



Employer Branding for Public Utilities

By Dr. Heiko Frank and Mathias Bauer

Creating an attractive employer image

“We have enough work but not enough workers”

Managers from all industries are faced with the increasingly challenging task of attracting qualified employees and junior staff to their companies. Once on board, employers are under pressure to develop individual talents and encourage incoming staff to remain with the company.

Our article uses the example of public utilities in the energy sector and examines how to develop and sustainably maintain an employer branding strategy that both reflects the corporate strategy and successfully combats the above problem.

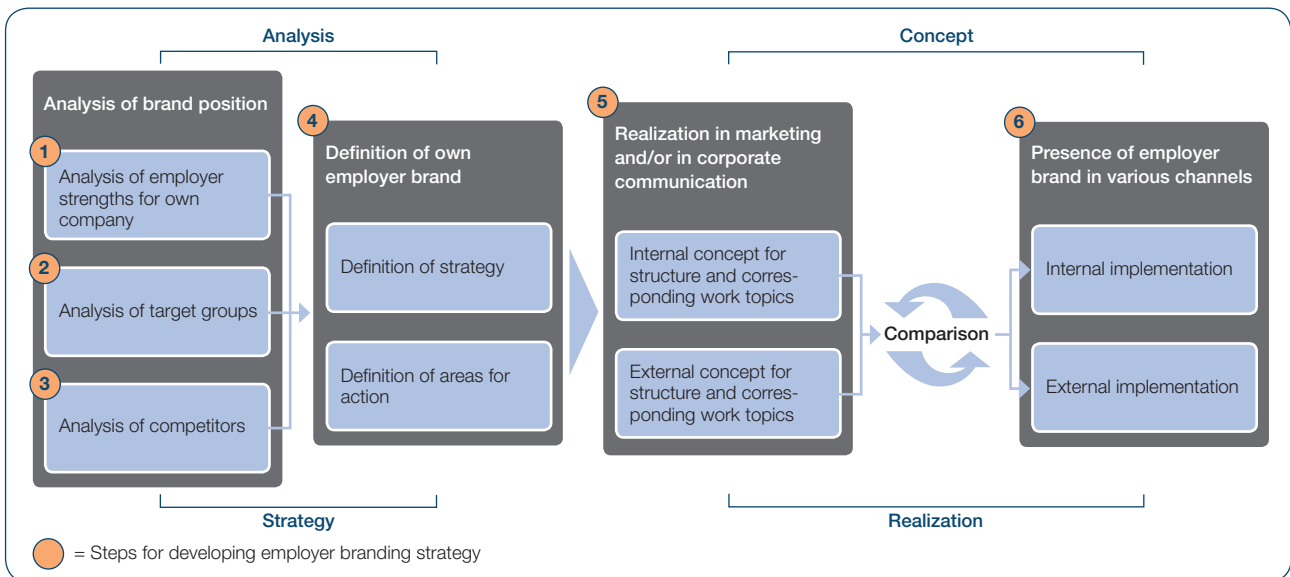
The energy sector has been hit hard by the demographic shift and the fiercer competition on the employment market. Public utilities in this segment find it particularly difficult to outshine the other, more established and stronger “big brand” employers on the same stage. During strategic projects and interviews with municipal suppliers, Tefen Management Consulting have noticed how these companies are finding it difficult to recruit not only suitable junior managers but also good staff for corporate roles either. When compared with more well-known national or regional employers, the working environment as well as career opportunities and salaries are in urgent need of improvement if they are to

have an equal chance on the employment playing field. One effective tool for conquering this key corporate cycle of attracting, developing and binding valuable human resources is so-called “employer branding”. This approach involves the specific use of the corporate brand name or brand promise to attract, win over and retain staff.

In order to turn an employer into an attractive brand, we need to identify the special requirements and needs of the prospective employees and use these to awaken rational and emotional associations with the company brand. With this in mind, Tefen Management Consulting has joined forces with the online portal for employer evaluation “kununu.de” to form an energy benchmarking panel which analyses the most important factors in the energy industry and transforms these into successful employer branding attributes. One result shows that the engineers employed within public utilities greatly appreciate the interesting range of different tasks and the pleasant working environment. On the other side, they would like to have more opportunities for vocational development and increased salaries. Feedback such as this is then combined with a comprehensive understanding of brand building and communication, to form a clear and effective employer brand, based on the existing image of the company itself.

Over the following pages we will examine the six steps needed to pursue a successful employer branding strategy (see diagram 1 for overview).

Diagram 1: Model for development of employer branding strategy

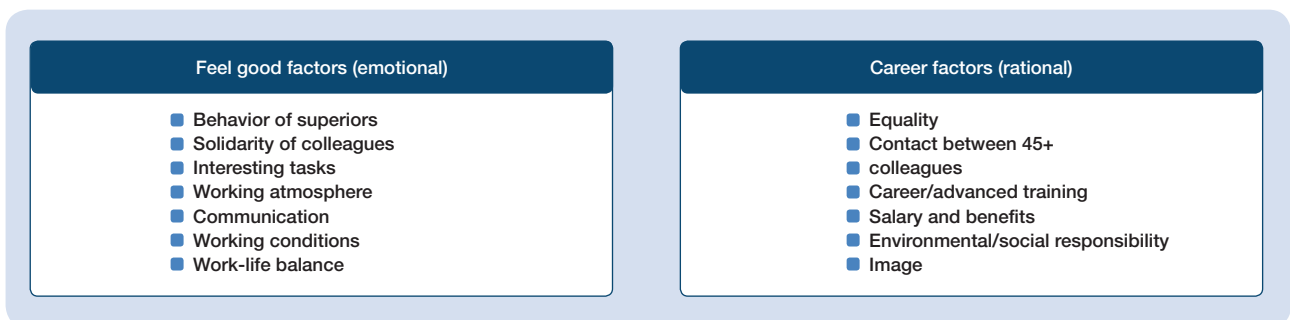


The model is based on a comprehensive benchmarking foundation with internal, regional, branch-specific and cross-branch data. This consists of two building blocks, the first being “internal employer branding”. Analysis and internalization of the strengths and values perceived by outsiders enables the company to develop a lasting and attractive profile as an employer. By strategically aligning and continually enhancing these qualities, the company can sustainably position itself as a trustworthy employer brand. This brings us on to the second building block, “external employer branding”, covering the effect achieved by the company on the employment market and, more specifically, in the recruiting of qualified staff. The benchmarking process helps us to co-ordinate the employer image with the applicants available, aimed at achieving the best possible fit of employee to job.

So what role does the panel play in this process? The panel is primarily responsible for highlighting trends within the branch, comparing these and pinpointing specific factors. A bi-annual publication analyses of developments in the branch and raises the profile of top performers (shooting stars) and newcomers to the sector. Space is given to explaining examples of best practices and ideas for successful strategies.

The panel bases its findings on a pool of 378 companies from the energy sector in the German-speaking regions. These are evaluated according to “feel good” (emotional) and “career” (rational) factors by current and previous staff. Diagram 2 shows the main factors which influence the perception of employer quality. The scale is rated from 1 (poor) to 5 (very good).

Diagram 2: Factors for employer rating



The analysis only includes companies with a minimum of ten evaluations. At the time of recording, a mere 3 of the 378 companies evaluated in the German-speaking regions

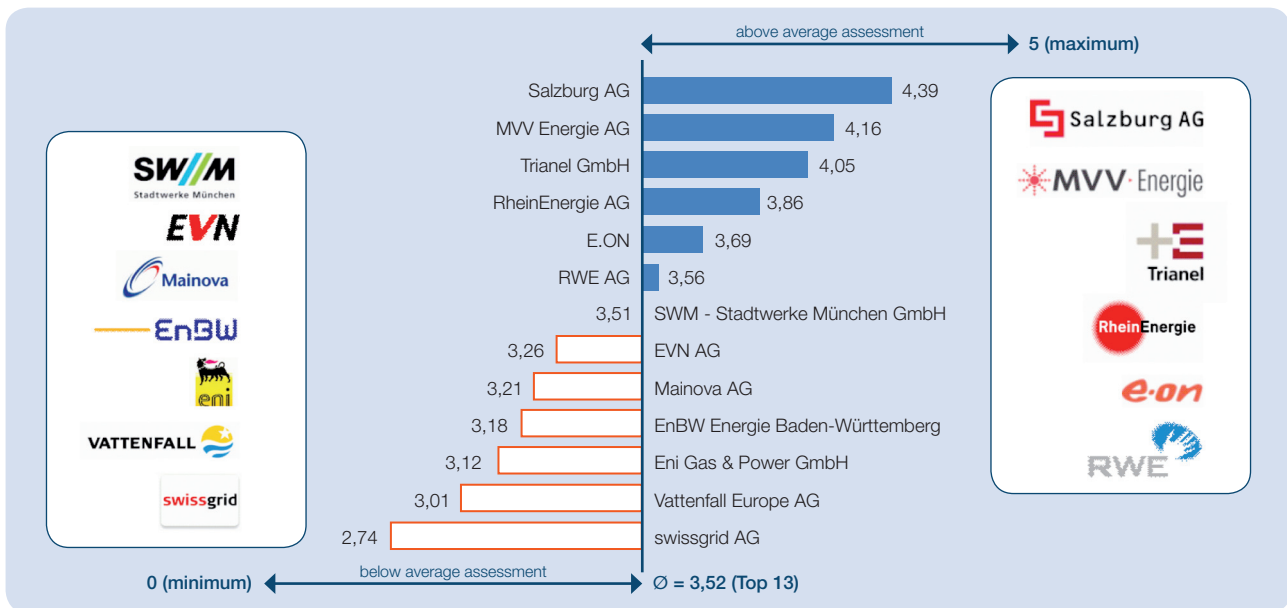
were public utilities. Most of the companies evaluated were producers (e.g. manufacturers of solar modules), with only a minority being energy suppliers.

There is clear room for a better focus on employer branding amongst the public utilities sector and plenty of scope for an improved use of the employer assessment portal. On average, these utility companies only achieved 2.87 points out of a maximum score of 5.0. This means that these companies are not only below the cross-branch average of

2.93 but also significantly behind other industries, such as "Internet/Multimedia" (3.33).

As we can see in diagram 3 below, although the four major private energy suppliers in Germany, E.ON, RWE, Vattenfall and EnBW, are represented in the list, their scores indicate that there is plenty of potential for improving their employer branding strategies.

Diagram 3: Average staff rating in top public utilities and energy suppliers (source: 378 rated companies in energy sector at kununu.de, August 2011)



The analysis of evaluation factors amongst the top 30 companies shows much more divergence in the "feel good" factors than in the "career" factors. This underlines the importance of specific emotional elements in the formation of an employer brand image to successfully address groups of applicants (e.g. engineers).

The emotional factors with the highest rating included solidarity between colleagues, working conditions and being given interesting tasks. Room for improvement was identified in the behavior of superiors and communication. The career factors with an above-average, positive rating included contact between 45+ colleagues, equality, awareness of environmental and social responsibility. The corporate image and career opportunities left room for improvement.

The facts show that the energy branch as a whole can do much more to enhance its employer branding. The current trends and developments on the employment market indicate that competition in the energy branch will become even fiercer over the coming years. Now is the time to take action.

Possible solutions include employee questionnaires/surveys, SWOT analyses, requirement profiles for target groups, culture checks, value profiles and competitor profiles. The employer evaluation portals are an ideal point of call to obtain this information. The challenge is then to define a vision and mission for the employer image and to develop an effective communication strategy, Unique Selling Proposition (USP) and marketing mix to complement this. Monitoring employee satisfaction is a crucial tool for measuring the ongoing success of your company's brand. The "members only" access to the same employer portal is once again an ideal source for this data.

If a company is to become and remain an attractive target for qualified staff, it must be aware of its own qualities as employer and use these to fulfill the needs of existing and potential candidates.

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