



Employer Branding – A Human Resource Strategy for Companies in a Turbulent Environment Based on the Example of Northern Austria

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	<p>ABSTRACT</p>
<p>2016 Research Leap/Inovatus Services Ltd. All rights reserved.</p> <p>DOI: 10.18775/jibrm.1849-8558.2015.71.3003 URL: http://dx.doi.org/10.18775/jibrm.1849-8558.2015.71.3003</p>	<p>Human capital is a precondition for regional development and influences, to a great extent, the value or worth of a region. Especially in a turbulent environment, human capital is a key factor to keep a region competitive and innovative. This paper addresses employer branding as a sustainable strategy for companies, located in the border region of Northern Austria, to manage their human resources. The region is characterized by mostly small and medium sized enterprises which increasingly face labour shortage because numerous residents commute to more urban areas. Hence, employer branding contributes to regional development by attracting and retaining qualified people who not only live in the region but are also willing to work there and invest their talent into the development of new and innovative products or services. An empirical study was conducted to gain insight into how precious human capital can be secured in order to reinforce regional development and encounter the labour shortage problem. Interesting information about employers' and employees' values was discovered. Based on the results, companies in the target region require an enhanced human resource strategy in order to be visible for potential employees and to retain existing employees. That is to say, companies that are noticeable and attractive have better chances to entice qualified people which, in turn, positively influences regional development, as people not only live but also work in the region and invest their potential. Talented people not only spur the innovative strength of a company but also determine the success of an organisation. New approaches towards managing human capital and their impact on the target region are presented in this paper.</p>
<p>Keywords: Employer branding, Human capital, Labour shortage, Regional development.</p>	

1. Introduction

In the framework of an intercultural European Union Project, a comprehensive cross-border empirical investigation has been carried out. The survey was conducted in order to explore the labour shortage problem in the rural region of Northern Austria. The project 'RegioTalent' focuses on the human capital as the most important resource of a region, regardless if it is a rural or urban region. We suppose that focusing on the human factor is a condition precedent to further develop a region. The working situation in Northern Austria is characterized by certain issues discussed intensively within the field of work. The main challenges are the lack of skilled workers and apprentices and a lack of adequate and transparent working possibilities for young and qualified persons, as well as a high rate of commuters. Approximately 52 % of the employed population commutes outside of one of the four districts on a daily basis (Statistik Austria, 2010).

Based on an extensive literature review, the importance of human capital is stressed by various authors (Mandhanya and Shah, 2010; Moroko and Uncles, 2008). Employer branding offers the organization the possibility to position itself as an attractive employer. It can be used as a strategy to enhance the visibility and noticeability of an employer. This increases the transparency of working opportunities for people who live in

the region. In further sequence, this contributes to regional development by motivating persons to not only live in the region but also work there and invest their potential. A prerequisite of successful employer branding is the identification of values on two sides, employer's and employee's. These values have to correspond to each other in order to enable a positive working environment.

2. Literature Review

In today's economy, firms are facing increasing competition to attract suitable employees. Authors emphasize the importance of human resources: "In today's world employee is a very important aspect in any organization. Maintaining them and retaining them as well as attracting skilled persons are a very important task [...]" (Mandhanya and Shah, 2010, p. 44). It is getting more and more important to pursue strategies in order to attract and retain staff due to the fact that markets progressively recognize human capital or the skills, experience and knowledge of employees as sources of value to the company and to its stakeholders (Moroko and Uncles, 2008). Companies are increasingly realizing that human capital is a crucial resource for staying competitive. Hence, organisations have to make efforts to retain and find qualified employees on the labour market. In this context, Wilden et al. state that "firms need to develop strategies to ensure that their human-resource base remains adequate for the challenge of doing business." (Wilden,

Gudergan and Lings, 2010, p. 56). One of these strategies is to build a strong brand so that people are able to associate specific values with it. Therefore many companies make efforts to strengthen brand management, particularly on product and corporate branding. However, brand management can also be applied in the area of human resource management (Backhaus and Tikoo, 2004) with the overall objective to attract potential employees, so that they immediately recognize and associate certain values with the employer, and to maintain existing employees. Employer branding increases the transparency of available job opportunities. Shah (2011, p. 30) refers to employer branding as a tool that can be used “to manage the scarce resource called talent”. Especially in a turbulent economy, when the war for talent is intense, employer branding can be used as a strategy to attract and maintain talents. “Retaining employees is more important than hiring them, as talented resources have many opportunities available.” (Chhabra and Mishra, 2008, p. 50) Employer branding is not about a bundle of actions, it is first and foremost an applied corporate philosophy. The aim of being an attractive employer for both, current and prospective employees, can only be reached through multidimensional thinking and actions (Stotz and Wedel, 2009).

3. Method

As mentioned in the previous chapter, human capital is a key success factor for regions and companies. The purpose of this research is to identify how human capital can be secured in the region of Northern Austria in order to contribute to regional development. Employer

branding is one of various attempts that try to hold and attract human resources. The research questions derived from the aim of research are:

- Which values do people who live in the region have?
- Why do qualified people migrate from the region?
- Which values do employers in the region have?
- What is required to make people stay in the region?
- How can regional employers attract people?

3.1 Research Design

3.1.1 Data Collection

In order to answer the research questions, an empirical interpretative study was carried out by a qualitative research design, the so-called semi-structured interview. “It typically refers to a context in which the interviewer has a series of questions that are in the general form of an interview schedule but is able to vary the sequence of questions” (Bryman, 2012, p. 212). Due to great interest regarding the experience and perceptions of the interviewees, a quantitative research method was impossible to use. Accordingly, Bortz and Döring (2006) pointed out that qualitative material contains more details than a measured value. Based on this qualitative technique, subjective perceptions of the interviewees are investigated. For the purpose of this research, 34 face-to-face interviews as well as one focus group were the chosen methods for obtaining the required information. In the course of the face-to-face interviews the so-called laddering technique was applied in order to uncover core values (Reynolds and Gutman, 1988).

3.1.2 Sample Determination

The respondents were chosen on the judgment of the researchers based on the strengths of the respondents’ experience of the phenomenon under study (Collis and Hussey,

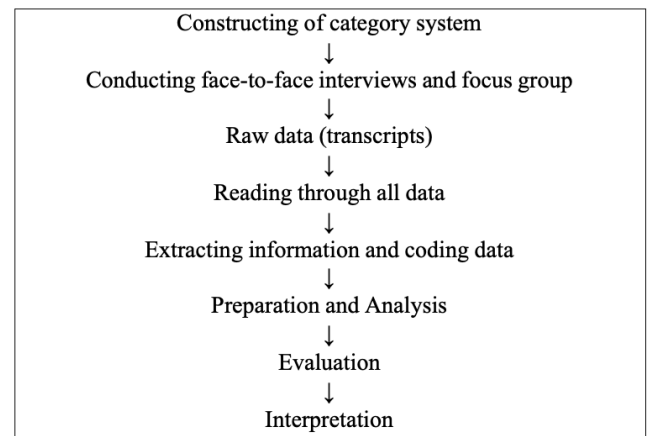
2009). The respondents are either living or working in the region of Northern Austria. The participants were selected by using a purposeful sampling strategy (Patton, 2002). The interviewees were selected through the use of personal references of peers and according to their regional belonging to the target region. This sampling method does not entail costs and it is convenient and quick (Malhotra and Birks, 2007). Due to subjective sampling, it does not allow direct generalisations to a specific group. However, it allows exemplary generalisations (Wahl et al., 1982, p. 206; referenced by Bortz, Döring, 2006, p. 335).

Table 1: Description of respondents (own illustration)

Target groups / Respondents	
Face-to-face interviews	
Entrepreneurs (SME's up to large-scale, sectors involved: information systems and engineering, metal, handcraft, production of textile, windows)	12
Talents (pupils, students, apprentices, employees, artists)	12
Inhabitants of Northern Austria	7
Representatives of the region Northern Austria (mayors)	3
	34
Focus Group	
Young People (pupils, students, employees aged from 17-28)	12
Total Respondents	46

3.1.3 Data Processing

Figure 1: Analysis of data (modified from Gläser and Laudel, 2006, p. 42/194)



The qualitative data collection methods generated texts, such as documents and interview transcripts. These texts are the raw data that were analysed. In contrast to quantitative methods, the texts are diffuse because it is not clear yet which information of the texts is relevant for the study (Gläser and Laudel, 2006). Also Robson (1993, p. 370) observed this challenge that there is “no clear and accepted set of conventions for analysis corresponding to those observed with quantitative data.”

The qualitative content analysis by Mayring, described in Gläser and Laudel (2006), was chosen as the method for analysing the generated data. The texts were analysed by extracting information in a systematic procedure. For that purpose, the texts were scanned with an analysis grid for relevant information. Relevant parts of the texts were then allocated to the analysis grid and were independently processed

further. This qualitative analysis method did not take the entire texts of the interviews into account; it merely extracted the relevant information. The analysis grid was defined beforehand, meaning that the categories, in which extracts of the texts were allocated to, had been developed *ex ante*. Such a category or code could be a keyword or a numerical sequence.

The qualitative data and content analysis software MaxQDA was used for data processing as it facilitates a structured qualitative analysis of the transcripts. First, the pre-defined category system was imported into the programme. Then, extracts of the texts were added into the categories and were thus coded. The purpose of coding the data and the preparation of the data should improve the quality by summarising scattered information and eliminating redundancies (Gläser and Laudel, 2006). The aim of the evaluation of the data was to answer the posed research questions and to identify causal relationships.

4. Results and Main Findings

All in all, six propositions were formulated based on the evaluation and interpretation of the collected data. These propositions provide insight into the situation in the target region and contribute to answering the research questions.

The main results and findings of the qualitative survey show the importance and meaning of the close connection of employment and quality of living. The satisfaction with the employment situation of the inhabitants of Northern Austria is closely related to the assessment of the quality of living. It is significant, that employers and entrepreneurs are aware of this connection in order to be able to attract, satisfy, and bond the human capital. Moreover, appropriate job opportunities in the region are an important factor for bonding inhabitants, in particular young people and creative potential to the region. Besides the working situation, social contacts and family, habitation and spare time are factors influencing the perception of quality of living – it is the sum of these influencing aspects that hold people in a certain region. From the perspective of regional development and the development of rural regions, particularly the possibility for people to work in the region is decisive.

Proposition 1: “Regional work is a major factor of the subjective perception of the quality of living and thereby the quality of work is important.”

The main result from the gathered data is that regional work is a major factor of the subjective perception of the quality of living and thereby the quality of work (that is to say, challenging content, career opportunities, training and qualification and remuneration) is important. In this context, Csikszentmihalyi states that “involvement in interesting activities, including engaging work, is a major source of well-being” (Myers and Diener, 1995, pp. 15–16).

Regional working opportunities and jobs enhance the quality of living and enable people who live there to stay in the region. According to the respondents, there is a direct connection between the quality of living and having a job in the region. It has to be considered that, besides the regional aspect, the requirements regarding working conditions are multilayer and

therefore the survey additionally investigated the main values of employees, which will be discussed in a subsequent section.

Nevertheless, the company structure in the investigated region consists mainly of small and medium sized enterprises which cannot supply the demand for regional work. Thus, commuting seems to be the most obvious alternative. According to Florida (2008), commuting is the one thing which makes us most unhappy in life. Interpersonal relationships (family, friends), a high quality of living (nature, infrastructure), and regional job opportunities are those things which raise our feeling of well-being, trusting the results of the available qualitative survey.

Proposition 2: “Employer Branding is of high importance for regional and local entrepreneurs in order to be visible in the labour market and to attract (regional) workforce.”

Derived from the qualitative data, employer branding and talent management are of high importance, particularly in remote rural areas. There are special conditions for entrepreneurship in rural regions as they seek for a skilled and specialized labour force. One main advantage of firms in rural areas is that they use small and medium sized structures and thereby foster trust in their customers. Enterprises in urban areas can learn from enterprises in rural areas in the framework of the information society, where anonymity in business is common.

According to the results of this empirical investigation, the commuting behaviour which is at a very high level results not only from missing regional job opportunities but also from the ignorance of actually having available job options. Ignorance exists on both sides, employees as well as employers. Asking graduates, they often do not even think about searching for regional job opportunities. Besides, employers do not see any need to be present in the regional job market. They think it is sufficient to announce the job as the need arises but do not invest in anything in advance. Employer branding in terms of being present on the regional job market, cooperating with local education facilities, and gaining a good reputation, is not always considered to be important. These companies are more likely to be affected by skill shortages than those who invest in employer branding measures.

4.1 Employer branding in the context of rural and urban areas

Firms in urban areas could use strategies, such as employer branding and talent management as a positive example and tool to attract talents and regional human capital. According to Mandhanya and Shah (2010, p. 43), “Talent Management refers to the process of developing and integrating new workers, developing and keeping current workers and attracting highly skilled workers for company”. The definition of ‘Employer Branding’ by Hochgatterer (2012, p. 24) is: “Employer branding is the effort of attracting potential employees, retaining current employees and communicating the employer brand internally as well as externally. Employer branding makes it possible to differentiate from competitors and to win the war for the scarce resource called talent.”

Proposition 3: “Recruitment strategies in rural regions are different from recruitment strategies in urban regions.”

The research identified different approaches of the remote rural areas and urban areas concerning recruitment strategies and measures. Applied and effective recruitment measures observed in the rural area of Northern Austria are in the first place, word of mouth and recommendations by acquaintances. In addition, the close cooperation with schools is essential and there is still potential for further expanding and intensifying the cooperation with regional schools and education institutions. Activities related to cooperation with schools could include frequent company visits at regional schools and e.g. give lectures, realize projects together and post job advertisements directly at schools. Furthermore, activities and events, such as an open house, using regional media, sponsoring, and the regional labour market service are well used in rural companies. New media is currently not very commonly applied. A decisive aspect for a successful recruitment process is the image and reputation of the companies and firms in the region and this is where employer branding comes into play.

Firms in remote rural areas establish their own employer branding strategies, especially focusing on regional reputation and early involvement of future employees. Skills shortage is not a problem they have to deal with, as they are known as valuable employers who invest in their innovative potential in terms of personnel development.

Proposition 4: “Companies that are fostering intrinsic motivation and offering their personnel incentives benefit from a high level of loyalty and are able to find skilled workers and qualified staff.”

Such activities that are fostering intrinsic motivation are, as mentioned by the companies in our study, for instance further education, job rotation, management by objectives, premiums, paying more than the collective contract forces, social events in order to enhance the feeling of solidarity and social cohesion.

The survey revealed that some firms in even very remote rural areas are not affected by a labour shortage problem. These companies have been asked for the reasons, how they manage to find skilled workers and qualified collaborators. The key finding is that these companies apply various employer branding measures. From an internal point of view, organizations offer sufficient training opportunities for employees and apprentices, good working and family atmosphere, and voluntary social contributions. Respondents argue that in their companies trust, appreciation and empathy for employees can be found at all levels. These incentives lead to highly motivated employees and, in turn, enhance the image of the employer brand. Engaged and enthusiastic employees are able to achieve maximum performance and therefore generate better outcomes and results. This again, leads to higher resources that the company can use for social benefits or other employer branding activities. Internal employer branding activities are essential to meet the expectations of existing employees and to keep the ‘promise’ that was transmitted by external activities beforehand. If employees are satisfied and their expectations are met, it prevents them from switching to the competition and encourages them to

communicate their positive experiences with their acquaintances.

4.2 Values of Employers and Employees

In order to implement an employer branding strategy, the values of a firm are of great importance. The compliance of the values of employers and employees is a key factor for finding and holding skilled workers, qualified employees and talents. In the frame of this study, the value systems of entrepreneurs and employees have been investigated by asking each of them the following questions:

- What is important for you related to WORK?
- What is important for you related to LIFE and LIVING as a whole?
- What is important for you related to the REGION you live in?

According to the Laddering Technique (Reynolds, Gutman, 1988), after asking one of these questions the interviewer has to ask three times, why the mentioned answer is important for the person. The laddering technique which has been applied in this study is a research interview technique for uncovering core values.

4.2.1 The Employee’s Perspective

The most frequently mentioned answers regarding the personal values of the interviewed employees are:

- Having sole responsibility, working independently
- Room to maneuver and scope for development
- Advancement in one’s position and career perspectives
- Flexibility concerning working time and scheduling
- Flexibility concerning work content (interesting and challenging)
- Working atmosphere (relation to colleagues, seniors, working environment)
- Creativity, challenge, manifoldness, job variation
- Continuing education and lifelong learning
- Pleasure and enjoyment with work

Respondents stressed that values, such as creativity and room to maneuver contribute to their individual fulfillment. These findings are in line with a statement of Bergmann, that “the spirit and sense of one’s activities, a job which we absolutely want to have, is better than any kind of therapy” (Bergmann, 2004, p. 119). According to the respondents, the main point is the mixture between the adequate work content, the working atmosphere and appropriate rewards.

4.2.2 The Employer’s Perspective

From the employer’s point of view, the values that were commonly mentioned by employers and entrepreneurs in the region of Northern Austria are:

- Quality of products and processes as success factors
- Honesty and fair-mindedness, reliability, trustworthiness, gentlemen’s agreement
- Sense of cooperation and fairness
- Sense of community: solidarity, social cohesion and team spirit
- Societal and social responsibility, socially mindedness
- A climate of appreciation and respect in the company and working groups

Moreover, the values of employers related to human capital management and the leadership of employees have been explored:

- Participation, involvement and information (regarding working processes and assignment of tasks)
 - Clarity and transparency concerning processes, course of action systems and remuneration
 - Openness related to communication, distinctive orientation
 - Appreciation, recognition and respect of personnel
 - Further education and qualification, lifelong learning, human capital development, fostering talents and personnel development
 - Career development and future perspectives
 - Leadership and management: management by objectives, teambuilding, workplace design
- Offering challenge, manifoldness and job variation

Regional work is the key for regional and economic development and innovation of sustainable regions. Therefore, in order to attract and hold regional workforce, it is crucial for local entrepreneurs and employers to focus on meeting the expectations of the employees regarding the values of career advancement possibilities, flexibility, continuing education, working atmosphere and reward.

4.3 Overcome Challenges of the Future

Proposition 5: "New forms and concepts of work will be required in order to meet the challenges of the future."

Another important result is that the term 'work' has to be reconsidered and new concepts and forms of work will be required in order to meet the challenges of the future, e.g. tele-working, qualification in firms, life-cycle-oriented work models allow more flexibility and self-determination. Flexibility in working time will become more important in the future and there will also be a need for more flexibility in terms of working forms, especially considering the situation of families with a duty of childcare and well-established employees. There is a huge potential of creativity drowsing in women, who stay at home due to childcare. To summarize, new models of work should be considered as for instance life-cycle-oriented work models for women, as well as for men taking into account the private, family situation and age.

Proposition 6: "In addition to regional work, regional education and training, infrastructure and habitation are essential in order to bond and keep skilled workforce and in particular, young talents."

Supplementary to regional job opportunities, increasing the quality of living, regional education and training is one more factor making life interesting for people in Northern Austria. Especially young respondents highlight that sufficient infrastructure and appropriate habitation is essential and contributes to their quality of life. Infrastructure pertains to adequate public transport, in order to guarantee mobility, and notably different locations for young people to meet each other, entertainment opportunities, cultural events and sport options. In addition, for the respondents, adequate and affordable habitation possibilities in rural regions are

fundamental for the decision of the place of residence, especially for young people.

5. Impact of Results on Regional and Social Development

Regional job opportunities are the decisive factor for bonding people, especially young talented people, to the region. The settlement of companies and entrepreneurship has to be fostered, also taking into account the regional requirements and the support of small and traditional structures. Furthermore, applying employer branding measures, such as incentives for existing employees as well as external activities for being noticeable for potential employees, will strengthen companies in the region. Especially for small and medium sized enterprises (SMEs) employer branding can be the key strategy to attract and bond qualified staff. These small structured companies in Northern Austria do not have a separate human resource department and therefore might not apply employer branding measures. However, employer branding strategies do not implicitly require big budgets; truly living the values that are promised externally to potential candidates is important. Additionally, new forms of work and the cooperation of local companies and schools in order to merge employers and employees will contribute to enhance the situation of Northern Austria. In addition to working opportunities, education and training opportunities are required in the region.

6. Conclusion

The study has revealed that regional job opportunities influence and enhance the quality of living. Therefore, it is advisable for companies in Northern Austria to apply employer branding measures as this increases the visibility of local companies, especially in remote rural areas. This encounters the migration of local people and talents as they are given the possibility to recognize local job opportunities. Furthermore, we detected differences in the recruitment strategies of urban and rural companies. In rural areas word of mouth recommendations are widely used to learn about an employer. Regarding employer branding, it is crucial that the values of employees and employers correspond with each other. The values have to be an honest representation of what the employer stands for. This enables the employees to identify whether these values match his or her expectations.

7. Limitations and Directions for Further Research

The research findings are restricted to a specific region, namely the area of Northern Austria. Hence, the results from the qualitative research are not representative for the population. According to Bryman (2012), the findings of qualitative research are to generalize the theory but not the population. It is the quality of the theoretical inferences that are made out of qualitative data that is crucial to the assessment of generalization (Bryman, 2012). This view of generalization is called "analytical generalisation" by Yin (2009).

Further research concerning the regional employer branding strategies and measures in the region of Northern Austria will be applied by performing scientific case studies with local companies.

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