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LLORENTE & CUENCA

REPUTATION PLAYS A ROLE IN THE ABILITY TO RECRUIT TALENT

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In collaboration with:



Índex

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Introduction

The battle for talent has begun¹. As expected, a certain recovery of the job market is causing a growing number of companies to be concerned with something that seemed to be guaranteed during the harshest years of the economic recession. This concern is the undertaking of **appearing to be the most attractive place in which to develop a professional career** in the eyes of candidates who once again have a choice.

54 % of workers are currently seeking a job change, and 40 % of Human Resources managers expect a higher than normal voluntary rotation during the coming months. Intangible aspects are among the most influential factors on these facts.

Industrial capitalism is giving way to the so called “talentism”, as rightly stated Juan Carlos Cubeiro² in 2012. Professionals are not seeking a job anymore; they are **seeking an adventure** that is worth living.

Companies face a big challenge in this regard: they will only reach high targets if they captivate talent to **acquire and retain the best ones**.

¹ http://www.manpowergroup.com/wps/wcm/connect/db23c560-08b6-485f-9bf6-f5f38a43c76a/2015_Talent_Shortage_Survey_US-lo_res.pdf?MOD=AJPERES

² Head of Talent of ManpowerGroup and CEO of Right Management



The context

There are at least **three highly relevant factors** that are forcing Talent professionals to reconsider some of the aspects of their efforts.

The first element that has changed everything consists of **millennials and their contagious values**. This is the generation born between 1980 and 1999, and by 2025 (according to Forbes³) it will make up 70 % of the entire labor force throughout the world.

These young professionals **have different priorities**. They prioritize their personal life over their professional life. They do not conceive the idea of spending their entire career at the same company, and they need an adventure that is worthy of them and of being experienced. To top it off, they want to spend their best years and efforts doing something that will make the world a better place and further their personal development.

The truth is that, according to this description of millennial professionals, we realize that **most of us are like them, at least in spirit**. We don't know what came first: the egg (society has made millennials into millennials) or the chicken (millennials have made society into millennials). What is clear is that the values that define this generation currently prevail throughout the world.

Second, we can see that regardless of the role we adopt, **our brain is configured to think and act as a consumer**. This is neither good nor bad; it simply is what it is. People younger than the age of 35, who have grown up in a setting dominated by consumerism, make employment decisions similar to how they make purchase decisions. In other words, **I would never work for a company whose products I wouldn't buy**.

This reality has two components. On the one hand, there is a vector related to beliefs and values. It is likely that candidates who do not want to buy a certain brand's shoes because they suspect the shoes have been manufactured by children will also not want to form part of that company's workforce. On the other hand, there is a conditioning factor related to "customer experience" in which **candidates expect the same treatment from an employer as that of a brand trying to please them**. For example, as consumers, we would struggle to understand that our needs are not the top priority of a brand. This is starting to happen at companies with their employees and best candidates.

The third factor that comes into play is the **Digital Transformation**. This is a revolution driven by technology, but in reality, the strongest effects have taken place in something as minimally technological as our minds.

Thanks to technology, we have become empowered beings who are accustomed to providing and receiving instant feedback, to participating in decision making processes, to communicating instantaneously with whomever we want, to sharing knowledge, and in summary, to participating in a society that has democratic access to information and communication. It can be said that the **Digital Transformation has in fact been a social or a cultural transformation** because if all the technology suddenly disappeared tomorrow, we would never be the same people as before the technological revolution. We have changed.

³ <http://www.forbes.com/sites/danschawbel/2013/09/04/why-you-cant-ignore-millennials/#4b8581c16c65>

We have become empowered beings who are accustomed to providing and receiving instant feedback, to participating in decision making processes, to communicating instantaneously



The challenge in managing talent

One of the main problems that companies face in recruiting candidates lies in the fact that **most companies are still focused on selling and measuring aspects related to the roughest and most tangible part of their offering**: the terms and conditions they offer, the career plan, the hierarchy, the training, etc. In other words, in Simon Sinek's⁴ golden circle, they address the "What" and the "How". **However, these two elements alone cannot generate (or explain) the ability to recruit** and retain talent today because we are not paying attention to key factor: the "Why".

Most companies are still focused on selling and measuring aspects related to the roughest and most tangible part of their offering

Why should I decide to spend my best years here? Why should I contribute my talent to this cause? Is there a more inspiring place I could be? Am I improving the world? Does this option match my expectations? Will I experience an adventure here that excites me and brings out the best in me?

A number of human resources professionals we work with on a regular basis have stated that they currently do not have an effective way of measuring these types of questions that are related to the "why" as opposed to the "what" or the "how". These matters cannot be measured by work atmosphere surveys that are completely necessary but **only measure some of the elements that determine whether or not a company is attractive for talent.**

⁴https://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action

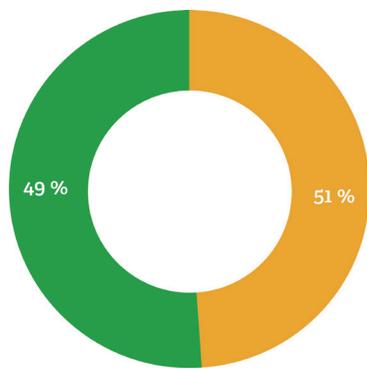


The study

In order to **measure the reputation component of the “employer brand” of companies**, 465 online interviews were carried out on a sample of Spaniards who are currently working or looking for work or are students. (The inactive population and people not looking for work were excluded) (Figure 1.)

Figure 1. Technical details of the study

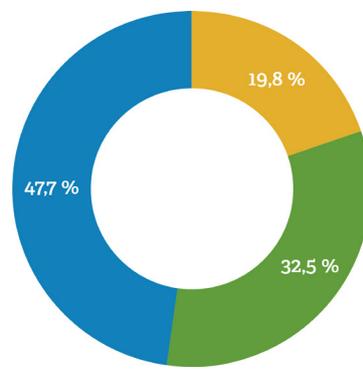
Gender



Men Women

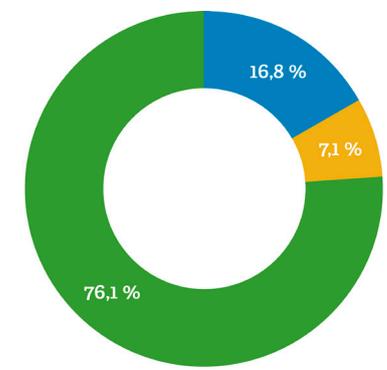
Source: own elaboration

Age



18 to 34 years 35 to 54 years
55 years or more

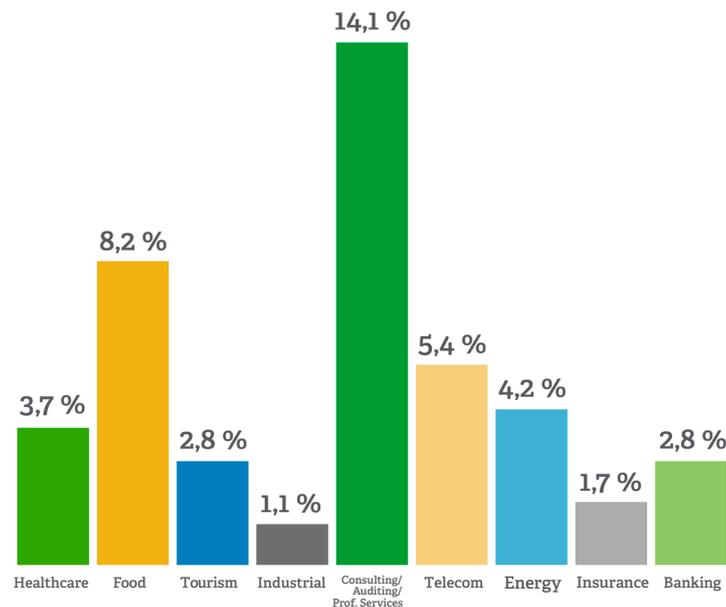
Current professional situation



I am working I am a student
I am looking for work

Source: own elaboration

Industry



Source: own elaboration



For this study, we asked about five dimensions that affect the effective ability to recruit and retain professionals: contribution, integrity, transparency, image, and credibility (Figure 2.)

Image: This is an indicator of positioning. It measures visibility, differentiation, and success. It generates a positive feeling in people. It shows that the company is attractive in the industry in which it operates.

Credibility: This is an indicator of experience. It measures how expectations are managed, whether promises are fulfilled, the quality perceived and good corporate management. It is based on the belief that the company is not deceitful.

Transparency: This is an indicator of communication. It measures a company's ability to explain itself. It is based on the belief that the company is open and transparent.

Integrity: This is an indicator of ethical behavior. It measures the degree to which a company's values are aligned with citizen values. It is based on the belief that the company is honest, honorable, and fair, and it follows rules (exemplary behavior).

Contribution: This is an indicator of relevance. It measures a company's ability to solve problems that affect society.

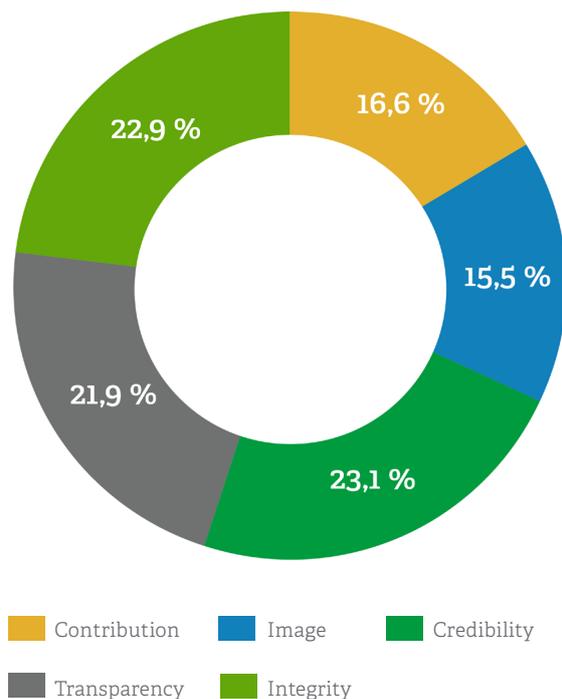
As a result, we have been able to confirm that **there is a high correlation between a company's reputation and its ability to recruit talent. Also, nearly 50 % of an employer brand's value is related to its corporate reputation.**

Our study focused on comparing the main industries of Spain's economy through the perception that professionals, people actively looking for work, and students have of those companies. (The inactive population and people not looking for work were excluded.)

The following industries were analyzed:

- Food
- Industrial
- Banking
- Energy
- Consulting/Auditing/Professional Services
- Telecommunications
- Healthcare
- Insurance
- Tourism

Figure 2. "Of the aspects we have listed, which ones are most important to you when rating a company?"



Source: own elaboration



The results

The sample group gave companies from the **Tourism industry the highest rating** as employers, with an average score of 6.8 points. This was followed by the **Food industry** with 6.6 points, and then the **Healthcare industry** with 6.5 points. However, the Healthcare industry had the highest percentage of people (20.6 %) who gave it an outstanding rating with a score of 9 or 10 points.

On the other hand, the individuals surveyed perceived the **Insurance and Banking industries as the least appealing employers**, with 5.3 and 5.2 points, respectively (Figure 3.)

In line with their assessment of employer industries, the industries with the best **overall reputation** in the eyes of those surveyed were **also Tourism and Food (7.4 points and 7.3 points, respectively)**, while Energy (5.3 points) and Banking (4.4 points) had the worst reputation (Figure 4.)

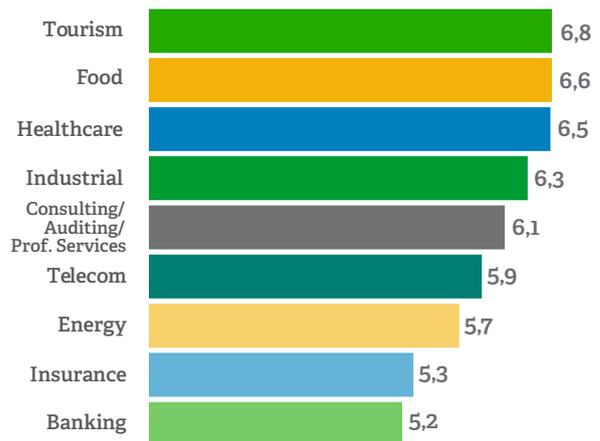
The Food and Tourism industries have an overall reputation that is above their employment appeal, while the opposite occurs with Banking and Energy. In the specific case of Banking, despite its poor reputation (4.4 points), its overall employment rating is nearly one point higher (5.2 points).

The sample group's perception of these industries as a place to work is in line with their reputation and work atmosphere rating: **The Tourism and Food industries benefit from a greater willingness to work.**

However, **in terms of recommending** employment in a certain industry to third parties, **the Healthcare industry is at the top of the ranking** with 30.6 % of active opinion leaders in favor of this industry compared to a nearly identical number of unfavorable individuals 30.7 %. It is followed by Tourism and Food, with 25.5 % and 25.8 % of active opinion leaders, respectively.

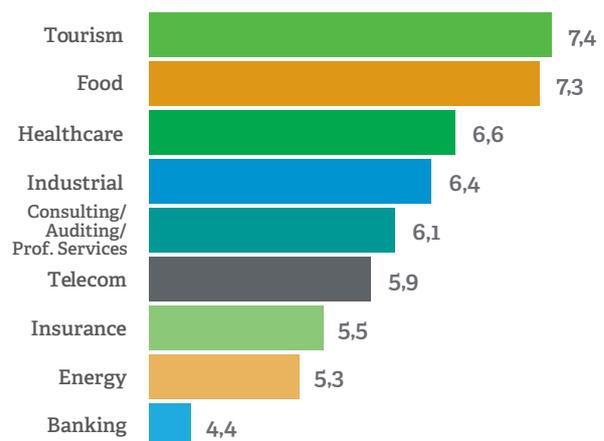
The profile of the sample group does not show any general trends related to gender and age. However, if we focus on the employment situation of those surveyed, it can be noted that **the individuals who are actively looking for work gave the industries a slightly better rating, except in the case of Banking, Healthcare, and Insurance.**

Figure 3. "Overall, how would you rate the companies of the following industries as employers?"



Source: own elaboration

Figure 4. "Overall, how would you rate the companies of the following sectors?"



Source: own elaboration



As far as the key drivers or dimensions that determine the reputation of the companies within an industry, for the sample group, **the most important aspect was Credibility** or meeting expectations, which carried a weight of 23.1 %, **followed by Integrity/Ethics**, which carried a weight of 22.9 %. On the other hand, **Image and Contribution were less important aspects**, with a weight of 15.5 % and 16.6 %, respectively.

Tourism was the most highly rated industry as far as Image, Credibility, and Transparency, while Healthcare stood out as the most highly rated industry in terms of its Contribution to society. In addition, the industries with the best rating for Integrity/Ethics were Food, Healthcare, and Tourism.

On the other hand, the **Banking industry had the lowest rating for all the reputation drivers**. The critical point was Integrity/Ethics, with an overall rating of 4.1 points, while Credibility or meeting expectations received a score of 4.7 points.

An open-ended question about the important aspects for the sample group when rating a company as a place to work confirmed that in addition to the practical matters closely related to the working conditions (work atmosphere, salary, hours, etc.), **reputation aspects linked to the values**, image, or good ethical and citizen behavior of companies were very important, along with other elements.

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LLORENTE & CUENCA currently has its own offices in **Argentina, Brazil, Colombia, Chile, Ecuador, Spain, United States** (Miami, New York City and Washington, DC), **Mexico, Panama, Peru, Portugal and the Dominican Republic**. It also operates in **Cuba**, and is able to offer its services through affiliate companies in **Bolivia, Paraguay, Uruguay and Venezuela**.

In 2016, the firm's international development earned it 54th position on the **Global Ranking of the most important communication companies in the world**, a leader board drawn up by *The Homes Report*.

It is the **communications firm that has won most awards in the markets where it operates**. So far this year it has won **56 awards** through campaigns carried out for clients like Embratur, Coca-Cola Iberia, Avon, CLIA, Antamina, Gas Natural Fenosa, Gonvarri Steel Industries, CaixaBank, SABMiller or L'Oréal, inter alia, and corporate projects like the launch of the new corporate site, the annual report 2014 or the interactive animation document "Entertainment Territory". Furthermore, it competed in the LinkedIn #PremiosIN2015 to be the company that best communicates on LinkedIn in Spain.

Team of Specialists

Pablo Urquijo

General Director at Experis (ManpowerGroup)

Luis Miguel Peña

Partner at LLORENTE & CUENCA
lmpena@llorenteycuenca.com

Jon Pérez

Senior Consultant at the Litigation Area at LLORENTE & CUENCA Spain
jperez@llorenteycuenca.com

LLORENTE & CUENCA

CORPORATE MANAGEMENT

José Antonio Llorente
Founding Partner and Chairman
jalorente@llorenteycuenca.com

Enrique González
Partner and CFO
egonzalez@llorenteycuenca.com

Adolfo Corujo
Partner and Chief Talent and
Innovation Officer
acorujo@llorenteycuenca.com

Tomás Matesanz
Chief Corporate & Brand Officer
tmatesanz@llorenteycuenca.com

MANAGEMENT - SPAIN AND PORTUGAL

Arturo Pinedo
Partner and Managing Director
apinedo@llorenteycuenca.com

Goyo Panadero
Partner and Managing Director
gpanadero@llorenteycuenca.com

MANAGEMENT - LATIN AMERICA

Alejandro Romero
Partner and CEO Latin America
aromero@llorenteycuenca.com

José Luis Di Girolamo
Partner and CFO Latin America
jldgirolamo@llorenteycuenca.com

talent MANAGEMENT

Daniel Moreno
Chief Talent
dmoreno@llorenteycuenca.com

Marjorie Barrientos
Talent Manager for Andes' Region
mbarrientos@llorenteycuenca.com

Eva Perez
Talent Manager for North America,
Central America and Caribbean
eperez@llorenteycuenca.com

Karina Sanches
Talent Manager for the
Southern Cone
ksanches@llorenteycuenca.com

SPAIN AND PORTUGAL

Barcelona

María Cura
Partner and Managing Director
mcura@llorenteycuenca.com

Muntaner, 240-242, 1º-1ª
08021 Barcelona
Tel. +34 93 217 22 17

Madrid

Joan Navarro
Partner and Vice-president
of Public Affairs
jnavarro@llorenteycuenca.com

Amalio Moratalla
Partner and Senior Director
amoratalla@llorenteycuenca.com

Latam Desk
Claudio Vallejo
Senior Director
cvallejo@llorenteycuenca.com

Lagasca, 88 - planta 3
28001 Madrid
Tel. +34 91 563 77 22

Ana Folgueira
Managing Director of
Impossible Tellers
ana@impossibletellers.com

Impossible Tellers
Diego de León, 22, 3º izq
28006 Madrid
Tel. +34 91 438 42 95

Lisbon

Madalena Martins
Partner
mmartins@llorenteycuenca.com

Tiago Vidal
Managing Director
tvidal@llorenteycuenca.com

Avenida da Liberdade nº225, 5º Esq.
1250-142 Lisbon
Tel. + 351 21 923 97 00



Sergio Cortés
Partner, Founder and Chairman
scortes@cink.es

Calle Girona, 52 Bajos
08009 Barcelona
Tel. +34 93 348 84 28

UNITED STATES

Miami

Erich de la Fuente
Partner and Managing Director
edela Fuente@llorenteycuenca.com

600 Brickell Ave.
Suite 2020
Miami, FL 33131
Tel. +1 786 590 1000

New York City

Latam Desk
Lorena Pino
Senior consultant
lpino@llorenteycuenca.com

Abernathy MacGregor
277 Park Avenue, 39th Floor
New York, NY 10172
Tel. +1 212 371 5999 (ext. 374)

Washington, DC

Ana Gamonal
Director
agamonal@llorenteycuenca.com

10705 Rosehaven Street
Fairfax, VA 22030
Washington, DC
Tel. +1 703 505 4211

MEXICO, CENTRAL AMERICA AND CARIBBEAN

Mexico City

Juan Rivera
Partner and Managing Director
jrivera@llorenteycuenca.com

Av. Paseo de la Reforma 412, Piso 14,
Col. Juárez, Del. Cuauhtémoc
CP 06600, Mexico City
Tel. +52 55 5257 1084

Havana

Pau Solanilla
Managing Director for Cuba
psolanilla@llorenteycuenca.com

Lagasca, 88 - planta 3
28001 Madrid
Tel. +34 91 563 77 22

Panama City

Javier Rosado
Partner and Managing Director
jrosado@llorenteycuenca.com

Av. Samuel Lewis
Edificio Omega - piso 6
Tel. +507 206 5200

Santo Domingo

Iban Campo
Managing Director
icampo@llorenteycuenca.com

Av. Abraham Lincoln 1069
Torre Ejecutiva Sonora, planta 7
Tel. +1 809 6161975

ANDES' REGION

Luisa García
Partner and CEO Andes' Region
lgarcia@llorenteycuenca.com

Bogota

María Esteve
Managing Director
mesteve@llorenteycuenca.com

Carrera 14, # 94-44. Torre B - of. 501
Tel. +57 1 7438000

Lima

Luis Miguel Peña
Partner and Senior Director
lmpena@llorenteycuenca.com

Humberto Zogbi
Chairman
hzogbi@llorenteycuenca.com

Av. Andrés Reyes 420, piso 7
San Isidro
Tel. +51 1 2229491

Quito

Alejandra Rivas
Managing Director
arivas@llorenteycuenca.com

Avda. 12 de Octubre N24-528 y
Cordero - Edificio World Trade
Center - Torre B - piso 11
Tel. +593 2 2565820

Santiago de Chile

Claudio Ramírez
Partner and General Manager
cramirez@llorenteycuenca.com

Magdalena 140, Oficina 1801.
Las Condes.
Tel. +56 22 207 32 00

SOUTH AMERICA

Buenos Aires

Pablo Abiad
Partner and Managing Director
pabiad@llorenteycuenca.com

Daniel Valli
Senior Director of New Business
Development for the Southern
Cone
dvalli@llorenteycuenca.com

Av. Corrientes 222, piso 8. C1043AAP
Tel. +54 11 5556 0700

Rio de Janeiro

Yeray Carretero
Director
ycarretero@llorenteycuenca.com

Rua da Assembleia, 10 - Sala 1801
RJ - 20011-000
Tel. +55 21 3797 6400

Sao Paulo

Marco Antonio Sabino
Partner and Brazil Chairman
masabino@llorenteycuenca.com

Juan Carlos Gozzer
Managing Director
jcgozzer@llorenteycuenca.com

Rua Oscar Freire, 379, Cj 111,
Cerqueira César SP - 01426-001
Tel. +55 11 3060 3390



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