



EMPLOYER BRANDING

STUDY

This report lends insight into employer brand practices, influence, and impact.

For nearly a decade our main focus at CareerArc has been helping companies amplify and protect their employer brand—a task which has become more critical to winning top talent, but also more complicated to achieve, with each year.

In just the past ten years, social media and employer review sites have given the workforce unprecedented influence in shaping both consumer and employer brand perception. The multiple news headlines concerning employment practices and ethics that dominated 2017 alone illustrate how one post, or one viral hashtag, can spark a movement.

While this study adds new context to recent events, its publishing also lends insight on a significant moment in our economic and cultural history: **December 2017 marks the 10th Anniversary of the start of the Great Recession. 2007 was also the year Glassdoor was founded, Facebook surpassed MySpace in visitor count, and Twitter introduced the hashtag.**

Our study serves as a snapshot recording the effects these events and innovations had on the talent market. The recession and recovery coincided with the democratization of content, and now job seekers—emboldened by record-low unemployment—not only have a hold on the job market but also wield the power of peer reviews and ratings.

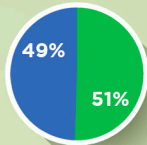
So we surveyed over 1,100 professionals to learn the state of employer brand impact and to see just how powerful social media, reviews, and ratings truly are.

DEMOGRAPHICS

Survey Methodology

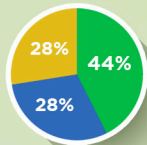
This survey was conducted online within the U.S. 1,162 respondents, comprised of 654 human resources and hiring professionals and 508 adults ages 18 and over, participated in the study conducted between September 18 and October 16, 2017. The study re-examines and expands upon the results published in the inaugural 2015 [CareerArc Employer Branding Study](#).

Job Seekers



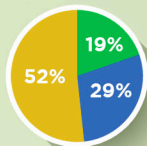
Gender

- Female (51%)
- Male (49%)



Age

- Millennial (44%)
- Gen X (28%)
- Baby Boomer (28%)

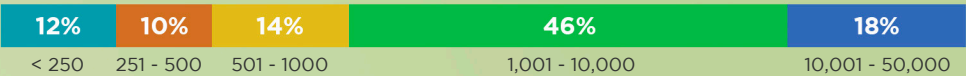


Actively looking for a new job?

- Yes, actively (19%)
- No, passively looking though (29%)
- No, not looking (52%)

Employers

Company Size (# of employees)



Role / Job Function

- 49%** Recruiting / Talent Acquisition
- 29%** HR Generalist
- 6%** Employer Branding
- 4%** Marketing
- 3%** Learning & Development
- 9%** Other

Industry

- Health (20%)
- Technology (14%)
- Manufacturing (9%)
- Retail (8%)
- Professional & Business Services (7%)
- Hospitality (6%)
- Finance / Insurance (6%)
- Transportation (4%)
- Government / Education (6%)
- Other (20%)

A man in a dark suit and glasses is walking from right to left, looking down at a smartphone. He is wearing earbuds and has a yellow folder or bag slung over his shoulder. The background is a modern building with a grid-like facade. The image has a warm, golden-brown color overlay.

SECTION

1

Who Cares About Employer Brand?

WHO CARES ABOUT EMPLOYER BRAND?

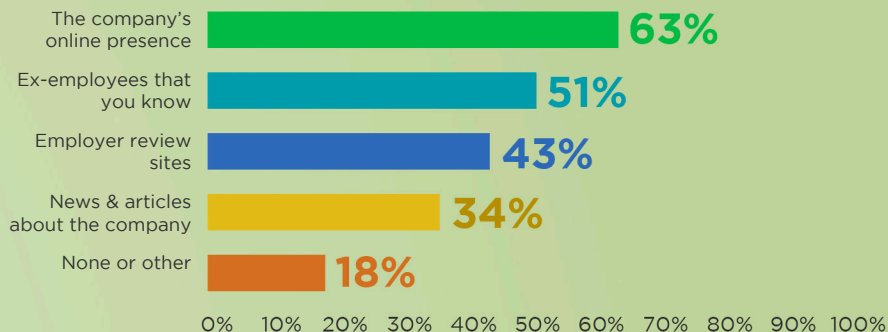
The Majority of Job Seekers

The most popular go-to resource to learn about company brand and culture is, once again, the company's online presence, website and social media. 63% of candidates report visiting these sites first after learning about a job opening—an 11% jump in two years.

91%

of job seekers say they visit at least one online or offline resource to learn more about an employer's brand and reputation.

Q: After you learn about a job opening, where do you usually go next to learn more about a company's employer brand identity and company culture? (Select all that apply.)



WHO CARES ABOUT EMPLOYER BRAND?

The Majority of Consumers

64% of respondents have switched brands or stopped purchasing products from companies tarnished by news of poor employee treatment.

54% of all job seekers have purchased products and services from an employer.

69% have promoted or recommended their own company's products. BUT...

25% say they have stopped purchasing and/or promoting their company's products following a poor employee experience.

Companies believe poor employer reputation impacts revenue.

96% of employers believe employer brand and reputation can positively or negatively impact their company's bottom line.

However, only half (**49%**) monitor that impact.

WHO CARES ABOUT EMPLOYER BRAND?

Millennials

As candidates, employees, and consumers, millennials are overall more attentive of, and reactive to, an employer's brand and reputation compared to their Gen X and baby boomer counterparts.



Millennial job seekers are **twice as likely** as baby boomers and **50% more likely** than Gen Xers to perform research beyond a prospective employer's website.



68% of millennial candidates visit an employer's social media properties specifically to evaluate an employer's brand—**12% more than Gen Xers and 20% more than baby boomers.**



Millennial employees are **2.5x more likely than Gen Xers** to share negative views of past employers on social media.



Millennial consumers are **30% more likely than Gen Xers and 60% more likely than baby boomers** to stop purchasing and/or promoting an employer's goods and services following a poor employee experience.



WHO CARES ABOUT EMPLOYER BRAND?

Women

While both women and men were observed to be influenced by employer brand health indicators, such as star ratings and online reviews, the survey data showed a statistically significant difference between how male and female candidates react to, as well as seek out, these indicators.

Women are 25% more likely than their male counterparts to reference employer review sites when vetting a potential employer.

Female candidates were also more likely than men to abandon a job application after reading online reviews detailing poor employee treatment and/or management, poor candidate experience, poor customer experience, and poor layoff practices.

Women are

33%

less likely than male candidates to apply to a poorly-rated (1-star) company and

15% more likely to consider quitting from a company with poor employment practices.



SECTION

2

What Shapes Employer Brand?

WHAT SHAPES EMPLOYER BRAND?

Star Ratings Matter



ONLY 1 in 5
CANDIDATES



would apply to a 1-star rated company, and only 1 in 3 would apply to a 2-star company.

Meanwhile, 86% of companies doubt the fairness of online reviews.

- 31% of employers claim review sites give an unfair portrayal of a company's employment practices and company culture.
- 55% believe these sites give only a "somewhat fair" portrayal.
- Nevertheless, 91% of employers believe a company's star rating can win or lose a job applicant.

WHAT SHAPES EMPLOYER BRAND?

Reviews claiming poor treatment of employees, clients, and candidates pose the biggest threat to talent attraction.

Online reviews claiming:

Candidate Impact

Poor management /
treatment of employees



Poor treatment of
customers / clients



Poor treatment of
job candidates



Poorly conducted
terminations or layoffs



Poorly conducted
onboarding experience
(orientation & training)



Reviews concerning cuts to company perks pose the least threat.

A company has cut back
on company perks (free
food, gym membership,
wellness programs, etc.)



Extremely unlikely to apply Very unlikely to apply Somewhat unlikely to apply Neither more nor less likely to apply

90%

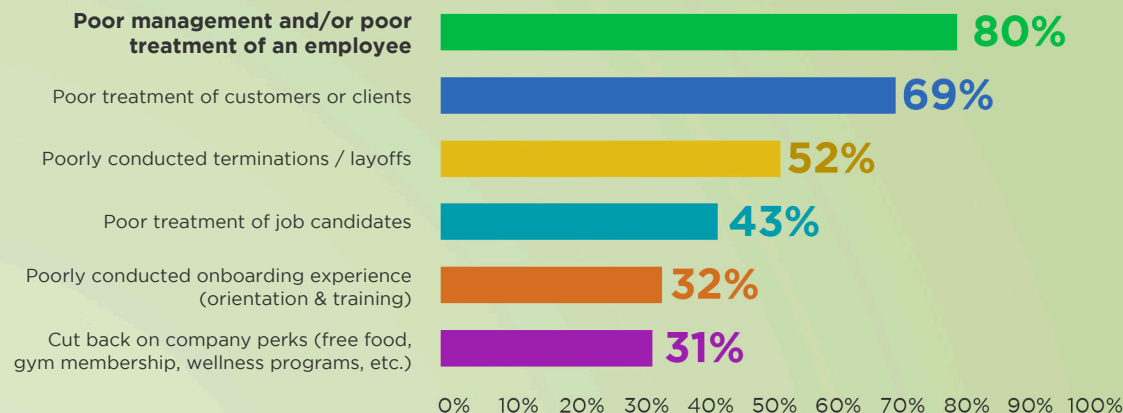
of job seekers

say reading reviews of poor customer or
employee treatment would negatively
impact their likelihood of applying.

WHAT SHAPES EMPLOYER BRAND?

Witnessing the mistreatment of colleagues and clients poses the biggest threat to talent retention.

Q: Which of the following would make you consider switching jobs if you witnessed it at your current (or most recent) company? (Select all that apply.)



80%

of employees

say they would consider switching jobs if they witnessed their colleagues suffer poor treatment or management at work.

WHAT SHAPES EMPLOYER BRAND?

Layoffs & Terminations are powerful triggers for negative reviews.

Q: Did you share negative views about the employer who let you go?

2015  **38% Yes**

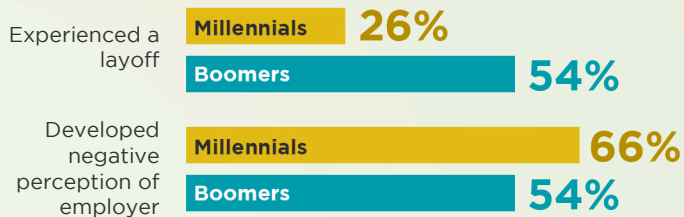
2017  **66% Yes**

66% of candidates report sharing their negative perception of an employer that laid them off. **That is nearly double the rate from two years ago** when **38% of job seekers** reported having shared negative reviews.

The long-term unemployed are **2.5x more likely** to share their negative views of employers compared to the short-term unemployed.

65% of job seekers say they would you be less likely to purchase the goods and services of a company that let them go.

Millennials are particularly more jaded and vocal about being let go.



Millennials are **2.5x more likely** than Gen Xers to share negative views of past employers on social media.

Over half of all baby boomers (54%) report having once been laid off or terminated in their careers, compared to **only a quarter of millennials (25%)**. However, **66% of millennials** say they had developed a negative perception of that employer following the separation event, compared to only **about half (54%) of baby boomers**.

WHAT SHAPES EMPLOYER BRAND?

The Great Recession

December 2017 marked the 10th Anniversary of the start of the Great Recession. We asked adults affected by the downturn about their views of past and current employers.

U.S. adults impacted by the Great Recession are more likely jobless today and anxious about tomorrow.

Those who reported being negatively impacted by the Great Recession were also:

- **44% more likely** to be unemployed today, and **22% more likely** to be long-term unemployed (jobless for 27 weeks or more).
- **2.5x more likely** to believe another significant recession will occur in the future.
- **2.5x more likely** to give their current employer a 1-star rating.
- **15% more likely** to consider employer brand before applying for a job.

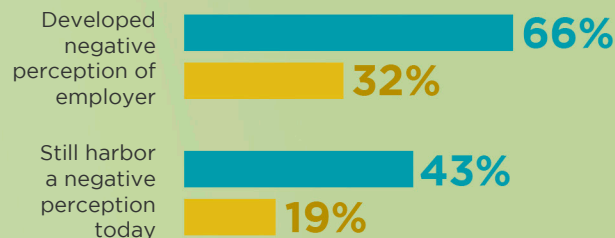
HR professionals also developed and still harbor a negative perception of their past employers.

- **62%** of HR professionals report working for a company that had been negatively impacted during the Great Recession.
- Among them, **32%** were left with a negative impression of the employer based on how the layoffs were handled, and **19%** say they still harbor that negative perception today.

43%

of employees who were laid off during the Great Recession say they still harbor a negative perception today of the company that let them go, nearly 10 years later.

- Employees laid off during the Great Recession
- HR Pros who administered and/or witnessed Great Recession layoffs





SECTION

3

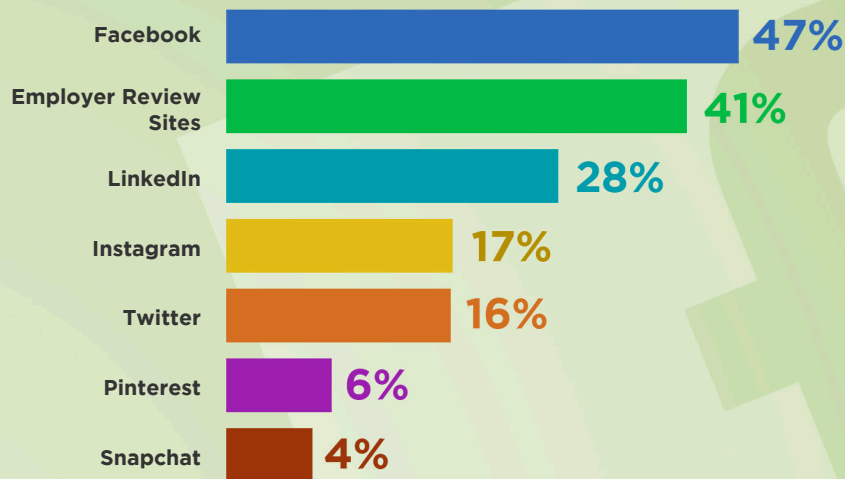
What's Next?

New Actionable Insights

Facebook Tops List of Go-To Resources for Job Seekers

Beyond the company website, the sites most visited by job seekers when researching potential employers were Facebook (47%), followed by Employer Review Sites (41%), and LinkedIn (28%).

Q: Which of the following online platforms do you visit to learn more about a company's employer brand? (Select all that apply.)



68%

of millennials visit a company's social media properties specifically to evaluate an employer's brand, **12% more than Gen Xers** and **20% more than baby boomers**.

91%

of employers say they will invest in social media this year to promote employer brand.

WHAT SHAPES EMPLOYER BRAND?

Unhappy employees most typically apply for jobs blindly.

Compared to the “happiest employees” who rated their current or most recent employers with 5 stars, the “unhappiest employees” who rated their employer with only 1 star were:

- **2.5x more likely to apply for a position without performing any research about the company.**
- **44% less likely** to say they consider a company’s employer brand before applying for a job.
- **Over 2x more likely** to be actively looking for a new job today.

Conversely,

the “happiest employees” are typically more discerning about the next company they work for:

- **84%** perform additional research before applying for a job.
- **40% more likely** to perform research beyond the company website.



WHAT SHAPES EMPLOYER BRAND?

Companies likely have more brand advocates than they think.

We asked survey participants to rate their employer on a 5-star scale, the typical rating scale found on employer review sites.

Our respondents gave their employers an average rating of:

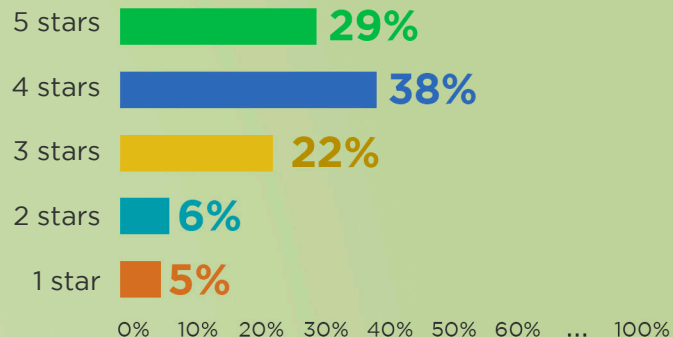
3.8 

This is above the 3.3 average company rating on Glassdoor and also above the average star rating our employer respondents estimated they would receive from current employees: 3.5.

67%

of respondents gave their current or most recent employer an above average rating of 4 or 5 stars.

Q: How would you rate your current or most recent employer?



Outplacement has shown to be effective in mitigating brand impact following a layoff.

Employees who were provided **outplacement**—an employer-sponsored benefit that assists the recently unemployed land their next job faster—were:

38% less likely to harbor a negative perception of their former employer, and thus less likely to share a negative online review.

3x more likely to continue purchasing that company's offerings after the separation event.



In our **Future of Recruiting Study**, nearly **70% of unemployed job seekers** who were offered outplacement services after their layoff or termination **say it improved their relationship and perception of their previous employer.**

CONCLUSION

We live in an age where the decisions we make about where to eat, what movie to watch, and—now—where to work will likely be influenced by an online rating or review generated by peers, not companies.

This reality illustrates the shifting balance of power from employers to employees who—emboldened by a recovering labor market—are growing more vocal and demanding of the companies they work for. Organizations that continue to neglect their employer brand and reputation, especially those looking to hire from the millennial-majority workforce, risk losing out on the best talent today, and even more so tomorrow.

– Robin D. Richards, Chairman & CEO, CareerArc

People apply to companies, not job postings. With record-low unemployment, job seekers today are no longer job hunting—they are *job shopping*—and like smart consumers, they leverage and contribute to the abundance of online information and opinion that shape employer brand today.

Our study confirms this new reality, but it also reveals areas in which companies can wield real influence in managing their talent brand and reputation. These areas, however, require organizations to adopt a more proactive approach to talent attraction that involves an increased presence on key platforms, assessing and mitigating risk factors to brand health, and a meaningful alliance with current employees who drive brand advocacy.

3 Steps to a Better Employer Brand:

- **Boost and Protect Your Online Presence.** Good news for employers: Our study confirms that a company's website and social media properties remain the primary go-to resources for candidates when researching potential employers, even topping employer review sites. These branded properties, largely driven by employer-generated content, afford companies a powerful platform to showcase employer brand content. Talent leaders who invest in **social recruiting**, social media management, and career site improvements can effectively increase their chances of making a lasting first impression with hard-won candidates.
- **Establish a Response Plan for Negative Reviews.** Simply being aware of negative comments is not enough. Today, job seekers expect a reply: 62% of candidates say reading a response to negative reviews improved employer perception (Glassdoor 2016). **Tips on how to respond:** (1) Respond promptly. (2) Show appreciation for the feedback. (3) Share actions taken or initiated to rectify the issue. (4) Really listen to the feedback. Reviews can offer true insight into your organization you might not have otherwise discovered. By remaining open and objective, the actions you take could end up saving your company time, money, and quality talent.
- **Tap into Your Most Overlooked Resource—Happy Employees.** Companies largely perceive online feedback, and the employees who author them, as brand threats to react to and mitigate. But our study offers two key findings that suggest a radically different approach: **(1) Companies likely have more brand advocates than they think; and (2) the least discerning candidates often become the least fulfilled employees.** Organizations that proactively invite employees to participate and engage on social media and employer review sites will more likely enhance, rather than hurt, their employer brand and reputation. Moreover, employers who work to enhance that reputation will earn the attention of the most selective candidates who are also more likely to become the most fulfilled and happiest on the job.



CareerArc is the leading HR technology company helping business leaders recruit and transition the modern workforce. Our social recruiting and modern outplacement solutions help thousands of organizations, including many of the Fortune 500, solve critical business issues with 21st century tools and technology. By leveraging the cloud, running on world-class infrastructure, and combining web, mobile and social media applications, we help companies gain a competitive edge in recruitment, employment branding, and benefits.

Learn more about CareerArc's enterprise solutions at **www.careerarc.com**.