Chapter 2
Attracting and Retaining Staff: The Role of Branding and Industry Image

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Abstract In increasingly competitive labour markets, attracting and retaining talent has become a prime concern of organisations. Employers need to understand the range of factors that influence career decision making and the role of employer branding in attracting human capital that best fits and contributes to the strategic aims of an organisation. This chapter identifies the changing factors that attract people to certain employment and industries and discusses the importance of aligning employer branding with employee branding to create a strong, genuine and lasting employer brand. Whilst organisations have long used marketing and branding practices to engender loyalty in customers, they are increasingly expanding this activity to differentiate organisations and make them attractive from an employee perspective. This chapter discusses employer branding and industry image as two important components of attraction strategies and describes ways companies can maximise their brand awareness in the employment market to both current and future employees.

Introduction

In increasingly competitive labour markets, attracting and retaining talent has been one of the prime concerns of organisations (Collins 2001). While this competition may have abated recently in some countries due to the financial crisis, in others labour markets remain tight for some occupations. One example of this is the labour market for engineers in Australia. Employer branding has the potential to attract the human capital that best fits and contributes to the strategic aims and bottom line of

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organisations (Backhaus and Tikoo 2004; Martin et al. 2011). In this chapter we bring together, conceptually and practically, the work of two functions in organisations: the HR function—most specifically recruitment and learning and development— and the marketing/communications function, specifically employer branding. We also demonstrate how branding and signalling theory, usually applied to companies or employers, can be adopted at the level of an industry with a weak brand image and some difficulty in attracting human resources.

Employer Branding and Image

In much the same way that organisational brands communicate the benefits of using a product or service to potential consumers, employer brands communicate the benefits of employment to potential employees (Ambler and Barrow 1996). The process of branding is 'involved in creating a unique name and image for a product (good or service) in the consumers' mind, through advertising campaigns with a consistent theme' (Business Dictionary 2013) and can be controlled by an industry or organisation. Branding influences 'the beliefs held by individual consumers about a product's, or service's brand (perception of the name or logo)' (Collins and Stevens 2002, p. 1122). These beliefs constitute the brand image of a business or industry that individuals evoke when its name is heard. Image can be influenced by branding activities, but is also subject to the influence of consumer experiences of an organisation, and is only partially in the control of the organisation.

To generalise these concepts to the attraction and recruitment context, the value of an organisation's brand as an employer reflects potential employees' beliefs that their employment needs will be met by the employer. Just as consumers depend on brands to differentiate between products, employer branding is used by potential employees to differentiate between employers and assist their decision making (Collins and Stevens 2002). Employers who have 'high employer brand value' are perceived by potential employees as more attractive than those with lower employer brand value (Berthon et al. 2005). A potential employee's appraisal of an employer brand is prompted by factors including their awareness and perceptions of the employer brand which may be developed through word of mouth, personal experience and marketing strategies.

Branding theory and practices originally associated with consumer goods and services, in an effort to engender brand loyalty in customers, have been expanded to differentiate firms and to make them desirable from an employee perspective. Employer branding is a synthesis of marketing principles and recruitment practices and is based on the concept that, just as customers have perceptions of an organisation's brand, so do other stakeholders including employees. In the same way that potential customers form preferences for one product brand over others, potential employees also evaluate the attributes of competing jobs and employers. As traditional advertising communicates characteristics of a product to consumers, employer branding suggests that marketing concepts can be applied to recruitment in which jobs are regarded as products and current or potential employees as customers or potential customers (Fyock 1993).

The term employer branding can thus be defined as 'the package of functional, economic, and psychological benefits provided by employment, and identified with the employing company' (Ambler and Barrow 1996, p. 186). Cooper discussed employer branding in terms of

> what a company has to offer its employees. Employer branding can be used as a long-term strategy to manage the awareness and perceptions of employees, potential employees and related stakeholders with regards to a particular organisation ... Employer branding strategies assist in shaping the perceptions of an organisation as an employer of choice ... Employer branding is the communication of a company's brand positioning within its recruiting and human resources marketplace. (2008, pp. 14–15)

Employer branding is not something that employers undertake in isolation from their other business activities or independently of their employees. Stakeholders such as employees, customers and investors are part of inadvertent and planned branding which encompasses the use of symbolism, behaviours and communication activities (Einwiller and Will 2002). Projecting the brand to these stakeholders must match the experience of working in, or being a customer of or an investor in the enterprise. The corporate brand constitutes a promise provided by the organisation to its stakeholders; it needs to permeate all of the companies' behaviours and actions (Tilley 1999; Backhaus and Tikoo 2004). Ambler and Barrow stressed that the main role of the employer brand was 'to provide a coherent framework for management to simplify and focus priorities, increase productivity and improve recruitment, retention and commitment' (Barrow and Mosley 2006, p. xvi), bringing together the marketing and HR functions of an organisation.

The 'fit' between current employees and the brand image of a company has been particularly applied to the service industry where front-line customer service staff enact the value proposition of the firm and we will deal with this below in relation to employee branding. Notwithstanding the critique of front-line service staff identity work from post-structuralist perspectives (Du Gay 1996), we acknowledge but do not adopt this critical management studies perspective.

From a human resource management perspective employer branding has three elements. Firstly, the value proposition is developed around the organisation's culture, management style, current employment image which enable the organisation to conceptualise the value offered by their organisation to employees. Second, this value proposition is marketed to potential employees and, third, the value proposition is also marketed to current employees so they enact the company's values (Backhaus and Tikoo 2004). Internal employer branding, as the third stage is called, contributes to employee productivity and retention (Ambler and Barrow 1996). Backhaus and Tikoo (2004) provided the following model to explain the effects of employer branding (Fig. 2.1).

According to Van Dam, 'employer branding is a logical process through which companies reach one main goal: to have a strong appeal on their current and future ideal employees' (2006, p. 13). It is associated with a number of benefits. Firms with a strong employer brand exhibit a number of features: high recognition and positive image in the labour market, adherence to the promises of the psychological contract, unique economic and symbolic features that are valuable to potential employees, accurate differentiation as an employer, and stable policies and activities
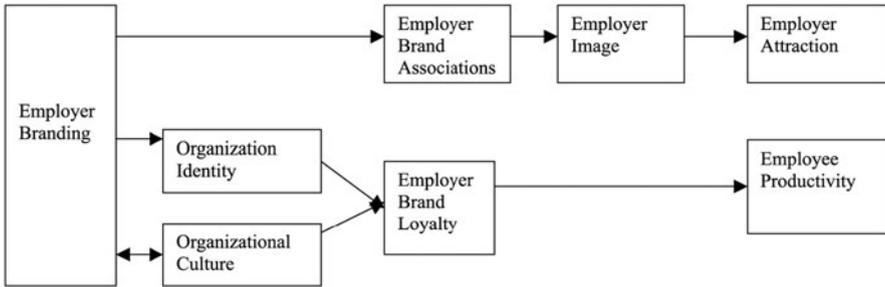
Fig. 2.1 Effects of employer branding. (Backhaus and Tikoo 2004, p. 505)

for positioning the company in the labour market (Kucherov and Zavyalova 2012). Successful employer branding has been shown to increase the quantity and quality of job applicants (Collins and Han 2004) and contributes to the bottom line of a firm in a number of ways (Fulmer et al. 2003). Specifically, employer branding reduces the costs of recruitment through better communication with potential employees; it contributes to employee retention thus reducing the costs of turnover, and enhances employee engagement and corporate culture (Barrow and Mosley 2006; Backhaus and Tikoo 2004). Moroko and Uncles (2008) proposed that economic benefits of employer branding can be tracked through HR metrics, including externally focused measures (number of applicants per job and the percentage of job offers accepted) and internal measures (average length of tenure and staff turnover).

While an organisation controls its employer branding, attraction and recruitment practices, it has much less control over its image as market provider and as an employer. Information that potential employees gain about an employer forms the image they attribute to the brand of an organisation. Brand clarity refers to employer information that is unambiguous and instantly recognisable; brand consistency refers to the employer's image being reinforced across all information sources; and brand credibility refers to recruits' confidence that an organisation's employment promise can be delivered. When formulating an image of a potential employer, information from these different sources is viewed as more or less credible. Information based on firsthand experience is generally viewed as the most credible, while information from personal sources and impartial commentators is viewed as more credible than company-generated information.

Potential recruits' experiences of the firm's products or services or word-of-mouth from current or past employees may undermine the company's value proposition as an employer (Erdem and Swait 1998). Our research on the rail industry in Australia showed that its image as an employer was often influenced by individuals' commuter experiences; 'They can't even run their trains on time' (Wallace et al. 2010). Similarly, if a company's recruitment practices are at odds with its espoused position of concern for employees, its credibility as a potential employer may slip. Fernández-Barcala and González-Díaz (2006) highlight the branding gains for employers when the information received by potential recruits through the organisation's marketing

materials, the media, from personal experience and the broader community (including family and friends) is unambiguous and consistent. Conversely, when potential recruits receive contradictory brand experiences and messages from multiple sources, their perceptions that employer promises will not be fulfilled make the organisation less attractive as an employer.

Research indicates that potential employees have expressed preference for working in a particular industry either based on the products or services offered (e.g. the airline industry) or by the preferred tasks (e.g. marketing, finance) (Wilden et al. 2010). Extrapolating from this, we suggest that concepts relating to employer branding and image may also be applied to specific industries. Some industries such as aviation have a forward-looking, high-technology, 'glamour' image that attracts potential recruits. Others have a negative, less attractive or low profile image that makes it difficult to attract or retain staff.

Employee Branding

Drawing from theories of marketing and organisational studies, employee branding forms employees' attitudes and behaviours so that the brand identity of their organisation is projected through their work behaviour. The employee branding process is a complex process that has its foundation in an organisation's mission and values. It defines the desired brand image, which, if transmitted effectively and consistently to employees, enables them to understand and experience the brand image that an organisation wishes to convey. Employee branding also constitutes part of the psychological contract between employer and employee (Miles and Mangold 2005). The employee branding process, done well, provides a competitive advantage with tangible positive impacts on HRM. These include enhanced employee satisfaction and retention (Miles and Mangold 2005). In turn, this positively influences the reputation and profile of the organisation as an employer both internally and in the market, as shown in Miles and Mangold's (2005) conceptualisation of the employer branding process (Fig. 2.2).

Theoretical Perspectives

There are a number of theories that impact on attraction and image. First, the underlying theoretical perspective of employer branding appears to be informed by human capital theory and the resource-based view of the firm. It appears that attracting skilled people (human resources) is equally as important as acquiring the equipment or technological resources that are required to build competitive advantage (Backhaus and Tikoo 2004). Attracting and retaining the 'right sort' of people with the required skills mix is thus a combination of the branding proposition and a range of recruitment, selection and performance management strategies.
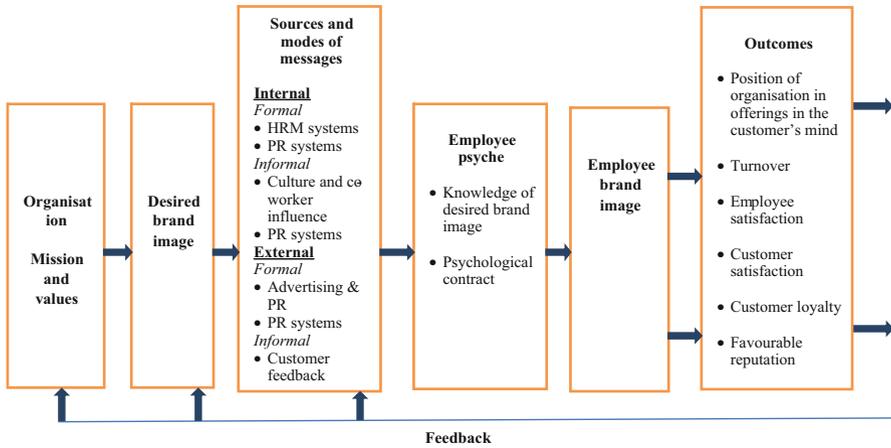
Fig. 2.2 A conceptualisation of the employer branding process. (Miles and Mangold 2005, p. 537)

Brand equity is another perspective of branding theory. From a human resource management perspective, positive regard for an employer encourages potential applicants to apply and current employees to stay and constitutes employer brand equity (Wilden et al. 2010). Signalling theory is also linked to branding. It explores how certain types of information influence applicants' perceptions of an organisation. Celani and Singh (2011) have discussed the central role of signalling theory in recruitment. Potential employees see the information put out by a company and its organisational characteristics as signals about the company. Positive signals attract potential recruits to positions in the organisation. The greater the attraction of a company through brand signals and reputation, the greater the quality and quantity of applicants and the higher the job acceptance rate.

Another concept is that the employer and employee brand constitute a psychological contract between the company and employees (Foster et al. 2010). Potential employees compare the perceived functional, economic and psychological benefits stated or implied in the brand promise with their own needs to ascertain whether they 'fit' with the organisation (Foster et al. 2010). If an employer fails to deliver their employer brand promise, evaluation of the organisation will be negatively affected when recent recruits assess their employment decision and may result in increased turnover for the organisation (Schein 1996; Backhaus and Tikoo 2004). Therefore, organisations must provide accurate brand messages about their work culture, values and identity in order to form a realistic preview of the psychological contract on offer (Foster et al. 2010). The increasing amount of precarious employment, in the forms of contracts and casual work, offers opportunities for employer branding. Brand promises of opportunities to enhance marketable skills through training and development and having a prestigious company on one's curriculum vitae might be exchanged in a psychological contract for employees' effort and flexibility (Baruch 2004).

Career Development

As we will see in Chap. 4, within this new psychological contract the onus of career development is on the individual rather than the organisation (Patton and McMahon 2006). McDonald and Hite (2005) identified three major shifts in this transition which impact on the attractiveness of an employer. These shifts include an employee focus on obtaining transferable skills rather than developing skills specific to any one organisation, replacing loyalty to one's organisation with a broader professional commitment to create a more portable network of skills and knowledge, and a greater interest in work–life balance rather than high salaries and status.

Another perspective that is useful when gauging the factors that attract young people to certain employment and industries relates to the concept of career anchors. Schein (1996) defined a person's career anchor as the self-image of one's ability, talent, basic values and career motives and needs. Schein's (1996) career anchor model revolves around eight categories reflecting basic values, motives and needs, namely: autonomy/independence, security/stability, technical/functional competence, managerial competence, entrepreneurial creativity, service/dedication to a cause, pure challenge and lifestyle.

Career anchors develop as a person gains life and professional work experience (Schein 1996) and serve as a stabilising force—an 'anchor' once an individual's self-image has been established and which then influences an individual's career decisions. Whilst Schein (1996) notes that for most individuals the needs underlying different anchors are likely to be met by several careers, the model is useful in allowing potential recruits some awareness of their values, interests, employment aspirations and areas of competence. The model also assists individuals in identifying which career or occupation might satisfy their personal characteristics and needs (Chang et al. 2007).

The Potential Employee Perspective

As suggested above, potential recruits evaluate the information that they receive in order to develop a multifaceted image of employers (Keller 1993). When seeking and making employment decisions potential employees evaluate features of an employer's image that can be categorised as functional or instrumental, experiential or symbolic (Keller 1993). Potential recruits form an opinion about the attractiveness of the employer through evaluating the value of these features to form an opinion about the attractiveness of the employer. This represents the value of the employer brand to the potential recruit.

Functional or instrumental brand benefits describe an employer's brand with respect to the objective, physical and tangible attributes that an employer may or may not offer employees. From a recruitment perspective, these represent basic motivations such as remuneration, compensation and benefits, training and development, promotion opportunities, and job security (Cable and Graham 2000; Lievens et al. 2005).

Experiential benefits emphasise the brand's effect on sensory satisfaction or cognitive stimulation and relate to what it feels like to work for an employer. These benefits may be embodied by the employment experience and include social activities, team accomplishments, job diversity, work environment and travel opportunities (Ambler and Barrow 1996; Lievens et al. 2005).

Symbolic benefits describe the brand in terms of subjective, abstract and intangible attributes tied to people's need to maintain or improve their self-image, or to express themselves through their beliefs, values, qualities and individuality (Ambler and Barrow 1996). As such, symbolic value represents the more intrinsic benefits of employment with an organisation that satisfies an individual's need for social approval, personal expression and self-esteem (Ambler and Barrow 1996).

Berthon et al. (2005) presented an alternative perspective with a scheme of five benefits, or dimensions of employer image, that are relevant to potential recruits: interest value, social value, economic value, development value and application value. Interest value is based on the perception that an organisation delivers a stimulating work environment, innovative employment policies and procedures, and utilises the ingenuity of its workers to create reputable products and services. Social value refers to the extent the organisation offers potential recruits an employment atmosphere that is friendly, enjoyable and promotes collegiality and teamwork. Economic value is based on the perception that the organisation provides its employees above-average remuneration, job security and career prospects. Development value refers to the extent to which an employer recognises the achievements of its employees, and provides career-enhancing experiences that act as a springboard to future employment. Finally, application value is based on the perception that the employer offers recruits the prospect of applying their skills and knowledge at work and of teaching others through training, coaching and mentoring opportunities.

In addition to these benefits, Lievens et al. (2005) presented three others: travel, culture and prestige. Travel benefits relate to the opportunities to travel for work. Culture benefits accrue from a work environment that includes an open and supportive management structure. Prestige benefits arise from wider perceptions that working for the employer is highly regarded.

Potential recruits' anticipation of these benefits influences how attracted they are to careers with an employer (see for example Berthon et al. 2005; Lievens and Highhouse 2003; Slaughter et al. 2004; Lievens et al. 2005). Not all attributes are equally important to all recruits. Recruits are more likely to view an attribute or benefit as either good or bad if they first consider it to be important. Consequently, it is necessary to establish the relative importance of functional, instrumental and experiential values for different types of recruit, since it is likely that potential recruits at different life/career stages will have different motivations and may value the various aspects of employment differently.

Much of the empirical work on employer branding has been conducted in western countries, specifically Europe and the US (Ong 2011). In one of a relatively few non-western studies, Arachchige and Robertson (2011) explored a sample of final-year business course students in Sri Lanka, and identified eight attributes that constitute the employer brand. These attributes were:

- corporate environment
- job structure
- social commitment
- social environment
- relationships
- personal growth
- organisational dynamism
- enjoyment.

Job Characteristic Preferences

Features or attributes relevant to a particular job are referred to as job characteristic preferences (Chang et al. 2007). These may include work tasks or conditions, including compensation, professional development, training, interpersonal relationships and wellbeing. Such preferences allow prospective employees to ascertain the attractiveness of an employer. In a survey of final-year university engineering students, the Department of Education, Employment and Workplace Relations (2008) indicated consensus among male and female final-year engineering students about the importance of job-related factors. In descending order these were: good working conditions, good work–life balance, opportunity for a variety of work, good pay, opportunities for promotions and career advancement, opportunities to apply skills and knowledge in a practical way, and permanency/job security. Each of these job-related factors constitutes an element of the employer brand.

Interestingly, and in line with the view that potential recruits at different life/career stages may value the various aspects of employment differently, significant differences between men and women were observed. These were most marked in items ranked of lesser overall importance. Women ranked the following items between 6 and 11 % points higher than men: opportunity to extend experience and skill through professional development programs, opportunity to work overseas, opportunity to contribute to society and opportunity to help people improve their lives. In contrast men ranked the following items between three and seven percentage points higher than women: opportunity to be involved in new and emerging technologies, availability of cash bonuses and fringe benefits and fixed-term contracts. These findings highlight the need for employer brand managers to be sensitive to the different needs of potential recruits and to be open to the possibility of segmenting the recruitment market and communicating tailored brand messages to these segments.

Employer of Choice

There are polarised opinions on the relationship between firms becoming an employer of choice and attraction of potential recruits. Chandler McLeod's (2007) research suggested that 52 % of job seekers reported that they were rarely attracted

by claims by an organisation to be an employer of choice and only 5 % of job seekers revealed that the employer of choice status was an important consideration. In contrast, 93 % of employers thought employer of choice status was important to recruits. When considering an employer, benefits considered most important by potential employees were flexible work arrangements and workplace development opportunities (Chandler McLeod 2007). However, more research is needed to identify whether these attractors can be generalised across multiple recruitment markets.

Organisations seeking to identify the specific attributes of employment that their employees value typically do so using employee surveys. Love and Singh (2011) identified a dual role for these surveys. They argued that employer surveys can also act as a strong medium for workplace branding and identified eight common themes for HR success from a sample of 'best employer' surveys related to HR practices:

- inspired leadership
- strategic plan that promotes 'best employer HR practices'
- employee communication
- performance management
- training and development
- benefits based on 'best practices'
- physical workspace
- corporate citizenship.

Love and Singh (2011) also made the salient point that the use of 'best employer' is not a new idea and has over time reached a point of saturation, with many organisations positioned as an employer of choice, essentially removing any competitive advantage derived from the label. They noted a move towards targeted or specialised employer branding and the increasingly global nature of labour markets forcing many organisations to have a consistent worldwide brand.

Franca and Pahor (2012) conducted research focused upon recruitment and how employer image is communicated through the employer brand. They proposed a new model for measuring the strength of employer brand referred to as the brand value pyramid. The brand value pyramid operates at three levels: recognition, consideration and employer of choice (Fig. 2.3).

The researchers conducted a large-scale study to identify how different factors influenced the strength of an employer's brand. Their findings confirmed the general findings of other employer branding studies : that employer brand has several dimensions to it and that different organisations/employers will have issues with different dimensions of their respective employer brand.

Recently, App et al. (2012) examined how the concept of sustainable human resource management (sustainable HRM) can assist organisations to establish an attractive employer brand. Ehnert defined sustainable HRM as 'the pattern of planned or emerging human resource strategies and practices intended to enable organisational goal achievement while simultaneously reproducing the HR base over a long-lasting calendar time' (2009, p. 74). App et al. (2012) made links between sustainable HRM and employer branding, developed ways to integrate sustainable HRM

Fig. 2.3 Brand value
pyramid. (Franca and Pahor
2012, p. 94)
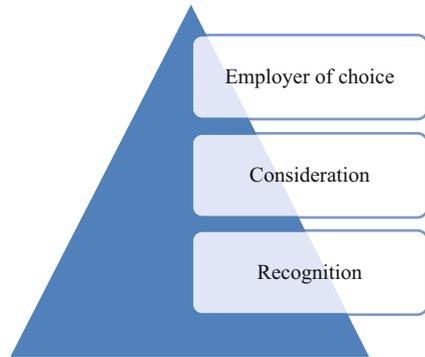
practices into the different stages of the employee value proposition and provided
insights for attracting new, and retaining existing, employees who are at different
life and career stages.

Recent Research on Employer Branding and Attraction

There have been a number of qualitative and quantitative studies on employer brand-
ing and its relationship to attracting and retaining staff. Kucherov and Zavyalova
(2012) examined Russian companies and MNCs in Russia from industries including
IT/telecommunications, professional services, oil and gas, and banking. Eighteen of
the 123 companies were ranked as 'best employers' and consequently were deemed
to have strong employer branding. The remaining 95 'control' companies were not
ranked as 'best employers' and were deemed to have weak employer branding. They
found that organisations with strong employer branding invested more in training
and development activities and had staff turnover rates 6 % lower than the control
companies. Furthermore, companies with strong employer branding were found to
engage more in collaborative decision-making with staff and in supportive manage-
ment processes, thus promoting a positive image to the internal and external labour
markets. Kucherov and Zavyalova (2012) concluded that culture and experiential
benefits were thus the main attractors for current and potential employees in their
study.

   Wilden et al. (2010) identified that potential recruits seek information about re-
cruiting organisations beyond that provided by the organisation. The information
sought included popular perceptions from peers and word of mouth from existing
employees or those connected with them. This highlights the danger that there may
be inconsistency between the employer brand message and what is 'out there' in
public perceptions and lived experiences. Wilden et al. (2010) also reported that
applicants with more work experience were more cynical about employer branding
signals but conversely they valued specific companies' contribution to their career
development more than less experienced applicants. Inexperienced applicants valued

the contribution that a strong corporate brand would make to their curriculum vitae. These findings highlight the need for employers to communicate appropriate brand messages to the recruitment market and that specific rather than general information might be more compelling (Fyock 1993; Huang et al. 2011; Wilden et al. 2010).

Specific information on such professional development programs is indicative of opportunities for continuous learning and career enhancement (Ito and Brotheridge 2005) and also signals the value that a firm places on its employees and its willingness to develop them (Joo and McLean 2006). Other attractors in employer branding have been identified as clear messages about salary, clear job descriptions, organisational climate and person–job fit, work–life balance, promotion opportunities, task attractiveness and location of the organisation. Kucherov and Zavyalova (2012) report that a higher salary is needed to compensate for inadequate provision of other attractors. However, while an advertised higher salary yields a higher number of applicants it also results in a greater number of poor-fitting applicants, with cost implications for HR departments having to sift large numbers of applicants.

Employer branding is an integral part of an attraction strategy and there are a range of ways companies can place their brand in environments in which it might be recognised by prospective employees. These include advertising and publicity, sponsorship activities, word-of-mouth endorsements including from past and current employees, creative and engaging recruitment advertising and using websites and social networking sites such as YouTube, LinkedIn, Facebook and Twitter, videos and podcasts, and online chat, in order to stay in touch with past employees who might rejoin the organisation as well as to reach potential new employees (Carmichael 2009; Collins and Stevens 2002; Cooper 2008; Minton-Eversole 2009; Russell 2009).

Other more generic strategies for successful talent acquisition include: targeting mid-career workers, for example, retiring, technically trained military personnel where engineers or technicians are in short supply, cutting down on the 'time to hire' so as to not lose potentially strong candidates to other recruiters, and catering to the flexible work preferences of older workers. In addition, searching for 'passive candidates' through the creation and improvement of data repositories of active and inactive candidates and implementing detailed analysis of attraction measures, such as the ratio of employment applications to open positions, average number of days to fill vacancies, ratio of acceptances to offers, applicant drop-out rate, number of recruiting sources used, and percentage of new employees who remain longer than six months have been recommended (Cooper 2008; Minton-Eversole 2009; Sample 2007).

There also appears to be a disconnect between what job seekers value in an employer and what employers perceive as important. Research with 2,186 job seekers and 436 HR professionals across Australia indicated a difference between what job seekers wanted and what HR professionals thought made their organisation attractive to prospective employees (Chandler McLeod 2007). The ten most attractive employer attributes listed by job seekers were:

- an employer's reputation for looking after and valuing employees
- challenging and/or engaging work

- training and development
- a fun, positive and vibrant working environment
- career development and progression
- an attractive salary or financial incentives
- recognition of performance
- understanding the importance of family or life outside work
- fair pay for a fair day's work
- definitive and strong company values.

The most apparent differences were that employers ranked recognisable company brand, challenging and engaging work, and strong company values much higher than did employees. Employees ranked a vibrant and positive work environment, attractive salary and other financial incentives, performance rewards and recognition, fair pay for a fair day's work and a manager they liked much higher than employers did.

Examples of Successful Employer/Employee Branding and Image

There are a number of examples of successful employee branding as a source of competitive advantage. Southwest Airlines have used employee branding to gain a positive organisational 'position' in the minds of customers and other stakeholders including potential employees. As a service-oriented organisation Southwest Airlines have reversed the traditional 'customer first' approach taken by most organisations by positioning their employees first and in turn expecting their employees to mirror the behaviours that they as employees receive from the company. This approach has allowed employees to genuinely 'live' the values and behaviours encapsulated in their mission statement, which can be found on their website: 'The mission of Southwest Airlines is dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride and Company Spirit' (Southwest Airlines no date).

According to Miles and Mangold (2005), Southwest Airline's articulation and reinforcement of their mission and values is a key success factor in their use of the employee branding process to position themselves in customers' minds. The consistency and accuracy of their messages not only promote the desired brand image but reinforce the psychological contracts of their employees. Through implementing a range of HR practices the organisation has been able to reduce its employee turnover rate to under 5 %, when the average turnover rate for the American airline industry is between 20 and 30 % (Miles and Mangold 2005), and win a range of accolades including entry into *Fortune* magazine's '100 Best Companies to Work for in America'.

Miles and Mangold (2005) refer to both formal and informal methods used by Southwest Airlines to communicate its brand messages to current and potential employees. It communicates formal internal and external messages via the HR and PR systems including, for example, advertisements, media releases and compensation. The recruitment and selection process is used to screen out employees and ensure that those coming into the organisation are likely to enact their values and behaviours.

Similarly, training and development and the performance management systems both clarify and reinforce the Southwest Airlines culture. Informal internal and external methods such as relationships between employees, customer feedback and word-of-mouth communications are also recognised by Southwest Airlines as important transmitters of the desired brand image.

The psychological contract has already been established as an important factor in the employee branding process. To monitor the extent to which the psychological contract has been upheld Southwest Airline employees who have been with the organisation less than nine months are invited to discuss how well their employment expectations have been met. As Miles and Mangold (2005) explain, the ability of Southwest Airlines to uphold their employees' psychological contract has been key to their success in positioning themselves in the minds of customers, employees and potential employees.

A further example of employer branding is the process undertaken by McDonalds starting in the early 2000s. McDonalds faced a situation where employment at McDonalds had come to be associated with low-paying, low-status work with little or no chance of progression. So synonymous was McDonalds with poor employment conditions and low prospects that in 2001 the Oxford English Dictionary included the term 'McJobs', defined as 'an unstimulating, low-paid job with few prospects'. Using the principles of employer branding McDonalds revised the image associated with McJobs through a variety of initiatives including advertising campaigns emphasising the positive aspects of working at McDonalds. Essentially, McDonalds attempted to align their image as an employer with the employee value proposition that they wished to embed into their brand, thereby closing the gap between perceptions of potential recruits and the real employment experience of employees.

Recently, Gould (2010) reported survey data from a sample of Australian McDonalds outlets to gauge employee experiences and attitudes towards working at McDonalds. His findings indicated that McDonalds jobs offer human resource advantages, potential career opportunities and, for some, a sought-after form of employment, and suggested that McDonalds' attempts to reposition their employer brand has, at least in part, been successful. This is borne out by the award of the 'Best Place to Work in Hospitality' to McDonalds in 2007. Gould's research, however, also suggested that the employer brand is not equally attractive to all. He found that jobs at McDonalds offer benefits such as job security and the possibility of career advancement, but that these benefits are important only to some employees. In particular, older employees and those with higher education are less attracted to these benefits of working at McDonalds. Gould's findings highlight the need for organisations to understand the segments of the recruitment market that offer the most fruitful prospects for satisfied recruits, an area that he asserted has previously not been well explored. We suggest that, just as these employers have successfully branded or re-branded themselves and lived up to their brand promise in attracting and retaining staff, so too can industries brand themselves to attract and retain staff. We thus extrapolate that signalling theory as a brand equity and image approach can be applied to industry branding, especially for those industries with a low brand profile and low or negative image as an employment choice for potential recruits.

Branding Issues in Lower Profile Industries: The Example of Rail

In Australia, previous research with graduating engineers has identified that the rail industry, as an employer, has low brand awareness and a poor brand image compared to public engineering companies as well as an ageing workforce and looming retirements (Australasian Railway Association/DEEWR 2007a, b; Kerr and Waterhouse 2008). As a consequence, potential recruits have seen little value in 'rail' as an employer brand. This low brand awareness and poor brand image result in a high-risk evaluation of rail by potential recruits; rail is seen as less attractive than competitors with higher employer brand value. This is especially so among younger potential recruits.

Attracting a younger workforce requires companies to provide opportunities based on merit and achievement, and to offer attractive salaries and diverse job opportunities. Rail could adopt a more enlightened approach to recruiting. This could involve taking into account individuals' personal preferences and skills, the use of aptitude and psychological testing, enabling staff to participate in company policy making, offering lateral movement, making greater use of the internet, being involved in campus recruiting activities and job fairs, increasing public exposure to the developments in the rail industry, and offering flexible hours (Sample 2007).

Other western countries also have issues with attracting young workers to some industries. In the UK and US, industry sources acknowledge that despite the rail infrastructure investment in both countries, the image of the industry is often seen as unattractive by school leavers and graduates. Both countries recognise that a national approach that promotes railway engineering as an 'exciting, sustainable career of choice' within schools and universities is essential to meet infrastructure commitments.

The UK Engineering and Technology Board has advertised engineering as a lifestyle choice and advertised and gained editorial coverage in magazines such as *Marie Claire*, *Nintendo Official Magazine* and *Xbox World 360*. It has also developed the Scenta online portal which links to databases of engineering courses and case studies with a lively magazine-like quality and interactivity.

Skills shortages in the US paper and pulp industry have been addressed in a number of ways and these may be applicable to rail. Kargar and Qasemi (2008) advocate on-campus information, working with faculty members to integrate technical aspects of the industry into the curriculum, promotional campaigns, presence at on-campus careers fairs, supporting other extracurricular activities, offering internship opportunities, sponsoring faculty research, affiliation with professional associations, and sponsoring back-to-school events.

Conclusion

Organisations have long used marketing and branding practices to engender product and service brand loyalty in customers. Increasingly, organisations are expanding this activity to differentiate themselves and make themselves desirable from an employee

perspective. In this chapter we have attempted to highlight the need for organisations to strategically align the HR function, most specifically recruitment and learning and development, and the marketing/communications functions, specifically employer branding, in order to attract and retain talent in competitive labour markets.

At a macro level the role of branding and industry image are important in attracting the human capital that is required to contribute to the strategic aims and financial performance of the organisation. Not only does branding provide an organisation with a framework to simplify and focus priorities and increase productivity; it is also important for improving recruitment, retention and commitment of employees. At the micro level potential recruits rely on employer branding developed through marketing, personal experience, word of mouth and their perceptions of the brand to assist their decision making when evaluating or comparing potential employers.

We have raised employee branding as an important component of an organisation's overall branding strategy. Employees project their organisation's image and brand to customers and others including potential employees. Case studies in this chapter including Southwest Airlines demonstrate how employee and employer branding processes are helpful to position organisations in the minds of customers and other stakeholders. In particular, they highlight the need to ensure that a promised brand image matches the organisational reality and suggest this can only be achieved through a genuine alignment of the mission and values of the organisation with the desired brand image. The results for employers of not delivering on their employer brand promise are significant. A weak brand image and reputation as an employer can lead to poorer candidates, disengaged and resentful employees, higher turnover and ultimately reduced organisational performance.

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