

Employment Value Proposition

OVERVIEW

What is the value of employment at your organization? Does your organization understand current and future applicant needs? In a labor market where applicants, more than ever before, are smart consumers constantly assessing the value and rewards of their employment experience, it's becoming critical for organizations to communicate and market their strengths and image as an employer of choice for a competitive advantage.

An Employment Value Proposition is the value or benefit an employee obtains through employment – a term that simply, the value of an organization's employment experience. Developing an Employment Value Proposition has become the key to success in acquiring talent – and in fact is no longer an option. The Corporate Leadership Council estimates that the results of communicating the value of employment can result in an estimated 29% increase in access to passive job candidates.

Employment branding is the method by which organizations develop and promote an Employment Value Proposition accounting for applicant and employee preferences. Employment branding is a long term solution to talent acquisition that reinforces and markets an organization's strengths as an employer and the corresponding value of employment at the organization, whether that be compensation, benefits, training/development, culture, or other defining attributes that provide a valuable employment experience aligned with target-applicant preferences.

The following study explores the prevalence of employment branding among Northeast Ohio organizations.

SURVEY RESULTS

Ninety-percent of organizations believe that it is important to communicate the value of employment at their organization to both existing employees and applicants to attract and retain talent. Nearly 85% of organizations convey consistent and realistic information to applicants. Sixty-four percent of organizations have found the need to strengthen the value of their employment experience as a result of the current competition for talent and 45% of organizations attempt to differentiate their recruitment strategies from competitors in the labor market.

Exhibit 1: Hiring Strategy

Hiring Strategy	
	Percent
It's important to communicate the value of employment at our organization to both existing employees and applicants in order to attract and retain talent.	90.3%
Our organization conveys consistent and realistic information to applicants.	83.8%
Our organization has found a need to strengthen the value of our employment experience as a result of the current competition for talent.	64.4%
Our organization has a hiring or recruitment strategy.	64.0%
Employment branding is becoming more critical for our organization's talent acquisition plans.	63.4%
The employment experience promised to prospective employees before they join our organization is always delivered once they come on board.	61.6%
Our organization believes that employment branding is important.	59.5%
We consider our target applicant pool when designing the rewards we offer at our organization.	59.2%
Our organization attempts to differentiate our recruitment strategy from our competitors.	45.2%
Our organization takes a marketing-oriented approach to talent acquisition.	37.0%

Nearly 60% of organizations believe that employment branding is important and consider their target applicant pool when designing the rewards they offer. Over a third of organizations take a marketing-oriented approach to talent acquisition and attempt to differentiate their recruitment strategy from their competitors. In addition, over 60% have a hiring or recruitment strategy and believe that employment branding is becoming more critical for their organization's talent acquisition plans. Larger organizations (500+ employees) are more likely to believe that employment branding is important for their organization's talent acquisition needs and have a hiring or recruitment strategy.

Does marketing and employment branding convey unrealistic job preview? Not necessarily. Eighty-five percent of organizations say they convey consistent and realistic information to applicants. In addition, over 60% say that the employment experience promised to prospective employees before they join our organization is always delivered once they come on board.

What are the most common components of organizations' total rewards portfolios? Below details the breakdown of just how common the following total rewards are among local organizational rewards portfolios. Small employers offered more short term and long term incentives as part of their total rewards portfolio compared to large employers. Large employees provided more work/life programs as part of their total rewards portfolio.

Exhibit 2: Components of Total Rewards Portfolios

Components of Total Rewards Portfolios	
	Percent
Health benefits	97.3%
Retirement benefits	82.4%
Training and development opportunities	78.4%
Recognition awards	58.1%
Short-term and long-term incentives	55.4%
Work/life programs	37.8%
Other employment related programs	28.4%
Stretch assignments and other opportunities	21.6%

What do organizations consider when branding their employment? Interestingly, target applicant preferences come last, though manufacturing organizations tend to consider these preferences more than non-manufacturing organizations. Most commonly, organizations consider their image and strengths as an employer coupled with their product/company brand. Employer image and strengths are complimented by their product branding.

Exhibit 3: Considerations When Branding Employment

Considerations When Branding Employment	
	Percent
Image as an employer	73.0%
Strengths as an employer	71.4%
Product/company brand	52.4%
Labor competition	27.0%
Target applicant preferences	14.3%

When asked what drives applicants to their organizations, employers most commonly cited that their market position and reputation was the strongest driver. For this reason, successful employment branding often compliments a strong product/company brand as the strength of product/company brand can play important role in strength of employment brand (since applicants are most aware of product/company brands and quality). As a result, many organizations couple marketing their image

and strengths as an employer with product and company branding. Slightly fewer organizations claim that their culture, values, and people are attracting applicants.

Exhibit 4: What Drives Applicants to Organizations

What Drives Applicants to Organizations	
	Percent
Organization's market position and reputation	39.2%
Organization's culture, values and people	32.4%
Compensation and benefits	17.6%
Job appeal	10.8%

Organizations most commonly market or communicate compensation and benefits, stability and success, company values, culture, and personality of workforce. Organizations least commonly market or communicate tasks and challenges, opportunities to leverage personal strengths and talent, freedom and flexibility, and management quality.

Exhibit 5: Aspects of Organizations that are Marketed or Communicated to Attract Talent

Aspects of Organizations that are Marketed or Communicated to Attract Talent	
	Percent
Compensation & benefits	69.4%
Stability & success	68.1%
Company values	66.7%
Company culture	65.3%
Personality of the workforce	51.4%
Products/services	45.8%
Innovation	45.8%
Job security	40.3%
Training	37.5%
Location	36.1%
Market position	36.1%
Career development	36.1%
Work/life balance	26.4%
Management quality	23.6%
Freedom & flexibility	23.6%
Opportunities to leverage personal strengths and talent	23.6%
Tasks & challenges	22.2%
Impact	15.3%

Industry differences were also evident. Seventy-six percent of manufacturing organizations market or communicate stability and success versus 58% of non-manufacturing organizations, while 73% of non-manufacturing organizations market or communicate organizational values versus 54% of

manufacturing organizations. More manufacturing organizations market or communicate management quality than non-manufacturing organizations and slightly more manufacturing organizations market or communicate career development and tasks/challenges than non-manufacturing organizations.

In terms of size, more small employers (1-200 employees) cite marketing or communicating opportunities to leverage personal strengths and talent, tasks and challenges, freedom and flexibility, culture, compensation, success/stability, personality of workforce and work/life balance than those employers with more than 200 employees – many of which align with top performer preferences. They also most commonly report marketing or communicating innovation at the organization. Larger organizations are more likely to market job security and their products/services.

CONCLUSION

Employment branding can enhance an organization's talent acquisition efforts. Here are some research-based tips for developing an effective employment branding initiative:

- Identify your organization's target applicant pool and determine their preferences. To start, check out what top performers are looking for at www.northcoast99.com/reports/tps.asp.
- Identify your competitors, whom you are competing against for talent and assess their approaches to employment branding
- Assess your current employment image as determined by applicants and employees
- Assess your strengths as an employer as well as where your organization could improve
- Determine your targeted employment image
- Determine what rewards you will offer your employees
- Determine where value could be added to the employment experience at your organization; use employers of choice as a guide (www.northcoast99.com)
- Determine how your employment brand can be differentiated from your competitors
- Develop a compelling, energizing, and realistic message/brand that conveys the value of employment at your organization (rewards, programs, culture, etc.)
- Determine the medium for communicating such that message/brand (media, websites, etc)
- Follow through on promises!
- Evaluate the initiative for effectiveness

For more information about employment branding and talent acquisition strategy, contact ERC at 440/684-9700.

<u>Participation</u>	
79 organizations	
<u>Size</u>	
1-200 employees	59%
201-500 employees	24%
500+ employees	17%
<u>Industry</u>	
Manufacturing	43%
Services	41%
Other	16%

Copyright ERC, 2008



www.ercnet.org
 www.northcoast99.org
 www.erchealth.com

6700 Beta Drive, Suite 300 / Mayfield Village, OH 44143
 phone: 440/684-9700 • fax: 440/684-9760

email: hrhelp@ercnet.org; surveys@ercnet.org; consulting@ercnet.org