

# Becoming a nonprofit employer of choice: Essential in today's labour marketplace

publication date: Sep 7, 2015 | author/source: Jeff Doran

[Previous](#) | [Next](#)

The need for employer branding as an '[employer of choice](#)' is becoming essential in today's increasingly tight labour market. For example, a study done by the Canadian Chamber of Commerce found that while executives cited the need to attract and keep good people, they also said that gaining loyalty is a challenge. Retention and investing in people are key.<sup>1</sup>



A recent small business survey seems to indicate that the Baby Boomer bubble may actually be starting to have a negative impact on the job market. Canada's labour force is shrinking, training budgets are disappearing and hiring the right-fit candidate is getting extremely difficult. Companies that are looking for the "purple squirrel" - the perfect employee with all necessary qualifications, no training required – are fighting a losing battle.<sup>2</sup>

Employers of choice are being recognized in a variety of markets, and the nonprofit sector is no exception. Leading employers pursuing an 'employer of choice' branding strategy include: World Vision, Google, AOL Canada, The Children's Aid Society of Toronto, Intuit, Microsoft, Captial One, VW Credit, Sunnybrook Health Sciences Centre, TD Bank, Medtronic and BMW.

Branding establishes the identity of the organization as a preferred employer by using aspects of its governance policies and reputation specifically to achieve human resource management objectives, including retention of current employees and recruitment of potential employees. It showcases the values, systems, policies and behaviours of the employer when working toward the objectives of attracting, motivating, and retaining employees. Effective branding is achieved through highly visible and strongly defensible means such as the use of an independent, external third party to validate claims of being an 'employer of choice'.<sup>3</sup>

The most crucial issues facing managers and executives today are recruiting and retaining high-performing, culturally aligned employees. A number of trends have led to these challenges:

- the labour pool for skilled employees is drying up
- the need for multi-skilled, multi-tasking employees is increasing
- attrition rates for nonprofits and charities remains high, with an industry average of 15% to 20%
- working for a nonprofit is often viewed as just a job, not a career
- labour accounts for approximately 60% to 70% of total operating costs
- it costs \$7,000 to \$10,000 to replace a mid-skill level worker
- younger workers are less loyal to their employer than previous generations
- younger workers are demanding more perks earlier in their careers - ie. full benefits, more vacation time, more personal development opportunities, company-paid education etc.
- workers are more mobile than ever before
- jobs are becoming more demanding due to technological advances and consolidation.

These trends indicate a strong need for employers to review their current operating policies and procedures. They need

to develop better, more targeted, people friendly programs that focus on careers, personal development and involvement. At the same time, employers need to find new ways to position themselves in the market to attract the type of employee that best fits into the organization.

When it comes to nonprofits seeking to brand themselves as employers of choice, there is a strong need to assess the organization from 3 perspectives: 1) Leadership; 2) Human Resources; and 3) Employee Opinion. Under each perspective, there are a number of topics that should be reviewed. Listed below, are some probing questions to help provide guidance and direction for your investigation.

### **1. Leadership**

#### Communication

How effective is executive leadership at conveying the mission, vision values, goals and strategies? To what degree did employees have input into the mission, vision and values? What channels of communication are used and how often?

#### Employee Engagement

How do executive leaders engage employees and help them become more involved in and committed to the organization?

#### Trust & Respect

How does the executive leadership develop trust and respect with employees?

#### Environment & Sustainability

Describe social responsibility initiatives supported by your organization.

#### Governance & Transparency

How does your board work to create an employer of choice culture and how does your organization demonstrate fiscal responsibility?

### **2. Human Resources**

#### Work/Life Initiatives

What work/life initiatives exist at your organization, example: vacation allowance, childcare assistance, paid time off for volunteer work, referral program, parental leave, flexible work hours.

#### Employer Paid Health Care

What benefits do employees receive: Flex benefit program; dental care; eye care; life insurance; LT & ST disability; mental health support.

#### Financial – Compensation

Does your organization provide: competitive wages; pay equity program; RRSP contributions; bonuses; rewards & recognition.

### **3. Employee Opinion**

To find what is really on your employee's minds, ask them to provide feedback in the following areas: "compensation & benefits", "rewards & recognition", "management/employee relations", "training & development", "career advancement", "employee involvement", "environment & facilities", "leadership", "reputation", and finally "personal enjoyment".

Reviewing these 3 areas on an ongoing basis will not only provide insight necessary to build a better employer brand, but also develop a value system to create a superior, happier and more productive workplace culture.

If management truly buys in to the concept of developing their nonprofit as an employer of choice, they will be part of a leading trend set by some of the most respected and admired organizations around the world.

Editor's Note: Hilborn;ECS has partnered with [CCEOC](#) Inc. as well as [The Goldie Company](#) to launch this new awards program for nonprofit employers. For more information and to submit your application visit <http://neoc.ca/> **The deadline for applications is October 31, 2015**

*Jeff Doran is Founder and President of CCEOC Inc. His company provides culture building and employer branding services including: the "Employer of Choice" branded market sector awards, call center certification, employee engagement tools, employee commitment surveys, data analysis, training, seminars, workshops and team facilitation services.*

1 "Canada Skills Crisis: What We Heard" , A Canadian Chamber of Commerce report on Cross-Country Consultations in 2012, pp. 10.

2 Graham F. Scott, "Canada's small businesses rate hiring as 2015's biggest challenge", *Canadian Business Magazine*, January 2, 2015

3 Dr. Nina Cole, Professor Ryerson University, PhD Organizational Behaviour

[Share](#) |

Copyright, The Hilborn Group, © 2011-Current. All rights reserved.

[Back to top](#)

[Previous](#) | [Next](#)