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Impact of the COVID-19 pandemic on corporate employer branding

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Abstract. The COVID-19 pandemic is disrupting the world of work. While before the pandemic most employees worked in an office, many employees are now experiencing hybrid workplaces and accelerated digitalisation on the job. These changes demand new leadership concepts and individual support for every single employee. Likewise, the employer branding of companies must undergo changes and be tailored to the novel situation. However, many companies must first readjust to the current circumstances. This involves a determined digitalisation of employer branding procedures and the adaptation of the employer brand communication both to the needs of the target groups and the requirements of the digital processes.

Keywords. COVID-19 Pandemic, Employer Branding, new realities, hybrid working locations

1. Facts about the COVID-19 pandemic in Europe

Since January 2020, the new COVID-19 virus has been spreading all around the world. Since then, life and working situations have changed significantly, not only in Europe but on all the continents. In March, many countries in Europe enacted the so-called first lockdown, meaning drastic restrictions on economic and public life; schools and universities closed and millions of employees started working from home. In Germany more than 10 million employees were forced to work on short time.

Whole industries, such as the event industry and the hotel business, virtually came to a standstill. Others, such as food retailers and health services were systemically important and continued to work under progressively more demanding conditions.

Starting in May 2020, the first European countries began to relax the regulations again - the economy tentatively rebooted. Across all sectors, it became clear that some of the measures implemented during the coronavirus crisis will be maintained even after the acute crisis. Many companies intend to offer working from home options in the future; students have learned to appreciate the benefits of online lectures.

By autumn 2020 at the latest, it was evident that other industries, such as the food service and hotel industry, would continue to suffer from the restrictions imposed: many European countries declared new lockdowns. In all probability, this will go on at least all through the winter months. Working conditions resembling the ones before the crisis are out of the question. In many cases, only the future will tell how and if the companies will be able to cope with the consequences of the pandemic and the economic lockdowns in the medium term.

2. Employer branding in companies

According to Baumgart [1], the balance of power in the labour market is smoothly shifting towards employees. If a few years ago, it was the employees who had to apply to companies in most industries, today it is more and more frequently the companies that have to 'apply' to qualified professionals and managers.

The commonly used term in the literature 'war for talents' vividly describes the competitive situation that companies face in their efforts to recruit new talent. Demographic transition is another strong driver of changes in the world of work. The altering age structure in the population results in a shortage of skilled workers that is becoming more and more palpable. On the whole, it can be stated that when the so-called baby boomer generation retires (birth cohorts 1955-69 in Germany), it will be succeeded by cohorts with markedly lower birth rates, which means that the available labour force will be distinctly reduced.

A further driving force for the transforming labour market is the digitalisation, which entails job losses, but also the emergence of different job profiles. The newly created jobs will require a higher level of qualification and comprehensive skills in handling new technologies [2].

It is already apparent today that companies are often unable to fill their vacancies in the IT-departments in a timely manner. Particularly in this area, the 'war for talents' will intensify, but it will not stop there.

However, not only is it becoming increasingly difficult to find the right potentials, retaining the qualified personnel is equally challenging as there is hardly an emotional attachment to the companies. This results in higher staff turnover, more absenteeism and lower productivity. Therefore, both attracting and retaining the suitable employees is quickly becoming a vital business challenge for more and more companies [3].

Consequently, employer branding has greatly gained importance in recent years. Building and fostering an attractive employer brand helps organisations inspire and attract the right employees and ensures that employees strongly identify with their employer.

The strategic concept of employer branding has been visible in the scientific literature since the late 1990s to help companies and organisations reduce the impact of the demographic transition and the resulting shortage of skilled workers.

The term 'employer brand' was first mentioned in the work of Ambler and Barrow [4] and has been present in the literature ever since. The authors defined the employer brand as "the package of functional, economic and psycho-logical benefits provided by employment, and identified with the employing company."

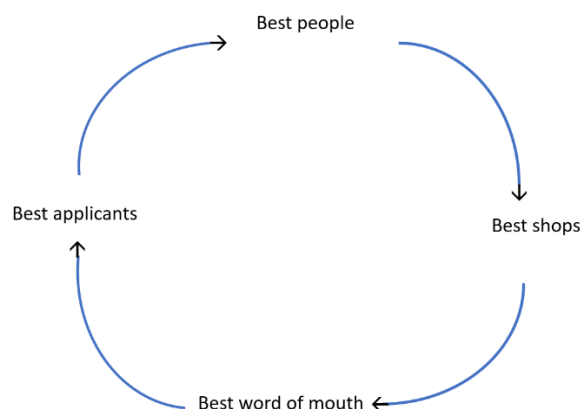


Image. Link between quality of employees and quality of product/service (Ambler and Barrow 1996)

Stotz and Wedel-Klein [5] merged different definitions involving employer branding and compiled their own definition from them.

For the two authors, employer branding is part of the strategic human capital management (HCM). In this process, what is special about a company or an organisation as an employer is identified, operationally implemented and then communicated internally and externally.

This shows that employer branding is a part of HCM, that a unique selling proposition (USP) of the organisation as an employer should be identified and established and that both internal and external communication of this USP is needed.

3. Impact of the COVID-19 pandemic on corporate employer branding

The author conducted and analysed a qualitative survey among employer branding experts in July 2020. The results are presented and analysed below. Nineteen specialists both from corporate groups and small and medium-sized enterprises took part in the study [6].

The first question discussed was which current problems the companies experienced regarding employer branding. As acute issues many experts mentioned budget cuts in their area due to the economic changes caused by the COVID-19 crisis and rather limited staffing in the months from March to June. In most cases, recruitment procedures have been resumed, which offers the problem that the growing workload has to be managed with the now smaller budget.

Overall, almost all respondents stated that recruiting new employees and retaining the existing talent is becoming increasingly difficult. In some industries, competitors are very active, especially utilising social media, so that the employer branding experts fear that their own company could be at a disadvantage in the 'war for talents'.

In several companies, measures designed to strengthen the employer brand have not been rolled out since March 2020. It was mentioned a few times that it was difficult to convince superiors to organise external campaigns and internal team events. This was explained with a wait-and-see attitude, which, in some instances, has already led to expressions of disapproval among employees.

The respondents perceived employer branding as team work for which HR, corporate communications, marketing and, if present, the hiring department should all pull together. Given that working from home, remote work and online events are the new standard, this team work sometimes proves to be more difficult than before. The procurement of content and images from the workplace for employer branding activities is also more time-consuming and requires more preparatory work and coordination.

The lack of face-to-face communication with the applicants was described as one of the main challenges of the COVID-19 measures. Events and fairs for the target groups of apprentices, students and young professionals were particularly missed. This is surprising, as it is exactly these target groups that habitually frequent the various social media sites and can be targeted here.

The respondents agreed in large part on the vital importance of a targeted employer branding strategy in times of COVID-19: the suitable channels and the precisely tailored approach are crucial for the success of employer branding activities, especially in times of increasing online communication. Here, most companies still seem to be in need of professional campaigns.

4. Challenges in employer branding during the COVID-19 pandemic and how they can be tackled

In addition to the reduced budgets and resources in many cases, the employer branding specialists cite a lack of strategies for online employer branding as a main reason for the poor performance of the employer brand and as the biggest risk for their company's employer branding in the future.

This then results in lower employer brand visibility and a poorer yield of applications - with regard to both quantity and quality.

Thus, the experts consider it particularly important that fundamental change processes take place in the companies. Employer branding should be approached decidedly more strategically and with far more emphasis on the digital angle. This requires time, transparency and resources.

In the future, there will be more personal, virtual formats for both recruiting and employee communication. Agile working and a stronger involvement of existing employees in processes will lead to more job satisfaction, which will then have a positive impact on the employer brand.

The messages communicated to the applicants should be more directed at awareness, the candidate journey should be more clearly mapped and streamlined by the companies. Targeted cooperation with universities can also help make the company visible as a potential attractive employer at an early stage.

Professional and successful online employer branding includes different formats for online events, live chats, chatbots in the selection process and constant, integrated activities on social media channels. These channels and tools should be documented in a strategic plan and complemented by a topic plan.

In this process, the employer branding is placed entirely under the umbrella of the corporate brand and does not break any new 'communication ground'. That is the only way to ensure that the overall image of the company is communicated consistently and a uniform image is created among the target groups.

In practice, it is essential to convince supervisors that without professional employer branding, the future demands on the company cannot be met. To counteract this development, all employer branding processes should be put to the test and digital tools should be implemented.

5. What do the respondents envision for a successful employer branding process in their own company?

Most respondents, whether in small and medium-sized enterprises or in corporate groups, would like their management to give more consideration to the topic of employer branding, a larger budget and reliable resources for their work. Furthermore, many interviewees recognise the importance of a professional employer branding strategy exploiting all relevant online tools - very few currently have such a strategy in place.

Several respondents stated that they would like to have a small team dedicated to employer branding and university marketing. As 'lone wolves' their clout is limited, and too often, important tasks are left undone. Beyond that, the experts would like to see a comprehensive internal and external campaign featuring testimonials. Employees should be motivated to promote their employer through their personal social media channels.

Another important point, especially in times of COVID-19, is further training. Here, the employer branding experts would like the employees to be presented with more online training

opportunities. An individual training plan with fixed goals and proven instruments also works to the benefit of the employer brand.

6. What will change in the workplace of the future?

The COVID-19 pandemic has caused huge upheaval in companies, and also raised the question of what is possible with good results. Whether flexible working was and is possible in places, and whether this will be continued after the crisis, indeed depends very much on the respective industry. In the vast majority of cases, a doctor or a waiter cannot work from home. For the most part, these professions work in direct contact with patients or guests.

According to a study by the Institut der Deutschen Wirtschaft (Institute of German Economy, short IW) [7], we will be seeing lasting transformations in the areas where remote work and often also flexi-time schemes are possible, especially where the companies are set up with the digital equipment. More employers will approve working from home, at least temporarily, and more employees will demand remote work. In this respect, Siemens is a corporate pioneer: In July 2020, the company issued a board resolution allowing more than half of its 140,000 employees to work from home for two to three days a week.

For Germany, the IW has established that every second one of the 14.8 million office workers already worked from home temporarily in 2018. The institute postulates that people will be frequently working from home in the future and that therefore the demand for office real estate will decline.

The pandemic situation makes it obvious that virtual meetings and the digitalisation boost will continue to change the way many companies work. Time savings, cost efficiency and the positive effect of fewer business trips on climate change argue for holding notably fewer face-to-face meetings in the future, even after COVID-19. It is to be assumed that many employees will spend more time working from home and only come to the office specifically for team meetings.

These developments show the urgent necessity for companies to professionalise their external and internal employer branding via online channels and to adapt it to remote work. For this reason, it is crucial for companies to revise their existing employer branding strategy or create a professional employer branding plan that includes online and offline tools.

The findings of the survey presented here reveal that, precisely because of the challenges of the COVID-19 pandemic, the employer branding experts wish to be able to create long-term added value for their company with a strategic plan, a reasonable budget and reliable resources and thereby contribute to the company's competitiveness.

The challenges digitalisation poses for employer branding were clearly reflected in the results of this survey. For practical purposes, this means that the companies should digitalise their employer branding process as quickly and purposefully as possible while adjusting the entire communication of their employer brand to suit the needs of the target groups and the digital processes.

However, companies must first learn to deal professionally with the new realities. Everything is becoming more digital and agile, but also more volatile. Therefore, it is key to engage the employees and try out new concepts such as integrative or creative leadership. In many industries, employees will continue to work flexibly and from any given location; office, home office, co-working spaces and mobile working will alternate – new work in hybrid locations [8]. This process calls for employees to organise themselves to a greater extent, to determine for themselves how much work they can get done in which time and during what time of day they are the most productive. These tasks require the ability to self-reflect and can

overwhelm some people. For others, this new way of working leads to more satisfaction and motivation.

How companies deal with the challenges and chances that the pandemic-related changes bring for the way they work and their management culture will determine their future competitiveness. It will become even more important to individually support employees and to provide them with the tools to deal with the 'new' working practices. This can be accomplished in 1:1 coaching sessions or in virtual team workshops. HR professionals face the task of identifying and implementing the individually needed tools together with the employees. Ergonomic office equipment alone will not suffice. However, with individual support, adequate further training tools and the right communication strategy, the employer brand can also benefit from the changes described.

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