

**Simon Knox<sup>1</sup> and  
Cheryl Freeman<sup>2</sup>**

## **Measuring and Managing Employer Brand Image in the Service Industry**

*Cranfield School of Management,  
Cranfield University*

*In competitive labour markets, the challenge for service-based organisations is to differentiate themselves in order to successfully attract and retain talented staff. Recently, the notion of branding the firm to potential and existing employees has been evoked in the marketing literature. In an empirical study, we measure aspects of this 'employer brand' image among potential recruits and recruiters during the recruitment process. The managerial implications of developing a more consistent employer brand image in the recruitment market are discussed. We conclude the paper by highlighting the contribution of our research, its limitations and areas for further research*

---

**Keywords:** employer brand image, recruitment process, service industry, empirical study

### **Introduction**

Much attention over the years has been given to the development of effective marketing strategies for acquiring and retaining customers. McCarthy (1960); Borden (1964) and Kotler (1969) popularised the 4Ps framework of the "marketing mix" to influence customer demand while, more recently Levitt (1986); Reichheld and Sasser (1990) and Reichheld (1996) have emphasised the importance of customer retention. Similarly, the development of relationship marketing principles (e.g. Christopher, Payne and Ballantyne

---

<sup>1</sup> *Correspondence:* Professor Simon Knox, Professor of Brand Marketing, Brand Management Development Centre, Cranfield School of Management, Cranfield University, Cranfield, Bedford, MK43 0AL, Tel: +44 (0)1234 751122, Fax: +44 (0)1234 751806, email: [s.knox@cranfield.ac.uk](mailto:s.knox@cranfield.ac.uk)

<sup>2</sup> Dr Cheryl Freeman, Cranfield School of Management, Cranfield University, Cranfield, Bedford, MK43 0AL

1991; Kotler 1992; Morgan and Hunt 1994) identifies the need to build acquisition and retention strategies across a number of critical stakeholder markets through closer relationships. For instance, Christopher et al discuss a 'six markets' model in which they recognise the strategic importance of the 'recruitment' market and the need to manage the recruitment process more effectively. This recruitment market, consisting of both potential recruits, recruiters and other employees involved in the recruitment process, has also been identified by Schlesinger and Heskett (1991) as the strategic lever for reducing both the costs of employee retention and developing superior customer service. The challenge for knowledge-based organisations, particularly in service industries, will be differentiating themselves in order to successfully attract and retain talented staff in highly competitive labour markets.

In recognition of the 'war for talent', Ewing et al. (2002) and Ambler and Barrow (1996) introduce the notion of branding the firm to potential and existing employees in order to develop this market place differentiation. They use the terms 'employment brand' and 'employer brand' respectively to characterise the package of functional, economic and psychological benefits provided by employment and identified with the employing firm. Ambler and Barrow also point out that the traditional marketing techniques should be applicable, *mutatis mutandis*, to help manage the employer brand and to develop measures of its effects on employees and potential recruits.

In our paper, we extend this earlier research by reporting the impact of the employer brand image in the recruitment market i.e. amongst potential recruits and their recruiters during the recruitment process. Using an adaptation of Dukerich and Carter's (2000) model of corporate image management, our research objectives are to measure two aspects of employer brand image:

- Its impact on job application intentions among potential recruits.
- The congruency of employer brand image between potential recruits and their recruiters.

We then briefly discuss how managers can develop a more congruent approach to employer brand image in the recruitment market through internal marketing. Finally, we conclude the paper by highlighting our contribution, the limitations of our research design and areas for further research.

Given the wide variety of uses and sometimes inconsistent meaning of the terms 'image' and 'brand' in the marketing literature (de Chernatony and Dall'Olmo Riley 1998; Stern et al. 2001), it is appropriate to start by defining their intended meanings in our paper.

## **Defining Employer Brand Image and the Employer Brand in the Context of Recruitment**

Stern et al (2001) suggest that “image is generally conceived of as the outcome of a transaction whereby signals emitted by a marketing unit are received by a receptor and organized into a mental perception of the sending unit.” They cite Ind (1990, p21) in support of their definition, “corporate image is in the eye of the receiver ... [it] is simply the picture that an audience has of an organisation through the accumulation of all received messages”. It is this definition that we use here and, as Dobui and Zinkham (1990, p118) observe, image is largely a perceptual phenomenon that is formed through interpretation whether reasoned or emotional.

de Chernatony and Dall’Olmo Riley (1998) identify and categorise a broad range of definitions of ‘brand’ which they conclude is “a multidimensional construct whereby managers augment products or services with values and [which] facilitates the process by which consumers confidently recognise and appreciate those values”. *For our purpose, the consumers are potential recruits and the ‘brand’ is the augmentation of recruitment services provided by recruiters as they espouse the firm’s attributes and values during the recruitment process. This we define as the employer brand and employer brand image is the image associated with an organisation uniquely in its role as an employer – rather than the broader category of corporate image which would encompass an holistic perception of the firm across wider audiences (Balmer, 1995, 2001 and 2003).*

### ***A Summary of the Literature on Employer Branding***

In the *marketing* literature, the importance of reconciling perceptions of the firm’s internal and external image in managing the congruence of all brand messages has been recognised (Dukerich and Carter 2000; Duncan and Moriarty 1998). Not only does this positively influence the perceptions of these messages among employees, potential employees, and customers, but it also ensures that employees are ‘properly aligned’ with the brand and what it represents (Keller 2002). This allows employees to ‘live the brand’ and reinforces corporate values and expectations of performance among new and existing employees (Ind 2001). Ind also recognises that some companies, such as Patagonia, Nike and the Body Shop, have *de facto* employer brands without a formalised marketing approach. However, at a time when the financial markets are increasingly recognising human capital as a source of value for firms and shareholders (Cairncross 2000); Michaels et al. (2001) propose the explicit development and communication of the Employee Value Proposition (EVP) to attract and retain talented employees.

Clearly, there are a number of different marketing *inputs* that contribute towards the formation of the employer brand, from the development of an EVP to recruitment marketing plans, and *outputs* which may require

advertising, press coverage, sponsorship, word-of-mouth endorsement and contacts with employees (Kennedy 1977; Dowling 1994 2002; Stuart 1999). In this way, the formation of the employer brand image is closely associated with the firm in its role as an employer.

In the *recruitment* literature, Gatewood et al. (1993) find that the employer brand image is a particularly significant predictor of early decisions made by new recruits about their employers. Turban et al (1998) find that employer brand image positively influences both applicant perceptions of recruiter behaviours and post-interview job and organisational attributes. As to *how* potential recruits form images of a particular organisation, the phenomenon of signalling has been investigated in this literature and found to have an influence on employer brand image, particularly in the early stages of the recruitment process (Taylor & Bergmann, 1987). That is, recruitment experiences are taken as 'signals' of unknown organisational characteristics (Barber, 1998; Rynes, Bretz and Gerhart 1991). For example, job applicants may infer employer brand values based on their recruitment materials e.g. an organisation that emphasises promotion and salary may be perceived as valuing dedication to career (Honeycutt & Rosen 1997). Also, Goltz and Giannantonio (1995) found that recruits infer more positive characteristics about an organisation when exposed to a friendly recruiter than an unfriendly one. Moreover, Rynes, Bretz and Gerhart (1991) find that line employees have a bigger signalling impact than staff recruiters and that both are conditioned by the feedback of applicants regarding their impressions of the employer brand image.

### ***Our Research Rationale and the Modelling of Employer Brand Image***

In the service industries, employees play a critical role in the development of the brand image (de Chernatony and Segal-Horn 2003; McDonald, de Chernatony and Harris 2001; Bitner, Boom and Mohr 1994). Hence, the recruitment of appropriate staff that support and develop this image becomes critical (Smythe, Dorward and Reback 1992; Ambler and Barrow, 1996), as does the employer brand image in the recruitment market (Ewing et al. 2002). The focus of our research is on this employer brand image of an international service provider during the recruitment process and is measured externally by potential recruits and internally by their recruiters. There are two main reasons we have chosen this unit of analysis. First, the apparent importance of the recruitment market to international service providers, such as KPMG, PwC, Deloitte and the major banks, particularly when competing to recruit top graduates from the same pool (Clegg 2004). Second, because it touches on the recent phenomena of the collapse of companies' internal-external boundaries: Hatch and Schultz (1997, p356) state that "one of the primary challenges faced by contemporary

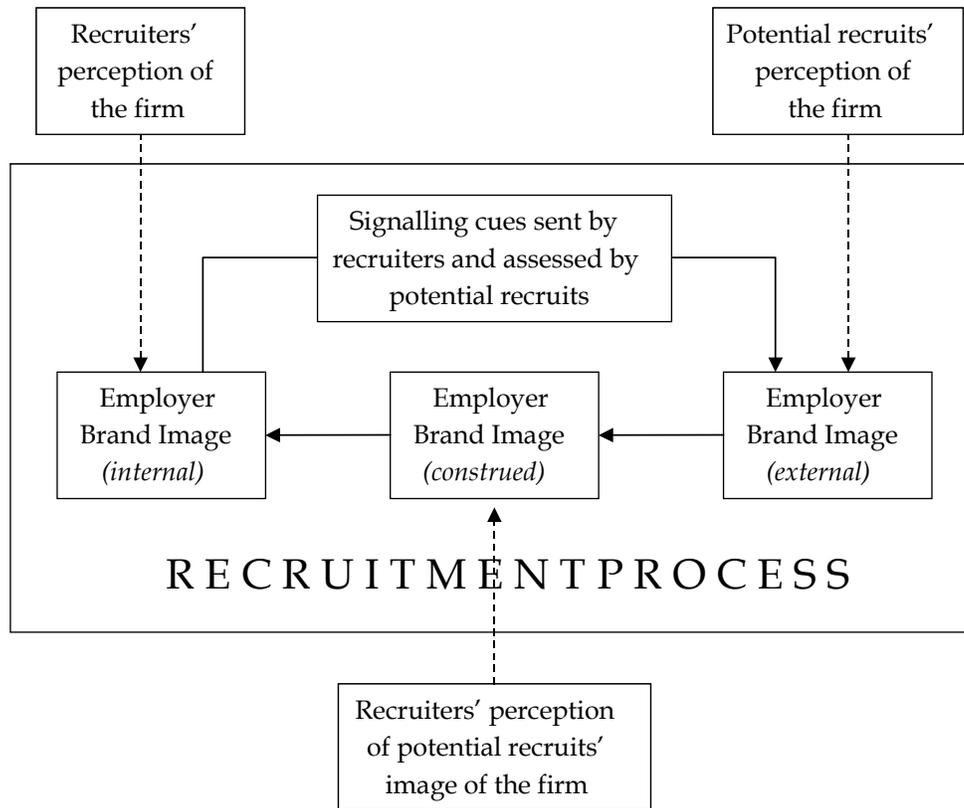
organisations stems from the breakdown of the boundary between their external and internal aspects" leading to "external and internal relations ... collapsing together". This has profound implications on how firms address the recruitment market and the role of interpersonal communications between employees and potential employees.

Dowling (2002) argues that interpersonal communications between employees and external groups is far more powerful in terms of shaping attitudes and image than any communication sponsored by the firm itself that will tend to reflect a desired (or aspirational) corporate image. He also suggests, like Rynes et al (1991), that employees can be influenced in their image of the firm through feedback from external groups. This feedback loop between such an external group and employees is in acknowledgment of some level of 'inter-relatedness' (Ind, 1997, p.51). Dutton and Dukerich (Dutton and Dukerich 1991) refer to this image (that the employee sees reflected back from the external world) as the 'construed image'. That is the image which employees think external audiences have of the firm and is not necessarily the same as the image which external audiences actually have of the firm.

Because we are interested in the effects of *construed* employer brand image, as well as the *internal* and *external* image of the employer brand during the recruitment process, we have adapted Dukerich and Carter's (2000) model (see Figure 1) to develop and test our research postulates. In their original model, they emphasise the importance of proactive corporate image management to detect and repair negative perceptions across all stakeholders by reconciling *construed* and *external* images. However, they make no particular reference to the recruitment market in their paper and their model is conceptual. So our contribution to the marketing literature is to adapt their model for the recruitment market and to measure images of the employer brand empirically.

As we discussed earlier, there are a variety of inputs and outputs which impact both the recruiters' and potential recruits' perceptions of the firm, so it is important to recognise that our research model (Figure 1) is not a 'closed system'. However, an understanding of similarities and differences between these perceptions in Figure 1 provides valuable, new understanding about the employer brand image and its impact on the recruitment process.

Whilst it can readily be concluded that employees have a critical role to play in the recruitment process, there is very little research in this area. Barber (1998) asserts that most research either treats agents (i.e. those individuals who carry out the organisation's recruitment strategies) as passive actors or fails to differentiate them from the organisation itself and she concludes that this is a potentially serious omission. Equally, the signals



*(Adapted from Dukerich and Carter, 2000)*

**Figure 1. Perceptions of Employer Brand Image in the Recruitment Process**

these agents send out to potential recruits influence employer brand image formation and need to be better understood (Ewing et al. 2002).

Based on the limited literature of employer branding, as evidenced in our summary review, and our research objectives discussed earlier, we developed two research postulates to test:

### **The Research Postulates**

To ensure that our measure of employer brand image among potential recruits is linked to their application intentions, we first need to test if this relationship holds for the main international service companies competing to recruit top graduates from the same pool:

**P1:** *Among graduate recruits, the overall attractiveness of the employer brand image will positively correlate with application intention.*

Assuming that we can detect an association between application intent and a positive employer brand image, we then measure the internal, external and construed employer brand images for one of these firms during the recruitment process (as per Figure 1). Our model shows that the image that recruiters hold of the firm impacts the employer brand image held by potential recruits. It also shows that recruiters will be aware of this image held by potential recruits. However, what is not clear is the effect this feedback has on the recruiters' beliefs and behaviours.

Consequently, we develop a further research postulate to explore this issue. Assuming that external feedback is readily assimilated into the employer brand image held by the firm's recruiters, the attractiveness ratings ascribed to the firm by both recruiters and recruits against key employer brand attributes will be the same:

**P2:** *The employer brand image of the firm held by potential recruits and recruiters against key attributes will be the same.*

### **Background to the Research Design: Measuring the Attributes of Employer Brand Image**

Much of the recruitment research that has been carried out on organisational choice is based on Vroom's (1964) expectancy theory; a rational model that describes total motivation to join an organisation as a function of the calculated attractiveness of an organisation (itself the function of beliefs about outcomes and the importance of each outcome) and the expectancy of being admitted to that organisation. In the context of organisational choice, the 'outcomes' become the firm's attributes, with expectancy referring to the applicant's beliefs that he or she would be successful in obtaining employment with the firm. The results of tests on Vroom's model lead Barber (1998, p112) to conclude that "expectancy models do seem to predict both attraction to organisations and actual organizational choice". Others too have extensively tested the model and draw similar conclusions in the recruitment literature (e.g. Connolly & Vines 1977; Mitchell & Beach 1976; Muchinsky & Taylor 1976; Wanous, Keon & Latack 1983).

Given that Vroom's Attractiveness Model has been used extensively in the recruitment literature, we felt confident using it in a modified form to provide a measure of employer brand image during the recruitment process (Figure 2):

$$\text{E.B.I.} = \sum_{i=1}^n V_i \times I_i$$

E.B.I. = Employer Brand Image (Attractiveness);  $V_i$  = Valence of attribute  $i$  ;  
 $I$  = Instrumentality for attribute  $i$  ;  $n = 20$  (in this study)

*Adapted from Vroom's Attractiveness Model (1964)*

### **Figure 2. Measuring Employer Brand Image**

In other words, each attribute of the employer brand image is assigned a valence rating, the anticipated satisfaction from an outcome (Vroom, 1964, p.15), and an instrumentality rating which indicates the degree to which an individual perceives a given employer to be instrumental in attaining an outcome (Muchinsky & Taylor 1976). The sum of these multiplicative ratings gives an overall attractiveness score of employer brand image among potential recruits.

As part of a broader UK study of the graduate recruitment market sponsored by a major international service provider (referred to here as the Firm), these attributes of the employer brand image have been elicited using Repertory Grid interviews with 32 undergraduates of the target universities after earlier piloting (Freeman 2002). A total of 545 attributes were found and content analysis identified that there were 84 common attributes, the relative importance of which was determined by a frequency count (moderated by a variability score for each attribute). From this, a short list of the 20 most important were drawn up for the purposes of this study. They are listed in Table 1.

In effect, these are the main attributes of the employer brand which potential recruits (undergraduates) evaluate in their job applications to major UK employers. The preference s/he shows for one firm over a competitor is determined, we propose, by the attractiveness of the employer brand image based on these attributes.

#### ***Measuring Employer Brand Image: Research Design and Methodology***

The undergraduate respondents in our research were in their final year at major UK universities and were actively looking to start their careers shortly after graduation (but not yet in possession of a job offer). A survey was sent out by email to 2351 students (meeting the criteria above) from twenty-two universities to explore the external employer brand image and a response (completion) rate of 37% resulted in a final sample of 862. The fieldwork was

**Table 1. Key Attributes of Employer Brand Image in Graduate Recruitment (in alphabetical order)**

- Allows a lot of freedom to work on your own initiative
- Employs people with whom you feel you will have things in common
- Has a dynamic, forward-looking approach to their business
- Has a friendly, informal culture
- In the early years, offers the opportunity to move around the organisation and work in different roles
- Invests heavily in training and development of its employees
- Is a pure meritocracy
- Is a small organisation
- Is widely regarded as a highly prestigious employer
- Offers a lot of scope for creativity in your work
- Offers a relatively stress-free working environment
- Offers a very high starting salary
- Offers clear opportunities for long-term career progression
- Offers the opportunity for international travel
- Offers the opportunity to work and live abroad
- Offers variety in your daily work
- Provides you with an internationally diverse mix of colleagues
- Really cares about their employees as individuals
- Requires you to work standard working hours only
- Uses your degree skills

conducted during the months of November and December in order to coincide with the period during which most of the undergraduates would be making their decisions as to which employers to submit job applications. It was also the time at which the Firm's part-time recruiters<sup>3</sup> were at their most active in doing the rounds of the major UK universities and engaging potential recruits in the Firm's graduate recruitment drive. To minimise the risk of impression management biasing the undergraduates' responses, the name of the Firm was not revealed and the subjects were promised

---

<sup>3</sup> In the firm part-time recruiters are central to the graduate recruitment process and form the employee sample for our research. They are referred to as part-time recruiters as they are line employees and recent alumni of the particular university where they are recruiting. Their role is to seek out potential recruits for further interviewing by the firm's full-time recruiting Dept. at a later stage. This is the point at which potential recruits are encouraged to submit a job application to the Firm.

confidentiality. A prize draw was used to encourage responses to the survey.

In the survey, undergraduate respondents were asked to rate the 20 attributes of employer brand image (Table 1) according to their valence and instrumentality in selecting firms for job applications generally. They were then asked for their ratings of these attributes for three major graduate employers (the Firm, a media corporation and an investment bank) to measure *external* employer brand images of these firms and, finally, the likelihood (rating) of their applying to these organisations for a job. A seven-point, bi-polar rating scale was used for all questions (e.g. for valence ratings, 7 = very important; 1 = very unimportant). The demographic data gathered included sex, course type and university.

At the same time, an internal survey was sent out to all of the Firm's part-time recruiters (1,117) by internal email (anonymity was guaranteed) and a response rate of 53% resulted in a final sample of 593. This survey asked the part-time recruiters to provide their ratings of the Firm against the same attributes (to investigate *internal* employer brand image) and then to provide the ratings of the Firm they would expect from undergraduates (to investigate *construed* employer brand image). Again, a seven-point rating scale was used in all questions.

Both surveys which had been previously piloted (Freeman, 2003), were situated on the Internet and took approximately ten minutes to complete. An analysis was conducted of the non-respondents' demographics and their reasons for not responding to ensure that there was no cause for concern about related bias in the samples.

### **Analysis and Results**

The statistical processing of the survey data was conducted using the SPSS software package. The significance level was set at 95% (although higher levels are also reported) and all tests were two-tailed. Descriptive statistics were then produced for all the survey questions and *t*-tests used to compare means.

First, overall attractiveness scores of the employer brand image were calculated for each organisation (following the Vroom model, Figure 2) and a correlation analysis conducted between these and the 'likelihood to apply' ratings, using Pearson's product moment correlation coefficient, *r*. Mean ratings for the internal survey data were calculated by attribute (according to valence and instrumentality). Then *t*-tests were used to compare the recruiter's *internal* and *construed* employer brand image with the recruit's *external* employer brand image across these attributes.

Turning now to each research postulate to explore the top-line results:

**P1:** *Among graduate recruits, the overall attractiveness of the employer brand image will positively correlate with application intention.*

The results of the correlation tests for the employer brand image scores with likelihood of application (for all respondents) for each of the three firms in the survey are shown in Table 2 below. It can be seen that there is a positive correlation in each case (with results statistically significant at  $p = 0.010$ ) so **the research postulate is supported.**

However, the strength of the relationships is only moderate. It is of course probable that overall employer brand image is, in practice, more than the sum of the separate attributes (Van Riel 1992, p.88), particularly when it was only possible to use twenty of the eighty-four attributes found in the survey (for reasons of practicable survey length). We explore this finding in more detail in the discussion of results section below.

**Table 2. Correlation between Employer Brand Image Scores and Likelihood to Apply**

*2.1 Correlation between Employer Brand Image Score and Likelihood to Apply for the Firm*

|          |                     | How likely is it that you will submit an application to the Firm? |
|----------|---------------------|---|
| The Firm | Pearson Correlation | .440**  |
|          | Sig. (2-tailed)     | .000  |
|          | N                   | 1281  |

*2.2 Correlation between Employer Brand Image Score and Likelihood to Apply for the Media Corporation*

|                   |                     | How likely is it that you will submit an application to the Media Corporation? |
|-------------------|---------------------|--|
| Media Corporation | Pearson Correlation | .332**   |
|                   | Sig. (2-tailed)     | .000   |
|                   | N                   | 1281   |

*2.3 Correlation between Employer Brand Image Scores and Likelihood to Apply for the Bank*

|                 |                     | How likely is it that you will submit an application to the Investment Bank? |
|-----------------|---------------------|--|
| Investment Bank | Pearson Correlation | .436**   |
|                 | Sig. (2-tailed)     | .000   |
|                 | N                   | 1281   |

\*\* All correlations are significant at the 0.01level

**P2:** *The employer brand image of the Firm held by potential recruits and recruiters against key attributes will be the same.*

The relative ratings of each attribute, for both the *internal* and *external* employer brand image of the Firm, are shown in Table 3 below:

**Table 3. Mean Ratings and Statistically Significant Differences of the Internal and External Employer Brand Image by Attribute**

| Attribute | Employer Brand Image by Attribute |          |          |                      |
|-----------|-----------------------------------|----------|----------|----------------------|
|           | t                                 | Internal | External | Internal vs External |
| 1         | -11.49                            | 4.25     | 5.13     | ***                  |
| 2         | 26.48                             | 5.85     | 4.21     | ***                  |
| 3         | 4.09                              | 4.99     | 4.68     | ***                  |
| 4         | 14.99                             | 5.17     | 4.20     | ***                  |
| 5         | -6.31                             | 4.97     | 5.39     | ***                  |
| 6         | 6.48                              | 5.78     | 5.39     | ***                  |
| 7         | -3.73                             | 3.85     | 4.16     | ***                  |
| 8         | 2.92                              | 4.66     | 4.41     | **                   |
| 9         | -6.49                             | 4.58     | 5.04     | ***                  |
| 10        | -7.57                             | 4.67     | 5.22     | ***                  |
| 11        | 6.25                              | 6.10     | 5.78     | ***                  |
| 12        | 2.95                              | 5.79     | 5.61     | **                   |
| 13        | 4.49                              | 5.22     | 4.91     | ***                  |
| 14        | -8.31                             | 5.31     | 5.83     | ***                  |
| 15        | 2.83                              | 5.99     | 5.84     | **                   |
| 16        | -3.85                             | 1.59     | 1.80     | ***                  |
| 17        | -18.80                            | 1.65     | 2.81     | ***                  |
| 18        | -0.61                             | 4.55     | 4.56     | -                    |
| 19        | -3.86                             | 2.81     | 3.06     | ***                  |
| 20        | 4.58                              | 6.35     | 6.12     | ***                  |

- = Not significant

\*\* = Significant at 0.010 level

\* = Significant at 0.050 level

\*\*\* = Significant at 0.001 level

It can be seen that there are statistically significant differences between the *internal* and *external* perceptions of employer brand image on all but one of the 20 attributes. Thus, **postulate two is refuted**. Again, the implications of this finding for recruitment marketing are considered in the discussion section.

The mean ratings for the *construed* employer brand image of the Firm (i.e. the attribute ratings that the part-time recruiters believe would be given by undergraduates) are also shown in against their *internal* scores in Table 4 below:

**Table 4. Mean Ratings and Statistically Significant Differences of the Internal and Construed Employer Brand Image by Attribute**

| Attribute | Employer Brand Image by Attribute |          |           |                       |
|-----------|-----------------------------------|----------|-----------|-----------------------|
|           | t                                 | Internal | Construed | Internal vs Construed |
| 1         | -21.37                            | 4.25     | 5.88      | ***                   |
| 2         | 6.16                              | 5.85     | 5.51      | ***                   |
| 3         | -2.07                             | 4.99     | 5.13      | *                     |
| 4         | 5.83                              | 5.17     | 4.78      | ***                   |
| 5         | -17.87                            | 4.97     | 6.12      | ***                   |
| 6         | 0.03                              | 5.78     | 5.78      | -                     |
| 7         | -11.18                            | 3.85     | 4.78      | ***                   |
| 8         | -3.26                             | 4.66     | 4.89      | **                    |
| 9         | -13.20                            | 4.58     | 5.51      | ***                   |
| 10        | -18.84                            | 4.67     | 5.97      | ***                   |
| 11        | -10.50                            | 6.10     | 6.47      | ***                   |
| 12        | -3.66                             | 5.79     | 5.96      | ***                   |
| 13        | -9.25                             | 5.22     | 5.79      | ***                   |
| 14        | -11.51                            | 5.31     | 6.05      | ***                   |
| 15        | 1.79                              | 5.99     | 5.91      | -                     |
| 16        | -6.07                             | 1.59     | 1.91      | ***                   |
| 17        | -14.61                            | 1.65     | 2.59      | ***                   |
| 18        | -7.25                             | 4.55     | 5.09      | ***                   |
| 19        | -2.99                             | 2.81     | 3.02      | **                    |
| 20        | -6.91                             | 6.35     | 6.56      | ***                   |

- = Not significant

\*\* = Significant at 0.010 level

\* = Significant at 0.050 level

\*\*\* = Significant at 0.001 level

A positive perception of a 'construed' attribute is defined as either where the 'construed' attribute rating was higher than the 'internal' rating (based on statistical significance) and/or where the absolute rating on the *construed* employer brand attribute was  $\geq 5$  ('somewhat agree' on the 7-point scale). It can be seen in Table 4 that thirteen of the twenty *construed* attributes were perceived positively by the recruiters. So, on balance, we conclude that their interpretation of how potential recruits perceive the employer brand image is more positive than their own view and, indeed, the view of the potential recruits themselves!

### Discussion of Results

The results of our research show that for the multinational service organisations included here, there is a correlation between an attractive employer brand image and likelihood to apply for a job, thus supporting Vroom's attractiveness model in job application decisions. However, since

only moderate values of the correlation coefficients were found, our research model (Figure 1) may have been under-specified which, in part, could be due to the relatively small proportion of the total attributes (from the prior research) that we were able to use in this study.

Two further possibilities are put forward. First, that contrary to the previous research discussed, expectancy does indeed play some role, though probably not as predicted by expectancy theory. For example, it might be that expectancy and attractiveness interact with each other. So, if the attractiveness score is extremely high, perhaps the relative weighting of the expectancy score is reduced exponentially, rather than linearly. Second, it could be that the effort put into completing a job application may play a part. Many of the students contacted through the survey seemed to be suffering from a heavy workload. So, presumably they would not want to be wasting time by filling out lengthy application forms if their application was unlikely to progress very far. Other factors might include the level of difficulty or effort associated with each application and assessment process.

With regard to postulate two, the main issue for comment is the difference found between the *internal* and *external* employer brand images (see Figure 1). Whilst Kennedy (1977) and others find that employees and external groups do have very similar perceptions of the image of a company, here the perceptions of part-time recruiters and potential recruits vary by attribute; the overall result shows statistically significant differences in all but one case and that recruiters also have an 'inflated' view of how potential recruits see the Firm. In attempting to understand these differences, it should be remembered that other factors apart from employee contact, such as recruitment collateral and industry image (Dowling 1994, 2001), will impact perceptions of the Firm as a potential employer. This again points to an underspecification of our model for researching employer brand image and the need to develop a stronger internal and external marketing approach to the recruitment market.

It would be interesting to investigate whether or not differences in *internal* and *external* employer brand images fall away as recruitment progresses. Jablin (Jablin 2001) examines the importance of communication during the entry process since it serves as a form of anticipatory socialization for new organisational recruits and provides them with certain expectations. He concludes that job applicants have unrealistic expectations about the organisations in which they are seeking employment. This suggests that even close to the point of entering a firm, our research model (Figure 1) will not be stable, i.e. there will still be differences between *external* and *internal* employer brand images.

### *Management Implications*

Our findings make clear the importance of an integrated approach to internal and external marketing for the recruitment market in particular and for external communications generally. The messages that firms send out to potential recruits need to be reinforced by its own employees and recruiters. In this instance, the internal and external brand images seem to be very different, suggesting opportunities for the Firm to develop a more consistent employer brand image through formal and informal briefings of part-time recruiters about the Firm's key recruitment messages. Cheney and Christensen (2001) propose that, in so far as external marketing communications are self-enhancing, the organisation is also *auto-communicating*, i.e. communicating with itself. In this auto-communication process, besides acting as a receiver of the corporate message, the external audience represents an ideal reference point for the communicator to recognise it through how it wants to be seen by others. This phenomenon is likely to have an impact on the nature of the *construed* employer brand image in our research model (Figure 1) and can be influenced, for example, by having targeted messages in recruitment brochures and continuous brand building campaigns in recruitment markets. For instance, Clegg (2004) reports on four such campaigns in the graduate recruitment market across leading universities: sponsoring clubs and societies; providing specialist inputs to course work; paying students to act as 'brand ambassadors' or advocates for other high-performing students; offering pre-university scholarships. This consumer-style approach to recruitment requires a new breed of managers who by profession are marketers, but are employed in human resources.

At the same time, under the collapse of internal-external boundaries (Hatch and Schultz 1997), it becomes important that there is consistency between internal and external marketing communications (Albert and Whetten 1985; Bouchikhi et al. 1998). Mitchell (2002) refers to this as 'two-way branding'; the strengthening of both sides of the equation as internal marketing draws on the same 'big idea' as external advertising. This again suggests the need for marketing and human resource specialists to be working closely together. Christopher, Payne and Ballantyne (2003) also argue that a central tenet of internal marketing is the requirement for each employee to act both as an internal customer and supplier to fulfil the expectation that *all* employees 'live the brand'. Recruitment marketing should be no exception to this and Cisco Systems provides a particularly innovative example of how part-time recruiters are engaged successfully in marketing to potential recruits. The company's 'friends' programme works by connecting staff, as part-time recruiters, with potential employees to discuss job opportunities and working conditions. Their approach has been

very effective in the recruitment of talented staff, with part-time recruiters being offered referral fees with each successful application. This web-based internal marketing programme has smoothed their whole recruitment process (*ibid*).

### ***Contribution, Limitations and Further Research***

In the marketing literature there has been very little attention paid to the application of marketing principles to external groups beyond customers. While it is right and proper that customer acquisition and retention should remain the primary focus of marketing, we argue that in the service industries where employees have become critical to the firm's ability to differentiate, the application of marketing practices to the recruitment market is gaining in importance. Our contribution to the marketing literature and theory development has been to provide empirical evidence of how employer brand images are perceived both from an 'outside-in' and 'inside-out' perspective using a model adapted for the recruitment market from Dukerich and Carter's (2000) original work. Our findings confirm that the employer brand image does positively correlate with graduate recruitment intentions and that there are significant differences in the perception of this image internally and externally. To achieve congruency between the external and internal employer brand image in this market means that firms need to consider how their internal marketing practices might be improved.

A weakness of our study is the non-random nature of the sample used for the external survey which means that our results cannot be generalised as inferential statistics require data from a random sample (Neuman, 2000, p341). However, given that the sampling process worked very well and resulted in a high response rate to the internet-based questionnaire, we would argue that the sample was robust.

A further limitation was that the majority of the organisation-specific findings were confined to the Firm and not extended to main competitors used to develop and validate the employer brand attributes. Given the highly confidential and strategic nature of graduate recruitment at the time (2000), insights into the Firm's approach was conditional upon us not approaching the Firm's main competitors in the recruitment market.

Finally, the *internal* employer brand attributes in the survey of part-time recruits are measured using the same 20 attributes as potential recruits. Although recent graduates themselves, it is possible that some of their beliefs about the Firm's attributes may have changed through the experience of working at the Firm a year or two. However, in our pilot study (Freeman, 2003), there is no evidence to suggest that they wish to change, modify or even alter the ordering of the most salient attributes.

A number of opportunities for further research can also be identified.

First, with regard to a fuller specification of the model (Figure 1), a study could be designed to ascertain which additional factors of recruitment, whether people, process or the marketing of the firm's recruitment messages, would contribute to the relationship between employer brand image and the likelihood to apply. The identification of a broader set of such factors tailored to the recruitment market could lead to more effective - and efficient - recruitment drives for talent (Ewing et al., 2002).

Second, it would be appropriate to pursue further the potential role of internal marketing in influencing the recruiter's beliefs and behaviours, as well as the image of the employer brand. The concept of internal marketing is gaining acceptance in the marketing literature and, although many such initiatives have failed (Schultz, 2004), there is a growing body of research interest (e.g. Piercy and Morgan 1991; Foreman and Money 1995; Ahmed et al 2003; Naudé et al. 2003) and is now regarded as crucial to successful service brands (de Chernatony and Segal-Horn 2003). If this research of graduate recruitment in the service sector is indicative, we believe that an important first step in the development of a more congruent employer brand image across all recruitment markets lies in the firm's approach to internal marketing.

## References

- Ahmed, P.K., Rafiq, M. and Saad, N.M. (2003), "Internal Marketing and the Mediating Role of Organisational Competencies", *European Journal of Marketing*, Volume 37, No.9, pp. 221-1241
- Albert, S. and Whetten, D.A. (1985), "Organizational Identity". In: Cummings, L.L. and Staw, B.M., (Eds.), *Research in Organizational Behaviour: An Annual Series of Analytical Essays and Critical Reviews*, Connecticut, U.S: JAI Press, pp. 263-295,
- Ambler, T. and Barrow, S. (1996), "The Employer Brand", *The Journal of Brand Management*, Volume 4, No.3, pp. 85-206
- Balmer, J.M.T. (1995), "Corporate Branding and Connoisseurship", *Journal of General Management*, Volume 21, pp. 24-46
- Balmer, J.M.T. (2001), "The Three Virtues and Seven Deadly Sins of Corporate Brand Management", *Journal of General Management*, Volume 27, No.1, pp. 1-17
- Balmer, J.M.T. and Gray, E.R. (2003), "Corporate Brands: What are They? What of Them?" *European Journal of Marketing*, Volume 37, No.7/8, pp. 972-997
- Barber, A.E. (1998), *Recruiting Employees: Individual and Organizational Perspectives*, California: Sage
- Bitner, M., Booms, B. and Mohr, L. (1994), "Critical Service Encounters: The

- Employee's Viewpoint", *Journal of Marketing*, Volume 58, Oct., pp. 98-106
- Borden, N.H. (1964), "The Concept of the Marketing Mix", *Journal of Advertising Research*, June, pp. 2-7
- Bouchikhi, H., Fiol, C.M., Gioia, D.A., Golden-Biddle, K., Hatch, M.J., Rao, H.H., Rindova, V., Schultz, M., with Fombrun, C.J., Kimberly, J.R. and Thomas, J.B. (1998), "The Identity of Organizations". In: Whetten, D.A. and Godfrey, P.C. (Eds.), *Identity in organizations: Building theory through conversations*, California: Sage, pp. 33-80
- Cairncross, F. (2000), "Inside the Machine: Survey of E-Management", *The Economist*, 11/11, 6
- Cheney, G. and Christensen, L.T. (2001), "Organizational Identity: Linkages between Internal and External Communication". In: Jablin, F.M. and Putnam, L.L. (Eds.), *The new handbook of organizational communication: Advances in theory, research and methods*, California: Sage, pp. 231-269
- Christopher, M., Payne, A. and Ballantyne, D. (1991), *Relationship Marketing*, Oxford: Butterworth-Heinemann
- Christopher, M., Payne, A. and Ballantyne, D. (2003), *Relationship Marketing: Creating Stakeholder Value*, Oxford: Butterworth-Heinemann
- Clegg, A. (2004), "Companies pull on Grab-a-Graduate Night", *Financial Times*, 25<sup>th</sup> November, p. 17
- Connolly, T. and Vines, C.V. (1997), "Some Instrumentality Valence Models of Undergraduate College Choice", *Decision Sciences*, Volume 8, No.1, p.311
- de Chernatony, L. and Dall'Olmo Riley, F. (1998), "Defining a 'Brand': Beyond the Literature with Experts' Interpretations", *Journal of Marketing Management*, Volume 14, pp. 417-443
- de Chernatony, L. and Segal-Horn, S. (2003), "The Criteria for Successful Service Brands", *European Journal of Marketing*, Volume 37, No.7/8, pp. 1095-1118
- Dobni, D. and Zinkhan, G.M. (1990), "In Search of Brand Image: A Foundational Analysis". In: Goldberg, M.E., Gorn, G.J. and Pollay, R.W., *Advances in Consumer Research*, Association for Consumer Research, UT, Provo, pp. 110- 121
- Dowling, G.R. (1994). *Corporate Reputations: Strategies for Developing the Corporate Brand*, Melbourne: Longman Professional Publishing
- Dowling, G.R. (2001), *Creating Corporate Reputations: Identity, Image and Performance*, Oxford: Oxford University Press
- Dukerich, J.M. and Carter, S.M. (2000), "Distorted Images and Reputation Repair". In: Schultz, M., Hatch, M.J. and Larsen, M.H. (Eds.), *The Expressive Organization: Linking Identity, Reputation, and the Corporate Brand*, Oxford: Oxford University Press, pp. 97-112
- Duncan, T. and Moriarty, S. E. (1998), "A Communication Based Marketing

- Model for Managing Relationships”, *Journal of Marketing*, Volume **62**, No.2, pp. 1-13
- Dutton, J.E. and Dukerich, J.M. (1991), “Keeping an Eye on the Mirror: Image and Identity in Organizations”, *Academy of Management Journal*, Volume **34**, pp. 517-530
- Dutton, J.E., Dukerich, J.M. and Harquail, C.V. (1994), “Organizational Images and Member Identification”, *Administrative Science Quarterly*, Volume **39**, pp. 239-253
- Ewing, M.J., Pitt, L.F., de Bussy, N.M. and Berthon, P. (2002), “Employment Branding in the Knowledge Economy”, *International Journal of Advertising*, Volume **21**, pp. 3-22
- Foreman, S. and Money, A. (1995), “Internal Marketing - Concepts, Measurement and Application”, *Journal of Marketing Management*, Volume **11**, pp. 755-768
- Freeman, C. (2002), “Recruiting for diversity”, *Women in Management Review*, Volume **18**, No.12, pp. 68-76
- Freeman, C. (2003), “Recruitment for Diversity: Sex Differences in Undergraduate Choices of Potential Employees”, *Unpublished D.B.A. thesis, Cranfield School of Management, Bedford*
- Gatewood, R. D., Gowan, M. A. and Lautenschlager, G. J. (1993), “Corporate Image, Recruitment Image and Initial Job Choice”, *Academy of Management Journal*, Volume **36**, pp. 414-424
- Goltz, S.M. and Giannantonio, C.M. (1995), “Recruiter Friendliness and Attraction to the Job: The Mediating Role of Inferences about the Organization”, *Journal of Vocational Behaviour*, Volume **46**, pp. 109-118
- Hatch, M. J. and Schultz, M. (1997), “Relations between Organizational Culture, Identity and Image”, *European Journal of Marketing*, Volume **31**, pp. 356-365
- Honeycutt, T.L. and Rosen, B. (1997), “Family Friendly Human Resource Policies, Salary Levels and Salient Identity as Predictors of Organizational Attraction”, *Journal of Vocational Behaviour*, Volume **50**, pp. 271-290
- Ind, N. (1997), *The Corporate Brand*, Hants, U.K: Macmillan Press
- Ind, N. (1990), *The Corporate Image*, London: Kogan Page
- Ind, N. (2001). *Living The Brand: How to Transform Every Member of Your Organization into a Brand Champion*, London: Kogan Page
- Jablin, F.M. (2001), “Organizational Entry, Assimilation, and Disengagement/Exit”. In: Jablin, F.M. and Putnam, L.L. (Eds.), *The New Handbook of Organizational Communication: Advances in Theory, Research and Methods*, California: Sage, pp. 732-818
- Keller, K.L. (2002), *Strategic Brand Management*, Second Edition, New Jersey: Prentice Hall
- Kennedy, S.H. (1977), “Nurturing Corporate Images”, *European Management*

- Journal*, Volume **11**, No.3, pp. 120-164
- Kotler, P. (1969), *Marketing Management: Analysis, Planning, Implementation and Control*, New Jersey: Prentice Hall
- Kotler, P. (1992), "Total Marketing", *Business Week Advance, Executive Brief*, pp. 2-9.
- Levitt, T. (1986), *The Marketing Imagination*, New York: The Free Press
- McCarthy, E.J. (1960), *Basic Marketing: A Managerial Approach*, Homewood, IL: Richard D. Irwin Inc.
- McDonald, M.H.B., de Chernatony, L. and Harris, F. (2001), "Corporate Marketing and Service Brands - Moving Beyond the Fast-Moving Consumer Goods Model", *European Journal of Marketing*, Volume **35**, No.3/4, pp. 335-352
- Michaels, E., Handfield-Jones, H. and Axelrod, B. (2001), *The War For Talent*, Boston: Harvard Business School Press
- Mitchell, C. (2002), "Selling the Brand Inside", *Harvard Business Review*, January-February, pp. 73-80
- Mitchell, T.R. and Beach, L.R. (1976), "A Review of Occupational Preference and Choice Research using Expectancy Theory and Decision Theory", *Journal of Occupational Psychology*, Volume **49**, pp. 231-248
- Morgan, L.M. and Hunt, S.D. (1994), "The Commitment-Trust Theory of Relationship Marketing", *Journal of Marketing*, Volume **58**, July, pp. 20-38
- Muchinsky, P.M. and Taylor, S. (1976), "Intrasubject Predictions of Occupational Preference: The Effect of Manipulating Components of the Valence Model", *Journal of Vocational Behaviour*, Volume **8**, No.2, pp. 85-195
- Naudé, P., Desai, J. and Murphy, J. (2003), "Identifying the Determinants of Internal Market Orientation", *European Journal of Marketing*, Volume **37**, No.9, pp. 1205-1220
- Neuman, W.L. (2000), *Social Research Methods: Qualitative and Quantitative Approaches*, 4<sup>th</sup> edition, U.S: Allyn and Bacon
- Piercy, N.F. and Morgan, N. (1991), "Internal Marketing - the Missing Half of the Marketing Program", *Long Range Planning*, Volume **24**, No.2, pp. 82-93
- Reichheld, F.F. (1996), *The Loyalty Effect*, Boston, Mass: Harvard Business Press
- Reichheld, F.F. and Sasser, W.E. Jr. (1990), "Zero Defections: Quality Comes to Service", *Harvard Business Review*, September-October, pp. 105-111
- Rynes, S.L., Bretz, R.D., Jr. and Gerhart, B. (1991), "The Importance of Recruitment in Job Choice: A Different Way of Looking", *Personnel Psychology*, Volume **44**, pp. 487-521
- Schlesinger, L.A. and Heskett, J.L. (1991), "Breaking the Cycle of Failure in Services", *Sloan Management Review*, Spring, pp. 17-28
- Schultz, D.E. (2004), "Building an Internal Marketing Management

- Calculus", *Interactive Marketing*, Volume 6, No.2, pp. 111-129
- Smythe, J., Dorward, C. and Reback, J. (1992), *Corporate Reputation*, London: Century
- Stern, B., Zinkhan, G.M. and Jaju, A. (2001), "Marketing Images: Construct Definition, Measurement Issues, and Theory Development", *Marketing Theory*, Volume 1 No.2, pp. 201-224
- Taylor, M.S. and Bergmann, T.J. (1987), "Organizational Recruitment Activities and Applicants' Reactions at Different Stages of the Recruitment Process", *Personnel Psychology*, Volume 40, pp. 261-285
- Turban, D.B., Forret, M.L. and Hendrickson, C.L. (1998), "Applicant Attraction to Firms: Influences of Organization Reputation, Job and Organizational Attributes, and Recruiter Behaviours", *Journal of Vocational Behaviour*, Volume 52, pp. 24-44
- Van Riel, C.B.M. (1992), *Principles of Corporate Communication*, Financial Times, U.K: Prentice Hall
- Vroom, V. H. (1964), *Work and Motivation*, U.S.A: John Wiley
- Wanous, J. P., Keon, T.L. and Latack, J.C. (1983), "Expectancy Theory and Occupational/Organizational Choices: A Review and Test", *Organizational Behaviour and Human Performance*, Volume 32, No.1, pp. 66-86

### About the Authors

**Simon Knox BSc PhD** is Professor of Brand Marketing at the Cranfield School of Management in the UK and is a consultant to a number of multinational companies including McDonald's, Levi Strauss, Zurich Insurance, BT and Exel. Upon graduating, he followed a career in the marketing of international brands with Unilever plc in a number of senior marketing roles in both detergents and foods.

Since joining Cranfield, Simon has published over 100 papers and books on strategic marketing and branding and is a regular speaker at international conferences. He is a Director of the Cranfield Brand Management Development Centre in the School and is currently leading a research team looking at the impact of Corporate Social Responsibility on Brand Management. His recent books include: *Competing on Value*, FT Pitman (UK, Germany, the USA and China), *Creating a Company for Customers*, FT Prentice-Hall (UK, Brazil and India) and *Customer Relationship Management*, Butterworth-Heinemann.

**Cheryl Freeman BSc MBA DBA** is a senior marketing professional. She started her career at Unilever, leaving to take her MBA at Cranfield and then working as a marketing strategy consultant for seven years before joining a leading global services firm, where she held several senior marketing posts,

including Marketing Director for Northern Europe, Middle East and Africa and Global Director of Recruitment Marketing. Cheryl studied for her DBA on the executive doctoral programme at Cranfield. She has presented her research at a number of academic conferences, including the British Academy of Management, where her paper, "Recruiting for Diversity", won the award for best paper in the Gender and Management Track.