

Is Your Company an Employer of Choice?

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The employment pendulum is swinging. Gen Y'ers want to know, "What can you do for me?"

While it's tempting to think that there are "plenty of fish in the sea," the truth is that top talent is becoming harder to attract and retain.

So how do you know if yours is a company that talented people *really* want to work for? Sure, employees want to be fairly compensated for the work they do. But beyond offering good pay, what can you do to position yourself as an employer of choice? This article can help. It reviews the characteristics of an employer of choice and how to position your organization so that the best and brightest will come knocking on your door.

Characteristics of an Employer of Choice

According to [San Francisco State professor John Sullivan](#), here are 10 of the top 25 factors* that will help you determine if you're an employer of choice:

1. **"Best" list appearances.** Your firm currently appears on Fortune's or Working Mother's best places list and on more than one industry or regional best places list.
2. **Positive name recognition in target population.** When asked in a survey or focus group, people in your target professional fields know the name of your firm 75 percent of the time, and over half of those know at least one key positive selling point of your firm.
3. **In the top three choices of top performers.** When highly qualified professionals are asked the names of places they "would like to work someday," over 50 percent list your firm in the top five most-often mentioned.
4. **Where your applications come from.** At least 10 percent of your applicants come from the top five most profitable firms in your industry or region.
5. **Often cited in MVPs.** Your company's HR and people practices are cited at least five times a year by name in the top three (most valuable publications) that are read by top professionals in their field or industry.
6. **Often cited.** Your organization's HR and people practices are cited by name in major industry, business and HR publications over 50 times a year.
7. **Referral rate.** Employee referrals make up over 50 percent of all hires.
8. **"Other offers."** Applicants with multiple offers also get a concurrent offer from one of the top ten-rated firms in your industry at least 50 percent of the time.
9. **Give away/take away ratio.** Your organization hires away more people from your top five competitors than the competitor hires away from you (you win four out of five of these head-

to-head battles).

10. **Talent competitors talk positively about you.** When managers at direct talent competitors are asked in surveys or focus groups about your firm's people practices, they give a positive response 25 percent of the time.

Things You Can Do to Become an Employer of Choice

Focus your efforts. Unfortunately, your company can't be all things to all people. The practices that motivate one employee may actually cause another to walk out. Start by identifying the qualities you need in "ideal" employees, then structure your management practices to attract and reward those types of people.

Reward teams and individuals. Establish programs that allow managers, supervisors and other employees to nominate staff members who go above and beyond in their jobs. Programs can be monthly, quarterly or project-based. Team awards should encourage unity and cohesive performance; individual rewards should foster personal and professional excellence.

Review compensation packages. Invest the time to review employees' salary and total compensation packages, using a wide variety of data (e.g., BLS data, industry-specific pay scales, independent salary expert data, special compensation analysis reports, etc.). Make sure that your employees are paid fairly, and that factors like gender, race, ethnicity, age and physical/mental disability do not affect employee pay rates. When conducting performance reviews, give pay increases commensurate with attainment of measurable objectives.

Train management to measure and document employee performance. To become an employer of choice, HR should lead training efforts to ensure managers properly and regularly review employee performance. Establish a cycle for individual performance reviews, during which managers/supervisors provide employees with written performance evaluations. Formalizing these processes sends employees the message that your company takes them, and their contributions, seriously.

Examine and update your compensation policies. More than ever, people value workplace flexibility and an employer's ability to help them maintain a healthy work/life balance. To make your compensation plans more attractive, consider:

- implementing flex time options;
- offering or upgrading wellness programs;
- increasing vacation pay with tenure (thereby rewarding longevity)
- offering on-site day care;
- reimbursing employees for tuition.

Communicate honestly and openly. Keep all employees – from senior management through

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front-line staff – in the loop on major projects and events impacting your company, including financial performance. Encourage bottom-up communication as well, so that employees at all levels know that their ideas and opinions are important.

There are literally dozens of ways to become an employer of choice. No matter which of those listed above you choose to implement, ***let your employees know how important they are to you.***

* Excerpted from “HR Metrics, the World-Class Way” by Dr. John Sullivan. For further information, go to www.employerofchoice.com.
Source: Workforce Online, April 2003; http://www.workforce.com/archive/article/23/41/93_printer.php