

Using branding to attract talent

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Competition for talent is heating up in many industries and will probably intensify, since demographic trends make it increasingly difficult for companies to replace valued employees when they retire.¹ In response, many companies are trying to sharpen the way they market themselves to recruits, by applying branding techniques to recruitment.

Our analysis indicates that few companies are as rigorous or precise at branding themselves as employers as they are at branding their products and services. Experience therefore suggests to us that many of these initiatives could fail. For a company to exploit its brand effectively when it fishes for talent, it must think of recruits as customers, use sophisticated marketing analysis to identify its key rivals, determine which corporate attributes matter most to specific types of recruits, and understand how best to reach them.

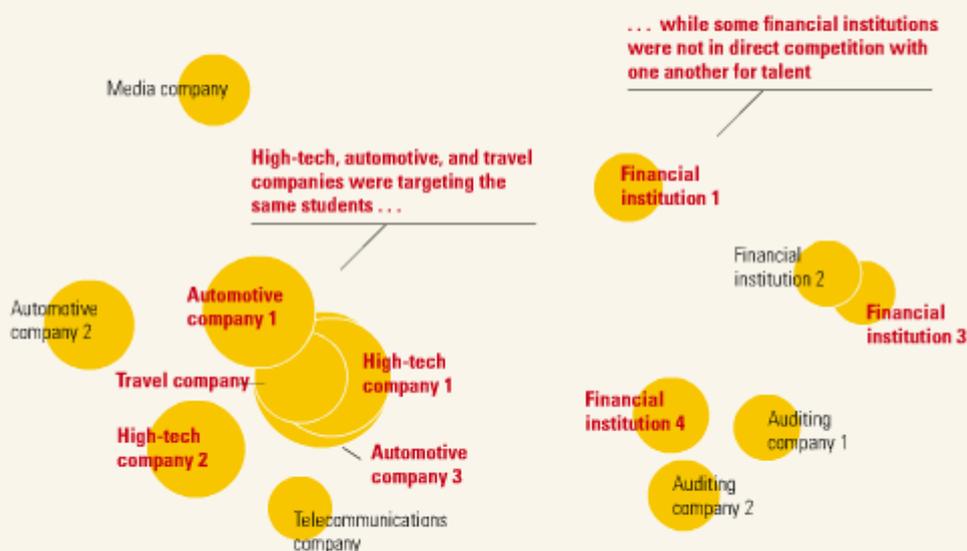
Surveys that rank favorite employers by industry are common; so too are surveys based on the recruits' academic focus, such as business, engineering, or science. But these surveys don't provide employers with the knowledge they really need: information on which companies are the most formidable competitors for the recruits they want and how to become more effective during the various stages of the recruitment process. Such areas of focus include increasing their name recognition among applicants to making potential recruits more familiar with what they do to persuading those recruits to consider them actively, apply for their jobs, and, finally, accept their offers.

Two McKinsey surveys² examined the percentage of students favoring specific employers and the level of competition among companies.³ Such an analysis can yield quite unexpected results. In this particular case, several high-tech, automotive, and travel companies turned out to be pursuing the same recruits, while certain financial institutions were not in direct competition for talent (Exhibit 1).

Visualizing the competition

Frequency of simultaneous applications from single recruit

- Close proximity/overlap of bubbles indicates higher degree of competition; distance indicates lesser
- Size of bubble indicates relative number of students who plan to apply



Source: 2004 McKinsey survey of 2,500 high-potential German recruits

Identifying the competition is an important starting point for a company trying to decide which attributes it should emphasize at what stage of the recruitment process. Traditional recruiting focuses on functional employment benefits, such as job security; opportunities for creativity and individual growth; and compensation. But an employer's intangible, emotional associations—"it's fun to work at this company," "we have a passionate and intelligent culture," "there is a strong team feeling here"—are just as important to recruits as similar associations with branded consumer goods are to potential buyers. So companies would do well to compare themselves with their peers on both functional and intangible dimensions.



Simple comparisons of data about recruits are useful, but multivariate statistical methods, such as logistic regression,⁴ promote a more precise understanding of what really matters to recruits. Such tools can highlight the way an employer's strengths and weaknesses stack up against those of competitors at each stage of the recruiting process. The greater the insight, the more the brand-building effort can focus on one or two high-priority recruiting stages.

One company we studied, for example, realized that its brand was particularly bad at convincing recruits that it was "for people like me"—one of the top priorities among targeted recruits early in the recruiting process (Exhibit 2). Once the company identified this weakness, it was addressed in a quite straightforward way through recruiting materials and interactive events. It's too soon to measure the outcome of these efforts, but our experience indicates that programs focusing on specific strengths and weaknesses are more likely to yield positive results than scattered efforts are.

Identifying the messages that best distinguish a company in the eyes of its recruits can improve the cost-effectiveness of its recruiting pitch. Since there is a trade-off between the number of people such efforts reach and the quality of the interaction (Exhibit 3), it is

important to focus the most expensive, high-touch recruiting approaches on the candidates and stages most likely to deliver the greatest value. The best companies also boost the efficiency of their recruitment efforts by tailoring each stage of the recruiting process and by carefully measuring the impact of each stage on the process as a whole.



Finally, a word of caution: employer-branding efforts will be counterproductive if the messages aimed at recruits undermine the company's broader marketing strategy. To be effective, employer branding can't just apply conventional brand-building techniques; the initiative must fit in closely with the company's overall brand strategy.

Disponível em: <<http://www.mckinseyquarterly.com>>. Acesso em 21/8/2008.