

A Compendium of  
Recent Literature

# The Triune *for* Attraction *and* Retention

Creating a Culture of Good Leaders, a Great Workplace,  
and Sustaining Employer of Choice Designation



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# The Triune *for* Attraction *and* Retention

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# Synopsis



The US Bureau of Labor Statistics predicts that by 2020, 17% of leadership positions may go unfilled because of a lack of qualified candidates. According to the US Department of Labor, between 1998 and 2008, the number of people between the ages of 45 and 65 will increase by a total of 15.8 million people. This large and aging group represents the current leadership pool—the pool from which organizations select, train, and grow leaders. To exacerbate the lack of immediate leadership talent, the labor pool between the ages of 25 and 44 will decrease by 3 million due to population trends. Thus, by 2008, the net difference in the number of people available to fill critical future leadership positions will decline by almost 19 million, and by 2020, there will be an overall labor shortfall of 17%.<sup>▲</sup>

The war for talent is becoming nuclear. This trend is not confined to the US. Similar trends are occurring throughout Europe, Japan, and most of the developed world. (The Asia Pacific region is not far behind, and demographers predict the AP region will experience the same shortfalls 10 to 20 years later. The only places where the future talent pool is growing include the Middle East, Africa, and India.) The aging of US Boomers and the smaller X & Y Generations creates an unprecedented vacuum that necessitates employers competing unlike ever before for high-quality talent. The purpose of this collective literature review is to mine recent findings and surface themes that clarify definitions, characteristics, and best practices of what might be described as the Triune for Attracting and Retaining the Finest Talent: create a *culture of good leaders* and an organization becomes a *good (or great) place to work* and, in turn, an *Employer of Choice*.

## Introduction

Interestingly, for a concept so ubiquitously tossed about, the notion of “Employer of Choice” remains an extremely subjective, ill-defined pursuit for many organizations. It’s as if one has entered mostly uncharted, vexing territory. Certainly, a casual query for books on the subject at [www.amazon.com](http://www.amazon.com) will yield approximately 2,000 items and [www.google.com](http://www.google.com) will yield 8,170,000 matches, but compared to queries for “leadership,” (which yield 186,856 and 177,000,000 matches respectively), there is a dearth of direction about how a company goes about becoming a great place to work, best in class, Employer of Choice, etc. There is between 1% and 4% as much “literature” on being an Employer of Choice as there is on Leadership.

While this white paper is no panacea, it will provide a treasure trove of information for the many organizations who might feel as if they’re grasping at proverbial straws or fumbling for answers in a briar patch of data. The responsibility of each organization is to convert the information and data into requisite aspirations, frameworks, goals, and a meaningful

narrative for leaders, employees, stockholders, and other interested constituents.

### Let’s begin with two encouraging premises.

First, while there are countless lists and criteria and attributes of great organizations, minimal pruning, raking, and taming of the briar patch yields a well-groomed garden with memorable findings and core themes that are manageable for organizations of all sizes and shapes.

Second, the garden yields three chronological fruits that provide the nutrition for the pursuit. It all starts with a culture of good leaders. Leadership cultures are the Petri dish of growth. It is within this warm, moist, fertile environment that employees trust, collaborate, perform, and are rewarded. In short, they grow. Leadership is thriving creates a great place to work. Over time, this great place develops an external reputation as well, and the organization becomes heralded as an Employer of Choice.

It is this triune—a culture of leaders, a great work environment, and being recognized as an Employer of Choice—that serves as a magnet for the highest quality talent in the marketplace. So, go forth and create what you must, and become the catnip for tomorrow’s best.

## Creating A Culture Of Good Leaders



Creating a culture of good leaders is a bit of a conundrum, but it’s not insurmountable, so do not be discouraged. The conundrum lies in a sort of “chicken or the egg” riddle: *Do cultures create leaders, or do leaders create culture?* Not unlike many similar “which matters most” questions (e.g., nature, nurture), the answer is... Both. Indeed, cultures undoubtedly create leaders. And of course, leaders create culture. It is a reciprocating relationship, just like nature and nurture, and so it must be addressed from both beginnings.

What sensitivities or awareness must one possess when analyzing the culture of his or her organization? There is an abundance of research on this, and Allagi Learning has several diagnostics, typologies, taxonomies, and applications for culture-creation, but to hit the nail right on the head with just one

swing, cultures  
emanate from beliefs.

Understand the  
beliefs held within  
a particular culture,  
and one will  
understand most  
everything that  
occurs within  
that culture. For  
example, are people  
“hands” or “minds and hearts?”

Are all people equal, or is there hierarchy? Are people  
employees, or are they autonomous pro t centers  
responsible for tasks they own? Answers to questions  
like these illuminate the belief systems of cultures  
and, in turn, explain the great many behaviors and  
values of culture.



Understand the beliefs held within  
a particular culture, and one will  
understand most everything that  
occurs within that culture.

Correspondingly, what sensitivities or awareness  
must one possess when analyzing the leaders of an  
organization? Again, there is an abundance of  
research on this too, and Allagi Learning also has  
several tools for leader-creation, but to hit the nail  
right on the head with that single swing, leaders are  
simply reflections of *individual* beliefs. Consider the  
work of Douglas McGregor. He described persons  
of influence (e.g., managers, leaders, supervisors)  
making assumptions about the worldviews of their  
followers. On the one hand, “ theory X” leaders  
presume that followers believe work is distasteful,  
that they are uncreative, that they need a controlled  
environment, that they do not harbor strong  
aspirations for growth or greatness, and that job



security trumps  
other needs. A leader  
operating from this worldview tends  
to be a controlling, dominating, micromanaging,  
tell-directive, autocratic, intolerant individual with  
lower expectations of employees and their energy.  
Contrast this with McGregor’s description of leaders  
who make “ theory Y” assumptions about followers.  
These leaders presume that employees believe work  
can be as pleasurable as play, that each employee pos-  
sesses creativity, that people strive to be self-directed,  
that the average employee seeks responsibility when  
he or she feels committed to a set of objectives, that  
commitment comes not only from external rewards  
but also from a feeling of achievement, and that most  
employees have untapped ingenuity and passion.  
Clearly, a leader operating from this worldview tends  
to be open-minded, receptive, delegative, hands-o ,  
vision-casting, comfortable with risk-taking and  
deviating from the norm, and expects employees to  
be involved, energetic, and excited about ~~work~~ play.

One can see then, that the beliefs held by a  
culture, and the beliefs reflected by individuals go  
hand-in-hand. Each creates and perpetuates the  
other. And because it is generally more difficult to  
boil the ocean (change a culture at large) than to boil  
a teaspoon (change an individual), it makes sense to

begin climbing Mt. Employer of Choice with a single  
step—the step of building a leader.

On countless occasions, we have engaged with  
organizations ranging from 6 employees to 60,000  
employees—and time after time—we are awestruck  
at the leadership shortage. It’s not unusual at *all* to  
engage with a 100-person company and find just 1  
real leader. On one specific occasion, in working with a  
particularly enormous organization comprised of tens  
of thousands of employees (in an industry that will go  
unnamed), our personal interviews, peer reviews, and  
360° scores (using a nationally validated multi-rater)  
revealed no more than 250 leaders.

What are the traits of these leaders, and how  
can you know them—that you may recognize and  
nurture them in your organization? Here they are:

1. **Good leaders realize they can accomplish  
nothing of significance alone.** As a result,  
they are great talent scouts. They live *with their  
head on a swivel* and are constantly looking to  
surround themselves with people who are better  
than they are. Andrew Carnegie knew this to be  
true, as his headstone testifies, “Here lies a man  
who knew how to enlist the service of better  
men than himself.”
2. **Good leaders are not jerks.** They are both  
intrapersonally aware and interpersonally adept.  
In short, they’re great with people. *Brilliance x  
Jerk = 0. Skilled x Jerk = 0.* Life is multiplicative;  
everything we do unfolds in a multi-dimensional  
world that is a result of “this times that.” Tough-  
Love, Considerate-Confrontations, Ethics-Eco-  
nomics, Attitude-Achievement... each axis *times*  
the other axis = one’s *potential performance envelope*  
in any given situation. Sure, there are many  
jerks in life who succeed... the great athlete,  
the brilliant mathematician, the prickly doctor.  
It’s not the point. The point is this: *what might  
their potential have been, had they been able  
to broaden their aperture of performance by*

*improving their ability to interact effectively  
with more people, more often?*

3. **Good leaders run on trust.** It’s their fuel. And  
because its sources are varied, they slice it *seven*  
ways to Sunday:
  - a. Trusted leaders are credible <sup>A</sup>
    - i. They communicate; they are open;  
they are accessible.
    - ii. They are competent at maximizing  
“the big three:” people, money, and time.
    - iii. They demonstrate integrity. Integrity  
derives from the Latin *integritas*, which  
means “intact.” To have integrity means,  
by definition, that one behaves in a way  
consistent with his or her words, and one’s  
words are consistent with one’s beliefs.
  - b. Trusted leaders are respectful and respected
    - i. They support the development of others  
and show their appreciation.
    - ii. They involve and collaborate with  
employees on relevant decisions.
    - iii. They care for employees and see them  
as individuals with professional *and*  
personal lives.
  - c. Trusted leaders are fair
    - i. They realize that *fair* does not mean  
*same*. They balance treatment and  
opportunity as appropriate, based  
on egalitarianism and merit.
    - ii. They are impartial and demonstrate  
an absence of favoritism.
    - iii. They demonstrate justice; a lack of  
discrimination and a process for appeals.
  - d. Trusted leaders foster pride
    - i. In each task, personal job, and  
individual contributions.
    - ii. In the work produced by one’s team.
    - iii. In the organization’s deliverables and  
standing in the community.



- b. Do I have the materials and equipment I need to do my work right?
- c. At work, do I have the opportunity to do what I do best every day?
- d. In the last seven days, have I received recognition or praise for doing good work?
- e. Does my supervisor, or someone at work, seem to care about me as a person?
- f. Is there someone at work who encourages my development?
- g. At work, do my opinions seem to count?
- h. Does the mission/purpose of my company make me feel my job is important?
- i. Are my co-workers committed to doing quality work?
- j. Do I have a good friend at work?
- k. In the last six months, has someone at work talked to me about my progress?
- l. Is last year, have I had opportunities at work to learn and grow?

## Synthesizing the Importance of Relationships with Motivating Workplaces

How might we encapsulate so many findings... tie a bow, attach a handle, make them portable? At the essence, we see three drops when we distill the work of so many. Generally, people (aka employees) hunger for:

1. Affiliation / Connectedness / Community
2. Optimism / Hope / Future / Vision
3. Purpose / Contribution / Meaningfulness

In your efforts to shorten the distance between motivators and people, remember that motivation is most effective when it is:

1. **Personal vs. organizational.** Don't worry about motivating "the team," worry about how you'll create an environment in which John, Jennifer, Tom, and Heather will most likely be motivated.



2. **Proximate vs. delayed.** Don't reward people next year for something they did last year. It's simply not motivating. Reward people in the present, not the future.
3. **Predictable vs. unknown.** People are not motivated by ifs, ands, or maybes. They're motivated by certainties. Create goals, articulate the rewards for hitting them, hit them, and do what you said you'd do.

## The Rewards of a Motivating Workplace

In great workplaces, how people are treated adds significantly to the competitive advantages of the organization. Specifically, great workplaces benefit from the following:

1. Receiving more qualified job applications for open positions.
2. Experiencing a lower level of turnover.
3. Experiencing reductions in health care costs.
4. Enjoying higher levels of customer satisfaction and customer loyalty.
5. Fostering greater innovation, creativity, and risk taking.
6. Achieving higher productivity and profitability.

## Great Workplaces, Cases in Point: Valero and Volvo<sup>A</sup>

**Valero Energy** is a manufacturing/production company that makes refined petroleum products and nuclear fuel. *22,000 employees, headquartered in San Antonio, TX*

Sometimes the best way to measure a company's values is by watching how it lives its commitments during periods of change. Valero's commitments—to the safety of its employees, to the continued development of its people, and to providing a challenging, rewarding environment that facilitates creative thinking, teamwork, and open communication—set a high standard.

When Valero acquired Ultramar Diamond Shamrock (UDS) and its more than 18,000 employees, CEO Bill Greehey promised no layoffs. As part of its integration planning, Valero conducted a series of focus groups to discover the differences and similarities between the two firms—and provided a formal orientation called "Our First Step" which gave employees an opportunity to voice their views and opinions. A special website provided a feedback form, FAQs, daily electronic bulletins, and a database of transition updates; employees received a tube of goodies that included champagne-shaped chocolates, commemorative pens, and confetti—and the tune "Fanfare" played when the tube was opened—and Greehey wrote a letter welcoming all employees to Valero.

In combining benefit programs, Valero compared the programs of the two companies and picked the best elements of each one. Greehey spent several days meeting with groups of UDS employees to answer questions. At a series of open houses, top managers gave guided tours of the campus. Greehey and other senior management at Valero traveled to the former UDS facilities and hosted "Welcome Barbeques" where top executives, including Greehey, served barbeque to the new employees. During these visits, executives held roundtable meetings and toured facilities to get to know the new employees. Finally, Valero delivered on Greehey's word—and didn't lay off anyone.

**Volvo Group** is predominantly an automotive and aero manufacturer, with a small financial services division. *81,000 employees, headquartered in Gothenburg, Sweden*

At its Belgian plant in Gent, Swedish car manufacturer Volvo considers every employee to be "a self-employed person who is responsible for his task. People have to control themselves instead of being controlled by others." Volvo sets up learning groups with employees; once they have gone through a course of study, they become the teachers of what they have learned. A learning group will spend up to a year studying a topic.

Volvo also organized what it calls "training weeks" in the year 2000. The goal was to spread the knowledge that is clustered in different departments and make it available to all employees. At the start, there was one training week; now there are seven.

Managers at Volvo participate in an Academy of Self-Management that brings people together "to search what is working and what is not" and to ponder how employees can use their own past experiences to find answers. These exercises are designed to reinforce the importance of self-management.

  
*Sometimes the best way to measure a company's values is by watching how it lives its commitments during periods of change.*

## Pulling the Thread: From a Culture of Leaders to a Great Workplace

Earlier, it was mentioned that great leaders run on the fuel of trust, and five pillars of trust were identified. How do you know you're building a great workplace predicated on a culture of trusted leaders? Read the

following quotes, conveyed by real people in such environments across many industries and ask yourself the simple question, “How often do I hear this in my workplace?”

### ❖ Credibility

- “Our boss is not above doing any job. She will work any job level, thereby gaining respect and loyalty of other team players.”
- “The door to management is always open. They listen.”

### ❖ Respect

- “I am not afraid to make mistakes, which allows me to be a risk taker. I am able to explore my ideas at this company.”
- “Management truly encourages and expects individuals to care for themselves before work. They understand personal lives are more important than jobs.”
- “This company is mainly concerned about the people within this company. We are obviously in business to make money, but the people come before the profits. The company takes care of the people first, and the people in turn take care of the profits.”
- “Personal and professional opportunities here are endless. The company is always striving to improve itself and at the same time giving individuals the motivation and encouragement to achieve their desires. I have never worked anywhere else that I felt so comfortable and confident that I can achieve anything.”

### ❖ Fairness

- “I know that when I have a concern or difference of opinion with my supervisor, I can count on him to give me unbiased feedback and a different perspective. Whether he supports me or not, I know that he will give honest opinions and offer as many solutions as possible.”
- “My boss is a great leader. She can make hard but fair decisions, and she always seems to do the right thing. She values differences in people, which is a great asset.”

### ❖ Pride

- “I feel as though I make a difference. My job allows me latitude to make decisions and implement them in order to get the job done. At the end of the day I can look back and see what I have been able to accomplish with a great feeling of satisfaction.”
- “There is a certain satisfaction in knowing that the work I do supports an organization with such a profound impact on the lives of everyone in the world.”
- “Every morning I wake up I am more than excited to get to work and do the best I can for a company that really appreciates it.”
- “I spent most of my career in a company which focused on efficiency and profits—employees were a ‘means to the end.’ However, I have had the fortunate opportunity to join this company late in my career. This is truly a place that puts people first, manages from the heart, cares for the community.”



### ❖ Camaraderie

- “This is a great place to work because people care about each other. It doesn't seem so much like work when you are surrounded by people who care for you as an individual.”
- “Because this company's managers try to make its workplace and work activities fun, the whole company gains a very positive attitude leading to good performance.”

## Sustaining Employer Of Choice Designation

Having started with the individual leader, created a culture of leaders and a great workplace, we now turn our attention toward internal evaluation and achieving external affirmation that one's organization is, indeed, an *Employer of Choice* (aka, EOC).

### What is an Employer of Choice?

Generally, an Employer of Choice is one that:

1. Consistently outperforms its competitors.
2. Attracts, retains, and grows its employees.
3. Sustains innovative pursuits and programs that inspire and challenge employees.
4. Builds capability, loyalty, and commitment at all levels.

### Why Bother Becoming an Employer of Choice?

The changing economic landscape and labor supply (as mentioned in the Synopsis) sends chills down the spines of labor forecasters and any forward-thinking organization. Indeed, the war for talent is going nuclear, as vying for talent will be more important than ever.

In the United States, by way of example, the old adage “a fair day's wages for a fair day's work” seems quaint by today's standards. Here are the expectations of today's employees. (It's important your organization meet them, because the primary root of employee dissatisfaction is when an organization fails to meet an employee's expectations.)

1. A need for shared values between organization and individual.
2. A need for strong leadership.
3. A need for challenge, inspiration, fulfillment, mastery.
4. A need for flexibility, autonomy, and life-balance.
5. A need for career advancement and growth.

### The Benefits of Becoming an Employer of Choice

Becoming an Employer of Choice is obviously not easy, but the rewards are extremely worthwhile. Do you believe the destination is worth the journey? Judge for yourself:

1. It becomes dramatically easier to attract the highest quality talent.
2. It is good PR when one's organization is mentioned in articles and books citing the best organizations.
3. Retention rates tend to be much higher.
4. Maintaining the corporate culture becomes relatively easier, as all employees (and to some extent, even the public) assist in maintaining it.
5. Additional customers are attracted to a favorable image.
6. Employee motivation is generally more self-sustaining because of a shared vision and organizational pride.

## Dissecting EOC— What Are the Characteristics?

The anatomy of an Employer of Choice is comprised of twelve basic parts. These include:

- 1. Enlightened Formal Leadership and Management** (leaders are trusted, communicate more, and are more passionate about their employees).
- 2. Recruit for Attitude, Induct for Culture** (attitude precedes all other criteria and, once bathed in the culture, takes root).
- 3. Exemplary Compensation and Benefits** (linking pay to performance at the individual, group, and organizational levels across myriad metrics that enable social achievement, not simply individual wealth-creation).
- 4. Compelling Employment Offer** (daily work experience lives up to the promise of the EOC ideal; *reality reflects principles*).
- 5. Meaningful Work / Making a Difference** (organizations have a higher purpose and offer different work experiences; employees feel a sense of belonging—they view their role in the context of a higher calling; there is a constant, compelling call to action).
- 6. Culture and Values** (performance results are driven by an emphasis on achievement with acknowledgement, celebration, and recognition).
- 7. Communication and Feedback** (high levels of communication and access to information in order to work autonomously and innovatively).
- 8. Accelerated Talent Development and Performance Management** (investment in identifying and managing talent, developing employees and utilizing talent; innovative performance-based reward strategies driven by clear systems for performance management and measurement).

**9. Accountability, Responsibility, and Stewardship** (employees hold themselves accountable, assume great responsibility for their actions, and behave as stewards of the enterprise at large).

**10. Ubiquitous and Roleless Leadership** (all employees lead from where they are; benchmark strength is robust).

**11. Decentralization to the Lowest Level of Competence** (drives employee engagement, growth, opportunity, and diversity of thought).

**12. 360° Service** (employees deliver superior experiences to all constituents, both internal and external).



## Evidence at You Work for an Employer of Choice

Are you seeing your organization in the preceding descriptions? Fantastic. Read on—what follows are other clues that one's employer is top shelf, grade A,

and prime cut. (Much of this evidence applies more appropriately to large employers, but if your organization is petite, there remain parallels worth exploring and tailoring for your use.)

- The CEO is highly visible and has wide, positive name recognition.
- The organization is highly ranked and rated in leading books and publications (e.g., Best Employers in America, business reviews, media reports of employee-focused organizations).
- Forthcoming graduates consistently rank it in the top 10 of desirable organizations. The organization is a first choice when students are signing up for interviews.
- Newspaper job ads bring such a volume of responses that they are seldom used. The volume of unsolicited resumes and job inquiries is so large it is a burden.

*Employees feel a sense of belonging—they view their role in the context of a higher calling.*

- The corporate culture is widely known. It contains unique elements (e.g., strong ethics, values, management practices, well known buzzwords, etc.).
- Leaders are often quoted in the business press in response to new business problems and trends.
- The organization is routinely benchmarked by others in pursuit of “best practices.”
- The organization is generally a leading collaborator and supporter of universities and charities.
- If *for profit*, the organization is generally among the most profitable or successful in its industry.
- The organization's name is among the most recognized by the public.
- The organization is known for its quality and service.

- Employees speak highly of the organization and it is generally union-free.
- Academics often select the organization to study for business practices.
- The organization has innovative talent management and employee development strategies.
- Reward and recognition programs celebrate achievements and complement life goals.
- The organization strongly supports employee and family-friendly programs such as work/life balance, child care benefits, support for volunteer work, community involvement, and the like.

## I'm Sold: How Do We Become an Employer of Choice?

It goes without saying that it starts with creating a culture of leaders, but here are additional specifics that help in the hunt:

- 1. Do a gut check.** Why do you want this? Why would it matter? Is it about a moosehead, or does our belief system genuinely support the pursuit?
  - Are we having difficulty attracting, developing, and retaining the right caliber of employees?
  - Do we have the infrastructure to support EOC? Will it be a one-off, or can we sustain it?
  - Do our leaders want it? The owners? The stockholders? Or is it just a gold star for the HR group?
- 2. Measure.** Conduct an internal and external assessment of leader, manager, and employee expectations.
  - How bad are our problems?
  - What commitment, drivers, and strategies would support our pursuit?
  - What are our current skill levels, developmental programs, and gaps?
- 3. Form a feasibility group or steering team comprised of influential, respected exemplars from across the enterprise.**

- a. What are our priorities? Our vision?
  - b. Will becoming an EOC help our agenda, cause, or calling?
  - c. Propose a plan with schedule, milestones, and goals.
4. **Invest.** Spend money, time, and allocate human capital toward the pursuit.
    - a. Involve the best and brightest in working the steering team's plan.
    - b. Benchmark one's own organization against competitors. Where are we? What would winning look like?
    - c. Achieve successes, enroll advocates, market and communicate successes.
  5. **Support, Project Management, Project Teams, Communication, Marketing, Measurements, Leadership Visibility, Alignment with HR Policies and Practices, Multi-Year Commitment and Renewal.**
  6. **Celebrate!** Bask in the Glory of Success! Raise the Bar and Repeat!

## What Sort of Organizations are EOC? Give Us Some Examples

You asked for it, you've got it. Keeping our focus on the US, here are frequent EOC exemplars who excel at recruiting, which is—chronologically speaking—a paramount function for any EOC, because if an organization's sieve is not appropriately fine, new hires might not be either.

1. First Merit Bank
2. General Electric
3. Microsoft
4. Wachovia Corporation
5. Starbucks
6. Marriott International
7. Southwest Airlines
8. Booz Allen Hamilton

9. Valero Energy
10. T-Mobile
11. Wegmans Food Markets
12. SAS
13. Corning
14. Intel
15. Wal-Mart
16. WL Gore
17. The Container Store
18. Google
19. Dell
20. MGM Grand
21. Baptist Health Care
22. PepsiCo
23. Electronic Arts (EA)
24. UPS
25. Cisco Systems

## Spotlighting the Top Ten

Hungry for more? See if this helps:

1. **First Merit Bank.** Some may find it hard to believe that the most strategic and innovative approach to recruiting isn't found inside one of America's most recognized companies, but rather from this bank headquartered in Ohio. Their approach and structure are so innovative they literally take your breath away. In addition to a great referral program, they are the best in understanding how recruiting can adopt successful approaches such as data mining, customer relationship management, competitive intelligence, niche market targeting, and assessment metrics from other business functions. Forget Cisco, this is the benchmark firm that recruiters should be talking about.
2. **General Electric.** Long recognized as *the* benchmark firm when it comes to building a performance culture, GE wins hands down

as having the best overall talent management strategy. They prioritize jobs and focus on "game changers." Their Employer of Choice brand is second to none and they are among the leaders (along with Home Depot) in recruiting from the military.

3. **Microsoft.** Giving GE a run for its money as best in talent management is Microsoft. They excel at workforce planning, redeployment, utilizing analytics, and leveraging the internet. They are also truly world class when it comes to the effective use of contingent workers (check out their strategy for leveraging retiring baby-boomers; it is second to none). Microsoft was also ranked #57 on Fortune Magazine's 2005 *100 Best Companies to Work for in America*.
4. **Wachovia Corporation.** This hands-down leader in diversity recruiting is also well versed in utilizing metrics and running a fee-for-service recruiting model capable of actually generating revenue by selling excess recruiting capacity to other organizations. Their recruiting strategy is world-class in a relatively conservative industry.
5. **Starbucks.** Given the *less than glamorous* nature of the retail industry, the approach taken by this coffee giant to employment branding and becoming an Employer of Choice is phenomenal. They also excel at high-volume hiring. Starbucks was ranked #11 on Fortune Magazine's 2005 *100 Best Companies to Work for in America*.
6. **Marriott International.** This hotel giant was one of the earliest adopters of employment branding, and one of the few companies to maintain a dedicated focus on the art. While they still excel in employment branding, their diversity recruiting and work with the disadvantaged are world class by any standard. Marriott was ranked #63 on Fortune Magazine's 2005 *100 Best Companies to Work for in America*.

7. **Southwest Airlines.** The clear winner for innovation in recruiting, this company not only excels in selection but also scores huge in branding with the launch of its own TV show (*Airline*). Every employee periodically receives productivity and financial reports so they can act more like owners.
8. **Booz Allen Hamilton.** The things that set this professional services firm apart from the competition comprise a laundry list of *must have* programs for professional-level talent. Their "comeback kids" program (for corporate alumni), career mobility team (for redeployment), and referral program are all extraordinarily innovative. In addition to these programs, they also excel at employment branding. BAH was ranked #75 on Fortune Magazine's 2005 *100 Best Companies to Work for in America*.
9. **Valero Energy.** Managing in a place *run by* CPAs requires extraordinary metrics, and Valero comes through with the best metrics in recruiting, bar none. Their use of regression analysis for workforce forecasting is truly best in class. In addition, they have development metrics that demonstrate the relationship between recruiting effectiveness and stock price per share, and they have created a sourcing channel report that demonstrates the ROI in the effectiveness of their best sourcing channels. Valero was ranked #23 on Fortune Magazine's 2005 *100 Best Companies to Work for in America*.
10. **T-Mobile.** Excellent work in nearly every aspect of recruiting, T-Mobile is a standout in both the usage of metrics and online candidate assessment. In 2004, T-Mobile set out to demonstrate the business impact of recruiting and succeeded beyond expectations. With a largely tech-savvy target audience, they also excel at innovation in internet recruiting.

## One Final Deep-Dive: Fifteen More EOCs Who Set the Standard for Recruiting

- 1. Wegmans Food Markets.** Wegmans' ranking as the best company to work for in America by Fortune Magazine in 2005 should tell you that there is more to this upscale grocer than fresh produce. Behind the long-standing reputation that has made these grocery stores tourist attractions are recruiting and talent management best practices in employment branding, workforce planning, redeployment, and alternative sourcing. Wegmans starts recruiting management in high school by bringing at-risk youth into its internship program and mentoring them toward college.
- 2. SAS.** SAS's EOC strategy and execution are impressive. They have been on *60 Minutes* for excellent employee practices more often than any other firm. Their range and variety of benefits are sweeping, resulting in an industry-leading low turnover rate.
- 3. Corning.** Corning's use of internal recruiters as placement experts during downsizing was both innovative and effective. They also effectively utilize service-level agreements and have a Six Sigma effort in their recruiting function (most HR functions teach Six Sigma, but they seldom apply it to themselves).
- 4. Intel.** Intel can be lauded for its scientific, fact-based approach to recruiting and HR. Their workforce planning model has some excellent design features. Their culture of constructive confrontation also helps to drive an incredible rate of continual change.
- 5. Wal-Mart.** When it comes to high-volume recruiting, nobody does it better. Wal-Mart's TV ads highlighting their *great place to work* status are a bold approach to proactively defending their strong employment brand.

- 6. WL Gore.** The culture of WL Gore is enviable. The company's #2 overall ranking on the Fortune *best places to work* list demonstrates how effectively they have subtly maintained world-class-employer status for many years. *Fast Company* magazine even selected them as the most innovative company in America.
- 7. The Container Store.** Its #1 ranking on Fortune's *best places to work* list two years in a row is even more amazing given the Container Store's miniscule centralized HR and recruiting function. They have also done some work in candidate assessment and measuring the business impact of great recruiting.
- 8. Google.** Google's ratio of recruiters to employees is mind-boggling. They also excel at candidate assessment and recruiting women engineers.
- 9. Dell.** Dell excels at top management, and is one of the best at attracting exemplary managers by widely publicizing their great management practices and approaches. They have a successful management identification program and an astonishing revenue per employee that some calculate at nearly \$1 million.
- 10. MGM Grand.** MGM Grand's commitment to branding themselves as the "best managed firm" is unique in an industry that does no employment branding. Their development of metrics and their approach to auditing the recruitment function are bold and innovative.
- 11. Baptist Health Care.** Baptist excels at building a well-managed brand; the company ranks #6 among large companies on the Fortune *best places to work* list. They are number one in recruiting and retention in an industry that has some of the most backward recruiters and recruiting practices on the planet.
- 12. PepsiCo.** The leader in diversity recruiting, PepsiCo uses incentives to make diversity recruiting a standard business practice.

- 13. Electronic Arts.** EA excels at buying firms for talent, innovative metrics, identifying targeted candidates before positions open up, and employment branding.
- 14. UPS.** No one does college recruiting so well and on such a large number of campuses.
- 15. Cisco Systems.** The creator of employment branding still holds its own in that area. Unfortunately, little else remains of what was once the world's best recruiting function.

## Fun Honorable Mention Benchmarks

Although these firms are not all Fortune 500 firms, their innovative contributions in one specific area of recruiting qualify them as benchmark standard firms.

- 1. Donald Trump.** The hands-down winner for recruiter of the century award — for getting over a million applicants for a single job at a firm that is widely known to be something other than a great place to work.

- 2. The New England Patriots.** The second person the owner thanked after a Patriots' Super Bowl win was the recruiting manager. After three world championships, they still fall in the bottom third of the payroll rankings.
- 3. The New York Yankees.** Their cost-per-hire is ridiculously high, but they are the benchmark standard in any industry for recruiting the very best.
- 4. The Boston Red Sox/Oakland Athletics.** Both are ground breakers in scientific recruiting through their use of statistics and metrics in identifying the most impactful hires (see the book *Moneyball*).
- 5. Hallmark Cards.** Hallmark has done some innovative work in developing a recruitment metrics index.
- 6. Intuit.** They attract the best recruiters and visionaries on the planet, including industry giants Michael McNeal and Eric Lane.
- 7. IBM.** A long-time leader in branding, they have also developed one of the best career websites (an area where mediocre is the status quo).



# Conclusion

The triune for attracting and retaining the hottest candidates in the market includes creating a culture of leaders, building a great workplace, and being recognized for it—specifically—as an Employer of Choice. Given an intensifying war for talent across practically all industrialized first world countries, the future looks bleak for also-rans, and the time to improve is now.

Perhaps more important, however, than creating an Employer of Choice organization as a strategy to attract high quality talent, the attributes of EOCs are, in a word, good. They are noble, egalitarian, honorable characteristics. If an organization chooses to pursue EOC for economic or capitalistic reasons, so be it. If an organization perceives the destination may not be worth the journey, consider this: Doing nothing may be worse than doing something, even if it means falling short of an EOC designation. Because, along the way, maybe leadership will improve. Maybe culture will improve. Maybe trust will improve, and morale, energy, and passion. And if only one of these improves, or one of the dozens of other benefits of the journey, wouldn't it be worthwhile nonetheless to strive?

In the words of John F. Kennedy (quoting Robert Browning), "Man's reach should exceed his grasp, or what's a heaven for?"

*We wish you well on your odyssey.*



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Given the nature of a compendium, portions of content herein have been re-presented with much of their original voice intact. As in all scholarship, much reverence goes to those whose works are honored through inclusion. This bibliography is provided by way of acknowledgment, for readers who wish to research these collective sources in their entirety.

### Source Notes

- ▲ <sup>1</sup>SOURCE: See *Beyond the Leadership Bubble* citation in the Bibliography, item 7.
- ▲ <sup>2,3&7</sup>SOURCE: See *Great Place to Work Institute* citation in the Bibliography, item 12.
- ▲ <sup>4</sup>SOURCE: See *First, Break All the Rules* citation in the Bibliography, item 11.
- ▲ <sup>5,8,10,11,12&thru p. 19</sup>SOURCE: See *Are You An Employer of Choice?* citation in the Bibliography, item 3.
- ▲ <sup>9</sup>ADAPTED: See *Are You An Employer of Choice?* citation in the Bibliography, item 3.

Disclaimer: To date, the phrase Employer of Choice has existed as part of common business rhetoric, not inferring anything "official" or "formal," per se, as much as an aspiration, a notion, and an informal designation meant to connote organizational excellence. Employer of Choice designation has not, heretofore, been bequeathed officially (by any organization) but rather, by the marketplace, by PR firms, by newspapers, by magazines, and the like — all in accordance with unique and varying standards and interpretations. A recent search of the US Patent & Trademark Office reveals the phrase has been recently co-opted and registered as an official trademark of Employer of Choice, Inc., a NC corporation located at 3400 Willow Grove Court, Greensboro, NC 27410. Employer of Choice, Inc. appears to be pursuing the establishment and standardization of a rigorous application and qualification process (not unlike that of ISO or similar certification processes in adjacent fields), ultimately designating a given organization as "Employer of Choice®" or not. As literature is rampant with the Employer of Choice concept, all views in this compendium are simply our own expressions of that ideal, and should not be interpreted as any position, recommendation or endorsement of what may eventually transpire under the auspices of Employer of Choice, Inc. and its certification mark.