



Understanding employer branding as HRM Strategy for recruitment and retention: Case study of most attractive employers

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Abstract

Competition for talent in the Canadian labour market has resulted in companies adopting employer branding as a vital human resource management strategy for recruitment and retention. Studies have found that job applicants are attracted to a company with the most attributes of employer branding such as corporate reputation, remuneration, and work/life balance. This article examines the concept of employer branding and employee value proposition and why the concept is important in recruitment and retention. It also examines the attributes of employer branding and identifies one company that is associated with most of the attributes. In conclusion, this article proffers some useful recommendations on how a most attractive employer can improve its employer brand in the perception of applicants.

Keywords: Human resource management, employer branding, employer value proposition, recruitment and retention, attributes of employer branding, most attractive employer

Introduction

It is of immense importance for a company to have a talented workforce. Consequently, many companies in Canada adopt different strategies to attract and retain a pool of talent. One of such strategies is employer branding, which aims to develop a corporate brand that is marketable to job applicants; like a product marketed to customers (Ahmad *et al.*, 2020). Competition for talent necessitated the concept of employer branding which has given rise to the marketing of recruitment in this age of rapid technological development. According to Tanwar and Prasad (2016) ^[16], competition for the best job applicants or the 'war for talent' led to the evolution of employer branding as a key human resource management (HRM) strategy to attract, recruit, and retain top talent.

Employer branding consists of employee value proposition which includes benefits, opportunities, compensation package, career development programs, and other intangible advantages a company holds out to attract new talent and retain employed ones (Sakka & Ahammad, 2020) ^[14]. Through employee value proposition the company communicates its available benefits and opportunities internally to existing employees and are expressed externally as the employer brand to potential employees. Such benefits and opportunities, whether functional or symbolic, which job applicants perceive to be associated with a company constitute the attributes of employer branding and are influential in applicants' choice of working for the company (Backhaus & Tikoo, 2004) ^[3].

This article examines the concept of employer branding and employee value proposition and why the concept is important in recruitment and retention. It examines the attributes of employer branding and identifies one company that is associated with most of the attributes. In conclusion, this article proffers some useful recommendations on how a most attractive employer can improve its employer brand in the perception of candidates.

Employer Branding and Employee Value Proposition

Ambler and Barrow (1996) ^[11] pioneered the idea of applying branding principles in marketing discipline to recruitment and retention of talent in HRM. The foundation for employer branding is that as a company designs its products to attract and convert customers, it can develop an employer brand to attract, recruit, and retain talent. Ambler and Barrow (1996) ^[2] originally defined employer branding as the totality of functional, economic, and psychological benefits and opportunities that a company is known to provide to its employees.

This original definition of employer branding has since been expanded in specific relation to how job applicants perceive a company and decide whether to apply or be ready to work for the company. For instance, employer branding has been defined as a strategy to manage knowledge and perception of a company by employees and potential employees (Sullivan, 2024) ^[15]. It is also defined as a strategy to manage and shape how internal and external stakeholders of the company, that is employees and potential employees, perceive the company to be a favourable place to work (Berthon, *et al.*, 2005) ^[5].

The objective of promoting a positive perception of the company in the minds of employees and potential employees as the best employer is to enhance the company's competitive capacity both in business and the labour market. For example, the conceptual framework of employer branding provided by Backhaus and Tikoo (2004) ^[4] applied management theory of human capital as a value to a company which can be improved through strategic investment to build a more competent workforce that gives the company competitive advantage in productivity performance and in recruitment and retention of talent.

The company's practice of investing in its workforce constitutes employee value proposition which is perceived by those outside the company as employer brand, and this enables the company to attract the best candidates. When such candidates become employees of the company, they are exposed to the value proposition and in their commitment to the company help in marketing the company

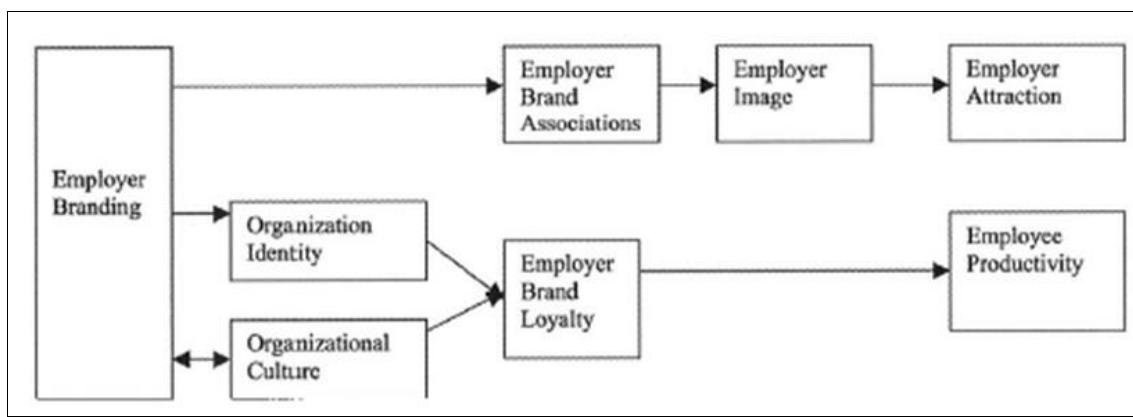
in their interactions with outsiders as the employer of choice. The role of employees in promoting employer brand of their company is underscored by a research report which found that job applicants trust employees of the company to provide credible information about work conditions more than the company’s official publication (LinkedIn Talent Solution, 2016)^[10].

The promotion of a company’s employee value proposition which includes both tangible and intangible benefits of working in the company creates a positive perception of the company by potential employees as the best place to work and this effectively constitutes employer branding. Within the company, employee value proposition consists of the organizational culture which ensures job satisfaction, good remuneration, reward system, work-life-balance, training and development, and other benefits which the company provides in exchange of employees’ skills, competence, and dedication.

Benefits of Employer Branding and Employee Value Proposition

For recruitment and retention, the benefits of employer branding and employee value proposition provide a company with a competitive advantage in the labour market as the company becomes attracted to the best pool of applicants and retain a competent workforce. Backhaus (2016)^[3] noted that employer branding differentiates a company in the marketplace and maintains the commitment of employees.

In addition, a conceptual framework to understand employer branding shows that it positively impacts employee productivity. The implication of employee productivity includes operational efficiency and business profitability for a company, and this underscores the importance of employer branding. A diagrammatic representation of employer branding conceptual framework is presented below to demonstrate how it leads to employee productivity.



Conceptual framework of employer branding (Backhaus & Tikoo, 2004, p. 187)^[4]

The upper row of the above diagram illustrates how employer branding leads to employer brand attributes which is discussed in the next section. What is referenced here is the lower row which demonstrates that employer branding subsequently results in employee productivity. Besides employee productivity which translates to company’s profitability, it has been found that in financial terms employer branding reflects in management perception of better business results which contributes to the company’s profitability indicators (Dzenopoljac, *et al.*, 2023)^[7].

Also, it has been found that in non-financial HRM parameters, employer branding can be quantified in terms of the quality of pool of applicants, average period it takes to fill positions, the level of employee retention, and the rate of employee turnover (Dzenopoljac, *et al.*, 2023)^[7]. Studies have further revealed a positive relationship between employer branding and candidates’ intention to apply to the company and that employee value proposition is essential to attracting and retaining the best candidates (Ahmad *et al.*, 2020; Erlinda & Safitri, 2020)^[8]. Employer branding also correlates positively with candidates’ intention to follow up on a job application and accept an offer of the job in the company (Cordes & Vogel, 2023)^[6].

Consequently, it has been pointed out that companies that fail to realize the importance of employer branding may be disadvantaged in the talent competition (Saka & Ahammad, 2020).

For instance, the report of a survey by LinkedIn Talent Solution (2023)^[11] showed that about 72% of HRM

consultants across the world agreed on the impact of employer branding, such as 50% reduction in the cost of hiring one applicant, 50% in hiring more qualified applicants, and 28% in the rate of employee turnover. The report noted that for most companies, these figures could mean millions of dollars in savings and faster hiring time; hence, about 59% of companies around the world are investing more in employer branding. Therefore, the concept of employer branding is of significance importance in recruitment and retention.

Attributes of Employer Branding

Attributes of employer branding are the benefits which candidates perceive to be associated with a company, and which attract them and influence their desire or decision to work in the company. Ambler & Barrow (1996)^[2] originally categorized the benefits associated with employer branding into functional, economic, and psychological. However, Backhaus and Tikoo (2004)^[4] considered the benefits as functional and symbolic because employer branding creates two main assets for the company which are employer brand associations and employer brand loyalty.

As the upper row of the diagram of employer branding conceptual framework shows in the preceding section, employer brand associations lead to employer image which results in employer attraction. Accordingly, it is the benefits, including employee value proposition, which are associated with a company’s image that generate employer attraction, and which in turn make candidates to perceive the company

as the best employer based on those benefits or attributes. Backhaus & Tikoo (2004) ^[4] noted that candidates are attracted to a company to the extent they perceive the company has employee related attributes or employee value proposition plus the importance they place on such attributes, and this influences their readiness to work in the company.

In recent times, the functional, economic, symbolic, and

psychological benefits originally attributed to employer branding have been expanded in quantity and quality. There are various attributes of employer branding which are identified in the literature and ranked in order of importance as perceived by job applicants. For example, based on literature sources and survey of companies and candidates, LinkHumans (2024) ^[12] identified 16 different attributes of employer branding graphically presented below.



16 Attributes of employer branding (LinkHumans, 2024) ^[12]

Although the above list of attributes of employer branding is comprehensive, it is by no means exhaustive. Each of the attributes can be identified under any of the broad categories of benefits or values which are associated with a company and attractive to candidates to the extent that they are desirous of working in the company. For instance, attributes of employer branding may be categorized under different categories of value – social, economic, development – (Junça & Dias, 2023) ^[9]. It seems that the more the number of attributes that can be identified within these categories, the higher the number of attributes that would appear on a list.

Ten attributes most associated with employer branding
From the literature on employer branding attributes (Junça & Dias, 2023; LinkHumans, 2024) ^[9, 12], the following ten attributes are considered as the most associated with employer branding.

- 1. Mission and vision:** A company's business purpose and its future goals resonate with candidates according to how the company communicates these to employees and potential employees. Companies that recognize the employer branding effect of mission and vision strategically live up to their commitment and deliver clear messages of it within and outside the company.
- 2. Company image/reputation:** A company image is crucial to employer branding process. A positive image of a company in the minds of employees and the outside world makes it attractive to candidates and enhances the employer branding.
- 3. Remuneration:** Compensation package can be employer branding strategy if it is above industry rate and put out to the knowledge of candidates. Remuneration is one of the most important employer attractions for candidates and boosts employer branding.
- 4. Work/Life balance:** In this age, many people prefer

work schedules that allow them to have enough time for themselves or families. Work/life balance promotes the employer brand because most young people who wish to have family find attraction in a company that is perceived to be flexible in work schedules.

- 5. Reward system:** Companies that offers rewards for outstanding performance, productivity, innovation, and creativity has competitive advantage in the labour market. Such company is more attractive to candidates due to the employer branding effect.
- 6. Culture and values:** The practices which a company encourages among employees and in work environment reflect its organizational culture and values. Culture and values that produce job satisfaction promote the employer brand.
- 7. Career prospects:** Candidates are attracted to company that offers a career path for deserving employees, and this becomes the employer branding for such company.
- 8. Job stability and security:** It promotes the employer brand of a company that ensures job stability and security because this can only be achieved where there is job satisfaction and effective retention policy.
- 9. Openness to innovation and creativity:** Company that allows and encourages innovation and creativity of employees promotes the employer brand. This is because most talented people prefer company where they are free and motivated to demonstrate creative and innovative ideas.
- 10. Good leadership and management:** The type of leadership is an influential factor in candidate desire to work in a company. A company with good leadership that provides job satisfaction in key areas of employer attraction promotes the employer brand.

Applicants' ten most important employer branding attributes

Presenting a list of attributes of employer branding in order of importance as perceived by an applicant or candidate may be subjective because there are factors that may account for variations in personal value and preferences. For instance, two applicants may prefer the same attributes associated with a company but rank those attributes differently based on many factors such as the age, economic situation, level of education, professional skill, and personal values of the applicants.

Therefore, while it is common to find the same list of attributes from two different sources, it is not the case with ranking of those attributes. The list below is provided after a critical evaluation of lists of rankings in different recent reports (Peachman, 2024; UBS, 2024; Universum, 2024) ^[13, 18, 19]. The list also reflects the answers this writer received from ten job applicants and potential employees in response to the question, “what attracts you to desire to work in a particular company”?

1. Company image/reputation
2. Remuneration
3. Work-Life-balance
4. Culture and values
5. Openness to innovation and creativity
6. Leadership and management
7. Reward system
8. Mission and vision
9. Career prospects
10. Job security and stability

From the above list, a company’s image/reputation, remuneration, and work-life balance occupy the first to third positions, respectively.

- a. **Company image/reputation:** A company’s image and reputation precede every other of its attributes. There is prestige that comes with working for a reputable company because it makes the person exceptionally talented and competent in the estimation of people. It also enhances employment resume and gives advantageous edge in future job application to even a stronger employer brand.
- b. **Remuneration:** This ranks the second position because a company’s good image and reputation will not pay bills and put food on the table of an employee. The compensation package of a company is a great attraction to applicants’ desire and decision to work in the company.
- c. **Work-life balance:** Adequate off-duty time for personal and family engagements weighs strongly in applicants' desire and decision to work in a company. While it is great that a company has a good reputation and remuneration, flexibility of work schedules that allow a standard of living is important to emotional and mental well-being, including the prevention of stress and burnout.

Employer branding attributes and the Case of Apple Inc.

Attributes of employer branding of Apple Inc. have been examined in the literature and considered to be strong for applicants (Tran & Dan, 2022) ^[17]. Most rankings of the most attractive employers place Apple within the top three,

together with Google and Microsoft (Peachman, 2024; Universum, 2024) ^[13, 19]. The ten attributes most associated with employer branding find expression in Apple as follows.

Mission and vision: Apple mission statement of producing innovative software and hardware, and its vision to leave the world a better place implies that the best talent work in the company. This makes it attractive to talented candidates.

Company image/reputation: The name, “Apple”, rings a bell not only in its products but as employer brand. It is prestigious to work in the company. And Apple leverages its reputable brand to boost its employer brand through a recruitment process that attracts tens of thousands of talented ivy league graduates out of which a few are selected.

Remuneration: Commensurate with its talented and skilful employees, Apple’s high remuneration for employees makes it one of the top employer brands in the world.

Work-Life-balance: Apple uses its flexible work schedules that allows working from home, alongside physical and mental health programs to attract top talent that prefer work/life balance.

Reward system: Besides special benefits for top performers, Apple employees are provided with discount of up to 50% for its products (Tran & Dan, 2022) ^[17]. Given the high prices of its innovative products, the company uses its reward system to promote the employer brand.

Culture and values: The organizational culture of innovation, and values of reward for innovation make Apple a leading employer brand.

Career prospects: Apple offers its employees the opportunity to grow through the ranks based mainly on innovative and creative contribution to the mission and vision of the company. This is attractive to ambitious talent and distinguishes Apple as the employer of choice.

Job stability and security: Apple relies on outstanding performance and value addition to the company as determinants of job stability and security of its employees. This assurance makes it attractive to talent that desire stable and long-term job.

Openness to innovation and creativity: As a company of innovation and creativity, Apple attracts only candidates with extraordinary talent and skills.

Good leadership and management: From its founders to top management, the exceptional leadership for which Apple is widely known gives it competitive advantage in the labour market, attracting talent that aspire to mentorship of good leadership and management.

Recommendations towards improving Attributes of employer brand

From the ways Apple demonstrates the above ten attributes of employer branding, it is without doubt a strong employer brand in the perception of applicants. However, Companies like Apple can improve their employer branding in three key areas.

First, they need to consider the importance of diversity and inclusion in their employer branding. While a company's recruitment and selection process that targets graduates from ivy league universities makes it attractive to top talent, it may also be perceived as discriminatory and exclusionary. And such perception may weaken its employer brand.

Second, attribute of team and personal connection of employees is more beneficial than Apple's work-from-anywhere policy. The connections and relationships which grow out of individuals and teams working closely together can be an attractive attribute of employer branding.

Third, talented applicants that place premium on going to office environment to work may not find companies like Apple as the employer of choice. For example, some rankings of attributes of employer branding identify preference of physical environment by candidates (Peachman, 2024; Universum, 2024)^[13, 19]. A company can improve its employer branding by de-emphasizing virtual workspaces and allowing more physical office environment.

Conclusion

As a result of the competition for talent in the labour market, Canadian companies are adopting employer branding as HRM strategy for recruitment and retention. With its key component of employee value proposition, employer branding makes the company to stand out as the employer of choice, with significant importance for recruitment, retention, employee productivity, and the company profitability.

Applicants are attracted to the company with the most attributes of employer branding such as Apple Inc. Among the attributes, applicants consider the reputation of a company, remuneration, and work/life balance as the most attractive. Although Apple demonstrates the attributes most associated with employer branding, however the recommendations proffered in this article can improve employer brand in the perception of applicants.

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