

How to Combat the Talent Shortage By Building Your Employer Brand



To combat the talent shortage, businesses must build a stronger employer brand

UK businesses currently face a major staffing crisis. Between the economic impact of COVID-19 and the fallout of Brexit, employers are struggling to access the level of talent they require. The results have been disastrous for many businesses: even with sharp wage increases and signing-on bonuses offered, there were an incredible 862,000 job vacancies between April-June 2021¹.

While many businesses will continue to throw money at the problem, the smartest will instead focus on building an employer brand that will make talent want to work for them. 86% of HR professionals say recruitment is becoming more like marketing², and those that embrace this will reap spectacular rewards.



59% of recruiting leaders worldwide are investing more in their employer brand today.³

But there is still a fundamental disconnect between the demonstrable power of a strong employer brand and the resources most businesses are willing to invest in building one.

96% of companies believe their employer brand has a direct impact on their bottom line - yet just 44% actually monitor that impact.⁴

Much of this comes down to misconceptions about the cost and difficulty of building an employer brand. According to LinkedIn's research, 53% of companies would like to invest in employer branding if they had an unlimited budget.⁵ Whilst 49% of businesses believe they don't have the tools to effectively enhance their employer brand.⁶

In reality however, building an employer brand is more a matter of strategy than resources. In this eBook, we explore how businesses can improve their employer brand in order to combat the current talent crisis.

Firstly, it's important to establish exactly how and why a strong employer brand is so valuable.

¹<https://www.bbc.co.uk/news/business-57846381>

²<https://www.icims.com/hire-expectations-institute/for-employers/ebook-recruitment-marketing-fad-or-future>

³https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/ultimate-list-of-employer-brand-stats.pdf

⁴<https://www.careerarc.com/blog/2017/11/13/employer-branding-study-infographic/>

⁵<https://business.linkedin.com/talent-solutions/cx/2016/10/global-recruiting-trends-2017>

⁶<http://web.careerarc.com/2015-employer-branding-study.html>



What is an employer brand?

An employer brand describes a business's reputation as an employer and their employee value offer. This includes everything from employee benefits and salaries to career development opportunities, social media presence and employer reviews on websites like Glassdoor.

Why is Employee Branding So Important?

The #1 obstacle candidates experience when searching for a job is not knowing what it's like to work at an organisation.⁷

The current talent shortage demonstrates perfectly why employer brand matters: with a surplus of openings, companies are now actively competing with each other to attract the best workers. Just as similar products in a given consumer category are most clearly differentiated through marketing, employers are now having to demonstrate why they are the best employer for those valuable workers to choose.

60% of recruiters believe culture fit is of the highest importance when making a decision whether to hire or not,⁸ and experts estimate that a negative reputation costs companies at least 10% more per hire.⁹ This is confirmed in the research: when making a decision on where to apply for a job, 84% of job seekers say the reputation of a company as an employer is important.¹⁰



The reality is today's workforce simply isn't willing to work for an employer that doesn't care about them or share their values.

⁷https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/ultimate-list-of-employer-brand-stats.pdf

⁸<http://www.jobvite.com/wp-content/uploads/2016/09/RecruiterNation2016.pdf>

⁹<https://hbr.org/2016/03/a-bad-reputation-costs-company-at-least-10-more-per-hire>

¹⁰<https://www.talentnow.com/recruitment-statistics-2018-trends-insights-hiring-talented-candidates/>

50% of candidates say they wouldn't work for a company with a bad reputation – even for a pay increase.¹¹ That means a large segment of the talent pool cares more about the way they will be treated - and the values of the company they work for - than their personal compensation.

Not only does an employer brand shape your ability to attract talent - it also sets the tone for employees' entire career at your organisation. With a strong employer brand, candidates enter the company excited, motivated and actively hoping to enjoy their work. This kind of positive start is invaluable; it contributes to overall engagement, retention and profitability to an extent which is difficult to quantify but undeniable.

It's also important to note that the line between employer branding and consumer branding is increasingly blurred: as information about employer's behaviour is more widely available and consumers are increasingly ethical, there is a real cost to poor employer branding. 64% of consumers have stopped purchasing a brand after hearing news of that company's poor employee treatment.¹²



Brewdog is a perfect case study: recent accusations from employees of historic mistreatment have caused many to boycott the brand, and some experts expect the damage to permanently affect the brand's public standing.¹³



The ROI of Employer Branding

A strong employer brand has been shown¹⁴ to produce:

- ↓ 28 % reduction in the organization's turnover.
- ↓ 50% cost-per-hire reduction
- ↑ 50% more qualified applicants
- ↑ 1-2x faster time-to-hire

¹¹<https://www.talentnow.com/recruitment-statistics-2018-trends-insights-hiring-talented-candidates/>

¹²<https://www.careerarc.com/blog/2017/11/13/employer-branding-study-infographic/>

¹³<https://www.bbc.co.uk/news/business-57519513#:~:text=The%20letter%20from%20ex%2Dworkers,to%20speak%20out%20about%20concerns.>

¹⁴https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/ultimate-list-of-employer-brand-stats.pdf

Learning From the Best: What makes a great employer brand?

Salesforce is currently ranked the best place to work in the UK,¹⁵ and their approach to employer branding is highly instructive.



While the business itself is hugely successful, it is not necessarily the most traditionally glamorous. Instead, the brand has focused on empowering its employees and creating an environment where talented people can thrive.

The company offers its staff ample opportunities to engage in continuous learning, as well as the flexibility to try out different roles within the company. This demonstrates that they are on the same team as their employees, and signals to prospective candidates that they will be genuinely nurtured and invested in.

Other strong factors include the company's emphasis on philanthropy, giving employees the opportunities to take time out for charitable endeavors; its emphasis on work-life balance and employee mental health; and its embrace of flexibility and enabling workers to fit work around their life rather than visa-versa.

However, Salesforce's success as an employer brand is not only about its internal culture - it is also dedicated to amplifying its brand and continuing to improve. By singing from the rooftops about its own workplace culture and demonstrating a desire¹⁶ to adapt to changing employee demands, it has been able to develop a reputation which extends beyond its recruitment needs.

¹⁵<https://www.greatplacetowork.co.uk/awards/uks-best-workplaces/uks-best-workplaces-2020/>

¹⁶<https://www.salesforce.com/uk/blog/2018/05/what-makes-salesforce-a-great-place-to-work-for-gen-z.html>

Key takeaways:

Great employer brands appeal to their ideal employees

Rather than presenting candidates with an unrealistic vision of their work culture, great employer brands are honest about what their company is and appeal to the kind of people they want to employ.

If you are looking to build a steady workforce of strong, reliable talent, there is little value in presenting a glamorous facade; if you are looking to attract disruptive innovators, your brand needs to appeal to their sense of independence and originality.

Great employer brands are built on employee experience

You cannot ultimately make a great employer brand - the best marketers in the world cannot fix a scandal like Brewdog's. Instead, businesses need to invest in their people and understand that this will eventually help develop their reputation as a great employer.

Great employer brands are differentiated

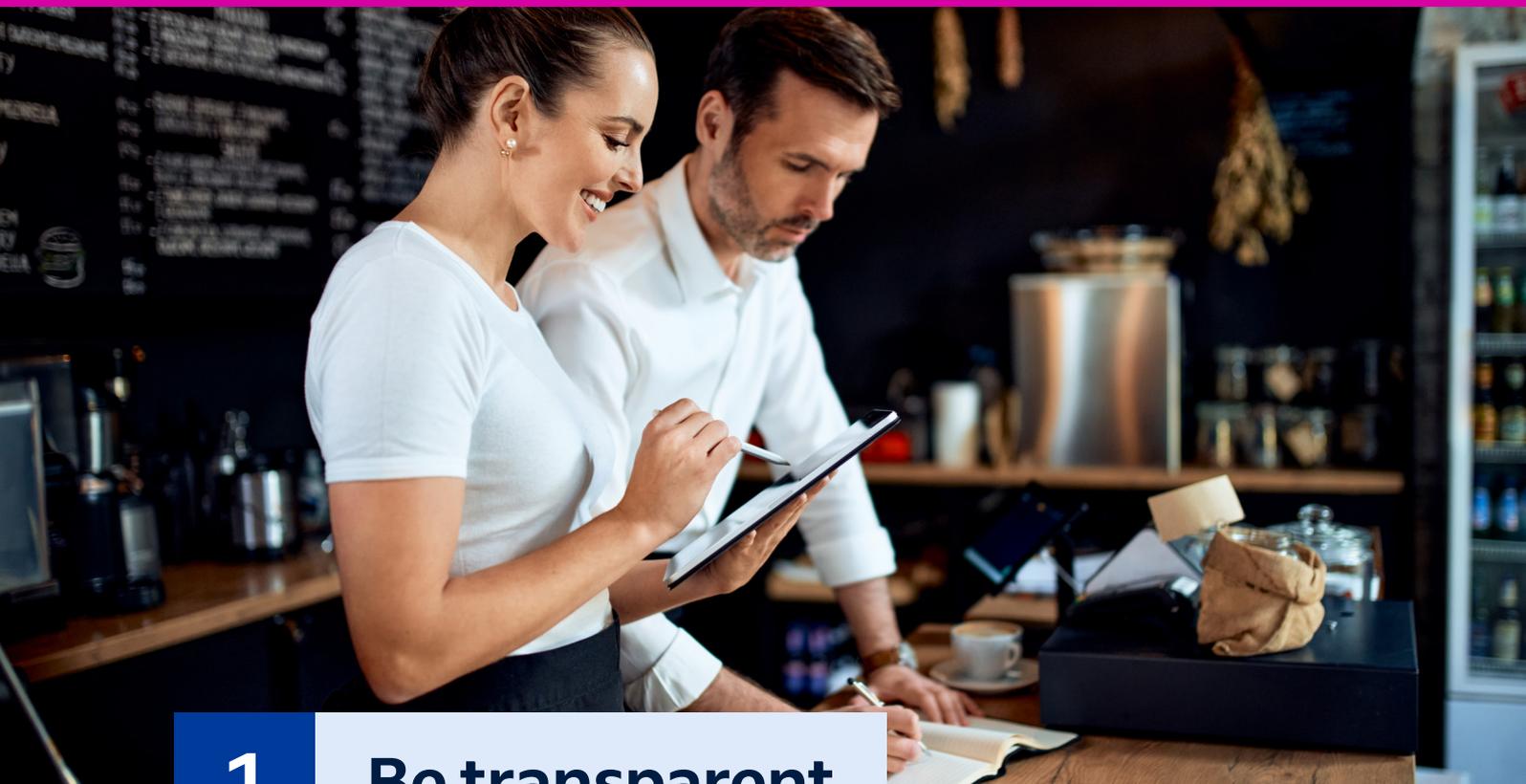
Just like consumer-facing brands, employer brands are judged not on their individual merits but on how they compare to other businesses. If every other business offered stellar career opportunities and development resources, Salesforce's efforts would no longer have impact. So businesses must look at what makes their culture unique and lean into.

Great employer brands need to be amplified

The best internal culture and values will have little impact if nobody hears about them. Great employer brands actively build their reputation through campaigns and sustained investment in getting the word out there about their business's benefits.



Five Key Ways to Build Your Employer Brand



1

Be transparent



According to research, nearly 75% of employees want more transparency from their employer.

From openness about salaries and job opportunities to direct communication between management and workers, the positive impact of transparency on engagement, morale and productivity are well established.

What is often ignored is the impact of transparency - or a lack thereof - can have on an employer brand. Most companies with exceptional reputations as an employer create a sense of openness - this builds trust and helps prospective employees feel confident that they understand what they're signing up for.

Embracing transparency may be painful, but it can also be actioned relatively quickly. By focusing on communication and removing unnecessary information barriers, you can very quickly establish a more positive, appealing employer brand. Much of this can be achieved through an open online presence.



2

Develop a strong online presence



The internet is by far the most important source of information for candidates - and that means employers need to actively shape their online presence to portray their brand the right way to prospective employees.

68% of Millennials, 54% of Gen-Xers, and 48% of Boomers indicated they visit an employer's social media properties specifically to evaluate the employer's brand.¹⁷ While 69% of candidates look at employers' websites and 61% professional networks.¹⁸

In the short term, employers should focus on making their social media presences reflect the kind of workplace they want to offer. This means engaging on an individual level and responding to comments or messages quickly; demonstrating the fact that they recognise employees' excellence and reward it through positive posts; and building a community around their employer brand - starting by supporting social causes.

¹⁷<https://www.careerarc.com/blog/2017/11/13/employer-branding-study-infographic/>

¹⁸https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/ultimate-list-of-employer-brand-stats.pdf

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Stand behind a social cause

It is increasingly clear that employees want to work for companies whose values align with their own - and that means standing up for important social causes.



According to recent research, 70% of employees want their employers to support specific social causes.¹⁹

While this will undeniably help improve engagement and retention, it will also signal to prospective candidates that the organisation can be trusted to do the right thing and use its influence for good. This also helps build a sense of community, as employees and employers work together towards a shared goal.

There are two things to bear in mind here: first, authenticity is key. While employees want their organisation to stand for a cause, these efforts will inevitably backfire if they perceive the organisation is not walking the walk. Second, research suggests candidates engage more if the cause is relevant and recent: Company posts about COVID-19 in April 2020 had an engagement uplift of 84%, compared to average engagement for company posts.²⁰



¹⁹<https://www.hrdiver.com/news/workers-increasingly-want-employers-to-address-societal-problems/543111/>

²⁰<https://www.potentialpark.com/talent-blog/employer-branding/employer-branding-statistics-you-need-to-know>

4

Engage on review platforms



86% of employees and job seekers research company reviews and ratings to decide on where to apply for a job.²¹

This means employers should be actively cultivating a positive image of their company on every review site possible.

Doing so can be time-consuming and challenging, as even the best employers end up with the occasional negative review. The key is to engage with all reviews with honesty and authenticity; according to Glassdoor, 62% of candidates agree their perception of a company improves after seeing an employer respond to a review.²²

It is also important to note that negative reviews of products and services are the #1 factor damaging employer brand (rated as “damaging” by 95% of workers and “very damaging” or “extremely damaging” by 80% of workers).²³ This demonstrates that it is not only your brand’s reputation as an employer that counts for employer, but your reputation as a company serving the public.

²¹<https://www.glassdoor.com/employers/blog/the-roi-of-employer-branding/>

²²<https://b2b-assets.glassdoor.com/50-hr-and-recruiting-stats-for-2016.pdf>

²³<http://web.careerarc.com/2015-employer-branding-study.html>

5

Encourage positive word-of-mouth

It is vital never to forget that however much time and resource you spend managing your employer brand, there is no substitute for authentically positive word-of-mouth feedback from your current employees.



Candidates trust the company's employees 3x more than the company to provide credible information on what it's like to work there,²⁴ and that is what all candidates ultimately want - to understand what it is like to work for your brand.

The best approach is therefore to improve your employee experience, and that can be done in a number of ways. From improving compensation and recognition to offering more flexibility and career opportunities, each business must find its own way to ensure its employees have the best possible experience working for them.

There is often a disconnect between employee and employer perceptions, however. Businesses would be well

advised to embrace transparency and ask their employees directly: how are we doing? What can we do better? Not only will this give you a clearer indication of how to improve employee experience than any consultant could, it will also signal to employees that you truly have their best interests at heart - and that can only be good for your employer brand.

²⁴https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/ultimate-list-of-employer-brand-stats.pdf



Struggling to attract and retain workers?

At Indeed Flex, we help organisations source temporary workers in a smarter, more efficient and more flexible way. Our cutting-edge technology allows you to hand pick the best candidates and source them as soon as you need.

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