

### III. MODERN TOOLS FOR BUSINESS AND NON-PROFIT ORGANIZATIONS MANAGEMENT

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## CREATING A CORPORATE IMAGE IN THE CONTEXT OF TALENT MANAGEMENT

### Summary

*The term "employer branding" is relatively new. It shows the trend in the labor market, to attract high-potential employees, with highly specialized knowledge – so called talents. Talent management is a relatively new concept that shows the company's management of its strategic capital which is human capital. An employer's brand which is positively perceived helps to attract talent into the ranks of employees, which is the main goal of the considerations contained in this paper. The paper is theoretical in nature and was based on the subject literature.*

### 1. Introduction

Changes taking place in the market influence transformations in enterprises. Together with development of knowledge-based economy, the personnel function is beginning to be performed differently, which accounts for the evolution of management concepts. Time has brought change of attitude to employees. Currently they are perceived not as expense, but as capital capable of generating profits. Employers have noticed that people and their knowledge, abilities, competencies, skills and qualifications create the company's competitive edge. The only value which cannot be copied by competitors are employees. A current trend in the personnel function area is to pay attention to employees constituting a key resource for the company or standing out from the whole workforce. This accounts for the origin of talent management concept, which covers managing employees with high potential, broad competencies and impressive knowledge of some chosen specialization area. Currently most companies are struggling to attract and keep talents. Ideas, solutions, products and services can be copied, while human potential

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is unique and precious. Good financial terms are the basic but not the only factor influencing the employees decision to stay with the company. We can state that specialists and experts mostly decide where they want to work and change of workplace for them does not involve staying jobless for a long time. One of the elements attracting an employee with high competencies to a particular enterprise is its image. Many people, especially young ones, dream of taking up jobs in big, reputable corporations just after graduating from university. Most of such companies are considered “good employers”. This means that they enjoy positive opinion concerning good financial terms they offer, good atmosphere at work, favorable communication and cooperation, development prospects, stable employment, etc.

This paper deals with the essence of talent management and the impact of corporate image on attracting and maintaining talents in a company. The aim of the article is to describe the impact of creating a corporate image on the process of talent management, with special attention paid to attracting and retaining talented people in an enterprise. This paper is theoretical, based on studies in this area.

## **2. Creating corporate image**

The concept of corporate image originated in 1950s and quickly gained popularity. Significant contribution to the development of the image concept was made by P. Martineau. He noticed that the recipients of the corporate image are not only customers, but other groups of stakeholders as well: shareholders, employees, intermediaries, suppliers, potential clients or local communities [T. Dąbrowski p. 65]. Image is a broader category since we can talk of the image of the product, service, branch, person, etc. For the purpose of this paper our attention will be focused on corporate image.

Image is understood as our general opinion of an enterprise, shaped on the basis of our senses, impressions, opinions of other people and our perceptions. Each person shapes his or her image both in private and professional life. For example, the president of a large corporation at work may create his or her image of a meticulous, ambitious and analytical autocrat. This is the picture of an executive. However, in private life, he or she may be totally different: warm, caring, fun-loving and friendly. Our image is sometimes shaped by us quite unintentionally, but in this way we influence the opinions of other people. In enterprises image may also be shaped unintentionally, however, more often than not it is a mixture of carefully planned marketing activities. Creating corporate image is the responsibility of the public relations department. Strong influence on shaping opinions about a company is made by its employees, because it is the employee who is the true picture of a company. In service companies

a particular employee performs a given service for us. If we take a closer look at the banking sector, especially its corporate culture, its culture of appearance (in this culture strictly defined uniform clothes – a suit, a costume, a shirt and a tie – are obligatory) and behavior, we will perceive these employees as solid, reliable, diligent and professional people. This is the image of employees which builds the image of the whole sector of banking services.

Literature on this subject offers many definitions of the “corporate image” term. J. Szocki notices that “*image is a notional category, as it covers all described processes and phenomena related to the company*” [Szocki p. 13]. Therefore, as we mentioned earlier, we should not associate the corporate image only with its recipients – customers, and image-building activities with the public relations unit. Image activities should cover the whole company, together with its employees and tasks should be directed to a wider group of recipients, including both existing and potential employees. E.E. Gunther claims that “*image may be defined as something consisting of knowledge, feelings, ideas and beliefs concerning the company and being the effect of all its activities*”. [Dąbrowski p. 66] Our individual impressions and beliefs are the result of planned activities performed by the company but also the result of the opinion it has in the society as well as result from our experience.

Analyzing the concept of image, we should explain related concepts, sometimes considered equivalent, namely:

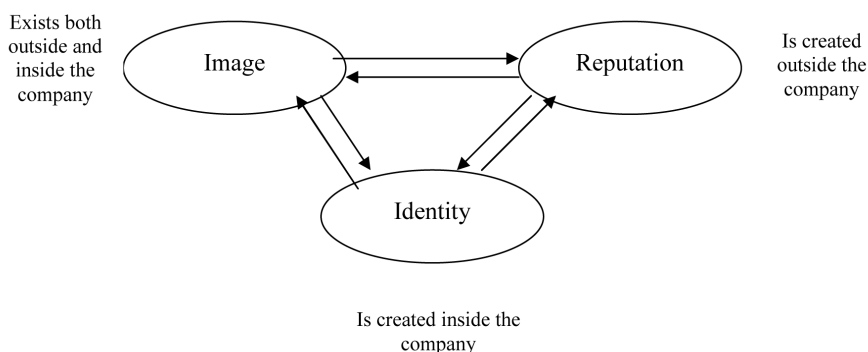
Image, reputation, brand, identity.

We can observe the following relations between these concepts:

- „Image may exist inside and outside the company. Inside it, it exists as a message constructed by the company or as a picture of the company in the employees’ minds. Outside it is an overall impression of the company, created by particular groups of people in its environment.” [Dąbrowski p. 67]
- „Identity is shaped inside the company and reflects its real personality, values, strategy, etc.” [Dąbrowski p. 67]
- Reputation is created outside the company. It is most often associated with corporate image. There are scientific disputes concerning these two concepts and so far we have not had a clear answer to the question whether these two are completely separate or connected.
- “Brand is the name, term, symbol, formula or their combination, created in order to identify goods or services of the seller, or their group and to differentiate them from competitors.” (definition provided by American Marketing Association) [Szocki p.19]

Relations between image, reputation and identity are presented in Figure 1 below.

**Figure 1.** Relations between reputation, image and identity



Source: T.J. Dąbrowski, *Reputacja przedsiębiorstwa*, Oficyna a Wolters Kluwer business, Kraków 2010, p.38.

In order to create a positive image in the society, companies build a strong brand, engage in social and charity appeals, organize pro-social campaigns, create the system of visual identification, organize integration meetings for their employees, develop their social policy, establish foundations operating at the companies, etc. Recently we have observed growing importance of corporate social responsibility, used by some companies to create their positive image. Therefore we can draw a conclusion that the corporate image may not reflect the reality but be artificially created by communication activities of the company.

Summing up, image may exist both outside and inside the company. In recent years the picture of the company as a good employer has gained importance. Managers pay attention to the employer image, try to attract specialists and to retain the already employed staff. The employer image also affects the purchases of the company products and services, as it is part of the overall company image creation. The image of a good employer is particularly important for attracting the best employees. If the company is considered a great employer, it will easily attract new candidates for work and also lower staff turnover thanks to the tools creating good jobs. In Poland we can observe more and more contests and awards being created, such as “Employer of the Year”, etc. These contests are very popular among companies participating in them. What really matters for people looking for a job is stable employment, good remuneration and opportunities of further development. These are attributes associated with a good employer. Many people looking for jobs, especially those with extensive knowledge and potential, before sending their applications, check the opinions and analyze the situation of the company they want to apply to. This situation forced employers to take care of their image if they want to attract the best workers.

The term „*employer branding*”, should be identified with the employer image. Employer branding is a narrow term and refers to the name of the company, while the image significantly influences the brand and its perception in the environment. If we hear the name of some company, we think about its brand, but this brand was shaped by the influence of the image. Therefore we will understand image as an overall process, while the brand will be the result of these activities. Creating positive employer image has two aims; the first one is connected with realization of personnel function, the second with marketing activities, that is with creating an overall good image of a company. In the never-ending fight for specialists and experts companies are trying to increase public awareness of their company and present it as an attractive place of work. The image of a good employer supports the process of attracting workers with high qualifications and competencies and helps the company win the so-called “war for talent”.

### **3. The essence of talent management**

Talent management appeared in 1990s in the USA together with popularization of the term “the war for talent”. Currently it is being widely analyzed in scientific and popular literature, although there is no clear definition of talent. Specialist literature defines talent management as:

- „*a set of activities related to exceptionally gifted people, aiming at developing them and achieving company objectives*” [Listwan, p.20];
- „*the use of individual abilities, passions and motivations the company has at its disposal in order to utilize them effectively to achieve the company objectives*” [Miś, p.40].

Literature does not offer a coherent and integrated definition of an employee as a talent. This causes a lot of confusion and misunderstanding connected with classifying employees as talents. Talent itself is interpreted as a feature and as a person who possesses it. Talent is:

- „*a person with an outstanding potential*” [Listwan p.20];
- „*accumulated gifts*” (J.W. Dawid) [Chełpa p.28].
- „*a gifted person*” [Robertson, Abeby p.12]

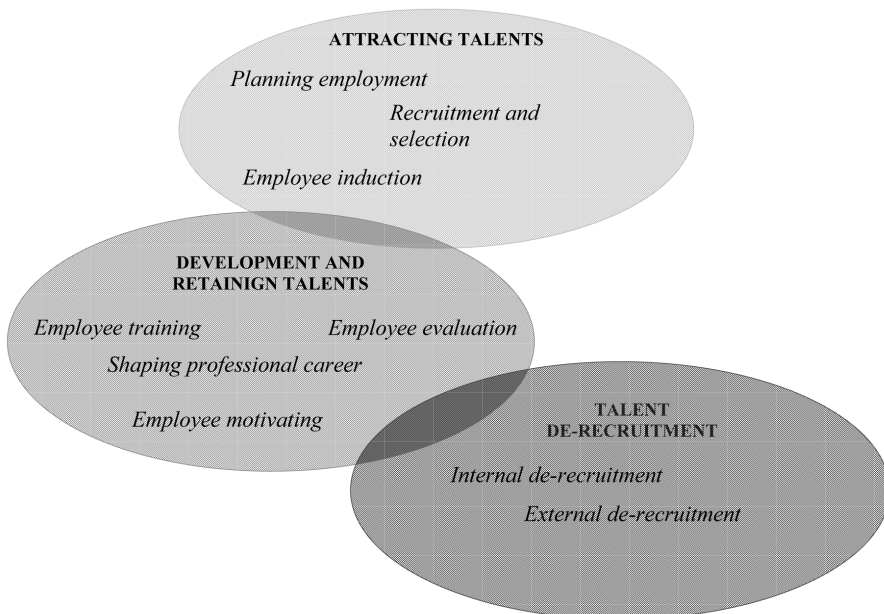
„Talent is also personified by particular employees with high competencies and potential. Talent is analyzed from the perspective of two assumptions: either talent is owned by the few who are clearly much better than the rest in particular features, or it is assumed that all employees possess some hidden talents and it is the role of the manager to discover these hibernated and invisible assets of each worker” [Morawski, Mikuła p.49]. Talents may be employees who excel in potential, creativity or other features or competencies or all employees because when employing them we were looking for particular competencies. A person considered a talent should have the following competencies [Kwiecień, p.163]:

- strategic thinking ability,
- leadership skills,
- emotional intelligence,
- ability to influence people,
- entrepreneurial skills
- results orientation,
- flexibility and adaptability to changes,
- team-working skills,
- technical skills in their field.

The literature on the subject does not provide a clear classification of talents nor does it determine “who is a talent?”. Classification of talent definitions may be based on such criteria as: exceptionality (scope) of abilities, their relation to the company aims (strategy) or type of abilities [Pocztowski p.39]. An important remark concerning talents is that the growing number of educated people did not translate into increased talent pool. Therefore education, although essential, without appropriate competencies and features, does not reflect the exceptionality of a person.

Relating to HRM, we can present the concept of talent management in three main stages: attracting, retaining and developing, de-recruitment (Figure 2).

**Figure 2.** Stages of talent management



Source: own elaboration.

The first stage is to attract talents. In line with its needs, the company will recruit people with appropriate features and competencies suitable for the model adopted in a given enterprise. The worker is then acquainted with his or her duties and responsibilities and induced in the strategy and aims of the company. It should be emphasized that the induction of the talent in a new work position costs less although later talents are expected to earn more. This is due to an employee's high communication skills and ability to adjust quickly to changes.

The second stage is to develop and retain talents. It is an essential element, as the loss of an employee with high potential in whose development the company invested, is a big loss for the company. It also costs a lot to replace this person with someone else. In order to prevent such situations companies shape young talents, showing them that through promotion they can replace their present supervisors. To retain an employee, companies use a number of advanced motivation and development tools, such as self-realization and delegating the whole projects and trainings tailored to the needs of a particular person. To take care of the talent, we must observe it and modify development tools and directions through assessment.

The third stage of talent management is to de-recruit talents. Parties may terminate employment contracts due to natural reasons (when an employee retires) or as a result of a decision of any party – an employee or an employer. Employers rarely decide to make a talent redundant, because by considering someone a talent the management has some development plans for this person and sees in him or her essential potential for the further development of the company. More often it is an employee who decides to leave the company, which is a severe blow for the employer. Investing in a talent, management does not want this person to leave so it tries to retain them.

#### **4. Fight for talents and good employer image**

The term “employer branding” is gaining significance, especially among executives managing the company. Entrepreneurs noticed the relation between having a good employer brand and attracting talented employees. The brand alone, though, is a result of various activities connected with creating internal and external image of a good employer. A lot of studies, conducted especially among students, show that the young graduates entering the labor market would like to find jobs with companies enjoying good reputation. The same opinion was expressed by professional who already possess their reputation of a good employer. On the basis of such research, a lot of contests and rankings were made, showing the best employers. The table below (Table 1) shows two selected contests: Employer of the Year and Ideal Employer 2010 as well as Top Employers Poland 2010 ranking. These ranking show the companies who have



good image and enjoy reputation of a good employer. The table also presents the methodology of conducted research and organizations performing it.

**Table 1.** Best employer rankings and contests

| <b>Employer of the Year</b>  |  |
|--|--|
| <p>“Employer of the Year” contest is the biggest questionnaire survey organized by AIESEC Polska. It covers around 5000 students from all over Poland. The number of non-state universities taking place in it is increasing. Currently 47 universities and higher education schools participated in it. “Employer of the Year” contest is an independent survey, the time and results of which are kept secret.</p> |  |
| <ol style="list-style-type: none"> <li>1. PwC</li> <li>2. Ernst &amp; Young</li> <li>3. Google</li> <li>4. MARS Polska</li> <li>5. Deloitte</li> </ol>   | <ol style="list-style-type: none"> <li>6. ING Bank Śląski S.A.</li> <li>7. Nestle Polska</li> <li>8. KPMG</li> <li>9. Bank Millennium S.A.</li> <li>10. Unilever</li> </ol>  |
| <p><i>Source: <a href="http://employer-branding.pl/2011/03/04/znamy-pracodawcow-roku-2010/">http://employer-branding.pl/2011/03/04/znamy-pracodawcow-roku-2010/</a></i></p>  |  |
| <b>Ideal Employer 2010</b>   |  |
| <p>The survey was organized by Universum Professional Survey, and conducted on-line by Universum Polska among professionals. Nearly 18 thousand young and more experienced people expressed their opinions. The survey was conducted in mid-November 2010. Employees of a particular company could not vote for it nor influence in any other way its position in ranking.</p>                                       |  |
| <ol style="list-style-type: none"> <li>1. TVN S.A.</li> <li>2. Google</li> <li>3. L'Oreal</li> <li>4. Skanska</li> <li>5. GlaxoSmithKline</li> </ol>   |  |
| <p><i>Source: Personel Plus No 3 (40)/2011</i></p>   |  |
| <b>Top Employers Poland 2011</b>   |  |
| <p>The survey covered 150 biggest Polish employers and 7 thousand respondents representing all age groups, students, employees and people searching for jobs. The Top Employer Polska certificate is granted by CRF Institute to the companies which meet the highest standards in management.</p>   |  |
| <ul style="list-style-type: none"> <li>• ArcelorMittal Poland S.A.</li> <li>• Bank Pekao S.A.</li> <li>• Citi Handlowy</li> <li>• Citybank International</li> <li>• Deloitte Polska</li> <li>• Elica Group Polska</li> <li>• Grupa ITI</li> <li>• Henkel Polska</li> <li>• Imperial Tobacco Polska S.A.</li> <li>• ING Bank Śląski S.A.</li> </ul>   | <ul style="list-style-type: none"> <li>• JTI Polska Sp. z o.o.</li> <li>• The Lorenz Bahlsen Snack- Word Sp. z o.o.</li> <li>• McDonald's Polska Sp. z o.o.</li> <li>• Netia S.A.</li> <li>• Polkomtel S.A.</li> <li>• Polska Telefonia Cyfrowa Sp. z o.o.</li> <li>• RWE w Polsce</li> <li>• Samsung Electronics Polska Sp. z o.o.</li> <li>• Telekomunikacja Polska S.A.</li> <li>• Volvo Polska Sp. z o.o.</li> </ul> |
| <p><i>Source: Personel Plus No 4(41)/2011</i></p>  |  |

Source: own elaboration on the basis of rankings.



The report of Randstad Award listed employers with the best image. The winner was TVN television, the second place was held by Toyota Motor Manufacturing Poland and the third - Vattenfall Poland. [Personel No 4(41)/2011] The first place was occupied by TVN television which also won the "Ideal Employer 2010" contest. Most brands of presented companies are well-known and belong to the companies which are popular with potential candidates.

Quality, effectiveness and durability of reputation depend on special abilities (competencies) of their creators, and this is currently defined in specialist literature as "intellectual capital" [Kwiecień p.32]. Thus, creation of a good employer image largely depends on company employees, their knowledge and abilities and their involvement in work. Volkswagen is an example of a company which implemented the concept of talent management and whose strategy for the next few years aims at becoming the best employer. The example of this company shows that there is mutual relation: employer's image facilitates attracting talents, and the image may be created by loyal and dedicated employees, including company talents.

A new tendency that can be observed is a decreasing number of people considered talents by management. The number of people with specialist education and desired competencies is falling. Another aspect is the demographic factor. Specialists forecast that due to observed population decline among students, universities will produce fewer specialists. Our knowledge-based economy is developing, which implies the necessity of educating young talents.

A method used by companies in their fight for young, talented employees and for experienced talents, is creation of a positive employer image. Such image allows companies to attract "diamonds" from the market and to lower the talent turnover and generally staff turnover.

The influence of employer image on particular stages of talent management may be presented in the following way:

### **Attracting talents**

Out of the elements of talent management listed above (see Figure 2), the most important one is recruitment and selection. In line with the existing needs, an organization plans the requirements to be met by potential employees and the number of existing and future vacancies. One of the assets talents possess is their flexible and quick adjustment to a new job, therefore we can conclude that induction is important, but this element is realized efficiently and at low costs. On the other hand, recruitment and selection will be greatly affected by positive image of an employer. The economic practice shows that companies with a good employer opinion are flooded with job applications. We can quote here the

example of Deloitte, which indisputably enjoys great reputation as an employer. This company organizes a contest consisting of several stages. Its winners are offered a well-paid work practice in the company, and most of them are later employed. Young people, often students of the final year at good renowned universities, are trying their luck in this contest. People who pass all the stages are given an opportunity to join the staff of Deloitte. Thanks to good brand and positive image the company has in the society, managers attract young talents and promote the company, thus maintaining its reputation. Another example is Timpson. In 2001, before publication of the list of 50 best employers, one of which was Timpson, the company had 20% vacancies. After the list was published, all vacancies were filled. Next year, the number of people applying for work in this company grew dramatically, and among the candidates, for the first time in history, there were women and university graduates. Mostly thanks to the image of one of the best employers, the company doubled its income [Leary- Joyce p.16]. An increasing number of candidates for a vacancy results in attracting employees with higher qualifications and precisely defined competencies, as managers have a wider choice. The image of a good employer also affects the quality of applications. The result of this is more effective selection of employees, as from the group of best candidates we can pick those we consider talents.

### **Developing and retaining employees**

In the above-quoted example of Timpson company, an additional benefit was lower staff turnover. The image of a good employer also affect employees and encourages them to stay in their present job. This is essential from the point of view of those regarded as talents, as the company invests in them, tailoring special development and motivation programs to their needs. Such features as good prospects of high remuneration and bonuses, professional development and trainings, creative and friendly work environment, independence and new challenges are incentives motivating an employee to work more effectively and account for the fact that employed people identify themselves with the company. The image of a good employer affects the retention of a worker in the company and makes his or her development more efficient and effective.

Keeping talents in the company allows it to plan succession. Possibilities of promotion created by the company are an additional motivator to work more efficiently. A person who sees his or her future place in the company, works better. Moreover, it is better for the company to prepare a specialist for promotion and taking up a higher post than to attract a person from outside who does not understand the company specificity. Some companies implement talent management programs to create employees succession plans. It is valuable contribution to the future survival of the company.

## **De-recruitment of talents**

Creating a good employer image assumes acting against redundancies. A company should be created by trustworthy and involved employees who will continue to work in it until they retire. Company reputation and its internal identity mostly influence employees to stay in the organization. Therefore, one of the core assumptions in creating a good employer image is to prevent employees (especially talents) from leaving the company. However, there are some exceptions. Talents realize that the present workplace does not satisfy their expectations or employees for some reasons do not meet the requirements of employers. However, a good employer image, attracting talents through management tools and methods, influences them to stay in the company.

The employer's image helps attract talents. Managers should provide appropriate conditions which will support its image of an employer and will attract specialists with a particular range of competencies. J. Lear- Joyce mentions the following elements which employers should fulfill to make sure the best people work for and create their organization [Leary-Joyce p.25]:

- provide such work environment in which their abilities will develop and shine,
- support and motivate them to use their biggest assets,
- make high demands and assess them strictly,
- build strong relations, reflecting talents, strengths and individual needs of particular people,
- acknowledge and celebrate successes – make work not only a task to do, but a source of pleasure,
- build and maintain high level of trust inside the whole company, as it is the only way to get what people have to offer,
- be an example to follow in one's work – put a lot of effort in it, observe company rules, work hard and derive pleasure from work, celebrate successes.

The research conducted by Universum Professional Survey shows that according to respondents, an employer should provide prospects for better remuneration in the future, competitive base pay, trainings and development. The most important aspects of professional life given by respondents were: stable employment, being an expert/specialist, achieve work/life balance.

Summing up, we can state that in order to attract the best employees, an employer must take care of its image both outside and inside the company. Developed personnel function and appropriate management models will create a place which is friendly for each employee, while investment in employees as the most valuable capital of the company will increase its profitability.

## 5. Conclusions

Management of companies that are considered good employers accept the new order and the changes taking place in the personnel function, understanding that these days people are moving from one place to another more often than in the past and employers must compete in order to attract the most talented people. The paradox consists in the fact that if a given place has the culture of a good employer, people do not leave it, their competencies and expertise remain in the organization and help it achieve high effectiveness [Leary-Joyce p.24]. Appreciating the influence of good image on attracting talented employees, specialists and experts, companies change their approach and pay more attention to their reputation and identity. Some companies even establish special units dealing with creating good corporate image. Image is a broad term and employer image is its element. Employees are the flagship of a company. Therefore we are witnessing the growing importance of human capital and the number of practically implemented concepts of personnel management.

The image of an employer and its perception in the society are reflected in contests and rankings for the best employer. Management of these companies noticed both material and non-material benefits they can draw from creating friendly places of work. A reliable employer is a company where employees may achieve their professional goals, develop themselves, and thanks to their passion and involvement contribute to added value of the company, including higher profits. We should not forget, however, that these rankings concern big national companies, which allocate quite big financial means to promote their brand and image through marketing activities. There are many enterprises in regional markets which enjoy great popularity and reputation, but due to their size, do not have such power of influence. Therefore fewer talents are interested in them.

Good reputation of the company and positive employer image also affect sales of goods and services. We have changed our attitude and believe we should not support companies which abuse their employees. Thus, a company caring for its employees creates good advertising for itself and performs marketing function. As a result of changes taking place in economy, tasks performed by particular functions are also changing. Today marketing is not only a good display of merchandise, but everything that shapes our opinion on a given product and its producer. Thanks to these transformations, corporate social responsibility has gained significance, but some companies use it for marketing purposes, not for pro-social causes.

Creating an image of a good employer brings many benefits on condition that the management takes up the challenge and covers related costs. Such ventures in time do bring benefits exceeding expenditure on them. Positive

image of the company attracts professionals, who become a “power engine” of the organization. All these elements realized simultaneously give us respect of our employees and allow us to preserve a strong position in the market.

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