

## EMPLOYER BRANDING PECULIARITIES FROM A GENERATIONAL PERSPECTIVE: CASE OF BALTIC STATES

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**Abstract.** Companies have currently acknowledged that it does matter, how current and potential employees see them. Several companies see that they can develop their competitive advantage by creating and sustaining an attractive image of the company. It takes more than beautiful promises, future illusions and lovely pictures of the company – it has to be a culture based on certain values, which are attractive for the potential and current employees. It certainly is especially important for companies, who are operating in fields, where there is a lack of high skilled workers and where headhunting is inevitable. In the existing literature most of the researches are about attracting employees. However, being able to attract is as equally important as being able to create and sustain the loyalty of the current employees since low job satisfaction leads to high employee turnover and thus lower productivity. The aim of the research is determine, which are the most important work-related factors, which employees evaluate as attractive. The method used in the research is survey method with over 6000 respondents from the Baltic States. The results show that there are statistically significant differences among different age groups – although almost all given factors were evaluated as either very important or rather important by all age groups, there are different priorities depending on the age and stage of the career of respondents.

**Keywords:** *employer brand, organizational values, job satisfaction.*

**JEL Code:** M14, J28

### Introduction

Companies have acknowledged that it does matter, how current and potential employees see them. If at the beginning of 19th century labour force was perceived as an extension of machines, then nowadays the tables seem to have turned and labour force is not only an important resource, but it can be as a great advantage for many companies due to the specifics of their industry. Several companies see that they can develop their competitive advantage by creating and sustaining an attractive image of the company. It takes more than beautiful promises, future illusions and lovely pictures of the company – it has to be a culture based on certain values, which are attractive for the potential and current employees. It certainly is especially important for companies, who are operating in fields, where lack of high skilled workers is prominent and headhunting - inevitable. In author's opinion, however, employer branding is not only a mean of ensuring that the company will have proper employees, but also a way how to make sure that the needs of employees will be met, thus there is a greater chance that emotional and physical needs, while also their professional ambitions will have a higher chance of realisation. The main questions of the research are which of the employer branding elements are the most important ones for employees and how does age influence the results? The findings of the research are important for the Baltic countries particularly since employer branding as a term has not yet been widely used and there has not been enough attention brought to the particular topic. Currently there is a very limited scientific attention towards employer branding topic in the Baltic States and this is the first extensive research particularly in Latvian labour force market. In order to reach the aim of the research the author analyzed the results from the conducted survey in spring 2020 by using statistical methods of analysis using SPSS. The sources used to create a theoretical background for the research are scientific articles of the employer branding topic. The limitations of this research include the geographical limitations – the respondents in the survey come from Latvia, Lithuania and Estonia, thus there could possibly be different results for other geographical locations. Also, there can be a risk that there could be elements missing, which could possibly influence the perception of a company.

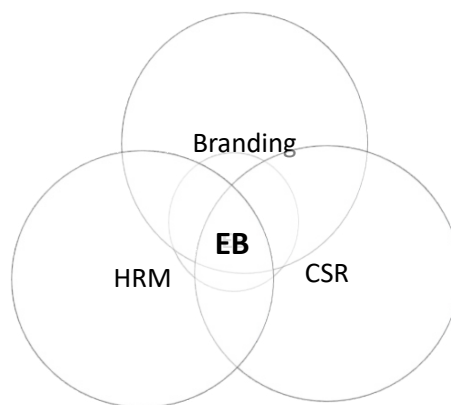
Clearly, after having the results of the research, there is a discussion, how to implement the results in the practice of the companies and until what extent should companies adapt the results into their strategy. However, in author's opinion it is especially important for the human resource management to have a clear overview of the elements, which are important not only for labour force as such, but also for specific age groups. Thus, it can help not only to build the strategy of the employer brand, but also to be able to apply the data, when building the motivation strategy for employees. Also, it could be worth to take a deeper analysis and see not only how age influences the choices of the potential employee, but also gender, education, industry and other factors.

### **The concept of employer brand in the literature and the role of generational differences**

Although there have been similar ideas as employer branding before, employer brand as a term attained a concrete definition and reached more attention only after 1996, when Ambler and Barrow published a research paper with the same title. Authors schematically showed the connection between employees and products that they create – they believe that good employees are a prerequisite in order to sustain entrepreneurship in a

good quality, that in order to create a good quality product it is necessary to have high level employees. They define employer brand as a „the package of functional, economic and psychological benefits provided by employment, and identified with the employing company. Until 1996 the terms used to describe similar ideas were corporate culture & identity, internal marketing and corporate reputation. Backhaus however points out that over time, there has been a shift in the employer branding literature. At the very beginning employer branding did not focus on the desire of an organization to be the “employer of choice.” Ambler and Barrow came up with the employer brand concept as value-neutral, an employer brand was simply a brand identity that help to characterize the employer. The shift can be noticed in the definition of other scholars (Martin et al. 2011, pp.3618-19), who define employer brand as “a generalized recognition for being known among key stakeholders for providing a high quality employment experience, and a distinctive organizational identity which employees value, engage with and feel confident and happy to promote to others”

Aggerholm et al. in their research also created a framework of how they see, what employer branding is particularly in sustainable organizations. They are suggesting “a dynamic link between the corporate strategy and the merging of corporate branding, strategic HRM and CSR as integrated communicative processes in sustainable organizations” (Aggerholm et al, 2011).



Source: created by author based on Aggerholm et al. (2011)

Fig. 1. Employer branding processes in sustainable organizations

In author’s opinion employer brand is a perception of the company – a mix of the activities that the company does or is involved in creates an image, which then is individually processed and creates a certain perception of the particular company. The way, how the individual will perceive the company is dependent not only on objective attributes, but also on subjective attributes, which include personal values, wishes and aspirations.

In 2003 The Economist conducted an employer brand survey among readers over the world, including HR professionals. The most common definitions of the employer brand were:

- 1) promotion of a special image of the company as an employer
- 2) part of corporate advertising
- 3) appearance and content hiring announcement,

thus we can clearly see that the perception of the term employer brand differs from an individual to individual (Kucherov, 2012).

Which elements could make the company attractive as a potential employer? In the current literature there is a limited classification of employer brand attributes. There are researchers, who see employer brand elements as both rational and emotional (Mosley, 2007), while Lievens (Lievens, 2007) offers a division of symbolic and instrumental elements. However, Kucherov (Kucherov, 2012) offers to group employer brand elements into four groups:

- 1) Economic elements (a decent salary, fair system of bonuses and rewards, a convenient work schedule, stable guarantees of employment)
- 2) Psychological elements (strong corporate culture, a good team-work, objective assessment of work, positive interaction and interpersonal relations in company)
- 3) Functional elements (work content, opportunities to have a growth in career, training perspectives, opportunities to make a full use of the skills and knowledge of employees)

4) organizational elements (leadership in market segment, reputation of the company, products and top-managers, managements style, scope of activity (local or international)).

There is also an important part of researchers, who have created a concept of employer brand dimensions. Some of the researchers see employer brand as consisting of 5 dimensions, while others – as a term consisting from 12 dimensions. For example, in a research done in 2017, researchers came up with 5 dimensions which constitute employer brand - growth and development opportunity, company's reputation, acceptance and belongingness, work-life balance and ethics and CSR. They also found a meaningful linkage between intention to join and the perception of employer brand. (Sharma, 2018) While Hillebrandt and Ivens in 2013 (Hillenrband, et al, 2013) published an article, where they had come up with 12 dimensions of employer brand respectively – culture, teams spirit, tasks, international environment and career, benefits, reputation, work and life balance, training and development, clients, versatility, autonomy and corporate social responsibility.

Looking at employer brand in the generational perspective, studies about the generational issues have increased in the past decade in the academic and managerial literature (Benson, et al. 2011; Constanza, 2012; Lyons, et al. 2014). The key idea for the existing researches is that there might be significant differences between generations currently in the labour market, which could cause not only internal conflicts within the workplace, but “could also bring the need for rethinking people management practices, such as recruitment, compensation, development, performance assessment, and feedback, among others” (Reis et al., 2015). Studies point out that at least three generations interact in the workplace today, the Baby Boomers, Generation X, and Generation Y or the so called Millenials. There are apparent differences among researchers about the time cuts for each generation, the start and end years differ for some years, but generally they are as follows – Baby Boomers (1946-1964), Generation X (1965-1980) and Millenials (1981-1996).

However, it is notice to point out that most of the studies are done in United States, while others are also from Canada and Australia, thus it is important not to overgeneralize and to see whether the current results and conclusions of the existing research is compatible with different cultural environments. For example, in the case of Baby Boomers and Generation X, who were born in the time span of ~1946-1964 and ~1965-1980 respectively there were important environmental and cultural differences between aforementioned countries and the USSR. For example, Sandeen (Sandeen, 2008), an American researcher, in her paper describes Baby Boomers (1946-1964) as people of the time of great optimism, at the time children became the main focus of this generation and that this was the first generation to enjoy the benefits of television and other advancements of technology.

### **Empirical research of the employer brand in the Baltic States**

The survey was conducted in 2020 by headhunting company Amrop in cooperation with sociological research company Factum. Their aim was to detect, which companies are the most favourable in the market and why. However, the data offers an extensive range of further analysis to evaluate how do different factors like age, gender, education, country affiliation and other factors influence, for example, what is important and what isn't important for potential employees. In the context of this research, the author has chosen to analyse the generational differences and to evaluate if there is a statistically significant difference on what different generations perceive important for them.

As a result of the survey, Amrop received data from 5095 respondents from Latvia, Estonia and Lithuania. Similarly as mentioned in the literature review, 4 groups of elements were chosen to describe employer brand – **Rational benefits, Job Characteristics, Social values and benefits and Employer reputation and Image** (Image 2.1.) and under each of the elements several element-characterizing factors were offered for respondents. Respondents were asked to evaluate each of the factors in the following scale: “Not important at all”, “Rather not important”, “Rather important”, “Very important” and “Can't say”.

Table 1

A list of employer brand elements used for the research

Rational benefits	Job characteristics	Social values and benefits	Employer reputation and image
<ol style="list-style-type: none"> <li>1. Competitive/fair base salary</li> <li>2. Overtime pay/compensation</li> <li>3. Performance related bonuses</li> <li>4. Good promotion opportunities</li> <li>5. Good reference for future career</li> <li>6. International career opportunities, foreign assignments</li> </ol>	<ol style="list-style-type: none"> <li>7. Reasonable amount of work</li> <li>8. Convenient location</li> <li>9. Good working conditions</li> <li>10. Flexible or convenient working hours</li> <li>11. Care on job safety issues</li> <li>12. Possibility to receive training and further education</li> <li>13. Good opportunities for professional development</li> <li>14. Interesting and versatile work tasks, responsibilities</li> <li>15. Possibility to work from home</li> <li>16. Good relationship and cooperation with direct superior</li> <li>17. Autonomy in tasks' execution</li> </ol>	<ol style="list-style-type: none"> <li>18. Good internal relationship, friendly environment</li> <li>19. Organisation's values are in line with your personal values</li> <li>20. This job makes you feel good about yourself, more self-confident</li> <li>21. Organisation will value and make use of your skills and talents</li> <li>22. Creative and dynamic work environment</li> <li>23. Dynamic internal environment - team activities, healthy life style promoting activities, sports</li> <li>24. Interesting industry sector</li> </ol>	<ol style="list-style-type: none"> <li>25. Supplies good quality products or services</li> <li>26. Socially responsible and ethical organisation</li> <li>27. Takes care on environmental issues</li> <li>28. Prestigious organisation</li> <li>29. Growing/successful organisation</li> <li>30. Good reputation of owners, shareholders and chief executives</li> <li>31. Well-known company</li> <li>32. Good public reputation of the company</li> </ol>

Source: author's creation based on survey used for the research

It should also be mentioned that due to the fact that the available data is separated into three age groups – 18-30, 30-50, 50+, there partly is an overlap of the generations within the age groups. According to theory 18-30 age group refers mostly to Millennials, who are born in the time span between 1981-1996, the group 30-50 consists of a mix of early Millennials and Generation X, while in the group 50+ there is a mix of early Generation X and Baby Boomers. Since there aren't strict and generally accepted time cuts for each generation, it does not interfere with the ability to make conclusions about generational differences.

## Results

The results show that most of the respondents are in the age group 31-50 (2609), who are followed by the age group 51+ (1706) and 18-30 (780). Also, most of the respondents (3364) have attained higher education and 52% of the respondents are females, while 47% are males. From all respondents 58.4% are working either full time or part time, the others are either entrepreneurs (8.4%), students, temporarily not working, retired or have never been employed and are not working now as well.

First of all, author took a look at which employer brand elements are the most important ones and which elements are less important. It is possible to conclude that on average none of the elements were evaluated as “not important at all”, which means that the elements chosen for the research are meaningful for the respondents. Another conclusion is that there is a difference on meaningfulness for respondents, when comparing the 4 great subgroups – rational benefits, job characteristics, social values and benefits and employer reputation and image. Further author will analyse each subgroup separately.

In the following tables author has indicated the most popular answer within the particular age group. Also, author has added indexes <sup>a</sup>, <sup>b</sup>, <sup>c</sup> for every factor. Index <sup>a</sup> shows that there are no statistically significant differences among all three age groups. The index <sup>b</sup> shows that there are slight differences among groups, where usually one group stands out of the others, while the index <sup>c</sup> shows statistically significant differences among all three age groups.

Table 2

### Evaluation of rational benefits in the generational cut

Rational benefits	18-30	31-50	50+
Competitive/fair base salary <sup>a</sup>	Very important (79.2%)	Very important (80.1%)	Very important (77.7%)
Overtime pay/compensation <sup>c</sup>	Very important (62.9%)	Very important (44%)	Very important (53.2%)
Performance related bonuses <sup>b</sup>	Very important (47.8%)	Very important (55.6%)	Very important (51.7%)
Good promotion opportunities <sup>c</sup>	Very important (49.2%)	Rather important (43.2%)	Rather important 40.6%)
Good reference for future career <sup>c</sup>	Very important (43.2%)	Rather important (42.7%)	Rather important 39%)
International career opportunities, foreign assignments <sup>b</sup>	Rather not important (31%)	Rather important (31.7%)	Rather not important (33.9%)

Source: author's created using data of the survey

As stated before, in the table it is possible to see, which was the most popular answer within the particular age group. Clearly rational benefits are statistically more important for the younger generation than it is for older respondents. The factor, which happened to have similar answer division between "rather important" and "rather not important" and was similarly comparatively low evaluated, was "international career opportunities and foreign assignments". While competitive/fair base salary happened to be the most important factor for all age groups and there are no statistically significant differences among age groups.

Table 3

### Evaluation of job characteristics elements in the generational cut

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Job characteristics	18-30	31-50	50+
Reasonable amount of work <sup>b</sup>	Very important (59.4%)	Very important (46.8%)	Very important (52.8%)
Convenient location <sup>c</sup>	Very important (47.6%)	Rather important (44.8%)	Very important (42.4%)
Good working conditions <sup>c</sup>	Very important (71.9%)	Very important (58.6%)	Very important (65.1%)
Flexible or convenient working hours <sup>b</sup>	Very important (56%)	Very important (50.6%)	Very important (50.9%)
Care on job safety issues <sup>c</sup>	Very important (48.2%)	Rather important (42.6%)	Very important (53%)
Possibility to receive training and further education <sup>b</sup>	Very important (45.4%)	Rather important (46.1%)	Rather important (45.9%)
Good opportunities for professional development <sup>c</sup>	Very important (56%)	Very important (53.3%)	Rather important (45.5%)
Interesting and versatile work tasks, responsibilities <sup>b</sup>	Very important (44.1%)	Very important (52.6%)	Very important (45.3%)
Possibility to work from home <sup>b</sup>	Rather important (36.7%)	Rather important (35.5%)	Rather important (36.8%)
Good relationship and cooperation with direct superior <sup>c</sup>	Very important (65.1%)	Very important (74.7%)	Very important (71.8)
Autonomy in tasks' execution <sup>c</sup>	Rather important (50.3%)	Very important (46.2%)	Rather important (44.6%)

Source: author's created using data of the survey

Table 4 it is possible to conclude that for younger people elements of job characteristics are more important than for older respondents as the most popular answer was "very important" in 9 out of 11 elements. The most important elements for all age groups was good working conditions and good relationship and cooperation with direct superior, while comparatively the least important factor of job characteristics elements was possibility to work from home. However, in all age groups all elements of job characteristics were on average evaluated as at least rather important. What is specific about this particular group of elements is that for all elements there are either slight or large statistically significant differences among the age groups.

Table 4

**Evaluation of the elements social values and benefits in the generational cut**

<b>Social values and benefits</b>	<b>18-30</b>	<b>31-50</b>	<b>50+</b>
Good internal relationship, friendly environment <sup>b</sup>	Very important (65.8%)	Very important (64%)	Very important (69.5%)
Organisation’s values are in line with your personal values <sup>c</sup>	Rather important (45%)	Very important (51.9%)	Very important (46.2%)
This job makes you feel good about yourself, more self-confident <sup>a</sup>	Rather important (57.1%)	Very important (55.1%)	Very important (53.1%)
Organisation will value and make use of your skills and talents <sup>c</sup>	Very important (51.7%)	Very important (60.7%)	Very important (56.1%)
Creative and dynamic work environment <sup>a</sup>	Rather important (47.4%)	Rather important (47.5%)	Rather important (48.8%)
Dynamic internal environment - team activities, healthy life style promoting activities, sports <sup>b</sup>	Rather important (39.5%)	Rather important (44.7%)	Rather important 45%
Interesting industry sector <sup>b</sup>	Rather important (44.5%)	Rather important (47.7%)	Rather important (49%)

Source: author’s created using data of the survey

In the Table 4 it is possible notice that all of the elements are either rather important or very important for all age groups. Some of the social values and benefits are more important for all age groups than others. The most important elements are good internal relationship, friendly environment and organisation that will value and make use of one’s skills and talents. While creative and dynamic work environment, dynamic internal environment and interesting industry sector are all evaluated a bit lower - as rather important. Although for the element “This job makes you feel good about yourself, more self-confident” the dominating answer is slightly different among age groups, overall the statistical differences are insignificant. Insignificant differences among age groups are also for the element “creative and dynamic work environment”. However, significant statistical differences among all age groups are for 2 elements marked with the index “<sup>c</sup>”.

Table 5

<b>Employer reputation and image</b>	<b>18-30</b>	<b>31-50</b>	<b>50+</b>
Supplies good quality products or services <sup>a</sup>	Rather important (44.5%)	Very important (48.1%)	Very important (46.3%)
Socially responsible and ethical organisation <sup>b</sup>	Rather important (48.8%)	Rather important (48.6%)	Rather important (47.1%)
Takes care on environmental issues <sup>b</sup>	Rather important (49.2%)	Rather important (51.9%)	Rather important (50.7%)
Prestigious organisation <sup>a</sup>	Rather important (44%)	Rather important (46.2%)	Rather important 47.5%
Growing/successful organisation <sup>b</sup>	Rather important (49.9%)	Rather important (53.1%)	Rather important (53.7%)
Good reputation of owners, shareholders and chief executives <sup>b</sup>	Rather important (45.6%)	Rather important (48.9%)	Rather important (51.1%)
Well-known company <sup>b</sup>	Rather important (35.9%)	Rather not important (39.3%)	Rather important (42.4%)
Good public reputation of the company <sup>a</sup>	Rather important (51.3%)	Rather important (52.6%)	Rather important (50.5%)

The fourth group “Employer reputation and image” is clearly different with the fact that although within all age groups the average evaluation of almost all elements is “rather important”, overall this is the least important group of elements for respondents in the Baltic States. In author’s opinion it indicates a tendency that respondents are more concerned with those elements, which have a direct influence on them and which aren’t

emotionally that distant for them, which leads to results that elements like reputation and CSR are not equally important. Another conclusion is that within the 4<sup>th</sup> group of elements the differences among age groups are the least significant.

To sum up, the data proves that there are statistically significant generational differences among age groups – they have different priorities, aspirations, needs and experience, which determine how their priorities of their potential employee are being shaped.

### **Conclusions, proposals, recommendations**

It is possible to notice that job characteristics as one of the 4 components of employer branding is the most important component for all age groups. It is especially important for younger generation, who are still at the beginning of their career and it is important for them to make sure that the particular employee they choose will contribute to their future career as well. It is also possible to conclude that social values and benefits are slightly more important for older generations. When analysing particular elements, which happen to be the most important ones overall, it is possible to conclude that the greatest attention has been given to the following elements:

- 1) Competitive/fair base salary, as well as overtime compensation
- 2) Good working conditions
- 3) Good relationship and cooperation with direct superior
- 4) Good internal relationship and friendly environment
- 5) Reasonable amount of work
- 6) Flexible working hours

In the following research it could be possible to also measure the differences between other variables as gender, education level, occupation and other factors. As well, it could be possible to measure the differences among the Baltic States to see whether labour force has different priorities in Latvia, Estonia and Lithuania. Also, for the future analysis of the generational differences among employees author has planned to use several other statistical research methods as data mining or cluster analysis to receive even more detailed results and to test the current results with other methods.

It is still also an open discussion whether the differences among age groups are due to different stages of career or are they really different due to peculiarities specific to each of the generations.

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