

Employer branding 3.0

CONNECTING EMPLOYEES AND CUSTOMERS FOR A BETTER SOCIETY.

BRETT MINCHINGTON



For the past two and half years I have been travelling the world interacting with leaders and sharing best practice in employer branding. Each new country provides an opportunity to learn about the local nuances and the challenges of delivering an employment experience which positively impacts on an employee's ability to deliver a brand experience expected by their customers.

In each of the twenty countries I have travelled to, it is evident there are political, economic, social and technological forces confronting companies which will require a combined stakeholder effort to ensure

business sustainability. However I find there is one common force that connects us all - the human will to create a better society. We hear political leaders talk about it in discussions on critical issues such as climate change, financial reform and labour practices. Future sustainability will require a collaborative effort to maintain a healthy balance of 'what's good for profit' and 'what's good for society.'

A study by the US Federal Reserve Board shows the dramatic increase in the importance of intangibles such as brand to overall corporate value in the second half of the twentieth century. Today it is possible to argue that in general the majority of business value is derived from intangibles such as the employer brand.

Since its inception in the early 1990s, employer branding has evolved through three stages: employer branding 1.0, employer branding 2.0 and employer branding 3.0 (see Table 1).

Employer branding 1.0 was characterised by one way interactions between employers and their employees and customers. Employees were seen as an infinite resource and talent was in abundance during the

Industrial Revolution. Jobs were for life and employer branding was used to fill jobs as companies experienced growth.

Employer branding 2.0 evolved due to advances in technology and the invention of the internet. This led to the rise of the knowledge worker and centralised manufacturing in developing nations where labour costs were low. Generation Y employees grew up seeing their parents being laid off and by the time they turned 25 years most already had multiple careers. The ageing population in many developed nations and declining fertility rates and globalisation led to a talent scarcity and higher wages as companies enjoyed an extended period of growth in the first decade of the new Millennium.

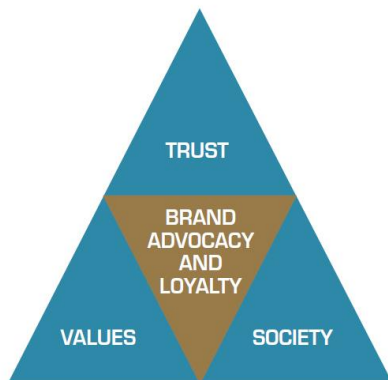
The global financial crisis (GFC) has led to a shift towards employer branding 3.0. Tomorrow's most successful companies will be those that recognise all stakeholders have a responsibility to make the world a better place, not just for employees and customers, but for suppliers and investors too. A positive employee experience will lead to higher levels of employee engagement, which will drive customer engagement,

TABLE 1: COMPARISON OF EMPLOYER BRANDING 1.0, 2.0, 3.0

	EB 1.0	EB 2.0	EB 3.0
OBJECTIVE	Fill jobs	Engage employees	Make the world a better place
FOCUS	Employer	Employee	Stakeholders
WEALTH CREATION	Employees as infinite resource	Employees as infinite resource	Employees as assets
DRIVING FORCE	Talent abundance	Talent scarcity	Optimise human potential
VALUE PROPOSITIONS	Functional	Functional & emotional	Functional, emotional and spiritual
KEY EMPLOYMENT CONCEPT	Job for life	Multiple careers	Blended work/life
RELATIONSHIP WITH CUSTOMERS	Disconnected	Connected	Community



Brett Minchington is Chairman/CEO of Employer Brand International, a global authority, strategist and corporate advisor on employer branding (www.brettminchington.com).

FIGURE 1: MODEL OF BRAND ADVOCACY & LOYALTY

increased investments and company and shareholder profits. Creating a better society must become the starting point of strategy development and not company profits as the core driver of strategy, an approach which the GFC showed is not sustainable.

EMPLOYER BRAND 3.0 – A MODEL OF BRAND ADVOCACY AND LOYALTY

A 2007 Towers Perrin survey of nearly 90,000 employees worldwide found that only 21% felt fully engaged at work and nearly 40% were disenchanted or disengaged. That negativity has a direct impact on the bottom line. Towers Perrin found that companies with low levels of employee engagement had a 33% annual decline in operating income and an 11% annual decline in earnings growth. Those with higher engagement, on the other hand, reported a 19% increase in operating income and 28% growth in earnings per share.

In a 2009 study of 1,478 full time US employees, Maritz found companies which stressed either strong principles or social ideals tend to be those that are most likely to attract employees. They also found companies that strive for high profits but offer little else to intrinsically reward employees have to pay their employees a premium to keep them satisfied. When employees work for highly principled companies, they not only enjoy their customer interactions more, but also feel customers are served better. Companies must strive for brand advocacy and loyalty with

employees and customers (see Figure 1).

Employees and customers are seeking to build relationships with companies whose VALUES reflect their own. It is no longer sufficient for values to simply reside in company mission and vision statements. They need be brought to life and inspire employees in such a manner that optimises the employee-customer relationship. They are the foundation upon which TRUST is developed.

Values need to begin at the top. India has more than 50 billionaires and the average CEO in the United States earns 400 times that of the average employee. Unfortunately there are still more than one billion people in the world who live in a state of extreme poverty and live on less than \$1 a day. Clearly some individual values need to change and stakeholder pressure will force CEOs to change.

Employees demand authenticity and transparency in the employment experience and customers in the products and services they buy.

Starbucks has set a goal of making 100 percent of its cups recyclable by 2015, no small feat considering they produce four billion of the 500 billion annual paper and plastic cups. Contributing to a better SOCIETY not just involves Starbucks employees, but their customers as well. The focus on trust, values and society leads to higher levels of BRAND ADVOCACY AND LOYALTY amongst employees and customers. Achieving alignment between the elements in the model will lead to higher levels of profit whilst making a better global society.

Doing the right thing for employees, customers, investors and society is not just about being a good corporate citizen, it's necessary for business survival! (*HRJ*)

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Level 1 - Certificate in Employer Brand Leadership (10 modules)

Level 2 - Foundations in Employer Brand Leadership 2 (6 modules)
(4 core modules + choose 2 electives)

Level 3 - Foundations in Employer Brand Leadership 3 (4 modules)
(2 core modules + choose 2 electives)

Module	Learning Focus	Level 1 10 modules	Level 2 6 modules	Level 3 4 modules
1	The Fundamentals of Employer Branding (EBLFU)	✓	✓	✓
2	Employer Brand Leadership Principles & Practices (EBLPP)	✓	✓	✓
3	Employer Brand Strategic Management (EBLSM)	✓	✓	X
4	Employer Branding Mapping & Competitor Analysis (EBLCA)	✓	elective choice	elective choice
5	Employer Brand Analytics & Reporting (EBLAR)	✓	X	X
6	Contemporary Practices in Employer Branding & Social Media (EBLEBSM)	✓	elective choice	elective choice
7	Employee and Customer Experience (EBLCE)	✓	✓	X
8	Employer Branding and Social Responsibility (EBLSR)	✓	elective choice	elective choice
9	Future Trends in Employer Branding (EBLTD)	✓	elective choice	elective choice
10	Employer Brand Strategy - Practical Workplace Assignment (EBLWA)	✓	X	X

COURSE COMPARISONS

Feature	Level 1	Level 2	Level 3
Total Modules	10	6	4
Core Modules	10	4	2
Elective Modules	0	Choose 2	Choose 2
Duration	4-5 months	3 months	2 months
Study time per week	2-6 hrs	2-4 hrs	1-2 hrs
Modules per month	2	2	2
1-1 skype coaching sessions (1.25 hrs)	6	3	1
Assignments	3	1	1
Course books (included)	2	1	1
Access to module online resources	Course	Course	Course
Access to college online library 250+ publications	2 Years	1 Year	3 Months
Global alumni network	Yes	Yes	Yes



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✉ andrea@employerbrandingcollege.com

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