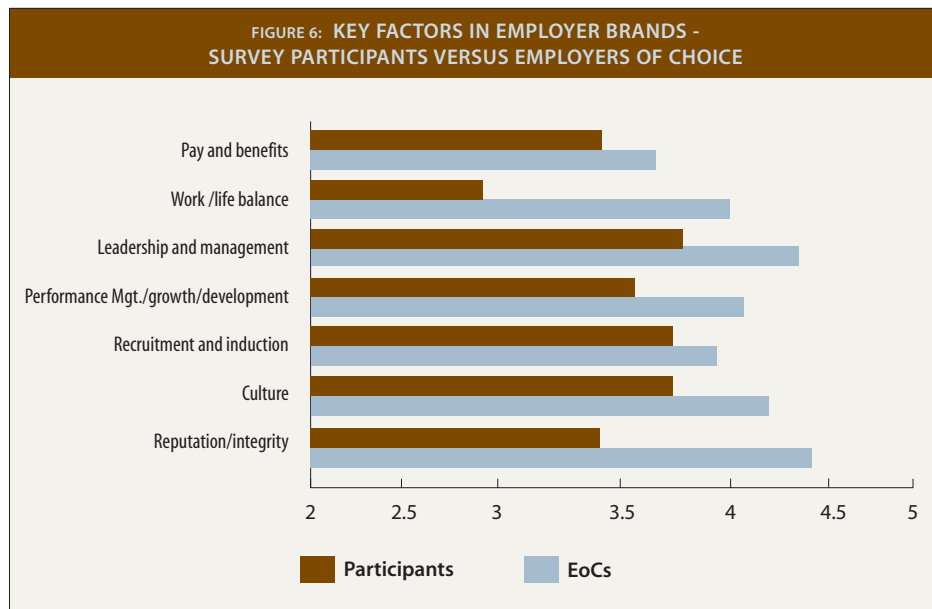
Watson Wyatt, can be reached at

Russell.Huntington@eu.watsonwyatt.com or

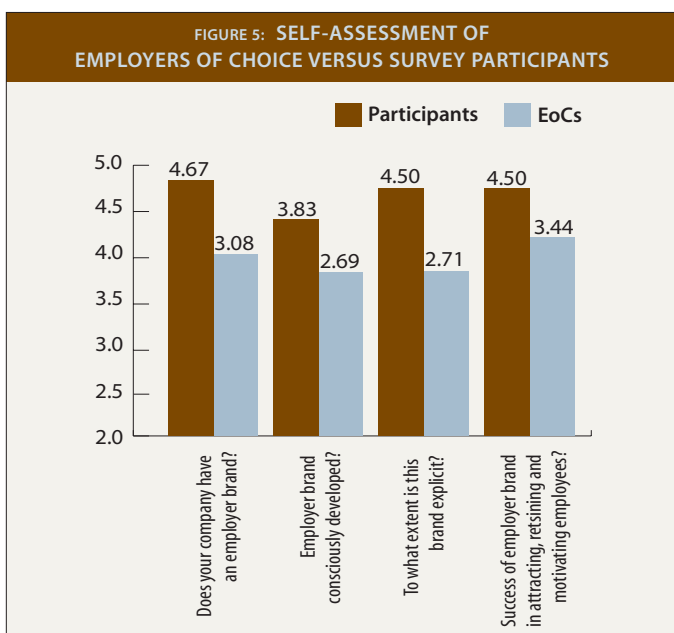
+41 1 421 25 19. Alan Crozier, principal at Q4 Consulting,

can be reached at Alan.Crozier@q4consulting.com or

+44 1236 875032.



Contents © 2002 WorldatWork. The content is licensed for use by purchasers solely for their own use and not for resale or redistribution. No part of this article may be reproduced, excerpted or redistributed in any form without express written permission of WorldatWork and appropriate attribution. Reach WorldatWork at 480/922-2020; customerrelations@worldatwork.org



FOOT NOTES

Visit our Web site at www.worldatwork.org and go to Information Central. There you will find ResourcePRO, a powerful database that holds nearly 10,000 full-text documents on total rewards topics.

For more information related to this article:

⇒ Go to ResourcePRO Search and select Simple Search

⇒ Do Not Select a Rewards Category

⇒ Type in this key word string on the search line: "Branding" OR "employee and expectation" OR "employer and choice" OR "Switzerland or Swiss"