

PATAGONIA

Human resource management (HRM) can be one of the most exciting and fun parts of a firm depending upon management commitment to the workers' needs. No company reflects this commitment better than Patagonia. Patagonia's HRM doesn't have to worry about where it's going to get its next worker. Workers are lined up to get a job there. Why? Because this is a firm with passion—passion for making the best products possible, passion for making its employees happy, and passion about the environment.

Patagonia believes that a great business begins with great products. Who could argue with that? Great products meet the needs of customers. In this case, that means that they will be long-lasting and are backed by a full guarantee. But great products do more than satisfy consumers. They also have a minimal impact on the environment.

Workers at Patagonia are pleased that the company's commitment to the environment is not just a slogan. Ten percent of pretax profit goes to environmental groups of all kinds. Employees are encouraged to get to know these groups and to participate in selecting the groups that receive the company's donations. If an environmental group is not familiar with best business practices, such as writing a business plan, Patagonia will give them that training.

Given that thousands of people are willing to work for Patagonia, how does the HRM department choose which ones to hire? They are looking for people who are as passionate as they are. What kind of passion? Any kind: a passion for cooking, for cleaning, for life. When your employees have passion, they will stick with you. That's why the turnover rate at Patagonia is a low 4 percent a year. Some businesses have a turnover rate approaching 100 percent a year. Such businesses have to constantly train and retrain their employees. Patagonia can put all that effort into satisfying the needs of employees who want to stay.

What does the company do for its employees that make it stand out from other companies? For one thing, Patagonia knows that parents often feel uncomfortable leaving their children with child-care centers. Not at Patagonia. The company provides onsite day care—and they did so long before other companies even dreamed about offering such a benefit. Children thus become part of the company's atmosphere. There are children everywhere, and the parents feel comfortable having them near.

All employees have those days when the sun is shining and nature is calling. You simply can't get your work done because you are dreaming about fishing or golfing or mountain climbing or whatever. How would you like it if your manager said, "Go ahead, take off. Have fun!" How can a company do that? One way is to have a flexible work schedule. With such a schedule, workers can take off early or come in late when the "surf's up." That is, when recreation calls. The top managers of Patagonia have a passion for sports and sports equipment—the kind that Patagonia sells. Since they expect their employees to have the same kind of passion that means letting them go when they need to go. What is the result? That employee passion comes across to customers, and they buy more. It's a win, win deal for the company. Employees are happy with the freedom they have and the company is happy with the productivity that such freedom creates.

What other company offers surfing lessons for its employees? Perhaps there are few companies that let their employees leave when the surf's up, but there are many other companies that offer employees flexible work schedules and other incentives that allow them to balance their work and personal lives. These companies also have workers who are passionate about the company and their work. Who organizes all these activities for workers? HRM.

- 1.. ***Patagonia stresses the importance of hiring employees with passion – a passion for anything, not just sports. Why do they place such importance upon passion? Why would they think that someone with a passion for something unrelated to sports (i.e. cooking) might be an excellent employee for their company?***
2. ***What effect do Patagonia's practices of providing child-care and donating to environmental groups have upon employee productivity and retention? Why?***
3. ***Can you see possible abuses of a flextime program? What could a company do to prevent such abuses before they occur?***
4. ***Share with your fellow students the culture or benefit you most proud of at your place of employment.***
5. ***Lastly, research the web and share with your students another company or organization that would be great to work for. Explain why, and provide a link to the company's website, or an article that supports your research.***