

# Employment Branding: The Candidate Experience



## TALENT ACQUISITION

### HCI White Paper

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## EXECUTIVE SUMMARY

Employer Brand has become an important aspect of retaining the best talent as well as of attracting them in the first place. Ken Lahti, Ph.D., Director of Client Solutions for PreVisor, Inc., and Rob O'Keefe, Vice President of Brand Strategy for TMP Worldwide Advertising & Communications, discuss the growing trend of assessing and implementing a positive employer brand as it applies to the recruiting and hiring processes. They also explore the advantages of designing a selection system that incorporates best and next practices with the candidate experience in mind.

Candidate Experience and Employer Brand are two areas that have not traditionally been considered together but the trend of doing so is on the rise. O'Keefe says, "The idea is to meld these two areas so that we can see the interaction. Therefore, we not only work to attract the right candidates but also to bring the right candidates on board through the lens of the employer brand. We think it's somewhat circular in nature and lends itself to what we're framing as a 'next practice.'"

### NEXT PRACTICES: THE INTERSECTION OF ASSESSMENT AND SELECTION WITH THE EMPLOYER BRAND

The first thing O'Keefe suggests is to improve candidate attraction. In

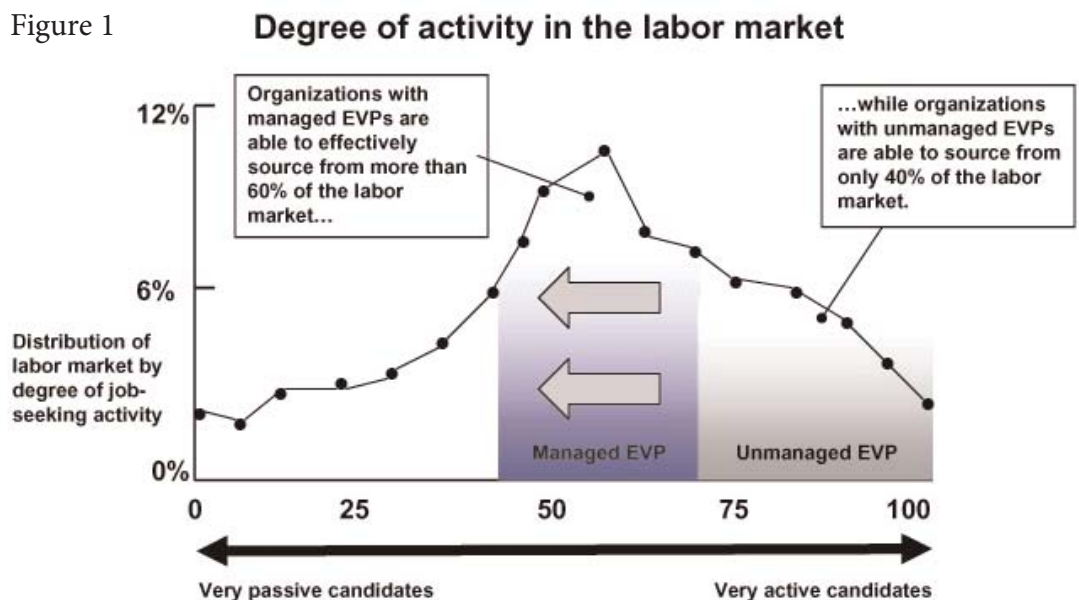
2006, the Corporate Leadership Council sponsored a global study regarding attracting and retaining critical talent segments. "One of the things the study looked at was the power of the employee value proposition," explains O'Keefe.

The study found that organizations with managed Employee Value Propositions (EVPs) are able to effectively source more than 60% of the labor market, while organizations with unmanaged EVPs are able to source from only 40% of the labor market.

"For organizations that have targeted passive job seekers as an ideal market, this demonstrates that the value proposition as part of the employer brand is a highly effective means of broadening your reach, both from a depth and breadth standpoint," says O'Keefe. Figure 1 illustrates this effect.

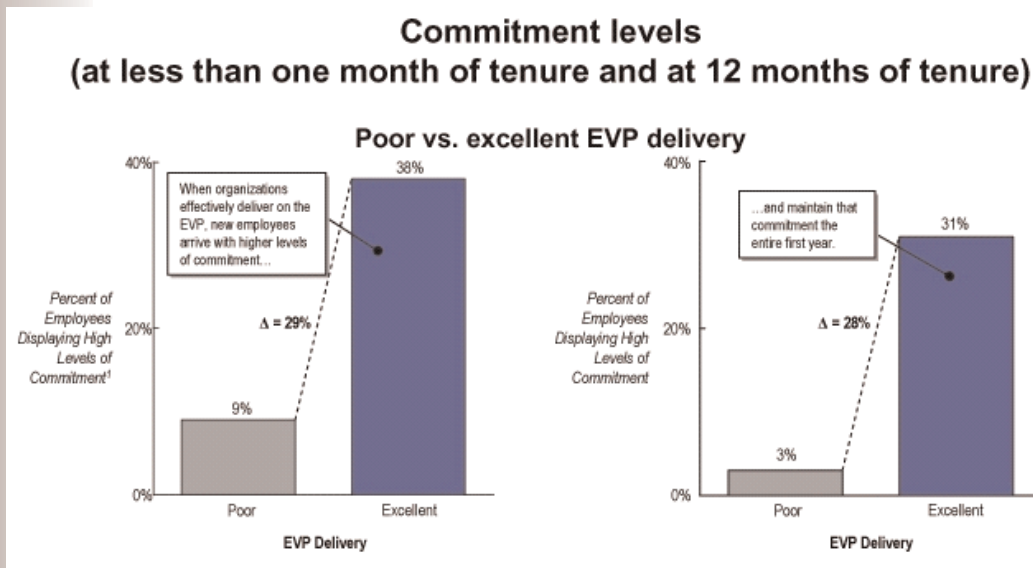
Another key is to improve new employee commitment: "This is where we start to have some intersection between screening, assessment, and employer brand," explains O'Keefe. The organizations that are not really delivering their EVP in an effective manner are only getting about 9% of the new

Figure 1



Source: Corporate Leadership Council 2006 Attracting and Retaining Critical Talent Segments study

Figure 2



employees engaging at a high level of commitment, but those organizations that are really effective end up with a 38% threshold. Figure 2 illustrates these findings.

"This is just measuring the EVP. When you add screening and assessment for the right people, you can just imagine how much farther you can drive that," says O'Keefe.

There are also monetary benefits to increasing attractiveness to candidates, one being reduced compensation costs. "To a large degree, what these findings represent are the foundations for a business case for moving forward with an endeavor of this nature." Organizations that are putting forth an EVP which candidates find attractive only having to pay an 11% premium in compensation. However, those organizations that have a mismanaged or unmanaged EVP are paying a 21% premium on average.

### WHAT'S THE POINT OF A BRAND, ANYWAY?

"When we're thinking about the purpose of

employer brand, it's about projecting and protecting value," says O'Keefe. In regard to a positive consumer brand, it allows companies to charge more because of the brand trust that's been developed in the marketplace; it

associates good things with the brand, thus allowing companies to maintain, support, or even increase their price point.

In regard to employer brand, "the value that you are protecting is two-fold: it's the amount that you have to lay out in actual expenditures in order to bring people on, but it's also about protecting the value of the organization at large and what it delivers through the proper alignment of candidate and organizational mission."

"You're either marketing a brand or a commodity. You don't want to be a commodity because as a commodity employer, you're leading with price point (i.e.: salary, benefits) and very little else. There are very few other attributes recognized by the marketplace." O'Keefe feels this is disadvantageous.

But some organizations say they already have a brand. "Okay, but what's the employment context?" asks O'Keefe. Most of these brands are not developed with the employment experience in mind. As such, regardless of the strength of the brand, regardless of the loyalty to the brand from a con-

sumer standpoint, there still needs to be work done to provide the employment context for that brand.

The questions that organizations need to ask include:

- o How is the brand relevant to those individuals that you're trying to attract, and
- o How is it differentiating your company from all the competing organizations that are in the marketplace?

### BRAND VS. BRANDING

According to O'Keefe, brand is defined as a "set of attributes that you seek to strengthen so that individuals in the marketplace associate those attributes with your organization." On the other hand, he explains that branding is the platform to get those attributes communicated to the marketplace. Typically, you articulate those through various creative platforms, web sites, and interaction between individuals and your organization."

Simply put, "having a campaign or marketing materials or recruitment advertising materials in place does not mean that you have a brand."

### THE MARKET

There's been a shift in the marketplace. Prior to

Figure 3

Mid-90s through 2001	2002 to Present
Risk	Trust
Publicity	Transparency
Optimism	Watchfulness
Entitlement	Pragmatism

2001, there was "a wonderful economy that was burgeoning with individuals willing to go from one organization to another with very little concern about the risk associated with that," explains O'Keefe. Figure 3 represents the shifts in the marketplace from the mid-1990s to today.

"The idea of transparency is so critical, and during the screening and assessment process, transparency is both an opportunity and an advantage."

### THE CURRENT REALITY

Studies show that 25% of employees are "just showing up to collect a paycheck," 40% of employees feel disconnected from their employers, and 66% do not identify with or feel motivated to drive their employers' business goals and objectives. These statistics can be disturbing to employers. But O'Keefe suggests that "proper alignment of employees you bring in with your organization's mission as well as proper alignment of the brand with the marketplace will help to improve these numbers."

You can make great strides with how you're communicating your brand simply by aligning with the questions posed by the marketplace. These areas of interest include:

1. What does the organization do?
2. How successful is the organization?
3. What will I do?
4. How successful will I be?

Of these four particular criteria, there is one that really stands out as most important in communicating the employment experience. Potential candidates want to know: 'What will I do?' "Organizations need to talk to can-

didates about what is important to them, not just about what is important to the organization."

## THE METHOD IN DEVELOPING THE EMPLOYER BRAND

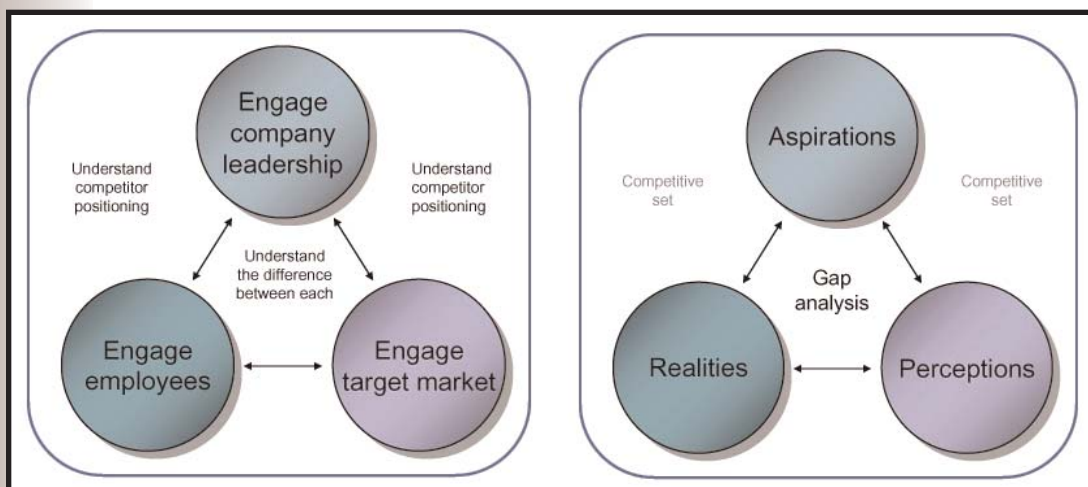
The three constituencies that you want to engage are the company leadership, employees, and the target market. These groups should be engaged in context of understanding competitor positioning. "Leadership will help you to identify what the aspirations are for your employer brand, and therefore what is the brand path, if nothing else," explains O'Keefe.

"You also want to understand the realities of the experience and that comes from communicating with your employees. And of course you want to understand the perceptions of your organization." With these three things together, you can then move on to developing an appropriate brand positioning. Figure 4 illustrates O'Keefe's methodology.

## ASSESSMENT

Assessment, according to O'Keefe, means "engaging those who have impact on the employment

Figure 4



experience, where it is and where it's going," as well as aligning with marketplace, communications, brand management, etc.

He suggests holding what he refers to as a "Brand Workshop" - "a gathering of the minds" that brings together all influencing parties to review steps moving forward, ascertain key information, and determine aspirations for the employment experience. A brand workshop would include assessing the following ideas and concepts:

1. Organizational mission, culture, and staffing plan
2. Current self-perceptions of employer brand and aspirations
3. Short-term and long-term goals for the organization
4. Prioritization of target groups
5. Competencies and behaviors of preferred recruits
6. Review of existing and relevant research

The purpose of this kind of assessment is to help define aspirations, to put those aspirations in context with the segments of the marketplace that are most important to the organization, and to ease political challenges that might be in the making.

"Some people might be afraid you're doing something to fragment the organization. This gives you an opportunity to demonstrate that's certainly not the case."

The outcome of an assessment brand workshop should include brand strategy components that lead to positioning, allowing the organization to move forward with a market segmentation approach. Some brand strategy components can include things like:

- o Association goals: qualitative benchmarks to measure against, including functional, economic, psychological, and self-expressive.
- o Brand Articulation: campaign, web site, tool kit, ambassador training.
- o Supplemental Assessment and Screening Criteria: helps you move forward with bringing people into the organization on brand.

### SELECTION SYSTEM DESIGN: BEST PRACTICES AND CANDIDATE CONSIDERATIONS

Ken Lahti, Ph.D., Director of Client Solutions for PreVisor, Inc., explains the "Talent Acquisition Funnel" that is often used with high-volume hiring/recruiting situations, as shown in Figure 5.

Lahti asks, "When we do a good job from a science perspective and from a general best practice per-

spective in putting together a hiring process or a selection process, how can we design that system with candidates in mind?"

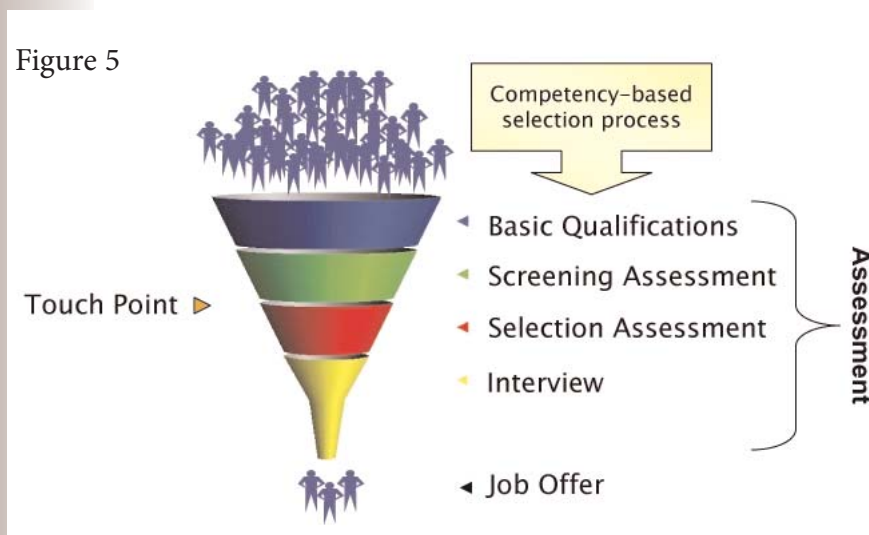
In reviewing Figure 5, it should be said that basic qualifications and screen assessment are generally automated. The "Touch Point" is usually the first human interaction with candidates by someone within the organization, and Selection Assessment and Interviews typically occur on-site. Lahti notes, "There is a tension that exists between Recruitment and Selection, but both are essential." He adds, "Selection works if you're doing well in recruiting."

Creating a successful employer brand in terms of candidate consideration is about attracting and engaging candidates; filling the pipeline with the best talent possible. Lahti asks, "What can you do to establish your brand and reinforce it throughout the hiring process?"

Anytime there's more than one candidate, an organization should always assess those candidates and get actual data that will assist in hiring the best person for the job. In order to do so, the evaluation process must be accepted by candidates, even though reactions can vary based on characteristics

of the system and expectations. However, organizations have some control over both of these factors when putting together their systems.

Best practices traditionally address the science of the system (prediction, job-relatedness, fairness, etc.), "but there are opportunities to expand that world view to start designing selection systems with



the candidate in mind." Lahti adds, "There could be some competitive advantage to companies who do this well."

## SUCCESSFUL ASSESSMENT & SELECTION PROGRAMS

According to Lahti, creating a "good" selection system "all starts with understanding the business need - why are you trying to do this in the first place? What are the business objectives you're trying to achieve?"

A good program has all of these characteristics:

1. Addresses bona fide business needs: quality of hire is important and the quality of people you bring in the door does impact your business.
2. Evaluates candidates on job-related characteristics: "There is a difference between validity and job-relatedness. You really need both. I.E.: typing test / laborer
3. Utilizes valid assessments - including interviews as well as qualifications.
4. Is implemented consistently
5. Incorporates formal decision rules to provide guidance for end-users of programs
6. Is monitored for their impact
7. Is evaluated for their effectiveness

## SUCCESS = ROI

"These days, success of an assessment program is defined as ROI," says Lahti. There is a price to devise and activate all of these best practices, including the job analyses and the creation of valid tools for use in evaluation of candidates. Therefore, success is typically defined as the return on that investment.

Three different types of ROI are important in these types of programs:

- 1) Effective prediction of performance: Improve the quality of your workforce so that there are enough candidates from which to choose, that you can afford to hire only the best, and that you are capable to screen out some of those least likely to be successful. "You're likely to see a bump in the performance of your organization based on the performance of individuals."
- 2) Efficient hiring process - automation, scientific design
- 3) Compliance and legal defensibility - to the extent that your company can successfully defend lawsuits related to the hiring process.

These are all organizationally-defined ROI factors; things that companies care about because they are the ones who have to pay for the hiring programs.

## BUT WHAT ABOUT THE CANDIDATES?

According to Lahti, there are several different areas of ROI related to the candidate experience. For example, candidates want to know what they will do. Therefore, the system should include processes that are actually needed and useful; things that will represent an employee's responsibilities within the position.

It is also important that the test content resembles the job, what Lahti refers to as face validity. There should be fairness and accuracy in evaluation, and the difficulty of the content should be aligned to the job. Finally, giving candidates the understanding of where they are and what comes next in the process is a key to keeping them informed and engaged throughout the selection process.

It is also crucial for organizations to understand why their employer brand is positive, because it affects the level of candidates' engagement during the recruiting and selection process, the level of job offer acceptance, employees' overall job satisfaction and commitment to the organization, as well as job performance and turnover rates. And, Lahti adds, "most of your candidates are probably also your customers."

### CANDIDATE EXPERIENCE AND EMPLOYER BRAND: A DIALOGUE ON NEXT PRACTICES

Lahti explains that the first step in implementing employer brand in the selection and assessment process is to determine basic qualifications and to design application forms. "From a selection perspective, there are a couple things you want to keep in mind. Selection system best practices should include true basic or minimum qualifications only." Companies should also consider the legal and prediction implications of their basic requirements (i.e.: age, residency, license criteria).

Also, Lahti suggests thinking about the length of the application form; what really needs to be included at this early point? Finally, communication is key. It is important to let candidates know what happens next.

Companies should determine if their processes reflect their brand attributes. "When thinking about how these two areas intersect, I think it's important to understand that the screening and assessment process is a form of communication; and therefore, it really offers the opportunity to reinforce brand attributes."

In some ways, the mere existence of a screening and

assessment process adds and reinforces attributes about your brand. O'Keefe states that "some organizations seek to be known as prestigious organizations, and the idea of having to be vetted reinforces that in the mind of the candidate."

When it comes to screening assessment (also referred to as unproctored testing), Lahti explains that selection system best practices ideally:

1. Face valid and predictive test content
2. Take less than 30 minutes
3. Include feedback on process - communicate with candidates

When looking at employer brand considerations, O'Keefe suggests using a "brand filter" or "culture fit" to assess candidates. "Organizations that have a good sense for what their corporate or consumer brand position is will understand what they're trying to convey to the market at large. But even if you're an organization that does not have a well-established consumer brand, you still have a mission you're trying to achieve." What kind of people does it take to deliver that mission?

In regard to the "Touch Point" part of the process, it is important to decide who will be following-up with the candidate after the first couple of automated steps are completed. O'Keefe states, "If you're looking for ROI on your hiring process, you really need to let tools and technology do some of the work for you."

In terms of best practices at this stage, Lahti suggests the following:

1. Structured phone interview - often short, but maximized by structure - both an opportunity

to evaluate, but also to provide information about the job.

2. Spend time reviewing resumes of only qualified candidates
3. See it as an opportunity to "tell and sell" and provide realistic job preview information

O'Keefe believes organizations should ask themselves if they are seizing opportunities to reinforce brand awareness at this point. "Engagement of the candidate is critical." The opportunity to reinforce some brand attributes at the onset of this process affords more opportunity to keep the candidate engaged throughout, moving them not only closer to the organization as an employee, but enabling the organization to get as much information as necessary to assess their appropriateness as an employee.

Lahti states that once you begin the stage of on-site selection assessment, "you've really got a deep connection, or the potential to establish a much deeper connection." Therefore it is important to provide face valid and predictive test content. In other words, standardized tests should look like the job, as well as provide real data. He adds that the test experience should be reasonable; the candidate should be provided with adequate instructions and time in an environment that is quiet and comfortable.

O'Keefe adds that the on-site assessment stage is also a time to remember that transparency gains trust. "You're opening a window to the organization: what it values and how it operates." In being open to candidates, you are increasing transparency in the organization. He adds that this is "an opportunity to show your organization in its best and proper light" and to develop trust between the

candidate and the organization.

In the final stage of the candidate assessment process, the interview, Lahti's best practices include a structured, professionally-driven interaction that incorporates job-related questions and effective communication. It is essential to let candidates know, up front, about the number of interviews the process entails, a little about the people conducting the interviews, and the answer format in which they will engage.

O'Keefe adds that the interview is very much a "branding opportunity." He asks, "Does the total experience support your desired brand attributes?" Those attributes can encompass not only the environment in which the interview takes place, but also the personal encounters. "Branding is the means by which we help to articulate those attributes that we want people to associate with our organization." This means not necessarily just "formal" communications, be also those that are "organic" (person-to-person) communications.

## CONCLUSION

Lahti and O'Keefe agree: the bottom line regarding the importance of the candidate experience in employer branding is: "What can you do to make your employer brand attractive to potential candidates and get people into the funnel? Once in the funnel, how do you identify the best candidates? And how do you engage those candidates and get those that fit to accept the offer?"

Implementing a powerful and positive employer brand is becoming an important aspect of attracting the right kind of talent to the organization. It is essential to maintain the brand to retain those key

employees. A selection and assessment system designed with candidates in mind can help companies implement the employer brand during recruiting and hiring process.

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