

How to Figure Out if You're an Employer of Choice

By John Sullivan

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The term "employer of choice" gets bandied about, but what does it really mean? San Francisco State professor John Sullivan gives you a 25-factor test to determine if you're an employer of choice.

It's easy to say that you have become an employer of choice. In reality, though, being an employer of choice is a difficult—albeit measurable—status to obtain. Here are some ways to assess how far you have come in the employer-of-choice sweepstakes. The employer-of-choice factors are listed here in descending order of importance.

1. **"Best" list appearances.** The 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 firm'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 firm'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 firm 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.

11. **In top three choices of average performers.** When professionals in your industry are asked the names of places they “would like to work someday,” over 25 percent list your firm.
12. **Recruiters list you in top employers.** When professional recruiters are asked in surveys or focus groups about your firm’s people practices, they give a positive response 50 percent of the time. When asked to list the top ten employers of choice in your region or industry, they cite you 50 percent of the time.
13. **On “admired” list.** You appear on Fortune’s “most admired firms” list.
14. **On diversity list.** You appear on Fortune’s diversity list.
15. **Former employees do/would return.** Over 10 percent of employees who voluntarily quit in the past three years have returned. Over 50 percent express an interest in returning when surveyed.
16. **Employees send the “same” message.** When your employees are asked what they tell strangers about “why the firm is a great place to work,” over 50 percent of their answers include your top selling point.
17. **Low turnover rate of top performers.** The turnover rate of your top 25 percent-rated employees is below 5 percent.
18. **CEO mentions people practices.** Your current CEO mentions specific HR or people practices by name in 25 percent of external and 50 percent of internal speeches.
19. **Sign-up lists.** Your “sign-ups” at college information events exceed the average by 50 percent. Your lines at job fairs are 25 percent longer than your top direct talent competitor.
20. **Web hits.** You get 50 percent more web hits on your jobs page than the industry average.
21. **Benchmarked.** Fortune 500 firms from outside your industry benchmark you (call to learn about your best practices) at least once a year.
22. **Listed first in conference brochures.** When presenting firms are listed in commercial seminar brochures, your firm’s name appears in the first 25 percent.
23. **Book.** There has been a book written about your firm or CEO within the last five years.
24. **CEO has wide name recognition.** Your current CEO has a positive name recognition 75 percent of the time when professionals in your industry are asked to comment in surveys or focus groups.
25. **You have an EOC manager.** Your HR department has a designated manager who handles employer of choice, best-places-to-work list, and employment-branding.

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