



How to Become an Employer of Choice (EoC)

2018 EoC RepTrak[®]

November 27th, 2018

Focus For Today: Employer of Choice (EoC)



- Methodology
- EoC trends and challenges
- Introduction to the EoC Model
- How to become an EoC
- Top EoC companies
- Company Spotlight
- Key Implications

Reputation Institute

“*Global leader in reputation intelligence.*”

- Founded in 1997 we have been measuring reputation for more than 20 years
- We measures more than 7,000 companies per year, across 40 countries, 25 different industries and over 1,000,000 ratings annually
- We help organizations answer the following three key questions:
 - What is my reputation and how does it compare?
 - How can I improve and protect my reputation?
 - What is the business impact of better managing my reputation?



Global EoC RepTrak®

230,000+

Individual ratings

145

Nominated Companies

Informed
General Public

Somewhat or very familiar with
company evaluated

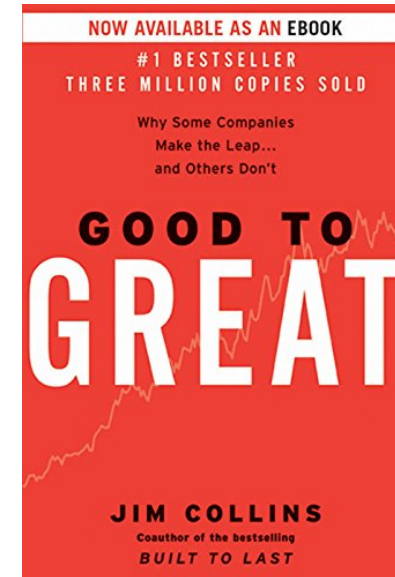
2 months

January-February 2018



AUSTRALIA • BRAZIL • CANADA • CHINA • FRANCE • GERMANY •
INDIA • ITALY • JAPAN • MEXICO • RUSSIA • SOUTH KOREA • SPAIN •
THE UNITED KINGDOM • THE UNITED STATES

What Does it Take to Become an Employer of Choice?



*“People are not your most important asset.
The right people are.”*

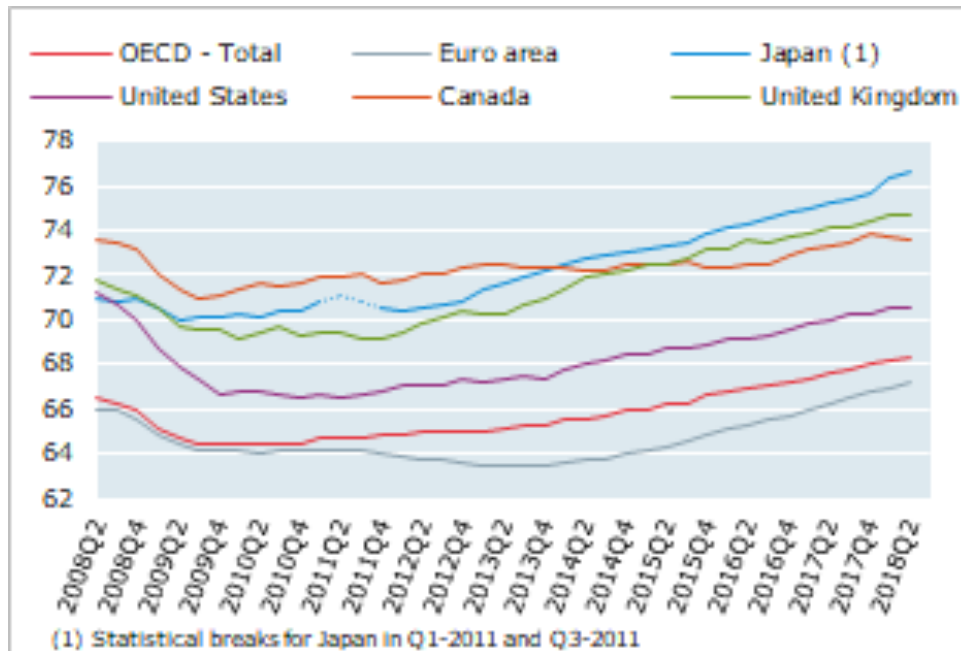
– Jim Collins

EoC Trends and Challenges

Workplace Reality: High Competition and Turnover ...

High Competition

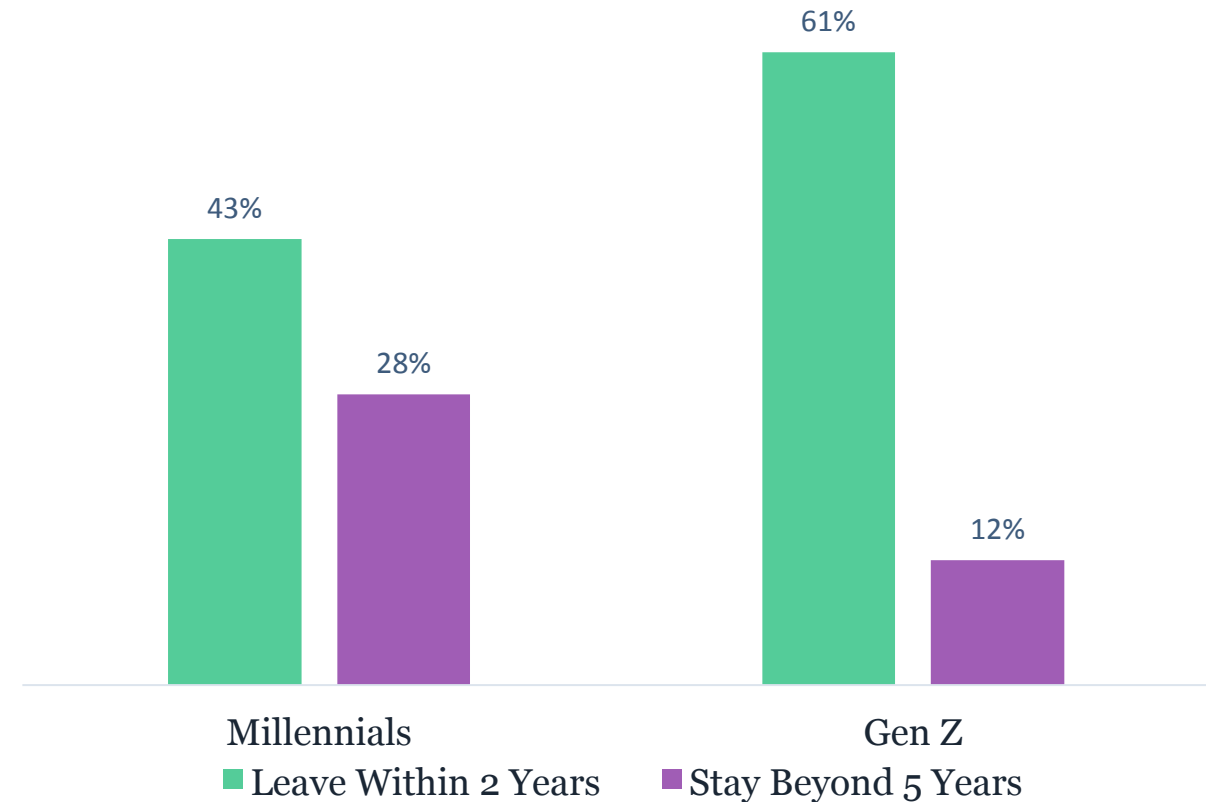
With unemployment rates going down, the job market is becoming more competitive (OECD)



Employment rates: employment as a % of the working-age population

High Expected Turnover

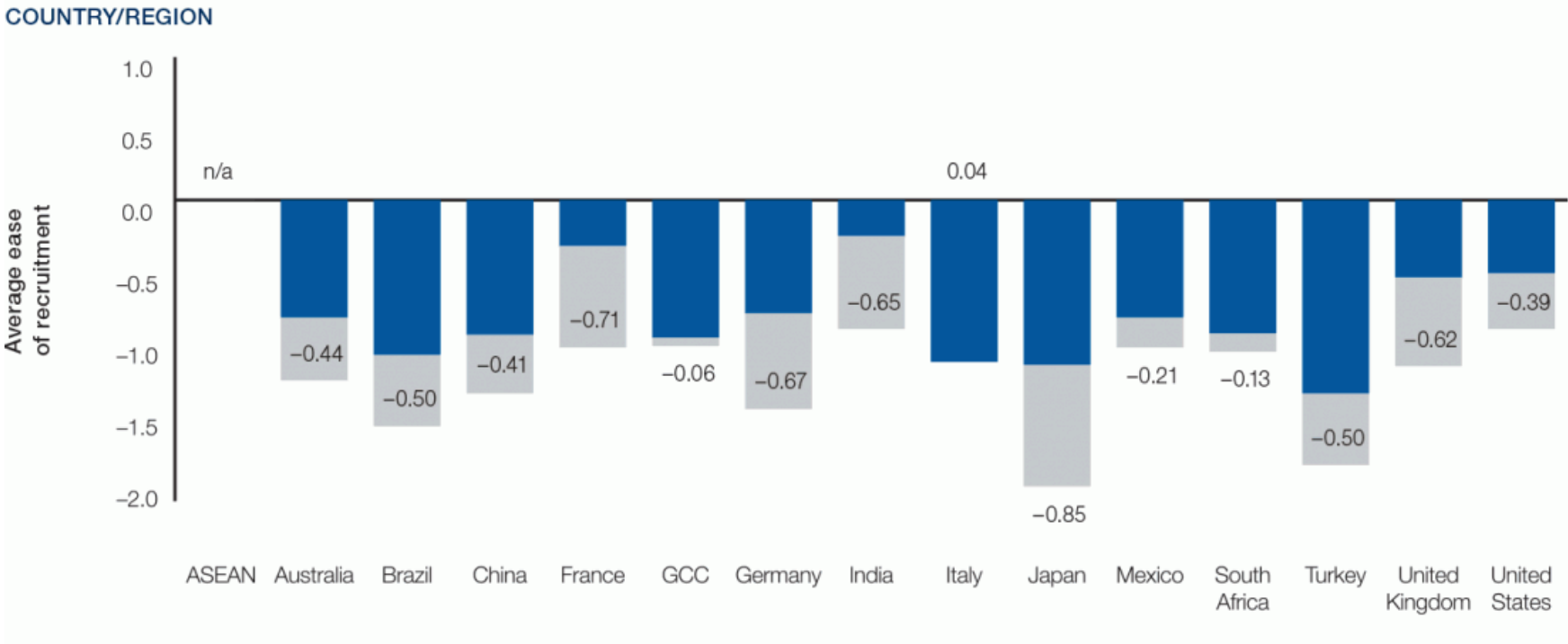
Globally, expected duration of employment tenure is short – and expected to become shorter



Source: 2018 Deloitte Global Millennial Survey

Costly and Increasingly Challenging Recruiting Environment

Expected Change in Ease of Recruitment by Country: 2015-2020



High Cost

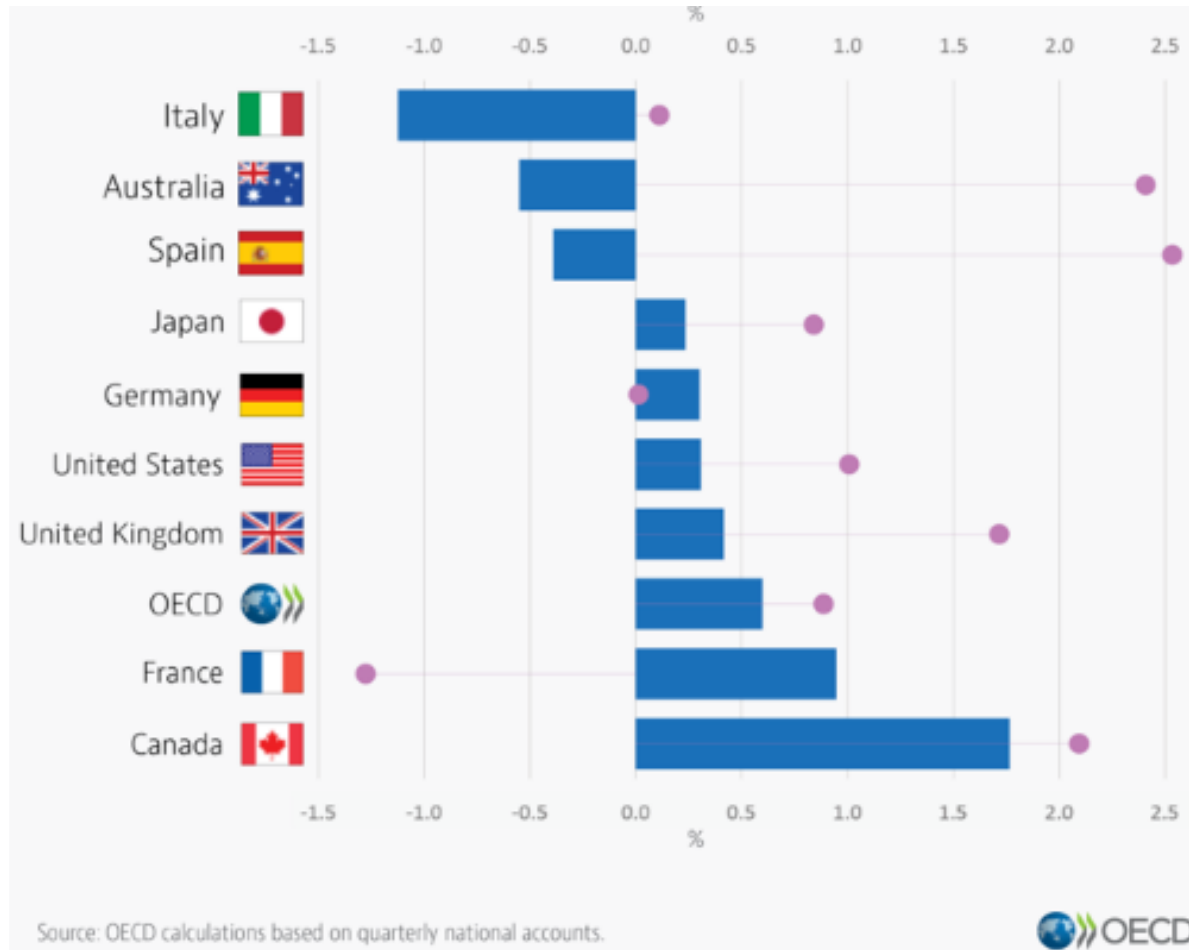
- Employee turnover:
- costs an employer 21% of the employee’s salary (Catalyst)
 - costs US companies \$160 billion a year (Wrike)



Source: Future of Jobs Survey, World Economic Forum
 Perception rating on a -2 (“very hard”) to +2 (“very easy”) scale

Stagnating Wages Means Top Talent is Looking Around

Average Annual Percentage Growth in Real Wages, Q4 2017 and Q4 2007



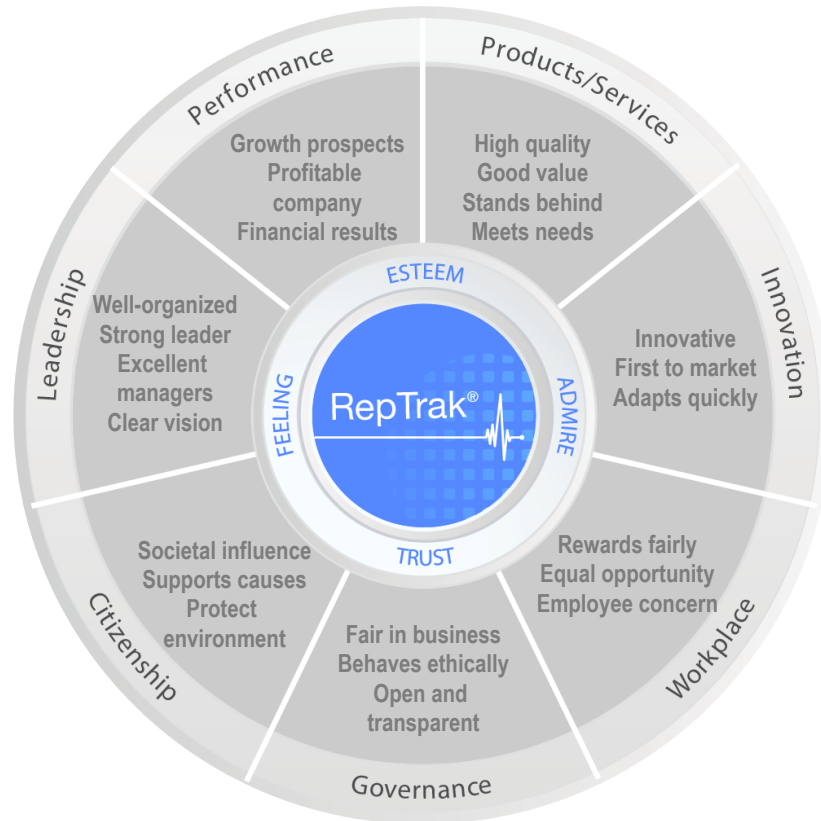
The share of workers who are quitting their jobs reached 2.4% in May 2018 -- the highest level since April 2001.

US Bureau of Labor Statistics

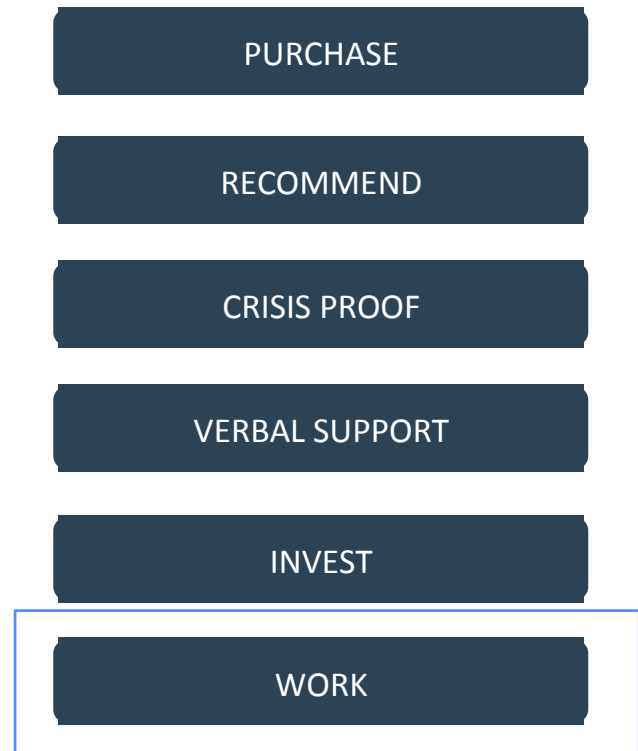
*What Drives Willingness to Work for?
Introduction to the EoC Model*

RepTrak® Identifies Support Including “Willing to Work For”

REPTRAK® DIMENSIONS/REPTRAK® PULSE Cognitive Considerations/Emotional Connection



SUPPORTIVE BEHAVIORS Reputation Outcomes



Driver Analysis Reveals “Employer of Choice”



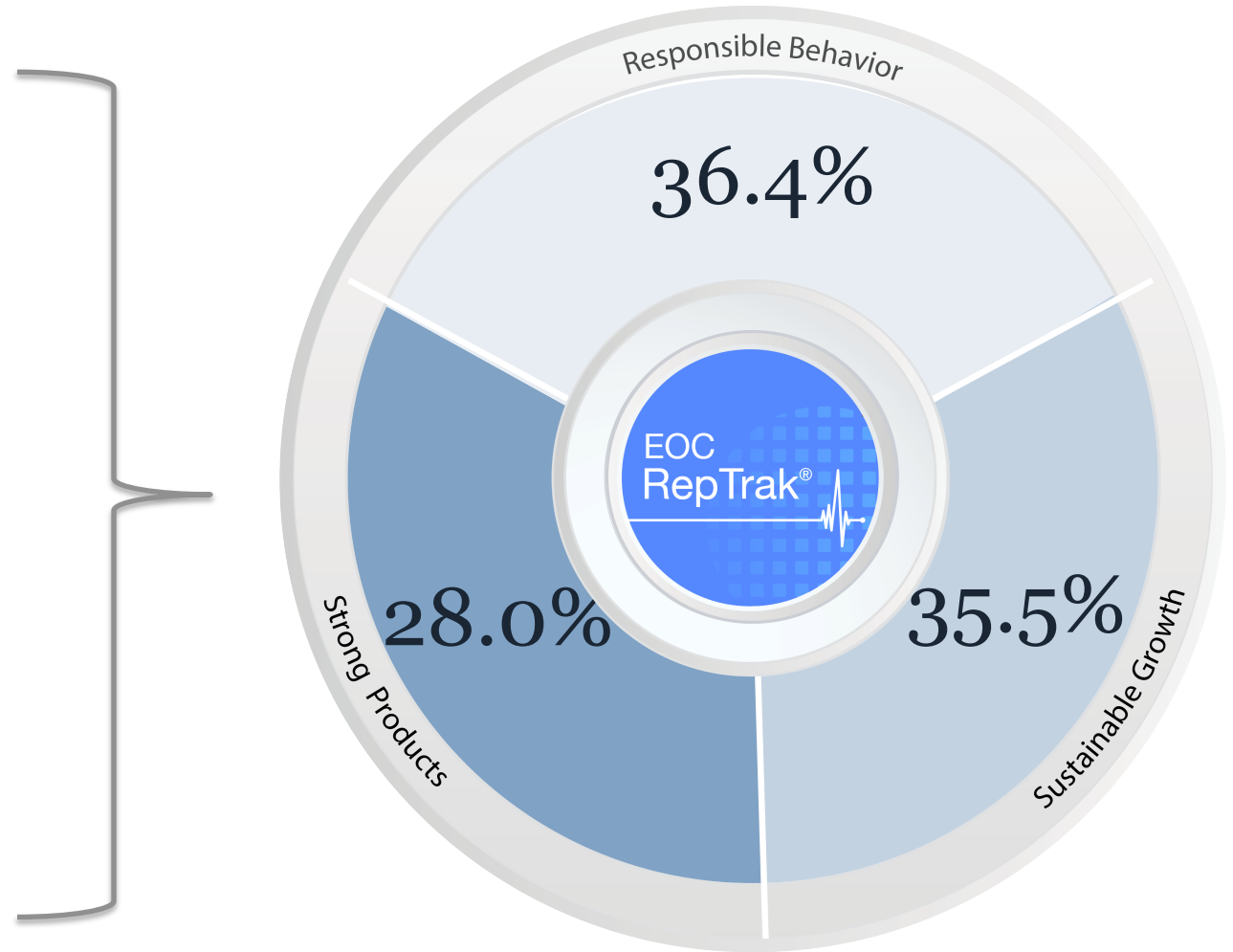
Willingness to work for a is predominantly driven by...



- High quality products/services
- Stand behind products/services
- Good value products/services
- Positive influence on society
- Concerned for employee well-being
- Ethical behavior
- Environmentally conscious
- First to market
- Strong prospects for growth
- Strong/appealing leader
- Innovative

The Employer of Choice RepTrak® Model

- High quality products/services
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- Good value products/services
- Positive influence on society
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Being an Employer of Choice Goes Beyond Workplace

EoC Attributes	R ⁱ	Glassdoor	Fortune
High quality products/services	X		
Positive influence on society	X		
Ethical	X		X
First to market with new products/services	X		
Strong prospects for growth	X		
Environmentally conscious	X		
Good value products/services	X		
Strong/appealing leader	X	X	X
Innovative	X		X
Stand behind products/services	X		
Concerned for employee well-being	X	X	X

Sample		
Global Informed General Public	Current Employees	Current Employees

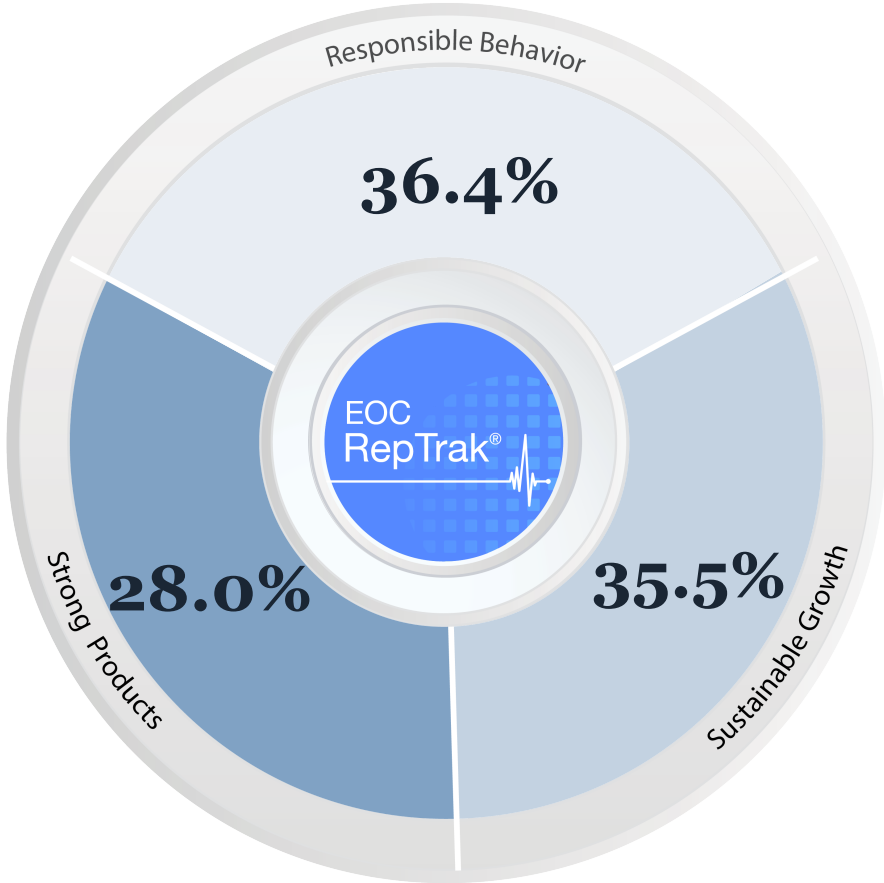
Glassdoor : Best Places to Work Ranking; Fortune 100 Best Companies to Work For: Global Place to Work

How to Become an EoC

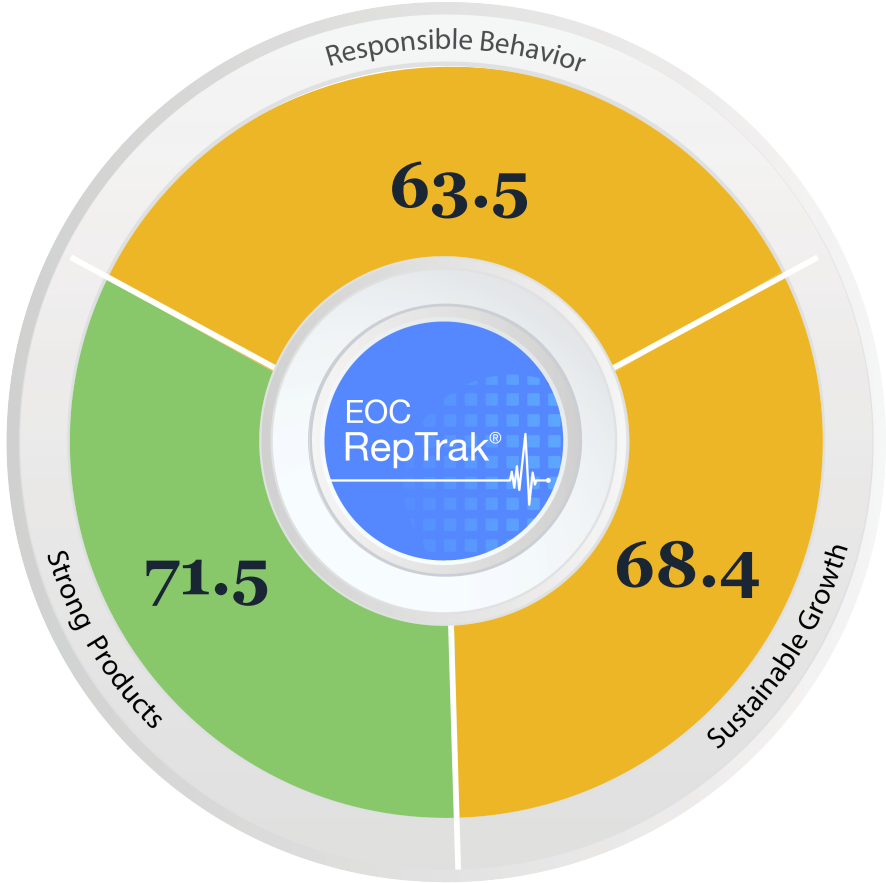
1 Need to Improve on Ethics to be an EoC

Lowest Performance Scores on Highest Weighted Dimensions

EoC Dimension Weights



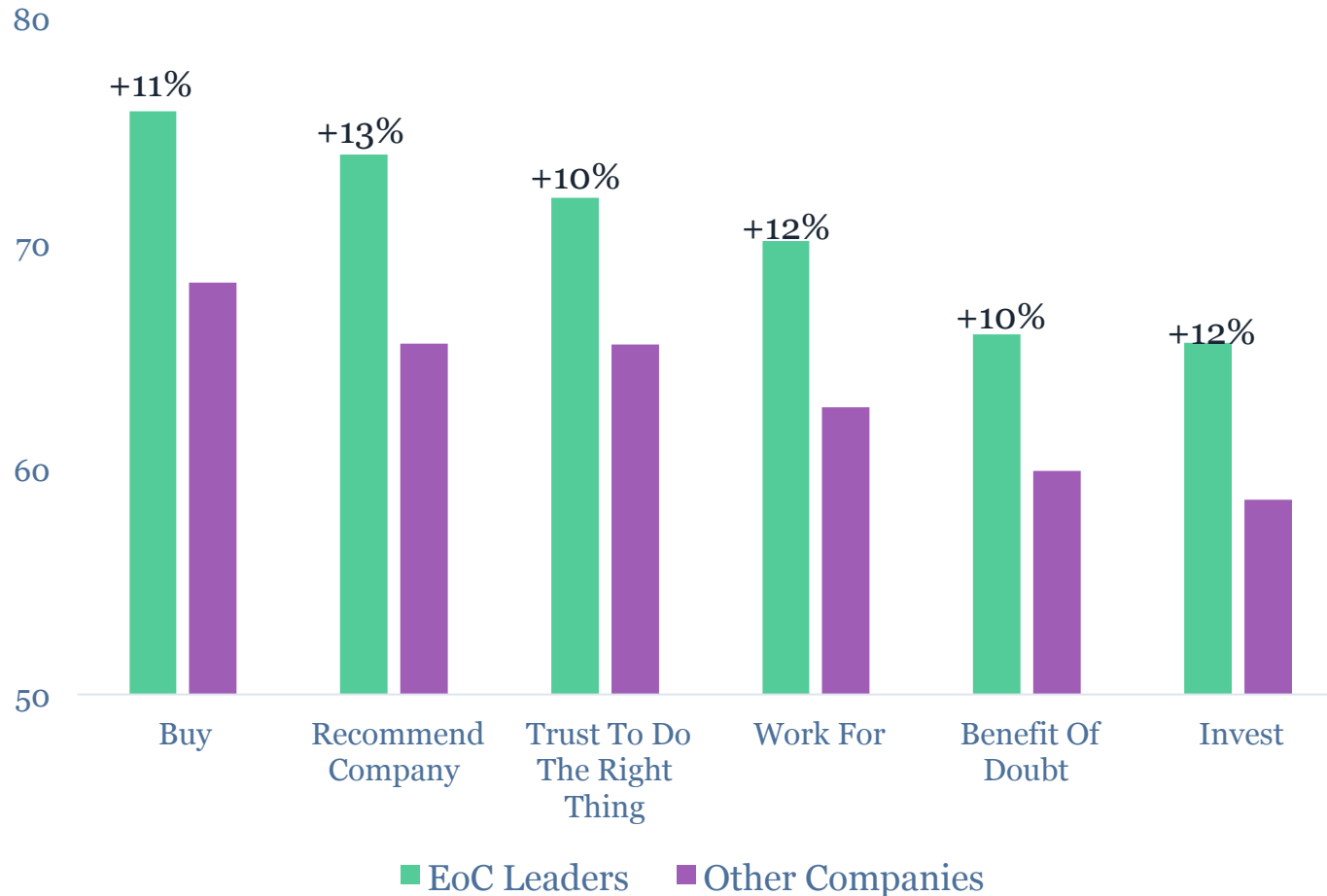
EoC Dimension Scores



● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

Employers of Choice Gain Broad Competitive Advantages

Global Support Scores – EoC Leaders vs. Other Companies



Breakdown

- Global companies with the highest EoC scores not only gain a competitive advantage from an employment perspective – but see consistent, double-digit advantages across a wide range of supportive behaviors

Millennials: A Key Stakeholder Group for Employers

\$24T

Global millennial net worth by 2025

Source: [UBS Group](#)



17%

Increase in spending from 2016 - 2021

Source: [Goldman Sachs](#)



35%

Percentage of the global workforce by 2020

Source: [The Financial Times](#)



With a global population of **1.8 billion**, millennials surpass that of any other generation

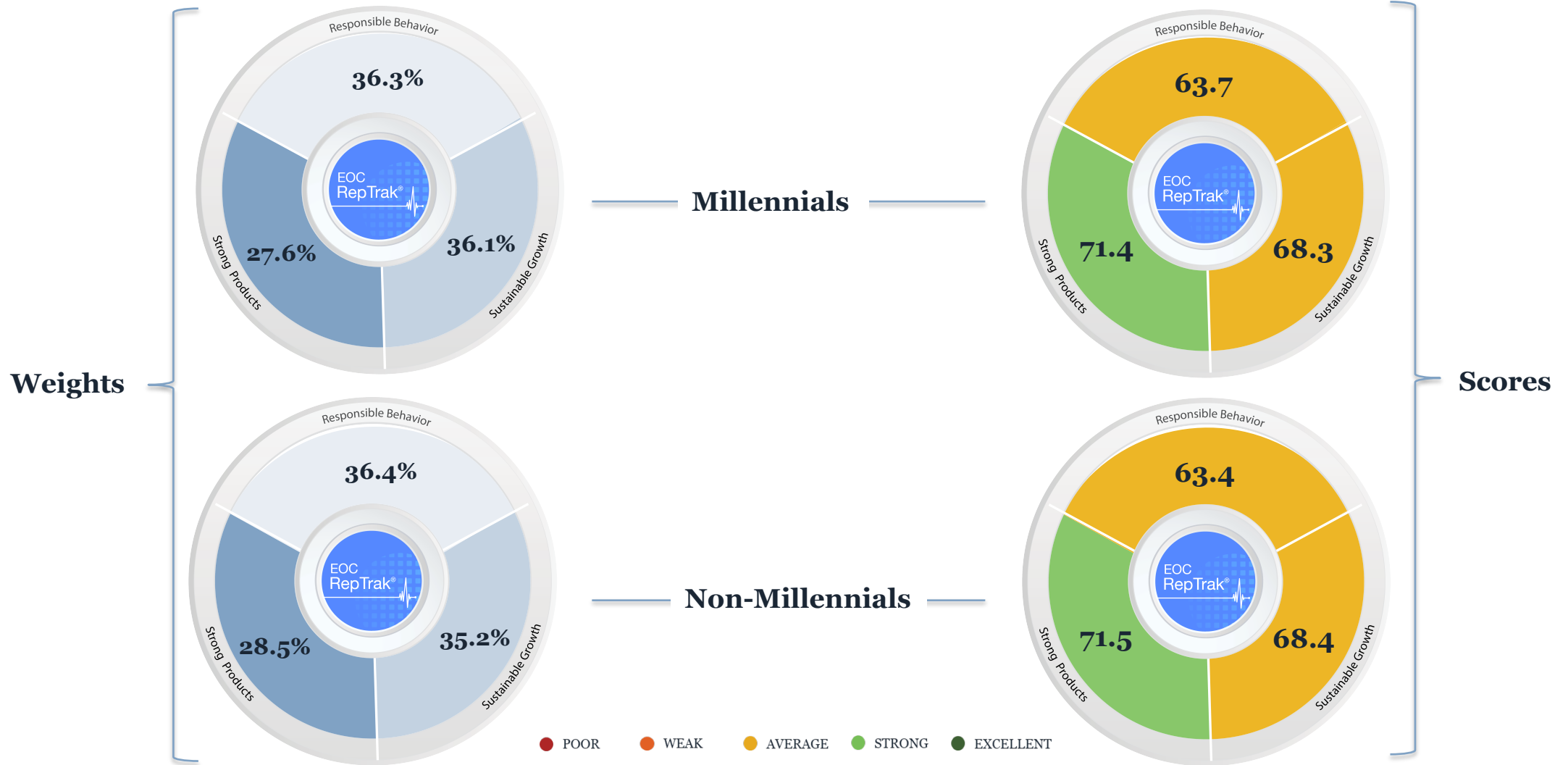
More than **1 billion millennials** live in Asia alone, and emerging or developing countries are home to 90% of the world's millennials.

Source: [The Financial Times](#)



No Cohort Differences in Weights or Scores

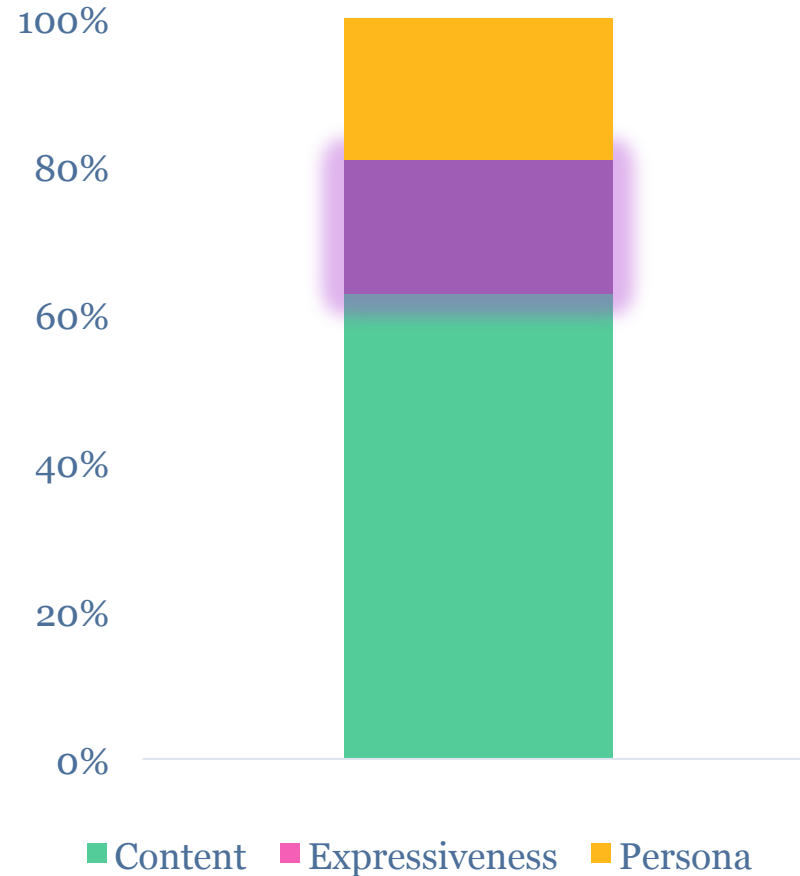
EoC Dimension Weights and Scores for Millennials vs. Non-Millennials



2 Need a Compelling Story to be an EoC

Content is Only Part of the Equation for Being an EoC

Relative Contribution of Content, Expressiveness and Persona to EoC

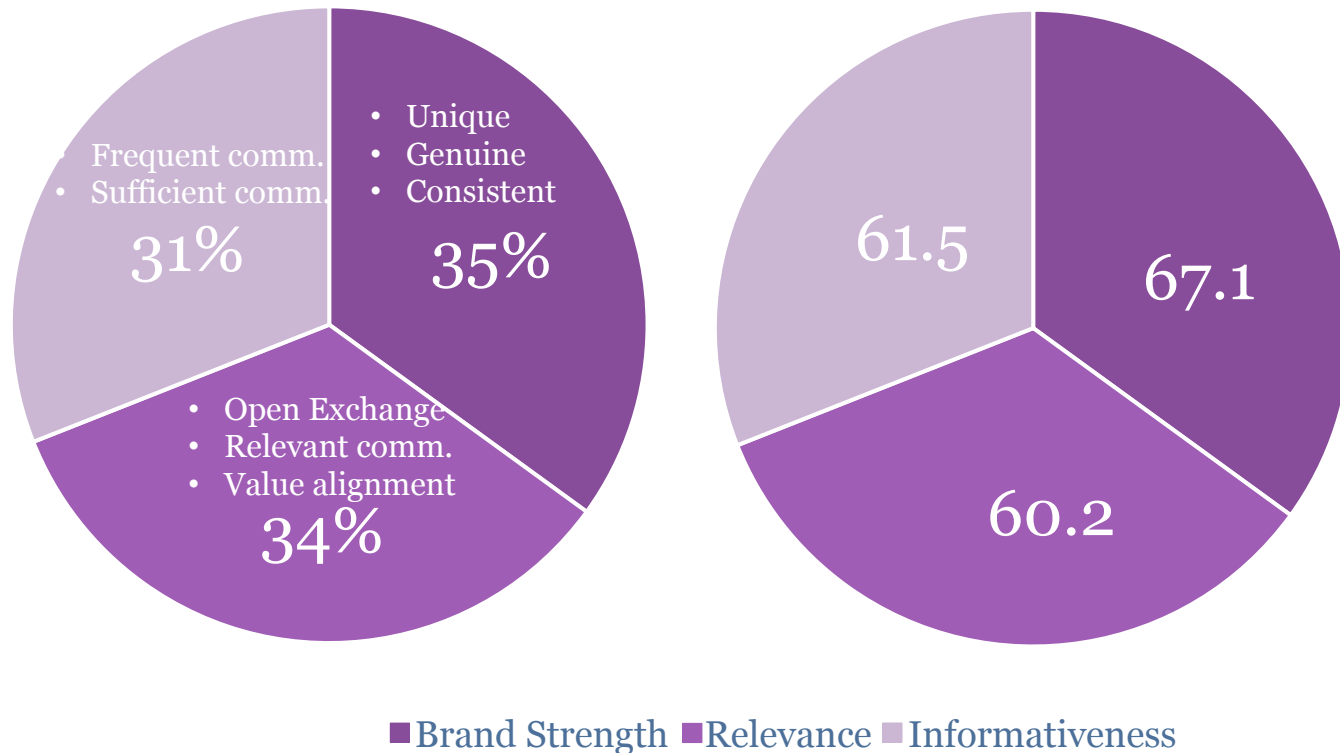


Breakdown

- How well companies are performing on key content areas of the EoC Index is critical – but what they say (“Expressiveness” and who they are (“Persona”)) also impacts their EoC score

Relevance/Informativeness Biggest Communication Opportunity

Expressiveness Dimension Weights and Scores



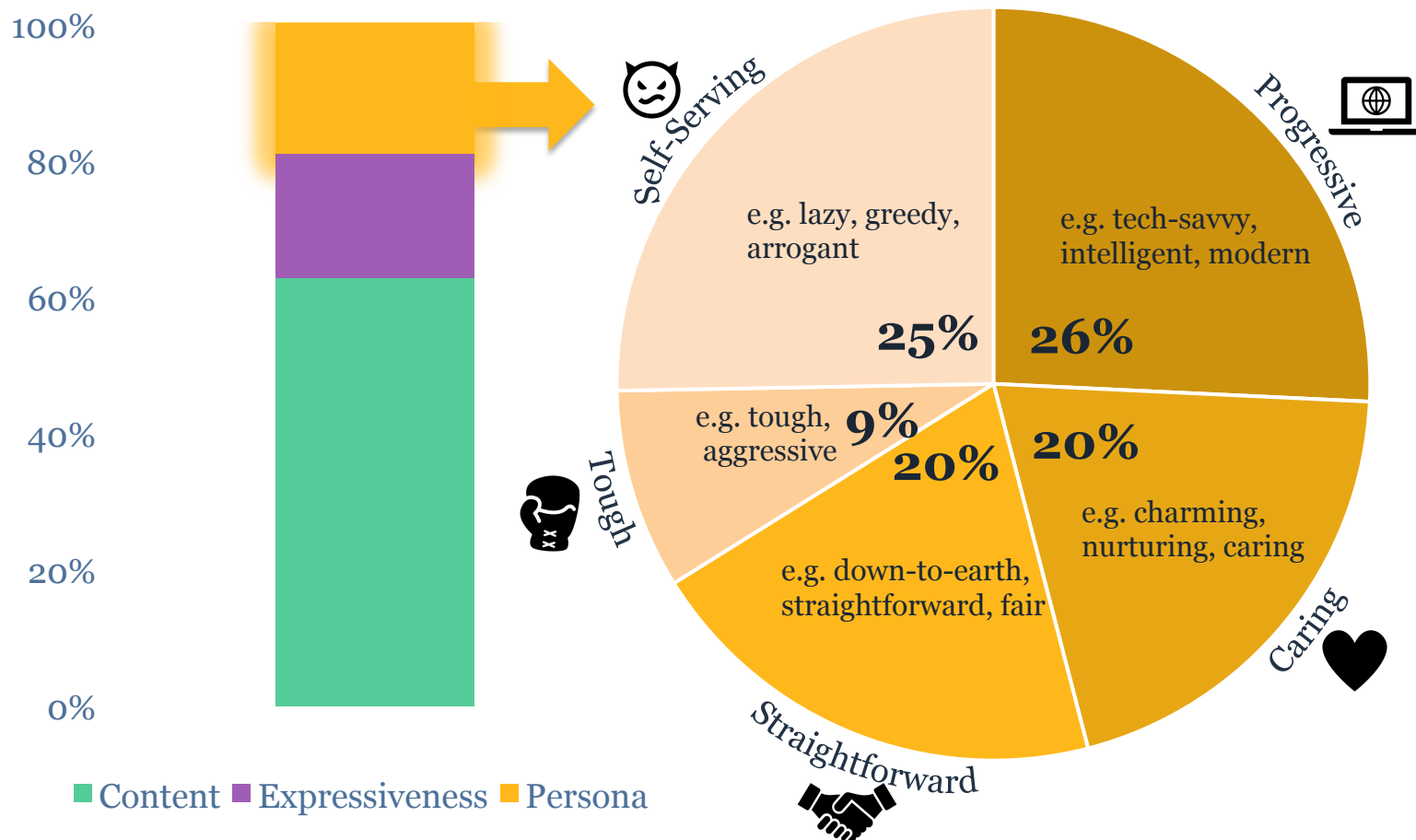
Breakdown

- A strong corporate brand is key in driving EoC scores - and global companies show the highest performance on this expressiveness metric
- Businesses struggle more with providing (a) personally relevant information to the general public and (b) communication that is both frequent and informative enough
- The biggest opportunity is to increase the frequency of communication and to ensure that the content aligns with stakeholder values

3 Need to Be Progressive – but in a Sustainable Way to Be an EoC

Couple Progressiveness with a Caring/Straightforward Persona

Relative Contribution of Corporate Brand Persona to EoC Score

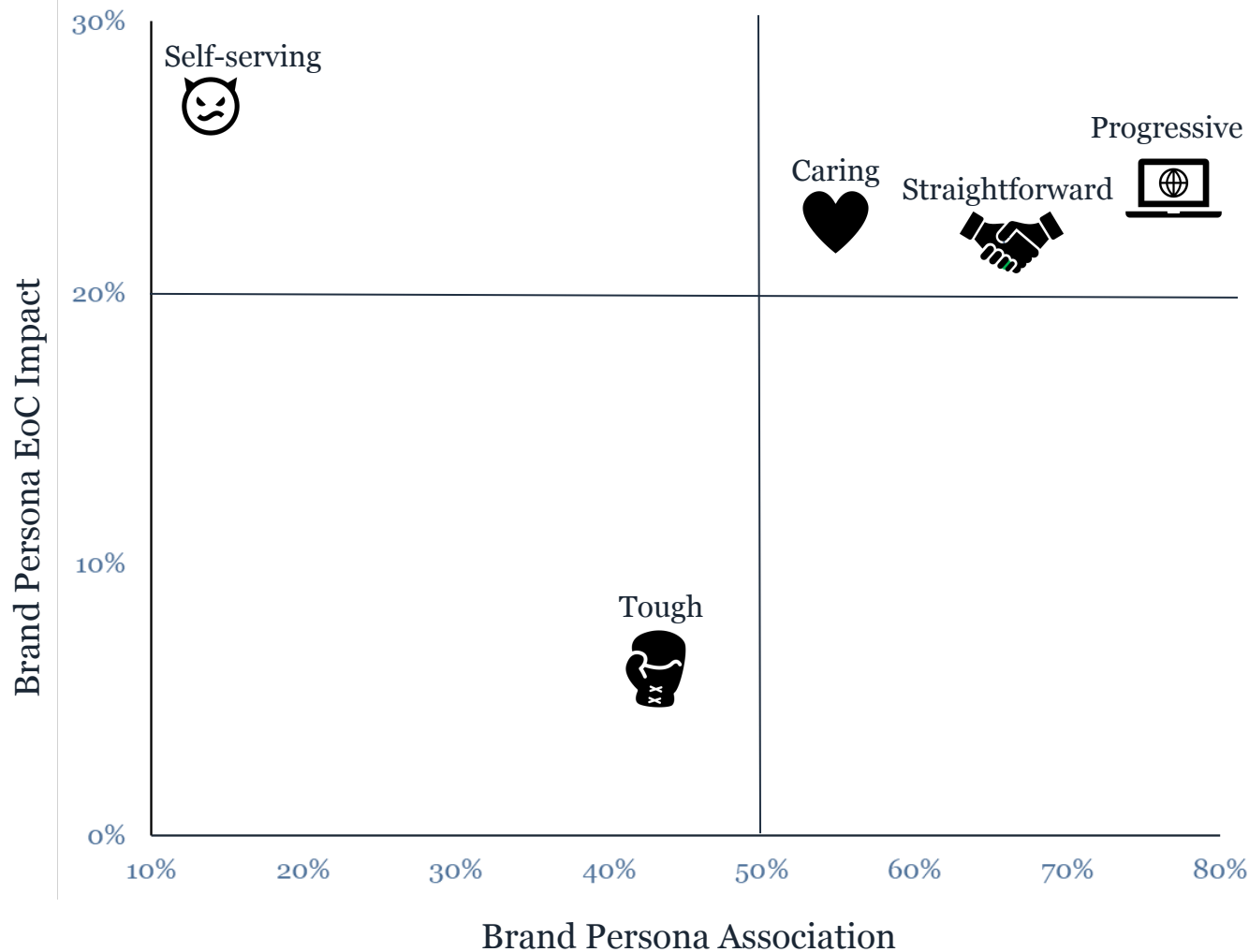


Breakdown

- Projecting a corporate brand persona that embodies “progressive” traits helps increase your appeal as an employer, followed by “caring” and “straightforward”
- Being perceived as “tough” has a small, but positive impact on companies’ EoC score
- Negative “self-serving” associations are to be avoided at all cost

As an EoC You Need to Be More Caring and Straightforward

Corporate Brand Persona Weights vs. Association

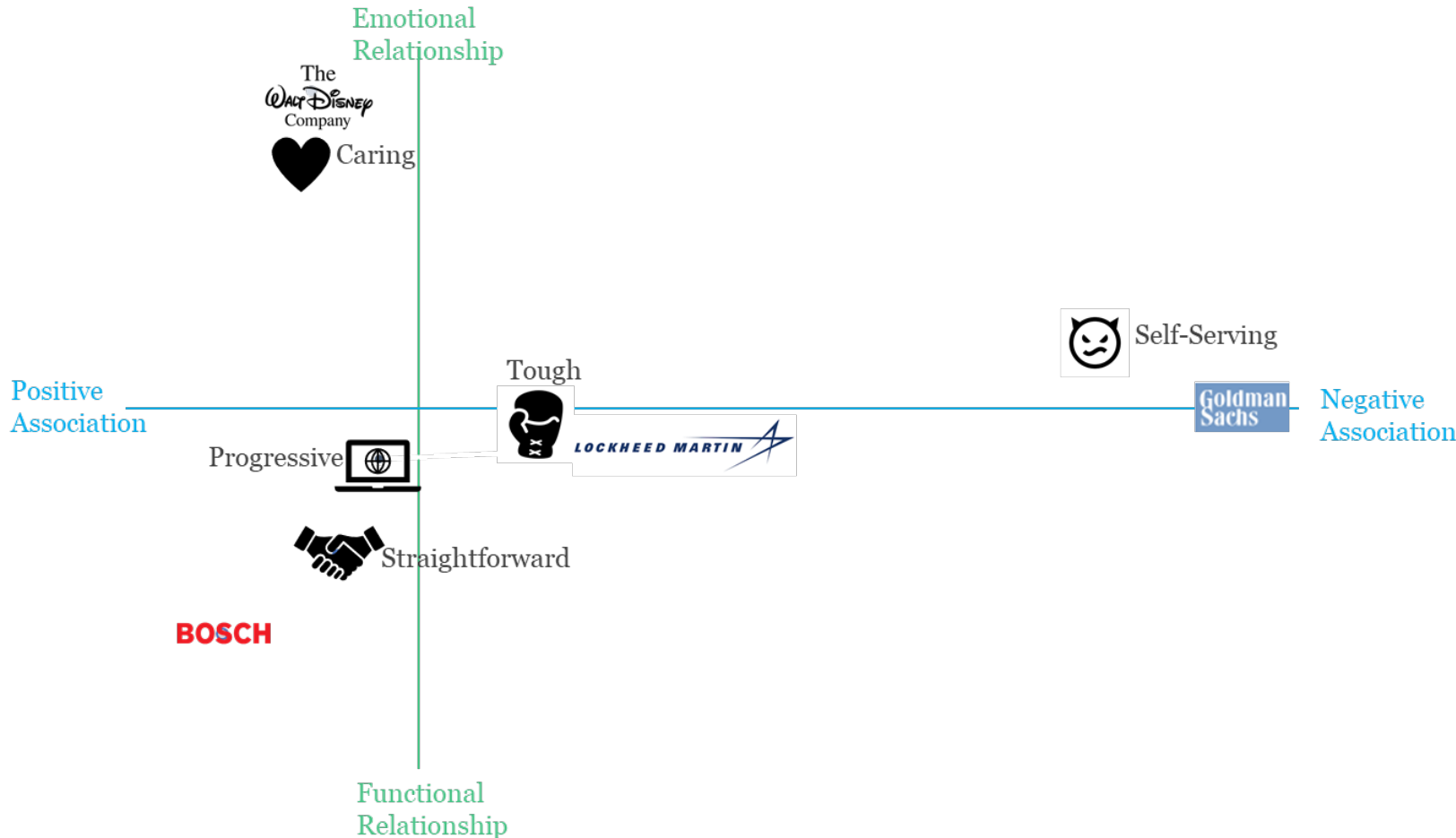


Breakdown

- Most companies are associated with being “progressive”, followed by “straightforward”, “caring” and “tough”.
- A very small percentage consider businesses as “self-serving”
- Biggest opportunity is to drive association with being more “caring”, followed by being “straightforward”

How Is Your Company Perceived?

Company Brand Persona Association



Breakdown

- Additional analyses show that brand personas fall on a spectrum from positive to negative, as well as emotional to functional associations
- Mapping your companies' position relative to brand personas can help identify strengths and opportunities when it comes to stakeholder perceptions

4

A CEO Can Humanize Your Corporate Brand
– and Become an EoC Game Changer

Headwinds are Changing CEO Expectations



There is a new era emerging in which the **intangibles of reputation** are driving political, social, and economic change and **giving CEOs reason to reconsider their role.**

Leverage Your CEO to Become a More Attractive Employer

Breakdown

- CEO familiarity has EoC score benefits with an additional lift of close to nine points
- CEO familiarity is a challenge with only 10% of the general informed public aware of any given company's CEO

EoC Score by CEO Familiarity

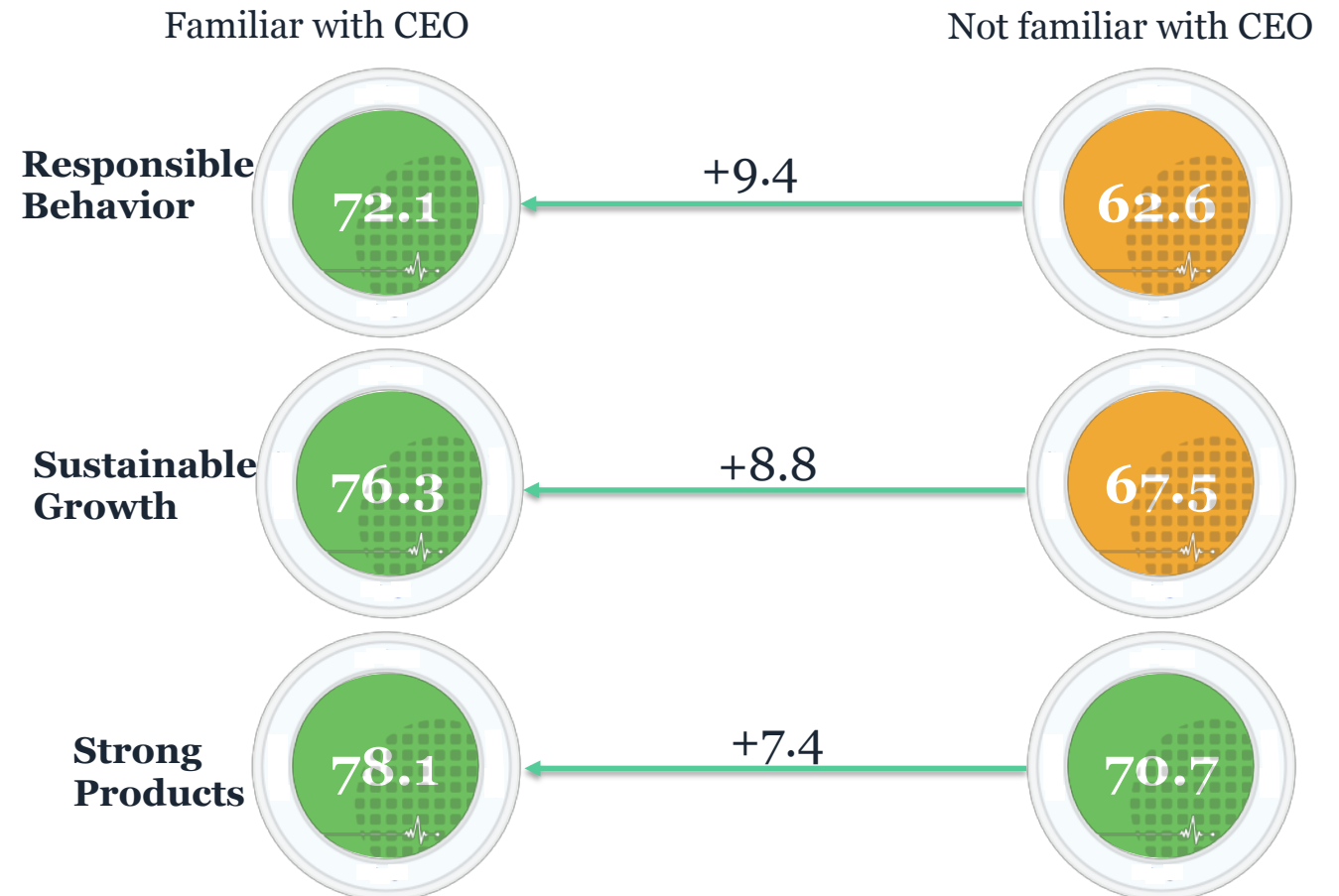


CEO Familiarity Benefits Strong Ethics Performance the Most

Breakdown

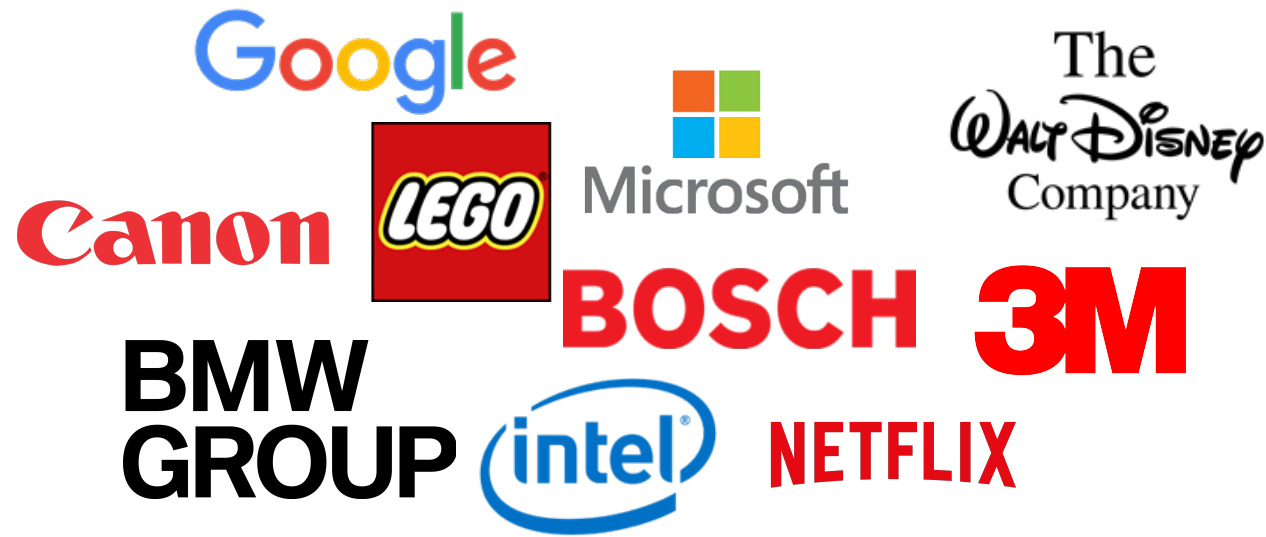
- In addition to providing an overall EoC score lift, CEO familiarity also goes hand in hand with higher EoC dimension performance ratings for global companies
- CEO familiarity benefits Strong Ethics performance the most - the EoC dimension with the lowest perceived company performance and the highest content weight in driving overall EoC scores

EoC Dimension Scores by CEO Familiarity



EoC Companies

2018 EoC High Performers



Breakdown

- Six out of the top EoC companies are headquartered in the United States
- Mix of industries – including consumer, tech, auto, information, industrial etc.

Consumer and Technology Most Appealing Industries

Rank (vs. Global)	Industry	EOC Score
1 (-)	Consumer	69.4
2 (+1)	Technology	69.4
3 (+2)	Information	69.0
4 (+2)	Industrial	68.9
5 (+5)	Pharmaceuticals	68.7
6 (-4)	Hospitality	67.8
7 (-3)	Retail	67.4
8 (-1)	Automotive	67.3
9 (-1)	Food & Beverage	67.0
10 (-1)	Airlines	66.2
11 (-)	Transport	64.8
12 (-)	Financial	63.5
13 (-)	Energy	60.7

Breakdown

- All industries have an *average* EoC score
- Consumer, Technology and Information are the most appealing from an employment perspective
- Energy and Financial sector struggle the most
- Pharmaceutical Industry's EoC rank is much higher than its global reputation one – that of the Hospitality Industry much lower

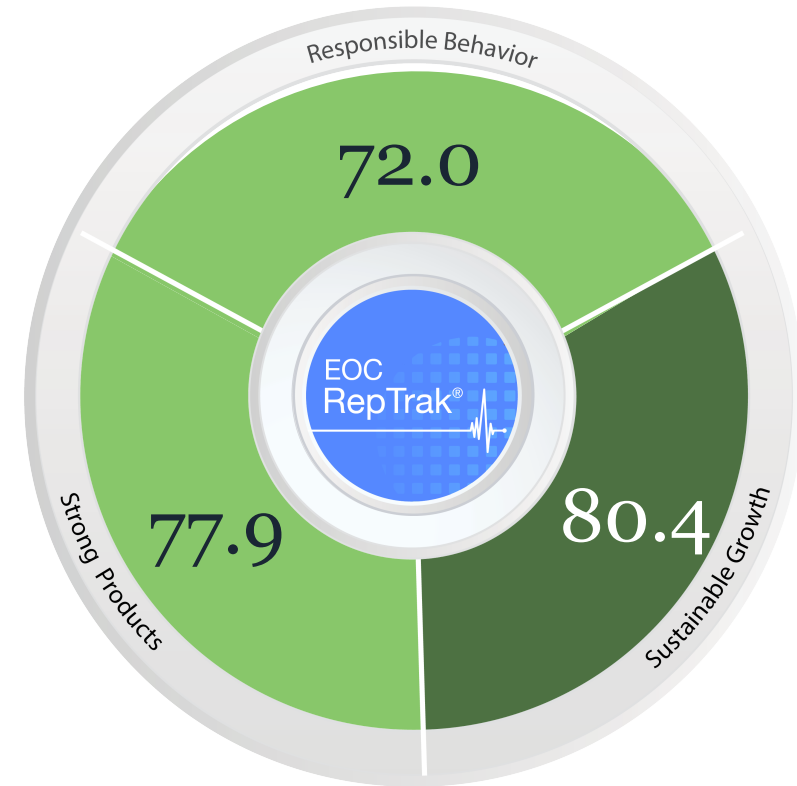
Company Spotlight

Google – an Overall High Performer

- Google’s idyllic work environment and perks have made Google a desirable employer
- Across the 3 EoC factors, Google has an excellent score in sustainable growth, and strong scores in Responsible Behavior and Strong Products; its lowest score being in the most important factor – Responsible Behavior



2018 EoC Index & Dimension Scores



● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

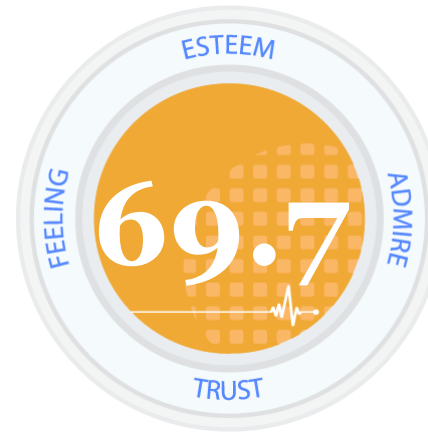
... but Recently Exposed to a High Reputation Risk

34.7% of the general informed public is aware of the sexual harassment and employee walkout news

Google Reputation Among Those Not Aware



Google Reputation Among Those Aware



More than 20,000 Google employees participated in a walkout on Nov 1st to protest the company's policies and actions around sexual harassment, misconduct, lack of transparency and non-inclusive workplace culture.

Our data shows that among those familiar with the sexual harassment scandal and employee walk out news, Google's reputation impact is **-12.9 points**

Amazon: Leaving EoC Capital On the Table

- Amazon has a strong EoC score of 71.2, mainly driven by its strong scores in Sustainable Growth and Strong Products
- Amazon lags when it comes to its Responsible Behavior
- Although having a strong reputation, Amazon has been struggling with its workplace image



amazon

-13.3 pts. lower in Responsible Behavior performance compared its average score in Sustainable Growth and Strong Products

Uber: A Legacy of Employer Challenges

- Globally, Uber has an average EoC score of 61.6 points – in the bottom tier of all sampled companies – driven by major ethical shortcomings
- Uber’s struggles rooted in sexual harassment allegations, employee dissatisfaction and a perceived toxic workplace culture - hence its short employee tenure of just 1.8 years (Business Insider)
- Under its new leadership and through its Moving Forward campaign, Uber is taking steps to improve on its culture and has recently announced that it will be rewarding top drivers with extra pay and college degrees (CNN)

2018 EoC Index & Dimension Scores for Uber

Metric	Score
EoC Index	61.6
Responsible Behavior	53.2
Sustainable Growth	67.0
Strong Products	65.6

● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

Key Takeaways and Implications

How to Be an Employer of Choice

1. Focus on showcasing examples of “responsible behavior” and highlighting the promising future of your company
2. Improvement on perceptions of “responsible behavior” is significant content opportunity to drive traction
3. Need to communicate a compelling story to both existing and potential employees – create a competitive advantage by fostering frequent and personally relevant messaging
4. Being perceived as progressive is critical in making your company a more attractive employer – but it needs to be aligned with a straightforward and caring workplace culture
5. Putting your CEO forward as the embodiment what the company stands for elevates EoC status – and especially drives perception of being an employer with “responsible behavior”

Thank You

What does it take for your
company to become an EoC?

www.reputationinstitute.com