

Why Become an Employer of Choice?

The phrase “Employer of Choice” has picked up a considerable amount of popularity lately, but most employers really don’t understand the importance of becoming an Employer of Choice. The phrase is more than just a buzzword; it is representative of a whole new design of corporate culture. It means that people will choose to work for you. It means that people will choose to really dedicate themselves to your success. It means that people will choose to stay with you, even when they are being courted by recruiters from other employers—recruiters with exceptionally attractive inducements.

In the years ahead, workforce stability will be a company’s competitive edge. In these turbulent times, exacerbated by a tight labor market, employers will be continually challenged to locate, attract, optimize and retain the talent they need to serve their customers. The most successful employers will be those who legitimately inspire highly talented workers to join them and stay with them.

What, precisely, are the benefits of becoming an Employer of Choice?

Marketing and Recruiting

As the company becomes more widely known as a good place to work, an Employer of Choice will find that recruiting will be considerably easier. People will even approach the company themselves, inquiring about employment opportunities. This attractiveness will save the organization considerable expense in marketing and recruiting to attract the people that they want and need.

Instead of employing an army of recruiters, Employers of Choice will concentrate on evaluating those fine people who choose to apply. Most of them will be of high caliber, so the choices will be difficult for the employer. The objective will shift from just getting people to apply to choosing the best of the best.

Optimizing Performance

With higher quality people on board, productivity will become significantly higher. As the company is able to hire the kinds of people they really want, it will be able to help workers achieve a higher level of performance more quickly and with a greater level of consistency.

With a higher caliber of worker—a worker who has longer experience with the employer—tasks get done more quickly, more thoroughly, and more accurately. The people performing the work are more confident about what they’re doing, so their time is used much more efficiently. Corporate leaders are able to venture into the uncharted waters of new ventures knowing that they’re supported by people who have a good foundation and are ready to go.

Choosing to Work, Choosing to Stay

People will choose to join an employer, and *may* also make a conscious choice to stay. When people remain with the organization for a longer period of time, the higher level of continuity benefits the employer tremendously. People work better together when they know each other better. There’s a higher level of comfort, and of trust. Long-term employees understand the processes, the suppliers and the customers, and they become more efficient and effective in a team-centered environment.

Having made the choice to join the company—and to stay with it—people will feel better about working there because it is a stable work environment. The place is familiar, the work is familiar, and the co-workers are familiar. Their needs are met; this is the place for them.

Reduced Turnover, Enhanced Loyalty

Certainly, the happier the employees are, the less turnover there will be. This reduced turnover will have a positive effect on the bottom line as well the morale and dedication of each and every employee.

Higher levels of loyalty will result in stronger relationships and a greater dedication to the quality of performance, quality of production, and quality of service. This higher level of quality, as well as reducing re-work, scrap, and after-sale problems, will build profitability for the company and pride for the employees.

Red Auerbach, famed sports figure who built the Boston Celtics dynasty and legacy, once said, "Loyalty is a two-way street." He knew that if he expected his players to be loyal to the Celtics that the Celtics had to be loyal to them. He had a reputation for treating players fairly. Red made sure that the top talent in the league was attracted to the Celtics. Players wanted to play for him and for the Celtics, because they knew he would value and appreciate them. Among basketball teams, the Boston Celtics franchise was certainly an Employer of Choice.¹

Finding Better People

A company that is an Employer of Choice will be more attractive to prospective employees. This attractiveness will also enable the company to attract a higher caliber of worker. Not only will the company have more applicants to choose from, but the overall quality of applicants will be significantly better than companies which are not recognized as Employers of Choice.

Mediocre workers will intentionally choose not to apply to such an organization, justifiably fearing that their performance would not be acceptable. Higher quality employees seek companies where they can be highly productive, where they can feel a part of something special, and where they can engender and represent a high level of achievement as part of the organization. These star performers choose star corporations because *that's where they feel like they belong*.

Efficiency, Effectiveness... Profitability

The company's recruiting process will be much more productive and streamlined, because their reputation will enhance their ability to attract the people they need. This process will also serve as a pre-employment screen that will actually *eliminate* the substandard applicants that the organization doesn't want to consider. The company's attractiveness to higher-caliber applicants will result in greater profitability, as well as greater efficiency and effectiveness in the recruiting and retention process. Since the company will be more attractive, the necessity of heavy marketing and promotion for recruitment will be diminished significantly. The cost per recruit will drop dramatically.

Bill Gates, chairman of Microsoft, believes part of the reason that they are able to get the highest caliber employees is that creative software developers want to work with other creative people who are excellent in their field. Microsoft also offers an opportunity for these talented, creative types to see their efforts implemented in high-volume, low-priced products. These predispositions give Microsoft an advantage in the recruitment process.²

A Waiting List of Willing Workers

Research has reinforced what Gates believes, that highly talented employees want to work with similar co-workers. The presence of top-flight employees and managers will attract similar applicants to the organization. Employees appreciate their co-workers when their co-workers are expending the same high level of effort and energy to get any given job done. As employees recognize their appreciation of their co-workers, they will be inspired to stay with the organization for a longer period

of time. As a result, the company will be more attractive to prospective employees, but also more attractive to those employees who are choosing to stay with the organization.

One of the results of attracting and retaining high-level employees will be that a waiting list to join the organization will develop. This enviable situation will be dramatically different from those companies that are not recognized as Employers of Choice. Those less fortunate companies will be forced to continue to scramble for the meager pool of less desirable applicants.

Less Stress, More Fun

Employers of Choice have less stress and more fun. It's that simple. There will be less disruption in attendance, and there will be less disruption in the workflow when people who have chosen to join the company choose to stay there and choose to make the best of their relationship with the company and their co-workers.

Managers and supervisors will have a much easier time in doing their jobs because they will not be working against resistance from employees who would rather not be there. Working with employees who are there *by choice* is a much more enjoyable experience. The focus of these managers and supervisors can then be more on coaching, teaching, and supporting than on managing, controlling, and disciplining. This shift of focus will enable these employees to be much happier in their work, reducing turnover among supervisors, reducing difficulties in supervisory performance and significantly enhancing the value supervisors bring to the overall equation in the company.

Planning for Continuity

When a company is an Employer of Choice, it will be much easier to plan ahead, much easier to forecast, and much easier to use corporate resources efficiently over a long period of time. The employer will enjoy a dependable human resource base—dependable both in quantity and quality.

The company will also enjoy a continuous knowledge base. Knowledge will not leave with employees who depart on an all too-frequent basis. Low turnover will result in a higher level of corporate knowledge remaining within the organization, thereby building efficiency and effectiveness while at the same time reducing re-work, accidents, and confusion.

Greater Attractiveness to Investors

Employers of Choice will be more attractive to investors because they will be recognized for their stability and their ability to respond more quickly to market opportunities and fluctuations. Employers of Choice will be more financially healthy as a result of their stability, because millions of dollars will not be pouring into retraining of existing employees and marketing to new hires.

Investors look for companies with a predictable future. The more predictable the future, the more positive the future, the more attractive the companies are to investors. With a stable workforce, Employers of Choice will be able to attract more investment dollars, enabling them to thrive and grow and place themselves in an even more competitive position. They can then focus on capturing an even more significant portion of their markets.

Unysis, the multi-national giant, considers employee satisfaction one of the legs of a “three-legged stool. (The other two are customer focus and financial performance/reputation.) Each of the company’s 33,000 employees received a bronze three-legged stool lapel pin to reinforce the company’s commitment to the philosophy. Its numerous employee-centered initiatives have helped the company increase its pace of growth, as well as its financial performance. Unysis offers satellite work centers and a “virtual university,” along with an “employee share incentive scheme.” These and other special employee offerings have helped the company maintain a relatively low rate of employee turnover.

*Payback on their debt of \$1 billion was achieved more than one year early. Can you imagine how the market took that news?*³

Increased Attractiveness to Customers

Employers of Choice will be more attractive to customers as well. This attractiveness will be critical in a relationship-based environment. Customers like to deal with the same people on a long-term basis. This continuity of relationship builds stronger bonds and gives the customers a greater sense of comfort, confidence, and security.

Employers of Choice will enjoy a reputation for reliability, because they will be able to respond more legitimately and consistently to the inquiries and expectations of their customers. Because more experienced employees understand their customers, they're able to take good care of them. Customers appreciate when employees know their services and merchandise.

We recently received our new membership cards from the American Automobile Association. For the first time, there was no expiration date shown on the card, so we were concerned that something had not been done properly in the processing of our renewal payment. By the time we were able to call the local AAA office to inquire, it was after business hours. We spoke with an Emergency Road Service dispatcher who was totally familiar with the new card system and was able to explain it to us very clearly. As we began to wonder aloud if the renewal payment had indeed been received, the gentleman looked at his computer screen and told us the date our payment had been posted. We now have an even greater comfort about doing business with AAA because this employee had answers. And the employee felt good about being able to give us those answers as well.

Greater Efficiency in Customer Service

The long-term expertise enjoyed by Employers of Choice will enable them to do a significantly better job for their customers. Each employee will have a higher level of experience in product lines and in meeting the expectations of the customers. The memories of customer relationships and customer preferences will enhance profits and customer satisfaction. This level of experience will be particularly important for those high-maintenance customers who expect special service for special orders and unusual needs they may require from time to time.

Exciting Environments—The Place Employees Will Want To Be!

Employers of Choice will typically be growth-oriented, although some will be content to maintain their status quo. Those Employers of Choice who concentrate on growth and expansion will generate an excitement in their workplace that will continually stimulate the people who have chosen to be there. That very growth promises greater security for all workers as well as better opportunities for companies and their employees. The long-term health of any given organization will support that company's image in the marketplace—as an Employer of Choice—and will enable the company to continually attract both the workers and the customers they desire. As the company continues to grow, more promotional opportunities will be available to those who have chosen to be a part of this preferred employment environment.

Employers of Choice will clearly differentiate themselves from their competitors in the employment, customer, investor and supplier environments. This contrast (or differentiation) will build a higher level of profitability, security, and future success.

The Downside

There is a disadvantage to being an Employer of Choice. Other employers will know that you've been able to attract really good people. Your company will become a hunting ground for recruiters from other less fortunate employers. We have worked with a number of companies that employ super people, so we've observed this phenomenon first-hand. The good people—who gravitate to Employers of Choice—get calls from recruiters several times a week. But—and this addition is an important “but”—they brush off the advances from these head-hunters to stay where they are. They *choose* to stay where they are happy.

The Decision

Once you've made the smart choice—the decision to be an Employer of Choice—it's time to look more specifically, more concretely, at how to go about initiating the processes of change in your company. In fact, the first thing you'll need to look at is just that—your company. How does it operate? How does it behave in the community, and how is it perceived? What kinds of things can you do to make your company more attractive to potential employees in today's competitive market? What sorts of things have other companies done to affect these important changes? In the next chapter we'll examine these issues in detail, and we'll explore the ways and means you have at your disposal to begin to make your company an Employer of Choice.

-
1. Alan M. Webber, “Best firms don't need employee loyalty,” *USA Today*, July 22, 1998.
 2. “Recruitment and Retention,” www.hr-resource.com.
 3. “Unysis' performance rocketing,” *The Dominion*, December 14, 1998.

Copyright 2000 by Roger Herman & Joyce Gioia. All rights reserved. This is the first chapter from the book, *How to Become an Employer of Choice*. To order your copy, go to www.employerofchoice.org/book_index.html and click on "Order Your Copy Today."