



Cornell University
School of Hotel Administration

Human Resource Branding

Making Sure Your Human Resource Brand
Supports Your Luxury Brand

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Brand Equity and its Importance

- **What is brand equity?**
 - Accrued recognition or perceived value for customers
- **Why is it important?**
 - Customers perceive value in the brand itself
 - Makes customers less price-sensitive
 - Motivates repeat purchases
 - Increases customer loyalty
 - One of a firm's most valuable assets



Top 10 World Brands



中国移动通信
CHINA MOBILE



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10 Largest Hotel Brands



InterContinental Hotels Group



HOTELS & RESORTS WORLDWIDE, INC.



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Hospitality Companies Recognize Importance of Brand Management

■ IHG

- Chief Brands Officer (on Executive Board)

■ Starwood

- Senior Vice President, Global Brand Leader

■ Marriott

- Senior VP, Brand Management

■ Hilton

- Executive Vice President of Global Brands



Disconnect Between Serving Internal and External Customers

- Internal versus external customer
- Recognizing the disconnect
 - ❑ Richard Mignault: Former Senior VP of HR for Hilton Hotels
 - ❑ “For an industry that fully understands what it takes to create a satisfied customer, the lack of significant representation of hospitality companies on *Fortune*’s list of ‘100 Best Companies to Work For’ represents a real disconnect between managing the brand and managing employees.”
- On the list
 - ❑ Kimpton Hotels and Restaurants (29)
 - ❑ Marriott International (64)
 - ❑ Four Seasons Hotels & Resorts (83)



Same Principles Apply for Branding to Internal and External Customers

- Communicate to the right audience
- Persuade people of your brand value
- Turn prospects into new buyers
- Turn new buyers into long-term buyers
- Provide a positive experience
- Reduce customer defection
- Foster word of mouth



Phases of Customer Influence

■ Attraction

- ❑ Getting the customer to consider the company
- ❑ External customer: Consider staying at the hotel
- ❑ Internal customer: Consider working for the hotel

■ Selection

- ❑ Get the customer to commit to the exchange
- ❑ External customer: Make the purchase
- ❑ Internal customer: Accept the job offer

■ Retention

- ❑ Keep the customer coming back and providing value
- ❑ External customer: Repeated purchases
- ❑ Internal customer: Continued loyalty and motivation



Introducing HR Branding

■ What is an *HR Brand*?

- The HR Brand is the “package of functional, economic, and psychological benefits provided by employment, and identified with the employing company” (Ambler & Barrow, 1996)

■ What HR Branding entails

- Managing aspects of the company’s reputation and image, communicated to both current and prospective employees

■ Why so critical to luxury brands?



What's the Problem?

- Few companies recognize the value of a strong HR Brand

- HR Brand process

- Not clear start man



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The Value of an HR Brand

- HR problems keep managers “Up at night”
- Financial returns
 - Making it to Fortune’s list yields about a 1.6-percent increase in ROA
- Performance returns
 - Being on the list leads is associated with higher customer satisfaction
- Recruiting returns
 - Immediate increase in applications
- Higher satisfaction; lower turnover
 - Part of what gets you “on the list” is employee satisfaction and turnover



Systematic HR Branding Processes

- **Employee Branding**
 - Managing the firm's reputation
- **Internal Branding**
 - Managing the firm's culture
- **Total Rewards Branding**
 - Managing the firm's value proposition



Role of Employer Branding

■ Attraction

- ❑ Ensures the right type of applicants apply for open positions
- ❑ People with the right skills, right level of motivation, and good person-organization fit

■ Selection

- ❑ Helps get applicants to accept job offer
- ❑ Can overcome some financial aspects of job offer

■ Retention

- ❑ Good reputation and prestige helps retain good employees



Managing the HR Brand

Employer Branding Guidelines: Managing Reputation

- 1. Understand the company's culture, mission, and vision**
- 2. Compare the existing and desired employer brand**
- 3. Establish employer brand**
- 4. Partner HR with Marketing**
- 5. Protect your Employer Brand**



Internal Branding

■ Attraction

- Positive work culture is highly sought

■ Selection

- A well defined culture helps ensure hiring people who have the right person-organization fit
- Helps select people who will respond well to training

■ Retention

- Employees who share the same values as the company are more likely to stay
- A positive culture, and good employee fit with the culture, helps keep employees engaged and motivated



Managing the HR Brand

Internal Branding Guidelines: Managing Culture

- 1. Understand the company's culture, mission, and vision**
- 2. Evaluate the perceived internal brand**
- 3. Create an on-culture internal brand**
- 4. Have management lead the way**



Total Rewards Branding

■ Attraction

- ❑ Companies with a reputation for high rewards (both intrinsic and extrinsic) attract more applicant
- ❑ ...and attract more qualified applicants

■ Selection

- ❑ Higher compensation is associated with higher probability of accepting job offers
- ❑ Better communication of compensation package helps applicants better understand the total value of the compensation package



Total Rewards Branding

■ Retention

- ❑ Both intrinsic and extrinsic rewards improve retention
- ❑ Rewards are associated with higher motivation and performance
- ❑ Better employee understanding of entire rewards package (and not just base pay) makes it harder for other companies to “hire away” employees



Managing the HR Brand

Total Rewards Branding Guidelines: Managing Value Proposition

- 1. Understand the company's culture, mission, and vision**
- 2. Select the target audience and determine the key messages**
- 3. Select the appropriate communication channels**
 - Written
 - Face-to-face
 - Technology
- 4. Develop and implement effective branding communication**



Who Can Do This?

- You do not need to be a multi-billion \$/€/£/¥ company to implement HR Branding
- It all starts with understand the company's culture, mission, and vision
 - Do you have a mission and/or vision statement?
- Top management must lead the way
 - Must be a top-down process, not bottom-up
- Active management is better than passive management (i.e., wishful thinking)
- You don't have to do everything at once



Conclusions

- Brand equity and human capital are two of a firm's most critical intangible assets
- HR can learn from Marketing
- HR Branding can be a strategic tool, used to manage the entire employment experience
- More companies are paying attention to components of HR Brand Management
- Few companies consider the entirety of HR Brand Management



For more information:

<http://www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-16400.html>

Thank
You

Questions?

