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Employer Brand: The Key To Talent Management

How Companies Are Leveraging Their Employer Brand
To Acquire And Retain Talent

Table of Contents

- 3 [Executive Summary](#)
- 4 [Key Findings](#)
- 5 [Employer Brand: A Business Initiative Focused On Talent And Consistency](#)
- 7 [Talent Acquisition](#)
- 9 [Employee Retention](#)
- 11 [Investments, Realised And Expected Benefits](#)
- 13 [Key Recommendations](#)
- 15 [Appendix](#)

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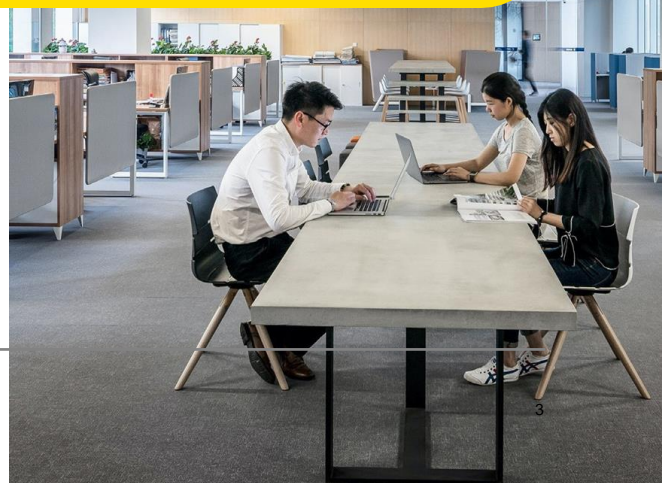
Executive Summary

Employer brand reflects prospects, and employees' perception of a company and alludes to company activities that shape that brand perception like enticing candidates and engaging employees. As organisations continue to morph into hybrid, value-based work environments, employer brand has increased in importance. Today, it is critical for business success.

In August 2022, Indeed and Glassdoor commissioned Forrester Consulting to evaluate the importance of employer brand. Forrester conducted an online survey with 400 employer brand decision-makers across North America, EMEA and APAC.

We found that as talent acquisition and retention morph into key business priorities, employer-branding initiatives affect the entire business — most executive teams are weighing in on these decisions. Respondents consider employer brand in both their employee acquisition and employee retention strategies. They also believe their organisations' employer brand strategies have positively affected both efforts. As a result, 90% of respondents plan to spend more on employer brand over the next few years and over half of respondents plan to increase their organisations' budgets by 6% or more. In return, respondents expect their client satisfaction metrics to increase by an average of 47%, their employee satisfaction metrics by an average of 46% and their overall company revenue by an average of 45%.

Employer brand affects the entire business — most executive teams are weighing in on these decisions.



Key Findings



Employer brand is a business initiative. Multiple departments engage in their company's employer brand strategy and 72% of executive teams are strongly involved in employer-brand decisions. Respondents' employer brand strategies include employee development, employee engagement, talent retention, talent acquisition and ensuring brand, EX and CX are consistent.



Employer brand attracts talent. Respondents believe that their employer brand sets them apart from the competitors (81%). Specifically, respondents noted that responding to interview experience reviews and employee reviews helps them meet their recruitment goals.



Respondents lean on employer brand to manage retention challenges. Seventy-seven percent of respondents admit retaining talent is more difficult than it was three years ago. As employees continue to focus on brand values, employer brand has become key to retention strategies. Ninety-eight percent of respondents agree that employer brand is key to achieving their retention goals.



Respondents expect vast business benefits from investments. Respondents said a strong employer brand increases their ability to source quality candidates and improves their overall company reputation. A strong employer brand strategy has the potential to positively affect their performance in client satisfaction, employee satisfaction and overall company revenue. As a result, 90% of respondents plan to increase their employer brand budget.

Employer Brand: A Business Initiative Focused On Talent And Consistency

Businesses are prioritising talent. As work norms continue to shift towards a hybrid, value-based work environment, talent acquisition has quickly morphed from an employee experience (EX) initiative to a business initiative, which spans EX, marketing, IT, product, sales and finance (see Figure 1). In fact, 72% of executive teams are strongly involved in their companies' employer brand decisions. But what defines employer brand? Forrester research found that:

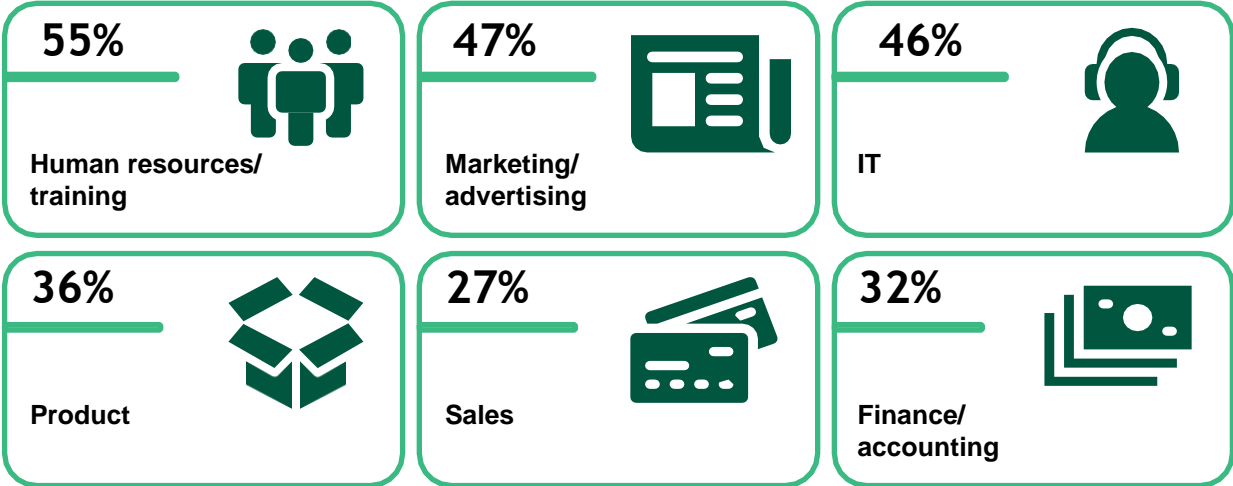
- **Employer brand is employees, prospects and brand consistency.** Respondents' employer brand strategies are inclusive of employee development, employee engagement, talent retention, talent acquisition, and ensuring brand, EX and CX remain consistent.

72%

of executive teams are strongly involved in their companies' employer brand decisions.

Figure 1

Business Units Involved In Shaping Employer Brand Strategy



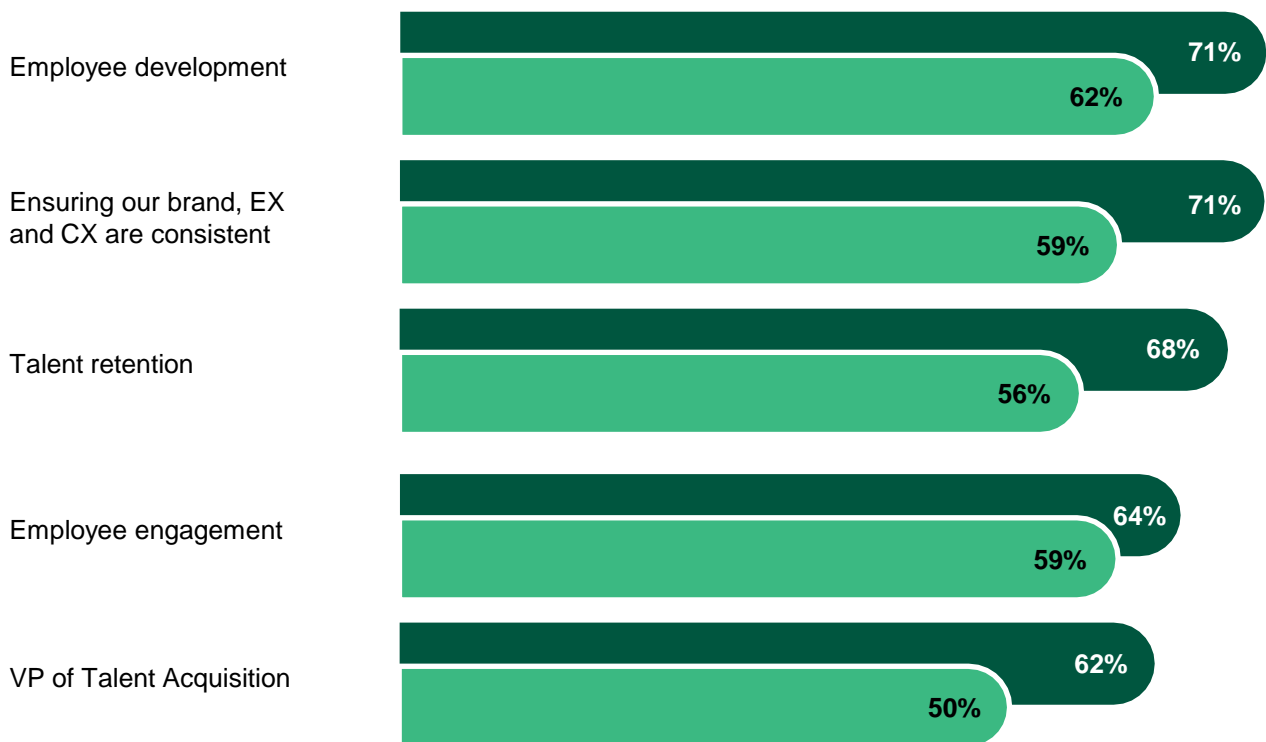
Base: 400 decision-makers involved with employer branding at their organisation
Source: A commissioned study conducted by Forrester Consulting on behalf of Indeed and Glassdoor, August 2022

- **Exceptional respondents do it all.** We asked respondents to rank their organisations’ employer brand strategies on a scale of poor, fair, good or exceptional. Respondents with an exceptional employer brand strategy (37%) are more likely to say their strategy includes employee development, consistency, and talent retention and acquisition (see Figure 2).

Figure 2

“What is included in your organisation’s employer brand strategy?”

● Exceptional employer brand rating ● Less-than-exceptional employer brand rating



Base: 400 decision-makers involved with employer branding at their organisation Note: Top five responses shown

Source: A commissioned study conducted by Forrester Consulting on behalf of Indeed and Glassdoor, August 2022

Talent acquisition and retention are key characteristics to employer brand. Let us dive deeper into how respondents think about employer brand as it pertains to their organisations’ talent acquisition and talent retention strategies.

Talent Acquisition

Brand is a key component for jobseekers. Eighty-one percent of respondents believe that their employer brands set them apart from competitors. Further, almost all (99%) of respondents agree that employer brand is key to achieving their recruitment goals. Forrester research found:

- **Employee development is key to recruitment.** Employee development does not just affect retention. Respondents believe that employee development is the most important aspect of their brand to jobseekers, followed by reputation, leadership and culture (see Figure 3).
- **Reviews are central to managing employer brand.** Responding to interview experience reviews (60%) and employee reviews (59%) are the top employer brand activities that support respondents' recruitment initiatives (see Figure 4).

Figure 3

“In your experience, what aspects of your organisation are most important to jobseekers as it pertains to your employer brand?”

(Showing sum of top five rank)



Base: 400 decision-makers involved with employer branding at their organisation Note: Top four responses shown

Source: A commissioned study conducted by Forrester Consulting on behalf of Indeed and Glassdoor, August 2022

Figure 4

“What is included in your organisation’s employer brand strategy?”

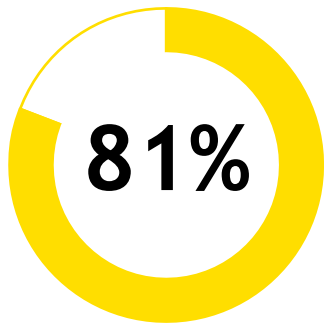


Base: 400 decision-makers involved with employer branding at their organisation

Note: Top two responses shown

Source: A commissioned study conducted by Forrester Consulting on behalf of Indeed and Glassdoor, August 2022

Today, acquisition teams must think holistically to attract strong talent. It is not enough to have a good recruitment process; prospects are looking at companies' development opportunities, culture and leadership. Reviews are one of the main resources prospects use to gather this information, which makes them essential for companies to manage. As companies continue to build their employer brand strategy, they must consider factors such as development, culture, leadership and reviews to reap benefits in talent acquisition.



of respondents believe that their employer brands set them apart from competitors.

Employee Retention

Employee retention is increasingly difficult. Seventy-seven percent of respondents admit retaining talent is more difficult than it was three years ago. This might be due to increasing employee expectations as 85% of respondents say employees have higher expectations of their employers than they did three years ago.

Respondents are leaning on their employer brand strategy to manage the increasing challenges of retention. Almost all (98%) of respondents agree that employer brand is key to achieving their retention goals. Forrester research found:

- **Employee development still on top.** Like recruitment, respondents believe that employee development is the one of the most important aspects of their employer brand strategy as it pertains to EX (see Figure 5).
- **Strong leadership and culture are key.** Employees are paying attention to leadership and their work environments. Leadership was the second most important aspect of EX-related employer brand followed by work culture and brand reputation.
- **Strong employer brand increases employee reviews and referrals.** Focusing on employer brand nets positive benefits for respondents. Seventy-two percent of respondents say employer brand has positively affected their employee referrals and 71% said employer brand positively affected employer reviews (see Figure 6).

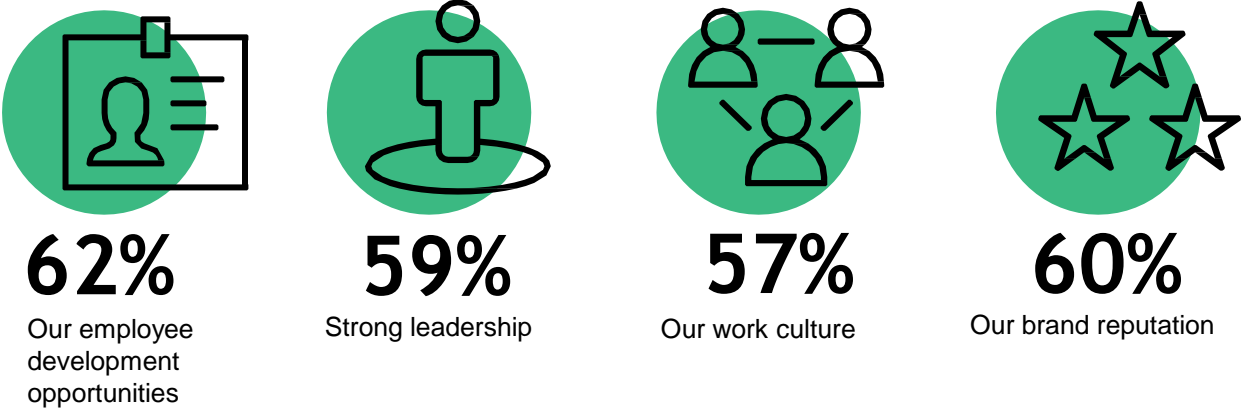


85%

of respondents say employees have higher expectations of their employers than they did three years ago.

Figure 5

“In your experience, what aspects of your organisation are most important to employees as it pertains to the employer brand?”

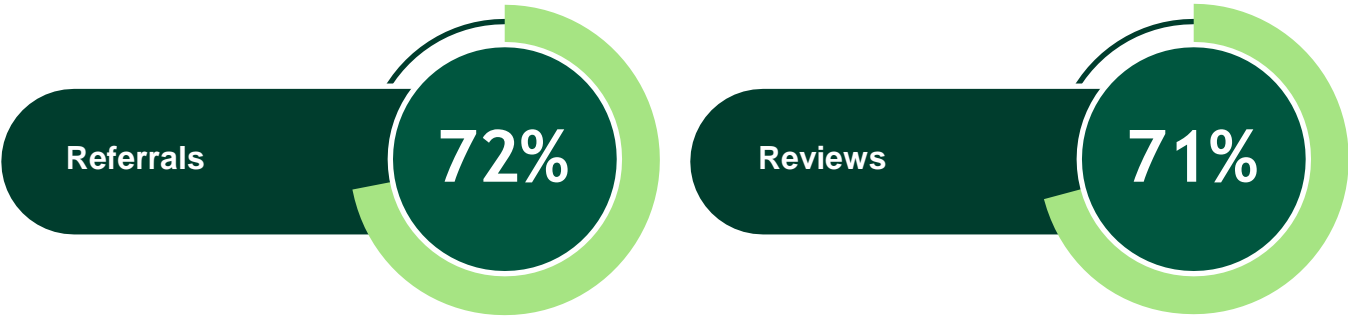


Base: 400 decision-makers involved with employer branding at their organisation
Note: Top four responses shown
Source: A commissioned study conducted by Forrester Consulting on behalf of Indeed and Glassdoor, August 2022

Figure 6

“How has employer brand affected the following?”

(Showing “Positively affected”)



Base: 400 decision-makers involved with employer branding at their organisation
Note: Top two responses shown
Source: A commissioned study conducted by Forrester Consulting on behalf of Indeed and Glassdoor, August 2022

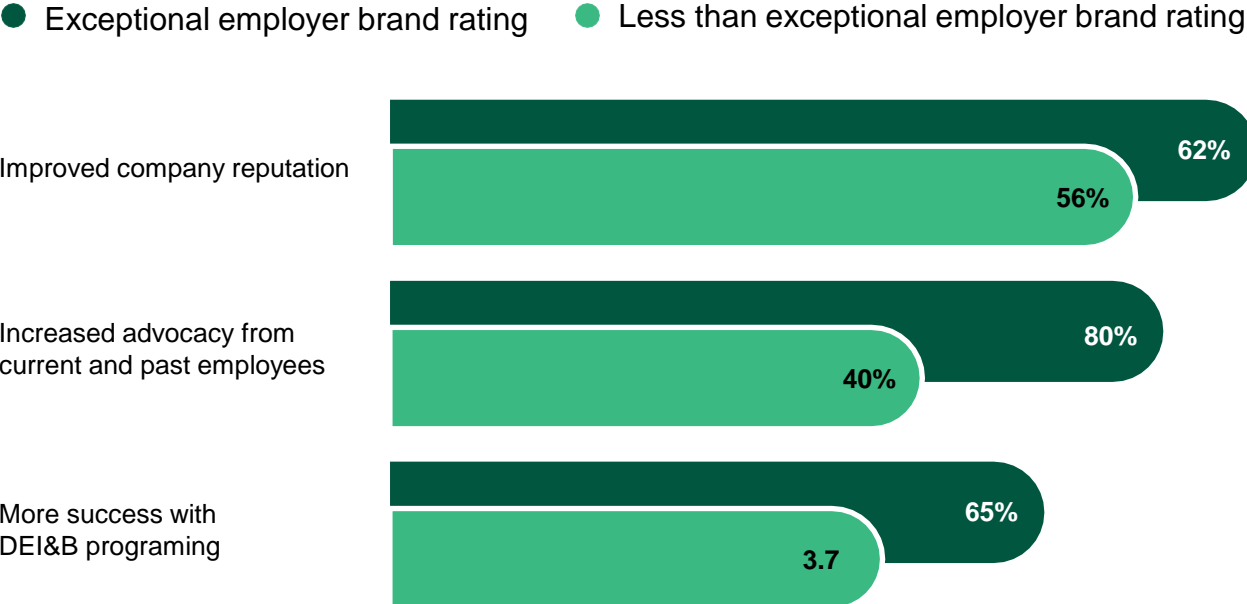
Investments, Realised And Expected Benefits

Business leaders understand the need for employer brand and have already realised benefits from their strategies. Moving forward, they plan to increase their employer-branding budgets to receive high business returns.

We found that:

- **Employer brand has yielded benefits.** Sixty percent of respondents say a strong employer brand increases their ability to source quality candidates; 59% say it improves their overall company reputation. Respondents that rate their employer brand as exceptional are more likely to expect other benefits, such as increased advocacy from current and past employees and more success with their diversity, equity, inclusion and belonging (DEI&B) programming (see Figure 7).

Figure 7
Benefits Of A Strong Employer Brand



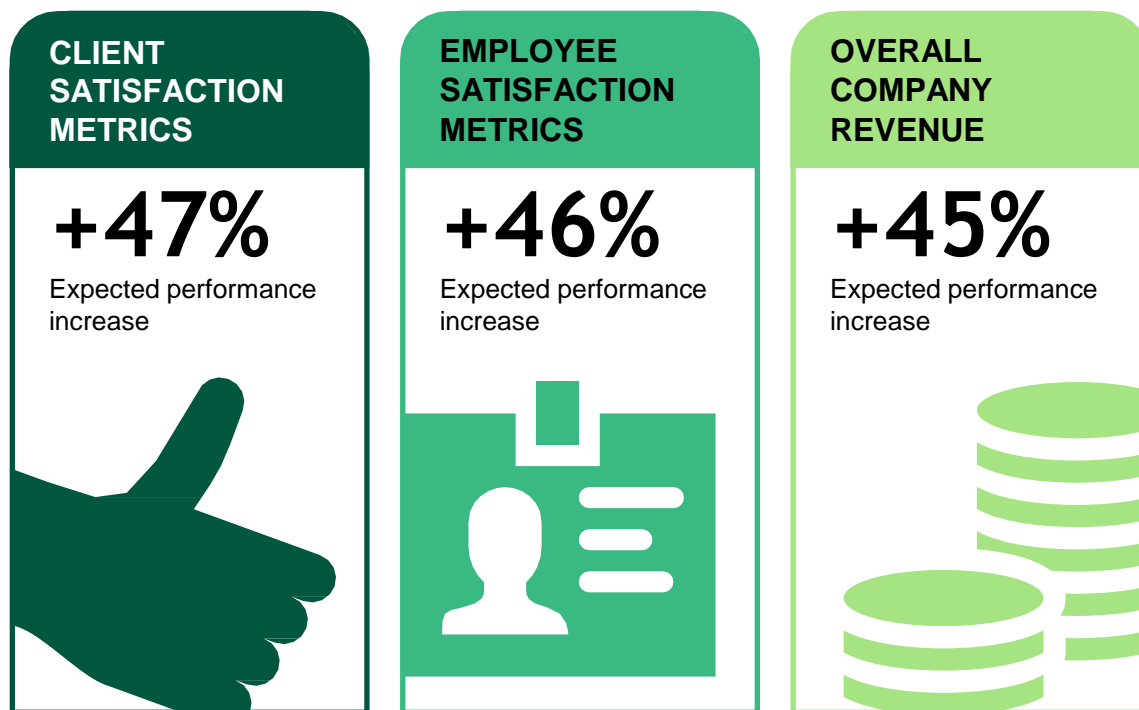
Base: 400 decision-makers involved with employer branding at their organisation
Note: Showing benefits with greatest deltas between "Exceptional" and "Less than exceptional" employer brands Source: A commissioned study conducted by Forrester Consulting on behalf of Indeed and Glassdoor, August 2022

- **Nine out of 10 respondents increased employer brand budgets.** More than half of respondents plan to increase their employer brand budget by 6% or more.
- **Expected business benefits are vast.** Respondents indicate that a strong employer brand strategy has the potential to positively affect their performance in client satisfaction by an average of 47% and employee satisfaction by an average of 46%. Even more compelling, they believe a strong employer brand strategy could positively affect their overall company revenue by an average of 45% (see Figure 8).

Figure 8

“How would a strong employer brand affect your organisation’s performance in the following metrics?”

(Showing average percentage change)



Base: 400 decision-makers involved with employer branding at their organisation

Note: Showing top three metrics with performance increases

Source: A commissioned study conducted by Forrester Consulting on behalf of Indeed and Glassdoor, August 2022

Key Recommendations

Employer brand strategies affect talent acquisition, retention and business success. Most companies have already prioritised employer brand and are looking for ways to boost their strategies. Forrester's in-depth survey of 400 employer brand decision-makers across North America, EMEA and APAC yielded several important recommendations:

Up the ante on employer branding.

These last three years have seen a sea change in people's priorities and choices about how they live their lives. The employment relationship, which claims significant mindshare for most people, has felt the tremors of this change. Now, employees want more. Our research shows that 85% of employers say that employees have higher expectations compared to three years ago. When these expectations are not met, employees leave. Seventy-seven percent say that retaining talent today is more difficult than three years ago. Employers need to up the ante on employer branding to successfully acquire and retain people in this new paradigm.

Leverage employer branding to drive business results.

The first-order benefit of better employer branding is quite intuitive — better talent is acquired quicker, more efficiently and they stay longer. But there is a deeper connection between good employer branding and business value. This second-order benefit arises when employer branding and experience translates to better customer experience (CX), which in turn fuels growth, profitability and long-term financial value. Most surveyed decision-makers see better CX and improved company reputation as a benefit of a strong employer brand.

Connect the dots across experiences.

The financial benefits described above are only realised when there is alignment between three areas of the organisation: the brand promise, EX and CX. To fully realise the benefits of a strong employer brand, a company must ensure these components align and feed off one another (e.g., demonstrating a brand promise through employee action that translates into specific CX). Of the companies with exceptional employer branding, 71% ensured consistency between their brand, EX and CX as part of their employer brand strategies.

Make employer brand everyone's business.

Our research shows that a remarkably diverse group of functions (IT, product, sales and finance) have their fingers in this very important employer-branding pie. In smaller companies, necessity is the mother of invention and everyone wears multiple hats. Larger organisations may have groups like HR, talent acquisition, marketing and even a dedicated employer-branding practice as champions. Nevertheless, the nature of employer-branding transcends functional divides and shapes how the company delivers brand experiences. And to ensure this is done in the best manner, everyone in the organisation needs to feel a shared accountability and enthusiasm for employer branding.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 400 decision-makers at organisations in North America, Europe and APAC to evaluate the importance of their employer brand initiatives. Survey participants included decision-makers spanning multiple departments involved with their organisations' employer brand strategy in one or more of the following areas: employee development; employee experience (EX)/internal communications; recruiting/onboarding; and employee retention. Respondents were offered a small incentive as a thank-you for time spent on the survey. The study began and was completed in August 2022.

Appendix B: Demographics

Country	
United States	38%
India	13%
United Kingdom	13%
Germany	13%
France	13%
India	13%

JOB-LEVEL	
C-level	17%
Vice President	9%
Director	31%
Manager	44%

EMPLOYER BRAND RESPONSIBILITY LEVEL	
Final decision-maker	32%
Part of a team making decisions	35%
Part of a team influencing decisions	33%

COMPANY SIZE	
1,000 to 4,999 employees	58%
5,000 to 19,999 employees	29%
20,000 or more employees	14%

DEPARTMENT	
1,000 to 4,999 employees	58%
5,000 to 19,999 employees	29%
20,000 or more employees	14%

RESPONSIBILITY AREA	
Employee development	70%
Employee experience (EX)/ internal communications	62%
Recruiting/onboarding	59%
Employee retention	54%

Note: Percentages may not total 100 because of rounding; the Responsibility Area question allowed multiple choices to be selected.



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