

Employer Branding in a Competitive Candidate Market

How to Build a Strong Employer Brand for Talent Recruitment

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Hiring managers are facing one of the most competitive candidate markets in nearly a decade. From auditing specialists to network security experts, professionals with specialized skill sets are in short supply and high demand. Nationwide, professional and business services created [574,000 jobs in 2016](#), sending unemployment rates to hit a record low of 2.3 percent. The vast majority of top talent is gainfully employed— and hiring managers are finding this talent is reluctant to switch jobs, even for a higher salary.

Enticing top talent away from the competition is not impossible, but it does require a proactive approach to recruitment that starts long before a hiring manager reads a resume or sits down for an interview. HR departments must recognize that cultivating a strong employer brand is a contemporary recruitment imperative. Your employer brand is your HR calling card: it's what gets top talent excited to learn more about career advancement opportunities at your company and consider interviewing. When this talent does accept an offer, they'll be more engaged, productive hires— driving their success and your company's growth.

Understanding the Candidate Market: Obstacles to Talent Recruitment

Strong demand and a shrinking candidate pool mean today's top talent now has more choices and bargaining power than they've had in nearly a decade. Much of this talent is happily employed, enjoying generous compensation and benefits packages, supportive company cultures, and a clear advancement track. They're content with their current positions and not looking for new opportunities. Top talent missing from the candidate pool means that the majority of active job seekers are "second tier" candidates. Many lack the necessary skills or experience to qualify for open positions. Hiring managers are facing a Catch-22: let a critical position go unfilled or settle for talent that's not the right fit.

Here in Houston, companies face an additional challenge: overcoming job security concerns. Houston's oil and gas industry has been on a rollercoaster ride this past decade, with prices plunging as much as [75 percent](#) during one 18-month period. In a city where [nearly half of all jobs](#) — including legal, sales and marketing, IT, accounting and finance,

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and human resources – are connected to the oil and gas industry, this market volatility is a major concern. Houston’s business services sector shed more than 13,000 jobs from 2015 to 2016, representing a three percent decline. The downturn forced companies to downsize departments and shrink training budgets.

While the energy sector shows signs of a recovery, individuals who are currently employed are reluctant to leave their companies. These companies provided job security and professional stability during the down market. Leaving now not only feels disloyal but also risky. When another market downturn comes, will this new company work as hard to keep their employees on payroll? Uncertain about your company’s long-term job security, employed talent may play it safe and remain with their current company.

Why Your Employer Brand Matters for Recruitment

A company’s reputation – its “employer brand” – has a significant impact on its ability to recruit top talent in a candidate-driven market. If your business wants to recruit top talent away from their current employers, you must convince this talent that it’s in their best interest to join your company. This is where a strong employer brand can give your company a critical edge.

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A strong employer brand is the difference between unanswered emails and an in-person informational interview. It’s what gets top talent curious about working for your company and open to making the switch. In short, your employer brand can make the difference between successfully recruiting top talent in a competitive marketplace and settling for second-tier candidates that are not the right fit for your business.

A negative reputation can cost a company at least 10 percent more per hire, according to research from LinkedIn Talent Solutions and ICM Unlimited published in [Harvard Business Review](#). Job insecurity, dysfunctional teams, and poor leadership are the top three factors that contribute to a bad reputation. Positive factors include employer stability, opportunities for career growth, and the ability to work with a top-performing team.

LinkedIn Talent Solutions and ICM Unlimited surveyed a nationally representative sample of 1,003 full-time professionals in the U.S. Their findings illustrate just how critical it is for companies to build a strong employer brand. Companies with a negative brand face an uphill recruitment battle:

- Nearly half of the people surveyed would “entirely rule out” taking a job with a company that exhibited the top three negative employer brand factors, regardless of any pay increase.
- Offering a 10 percent raise would only tempt 28 percent of survey respondents to make the switch.

With a strong employer brand, you don’t have to rely on a big salary bump to recruit the qualified individuals your company needs. In fact, this talent may already be interested in working for your company before you even approach them, thanks to their familiarity with your company’s offerings, culture and benefits.



Consider the overwhelmingly positive workplace reputation enjoyed by companies like Google, Boston Consulting Group, Goldman Sachs, and REI. These companies are routinely ranked among the best companies to work for on [Fortune's "100 Best" list](#). Whether they're well known for being cutting-edge innovators, offering industry leading benefits (like BCG's famous [\\$5 co-pays and employee sabbaticals](#)), or for a company culture that values teamwork and integrity, what matters most for recruitment is that these companies are known entities. When hiring managers approach prospective employees, their company's reputation precedes them, paving the way for a positive first conversation.

How to Build a Strong Employer Brand

Attracting and retaining top talent is critical for any company, especially those in highly competitive industries where niche skills are in high demand and low supply. These steps will help your business strengthen its employer brand by effectively communicating your company's values, personality, and workplace culture. Most importantly, you'll start building a positive relationship with potential employees long before the initial interview.

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1. Find out where your reputation currently stands.

You can't improve what you don't know. A misalignment between how you view your company and how prospective hires view it can adversely impact recruitment efforts. Be aware of your reviews on employer rating sites. While you cannot directly control the quality or quantity of your company's reviews, these reviews are still useful for giving a general overview of marketplace sentiment. What makes a workplace desirable for one person could be the opposite for another. However, if reviews consistently reference management challenges, a lack of internal promotion opportunities, or a toxic workplace culture, these reviews are a red flag. They indicate a disconnection between your perception of company culture and your employees' experience that needs to be addressed immediately.

2. Align your employer brand and external brand.

Do you present your company one way to clients and customers and a different way to your employees? For example, your marketing department may position your business to clients as an industry-leading innovator. If your employees complain that management stifles creativity and innovation opportunities, however, your employer branding will ring hollow.

The message you share with the world must align with your company's internal reality and the value your business places on its greatest resource: human capital. This starts by coordinating efforts between your HR and marketing departments. How is your marketing team positioning your company's brand? What does your sales team consider to be your company's key differentiators? Whether your company is an innovation leader or a customer satisfaction expert, remember that it's your employees who truly bring your brand to life. By coordinating efforts between marketing and HR, your company will present an authentic and consistent message to customers, clients, current employees and prospective hires.



3. Mobilize your biggest fans– your current employees.

Do employees love working for your company? If so, that's great news, but announcing high rates of employee satisfaction on your company LinkedIn page isn't particularly inspiring or engaging. Instead, go straight to the source and encourage employees to evangelize on behalf of your company.

Employee advocacy works best when messages are authentic and sound like they were organically created by your employees, rather than mass-produced by your marketing department. Help your employees channel their engagement in a constructive way with a short social media advocacy training session. Get them talking about why they love working for your company. Are they proud to help clients or deliver a specific product solution? Do they enjoy the autonomy to be innovative or the supportive management that guides career advancement?

Employee advocacy doesn't have to be complicated. Effective advocacy can be as simple as sharing a photo of the HR team grabbing lunch together or a congratulatory tweet for an employee's work anniversary. What matters is that your employees are sharing their authentic experience about what it's *really* like to work at your company– strengthening your employer brand and building a positive reputation.

Employer branding efforts don't stop once a prospective hire agrees to an interview. The interview process is a prime opportunity to reinforce your employer brand and assuage any concerns – like job stability or career advancement opportunities – that could keep talent from accepting your offer.

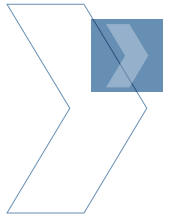
1. Demonstrate longevity and loyalty.

What is the average tenure of employees at your company? In Houston where the oil and gas boom/bust cycle impacts job market stability, employees are loyal to companies that take care of them. Prospective hires want to be sure that during a tight market their employer will do their best to retain employees rather than rushing to downsize. If possible, introduce your prospective hires to employees with long tenures. Provide opportunities for casual conversation outside of the formal interview, such as arranging an informal lunch or coffee. Prospective hires can ask candid questions about advancement opportunities and job stability without the pressure of being “on” during a formal interview.

2. Answer the “*Why is this job open?*” question.

Even if prospective hires don't come right out and ask, they're likely wondering why this position is now open. Did the previous employee leave because of management issues or other institutional barriers to success? Or, did the previous employee leave due to a spouse's job relocation or other personal reason? When appropriate, reassure prospective hires that the opening occurred for reasons that have nothing to do with your company's culture or promotion process. Doing so may help boost their confidence and willingness to interview.

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3. Sell your company culture.

Once you bring employees in for the interview, ensure their experience aligns with their expectations. If your employee brand is centered on innovation and creativity – but they encounter a stagnant company culture upon arrival – this undermines your previous employer branding efforts. Ensure that everyone involved in the interview process, from your hiring manager to your front desk receptionist, is prepared to deliver a consistent message aligned with your employer brand.

Next Steps: Employer Branding Through the Employee Lifecycle

Building a strong employer brand delivers benefits beyond a competitive recruitment edge. A strong employer brand engages and motivates current employees, boosting productivity and ultimately improving your bottom line. In a competitive talent market, this engagement is also essential to reducing turnover rates. Disengaged employees are more vulnerable to competitor offers, costing your company valuable resources for recruitment and onboarding, not to mention the loss of institutional knowledge.

Strive to ensure the experience of working for your company matches the brand promises you have made to these new hires. Your employees are your company's greatest asset. Keep your new hires engaged and they will, in turn, help you recruit even more top talent.

I'm interested in your experiences and perspectives on talent recruitment in Houston. Please send your ideas and comments to me at KBelbin@lucasgroup.com.