

Employer Branding NOW 2021

How leading employers are
reevaluating their deal with talent

A survey of over 1,250 talent leaders about
their current employer brand objectives, and
how they plan to pivot as the hiring outlook
rebounds after the pandemic.

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Methodology

Survey Field Period

February 2021 – March 2021

Includes 1,261 respondents from 71 countries

Survey Respondents

Total Respondents: 1,261; Industries: 37; Countries: 71

This includes: 374 responses from small- to medium-sized enterprises (SMEs) with fewer than 1,000 employees, 376 responses from organizations with between 1,000 and 10,000 employees (Large), and 511 responses from organizations with more than 10,000 employees (Very Large).

The World's Most Attractive Employers Cohort

This data represents the responses from 63 of the 90 World's Most Attractive Employers (WMAEs).

Universum, one of the world's leading employer branding agencies, surveyed 1,261 talent leaders from 71 countries between February 1 and March 23, 2021. The aim was to gather insights about current employer branding practices as well as to learn from the World's Most Attractive Employers (WMAEs).

Why follow the WMAEs?

The World's Most Attractive Employers (WMAEs) are 90 organizations that have been identified as the most attractive employers across the 12 leading global economies: Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia, South Korea, the UK and the US. To be named a WMAE, companies need to rank among the top employers in at least 6 of these 12 major economies in the eyes of the students who participate in Universum's global student survey. In this Employer Branding NOW study, we have highlighted the employer branding strategies of the most attractive global employers to understand what they do differently and what other organizations can do to emulate their best practices.

Trends worth watching



EMPLOYERS READYING FOR ECONOMIC BOUNCEBACK

Recruiting activities are heading in a more positive direction but are still below pre-pandemic levels, particularly with regard to intern and graduate programs. Close to half of the WMAE claim COVID-19 is still having a major effect on their hiring plans for the next 12 months.



EMPLOYER BRANDING STILL A KEY PRIORITY

Despite the significant disruption to recruitment over the last 12 months, the majority of employers still view employer branding as an important priority. Projected budgets for employer branding and recruitment marketing have increased on average by more than 10% compared with 2020.



STARTUPS SEEN AS A LESS SIGNIFICANT TALENT THREAT

Due to the economic uncertainty of 2020, young professionals are in search of security, and so working for startups has lost some of its appeal. In turn, employers are much less likely to fear startups as talent competitors compared to two years ago.



HISTORIC SHIFT IN EVPS UNDERWAY

The shift in working practices and talent perceptions resulting from the pandemic has caused widespread reevaluation of EVPs, with a greater focus on flexible working, diversity and inclusion, and training and development.



DIVERSITY HIRING CONTINUES TO RISE IN IMPORTANCE

Global brands are paying close attention to diversity and inclusion efforts, ensuring they build healthy pipelines to attract underrepresented candidates, and that their recruiting and hiring practices fully support these efforts. Adoption of virtual recruiting in 2020 has been a boon to building more diverse candidate pools and pipelines.



RESKILLING KEY TO BUILDING DYNAMIC, RESILIENT EMPLOYER BRANDS IN 2021

As companies adjust to new ways of working (and new ways of managing and motivating employees), reskilling has become a critical development strategy. Investing in training and developing has a two-pronged benefit: “insourcing” key skills, and giving newly virtual employees skill sets to succeed remotely.

Employers readying for economic bounceback

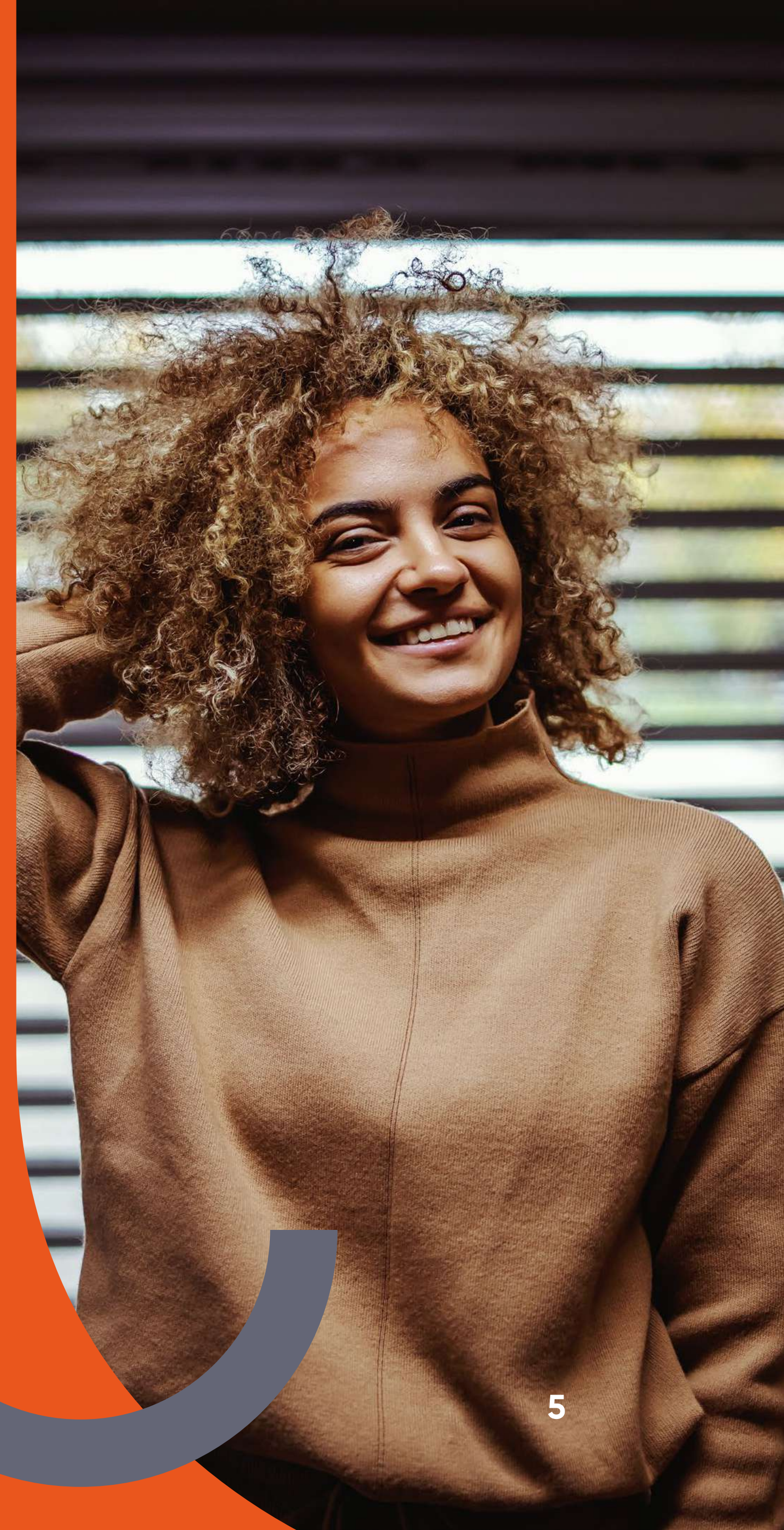
Despite a massive disruption in business and work life in 2020, the global economy is roaring back to life in many markets in early 2021. In fact, many economists are predicting an economic “snap-back” — an unprecedented rate of recovery after recession.

With this economic resurgence comes a recovery in hiring. A report from Manpower released in March shows the majority of employers (77%) expect hiring to return to pre-pandemic levels by the end of 2021.¹

Despite all the positive economic news, employers understand that a recovery does not mean recruiting and hiring will resemble the conditions of late 2019. The pandemic has fundamentally changed employer branding, recruiting and talent management — and employers are now making plans for how these disruptions will play out in the years ahead. The Employer Branding NOW study from Universum, now in its sixth year, uncovers important signals that can inform planning.

The study shows talent leaders are optimistic about hiring over the next 12 months. Prior to March 15, 2020, 48% of talent leaders reported they would be increasing recruiting efforts; after March 15, that rate dropped by more than half to 22%. Yet the same study conducted during February and March of 2021 found that 42% were planning to increase recruiting, and another 44% said their recruiting would stay level.

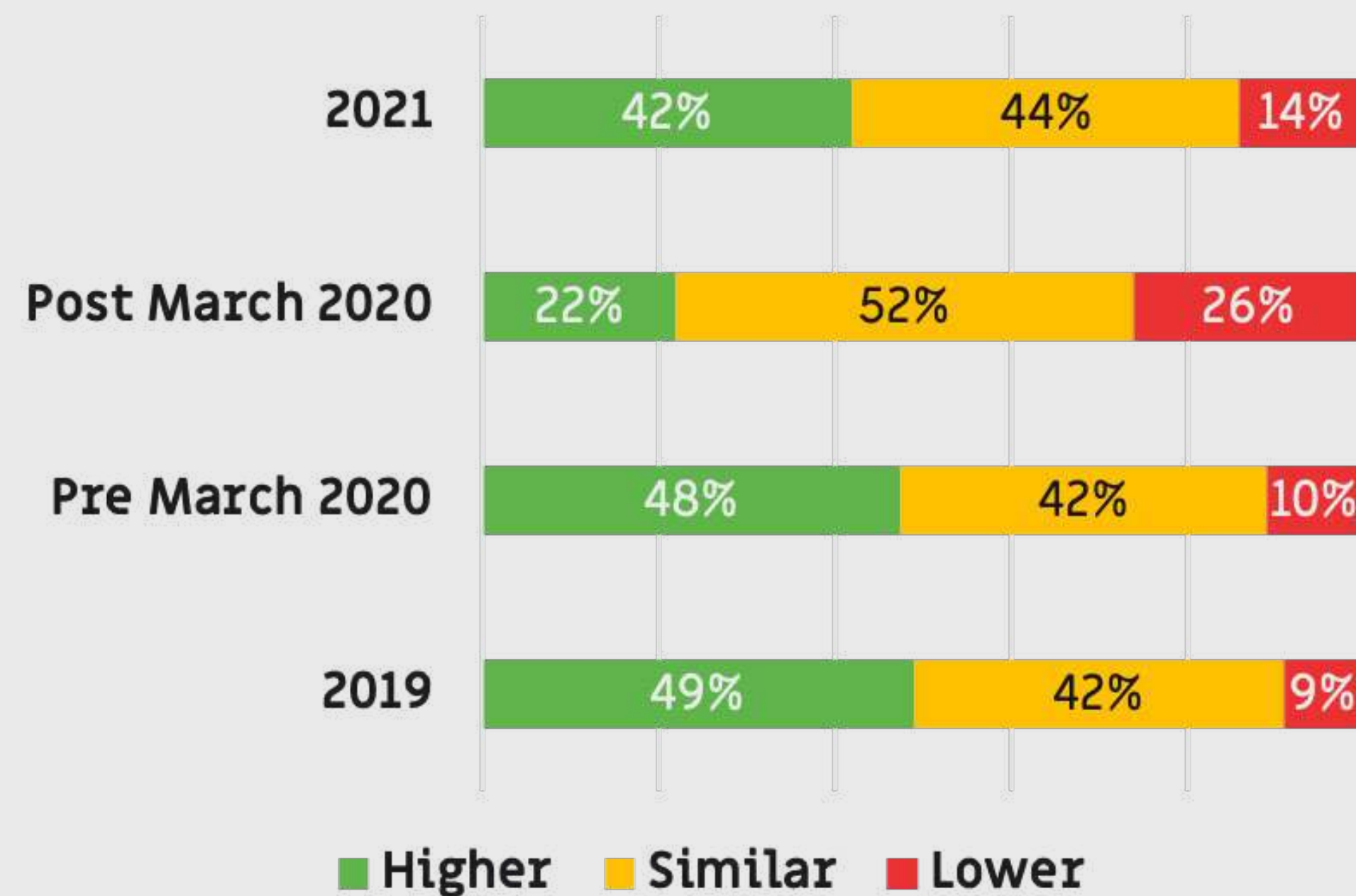
¹ Manpower Group: “ManpowerGroup Employment Outlook Survey,” March 9, 2021.
<https://www.manpowergroup.com/workforce-insights/data-driven-workforce-insights/manpowergroup-employment-outlook-survey-results#%20>





Bounceback in undergraduate recruiting predicted for 2021

How do your recruitment needs for the coming year compare to the previous 12 months?

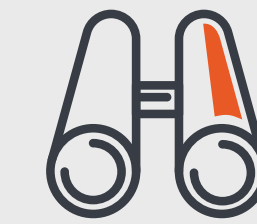


Universum Employer Branding NOW 2021

“2021 will be the year of transition. Barring any unexpected catastrophes, individuals, businesses, and society can start to look forward to shaping their futures rather than just grinding through the present.”

McKinsey: The Next Normal, January 2021 ²

² McKinsey & Co.: “The next normal arrives: Trends that will define 2021—and beyond.” January 4, 2021.
<https://www.mckinsey.com/featured-insights/leadership/the-next-normal-arrives-trends-that-will-define-2021-and-beyond>

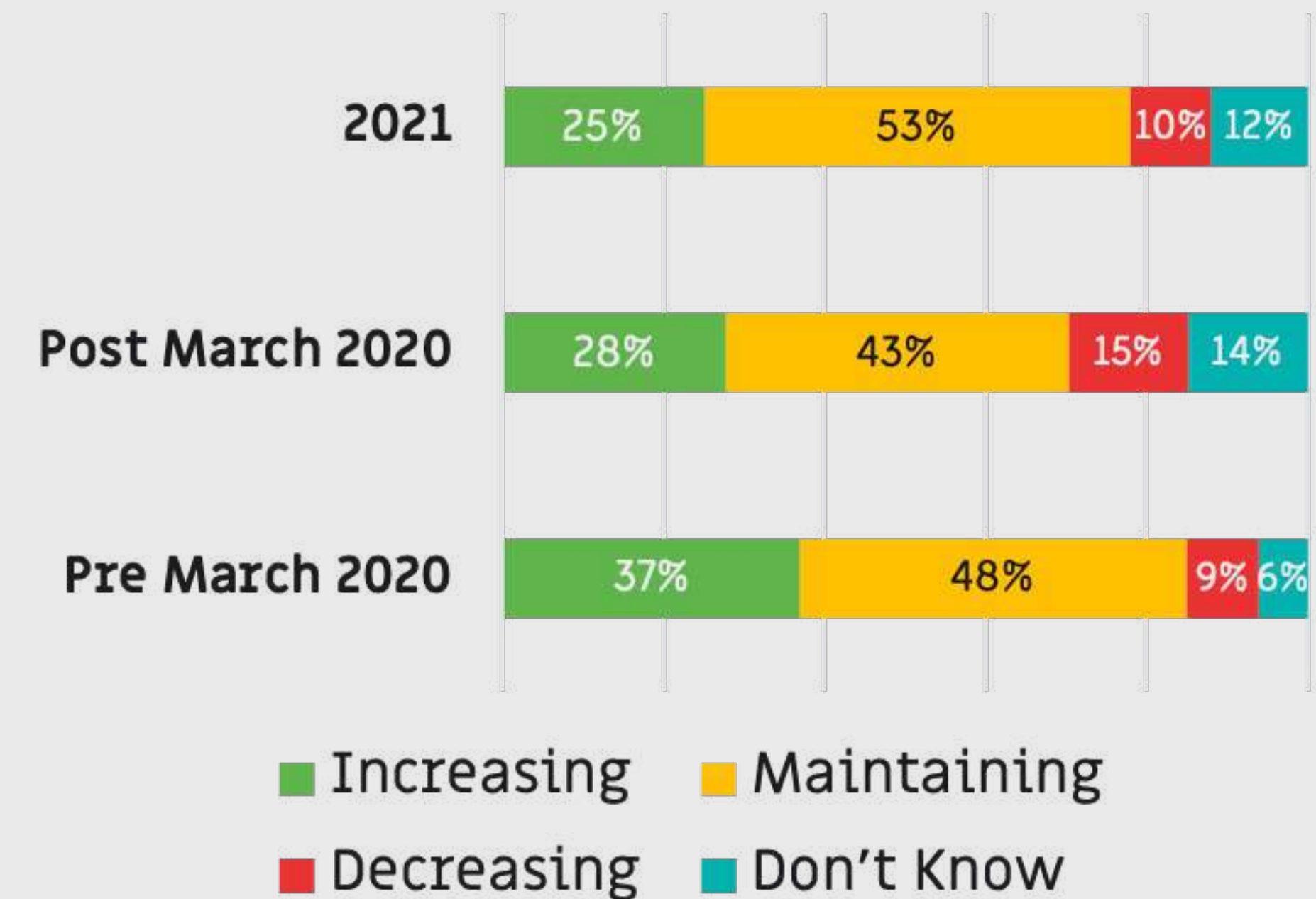


Graduate recruiting slower to recover

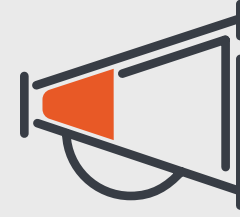
What is the recruiting plan for your graduate program over the coming year?

Graduate school hiring will be slower to recover; among the largest companies, just 25% say their graduate recruiting is growing (compared to 37% pre-March 15, 2020). Research shows that while graduate hiring has cooled in many industries, tech companies are picking up some of the slack. A headline in The Wall Street Journal in April noted that technology companies are “snapping up M.B.A.s.” The study found hiring of business school graduates was down across many categories, including management consulting, which traditionally makes up the biggest portion of MBA recruiting. Yet tech companies whose markets or opportunities expanded during the pandemic are filling the gap; Amazon alone is planning to recruit more than 1,000 MBAs for internships and full-time jobs.³

It's also the case that the ‘World's Most Attractive Employers’ are much more likely to have active undergraduate and graduate internship programs than other companies of a similar size, meaning they will generally have a healthier talent pipeline and be positioned to ramp up more quickly than those that have closed or reduced these programs in response to the pandemic.

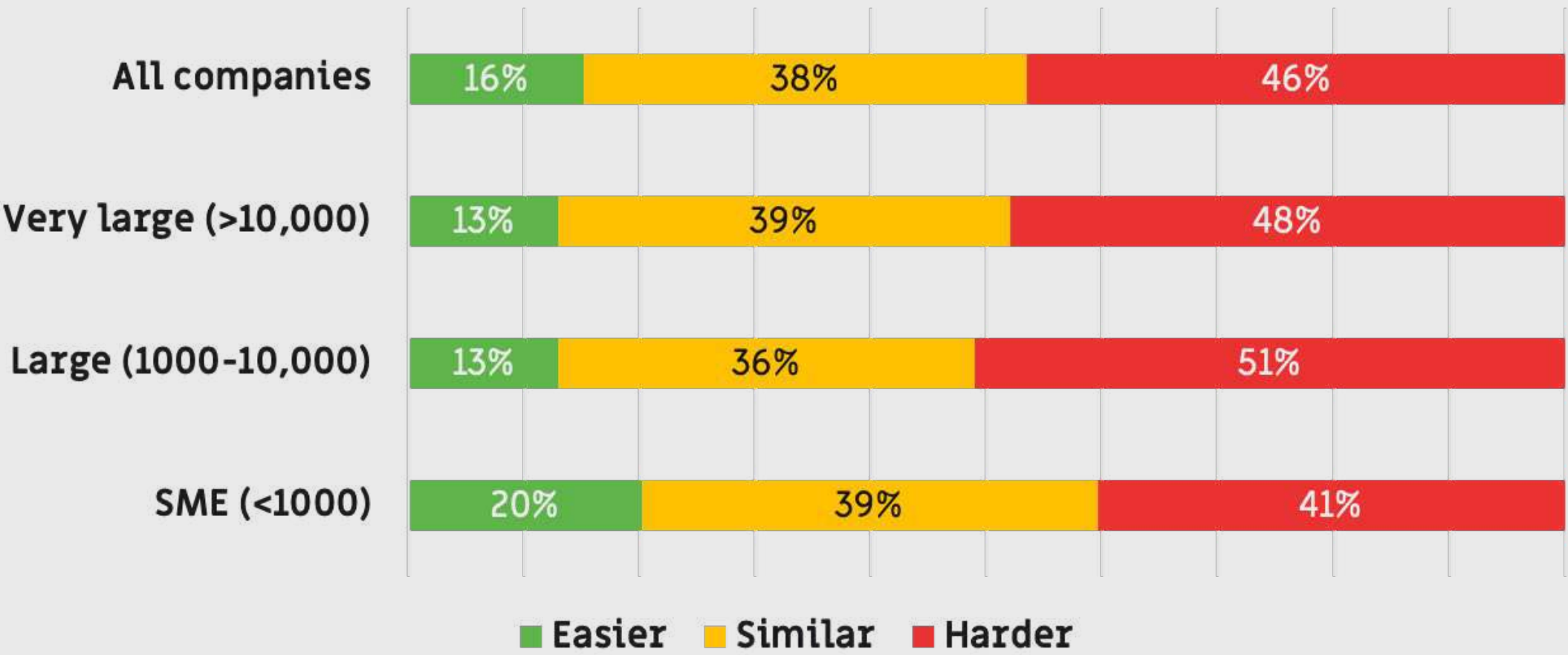


³ The Wall Street Journal: “Tech Companies That Won the Pandemic Are Snapping Up M.B.A.s.” April 4, 2021. <https://www.wsj.com/articles/tech-companies-that-won-the-pandemic-are-snapping-up-m-b-a-s-11617528600>



Despite recession, hiring environment a challenge for many

Do you expect the general hiring environment to get harder or easier over the next 12 months?



Even though many professionals lost their jobs in 2020, employers report they still face challenges sourcing talent for key roles. An article in the Harvard Business Review explains, “The COVID-19 job market is not like 2008, nor really like anything anyone has observed since the birth of modern capitalism.”⁴ That’s because even while unemployment rose sharply in key industries like restaurants, events and in-person entertainment, other industries fueled a historic level of job creation.

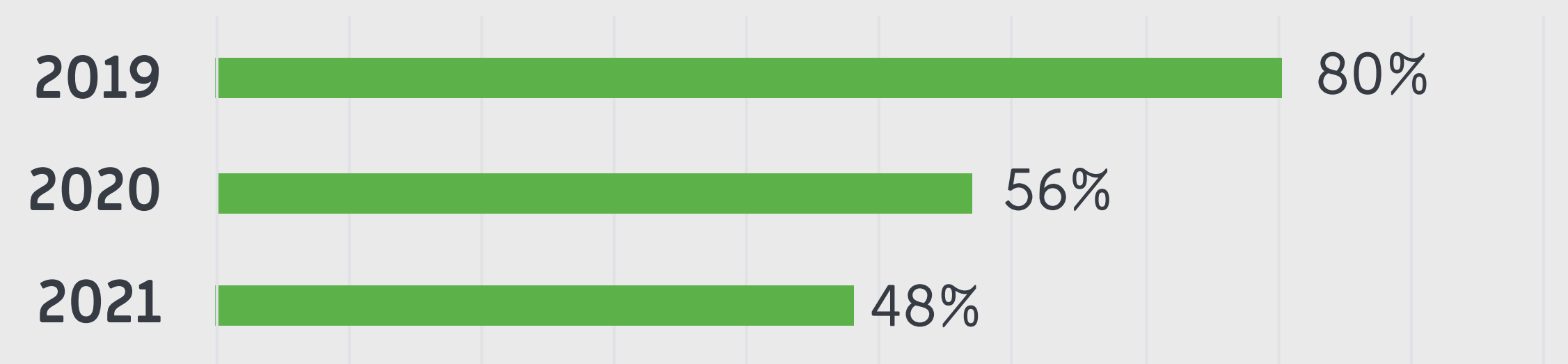
Far from a “buyer’s market,” the current hiring environment is proving challenging for many talent leaders; nearly half of employers surveyed (46%) say they expect the hiring environment to get harder over the next 12 months. Universum’s research shows, however, that the hiring environment isn’t nearly as challenging as it was in 2019. Among the World’s Most Attractive Employers, 48% say the hiring environment is getting harder, compared to 80% in 2019.

⁴ Harvard Business Review: “Why Hiring During Covid Is Different Than in Previous Downturns.” October 22, 2020. <https://hbr.org/2020/10/why-hiring-during-covid-is-different-than-in-previous-downturns>



For World's Most Attractive Employers, hiring environment not as challenging as 2019

Portion that say hiring environment will be harder in next 12 months program over the coming year?



"The COVID-19 job market is not like 2008, nor really like anything anyone has observed since the birth of modern capitalism."

Harvard Business Review, October 2020

Employer Branding still a key priority

Given the challenging hiring environment, employers continue to view employer branding as a priority. Among all companies surveyed, 69% view it as one of the top priorities in 2021, on par with findings from 2020. The World's Most Attractive Employers are particularly attuned to the role of employer branding in their recruiting and retention efforts. In that cohort, 71% view it as one of the top priorities.

These figures are down slightly from 2019, but given the range of challenges employers faced over the last year, that shift is not entirely surprising. From deciding whether to require vaccinations for returning employees and redesigning office space to support safe collaboration, to onboarding new recruits who may be partly or wholly working remotely, employers are wrestling with entirely new challenges — and balancing priorities to match these new areas of inquiry.



"The last year has given us a chance to see how top employer brands perform under duress, and the World's Most Attractive Employers demonstrate that even in a downturn, recruiting and employer branding must be 'always on'. The WMAEs were quick to pivot to a virtual recruiting environment, and willing to invest in virtual internships when some brands pulled back. These companies were not merely surviving, but thriving."

Mats Röjdmärk – CEO, Universum

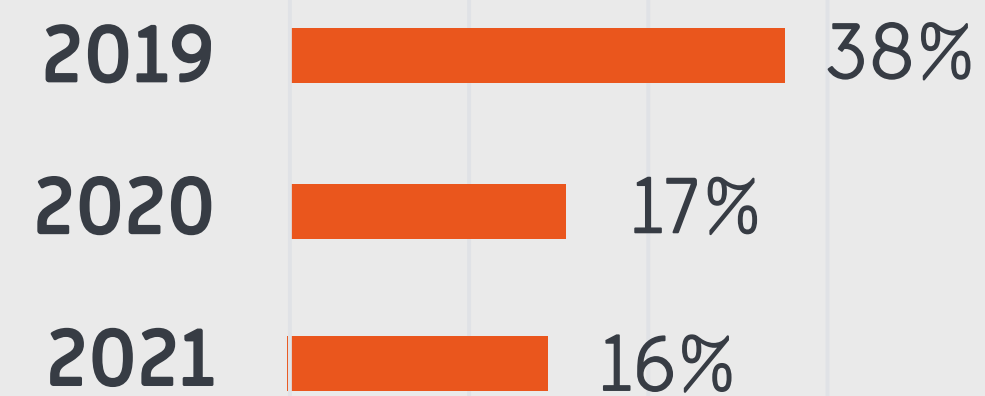




Enterprise companies feel less competition from startups for top talent

How concerned are you about growing competition from the startup sector for key talent groups?

VERY CONCERNED:



One interesting note: Where larger employers used to feel competition for key talent from startups, this concern appears to be abating post-COVID. In 2019, 38% reported they were “very concerned” about competition from the startup sector for key talent groups. In 2021, just 16% globally reported they were very concerned, and among the World’s Most Attractive Employers, just 13% report the same.

Many companies in the startup sector have been hard-hit by the recession, and larger companies offer young professionals greater security, and opportunity for development and advancement. One Millennial who recently accepted a job at IBM explains this desire for career security: “When I spoke with upper-level management, they discussed possible career paths for me and really emphasized growth within the company, which for me, as a Millennial, is really important.”⁵

⁵ WSJ Noted: “Joining a Startup May Not Be as Appealing as It Once Was.” January 11, 2021. <https://www.wsj.com/articles/joining-a-startup-may-not-be-as-appealing-as-it-once-was-11610389657>

Historic shift in EVPs underway

The employer value proposition (EVP) lays out the key components of the overall employment deal and is generally built to last for several years. However, given the significant shifts in working practices, as well as talent needs and aspirations, many employers have been re-examining their EVPs over the last 12 months. The key question: Is the EVP in tune with the new reality and resilient enough to withstand the many ongoing economic and workplace challenges we are likely to face going forward?

The Employer Branding NOW study asked talent leaders whether the COVID-19 pandemic caused them to reevaluate their EVPs. Nearly half (46%) reported they are either currently considering changes or have already enacted them. And among the World's Most Attractive Employers, 69% have done the same.



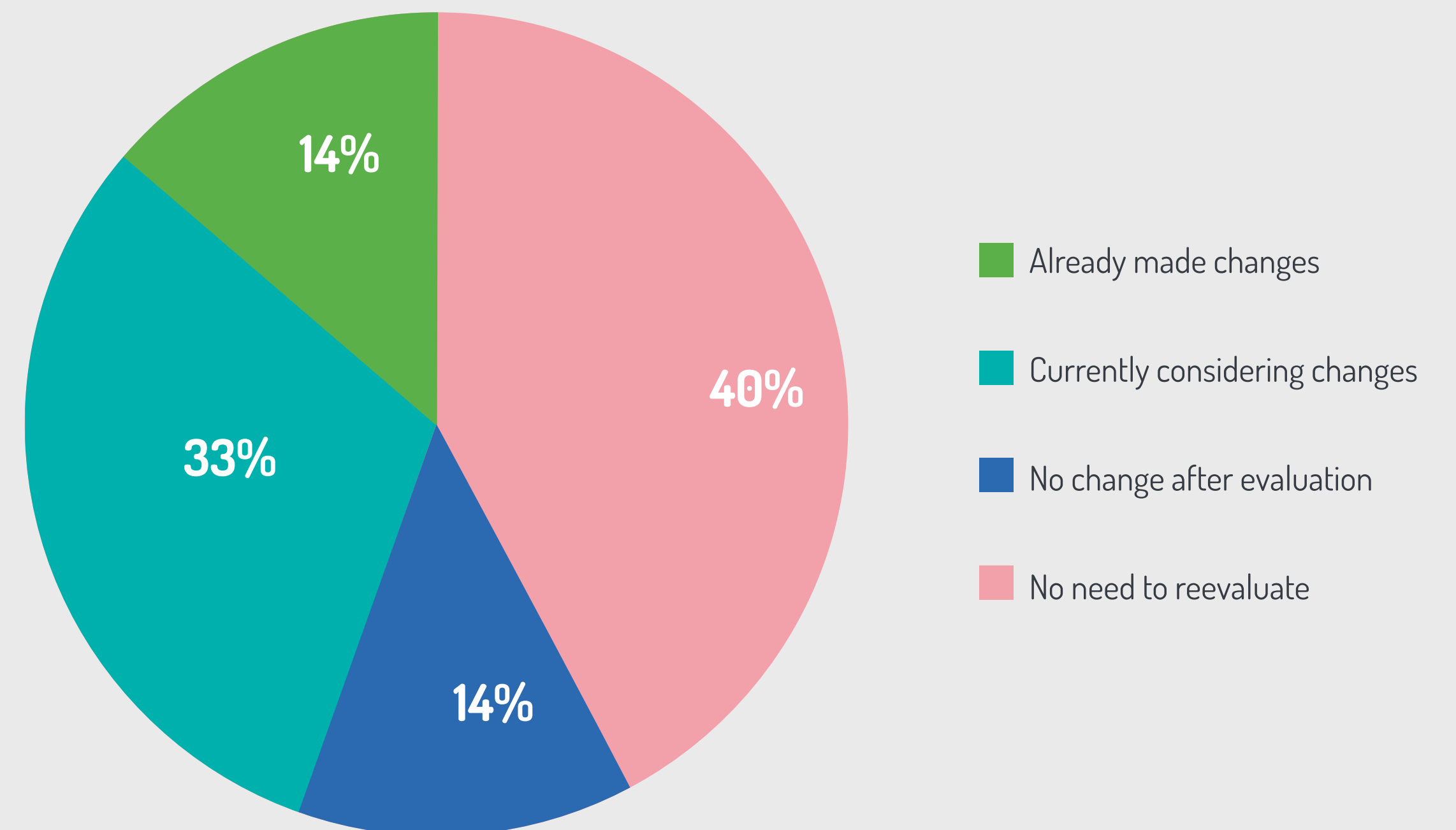


Many employers making changes to EVPs given COVID-19 disruption

Has the COVID-19 pandemic and its consequences resulted in a reevaluation of your EVP?

Even more interesting is the pattern of changes that employers are reporting. The Employer Branding NOW study examines the key attributes that employers include in their EVP and how this has changed over time. Unsurprisingly, the attribute that has risen most in prominence over the last 12 months is flexible working. The next biggest riser is 'commitment to diversity & inclusion,' which has now become the number one EVP attribute among the World's Most Attractive Employers. This may partly reflect the impact of the Black Lives Matter movement, but it is also an attribute that has been steadily growing in importance over the last four years.

It is also notable that at a time when many commentators have been predicting an upturn in on-demand labor and 'buy' talent strategies, the third most prominent riser is "professional training and development," reinforcing the opposing 'build' talent development focus.





Top EVP attributes

Top Attributes - WMAE

- 1 Commitment to diversity and inclusion 53%
- 2 Inspiring purpose 47%
- 3 Innovation 34%
- 4 Professional training and development 27%
- 5 Opportunities do make personal Impact 24%

Top Attributes - Global

- 1 Inspiring purpose 37%
- 2 Professional training and development 35%
- 3 Innovation 25%
- 4 Opportunities to make personal Impact 24%
- 5 Flexible working conditions 21%



Top EVP attributes among those reevaluating EVPs given 'new normal'

- 1 Professional training and development 43%
- 2 Inspiring purpose 32%
- 3 Employee well-being 29%
- 4 Innovation 29%
- 5 Flexible working conditions 25%



Biggest movers: Increases in usage of specific EVP attributes from 2020 to 2021

WMAE Sample

- 1 Commitment to diversity and inclusion 33%

Total Sample

- 1 Flexible working conditions 6%
- 2 Professional training and development 4%

Diversity hiring still a strong priority; requires a skillful hand

Compared to last year, employers tell Universum that diversity and inclusion hiring is growing in importance — from 54% to 59% among large employers and from 66% to 74% among very large employers. And among the World's Most Attractive Employers, 98% now say it is very important.

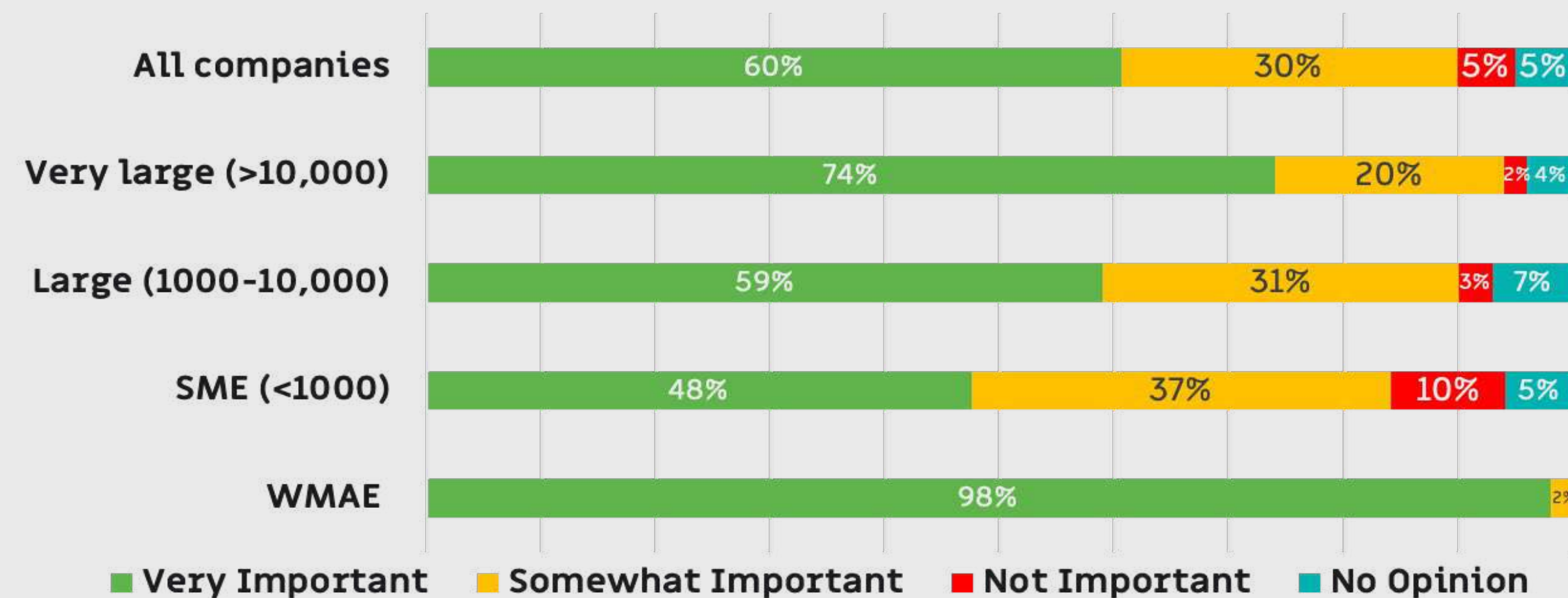
“Consumers and employees alike increasingly expect the organizations they buy from and work for to reflect their values,” says Katie Martell, a marketer and producer of the documentary Woke-Washed. “Diversity, equity, inclusion and justice are at the forefront of public conversation, and there’s a spotlight on employers to see their commitments to these values. As the lines blur between work and personal life, people want to work for companies where they are represented equally, and where their values are shared by the organization.”





Hiring for diversity a priority for most

How important is diversity and inclusion to your recruitment policy?



One area that is sometimes overlooked in diversity hiring: recruiting people from economically disadvantaged backgrounds. A study by the Harvard Business Review found that employers tend to value certain experiences in would-be candidates, such as prior internship experiences. Yet some of these experiences are off-limits to disadvantaged college students. “The standard internships that firms valued were typically unpaid, and some candidates could not afford to take them and had to work for money instead,” the study found.⁶ The authors go on to explain, “This was a first hint that how firms were making their decisions may not always serve their goal of increasing diversity.”

Virtual recruiting has been one unexpected bright spot in making recruiting more inclusive. Studies have found when companies use virtual recruiting, they tend to source talent from a wider and more diverse spectrum of schools and backgrounds. One in four very large employers reported that virtual recruiting has helped them take a more diverse/inclusive approach. And another 22% say their list of target schools has grown.

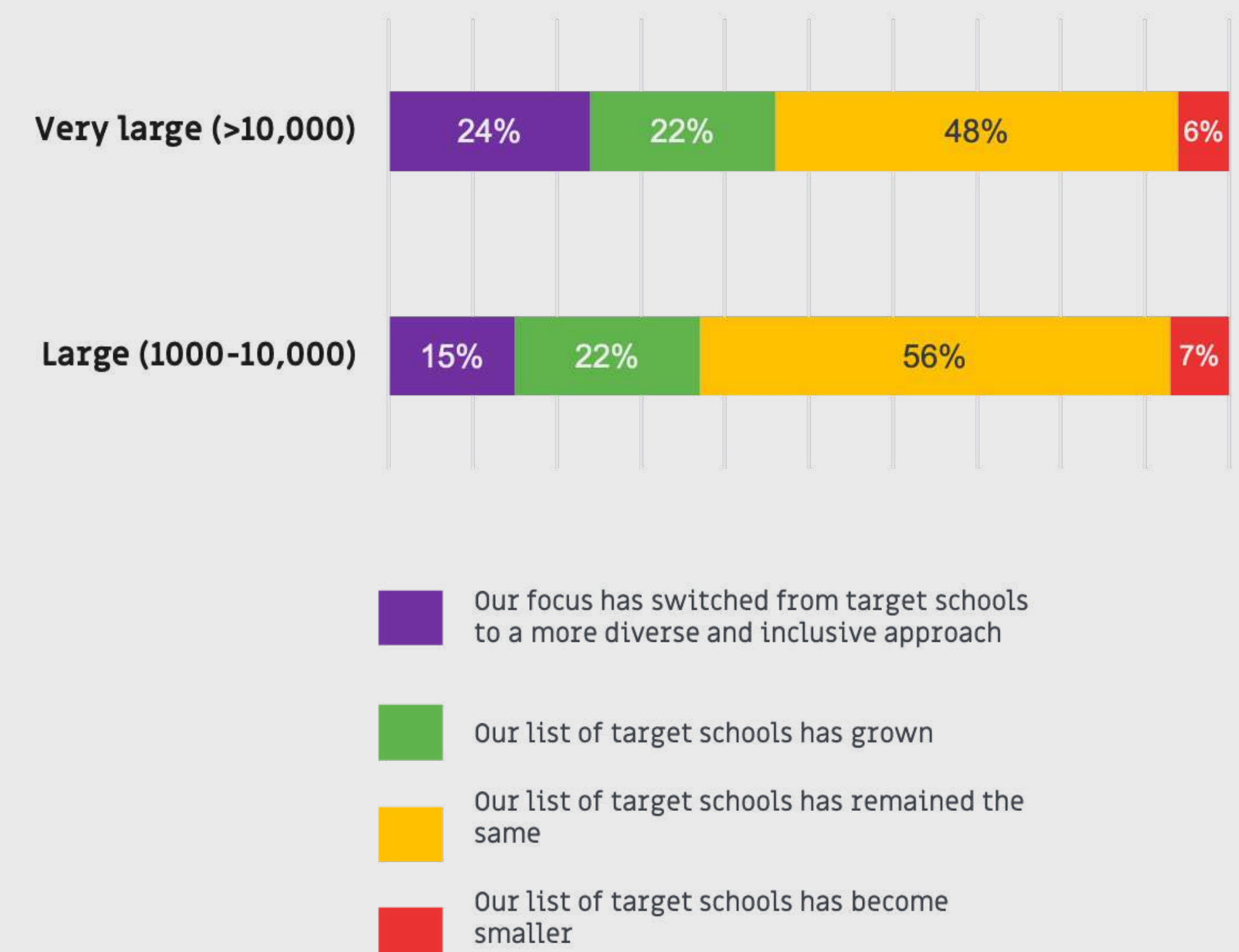
These changes are a positive, healthy disruption to the exclusive networks that existed previously, where top companies tended to recruit students from particular schools and with particular resume “signals” (e.g., unpaid internships, Ivy League degrees). It is a move away from outmoded means of evaluating talent and potential. Says one hiring manager who recruits IT talent, “On the whole, I pay little attention to GPAs or anything like that. Skill sets and certifications [are] much more important. One of my greatest people can make a mainframe sing, but doesn’t even have a college degree.”⁷

⁷ Reader comment, The Wall Street Journal: “Hiring Has Restarted. Here’s What You Need to Know to Land a New Job, Now.” March 7, 2021. https://www.wsj.com/articles/hiring-has-restarted-heres-what-you-need-to-know-to-land-a-new-job-now-11615122029#comments_sector



Move to virtual recruiting creates more diverse candidate pool

How has the switch to more remote/virtual forms of campus recruitment changed your targeting?



Training and developing critical to “reskill” post-pandemic

Given the challenging hiring environment, particularly for specific in-demand skills, employers are investing heavily in “reskilling” — or developing internal talent for hard-to-hire roles rather than trying to source that talent externally.

A Gartner study found that ‘building skills and competencies’ is the top priority for 2021 among HR leaders. A study from McKinsey found roughly 1 in 3 are investing more in learning and development, and in workforce planning and strategy. Study authors speculate that companies that were forced into hybrid or fully remote work formats uncovered benefits of the new models. COVID-19 essentially triggered a new acceptance of “insourcing” key skills due to necessity. Going forward, however, reskilling will be used more broadly: training programs to improve digital skills across the organization, targeted programs to develop remote working and management skills, and targeted training to “insource” talent for key, hard-to-fill roles.

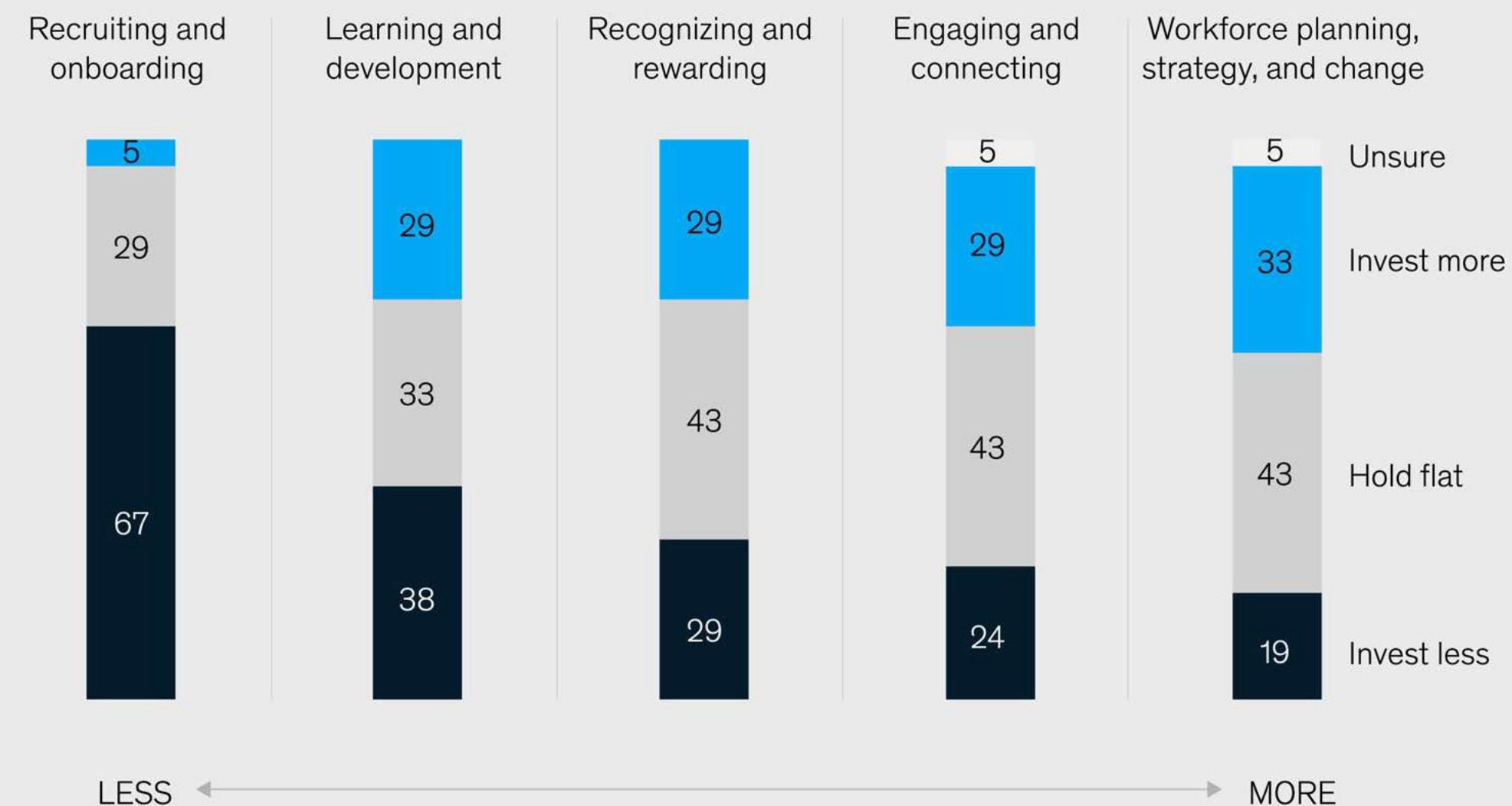




Employers spending less on permanent hiring

Leaders say they anticipate spending less on permanent hiring in the next 12 months.

Expected HR-activity investment for next 12 months, % of respondents¹



¹Question: What are your expectations for how HR will invest over 5 categories in next 12 months? Survey of chief officers and functional leaders across industries; n = 195. Figures may not sum to 100%, because of rounding.

McKinsey
& Company

Data from Universum confirms these trends. When asked what companies look for most in new recruits, employers point to qualities like “adaptability/flexibility” and “problem-solving ability” — all signs an individual can learn, grow and expand to meet new challenges.

One particular area of urgency in training and development: helping employees adjust to new work formats. The Universum research shows the vast majority of organizations will allow at least part-time remote work. This can be particularly challenging for employees who are just entering the workforce and don’t have the same opportunities for mentoring and learning in a virtual environment. Tom Gimbel, CEO of LaSalle Network, explains that for younger employees, “for them to learn anything, they need to be around the more experienced people.”⁸ As well, new employees may struggle to understand or identify with the company’s culture without in-person engagement. And just as younger professionals may need dedicated training and development programs, so too do experienced managers, who may not have good skill sets to oversee and motivate virtual teams.

“We continue to see evidence that this recovery will be two speed, with some industries able to digitize at speed bouncing back faster and thriving – while others are at risk of falling further behind. Upskilling at speed and scale was important before the pandemic; now it is urgent. Workforce transformation and fast-changing demand for skills will continue unabated and we must ensure that in this recovery, opportunity is shared with the many, not the few.”

Manpower Employment Outlook Survey, Q2 – 2021 ¹⁰

“Evidence shows that the benefits of reskilling current staff, rather than letting them go and then finding new people, typically costs less and brings benefits that outweigh the costs. Investing in employees can also foster loyalty, customer satisfaction, and positive brand perceptio.”

McKinsey: The Next Normal, January 2021 ¹¹

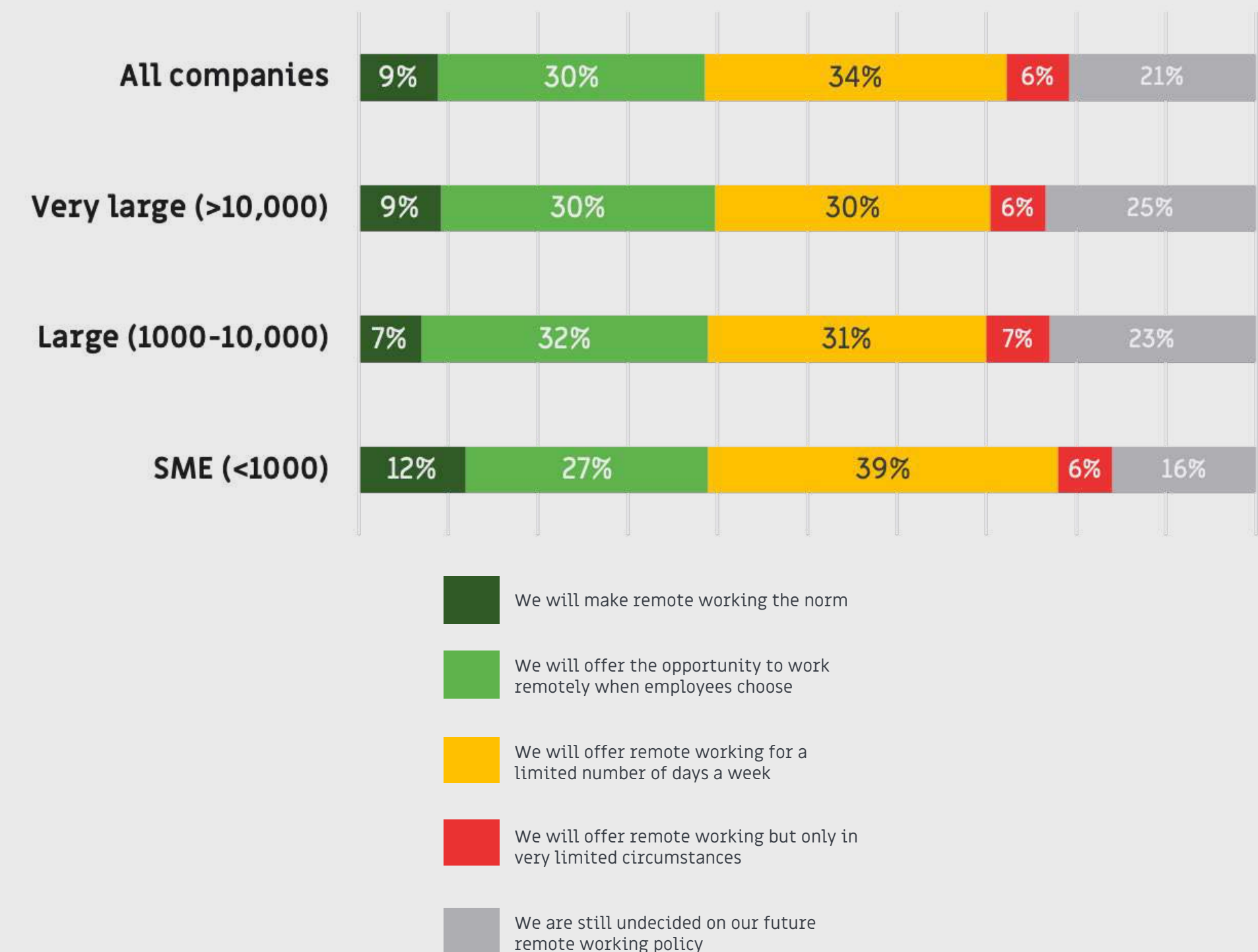
¹⁰ Manpower Group: “ManpowerGroup Employment Outlook Survey.” March 9, 2021. <https://www.manpowergroup.com/workforce-insights/data-driven-workforce-insights/manpowergroup-employment-outlook-survey-results#%20>

¹¹ McKinsey & Co.: “The next normal arrives: Trends that will define 2021—and beyond.” January 4, 2021. <https://www.mckinsey.com/featured-insights/leadership/the-next-normal-arrives-trends-that-will-define-2021-and-beyond>



Remote working to become the norm post-pandemic

What is your likely policy towards remote working once the COVID-19 pandemic has passed?



Talent leaders favor data-driven decision making

For best-in-class companies, employer branding decisions are informed and shaped by data. Nearly 3 in 4 of the World's Most Attractive Employers say they are frequently or always making employer brand marketing decisions based on data, up from 53% in 2017. This is part of a larger "people analytics" trend driving transformation in HR and talent management.

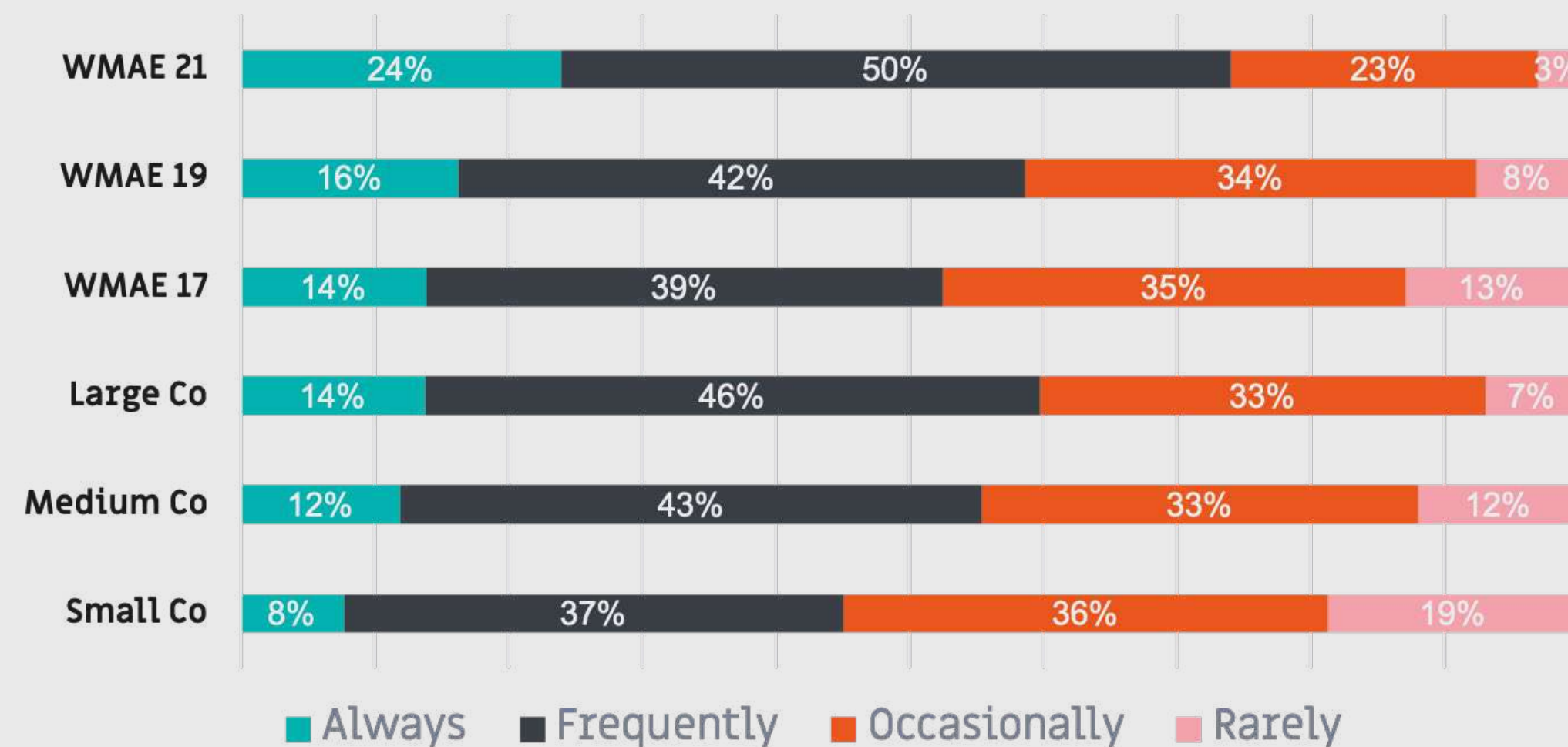
And part of being data-driven is ensuring that employer brand messaging connects with specific target audiences — be that specific high-value demographic groups, in-demand roles, or even geographies. Localization is now the number one employer branding objective, following a clear trend over the last 4 years towards more targeted and personalized employer brand messaging; this is especially true among the World's Most Attractive Employers.





Data-driven decision making on the rise

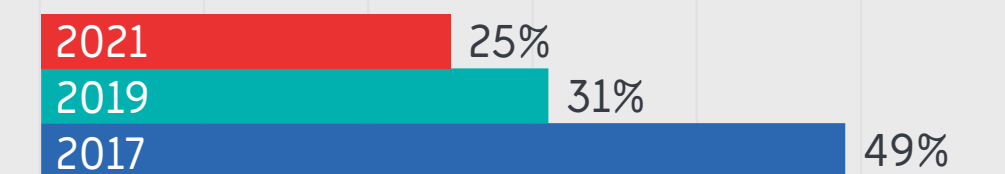
How often would you describe your employer brand marketing decisions as being data-driven?



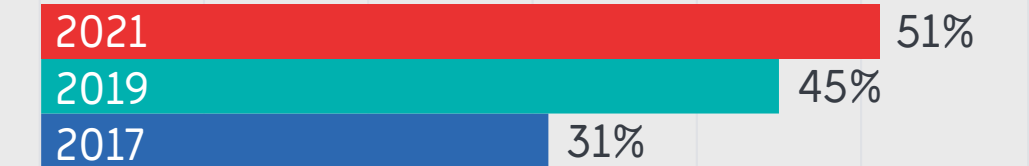
An increase in localization and personalization

How targeted are your employer brand communications?

We maintain as much consistency as possible across target groups



We tailor our communication to different countries



We tailor our communication to different regions



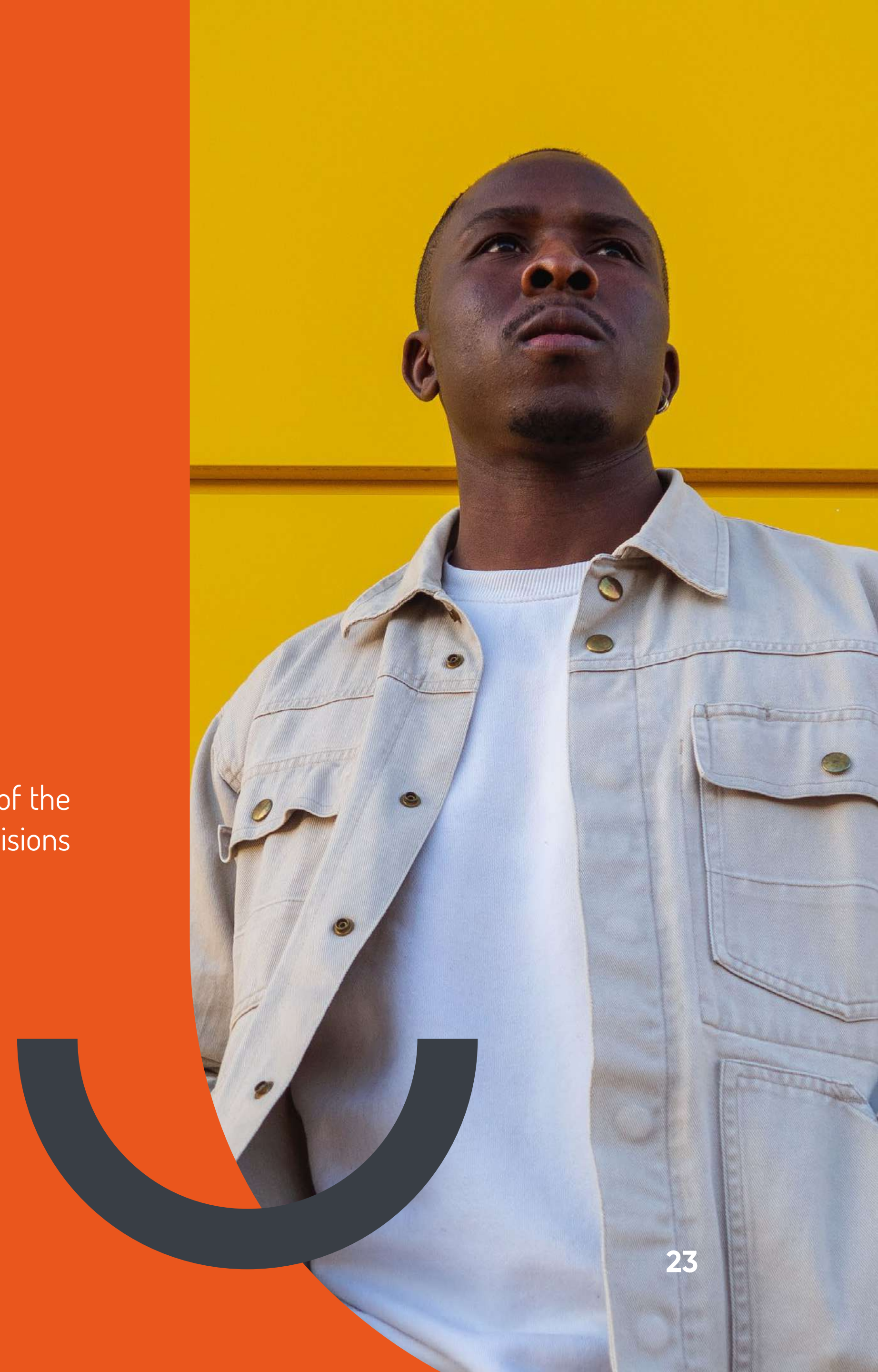
We tailor our communication to different functions



Lessons from the World's Most Attractive Employers

Each year we examine the specific lessons employer brand leaders can extract from the behaviors and strategies of the World's Most Attractive Employers, and in 2020-2021 these lessons are particularly powerful. The WMAE made decisions during the pandemic crisis that positioned them well for the economic snap-back in spending and hiring.

For companies that compete based on the quality of talent they employ, they will want to ensure their employer branding messaging and talent pipelines have weathered the crisis, and are ready to spring to action. For some, building the pipeline means looking within, focusing on “reskilling.” And still others will be focused on optimizing the EVP to conform to the ‘new normal’ of professional worklife. For all, the new mantra is to leave behind the survival mentality of 2020 and embrace exciting new challenges in talent transformation.





INVESTING IN THE TALENT PIPELINE AS AN ALWAYS-ON RESOURCE

The WMAE out-invested in internship programs, both undergraduate and graduate, compared to other companies. The investment was particularly challenging, given that most internships moved to a virtual setting in 2020 and required a wholly new way of developing and overseeing young talent. The result: The WMAEs have a healthier talent pipeline, making them more dynamic and resilient than those that reduced or shut down their talent development programs.



PIVOTING QUICKLY TO UPDATE EVPS

Though EVPs are generally designed to last for several years, the massive disruption of worklife over the last 12 months caused top talent brands to revisit the EVP under a shorter timetable. The WMAEs were much more likely than other companies to have made changes to their EVPs during the tumultuous pandemic year, pivoting to incorporate new ideas and values such as flexible working conditions, and a commitment to diversity and inclusion. As a matter of priority, the latter (diversity and inclusion) was up 33 points over one year — a profound, real-time shift in employer values.



FUELED BY DATA

The WMAEs' continued investments in data-driven decision making gives them a significant advantage over their peers. With a robust set of data and a process to review and react based on the findings, the WMAE can pivot more quickly to optimize their brand values, expand their talent supply chain, reduce time to hire, and even gain visibility across the workforce of full-time and independent workers to predict critical talent shortfalls.



INCREASINGLY PURPOSE DRIVEN

Members of the WMAE are far more likely to incorporate “purpose” into their EVPs (47% vs. 37% for the remaining companies surveyed). Embracing purpose resonates with younger professionals, who want to ensure their own values are reflected in the companies they work for. Even the US government has realized that to recruit talent into mission-critical roles in data science and AI, they must find a way to tie jobs to positive social outcomes. Yll Bajraktari, executive director of the US National Security Commission on Artificial Intelligence, explains, “We’ve talked to hundreds of companies in the last two years, and a lot of people are still motivated by an opportunity to work on solving real-world problems, whether on climate, healthcare, disaster related activities ...” a critical development strategy. Investing in training and developing has a two-pronged benefit: “insourcing” key skills, and giving newly virtual employees skill sets to succeed remotely.



ABOUT UNIVERSUM

Universum is a data-driven, insight-led employer branding agency. Founded in Stockholm, we are now active in over 60 countries, with key hubs in Paris, Berlin, London, New York, Singapore and Shanghai. We provide our clients with the research, strategy and creative solutions they need to compete more effectively for talent.

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