The 2015 Employer Branding Report
Association and Nonprofit Edition
EXECUTIVE SUMMARY

"I hear it’s a great place to work."

It’s a deceptively simple statement - yet one that has far reaching consequences for all employers as it speaks to their reputation as a place to work – their “employer brand.”

The advance and ease of technology combined with the growing influence of the Gen Y / Millennial generation is having a profound impact on the workplace, resulting in a more competitive environment for recruitment and retention of staff.

This year’s report demonstrates growth and challenges in the association sector. More than 50% of those surveyed increased their number of staff in 2014 and even more plan staff increases in 2015.

It is said that one, great hire can change an organization. The impact of that one, great hire is felt most acutely at small staff associations where harmony among staff and the disruption caused by a staff vacancy deeply affects workplace environment and productivity. That being said, the issue of staff vacancies continues to be felt at all associations, regardless of size. More than 70% of all organizations report at least two and up to one dozen staff vacancies at the outset of 2015.

The generational profile of the nonprofit workforce is changing, as well: there are now four generations working side-by-side and more than 60% of organizations report that Gen Y / Millennial employees comprise more than 50% of their staff.

Along with Gen Y / Millennial is the resilient Traditionalist (born prior to 1946) generation. Organizations are only now beginning to examine policies and programs to accommodate an aging workforce. SHRM recently announced a three-year study, The Aging Workforce Research Initiative, which will articulate the best practices for an aging workforce.
EXECUTIVE SUMMARY (cont’d.)
Salaries are on the increase, particularly for executive and director level positions, and rise significantly based on the size of an organization’s operating budget. For example, CEOs and Executive Directors at organizations with a 1M to 2M budget may earn 150K while their counterparts at organizations with budget sizes of 10M to 20M may earn 500K. Meanwhile, most early career and mid-level salaries remain stubbornly similar across all budget levels.

Employers want to identify the right talent for hire and retain the best people, longer. Efforts are being made to present the best employer brand to candidates but oftentimes there is a gap between management’s perception of the organization and the candidate’s perception of the organization.

Ultimately, the organizations that are willing and able to drive transformation – of culture, technology, and the hiring process – will gain access to the best candidates.

CURRENT HIRING ENVIRONMENT
Identifying Candidates
A perfect storm is brewing today. There is a flood of resumes – more than 50% of respondents reported receiving twice as many resumes for open positions in 2014 than they received in 2013 – yet identifying qualified candidates has never been more challenging.

There are several factors contributing to this phenomenon:

Gen Y / Millennial candidates, admittedly, will apply to jobs they do not possess the core skills for. Considering there are currently 24 million people between the ages of 28 and 32 in the U.S. workforce today, that means hiring managers are receiving far too many resumes that lack the basic requirements of the position.

There are very few staff members dedicated to human resources and recruitment at associations and most report screening resumes manually. That may be sustainable when recruiting for two to three positions a year and receiving 100 resumes per position but not when recruiting for many more positions and receiving 500 resumes per position.

There is a deficit of mid-level professionals - particularly for key positions in marketing, technology, communications, and meetings - primarily because the majority of candidates with the required experience reside with Gen X talent and there are simply fewer people in the U.S. population from that generation than there are Gen Y / Millennial and Baby Boomers.
Accepted Offers
More organizations are reporting an increase in declined offers or losing the ideal candidate to another employer. The top reasons candidates decline or drop out of the process are:

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<thead>
<tr>
<th>Reasons Candidates Declined Offers</th>
<th>%</th>
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<tbody>
<tr>
<td>Compensation</td>
<td>71%</td>
</tr>
<tr>
<td>Growth Opportunities</td>
<td>34%</td>
</tr>
<tr>
<td>Workplace Culture</td>
<td>28%</td>
</tr>
<tr>
<td>Duration of Hiring Process</td>
<td>24%</td>
</tr>
<tr>
<td>Institutional Direction</td>
<td>21%</td>
</tr>
<tr>
<td>Location</td>
<td>9%</td>
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There are several approaches to improving the rate of accepted offers:

**The Candidate Experience**
Recruitment may start online but it continues in-person. Internal agreement on the position, a fleshed out job description, an internally communicated plan for the interview and hiring process, and a realistic timeline for hiring are all essential components to coordinate prior to recruitment.

A poor candidate interview experience extends beyond the privacy of the office and often results in negative word-of-mouth about the employer: 38% of candidates report sharing a negative interview experience with friends and family while 8% report vowing to never use a company’s products or services again.

Tony Hsieh, Founder and CEO of online retailer Zappos, was so concerned about the impact of thousands of candidate rejection letters on Zappos.com product sales – and the overarching Zappos brand - that he no longer utilizes recruitment advertising (which had resulted in massive waves of resumes) and instead relies solely on a team of five recruiters to proactively identify candidates.

**Mobile Technology.**
More than 40% of candidates will not apply for a job if they cannot apply via their phones or tablets and that number is expected to rise. Not dissimilar to employers who will automatically discard a resume that does not include a cover letter, there is an entire segment of candidates that will ignore a recruitment ad that does not present a mobile application option.

**Human Resources Capacity and Skill Set.**
The crucial job of identifying and recruiting talent should not be a side project that an office manager or administrative assistant makes time for. Additionally, HR staff may be excellent administrators, benefits managers, and legal experts, but are not necessarily marketers – and in a competitive hiring environment, the best candidates may need to be persuaded to accept an offer.

**Competition from Private Sector**
The lines between the nonprofit and private sectors are more porous today. As the competition for talent increases, companies are hiring people from the association sector. Conversely, most associations cannot compete with the private sector for talent on compensation, hence communicating a clear and compelling employer value proposition is essential.

**Perception of Employer Brand**
To help determine employer value proposition, organizations need a clear understanding of what is being said about their employer brand, or the perception of their associations as “a place to work.” Only then can organizations begin to implement an employer branding strategy.
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HOW CANDIDATES RESEARCH US

Employers are still Googling candidates, but candidates are most definitely Googling employers – and what they find isn’t always pretty.

Social media and technology has put research at the fingertips of every candidate. As a matter of fact, candidates now consult an average of eight different sources for information on employers before they walk in the door for a first interview.

Qualities candidates crave in a new employer are:
- Fair Compensation
- Meaningful Work
- Growth Opportunities
- Trust in Leadership

However, the top reason candidates cite for accepting a position today is its reputation for treating employees well.
THE 2015 EMPLOYER BRANDING REPORT

HOW CANDIDATES RESEARCH US (cont’d)
Salary is less significant a factor in accepted offers than ever. 67% of candidates would accept an offer lower than their “bottom line compensation requirements” if they discovered exceptionally positive reviews online and/or had a positive interview process experience.

Employer review sites such as Glassdoor, Indeed, and CareerBliss now shape the majority of employer brand perceptions.

What was once difficult for candidates to uncover – and what was once confidential, proprietary employer information - is now exposed. Employers must be part of the employer review site conversation because the conversations are occurring with or without employer contributions.

BUILDING A POWERFUL EMPLOYER BRAND
Building Blocks
The employer brand differs from the overarching brand in that it is the reputation of an organization as an employer. Similar to traditional reputation management, employer brand is influenced by managing perceptions.

Successful employer branding programs recognize that traditional marketing strategies and tactics must be utilized: the “product” is employment, the audiences are qualified candidates and key staff, other employers are our competitors, and there are messages that must be developed and tactically deployed to the audiences. Employer branding requires discipline and collaboration between executive staff, human resources, technology, marketing, and communications.

Ultimately, the key to successful recruitment starts with current staff and the culture – and understanding why some employees stay and why some leave.

Retention
71% of the job market is open to a new job at any time. Regardless of whether employees have worked a company for six months or twenty years, there is remarkably little workplace loyalty.

Considering that the average replacement cost is $10,000 and that it takes approximately four months to fill a position, the objective for all employers should be to retain good people for as long as possible.

When asked which factors influenced resignations, the following reasons were cited:

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<thead>
<tr>
<th>Factors Influencing Resignation</th>
<th>Percentage</th>
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<tr>
<td>Feeling Burnt Out</td>
<td>9%</td>
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<tr>
<td>Benefits (flex time, etc.)</td>
<td>10%</td>
</tr>
<tr>
<td>Training &amp; Mentoring</td>
<td>11%</td>
</tr>
<tr>
<td>Institutional Direction</td>
<td>26%</td>
</tr>
<tr>
<td>Workplace Culture</td>
<td>32%</td>
</tr>
<tr>
<td>Hit Growth Ceiling</td>
<td>44%</td>
</tr>
<tr>
<td>Compensation</td>
<td>54%</td>
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Adding to the retention conundrum is that Gen Y / Millennial has a different approach to careers and to work / life balance. Expectation is that they will spend 18-24 months at each of their jobs and hold as many as 25 jobs in 50-year careers. Workplace culture is a significant influencer in retaining Gen Y / Millennials.

Walking the Walk
“Buyer’s remorse” – or losing a new employee before they reach the six-month mark - is on the rise. The top reason cited by exiting staff is that the job was not what it was described as during the interview process.

Consumers may be persuaded to try a product once, but if it does not live up to their expectation, they will cease using it and will not recommend it. In today’s social media environment, they will likely even recommend against it. Employer brands are similar to consumer products in that negative experiences tend to be publicized more than positive experiences. The best employer branding campaign can be crafted and implemented, but if organizations are not authentic and don’t “walk the walk,” it’s all for naught.
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**Employer Brand Audit**  
Prior to devising an employer branding campaign, the reasons some staff leave while others remain must be determined. An employer brand audit, whether research performed by a third party or in-house, is crucial to identify challenges and determine employer value proposition.

The most successful employer brands partner with their staff from the onset, urging accuracy and honesty during the audit phase and frequently communicate with staff throughout implementation.

Some groups will discover that they must take a radical approach to revising their organization, such as reorganization, while others will find that they possess the essential building blocks for success and need only devise and execute a strategic employer branding plan.

**Core Values and the Overarching Brand**  
However, employer brand cannot be assessed and determined without examining core values. Talent is the backbone of every organization and whether in the business of providing services, products, or ideas, employer brand is an extension of overarching brand.

**Everyone is a Recruiter**  
Employees are the single-most influential group insofar as workplace endorsements. It is not uncommon for the best employer brands worldwide to have a high incidence of friends and family working together because when people feel passionately about their employer, they want their friends and family to share the experience with them. Likewise, candidates are most influenced by friends and family possessing first hand experience of an employer: 73% of candidates would accept a job with a lower salary if their friends and family said it was a great place to work. Candidate referral bonuses are often cited as the most cost-effective recruitment method available to employers.

**Staff Ambassadors**  
Enlisting staff as brand ambassadors and extracting and converting their stories into employer brand marketing materials is an important part of conveying authenticity and transparency to candidates.

Many associations now include staff videos on the recruitment section of their Websites. But staff needs to be encouraged to advocate and share. Many employees cited the reason they did not utilize social media to promote jobs at their organization was simply because they did not know they had permission to do so.

**Alumnae Network**  
Former employees are often blamed for posting negative reviews on employer review sites. While that may be true, the majority of employees resign with no hostility toward their former employer. Cultivating relationships with former employees is a potent method of tapping into their network for referrals and their testimonials provide a powerful influencer for candidates.

**Metrics**  
The commonly accepted metrics for human resources - such as number of qualified candidates, number of accepted offers, and retention rates - can be utilized to help measure employer branding success but data from employee satisfaction surveys, monitoring social chatter, and third party media endorsements (such as "Best Place to Work" media recognition) provide a more robust perspective.
CONCLUSION
The workplace has changed dramatically. Propelled by a youthful workforce, demand for benefits such as flex time and telecommuting is increasing while more extreme management theories such as ROWE (Results Only Work Environment) are beginning to take root.

Technology, hiring processes, and workplace culture need to transform. But driving transformation requires strong leadership and time while competing for talent demands speed and agility.

Authenticity and transparency are the attributes candidates seek most in employers, but employers are slow to react and many still operate in a culture of secrecy.

Ultimately, the employer brand – the perception of the employer as a place to work – will be defined by others unless employers tell their employer brand story directly.

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ACKNOWLEDGMENTS
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