

FIND AND KEEP.

Improve Talent Acquisition and Employee Retention

August 11, 2021



1



Glenn Edwards

Technical Specialist

© IMEC All rights reserved.

2

Igniting Illinois Manufacturing Excellence and Global Competitiveness



With more than 50 full-time staff and partners positioned statewide, IMEC assists more than 1100 companies each year with successful improvement and innovation projects.



3

2020 Client-Reported Impacts



\$1,565,873

Aggregate New & Retained Sales



6,176

Jobs Created & Retained



1,144

Companies Assisted



\$79,640

Average Cost Savings



19:1

Return on Investment

\$646,455,900

Aggregate Impact to Illinois Economy

**Reported on annual NIST-MEP manufacturing survey*



4

Workforce Challenges

There is without doubt a common challenge for companies today. . .

***“I can’t find people, especially qualified,
and I can’t keep them”***



Challenges do not go away on their own. Develop strategies to use the tools and resources to overcome the challenges. Talent Acquisition and Retention.



5

Talent Acquisition

We can’t find people....



Hiring- employ someone for wages. And the jobs filled..

For now..

6

Talent Acquisition

We still can't find people....

Hiring- employ someone for wages. And the jobs filled..



AGAIN

Talent Acquisition- the process of identifying and acquiring skilled workers to meet organizational needs.



7

Retention

We can't keep people....



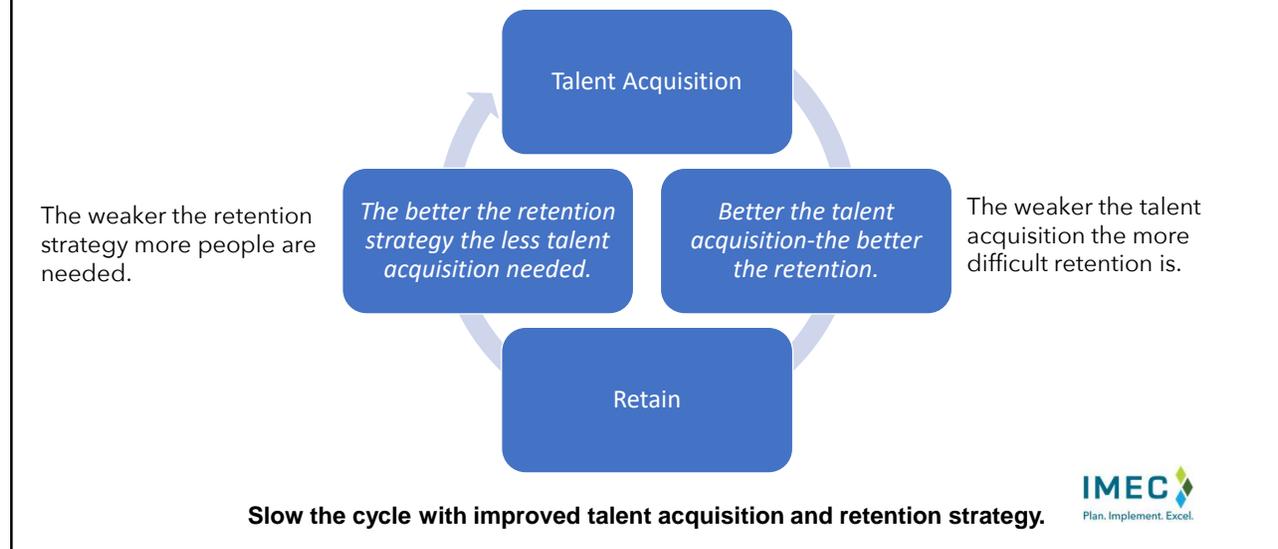
Retention- the ability of an organization to retain its employees.

Retention strategy- a plan that organizations create and use to increase retention/reduce employee turnover and foster employee engagement.



8

Talent Acquisition & Retention



9

Which has more potential impact on workforce stability- talent acquisition or retention?

© IMEC All rights reserved.

10

Talent Acquisition

Talent Acquisition- the process of identifying and acquiring skilled workers to meet organizational needs.

Key Points:

- Strategic Plan
- Pipelines being utilized
- Pipeline effectiveness and efficiency



11

Talent Acquisition

Strategic Planning Key Elements

- Leverage data- area unemployment, candidate sources, effectiveness
- Employer Brand Awareness- campaigns, videos, social networks, community connections, other engagements
- Acquisition marketing material
- Collaboration & Innovative thinking- understand the audience
- Candidate Engagement through the recruiting process, communicate, explain the steps, move quickly once a candidate is identified
- Pilot, Fall, & Learn- adapt



12

Talent Acquisition

Talent Pipeline options/examples

- Direct Hire
- Temp Agency
- Company Website
- Referrals
- Military Veterans
- Inclusive Workforce, neurodiversity
- Apprenticeship
- High School
- Local jobs.com
- Local TV and Radio



13

Talent Acquisition

Talent Pipeline options/examples

- Job Fairs-virtual & in person
- Facebook
- LinkedIn
- Indeed
- Monster
- Glassdoor
- ZipRecruiter
- Interns
- University Handshake Platform

One size doesn't fit all, no need to use all at one time.
 Evaluate effectiveness-qualified candidates, percent of applicants hired.
 Evaluate efficiency-number of applicants received and timing.



14

Retention

We can't keep people....



Retention- the ability of an organization to retain its employees.

Retention **strategy**- a plan that organizations create and use to increase retention/reduce employee turnover and foster employee engagement.

Strategic plan to retain the "best" employees and manage the turnover rate for improved workforce stability.

Full cycle- selection, on-board, development, motivation, and retention.



15



Workforce

Workforce definition- the people engaged in work or available for work in a particular company or industry.

Workforce Development definition- the process of training and developing individuals to be more productive and prosperous in the workplace. The focus is on **people** not business.

© IMEC All rights reserved.

16



Workforce

People are an organization's most valuable, variable, and rewarding **resource** for leaders in any business.

Developing this resource in a positive workplace environment to create a culture of excellence is not magic, but... when it clicks, it is magical, and the rewards can be majestic.

Excellent results and recognition lead to improved business competitiveness and growth. It is extremely gratifying to achieve this with your team.

© IMEC All rights reserved.

17

Workforce Development

Variable and Valuable Resource

Made up of physical, mental, and emotional elements. People have questions and want information. This also varies by person.

People need understanding to be powered on, motivated, and inspired.

- What am I supposed to do?
- How am I supposed to do it?
- Why am I supposed to do it?
- What's in it for me?

Max output is not clearly defined and/or known, even to themselves. People's min and max output has a broader range than equipment.



© IMEC All rights reserved.

18

Workforce Development

Leadership thought process and time management

Which is easier to troubleshoot and repair?

Equipment or people?

Arguably, equipment has less variation and is easier to troubleshoot or find the root cause issue and countermeasure. It is programmed to run per its design and has predetermined functions and outputs. In many cases there is an instruction manual.



© IMEC All rights reserved.

19

Workforce Development

Leadership thought process and time management

Which is easier to troubleshoot and repair?

Equipment or people?

On the other hand, people have many inputs at work, influencing each other through leadership, peers, promoters, detractors, positive and negative information.

Preventive maintenance is scheduled and done on equipment for sustained efficiency which prevents downtime.

But do leaders do preventive maintenance with their people or is it a run to failure (running them to leave, quit, un-engage)?



© IMEC All rights reserved.

20

Workforce Development

Leadership thought process and time management Equipment purchases versus Hiring (Talent Acquisition)

Let's compare a purchase of a \$220,000.00 piece of equipment versus the hiring of a production employee. This employee with wages, overtime, and benefits makes \$50,000.00 per year. Hiring and training costs are \$20,000.00, so if the employee works for four years that's the same dollar investment.



© IMEC All rights reserved.

21

Workforce Development

Leadership thought process and time management Equipment purchases versus Hiring (Talent Acquisition)

Equipment purchase process typically requires quotes from multiple vendors. Cost, vendor reliability, support, and experience are all considered when making a decision. In addition, a building and installation schedule is drafted with timelines, and an executive fixed asset approval is needed.



© IMEC All rights reserved.

22

Workforce Development

Leadership thought process and time management Equipment purchases versus Hiring (Talent Acquisition)

How about for talent acquisition (hiring)? Are multiple talent pipelines sourced? Is the pipeline reliability and effectiveness evaluated? Is hiring considered an investment?



© IMEC All rights reserved.

23

Workforce Development

Leadership thought process and time management Equipment installation versus On-boarding

Equipment installation has a detailed plan and schedule executed. This includes trial process runs, equipment adjustments, safety and quality checks. The equipment is then approved for production and kicked off. Periodic follow ups are done to ensure the equipment is operating well.



© IMEC All rights reserved.

24

Workforce Development

Leadership thought process and time management

Equipment installation versus On-boarding

How about employee on-boarding? Is there a detailed plan and schedule to ensure the employee is trained on the *what, how, and why*? Can they run trials (practice production without pressure)? Do we provide positive inputs and information from leadership and peers to ensure a positive kick off? Are follow ups done to ensure the employee experience is positive?



© IMEC All rights reserved.

25

Do you know your annual turnover cost per person?

© IMEC All rights reserved.

26

Talent Acquisition & Retention

One client example of current state and potential savings.
Using Turnover cost calculator to Cost of Turnover/Person.

Current Client Project example:
Their cost = \$20,729/person lost
Annual turnover number = 96
Annual cost = \$1,990,045



27

Turnover Calculator

Employee Replacement Costs	Total Cost
Separation Costs	
Employee wage/salary who covers empty position	\$ 1,239.20
Time dedicated for separation & exit interview process	\$ 37.58
The amount of money the company invested in toward the individual who left (e.g., training investments)	\$ 12,916.80
Subtotal:	\$ 14,193.58
Replacement Costs	
Advertising costs (if used)	
Time dedicated to sourcing candidates	\$ 187.90
Time dedicated for screening process and scheduling interviews	\$ 75.16
Time dedicated toward core interview process	\$ 37.58
Time dedicated for conducting reference checks	\$ 37.58
Time dedicated toward notifying candidates who didn't get the position	\$ 37.58
Pre-assessment testing, drug screening, background check, etc.	\$ 75.16
Pre-assessment testing, drug screening, background check etc. fees	\$200.00
Initial time processing paperwork, payroll, benefits for standard new hire process	\$ 187.90
Subtotal:	\$ 838.86
New Hire Costs	
Orientation expenses- trainers & paperwork	\$ 751.60
Employee wages/benefits during training	\$ 1,435.20
Onboarding expenses (e.g., training new hire, adapting socially, etc.)	\$ 1,755.20
Time dedicated, from team member(s) to train new hire ensuring capability of meeting expectations- OJT	\$ 1,755.20
Subtotal:	\$ 5,697.20
Total Costs:	\$ 20,729.64
Number of employees quit/terminated annually	96
Annual Costs \$20,729 x number of employees quit/terminated	\$ 1,990,045

One Client example



28

Retention

Strategic Planning Key Elements

- Have the “right” mindset of people- most valuable and variable resource.
- People are an asset not a burden.
- Leverage data- turnover rate, targets, turnover cost and ROI for activity.
- On boarding plan and timeline.
- Leadership time balance with people and processes.
- Employee Engagement- take initiative in communication.
- Mentorship, career coaching.
- Develop and reinforce a Positive Workplace Culture.



29

Retention

70% to 80% of turnover occurs in the first year of employment.

20% to 30% of that occurs in the first 90 days.

On Boarding- the actions & process allowing new employees to acquire the necessary knowledge, skills, information, values, and culture to become effective employees.

On Boarding Key focus points:

Initial training- Orientation, company information, develop contacts. Job specific training.

Employee Journey Map

Communication sources and contacts.



30

Talent Acquisition & Retention

One companies story

© IMEC All rights reserved.

31

Retention

Retention Analysis

Current annual turnover cost-
\$2,580,997

Focus Points

Pipelines

First year members.

77% of turnover was with employees in their first year.

29% of overall turnover was employees who left without notice or communication.

Root Cause Information

Limited number of pipelines

Sources of information:

- Exit Interviews.
- Employee input from long term and new employees on an On-Boarding Design Team.

Goal: Improve On-Boarding.



32

Talent Acquisition

Talent Pipeline before

- Direct Hire- very limited
- Temp Agency
- Interns

Talent Pipeline after

- Direct Hire
- Temp Agency
- Company Website
- Referrals
- Inclusive Workforce
- High School
- Local jobs.com
- Facebook
- Indeed
- Interns



35

Workplace Culture

This is a key component.

Many ask- Does the new hire fit our culture?

First- What is our culture? Is it positive or negative?

How do we evaluate the current state?

If it is negative, it will be very difficult to implement retention strategies that show significant long term positive results.



36

What is Workplace Culture?



The attitudes and behaviors of a company and its employees. It is evident in the way an organization's people interact with each other, the values they hold, and the decisions they make.

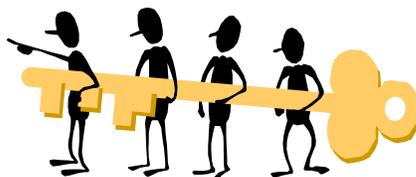
© IMEC All rights reserved.

37

Workplace Culture

The culture is linked to leadership.

- What is required and/or allowed.
- What people do without being told.



IMEC
Plan. Implement. Excel.

38

Workplace Culture

In many cases the workplace culture is not managed by leadership.

A workplace culture can be positive or negative.



39

Workplace Culture

A negative Workplace Culture will make employees feel irritable, anxious and defensive. This will typically lead to poor productivity, a lack of motivation & morale, poor communication and the creation of negative gossip and rumors. This results in increased turnover.



40

Positive Workplace Culture

Characteristics of a Positive Workplace Culture

- ✓ Good communication
- ✓ Employee engagement
- ✓ Opportunity for growth (career paths)
- ✓ Collaboration & teamwork
- ✓ Recognition & Reward systems
- ✓ Strong purpose & core values
- ✓ Organization Vision and KPI's are known
- ✓ Respectful leadership, trust, values



41

Workplace Culture

Benefits of a Positive Workplace Culture

- ✓ Improved retention- especially with A players
- ✓ Improved teamwork
- ✓ Improved morale
- ✓ Increased productivity & efficiency
- ✓ Enhanced job satisfaction & collaboration
- ✓ Improved KPI's and results
- ✓ Positive company image- internal & external



42

Retention

Strategic Planning Key Elements Implemented

- Changed the leadership mindset toward people- truly the most valuable and variable resource and an asset not a burden.
- Improved leadership time balance with people and processes.
- Leverage data- turnover rate, targets, turnover cost and ROI for activity.
- Improved on boarding plan and timeline. Ensure it's followed.
- Upgraded communication sources and information (more real time).
- Employee Engagement, take initiative in communication.
- Mentorship and Career Coaching.



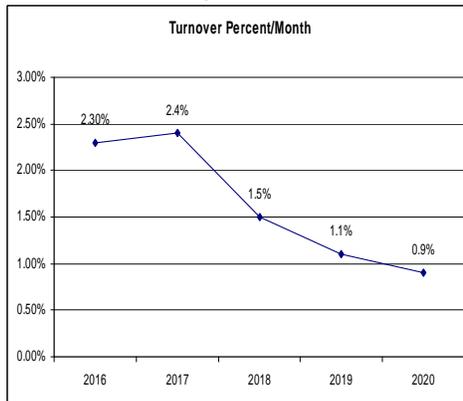
43

Talent Acquisition & Retention

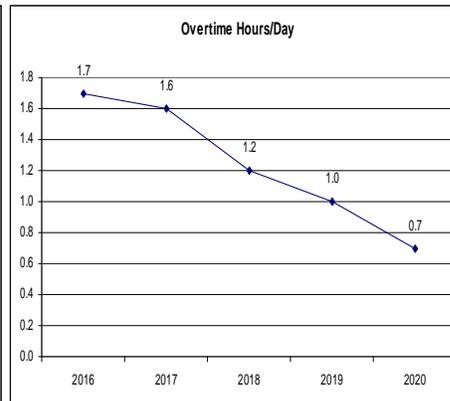
Workforce Stability

Countermeasures Implemented & Results Turnover cost savings- \$1,601,998
 Overtime cost reduction \$1.2 million. Moved to proactive hiring.

Target 1.2%



Target 1.0



44

Talent Acquisition & Retention

Reflection Points

- Workforce Stability key elements, focus points.
- People are a companies most valuable resource. People mindset.
- Workforce Development.
- Talent Acquisition versus Hiring. Pipelines.
- Talent Acquisition & Retention strategic planning importance, key tools, and elements.
- Cost of turnover.
- Positive Workplace Culture- keys to leading, developing, and benefits



45

**HERE
TO
HELP.**

How does IMEC typically work with companies on this topic?

IMEC
Plan. Implement. Excel.

46

Talent Acquisition & Retention

Services

- Turnover cost calculator to capture cost savings, ROI.
- Talent Acquisition & Retention Assessment and Report.
- Turnover analysis report.
- Identify opportunities for improvement and provide potential solutions for strategic planning.
- Work together to develop a strategic improvement plan to reduce ongoing reoccurrence.
- Provide other services as needed.
- Monitor the results.



47

Workforce Challenges

“I can’t find people, especially qualified, and I can’t keep them”

If this is a challenge for you, please do not hesitate to contact me so we can begin the process to develop strategies to overcome these challenges.



48

Let's use the tools to
Build YOUR Team!



49

Thank
You!



Glenn Edwards
Technical Specialist
gedwards@imec.org

IMEC.org

✉ info@IMEC.org

☎ 888-806-4632

IMEC 
Plan. Implement. Excel.
© IMEC All rights reserved.

50

Turnover Calculator

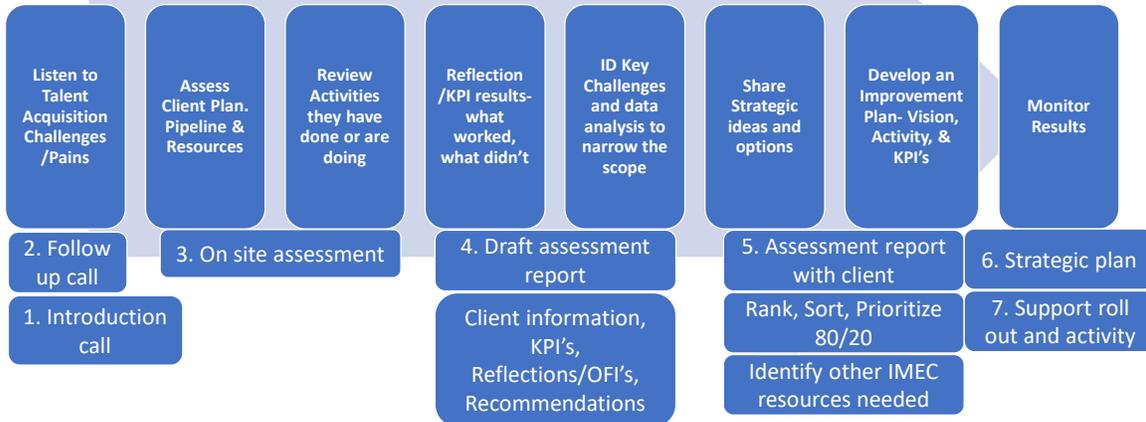
Employee Replacement Costs	Total Cost
Separation Costs	
Employee wage/salary who covers empty position	\$ 1,239.20
Time dedicated for separation & exit interview process	\$ 37.58
The amount of money the company invested in toward the individual who left (e.g., training investments)	\$ 12,916.80
Subtotal:	\$ 14,193.58
Replacement Costs	
Adverting costs (if used)	
Time dedicated to sourcing candidates	\$ 187.90
Time dedicated for screening process and scheduling interviews	\$ 75.16
Time dedicated toward core interview process	\$ 37.58
Time dedicated for conducting reference checks	\$ 37.58
Time dedicated toward notifying candidates who didn't get the position	\$ 37.58
Pre-assessment testing, drug screening, background check, etc.	\$ 75.16
Pre-assessment testing, drug screening, background check etc. fees	\$200.00
Initial time processing paperwork, payroll, benefits for standard new hire process	\$ 187.90
Subtotal:	\$ 838.86
New Hire Costs	
Orientation expenses- trainers & paperwork	\$ 751.60
Employee wages/benefits during training	\$ 1,435.20
Onboarding expenses (e.g., training new hire, adapting socially, etc.)	\$ 1,755.20
Time dedicated, from team member(s) to train new hire ensuring capability of meeting expectations- OJT	\$ 1,755.20
Subtotal:	\$ 5,697.20
Total Costs:	\$ 20,729.64
Number of employees quit/termed annually	96
Annual Costs \$20,729 x number of employees quit/termed	\$ 1,990,045

One Client example



51

Talent Acquisition & Retention Services



52

IMEC Supporting Services

Services

- Talent Acquisition & Retention Strategic Planning
- Workplace Culture assessment, training, & Strategic Planning
- Employee Engagement survey
- Employee Journey Map
- TWI

