

# Press Release

## New study: The small and medium-sized businesses must improve their attractiveness as employers

**BBDO Consulting publishes a study on the importance of Employer Branding in medium-sized businesses/Result: Every third professional of a medium-sized enterprise considers the specialized and management staff shortages as growth-inhibiting to his business/Nonetheless, 81% do not pursue a clear image designing as an employer, so far.**

**Düsseldorf, 17 March 2008** – The business activity keeps going at full blast and nearly all branches are looking for more qualified technical manpower and management staff. In this context, the tracking behaviour of „Right Potentials“, i.e. qualified applicants fitting in the company, more and more resembles the behaviour of consumers when deciding in favour of a product or a service. Talents decide in favour of the perceived quality of an employer, while the real examination of the offer occurs later. As the demand exceeds distinctly the real supply, Employer Branding becomes one of the most important adjusting levers for the company's management and will change sustainably the whole personnel marketing area. Required is a systematic Employer Relationship Management corresponding to the Customer Relationship Management. In order to win the best heads, businesses have to position themselves as strong Employer Brands. In this regard, above all professionals of small and medium-sized businesses still have to catch up. This is the key result of a new study of BBDO Consulting, the international business consultancy arm of the German BBDO Group. The qualitative study was carried out amongst the managing staff of 65 small and medium-sized businesses from November to December 2007. Particularly professionals from leading small and medium-sized businesses – most successful within their branch but scarcely noticed by the public – often give away good prospects to successfully compete renowned big businesses by abstaining from designing a sharp employer image and targeted university marketing activities. Certainly, 37% of the persons asked fear that the present lack of technical manpower and management personnel slows down the growth of their own business, but nevertheless the majority will neither raise the budget nor the human resources for staff marketing activities, in 2008.

### The results in detail

From the decision-makers asked (managing directors, heads of staff/staff development) in leading small and medium-sized businesses, 37% declared they considered the present technical manpower and management staff shortages

to inhibit the growth of their own company. Furthermore, 64% foretold future difficulties in winning qualified trainees. The reasons named for the impending staff shortage are: strong competition for certain occupational groups such as engineers and computer scientists, low numbers of graduates in strongly demanded disciplines like electrical and information engineering as well as more attractive salaries of other employers.

In order to cope with the menacing staff bottlenecks, the persons interviewed named internal staff development and staff binding as strategic instruments. The conception of Employer positioning, however, is less focussed. This is reflected in the fact that 81% of the businesses interviewed do not yet pursue a clear Employer Branding strategy, but at least 66% of them are developing one. Moreover, the most persons asked consider their knowledge about the needs of the target groups as being insufficient. 58% of the people questioned say that the main responsibility for Employer Branding lies with the personnel department of their company. As to recruiting, the relevant businesses back primarily employee recommendations and contacts to chairs.

Despite the awareness of the explosive force of competition for the best talents, 66% of the small and medium-sized businesses do not plan any budget increase for Employer Branding activities compared with the previous year. In 63% of the cases, the human resources for this area are not increased as well.

The results show that many professionals of small and medium-sized enterprises do not manage to bring out their strengths in the context of a general Employer Branding strategy and to communicate it appropriately to target groups. In addition to their usual tasks, staff managers must frequently develop an employer image. At the same time, employees get more and more demanding, so enterprises must react by trying to reach their future employees on all relevant communication channels, and have to offer them individual further training possibilities, too.

## Result

- Without a clear image design strategy as employers, the small and medium-sized businesses give their chances away when competing for the best minds, and here already, their economic growth slows down. Long-term Employer Branding and strategic human resources management must replace a short-term demand-led personnel recruitment. Lasting investments in subtly differentiated communication strategies, Employer Branding measures and personnel resources are a Must.
- A superior Employer Brand must be positioned in a target group-relevant and unmistakable way, unusual enterprise features have to be pointed out clearly and to be harmonized with the business and brand strategy.
- Employer Branding is a top priority and must be established on the executive level.

- Successful Employer Branding covers the complete value-added chain from "positioning" via "winning" up to "binding". An integral talent management approach, innovative remuneration models for the best minds in the business and the recovery of former employees in the context of Alumni management are needed.

"To be able to reach their growth aims, today employers are confronted with a keen competition for the best talents in the market. Particularly, small and medium-sized enterprises have to set out to gain customers with their advantages and must invest in a selective positioning and a target group-appropriate communication", commented Udo Klein-Bölting, CEO of BBDO Consulting.

### **Design of the study**

Based on interviews of decision-makers and using CATI interviews (Computer Assisted Telephone Interviewing), BBDO Consulting examined the importance of Employer Branding among small and medium-sized enterprises of different size. In the period from November 19th until December 14th, 2007, 65 small and medium-sized enterprises – focussing on a specific line of business and being market leaders or at least under the top 3 – were questioned. The interview contents included the assessment of the human resources market situation with regard to the specific needs of the enterprises and to the whole branch, the recognition and use of Employer Branding in order to assure recruitment of technical and management trainees for the own business as well as the anchorage of Employer branding responsibility and budget/resources planning for Employer Branding within the enterprises.

### **BBDO Consulting**

BBDO Consulting is the top international management consultancy for market-oriented business management. Together with its clients, BBDO Consulting develops and implements strategies for market adaptation and translates them into tangible, behaviour-influencing principles and systems. International blue chip clients and market leaders have trusted its unparalleled expertise in the areas of strategic brand and customer management since the company's inception in 2000. BBDO Consulting builds upon the comprehensive know-how of its staff from both consultancy and industry. Excellent knowledge of local markets combined with a global outlook contributes to their success in offices in Düsseldorf, Johannesburg, Madrid, Moscow, Munich, Shanghai, Tel Aviv and Zurich. BBDO Consulting is part of BBDO Worldwide, one of the leading international agency networks with over 290 offices in 77 countries.

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