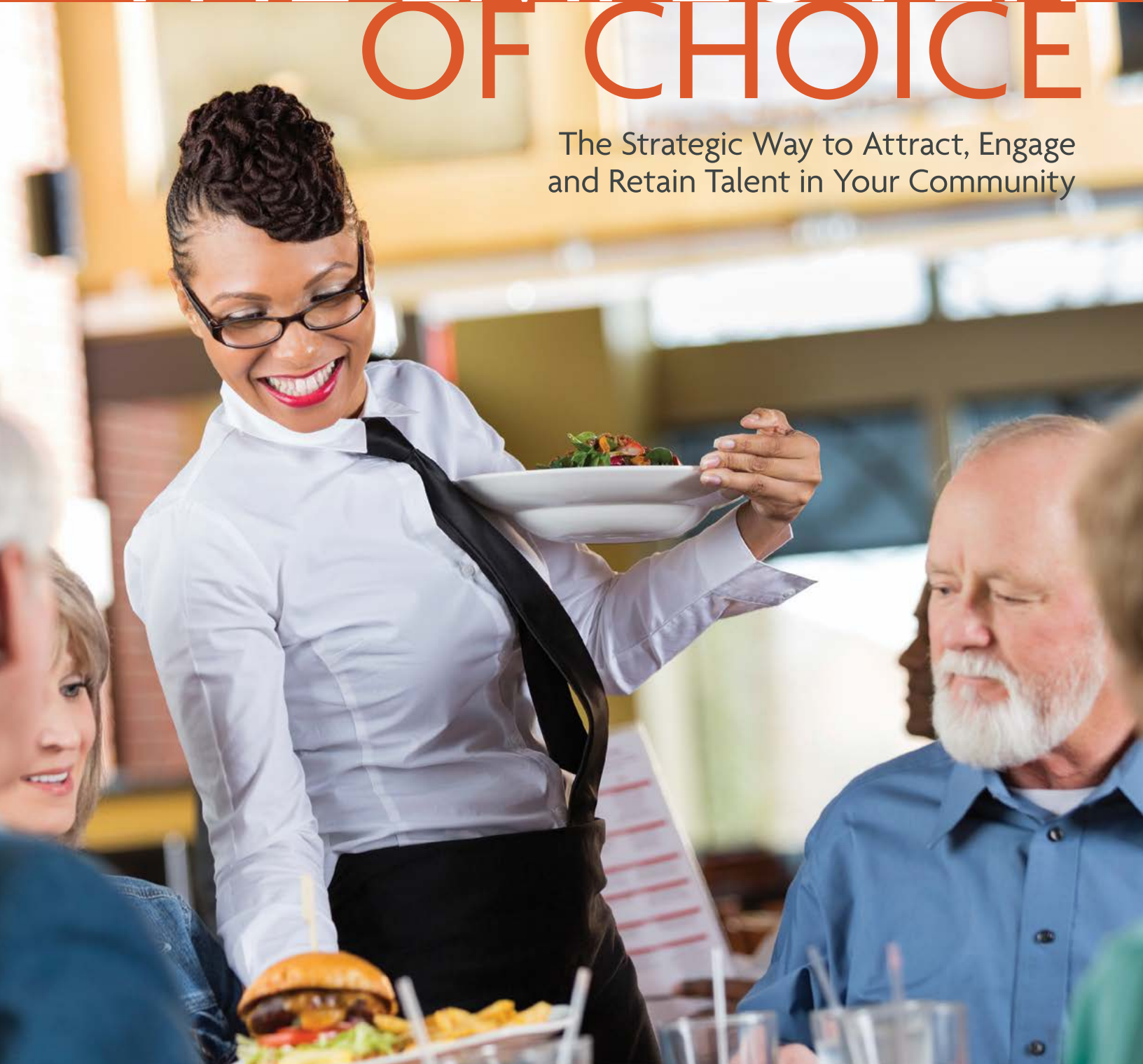


THE EMPLOYER OF CHOICE

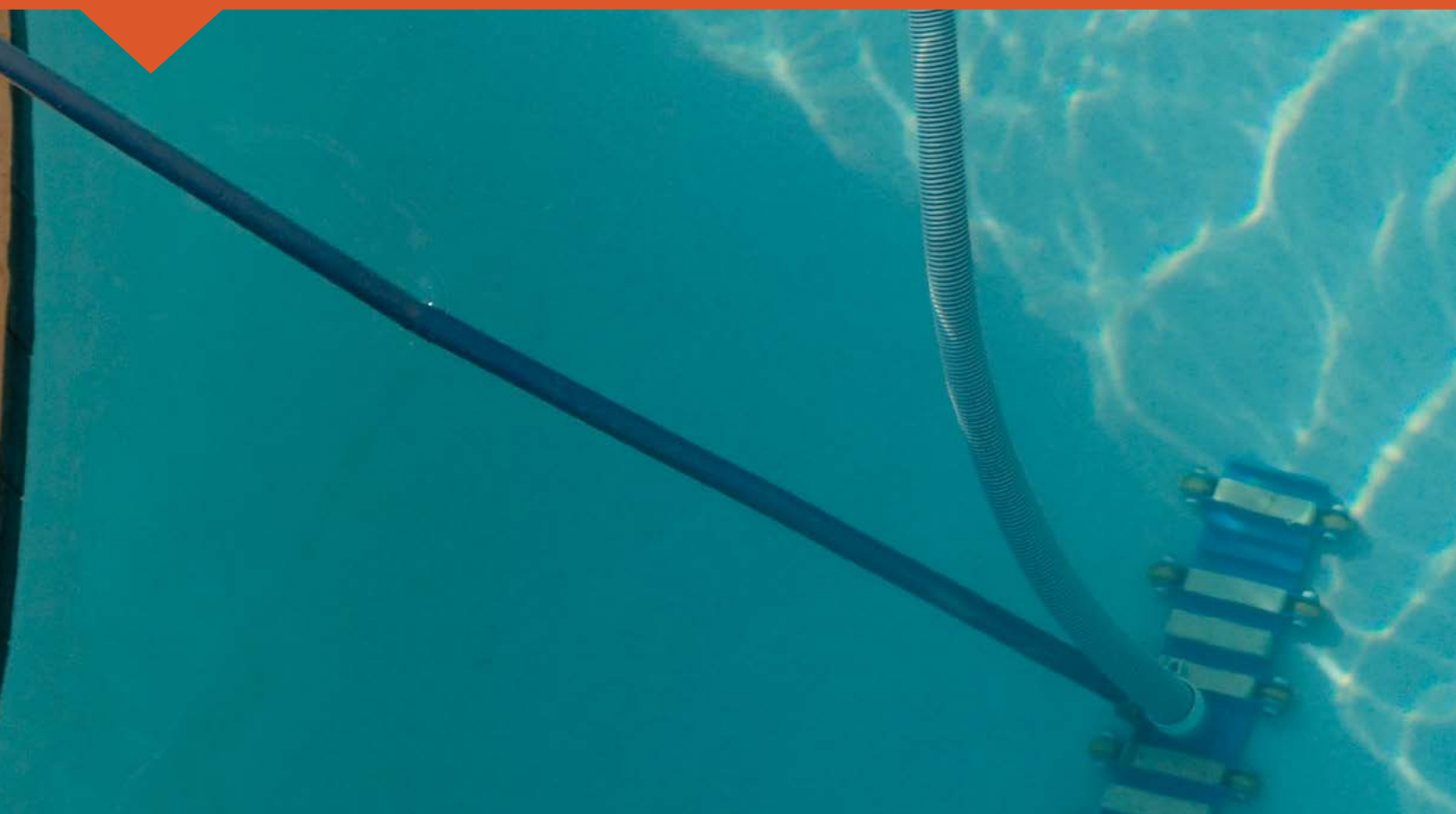
The Strategic Way to Attract, Engage
and Retain Talent in Your Community



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INTRODUCTION





Morrison is proud to present this next chapter in our 10-year effort to increase the senior living industry's understanding of megatrends and their impact on the long-term prospects of the sector.

This year we explore the issue of acquisition, retention and turnover among employees. Many, if not most senior living communities are challenged to attract and/or retain competent and engaged personnel in the areas of nursing, housekeeping and dining. The subsequent costs of turnover are bad enough. But most senior living executives acknowledge that the most significant exposure to risk in this situation stems from this fact: Organizational reputation and resident satisfaction hinge far more upon employees than on upper management.

The feeling in the industry is that the acquisition, retention and turnover among employees, particularly low-wage earners, will likely worsen over the coming years given lower unemployment, higher minimum wages, an aging workforce, the constantly rising cost of health insurance and the potential for anti-immigration legislation. These are the ingredients of a perfect storm for senior living communities – and they are not likely to go away anytime soon.

This report takes a close look at what's happening in the senior living community sector with respect to acquiring, engaging and retaining employees. We examine the factors driving these issues and explore how some senior living organizations are managing them by focusing on employer branding initiatives and becoming locally recognized as an employer of choice. In addition, we offer a framework to address these pain points and provide a self-evaluation tool to help organizations assess their readiness to cope with this issue.

We remain grateful, as always, for the industry's continued interest in journeying with us to identify and tackle the most prominent challenges facing us all. It is a privilege to share this insight with the industry that has fueled our success over the years. We hope that you find this report a relevant, thoughtful call to action.

Richard B. Schenkel

CEO

MORRISON LIVING

METHODOLOGY





The research for this report was multifaceted and conducted in sequential phases.

Phase One: Secondary research to determine the factors impacting the ability of senior living organizations to acquire, engage and retain talent.

Phase Two: Proprietary online survey of senior living Chief Executive Officers and Human Resources leaders. A total of 88 respondents completed the survey.

Phase Three: Individual in-depth interviews among C-suite and Human Resources leaders in senior living organizations. Interviews were completed with the following senior living organizations.

- Asbury Communities (corporate), Germantown, MD
- be.group (corporate), Glendale, CA
- Christian Living Communities, Greenwood Village, CO
- Episcopal Senior Communities, Walnut Creek, CA
- Evangelical Homes of Michigan (corporate), Ann Arbor, MI
- Friendship Village, Tempe, AZ
- Lifespace Communities (corporate), Des Moines, IA
- Peninsula Regent, San Mateo, CA
- Presbyterian Homes (corporate), Chicago, IL
- Royal Oaks, Sun City, AZ
- Wesley Homes (corporate), Des Moines, WA

Phase Four: Individual in-depth interviews with executives of featured organizations.

- Capella Hotel Group
- Christian Living Communities, Greenwood Village, CO
- Evangelical Homes of Michigan (corporate), Ann Arbor, MI
- Google Global Food Program
- Kimberly-Clark Corporation

FINDINGS

RETENTION AND TURNOVER: DEFINING THE PROBLEM

There is much evidence that the acquisition, retention and turnover of employees in the senior living industry, especially low-wage earners, is a significant problem.

- A large majority of the C-suite and Human Resources executives we interviewed rated the importance of making progress against issues surrounding acquisition, retention and turnover among employees as a top priority - a six or seven on a seven-point scale.
- In the survey, 57% of all executives rated the significance of turnover a four or five on a five-point scale
- Most survey respondents believed that industry recruiting will become more difficult in the next one to five years; 74% gave it a four or five on a five-point scale
- For many communities the problem has not risen to the level of C-suite or board attention. Nevertheless, all participants interviewed for this study agree that turnover, particularly among low-wage workers, negatively impacts the satisfaction of residents and their families.

TURNOVER VS. RETENTION

The vast majority (84%) of survey respondents track turnover rate. In addition, 80% said their organizations track the reasons for termination and 62% track voluntary/involuntary terminations. However, fewer survey respondents, 65%, track retention rate.

Among those we interviewed, turnover rates ranged from 20% to 30% with most reporting figures closer to the top of that range.

In most, but not all cases, the figures shared were blended rates, that is, no distinction was made between full-time vs. part-time or by voluntary vs. involuntary terminations. Respondents who measured turnover rates by department found that the issue was more significant among low-wage earners: dining, housekeeping and entry-level nursing. For example, one system executive noted a substantial difference between turnover rates for full-time and part-time employees: 16% to 17% vs. 30% to 45%. The higher figure was driven by dining services, which attracts, but fails to retain many high school students. This refrain was repeated throughout the interviews we conducted.

Another issue with interpreting turnover rates is that different people have different perspectives. For example, one executive reporting a turnover rate of 30% characterized the rate as “really low,” while another executive, reporting a 20% turnover rate, characterized it as “too low,” pointing out that his organization probably had too many underperformers.

Most interview respondents have not calculated their turnover costs. Among those who have, estimates ranged from \$2,000 to \$12,000 per position, with most falling between \$2,000 and \$5,000.



INVOLVEMENT OF TOP MANAGEMENT AND BOARD

Among executives surveyed, half indicated that acquisition and turnover strategies are, to some degree, integrated into their organizations' overall business plans. Additionally, interview participants were asked several questions designed to determine how important acquisition, retention and turnover issues are to their organizations.

Both C-suite and Human Resources executives named top priorities over the next 12 months, which included:

- Filling entry-level positions
- Shifting nursing mix from LPNs to RNs
- Maintaining employee motivation and satisfaction in order to maintain a low turnover rate
- Improving goal setting and evaluations
- Ensuring equitable treatment of staff across the organization
- Managing a shift in culture from decentralized to centralized management (across sites)
- Filling senior leadership positions
- Hospitality and customer service training

C-suite executives were also asked if any Human Resources issues had demanded their personal attention or the attention of the board. While most of the Chief Executive Officers reported spending some time on Human Resources matters, most organization boards were not engaged in strategic Human Resources issues (apart from



hiring Chief Executive Officers and developing succession plans). The most involved board members did address issues such as attracting, developing and retaining senior managers and considering the impact of local minimum wage laws.

“It’s one of these interesting dichotomies...we’ve got our low-paid people who carry the reputation of most of the organization because they’re the ones providing quality care.”

– System Chief Executive Officer

REPUTATION AND SATISFACTION HINGE ON LOW-WAGE EARNERS

One point on which everyone agreed was that turnover among employees, especially low-wage earners, negatively impacted residents and their families. Health care aides, dining room staff and housekeepers are all categories of workers with whom residents come into frequent, if not daily contact, and the bonds that are formed are fast and tight.

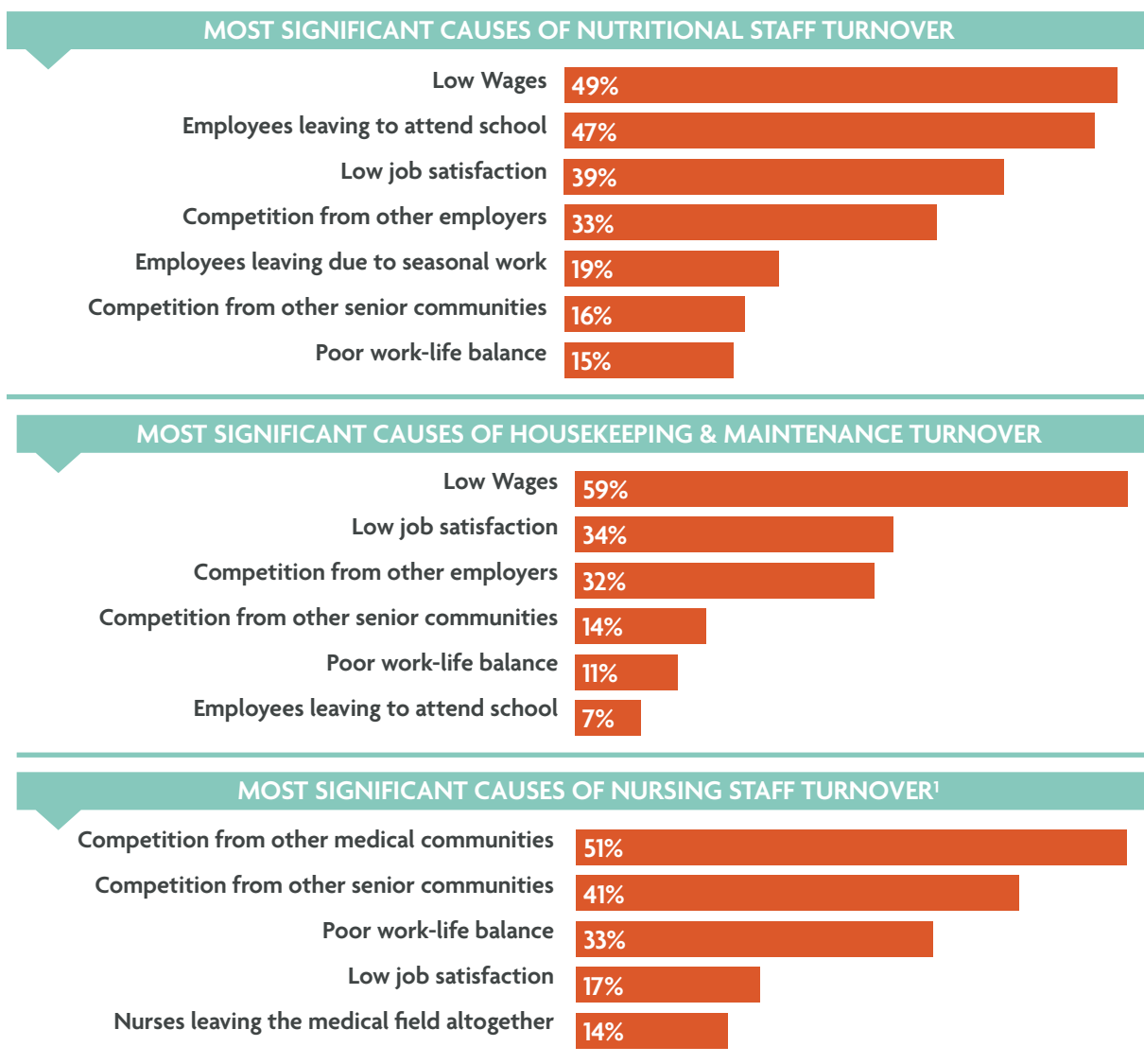
Two areas where turnover among low-wage earners is particularly devastating: dementia care and home health care. Although home health workers were not a primary focus of this investigation, the nature of their jobs make the impact of turnover especially significant.

- They work inside residents' homes, meaning that trust is a huge factor once patients become familiar with their home health aide. As one executive put it: lose the employee and you're likely to lose the account.
- Home health jobs are predominantly part-time, with erratic schedules – two factors that drive worker dissatisfaction.
- Home health workers rarely interact with the organizations that actually employ them, leaving little opportunity to immerse them in their organizations' cultures and develop personal bonds that might tie them more strongly to their employers.

FACTORS DRIVING TURNOVER AND ACQUISITION

TURNOVER

Our survey revealed the major causes of turnover for each of the following areas:



¹ Note: Low wages was not included as a survey response option.

“When there’s change, it’s
destructive to everybody.”

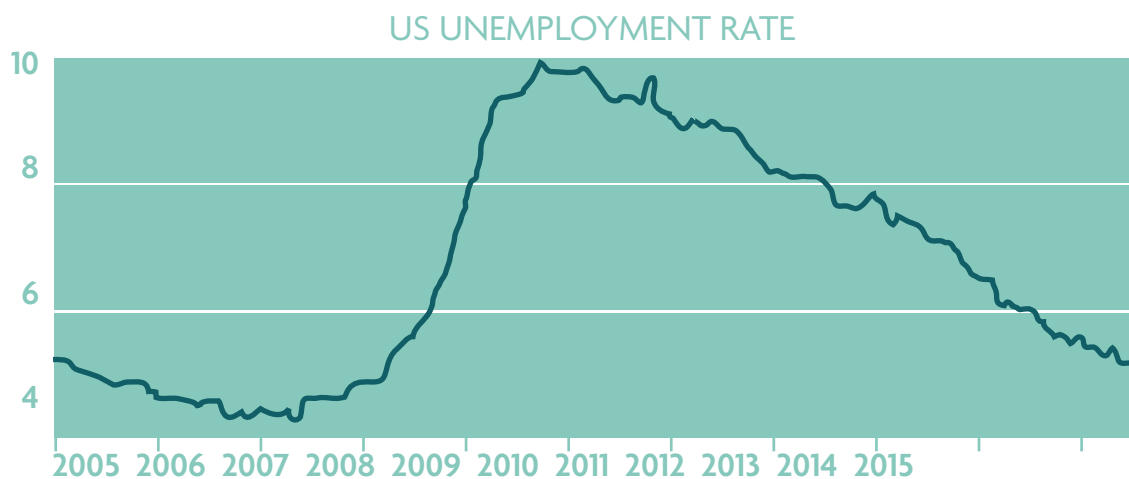
– Community Chief Executive Officer

One-on-one interviews offered additional insight into the causes of turnover.

- **Nutrition:** Dining services draw many of their employees from high schools. High school students have extremely short time horizons; relatively few enter dining services to pursue careers. Moreover, they’re sensitive to small increases in hourly wages, and, depending on location, competition from fast food establishments and restaurants could be significant.
- **Housekeeping & Maintenance:** Like dining service employees, workers in this area are very sensitive to incremental changes in their hourly wage and low job satisfaction levels are likely associated with a lack of available career paths. Competition can come from a wide range of sectors, in particular, the hospitality industry. And, like nutrition workers, the level of competition is largely a function of location. One executive was facing significant competition from a new stadium and a new casino, both opening nearby. Furthermore, his community was located in an area that was not served by public transportation.
- **Nursing:** Among our interviewees, competition from other senior communities was not nearly as significant as competition from other medical facilities, including hospitals and an increasing number of sub-acute care and rehabilitation facilities. A related dynamic: hospitals will generally avoid nurses straight out of school, but senior communities often hire them. But after a few years of experience, these nurses may leave for better pay, schedules or benefits with hospitals.

Other significant causes of turnover included an improving economy and a poor fit between employee and organizational culture.

Competition, whether from within the sector or from outside it, becomes much more of a factor during times of economic uptick and lower unemployment. The unemployment rate in August 2015 was 5.1%; the last time it was so low was in April of 2008 when it was 5.0%.¹



In some cases, poor fit with organizational culture (a significant issue for many if not most executives) could be a component of the industry itself; many entry-level low-wage earners had not worked with or cared for seniors before.

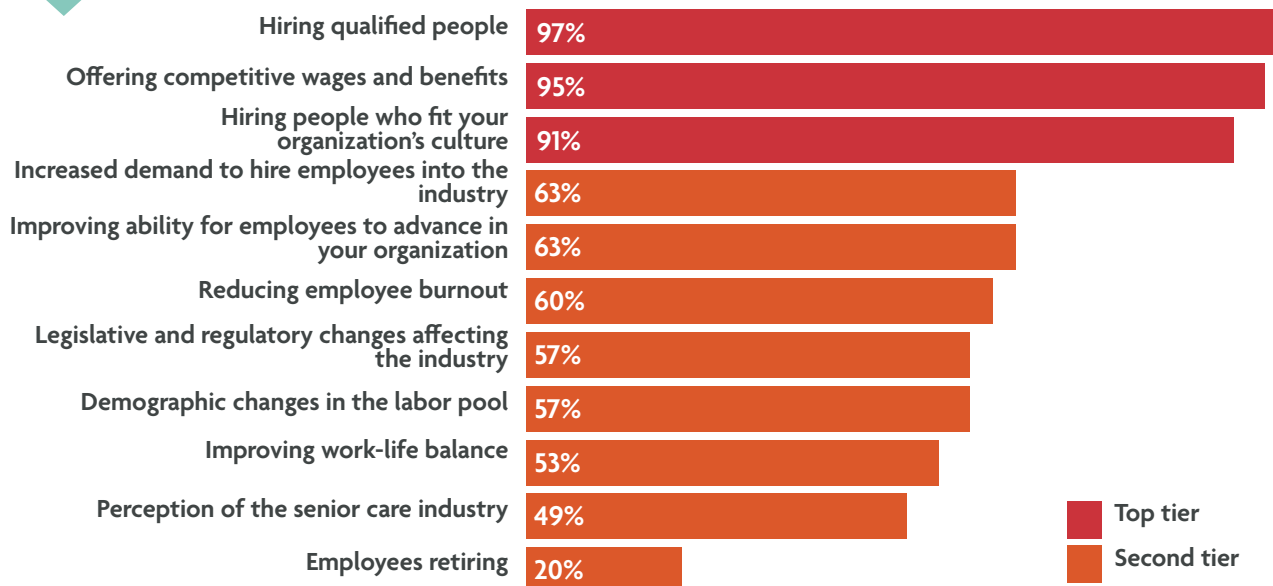


TALENT ACQUISITION

The list of major recruiting challenges facing the industry across all positions fell into two tiers:

- **Top tier:** Hiring qualified people, offering competitive wages and benefits, hiring people who fit the organization's culture.
- **Second tier:** Increased demand to hire employees into the industry, improving ability for employees to advance in the organization, reducing employee burnout, legislative and regulatory changes affecting the industry, demographic changes in the labor pool, improving work-life balance, perception of the senior care industry.

RECRUITING CHALLENGES FACING THE SENIOR CARE INDUSTRY



While local minimum wage laws – particularly in California² –will clearly impact the finances of senior living organizations, executives did not say that these laws will necessarily increase competition. After all, the laws apply equally and all employers will have to adjust.

Likewise, the Affordable Care Act (ACA) may impact the extent of health benefits offered by senior communities, however, since the law applies equally to all employers it should not directly impact competition. The ACA defines a full-time employee to whom health benefits must be offered as someone who works an average of 30 hours per week. However, a few executives said that implementing the ACA made them more competitive because they eliminated part-time positions altogether. Doing so reduced the effort required to monitor time worked as employees approached the 30-hour point and increased employee satisfaction as most part-time workers want to work full-time and are generally happier, more engaged employees when they do.

Another legal issue that may impact the industry's ability to recruit is the growing issue of marijuana use. This seems to impact dining services the most. A system Chief Executive Officer in Colorado, where marijuana has been legalized, was amazed at the number of high school students who admitted right away that they smoked marijuana, apparently assuming that since it is now legal, their use would not be an issue. Although her organization still rejects candidates on the basis of marijuana use, she admits that they have explored changing the policy.

One Human Resources executive in California said that his organization does not perform drug tests. The organization dropped its drug testing policy before he came on board. For them, the ultimate issue is whether drug use impairs job performance.

A final regulatory change that impacts talent acquisition and retention stems from changes made by the Centers for Medicare and Medicaid Services (CMS) to the Five Star Quality Rating System for Nursing Homes. CMS altered the criteria that returns a maximum rating in the staffing component of the system; it shifted the mix of nursing personnel to fewer LPNs and more RNs. In addition to shifting organizational costs upwards, the move increases the competition for RNs which could make recruiting more difficult. In addition, retention and turnover rates among nursing staff will be incorporated into the ratings for the first time.

² San Francisco, Oakland, San Jose and Los Angeles have all passed Minimum Wage laws.





WHAT WORKS: ADDRESSING ACQUISITION, RETENTION AND TURNOVER

Only a minority of organizations can effectively compete by offering robust compensation packages. An organization is either in the top ten or top third of compensation packages, or it is not.

That leaves the large majority of organizations having to find other ways to compete for new hires. Among executives we interviewed, the following factors figured heavily in increasing retention and reducing turnover:

- Culture is key
- Engagement is crucial
- Communication is always a priority



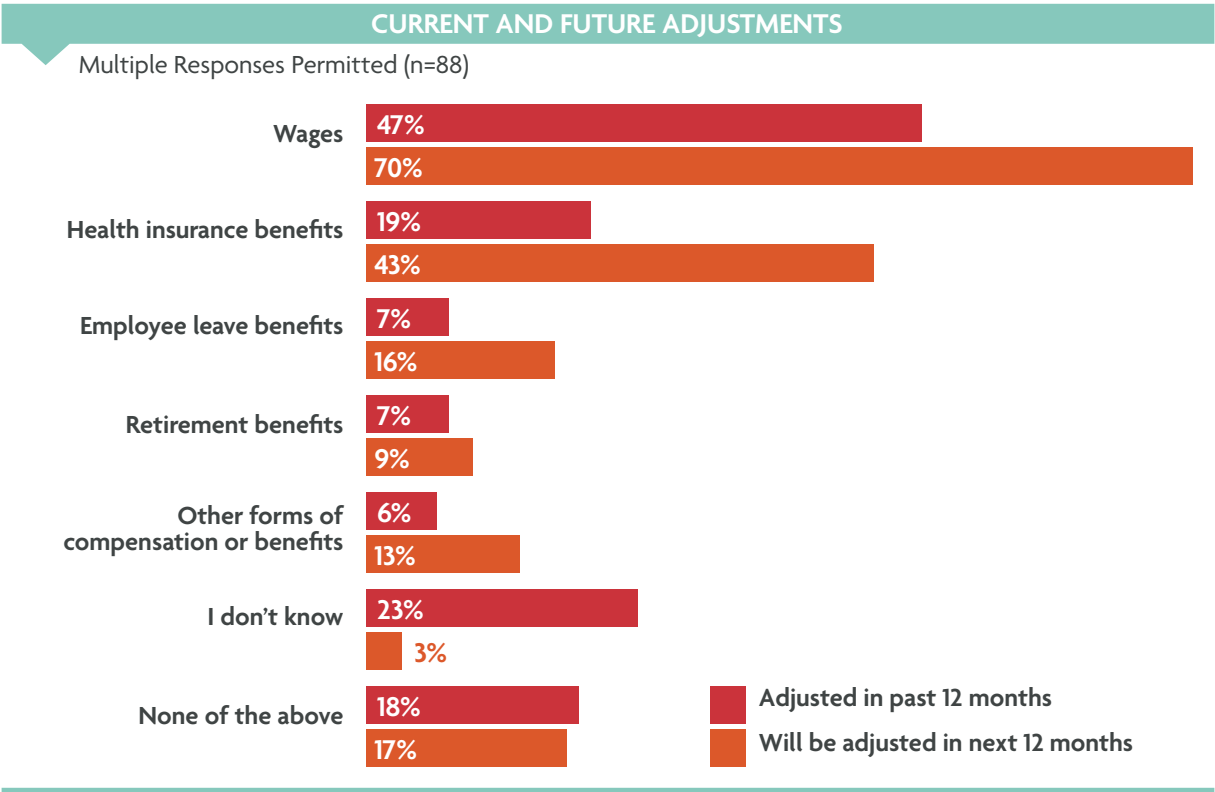
COMPENSATION PACKAGES

The answers to Morrison’s survey question about adjusting elements of the compensation package reveal the limited effect such tinkering has on turnover.

A large majority of survey respondents (70%) adjusted wages during the past 12 months in an effort to reduce turnover; 44% believed that doing so was successful to varying degrees. Likewise, a significant minority of respondents (43%) adjusted health insurance benefits, but only 26% believed that doing so met with some degree of success. Much smaller portions of respondents adjusted employee leave and retirement benefits.

As this report will demonstrate, success rates for compensation of 44% and 26% are quite low compared to the success rates of other initiatives aimed at reducing turnover. One system’s Chief Executive Officer commented that raising the pay of low-wage earners is never enough, that it is difficult to compete with McDonald’s and Starbucks, and that her organization will continue to monitor wages on a monthly basis given the speed with which competitive salaries and demand change. Moreover, this organization has plans to create a contingency plan should the minimum wage increase to \$15 an hour.

ADJUSTMENTS TO REDUCE EMPLOYEE TURNOVER



Several interview subjects felt that their benefits packages were particularly strong and had a positive effect in reducing turnover. One system offered pro-rated benefits; even half-time personnel were eligible for insurance coverage. And a single site organization related its many perks: a recent increase in its contribution to employee's health insurance coverage; up to 10% matching on pension plans; a scholarship program that typically covers full tuition in exchange for a pledge to stay with the organization for an additional number of years; subsidies for on-campus meals and uniforms; and, free covered parking.

One Vice President of Human Resources who considers her community's benefits program to be very good – and has a turnover rate of 11% over the last four years to offer as proof – spoke of the need to shift the attention and concern of low-wage employees away from dollars:

“If you can break the mindset that it's just about the compensation, that's where you really gain ground with employee retention. It's not just about what they're making in their paycheck. It's about when they leave at night, do they feel good about what they did? Do they feel respected in their position, whether they're a dishwasher or the Chief Executive Officer? If you don't have that, then people are going to leave for 50 cents.”

– *Community Vice President, Human Resources*

INCREASING RETENTION AND DECREASING TURNOVER

Respondents were asked about a long list of programs, whether their organizations had such programs, and if so, to what degree they were successful. The following programs comprised the top tier in terms of success: 68% to 78% rated each of these a four or five on a five-point scale:

- Improving talent selection
- New hire training/orientation
- Training of employees on the community's culture
- Improving communication between employees and supervisors
- Recognition programs

A number of additional programs made up a second tier with a majority of respondents deeming their implementations a success:

- Training of employees on job tasks, technology, etc.
- Focusing employees on the mission of your organization
- Employee engagement programs
- Cross training of employees on multiple functions
- Leadership training for all direct supervisors
- Improvements to physical workplace
- Employee surveys of satisfaction, engagement, etc.

PROGRAMS TO REDUCE TURNOVER AND IMPROVE RETENTION

Multiple Responses Permitted (n=88)

	Have the Program Today	Plan to Start the Program in the Next 12 Months	Consider the Program Successful Top-2 Box	Plan to Improve the Program
Improving talent selection	57%	18%	78%	72%
New hire training/orientation	93%	3%	76%	71%
Training of employees on the community's culture	64%	15%	73%	64%
Improving communication between employees and supervisors	61%	20%	70%	81%
Recognition programs	83%	6%	68%	55%
Training of employees on job tasks, technology, etc.	72%	10%	60%	70%
Focusing employees on the mission of your organization	67%	10%	58%	66%
Employee engagement programs	48%	7%	57%	74%
Cross training	48%	18%	55%	50%
Leadership training for all direct supervisors	57%	18%	54%	72%
Improvements to physical workplace	47%	18%	54%	73%
Employee surveys of satisfaction, engagement, etc.	72%	8%	51%	52%
Team building exercises	48%	18%	50%	69%
Performance reviews/evaluations	92%	5%	49%	59%
Educational reimbursement/assistance	67%	9%	49%	39%
Exit interviews	74%	10%	20%	48%

ENGAGEMENT

Among interview participants, several executives said that focusing on engagement was more important than focusing on retention and turnover. This was despite the fact that only 48% of survey respondents reported having engagement programs and only 57% of those judged their programs a success.

Engagement was described in many ways:

- A willingness to go above and beyond the instructed requirements of the job to meet the objectives in the organization.
- A place where employees want to be part of an organization's growth and success.
- A place where employees believe in the organization's mission and produce ideas and innovations that help fulfill the mission.
- A place where employees want to work for an organization that relates to seniors each and every day.

In further discussions to flesh out how their organizations keep employees engaged, executives listed a number of key elements of engagement:

- Communication between employees and their direct supervisors and between senior leadership and the entire organization.
- Input in terms of greater autonomy within one's job and being solicited by management on issues and changes whose potential impact is wider than one's own job.
- Career focus, including having a career path and having the opportunity to learn new skills.

INPUT

Communications and talent development are addressed later in this report. For now, a closer look at input.

Perhaps the most visible and widespread of input mechanisms is the employee satisfaction or



“It’s all about employee engagement...and our associates at all levels have had more say, and more opportunities to provide input on what we do every day.”

– *System Chief Executive Officer*

engagement survey. As noted in the earlier graph, 72% of survey respondents conduct such studies and 51% of those consider their efforts successful.

This contrasts with interview respondents, most of whom feel their surveys are

meaningful and useful, and describe a process in which results are communicated to community executive directors (in the case of some systems) and department heads, who then develop action plans to mitigate issues. Most report success with this approach and below is an example that connects input to career and talent development. In this example, the engagement survey revealed that the environmental services employees felt under-valued and neglected in comparison to the nursing department:

“So we developed a career ladder and every employee has a career plan in that department and specific steps to take them to the next rung in the career ladder. There are three levels for every position in that department. That has been one of the most effective things for us in retaining housekeepers. They needed to know that they could work at a higher level and it would be recognized. The career ladder for building operations has been instituted across all three of our communities and, as a team, their disposition has changed dramatically.”

– *System Chief Executive Officer*

Beyond surveys, an arguably more effective and energizing way to engage employees is to seek their input in person on an ongoing basis as a normal part of their jobs. A few executives were clearly trying to do this in their communities. One system brought in a consultant on patient-centered care to transform their culture into one that continually seeks input from residents and staff.

COMMUNICATIONS

Communications is one of the three big themes that emerged from interviews with C-suite and Human Resource executives, along with culture and engagement. The primacy of communications was woven throughout the discussions with executives and referenced in a variety of contexts:

- Between senior staff and the rest of the organization, both through formal channels and informal settings
- Between supervisors and their direct reports
- In support of engagement efforts
- In support of acculturation efforts
- In support of recognition efforts

The previous section covered two communications mechanisms: engagement surveys and input gathering. Communications between supervisors and employees will be touched upon later. Here is a closer look at the role of the Chief Executive Officer and senior staff.

A few of the organizations we interviewed have implemented Town Hall meetings gatherings in which Chief Executive Officers respond to questions from associates. Those who conduct Town Hall meetings feel that they are effective, as long as the Chief Executive Officer presents himself or herself in an authentic, concerned and responsive manner.

Some Chief Executive Officers we interviewed take full advantage of their role to energize and engage their organizations. They believe that leveraging existing platforms and repeating their message at every opportunity yields results over the long haul.



Similarly, one system Chief Executive Officer who invested a third of her time on acquisition, retention and turnover issues in the nursing and dining areas said: “For the last year, at every board meeting and at every senior staff meeting, I do a report on where we are with dining open positions.”

Some organizations consciously cultivate an open door environment. Senior leadership will invite feedback and input so that associates will proactively reach out to them with comments and ideas. One way to do this is to engage socially. Another way is to work together, literally:

“It’s also our Chief Executive Officer or myself going into the kitchen and talking to the staff washing pots, or getting behind the grill and cooking if they’re short-staffed, or doing whatever it takes to get the job done. They see that it’s okay to talk to us. There’s no fear between the staff and the management here. They know that there’s an open door and that there’s a philosophy of trust.”

– *Community Human Resources Executive*

Sometimes, even the smallest gesture can have a profound effect. One Chief Executive Officer enumerated five things her system did to impact retention and turnover. This was the first item mentioned:

“We took all titles off our badges so everybody is a first name, second name and Team Member. It doesn’t matter where you work within our system; you work for the brand. I know that seems silly, but it was the most significant change in our workforce that I’ve ever seen.”

– *Corporate Chief Executive Officer*

“I’ve been focusing in the last year on trying to find mission moments. I find that there is a disconnect – with leadership, corporate office and board – of understanding why we all do what we do. So I’ve been sharing a mission moment at every meeting. When other associates start seeing that, and hearing their story, or hearing a story of somebody very similar... that helps. It’s connecting at a different level.”

– *Corporate Chief Executive Officer*



“What works is if you can find the right person in the beginning who very quickly can get into the mission and ministry of the organization and feel part of that.”

– *Community Chief
Executive Officer*

CULTURE AND ONBOARDING

How an employee's values, attitudes and behaviors mesh with an organization's culture was seen as a significant factor in retention and turnover.

- 64% of survey respondents train employees on community culture today and an additional 15% plan to add such training over the next 12 months.
- Among all programs, cultural training placed a very close third in terms of success: 73% rated it a four or five on a five-point scale.

It is worth noting that multiple executives cited their organizations' resident culture as being a factor in retention; many employees feel deeply connected to residents and the culture they have created as a community of seniors.

While cultural training was considered important and effective in improving retention and turnover, hiring the right people in the first place was considered even more effective. However, screening for cultural fit prior to extending offers was not common. Indeed, a few executives wondered how to do this effectively.

“We actually talk about what it means to be an employee that engages their hearts and minds on a daily basis. I can tell you that has been significant. We talk openly about what that means, what we expect from an employee and what is our difference.”

– Corporate Chief Executive Officer

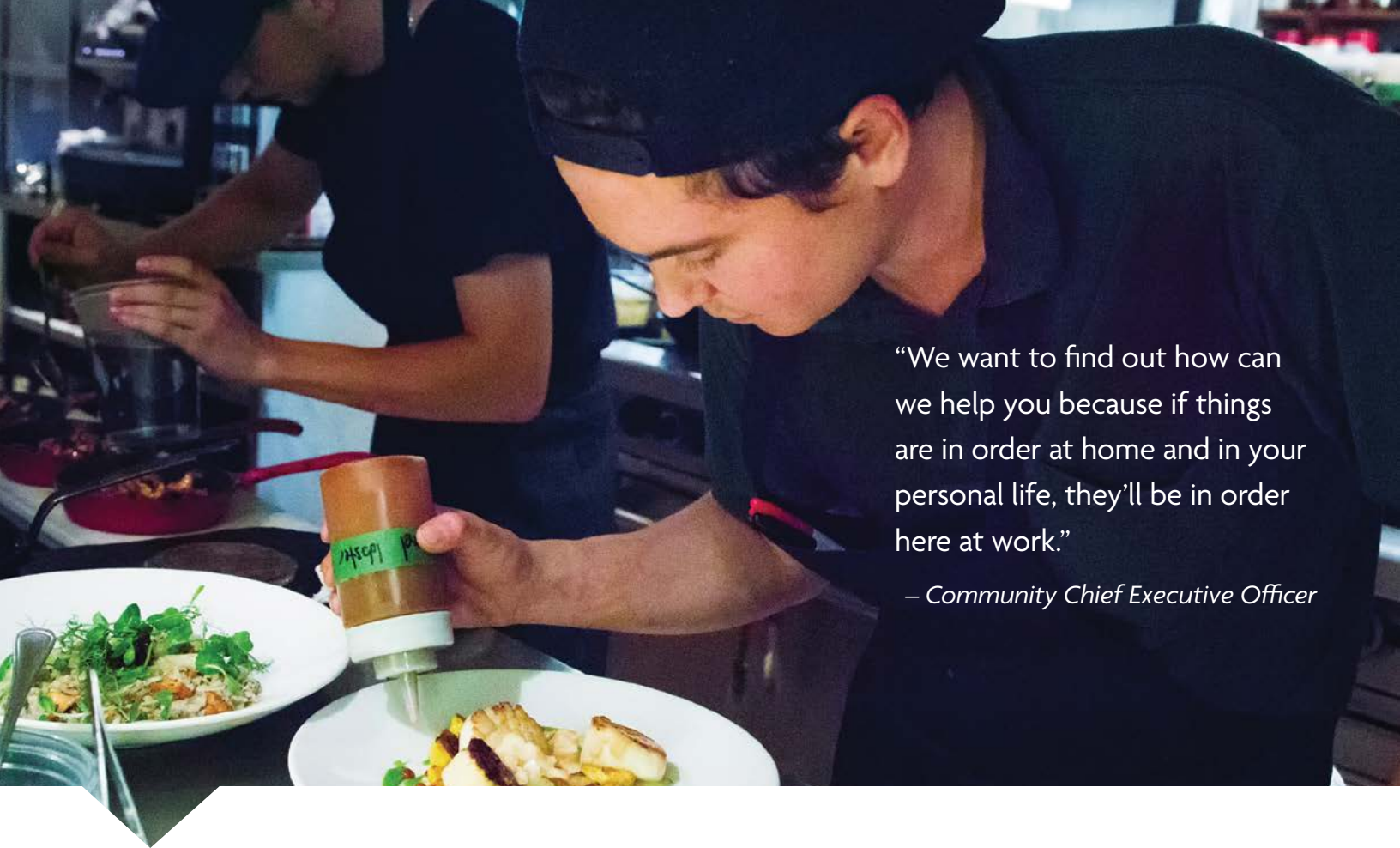


There are two types of cultural training: generic to the industry/business model and specific to the organization. The former includes training in customer service, hospitality and caring for the elderly. One 13-community system is centralizing some support services at the corporate level so cultural training there, to some degree, means learning about the advantages and benefits of centralization and coming to terms with the loss of some autonomy. Here is another example of generic cultural training:

“We’re working on a cultural orientation that will be focused on what it’s like to go out and work with our residents, because so many of the folks who are showing up to work for us haven’t worked with seniors before. We find that’s a piece we need to work harder on because it can be pretty intimidating.”

– Corporate Chief Executive Officer

Organization-specific cultural training occurs largely during the onboarding process. A few organizations have, or are working on, a second orientation session focused exclusively on culture. This is out of necessity; the initial onboarding session is packed with “must do” items, e.g. necessary paperwork, regulatory training, tours, and for some, departmental level training on technologies that employees will use daily. At least two organizations have, or will soon have, initial onboarding sessions that extend into a second full day, plus another one-day session after the first 21 days. And one organization considers the culture so important that it has created and filled a position of Director of Culture and Hospitality.



“We want to find out how can we help you because if things are in order at home and in your personal life, they’ll be in order here at work.”

– Community Chief Executive Officer

TRAINING AND DEVELOPMENT, PERFORMANCE MANAGEMENT AND CAREER PATHS

Training and development were seen to positively impact retention and turnover, and included:

- Leadership, management and coaching skills for supervisors and managers
- Functional training and formal education for low-wage workers

A third category of classes is emerging: life skills. These offerings are arising out of management’s desire to ensure that employees are at their best on the job – i.e. the less worries employees have in their personal lives, the more productive they will be on their jobs. Offering such classes helps burnish organizations’ reputations as employers of choice.

Development of frontline managers’ leadership and management skills was seen as critical to reducing turnover in some communities. For example, one executive, after expressing dissatisfaction with his organization’s overall orientation session, noted that orientation broke down at the departmental level, that managers were not orienting and training their new hires appropriately. Said another executive:

“What’s the daily interaction that managers have with their staff? Are they genuinely caring for those who are working for them?”

– Community Human Resources Executive

A few executives said that a focus on leadership competency and performance management was more important than focusing on retention and turnover.

“You know what your job is when you come in and you know if you’re performing. So, it’s not just the pay, it’s the idea that, ‘Wow, I know what’s expected of me and by golly, I’m in it. I’m an achiever.’ There’s that inherent sense of value that comes from a job well done.”

– *Corporate Chief Executive Officer*

From the employee perspective, many are career-oriented and want opportunities to advance by going to school. Some chief executive officers recognize this and see it as a way to address retention and turnover. Several organizations have tuition reimbursement policies. One organization covers the full cost of tuition in exchange for the employee’s pledge to remain for the same amount of time it took to complete his or her education.

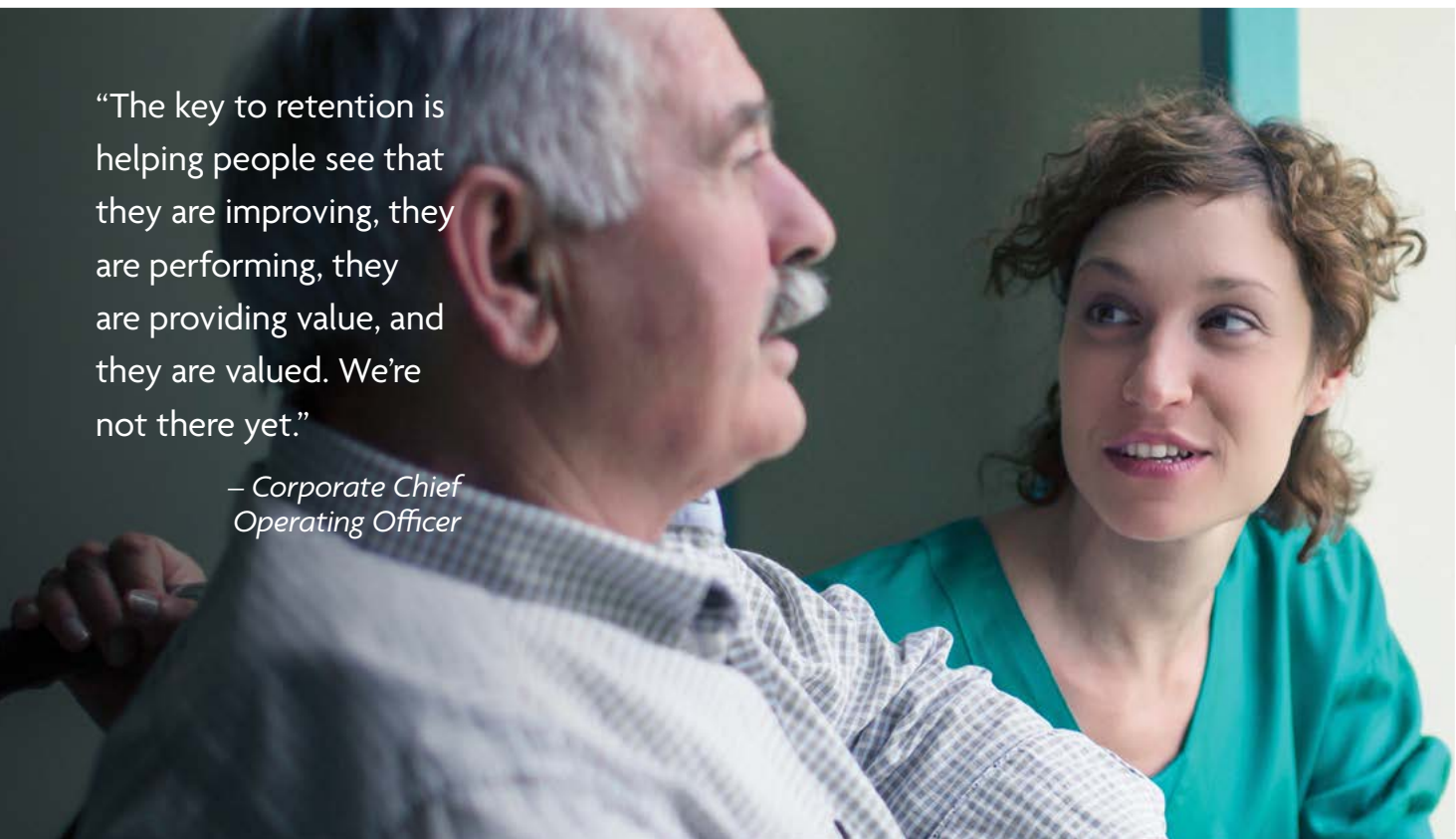
Then there is the desire of employees to take on more responsibility and receive better pay; thus, the need to develop career ladders.

Nursing is the area in which career ladders seem easiest to build because gradations already exist within the profession. Dining services, on the other hand, may be the most difficult given the nature of the labor pool: a significant portion of part-time employees, often still in high school.

Nevertheless, at least one organization has mapped out career paths for their dining associates, so much so that they refer to dining services as their feeder pool; all but one of their current housemen (maintenance) started in dining services. They also have a number of certified nursing assistants who got their start in dining services.

“The key to retention is helping people see that they are improving, they are performing, they are providing value, and they are valued. We’re not there yet.”

– *Corporate Chief Operating Officer*



RECOGNITION

Recognition programs are widespread and considered successful:

- 83% of those surveyed have a recognition program today and an additional 6% plan on starting one within the next 12 months.
- 68% of those who have a recognition program consider it a success, rating it a four or five on a five-point scale.

The Chief Executive Officer of one system with a monthly recognition program said that the most important aspect of the program is public recognition. Beyond that monthly program, the system has a performance bonus program with awards ranging from \$300 to \$500. The hope is that the combination of financial bonus and the public recognition will positively influence all associates. Several executives noted that Millennials “need and crave a lot of recognition.”

One community stood out from the rest with their recognition efforts. It too has a monthly recognition program in which the winner receives \$100. In addition, they use recognition and rewards in other ways:

“The staff loves it when they get recognized, whether it’s a short order cook, a CNA, housekeeper or a companion. Their faces light up and they’re so happy. It’s a terrific program. I think it’s united us across department lines in a way that no other program really has.”

“I gave movie tickets to someone a couple weeks ago who had never been to the movies and didn’t even know where to find a theater. I helped them find the theater and they were just so thrilled... because \$10 out of somebody’s paycheck that’s making \$11 an hour... it’s frivolous to them to go to the movies.”

– Community Human Resources Executive

This same community holds length-of-service celebrations that are formal, sit-down affairs held in the dining room. Awards for 5, 10, 15, 20 and 25 years of service run \$250, \$500, \$750, \$1,000 and \$2,000.

The community’s Chief Executive Officer said that he was fortunate to operate a community with strong financials and to have a board that recognizes the value of its employees. And the Vice President of Human Resources believes that the community’s strong recognition efforts has enhanced retention and helped to reduce her recruitment budget from \$40,000 to \$10,000 a year.



EMPLOYER OF CHOICE PROGRAMS

Only 11% of survey respondents reported having an employer of choice program in place today, although another 15% said they plan to implement one within the next 12 months.

Some organizations seek certification as an “Employer of Choice” or inclusion in recognition programs such as “Great Place to Work.” However, when viewed broadly, the term “employer of choice” means having people want to work for your organization.

Whether certified as an “employer of choice” or simply recognized by candidates and employees as such, becoming an employer of choice doesn’t just happen. It is the result of an intentional and focused effort of communications and engagement referred to as *employer branding*. Essential employer of choice attributes include:

- Employees feel they are respected, valued and supported by management
- Employees want to work, enjoy their work and are fulfilled by their work
- Employees see growth opportunities
- Employees’ values are aligned with those of the organization
- Organization enjoys name recognition

RECRUITING AND ACQUISITION

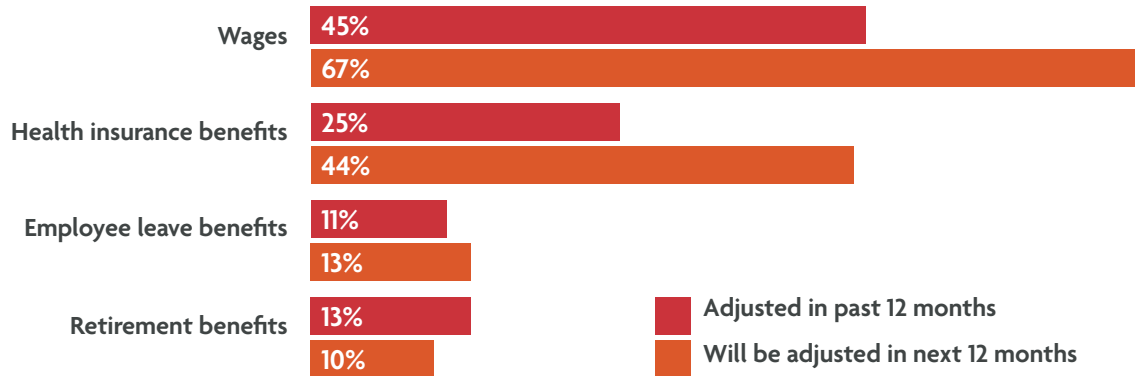
Two-thirds of surveyed organizations adjusted their wages over the last 12 months in an attempt to improve their ability to recruit and acquire talent; 63% believed that their efforts were successful.

None of the remaining four factors were adjusted by a majority of respondents; 44% adjusted health insurance benefits and just over half of them believed that their efforts were successful.

TACTICS TO IMPROVE EMPLOYEE RECRUITMENT

CURRENT AND FUTURE ADJUSTMENTS

Multiple Responses Permitted (n=88)



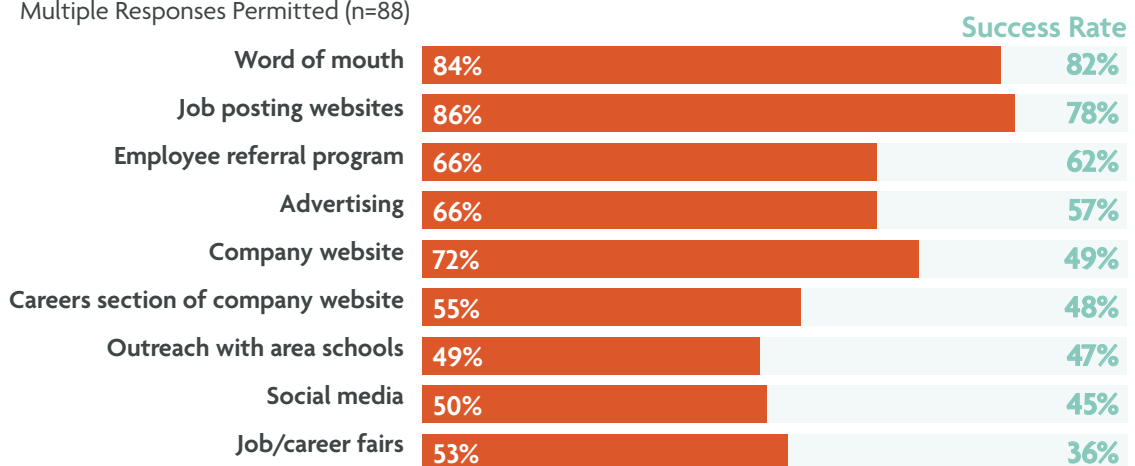
Among those we interviewed, the most dramatic effort undertaken to improve recruitment was the move by a single-site nonprofit with a home health arm. This organization started its own vocational school for certified nursing assistants and home health workers in order to improve their pipeline of qualified candidates. Similarly, one nonprofit system is running an administrator training program for the state of California, which requires executive directors to be licensed. The organization hired three assistant executive directors from the most recent class.

Word of mouth and job websites were the two most popular and most successful methods of recruitment.

RECRUITING METHODS

CURRENT RECRUITING METHODS AND SUCCESS RATE OF EACH

Multiple Responses Permitted (n=88)



Most organizations we interviewed paid their employees a referral fee when they referred an individual who was hired. One executive reported that 25% of their new hires came from referrals.



Several interviewees said that hiring for cultural fit was difficult. Some struggled with how to do so effectively and a couple have made adjustments in the interview process, though it was unclear how effective those adjustments were. These adjustments included:

- Training managers to interview better and incorporated behavioral assessment questions to get at attitudes about customer service.
- Conducting team-based interviews for every position, with the team including a peer to the person being interviewed. When it is time to show the candidate around, the peer always gives the tour. They find that the feedback from the tour is more revealing than the answers candidates give during interviews.
- Making personality the priority over skills, then training new employees in the necessary skills.

Other tactics used to improve recruiting and acquisition include contracting with recruiting and staffing agencies and hiring one or more internal recruiters.

Ultimately, it seems that the most successful route to above average recruitment and acquisition efforts is to be known as a great place to work:

“One successful method is maintaining our reputation as an employer of choice. We survey a portion of our staff every month. We publicize those results. In most of our communities, we’re above the national average for employee satisfaction. And that’s our best recruitment tool.”

– Corporate Chief Executive Officer

THE CASE

FOR DEVELOPING
AN EMPLOYER BRAND

A strong employer brand will enhance your community's reputation as an employer of choice and improve your ability to attract, engage and retain employees.



THE EMPLOYER BRAND ADVANTAGE

With unemployment at its lowest in eight years and competition for quality hires heating up, employers are realizing that attracting and retaining talent is more difficult than in recent memory. The senior housing sector finds itself particularly challenged as legislative and social pressures push wages up, the Affordable Care Act reclassifies 30 hours a week as full-time and a significant channel for low-wage workers, immigration, is in doubt.

Successful senior communities have defined and developed their external brand to help improve occupancy and build financial performance. Communities now need to focus on defining and developing their employer brand to help attract, engage and retain talent. Becoming a certified Employer of Choice® or recognized as a Great Place to Work® is one path to addressing the challenges of talent acquisition and retention. But when completed in isolation and without real and comprehensive organizational change, these initiatives can be little more than a corporate awards program. The alternative is to develop an employer brand strategy, the goal of which is to become known among candidates and employees as an “employer of choice.”

What is an employer brand? In short, it is an organization’s reputation as an employer. An employer brand is the sum total of how people think, feel and experience an organization as an employer and it encompasses the organization’s values, systems, policies and behaviors in order to attract, engage and retain current and potential employees. When implemented correctly and consistently, the employer brand impacts the individual at every stage in their interaction with the community:



THE BUSINESS CASE FOR AN EMPLOYER BRAND

For employers of all sizes, a relevant and differentiated employer brand is essential to attract and retain the talent needed to succeed and to be seen as an employer of choice by candidates and employees.

TOP EMPLOYER BRAND BENEFITS^{iv}

Ease in attracting candidates
Increased employee engagement
Recognition of Employer of Choice
Reduced recruitment costs
Higher job acceptance rate
Decreased staff turnover
Increased internal hire rate
Increased unsolicited resumes
Decreased time-to-fill

90%

of companies with employer brand reported improvements in retaining current employees, increased engagement and job satisfaction, and more success at attracting good candidates^v

70%

of companies with an employer brand believed that branding led to improved business results^{vi}

54%

of employers that invested in employer branding reported an increase in quality of the candidate pool^{vii}

56%

of global talent leaders say that employer branding is a top priority in their company^{viii}

2X

A company's employer brand is twice as likely to drive job consideration among candidates as its company brand^{ix}

\$125

Cost per hire for companies with Moderate/Poor Employer Brands

Cost per hire for companies with Strong/Good Employer Brands^x

\$67

Employer Brand

Definition

The Employer Brand is a management discipline that extends beyond recognition and award programs to embrace every aspect of the employment experience. This includes the people management processes and practices that shape the perceptions of existing and prospective employees.

Research has confirmed the relationship between an organization's employer brand and its ability to attract, engage and retain talent. Unfortunately, many companies do not develop or maintain their employer brand optimally.ⁱⁱ

Characteristics of an Effective Employer Brandⁱⁱⁱ

- It applies throughout the company and throughout the internal and external markets
- It is known and understood throughout the company – all employees know the brand's message and how it applies to them
- It is known in the marketplace: candidates will be familiar with the brand and apply to the company on the strength of the brand

APPLYING THE EMPLOYER BRAND MODEL TO SENIOR COMMUNITIES

We offer the following Employer Brand Model to assist senior communities in addressing challenges of talent acquisition, employee engagement and retention. This model is based on our own organization's experience with building an employer brand as well as the contributions of business and HR leaders in senior communities and in industries outside of senior services.

Our Employer Brand Model contains nine elements that are essential to the development and ongoing implementation of a strategic employer brand, all of which must be embraced and led by leadership.



In this model, communications play the critical role of bringing the employer brand alive. An organization can carefully design an employee value proposition, launch it with big fanfare and continue to fine-tune the quality of individual components – but unless the employee value proposition is embraced by senior leaders, evidenced daily by managers and communicated consistently inside and outside the organization, it will be little more than the HR program of the moment.

In addition, the very nature of an Employer Brand Model requires the need for the Human Resources function in communities to move from a tactical effort oriented toward compliance and recordkeeping to a strategic, enterprise-wide practice that touches and supports employees throughout their experience.



EMPLOYEE VALUE PROPOSITION

The foundation of the employer brand is the employee value proposition (EVP) and sits at the heart of our Employer Brand Model. Brett Minchington, CEO of UK-based Employer Brand International, defines EVP as “A set of associations and offerings provided by your organisation in return for the skills, capabilities and experiences an employee brings to your organisation.”^{xi} Said another way, the EVP is the balance of the rewards and benefits that are received by employees in return for their performance in the workplace.

It may be useful to think of the EVP as an agreement of exchange: the employer offers to provide, for example, career development, culture, work/life balance and compensation in exchange for the employee's contribution of skills, a passion to excel, customer orientation and a shared commitment to the community's mission and values. What the employer provides to and expects from its employees – its EVP – must be unique to the community and the type of talent it seeks to hire. When successful, the employee value proposition will differentiate the employer and motivate target candidates to join the community and current employees to stay. By providing an honest and accurate representation of the employee experience, the EVP will answer the question, “What's in it for me?”

For Kimberly-Clark, a global consumer packaged goods company [see case study beginning on page 65], the employee value proposition came to be known as its “People Philosophy” and was framed from the employee’s perspective. Kimberly-Clark’s EVP conveys how the company will support the employee and what it expects of the employee throughout the employment journey.



Developing the employee value proposition should involve Human Resources, Internal Communications, Marketing, the organization’s senior leaders and a cross section of employees. To begin, you need to have a sound understanding of your community’s talent needs and culture along with clear insight into employees’ attitudes and expectations. If necessary, conduct interviews, surveys or focus groups with employees, managers and executives to further define wants and needs. You may want to prepare alternative EVP statements that align with and support your HR strategy and test them with employees and managers. Once you’ve agreed upon the statement that best reflects your community, share it with leaders, managers, employees and candidates and begin to integrate it into policies, management practices and organization-wide initiatives.

“The onboarding process really has to be about the company you’re coming to work for and what you can expect. Particularly working for a not-for-profit based organization, we believe that we are an employer of choice and that we have a unique culture to describe to folks. That day is an investment to say: ‘Are you going to fit or not?’ Not everybody does, so make a decision.”

– Corporate Chief Executive Officer

EMPLOYER BRAND ELEMENTS

TALENT ACQUISITION

All senior communities are routinely engaged in talent acquisition. For many communities with whom we spoke, the process of recruiting and acquiring the right talent consumes a great many internal resources – from writing job posts and implementing outreach programs to conducting job interviews and onboarding new employees. Most communities struggle with getting enough initial interest from top candidates to fill their talent pipeline. A lucky few receive all the applicants they need – through referrals from employees and from being recognized as an area employer of choice.

“If you can create an environment where people want to work and understand how important they are to the organization, that’s being an employer of choice.”

– Community Chief Executive Officer

In an effort to increase the talent pool, some communities have added in-house recruiters to the HR team, focused on recruiting for nursing and key management positions. And, as noted earlier, some communities have opened vocational schools or certification training programs to increase the number of available candidates.

When talent acquisition activities are aligned with and support the employee value proposition, they will nourish and strengthen the employer brand. Every opportunity to connect with a candidate or applicant – whether online or in person – is an opportunity to promote the community’s employer brand. From how the community positions its employer brand on its website (a crucial introduction to the organization for all job seekers) to how it orients new employees to the community’s culture, every encounter is a chance to differentiate the community and position it as an employer of choice.

COMPENSATION AND BENEFITS

Low unemployment and the subsequent competition for skilled employees exerts pressure on senior communities to increase compensation and benefits packages. And, as discussed above, new regulations including fair wage laws are forcing specific wage and benefit adjustments in some markets. While some people are prone to switch jobs for a modest increase in salary, many more employees are satisfied staying with an employer that compensates them fairly, treats them with

Components of Talent Acquisition

- **Talent Pipeline**
 - Career website
 - Applicant tracking system
 - Outreach to schools, associations
 - Employee referral program
 - Social media posts and conversations
 - Job directory listings (Indeed, LinkedIn, Monster.com, Careers.com)
- **Applicant Experience**
 - Applicant communications (invitation letter, on-site visits, emails)
 - Onsite visit/interview
 - Cultural fit determination
 - Behavioral assessment
 - Panel interview
- **Onboarding**
 - Welcome letter
 - Onboarding
 - Day one
 - Orientation
 - Buddy/coach program
 - Culture and behaviors training
 - Evaluation (frequent and ongoing)
 - Stay interview
 - New employee survey
- **Diversity & Inclusion**

respect and provides them with learning and development opportunities that help them to grow as individuals and professionals.

Several of the communities interviewed for this report had conducted market-based compensation studies within the past 24 months and adjusted compensation based on their findings. As an employer, a community must consider where the compensation package must be in order to meet its financial objectives and effectively compete with others in the market – i.e. at the top, in the middle or in the lower quartiles. Foster an open dialog with employees on how the compensation system works and thoroughly communicate changes in advance to avoid rumors or misinformation,

As an employer of choice, a community should consider other ways beyond compensation in which it can differentiate and build a tighter bond with its employees. On-site childcare, subsidized meals, discounted uniforms, transportation discounts and wellness center memberships are some of the added benefits offered by the communities we interviewed. Increasing paid time off and adding or reinstating pension plans are also techniques used by some communities to attract and retain workers.

While compensation and benefits are critical aspects of a candidate's decision to accept employment and an employee's decision to remain with their employer, an employer of choice will have worked across the elements of the employer brand to demonstrate fairness and respect to forge a deeper relationship with employees.

LEARNING AND DEVELOPMENT

Learning and development opportunities are a key component of employer branding, providing obvious and significant benefits to employees and employers. For the employer, enhancing employees' knowledge base and skill sets can help boost productivity, achieve greater engagement and commitment from employees and reinforce a performance-driven and accountable culture.

For senior communities, learning and development can extend beyond required safety and compliance-related training to include education on the community's culture and desired behaviors, functional training to improve performance in a specific role or position and programs to enhance the capabilities of supervisors, managers and leaders. And, in an increasingly multi-cultural workplace, diversity and inclusion training and English as a Second Language (ESL) programs can help equip every associate to succeed.



“The key element of our hospitality program is treating the internal customer as important as the external. We do this because our team members make magic happen for our residents.”

– *Corporate Vice President, Talent Manager*

Coaching and mentoring programs can assist new employees in becoming comfortable with the community and their job responsibilities as well as nurture rising stars. Providing a deep level of personal attention through one-on-one coaching and mentoring makes a strong statement to employees and candidates that the community is committed to making things work. As one Vice President of Human Resources put it, “We coach to success rather than discipline out the door.”

“Everyone no matter where they are in their career wants opportunities to grow. Your high performers especially want the opportunity to grow and then proudly take ownership and give back to the organization and their community.”

– *Corporate Chief Executive Officer*

In addition, career development programs – often used for entry-level employees, managers and leaders – can enhance employee engagement by demonstrating the employer’s long-term commitment to career opportunities. And, career paths or ladders provide a clearly defined structure for career advancement. Senior communities that have done this for low-wage workers have experienced greater retention and lower turnover.

EXAMPLE: Having discovered that CNA turnover was especially high within the first three months of employment, one senior community created a mentorship program that helped reduce CNA turnover to just 10%.

Learning and Development Programs

- **Training & Development**
 - Classroom, online and one-on-one
 - Development programs for entry level, supervisors and leaders
 - English as a Second Language
- **Coach and Mentor Programs**
- **Career Management Programs**
 - Career Paths
 - Talent Mobility Programs

PERFORMANCE MANAGEMENT

As noted in the Findings section, at least some executives believe that solid performance management practices help increase retention and reduce turnover. This is because employees want to know when a job is considered well done and to be recognized for it.

Most employees understand that continued employment and career advancement are, to a large degree, a function of how well they perform. However, many in the HR field believe that the traditional annual review is ineffective at focusing and improving employee performance. Deloitte, Adobe Systems, Inc., and Microsoft, Inc., have discarded their old performance management systems in favor of a more simplified and streamlined process. Many employees, including Millennials, prefer steady and frequent feedback greater than the once-a-year-and-done approach to the annual performance review. In sync with this trend, a few of the communities we interviewed for this study have eliminated their annual performance reviews altogether.

As a core element of the Employer Brand Model, performance management goes beyond simply assessing the work product. Instead, a strategic performance management effort encompasses year-round feedback, coaching and engagement that motivates continued improvement and innovation. Instead of a sporadic activity that is separate from the work, performance management seeks to evaluate performance in real time.

According to Success Factors, an SAP company^{xii}, many of the practices that support performance also have a positive impact on job satisfaction, employee retention and loyalty. They recommend:

- Delivering regular relevant job feedback
- Setting and communicating clear performance expectations
- Linking performance to compensation clearly
- Identifying organizational career paths for employees
- Evaluating performance and delivering incentives in a fair and consistent manner
- Providing appropriate learning and development opportunities

RECOGNITION

People want to be valued for their contributions in the workplace. And everyone feels the need to be recognized as an individual or member of a group for a job well done. Recognizing employee contributions helps build loyalty to the community, creates more employee engagement and helps to foster improved team relationships.

All of the communities we interviewed for this report actively recognize employees and teams for their contributions to the workplace and acknowledge long-term employees for their service. Most communities have formal programs that routinely recognize employees during team meetings, town hall-type gatherings or special events. These programs tend to be leader led, with managers nominating star teams or individuals for recognition. Several communities also encourage peers and residents to participate in the formal recognition program. In addition, some communities engage in spot recognition programs, the aim of which is to identify and immediately recognize outstanding performance.



“We have this new program called Caught in the Act. You were caught in the act of being there for somebody. Then we bring them to senior management as recommendations for Employee of the Month. They get recognized. It’s pretty special. They get a certificate and \$100, so it’s important and people love it.”

– *Community Vice President Human Resources*

In our Employer Brand Model, recognition is a powerful tool because of its ability to reinforce and promote attitudes, behaviors and actions that align with the community’s culture, performance expectations, strategic direction and mission. In fact, we recommend that communities retool their recognition programs, if needed, to specifically reward employees and teams for supporting key behaviors. By recognizing behaviors, the community is shining a light on what’s important to the organization.

CULTURE, MISSION AND VALUES

To be successful, the employer brand must be aligned with the corporate brand. Otherwise the employer brand and community mission can pull employees in different directions creating dissonance and confusion.

What's so tough about culture is that a candidate may be introduced to an organization's mission, vision and values during recruitment, but there is no way to truly "get it" until one is immersed in it. That's because culture is more than a product of an organization's mission; it is informed by management philosophy and practice, organizational structure and the values and behaviors of influential leaders.

The intent is to engage employees in the culture to such a degree that they feel a strong sense of belonging to the community. And that connection will, in turn, reinforce and strengthen the culture.

Many of the senior communities included in this study have a thriving culture and purposeful mission that they can readily articulate. Apparent, too, is the extent to which communities are aggressively speaking about culture with their employees and seeking to hire talent that are first and foremost a good cultural fit. To help further awareness and adoption of the community's mission, many chief executives take time to interject "mission moments" and storytelling into their employee interactions. Sharing personal observations of the mission in action elevates understanding and provides employees with examples of how they can support the purpose of the community.

"We are defining what exceptional behaviors are for our team. Now we have the top 20 behaviors that mean you are providing great customer service. This is what it means to be engaged and to be part of our residents' lives. It's exciting."

– Corporate Vice President Talent Manager

BEHAVIORS

Determining what behaviors to encourage and reward is a direct function of an organization's mission, values and culture. What's critical is that management identifies and articulates what behaviors to encourage. To reinforce practice, HR can reward employees that exhibit desired behaviors, particularly within the context of an ongoing recognition program. More pointedly, desired behaviors can be made part of the organization's ongoing performance feedback.

ENVIRONMENT

This component of the Employer Brand Model refers to the physical environment in which one works as well as social dimensions of the workplace.

Physical considerations include safety and wellbeing, cleanliness, sufficient space and resources with which to complete job responsibilities, the ability to collaborate with co-workers in addition to the proximity of cafeteria and break rooms. Not surprisingly, none of the communities we interviewed appeared to have significant issues related to their physical environment. However, one community had recently opened a separate dining venue with made-to-order meals for employees. This turned out to be a huge hit with employees, who appreciated the opportunity to be served delicious (and reduced cost) meals in a location that was just for them.

But the variable that can have a big impact on everyday satisfaction and engagement is the "office vibe": what is the social and emotional tone that an employee will be greeted with on a daily basis? Is the workplace fun? Do I feel energized by and comfortable with my co-workers? Am I accepted and respected? Is this a place where it is safe to offer suggestions?



Supervisors and managers greatly influence the work environment. As an employer of choice, communities should consider what attributes of environment – both physical and social – they want reflected in their EVP and then train leaders and employees on how to support them.

COMMUNICATIONS

Communications is the linchpin in employer branding; if an organization is not communicating, it's not branding intentionally. The topic of communications includes the opportunity to “brand” the employer brand with consistent messages and visuals. In addition, communications also refers to the day-to-day interactions that occur inside the organization, especially those between employees and managers.

The aim of the employer brand communication is to create an awareness and understanding of the employer brand itself. Many companies will develop a logo or graphic for employer brand initiatives as well as a set of key messages. When used consistently, the employer “brand” can bring attention to the effort as well as launch and link initiatives under the banner of the employer brand.

Communications, especially between employees and managers, is one of the top challenges in managing an employer brand. Organizations communicate continuously; indeed, the absence of communications is a message in itself. But the success of an employer brand relies on the ability of the community to infuse messages, in particular those coming from leadership, with the core tenants of the employee value proposition.



Daily huddles, town hall meetings, the community newsletter – these are all opportunities to reinforce the employer brand. Indeed, communities should strive to ensure that every significant meeting, event or correspondence contain a reference to a corporate value or behavior, or better yet, a story of how an associate or team has demonstrated the brand.

THE GOAL: ENGAGED AND ENABLED EMPLOYEES

For most employers, and particularly those in service and hospitality sectors, the quality of the work performed by employees is directly related to the success and long-term viability of the business itself. This is particularly true for senior communities in which resident satisfaction is highly correlated to employee satisfaction.

For senior communities to thrive today and into the future, they must adopt an organizational mandate to engage and enable employees to fulfill the organization’s mission. Not only must employees believe in the community’s mission but they must also be enabled and empowered via training, tools and support to actively embody the mission.

IMPACT OF AN EMPLOYER BRAND ^{xiii}

 Poor Employer Brand	 Strong Employer Brand
Weak resident satisfaction	Strong resident satisfaction
Occupancy challenges	Occupancy stable
Low employee engagement	High employee engagement
Low brand awareness	High brand awareness
Attrition	Retention
Declined offers	More job offers accepted
Low productivity	Revenue goes up
Long time-to-hire	More quality applications
High cost-per-hire	Lower cost-per-hire
Poor referral programs	Higher number of referrals

Employees must believe in the organization's mission and be enabled and empowered to embody it.



IMPLEMENTING THE EMPLOYER BRAND

While many senior communities have aspects of the Employer Brand Model in place, most have not adopted an enterprise-wide, strategic imperative to define their employee value proposition and infuse it throughout HR and organization initiatives. As our research and interviews with business leaders have shown, a commitment to an employer brand is a long-term strategy that requires the active endorsement and support of leaders throughout the community – from the leadership team to team leaders in all areas. While HR may convene meetings, manage the process and implement many of the programs, the responsibility to establish and evolve the employer brand sits squarely on the shoulders of the CEO and the executive team.

The following Employer Brand Framework provides a step-by-step guide to communities seeking to become an employer of choice.



1

ASSESS

Establish the business case for the Employer Brand.

- Demonstrate how establishing your employer brand will positively impact your people strategy. When complete, elevate to the senior management team for approval and gain a pledge of full support from the CEO. Brief board as necessary.

Define the community's people strategy, goals and objectives.

Define employee segments and prioritize in terms of recruiting needs.

Assess the current state of Employer Brand among employees and candidates.

- If necessary, conduct focus groups and one-on-one interviews to gain insights; review employee research including engagement survey results, gather and review key metrics.

**2**

ADOPT

Develop two or three alternative EVP statements. You may wish to solicit the help of a small ad hoc group of employees. Make sure to include a representative from marketing.

Test the alternative EVP statements by conducting research with internal and external audiences. This will be best accomplished through qualitative work: focus groups, and, if necessary, individual in-depth interviews.

Select the final EVP statement and fine-tune as needed.

Gain approval and support for the EVP from senior management, and if necessary, the board.

**3**

SET

Select key performance indicators (KPIs) and establish the reporting structure and cadence.

Set KPI goals for Year 1 through Year 3.

**4**

ACTIVATE

Launch employer brand to internal audiences. This may be either a major launch with much hoopla, or a gradual, more understated launch.

Implement the employee retention and engagement plans as well as ongoing internal communications to employees.

Activate and implement the Talent Acquisition plan.

**5**

PLAN

Develop talent acquisition, retention and engagement plans and gain approval from senior management.

Develop the Employer Brand Communications Plan for internal and external audiences. This should be a multi-year plan that supports the Talent Acquisition and Retention Plan. Make sure to revisit the issue of KPIs to ensure the plan's optimal effectiveness. Gain approval and support from senior management. Brief board if necessary.

Develop the look and feel of the employer brand. Gain necessary approvals.

Prior to rollout, brief next level of management and request specific assistance and support as needed.



MEASURE

6

Measure engagement and enablement of employees; use results to drive higher levels of performance.

Track internal and external KPIs; report quarterly and annually; make necessary adjustments to plans.

One year after implementation, conduct research to determine the extent to which the employer brand has gained traction in the minds of intended audiences. An engagement survey along with focus groups and interviews can be used to gather a comprehensive perspective.

CONCLUSION

The economic recession that began in 2008 is largely behind us. Occupancy levels are up across our industry and new construction projects are once again underway – but not just for our industry. Sports complexes, casinos, restaurants, hotels and entertainment venues are vying for hospitality workers while at the same time hospitals, sub-acute and rehabilitation facilities are competing for nurses and CNAs. Demand is up for talent and employers across every sector seek a steady base of employees who are ready and able to work.

Our industry, in particular, feels the burden of the shift in the talent demand curve. For us, it's not as simple as hiring people with the right technical skills. There is a firm link between the employees we hire and the residents for whom they care. For senior communities, resident satisfaction is largely an outcome of the relationships that residents and their families form with the caregivers, chefs and housekeepers they interact with every day. So our ability to acquire, engage and retain the right talent is directly tied to community performance and sustainability.

Just as successful senior communities defined and developed their external brand to improve occupancy and build financial performance, communities now need to focus on defining and developing their employer brand to help attract, engage and retain top talent. Kimberly-Clark Corporation and Capella Hotel Group (see case studies beginning on page 56) are some of the companies that have invested in employer brand strategies that not only differentiate them in their markets, but contribute to significant financial performance. However, an employer brand strategy is not relegated to large-scale enterprises. Organizations of every size can implement an employer brand strategy and reap the benefits of higher quality applicants, improved retention and better job performance.

As you evaluate the implications of an employer brand strategy for your organization, consider these employer brand truths:

- The employer brand must be championed by the CEO and executive team – without it the employer brand will be viewed as just another HR program.
- An employer brand is a long-term strategy that unfolds over time. It begins by defining the type of employer you wish to be and what you offer to and expect from your employees. Then you build on that basic proposition year after year.
- An employer brand requires a strategic, enterprise-wide Human Resources function rather than one based on tactical compliance.
- The employer brand should align with and support the community or organization brand so that both the internal and external brands are amplified. In companies with strong employer brands, the value proposition of the business is reflected in the actions of its people, at all levels and at all times.



- The employer brand infuses employee engagement at every level of the organization. From recruitment and orientation to learning and development, evaluation and recognition, employees should experience the employer brand through every touch point and through everyday interactions with leadership.
- Like other major initiatives, the employer brand, along with employee engagement and enablement, should be measured regularly and the results used to enhance ongoing performance.

THE EMPLOYER BRAND MODEL IN ACTION

COMMUNITY SELF EVALUATION TOOL



PLANNING THE PEOPLE STRATEGY

We have defined our People Strategy, goals and objectives	
We have assessed employees and candidates and understand why people want to work for our community	
We understand how employees perceive our employer brand	
We have defined our employee value proposition	
We tested the employee value proposition among employees and candidates to confirm it	
Our employee value proposition clearly distinguishes our community from other employers	
We have shared the value proposition with employees and have integrated it into policies, management practices and organization-wide initiatives	
Our employer brand is aligned with the community's external brand	
SUBTOTAL	

TALENT ACQUISITION

We have documented the skills and talents we need to accomplish our business goals and objectives	
We extend the employer brand message into the talent marketplace	
We have an employee referral program in which employees receive an incentive for referring people that are hired	
50% or more of our candidates come via employee referrals	
We assessed candidates and understand why they accept job offers	
We regularly update the community's website to include career information	
During the hiring process, we actively assess a candidate's cultural fit in addition to their functional skills	
We hire from within, when possible, through promotion and development	
We begin communicating with new hires before their first day of employment	
Our onboarding program includes an orientation to the community's culture and employer brand	
Our social media presence shows what it is like to work for our community	
We know why employees leave employment with our community	
We have a retention strategy that seeks to retain people within the organization	
SUBTOTAL	

COMPENSATION AND BENEFITS

We conducted a market-based compensation survey within the past 18 months and adjusted wages accordingly	
We have a compensation and benefits strategy that is aligned with our employer brand	

Through market research and employee/candidate input we understand the benefits that will attract and retain the talent we need	
We communicate openly and honestly with employees about changes to compensation and benefits structure	
SUBTOTAL	

LEARNING AND DEVELOPMENT

Managers and team leaders regularly receive training on how to deliver the employer brand experience	
Our learning and development program extends beyond required compliance training to include training to improve job skills and performance	
We train all employees on the behaviors we expect of them	
We offer specific training programs for supervisors to enhance their communication and management skills	
We provide coaches for all new employees	
We offer mentors for rising stars and leaders	
We offer career development programs for targeted employees	
We have career paths or ladders for many positions within and outside of nursing	
SUBTOTAL	

PERFORMANCE MANAGEMENT

We conducted a review of our performance management system within 18 months and adjusted the performance management process accordingly	
We have incorporated employee feedback into adjustments to our performance management system	
We provide year-round feedback to employees on their job performance	
We set and communicate clear job performance expectations	
Performance and compensation are clearly linked	
We evaluate performance and deliver incentives in a fair and consistent manner	
SUBTOTAL	

RECOGNITION

We use spot recognition to reinforce attitudes and behaviors of employees at all levels	
We publicly recognize and celebrate employees (via employee gatherings, in newsletters and/or online) who support the mission of the community	
In addition to managers, employees and residents may participate by recognizing employees	
SUBTOTAL	

CULTURE, MISSION AND VALUES

Our community mission and values are up to date	
Employees understand the mission and values of the community	
Storytelling actively celebrates employees who express the culture and values of the community	
The employer brand aligns with and supports the community brand	
Actions of managers and leaders are consistent with the community's mission and values	
Employees feel empowered to personally fulfill the community mission	
Employees feel that they "belong" at the community	
SUBTOTAL	

BEHAVIORS

We have established behaviors that every employee is expected to know and demonstrate	
Employees are educated on the behaviors we expect of them	
Managers and leaders are trained to recognize and acknowledge appropriate behaviors among employees	
SUBTOTAL	

ENVIRONMENT

Employees feel safe at work	
Employees feel accepted and respected at work	
The work environment enables collaboration among employees	
We foster a sense of playfulness and camaraderie	
SUBTOTAL	

COMMUNICATIONS

We have defined an employer brand look and feel and use it consistently	
The majority of employees know and can share our employer brand	
Leaders routinely share messages about who we are, what we stand for and how we behave	
The CEO and executive team fully embrace and publicly support the employer brand	
Stories, photos and videos are shared across various channels so that employees and prospects can see and share the brand	
We have and implement an ongoing communications plan	
SUBTOTAL	

METRICS

We have defined key performance indicators (KPIs) for the employer brand and regularly report on them	
We routinely conduct research – such as engagement and recruitment surveys and focus groups – to understand the effectiveness of the employer brand	
More than 75% of employees would recommend our community as a great place to work	
We routinely ask staff how they feel about the company and their position	
SUBTOTAL	
TOTAL	

HOW TO INTERPRET YOUR EVALUATION SCORE

SCORE BETWEEN 199 AND 325

Congratulations, your community is on its way to being recognized as an employer of choice among employees and job candidates. Continue to build upon your efforts by fully integrating the employee value proposition into all elements of the organization's HR policies, management practices and enterprise-wide initiatives. Ensure that leaders throughout the organization support the employer brand through their daily interactions with employees. Seek to further evolve learning and development, performance management and recognition programs. In particular, assess talent acquisition and onboarding for opportunities to strengthen cultural fit.

SCORE BETWEEN 66 AND 198

Your community has many of the elements of a strong employer brand in place, but may need to strengthen organizational commitment and resources in order to fully realize the benefits of being an employer of choice. Assess your evaluation scores to identify the greatest opportunity for immediate improvement and educate senior leaders and the board on the need for a strategic Human Resources function. Review the Employer Brand Framework to determine which steps need remedial attention and develop an action plan to address them; if necessary identify external partners with specific expertise to advise and implement components of the brand. Ensure that the Chief Executive Officer and members of the leadership team fully embrace the need for a strong employer brand.

SCORE 65 OR BELOW

Your community is not currently positioned as an employer of choice and is likely experiencing challenges in talent acquisition, employee engagement and retention. Educate your leadership and board on the benefits of a strong employer brand and conduct an honest assessment of your employer brand position among current employees and job candidates. Establish a task force comprised of leadership, Human Resources, Marketing/Communications and employees to review the Employer Brand Model and implement the six-step Employer Brand Framework. Identify and meet with partners to determine how they can assist in your employer brand journey. Communicate frequently and honestly with employees and celebrate successes along the way.



NOTES

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- ^{xiii} Glassdoor, *The Business Case for Employer Branding*, 2015

CASE STUDIES

The following employers of choice, culled from top senior residential communities, hotels and consumer packaged goods companies, provide insights to assist senior communities in developing their own employer branding initiatives.





CAPELLA™ HOTEL GROUP

Capella Hotel Group owns and operates a chain of ultra-luxury hotels, resorts, spas and residential properties as well as offering

hospitality and spa management services. Horst Schulze started the company after retiring from The Ritz Carlton Hotel Company as President. He retired on a Friday and by Monday, he was seeking office space for what became the Capella Hotel Group. His intention with the Capella Hotel Group has been to take luxury to the next level with a focus on individualized customer service and attention to detail.

Capella Hotels have 100 rooms or less, no check-in or check-out times and personalize each guest's experience by calling them in advance of their stay and asking them how their experience can be customized to fit their needs. At Capella, the profession of everyone who works there is customer service. The Capella Canon reads in part: "We deliver reliable, genuinely caring and timely service superior to our competition, with respected and empowered employees who work in an environment of belonging and purpose."

THE CAPELLA CANON

Finding the right people to live up to that mission takes a definitive process that goes beyond just hiring. Capella uses a five-step process that starts with selection, moves through orientation, training and development, a daily line up and extends to the environment that every employee works in.

Selection

Schulze selects employees for fit – not to fulfill a function. Belonging is the key. People want to belong to something, and when an employee leaves a company, no matter what the stated reason for leaving, it usually comes down to the fact that they didn't feel like they belonged. Capella uses an outside talent agency to help determine fit. Every employee hired goes through this agency.

Orientation

Employees enter orientation on their first day on the job. "We share with employees who we are, what we truly believe about ourselves, where we truly believe we want to be in five years, what our dreams are – our soul. If they like what we do, we ask them to join us," Schulze says. "But they have to understand once they join us, we have high expectations of them."

Over the three-day orientation, employees learn about the 24 Service Standards of Capella Hotel Group and are given the company Canon, Vision, Mission, Objectives and 24 Service Standards on a card that is more than symbolic. These are the key things that every employee must embody when they work for Capella. At Capella, the canon replaces the employee handbook and standard operating procedures.

Training and Development

Orientation segues directly into training and development in which employees are trained on their individual functions. Then, within two weeks of orientation, each employee takes an exam to be certified on her function.

In order to be certified, an employee must receive a 100 on their exam. If they do not, they take it over until they reach 100. "They're not failing. It's just that they do it over until they achieve 100. They have to know everything about their function, not 90 percent of it," explains Schulze.

The Line Up

At Capella, training and development never ends. To ensure that the canon of Capella is sustained, every day, every employee in every property, including Schulze and the corporate staff, participates in a daily line-up. During these line-ups, employees review one of the 24 service standards (the same standard is reviewed in every Capella line-up around the world).

Schulze acknowledges that some employees may get bored with this repetition. But just knowing the service standards isn't the point.

"I want everybody to understand forever who we are and that we have a canon. Canon means law." Capella employees continue to review and discuss the 24 Service Standards to keep them alive.

Environment

Environment is considered the final piece of the employment process. It is part of what serves to sustain that sense of belonging at Capella. Employees are paid what they are due, coached throughout their career at Capella and the performance and development process is very simple. Every employee is evaluated and given one of three ratings: 1) Consistently meets standards; 2) Needs some improvement; 3) Frequently exceeds standards.

THE RESULTS

Capella Hotel Group measures both guest satisfaction and employee engagement. It's hard not to see the correlation between the two. Guest satisfaction scores across the Capella Hotel Group average around 88 percent. Employee satisfaction is even higher with 91.4 percent stating they are satisfied and 97.9 percent stating they are fully engaged in the work that they do.

Schulze's favorite score, which he describes as "off the charts," is the 90.1 percent of employees who would highly recommend family and friends applying to work with Capella.

LEARNING FROM CAPELLA HOTEL GROUP

The objective of employees of an ultra luxury hotel group and of senior living communities are the same—providing unparalleled quality for guests and residents.

Schulze does this by creating a definitive philosophy, in the form of the Capella canon, and ensuring that it is a conscious part of the everyday culture and forms the basis for every decision and action by every employee.



Senior living communities can apply Schulze's Capella model by:

1. Committing their operating philosophy to paper and ensuring that it is part of the day-to-day community culture.
2. Subscribing to an employment process that reflects and applies that corporate philosophy to the selection and onboarding of every employee.
3. Developing ongoing training and development and performance management systems that continue to reinforce the organizational philosophy.



CHRISTIAN LIVING COMMUNITIES

If there were a poster child for Employer of Choice in the senior housing industry, Christian Living Communities in Denver would be one. The organization's employees are respected, valued and supported by management. They report enjoying their work and taking advantage of growth opportunities. They understand and share the organization's core values. And people in the area know Christian Living Communities by name.

Interesting, though, the three-community organization's leaders initially rejected the Employer of Choice concept.

Their issue wasn't about the qualities that defined Employers of Choice. In fact, becoming an Employer of Choice was once part of Christian Living Communities' strategic plan. But once leaders began to thoroughly study the concept, they quickly became discouraged by comparisons of their organization to companies like Google and Starbucks.

President of Christian Living Communities, Cindy Hogan, recalls, "When we asked ourselves, 'How do we apply these principles to a nonprofit?' we couldn't define what Employer of Choice meant to us. We finally decided that we were being unreasonable with ourselves."

Discussions shifted to industry leadership and the organization started using the word "engagement" to define ways for employees to feel motivated to stay and grow within the organization.

PULLING ALL THE LEVERS

Christian Living Communities' focus on engagement pulled many of the levers in our Employer Brand Model. Chief among them: learning and development. Its leaders also invested heavily in cultural training, changed its performance evaluation instrument, adjusted wages and made judicious use of bonuses. To improve talent acquisition, Hogan and her team tweaked hiring requirements to widen the pool of candidates for low-wage jobs.

Indeed, Christian Living Communities successfully addressed significant issues in all three areas where low-wage workers are concentrated: nursing, dining and housekeeping. Hogan, in particular, dedicated a third of her time to the acquisition and retention of low-wage workers – and efforts have paid off. Even in the area of dining, where turnover is still significant due to competition from Denver's 5,000 dining establishments, tremendous strides have been made, and organizational culture has been strengthened.

Starting from the Top: Leadership Development

Change starts at the top and the best way to lead is by example; when managers model, it's easier for employees to learn. With this sure knowledge, Christian Living Communities made leadership development and succession a strategic priority, as the top tier of leaders devoted significant time to intensive leadership skills training.

Today, monthly leadership training meetings are taught by in-house staff. And in 2015, for the first time, the organization held a middle management retreat for 30 employees, many of whom represented dining and housekeeping. Part of the time was spent asking managers what the senior leadership team is doing well, what can be improved, and what can be done to support them better.

Nursing: Reducing Turnover

In 2013, Christian Living Communities was bleeding CNAs, with a staggering 60% turnover rate. Upon investigation, the organization discovered a significant amount of turnover was occurring within the first three months of employment.

"When you join a care team, you have to work as a team," said Hogan. "But the culture was not welcoming. New associates were put through many trials to prove they could fit in."

A mentorship program was created to address the problem, with mentors assigned to model and teach clinical skills and how to be a good team member. "Folks just needed to be shown the ropes," said Hogan. "CNAs were doing things right technically, but they needed to be shown how to do things while ensuring the comfort of

the residents.”

The program has made a difference. Today, turnover within Christian Living Communities’ nursing department has dwindled to only 10%.

Dining Services: The Collaboration Remedy

With most of Christian Living Communities’ turnover coming from dining services, the organization turned to its food services vendor, Morrison, to partner in fixing the problem. Both organizations agreed on four goals, and Morrison dedicated itself to addressing them.

First, Morrison brought in a full-time dining services recruiter to focus on Christian Living Communities.

Second, Christian Living Communities and Morrison turned their collaboration efforts to the residents, who had been suffering lower service levels. “We asked our residents to help make the difference and help us greet and support new employees,” said Hogan. “And I have to say, they’re the magic here.”

Christian Living Communities also reengineered a work routine to increase the pool of candidates. Previously, candidates had been required to pass a test to prove that they could carry a certain amount of weight (dishes, trays, food, etc.). This test had been established to reduce injury and insurance rates but it turned out that many couldn’t pass it. So, the organization modified certain work processes, decreasing the amount of weight that workers would have to carry as part of their jobs.

The organization also suspended marijuana testing to increase the number of job candidates. “We discovered that the state of Colorado has been unable to define impairment from marijuana use, like they have done with alcohol,” said Hogan. “The fact that tests will pick up marijuana in a person’s system does not necessarily mean impairment, so instead of testing, we’re training managers to look for behaviors that are inconsistent with our culture and values.”

Environmental Services: Building a Ladder to Improve Morale

Christian Living Communities responded to negative feedback from its Environmental Services department by developing a career



ladder for that department. It has made a definite, positive difference in morale, and Hogan affirms, “their disposition has changed dramatically.”

The organization now wants to build a career ladder for dining services, too, once the department is stable enough to generate the mentor corps necessary for success.

Other Human Resources Levers

Christian Living Communities has been working across the board to improve all aspects of its employer brand.

Its leaders adjusted compensation for low-wage workers last year, but now find that the pace of change is so fast that they must monitor wages on a monthly basis. The organization is also developing contingency plans for the possibility of the minimum wage rising to \$15.

In a related move, Christian Living Communities is moving to eliminate part-time positions because employees want to work full time and are not happy otherwise.

The organization also included low-wage workers in its high performance bonus program. Most recently, an across-the-board bonus was given to dining service workers in one of the three communities whose director was leaving. The organization wanted to retain as many employees as possible and as Hogan explained, “Leadership transitions are hard, and organizations are particularly susceptible to flight at such times.”

Finally, Christian Living Communities changed the way they did performance evaluations. “We had the usual ‘let’s talk about your strengths and weaknesses, and let’s fix your weaknesses’ talk,” said Hogan. “And then we had a revelation while watching our Morrison directors conduct their quarterly stay interviews, which were positive. They were around the idea of what would keep you in this organization? What do I need to do to work with you better? And we saw that those conversations were more anticipated and more valued than the traditional appraisal.” The organization borrowed this strategy, adding its own questions: What strength do you have that we’re not using? What is the next job you would like to have in this organization?

The Culture Component

Christian Living Communities’ previous Chief Operating Officer had a background in hospitality and moved the organization away from a paradigm of care to one of hospitality. The organization conducted hospitality training and will unveil a new training program next year called “Promises,” which will be incorporated into an expanded two-day onboarding session. Hogan expects the program will help increase employee engagement, retention and resident satisfaction, and will monitor and measure all three variables.

Another aspect of the revamped orientation is something so basic that it could be easy to overlook: working with seniors.

“When I started, almost everyone wanted to work with seniors,” said Hogan. “People grew up around grandparents, but fewer young people hang around grandparents these days. So many of the folks who are showing up to work for us haven’t worked with seniors before. And our seniors are sharp; they have expectations. They have led very successful lives, are well spoken and that can be intimidating. Our young employees, they know how to be respectful, they just don’t know how to interact.” The new program is designed to help employees better understand their residents’ perspectives and improve interaction.

The efforts Christian Living Communities have taken to improve the acquisition and retention of talent and the lives of employees has been extensive and carried out over a number of years. The organization may not have been acting under the banner of Employer of Choice, or even employer branding, but the spirit and content of their actions align with both. They are an excellent example of how a senior living organization can implement an employer brand and generate powerful, tangible improvements.

EVANGELICAL HOMES OF MICHIGAN

Exceptional Services, Innovative Solutions

In what CEO Denise Rabidoux described as “a journey around really describing our brand identity and service differentiation,” all 1,100 employees of Evangelical Homes of Michigan (EHM) had a voice.

“One thing that came up was the idea of who is our customer,” said Rabidoux, “and it became loud and clear that the employees, our team members, were treated as if they were a valued customer... So, that was very rewarding for me.”

And a seemingly just reward for persevering over years – Rabidoux became CEO in 1999 – to transform EHM’s culture, and to ensure that individually and collectively the organization lives up to its potential.

“The only way to deliver on the expectations of our clients is to make sure we realize that if we do not have happy and satisfied team members we could never deliver on the stated and desired goals of the client,” said Rabidoux.

Christian Living Communities, the subject of another case study, and EHM share much in terms of what they have done to build their Employer Brands: trained employees in organizational culture, transformed performance evaluations, developed career ladders and moved to eliminate part-time positions. But one aspect of their approaches differ significantly: Christian Living started by developing its top tier of leaders while Evangelical Homes used a bottoms-up approach.

No Stripes

EHM does not have a retention/turnover problem compared to similar organization. With 1,100 employees spread over eight locations and multiple home-based services, the organization had only five vacancies at one point earlier this year. And while Evangelical has implemented an array of programs to engage employees, “the most significant change in our workforce I’ve

ever seen” came from two labelling changes: “employee” became “team member,” and everyone’s badge was reissued with “team member” instead of the individual’s title.

“The people who had the hardest problem with it were the execs, but the employees embraced it,” said Rabidoux.

As significantly, when EHM scrapped its performance evaluation methodology a few years back, it engaged all employees in defining the criteria upon which everyone would be evaluated.

From Radical Engagement to Radical Hospitality

Transforming performance evaluations was a major element in an overarching effort called Partnering for Performance. “We had a full day retreat with clients, residents, team members



and family members and asked ‘what is the Evangelical Homes of Michigan’s difference?’” explained Rabidoux.

“And we created what we call Mission-Driven marks of distinction.”

As of this date, team members have developed two marks of distinction: radical hospitality and teamwork. Here’s how Evangelical defines the former:

- Create a positive first impression

and portray a willingness to serve as evidenced by consistent use of body language, a smile, meeting clients at their level, and a genuine approach with clients and their family members.

- Protect the dignity of each client by conveying kindness, compassion and helping them maintain a sense of control and independence.
- Utilize positive and open communications in a professional manner with clients, as evidenced by active listening and asking for feedback on how they like to be cared for.

Rabidoux said that ideally, they would define be two additional areas of competencies, and that she expects that team members will add mission-focused delivery of care to the list. Most importantly, however, is that employees “have embraced this Partnering For Performance self-evaluation process,” said Rabidoux.

Ensuring Success One Team Member At A Time

Like other organizations, Evangelical works hard to hire people who fit in its culture and who want to grow within the organization. What it does perhaps better than most is invest to ensure success. And it does so from a bottoms-

up perspective; every employee is treated the same.

The journey begins with onboarding. Evangelical’s cultural component in this process is called “Engaging Hearts and Minds” and every new employee participates in this session within the first 90 days. “We actually talk about what it means to be an employee that engages their hearts and minds,” said Rabidoux. “We talk about what we expect from an Evangelical Homes employee and what is that EHM difference.”

The EHM difference in cultural training is that it’s ongoing; every employee is in the process of re-boarding, going through “Engaging Hearts and Minds” again. Sessions take place every six weeks, moving from one location to the next.

Another significant difference is how EHM monitors its new hires within the first 90 days - that critical time period in which turnover can be very high. Rabidoux uses a call center to reach 100% of new hires, not once, but four different times during the first 90 days.

The first contact occurs 72 hours after an employee starts. “The call center will ask them how their first three days has been,” said Rabidoux. “Do they feel comfortable? Have they met their executive director? Have they met their supervisor and coach? Have they heard about Partnering for Performance? Do they know about Evangelical Homes’ core values and what we believe in? And have you felt welcomed?”

Critical to the success of this process is how management responds. Any time a team member answers “no” to a survey question the executive director is automatically notified. For example, if a new hire has not met the executive director, the executive director is notified, and will then reach out to that employee.

At the end of the first 90 days a third mechanism to ensure personal and team success kicks in: the supervisor/coach engagement. Assigned to every employee, supervisor/coaches ensure performance against Evangelical’s marks of distinction; indeed, it



is the supervisor/coach, who may or may not be the direct supervisor to an employee, that facilitates a team member's annual performance review. Supervisor/coaches highlight occasions in which an employee exemplified radical hospitality or teamwork, and also speak up when performance falls short of expectations.

Rabidoux considers Partnership For Performance to be a smashing success. "If you really want to have employees that are engaged in performing at their peak, you have to be a partner with them," said Rabidoux. "We're all on the journey together as partners and team members. And none of us is better than the other; we are just called during our workday to do different jobs."

Beyond the Workplace: Using the Smiley Face

More organizations are taking up the banner of work-life balance. Evangelical is doing so in a particularly engaging way by monitoring the happiness of its employees. As team members punch in they indicate their level of happiness in the moment by rating it on a multi-point smiley face scale using a technology device called "Happy Or Not;" they do the same when they punch out.

When Evangelical initially tested the program, management was surprised to discover that "only" 70% of employees were happy at the start of the workday.

"I don't know why that surprised us," said Rabidoux, "because if you think about that it's pretty stressful. Our workforce has younger children. There could be the pressure of finances, there could be the pressure of a child in college."

As a result of the survey, all-staff meetings were held to discuss how EHM could help team members achieve greater work-life balance. From that action alone came an improvement of 10 percentage points. "I think the most powerful thing that happened with 'Happy or Not' was the ability to have a conversation with employees to really let them know we care," said Rabidoux.

More concrete actions also arose from the Smiley Face scale. For example, rather than

eliminate the annual wellness benefit of \$75 extended for every team member, Evangelical decided to retain it.

Beyond the Smiley Face initiative, Evangelical boasts many programs and activities to engage team members such as wellness programs, book clubs and food drives. "I believe that's a reflection of employee engagement," said Rabidoux about the food drives. "They collected 3.3 tons of food to fight hunger. That's pure employee engagement at its finest because it was about making the world a better place, not about (making) Evangelical Homes a better place."



Focusing on Retention and Turnover Where It's the Worst

Evangelical has a home care business, and like all such businesses, it faces a difficult challenge in turnover and retention. The fundamental issue: employees want to be full-time in what has long been viewed as part-time jobs. Irregular schedules and low pay compound the problem significantly. One logical result: employees often work for multiple home care companies.

"I think what's happening in the industry is that the brand gets dissolved," said Rabidoux.

“An employee today is wearing our logo and tomorrow they’re wearing someone else’s logo. I’m always asking ‘what would it take for you never to put that other shirt on?’” Moreover, the fact that home care workers deliver their services off campus means that organizational culture is significantly weaker among this group of employees.

Evangelical addressed these issue by allowing employees to work in other areas of the organization in order to accumulate 40 hours a week and be eligible for benefits. In addition, to imprint the “EHM difference” in home care, Evangelical has been “very diligent about work force team meetings.”

Although Evangelical Homes of Michigan has not actively promoted itself as an Employer of Choice, it feels that it could, and rates itself an “8” on a 10-point scale in meeting Employer of Choice criteria.

As an example of how prospective employees perceive Evangelical, Rabidoux spoke about an Executive Director candidate that came in for a second interview. “Her comment was that in both visits, from the time she entered for her first interview to a second visit she felt radical hospitality,” said Rabidoux. “I would say that outsiders believe that we’re mission-driven, we’re culture-driven, and that we do act differently.”



“We pay them (to attend meetings) because you’re not going to get a private duty home health aide to come in unless you say ‘come and punch in, and we’re going to pay you,’” said Rabidoux “Not only that, but we have those meetings at our communities so that they can see that they’re part of a bigger picture.”

Again, Evangelical’s efforts paid off: it used to have 25% turnover in home care; it is now 15%.

THE PEOPLE PHILOSOPHY OF



Kimberly-Clark, the consumer products company best known for paper-based products such as Kleenex, Kotex and Cottonelle, was flying high at the turn of the millennium.

It was one of 11 companies that Jim Collins wrote about in his 2001 instant business classic *Good To Great*. Former Kimberly-Clark Chairman and CEO Darwin Smith “bet the company” by selling off its paper mills, which generated the vast majority of the company’s revenues. He then focused on consumer products, taking the fight to long-established leaders Procter & Gamble and Scott Paper. And in 2004, Kimberly-Clark was named one of the “Great Places to Work in America.”

But around 2005 the company began to slide, losing market share and market value. The culture of Kimberly-Clark had been patriarchal for nearly 140 years; employees stayed for entire careers regardless of performance. Whatever inherent difficulties the company had, they were magnified by the recession; change was overdue.

“Even though we talked about people being our greatest asset, we didn’t act like it,” recalled Liz Gottung, Kimberly-Clark’s Chief Human Resources (HR) Officer. “And it didn’t feel like it if you were in the company.”

“Unleash Your Power”

The company’s response came in 2010 with a five-year global business plan with four strategic imperatives: grow people, top line revenue, bottom line contribution, and innovation. At the tip of the proverbial spear: a plan to “Unleash the Power of Our People.”

“This focus on our people wasn’t just words but an intentional strategy to nurture employees in a way that would create positive results for the company and make us more attractive as an employer,” Gottung explained.

Gottung and Frans Mahieu, her newly hired Global Human Resources Marketing Director, applied the same discipline the company uses for marketing to consumers to developing the employee value proposition: understand what the customer wants and deliver on things that they value.

Thus, the seven aspects of Kimberly-Clark’s People Philosophy were based on the employee journey: Welcome, Dream, Grow, Win, Celebrate, Live Well and Give Back. Behind those aspects came a host of initiatives and programs designed to increase employee engagement, performance, retention and pride.

“Dream,” for example, offers the ability for an employee to develop a career path within Kimberly-Clark. After submitting her plan, an employee discusses options with her manager and maps out a skills acquisition and development process.

“Live Well” reflects the company’s stellar health and wellness program along with a new



policy on flexible work arrangements and agile workspaces designed to enable collaboration and creative thinking.

And “Win,” which includes compensation and performance management functions. The compensation approach was aligned to market conditions, and performance management was transformed from the old annual review model to an ongoing approach that includes ongoing feedback and conversations with one’s direct supervisor, and coaching and mentoring throughout the year.



Plan Globally, Deliver Locally

In forming its people strategy, Kimberly-Clark faced the added complexity of speaking with 43,000 employees in 63 countries. The emerging Employer Brand needed to work across language and cultural differences and resonate with employees in all locations. The result was a global framework that was adapted regionally to meet the specific needs of local employees.

“Growing talent was a business imperative,” noted Gottung. “For the company to succeed, we had to transform the culture. We needed each employee to be accountable for her or his performance. To do that we needed great leaders.”

Leaders throughout the organization were educated on the People Philosophy and the company continues to offer constantly evolving learning and development programs for leaders at all levels. In addition, the company rolled out its One K-C Behaviors, a set of six behaviors, such as “Build Trust” and “Think Customer,” that employees must know and practice if the company is to achieve its goals. Everywhere in the company, the six behaviors are known, embraced and focused upon. They crop up in conversations all the time. And leaders not only speak to them constantly and provide examples of these behaviors in action, but most importantly, they emulate those behaviors themselves.

Unfurl the Flag

Developing a long-term people strategy, addressing compensation and performance

management issues, working with employees on their learning and development agendas—are critical aspects of the Employer Brand Model.

But Kimberly-Clark also excelled at grasping the importance of communications and making the necessary investments. The company used the same methods, processes and tools that its consumer marketing team employed to market its global products. Based on input from employees and candidates, the company developed and implemented dozens of initiatives in support of the Employer Brand including a global recruitment program, new learning and development programs including the online “myKCU,” the introduction of a human resources information system, and a diversity and inclusion program.

Reaping the Benefits

Since beginning the employer branding initiatives five years ago, Kimberly-Clark has seen significant improvements in talent acquisition, engagement and retention including:

- Increased percentage of employees who feel proud to work at Kimberly-Clark
- Rated World Class in terms of employee engagement and enablement according to engagement surveys performed by the Hay Group/Korn Ferry
- Increased percentage of employees who report that they understand the company’s goals and strategies
- Improved talent acquisition, especially among recent college graduates
- Improved diversity, including the percentage of women in middle management and leadership roles
- And a stock price that has gone from the \$60 range to \$110+

Ninety-seven percent of employees participated in Kimberly-Clark’s most recent employee engagement survey. Beyond measuring engagement, the survey also measures enablement. “You can have an engaged workforce but they may lack the tools, leadership or communication to accomplish what they are asked to do,” Gottung explained.

Latest results report that 77% of employees are engaged and 74% are enabled to perform their best.

Importantly, Kimberly-Clark traded its entitlement culture for one that focuses on performance and personal accountability. Company revenues are up, as is its stock price. Kimberly-Clark is once again recognized as an outstanding employer having made a number of impressive lists: the World's Best Multinational Workplaces, World's Most Ethical Companies, Top 125 Training Companies, Catalyst Award for Developing Women Leaders and multiple employer awards in countries ranging from America to Vietnam.

Lessons Learned

While the experiences of a global consumer products company may not immediately appear to be relevant for the senior residential market, many of the lessons learned by Gottung and her team at Kimberly-Clark can be readily applied to our industry. Consider these:

- **Lead from the top.** Any successful employer branding initiative must begin with and continuously be supported by organization leaders.
- **Understand it is a journey.** Building an employer brand is a multi-year engagement that requires a strategic commitment from the organization to stay the course.
- **Market vs. Communicate.** When planning your employer brand strategy, think like a consumer company and view your employees as consumers. This shift in mindset will lead you to consider their needs, wants and expectations and respond with programs and messages that resonate.
- **Launch, check and adjust.** Adopt an attitude of continuous improvement. Look for opportunities to capture feedback from employees and factor that into future initiatives.
- **Raise the bar.** Don't hesitate to set high expectations for your employees and provide them with access to the tools

and resources they need to succeed.

- **Know when to supplement the team.** Most administrative and HR teams will need to source outside experts to bolster the in-house skill set. Look for partners with employer brand and change management communications to help develop the employee value proposition and launch the employer brand.



ABOUT MORRISON LIVING

Morrison Living, a member of Compass Group North America, is the nation's leading provider of food, nutrition and wellness, environmental, and hospitality services to the senior living industry. Celebrating over 99 years of quality care, personalized dining solutions, and service with a passion and purpose, the Atlanta-based company serves over 21 million residents at 475 communities nationwide. Morrison Living employs over 200 registered dietitians, 200 executive chefs, and 5,800 hospitality professionals who are actively committed to serving fresh, local, and authentic foods through socially responsible practices and superior customer service.

To share in our hospitality experience, visit us at www.MorrisonLiving.com.





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