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# The Study on Employer Brand Strategy in Private Enterprises from the Perspective of Human Resource Management

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## Abstract

In order to gain advantage in the competition for talent, private enterprises have to create an enabling strategy to attract and retain talent, which is employer brand strategy. The paper defines the meaning of employer brand, and then from the actual situation of private enterprises, it explores methods for private companies to build employer brand in order to establish a good image of employer brand, attract and retain talent, and can give some guidance for companies' sustainable development.

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*Key words:* Human resource management; Private enterprises; Employer brand

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## 1. Definitions of key concepts

### 1.1. Employer brand

Employer brand as a new concept is a new branch of enterprises brands. From conceptual understanding, like product brand, it is an image given by the company to potential employees in the human resource market. Positive, energetic or mature, sound? Different images will attract different kinds of job seekers. The company of Hewitt thinks that employer brand is a kind of employer's promise, which is on work culture, environment, and opportunities and so on experienced by employees after joining the company. It is mainly explained from inside soft environment such as career development prospects, freedom/ autonomy, social responsibility, leadership, teamwork, changes, focus on results, etc. The

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definition of Watson Wyatt about employer brand includes internal and external aspects. They think employer brand is employer's position in human resource market, which is set brand image for future, current and leaving employees. It includes both parts: external and internal brands. External brand is set for potential employees in order to make them willing to enter company and establish the image of the best work place for company. Internal brand is set among current employees, which is some promise made by company to employees, not only a kind of relation between company and employees, but also reflects company can provide unique work experiences for existing and potential employees.

Employer brand and product brand not only have connections but also differences. Whether employer brand or product brand, both service for company big brand, with consistency. They also have differences manifesting in the following: (1) Different objects. The object of employer brand is young intellectuals with mainly 20 to 40 years of age; while the object of product brand is different depending on product difference. For example, a company producing baby products, whose object of product is mainly baby, so its object of product has obvious differences from employer brand'. (2) Different advertisement content. In advertisement, employer brand emphasizes on telling potential employees about company's history, background, culture, pay and welfare, training, development opportunities and so on; while product brand pays attention to product's efficacy, feelings given to consumers and so on. (3) Different promotion channels. Employer brand advertises more in the site of professional recruitment media and meetings; while the channels of are very wide, including print media, television advertisement, radio advertisement and so on. (4) Different inside and outside emphasis. Employer brand not only includes establishing a good outside image, more important is inside construction of soft environment; while product brand is mainly for outside to establish image among consumers.

### *1.2. Strategic significance of employer brand*

Senior Fellow Business School, University of Glasgow, UK, believes that enterprises establish employer brand to attract talents also can reduce conflicts, improve employees' relationship greatly and improve their degree of loyalty, extend employees' service life and reduce the rate of job-hopping. The strategic significance for private enterprises to create employer brand lies in:

(1) It is a good tool for attracting talents to join. Professor Charles Handy Business School London said: people will not "look for work," but "look for an employer", looking for a good place which is the most suitable for their development. Employers provide unique work experiences for existing and potential employees by recruitment, and then establish set value position of employer brand in the talent market; while image of employer brand as obvious signal always attracts some talents who agree and support enterprise culture and concept of value. Employer brand can ensure company has visibility among potential excellent employees, and make the company become the first choice of excellent talents; it is a good means to introduce company to excellent talents. The survey statistics, done by Hewitt Consulting Ltd participating in Asia Best Employers, shows that enterprises with good images of employer brand own higher ratio of letters looking for jobs than average enterprises in each advertisement for positions. Those enterprises with better employer brand not only attract more applicants, but also reduce potential seekers' effort taken to analyze and choose employers. Set employer brand can be become future recruitment model, which makes enterprises have advantages in obtaining excellent talents, have opportunities to get core and key talents and then gain advantages in competition.

(2) It is catalyst to improve productivity. Successful employer brand will not only attract and retain talented people, also encourage, motivate employees to improve productivity and quality of product and service. Employer brand, in nature, is kind of commitment made by employers to employees, which is company's reputation in the heart of employees. As long as you are talents and work hard, you will have more development opportunities. The good image and respected reputation in the talent market and social

mass will inspire those employees who work hard for these and make them continue for maintaining and supporting this brand. Suppose, work in a good enterprise, who will be willing to lag behind and even eliminated?

## **2. Strategic significance to implement employer brand in private enterprise**

### *2.1. It is a need to change disadvantages in talent competition*

Before the market has not fully open, private enterprises are not optimistic among domestic job seekers because of some factors such as strength, growth prospects and so on. After multinational companies entered China, they have implemented localization strategy in order to quickly be familiar with and master Chinese market environment, whose key is to realize the localization of talents. Because most multinational companies have strong financial strength, advanced management, preferential treatment and flexible employment system, they have absorbed a lot of talents; such as Procter & Gamble, British American Tobacco companies all attach great importance to personnel selection and recruitment. Along with competition in market increase in intensity, and competition for talents has become a contest of strength among enterprises. In this battle, Chinese talent systems have encountered great impact. Facing such a competitive environment, these become keys of failure or success for private enterprises to introduce, nurture talent, enhance human capital standards and the ability to technological innovation.

### *2.2. It is the need of international development*

After rapid development for several years, original advantages of private enterprises are gradually disappearing, also suffering “growing pains”. After China entered WTO, there have no distinction between domestic and international market, internationalization, as a new road for enterprises’ development, inevitably need international talent. To succeed in entering internationalization, it is the top priority for private enterprises to focus on building global human resource development and management model, train and introduce international talents.

### *2.3. Government’s policy support provides development space for private enterprises*

In the past, private enterprises gained discriminatory treatment; state-owned enterprises can enjoy while private enterprises can not and foreign enterprises can enjoy policy while private can also not. After joining WTO, business environment of private enterprises has greatly changed.” A number of opinions of The State Council on Encouraging, Supporting and guiding the individual and private and other non-public economic development” require private enterprises enjoy the same treatment in taxation, land price, industry access and other aspects with state-owned and foreign-invested enterprises, which creates a fair competition environment for private enterprise and expand a new space for their new leap.

### *2.4. It is the need for talents to seek for personal and professional development*

Talents in state-owned enterprises think no matter how well they do in state-owned enterprises, pay for so much, but in private enterprises, if the boss trusts you, he will give you all rights to let yourself make decisions and judge, have sufficient rights to show and also get pay matching with your contribution. Well-known talents in foreign join in private enterprises, the more is to break the career ceiling. Along with private enterprises penetrate into monopoly industries or industries led and dominated by state-owned enterprises in the past, more and more excellent talents in state-owned enterprises have

being flowed into private enterprises, which leads a more healthy competition in the industry; more and more foreign elites hope to realize role transformation from a "golden screw" to controllers of business strategy with the big stage of private enterprises.

### **3. Implements of employer brand strategy in private enterprises**

#### *3.1. Steps to implement employer brand strategy*

(1) Understanding ourselves. Those persons in enterprises who undertake the task to build brand in talent market (human resource department) are not usually persons who undertake the task to build brand in consumer market (Marketing department). Therefore, persons who establish brand in talent market need to fully understand meaning of enterprise' brand image in consuming market in order to ensure human resource plan to match business needs. To build a compelling employer brand, enterprises must strictly check all aspects of the organization and ask for suggestions and advice representing different employees, such as management, public, sales and marketing and ask them to give disadvantageous factors to affect building of employer brand. Enterprises should give special attention to involvement of front-line staff because they have the direct experiences about whether employers have discharged the contents promised in employer brand. First-line staff plays a pivotal role in the process of building their brand. Front-line employees have rich information which can not provided by high-level managers gathering in the conference table. If Without their suggestions on how to make business become a better employer and their feedback on which extent employer fulfill previous promises, companies can easily repeat those mistakes of other companies.

(2) Knowing employees. Marketing experts tell us the most successful brands are always built on the basis of full understanding their customers. The more excellent brand is the more understanding true idea of ideal employees its brand managers can give. These include existing employees' demands, employees' needs in specific industries, in all areas and each position. Although these may seem obvious, it has been proved that most of enterprises or a considerable number don't know how to meet their employees' needs. No matter what industry is in, you will employ different professionals. By personal interviews or survey about employee satisfaction, you need to know their special demands and value level. Unique value concepts and needs of existing employees and those in different areas are built on the basis of immutable their basic needs. Regardless of age, profession, or changes in social norms, human being always have some basic, innate needs and motivation, affecting employees' satisfaction degree, such as the needs for purpose and meaning, demands for learning and growing, demands for experiencing, mastering and self-efficacy, etc.

(3) Giving position about employer brand. Private enterprises firstly learn the needs of target-market and own advantages and disadvantages; and then identify which extent to meet employees' demands, describe their own employer brand within enterprises. Once work experiences given by enterprises can extend to the most basic needs of human, passion, pride and appreciation will come rushing, followed by compelling public activities-employees' enthusiastic oral ad, which makes your enterprises become employees' ideal choice.

(4) Promoting employer brand. Promotion process of employer brand is similar to product marketing. The awareness of existing and potential employees about employer brand all follows the same process: awareness - understanding - preferences - select - loyalty. Employer brand can be divided into two aspects: the one is external exposed image, mainly used for attracting talents; the other one is culture, atmosphere and so on felt by employees after entering enterprises. Two aspects complement each other; internal culture must be broadcast by explicit means. Whether external reputation is conducive to company's employer brand depends on internal construction. Brand construction in private enterprises

covers entire field of human resources and corporate culture areas, which is a systematic project. When external expanding employer brand, HR workers can learn from 4P reference method used in marketing, namely: product, telling job seekers job responsibilities and career development opportunities; Price, telling job seekers the company's pay and job rewards; place, presenting a good working environment to job seekers; promotion, creating internal and external communication and publicity opportunities; They can use campus recruitment , public service activities, website promotion, professional journals and soft paper and so on.

### *3.2. The key factors to implement employer brand*

(1) Business executives. With the growing competition among enterprises, many senior managers recognize advantage of talent is the key factor for enterprise to succeed, but for really taking “people oriented” and establishing scientific and effective human resource management system, it’s key lies in make senior management change their awareness: from talents’ role to real attention. “Want to succeed, sharpen weapons firstly”; enterprises only carefully train found talents and help them better understand company’s value concept and meaning of work, therefore, the employees fully play their talents and create more value for enterprise. So business executive in enterprises are responsible for setting corporate strategy, corporate values and mission, setting examples and actively play the role of brand ambassadors.

(2) Human resources department. It is driver to identify talents, construct human resources processes, systems, structure and incentive system to promote employer brand.

(3) Business sectors. They are responsible for ensuring business goals, direction, subordinate employee behavior consistent with company's value and employer brand.

### *3.3. Building evaluation and feedback system of employer brand strategy*

Employer brand does not exist in a static market environment and it must be dynamically or organizationally shaped. So enterprises need to build employer brand with own characteristics, and establish a series of evaluation and feedback system. The system can be divided into two parts: for external to attract excellent potential employees, mainly investigating and analyzing attraction degree of employer brand; for internal to keep good relations and increase employee's sense of belonging to, using job satisfaction, employee loyalty, employee turnover and other indicators to reflect implementation effect of employer brand.

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