

The Future of Workforce Management

How to Attract and Retain Key Talent



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In the U.S. alone, businesses lose \$11 billion annually due to employee turnover. The cost of managing human capital undoubtedly eats away at the bottom line. Why then, despite seemingly robust efforts to collect data and impact organizational change, do U.S. employee turnover rates still hover around 17%?

The issue lies in decades-old tactics that most companies use to manage the recruitment, training, and retention of key talent. These strategies can provide generalized information on turnover by role and tenure, but they leave a major question unanswered: Can a company uncover the trends that impact retention, and take preemptive action? The secret to workforce management is discovering the drivers that influence an employee's decision to leave and learning how to affect that decision.

Why Good Isn't Good Enough

Increases in labor costs and voluntary turnover mean that employee retention is a critical priority for all businesses. According to Glassdoor Economic Research, the average interview process has increased from 13 to 23 days in the past 5 years. Employers know that bad hires can be very expensive and are now taking a more measured approach to vetting candidates. Meanwhile, more than ever, employees are reluctant to remain in positions that they find unrewarding. Many businesses do not know enough about their employees' motivations to understand how they can retain them.

The Problem With Outdated Practices

In most cases, poor workforce management is not for lack of effort. Traditional practices like annual surveys and exit interviews only provide high level output reporting that can't be broken down into meaningful segments. Additionally, this data is often tainted by bias. Despite an organization's best intentions, these efforts tend to capture what a company wants to hear rather than what employees have to say.

Aside from these tactics, organizations are limited by their infrastructure. They rely on systems that were cutting edge several decades ago, but have since been surpassed by solutions that are far more advanced. As always, insight is only as valuable as the data that supports it.

The most challenging aspect of outdated practices is that they provide insight exclusively on trailing indicators, or after-the-fact statistics that cannot be used to influence an employee's decision to leave an organization. This information does not give companies much of an opportunity to affect attrition rates.

Get Data That Drives Insight

To improve employee retention, companies should look to information that can be found outside of simple, descriptive analytics. To stay ahead of the competition and control human capital costs, they should turn to more exploratory and predictive analytics.

A better workforce management solution will allow organizations to:

- Analyze employee comments to understand the drivers of satisfaction and dissatisfaction.
- Identify key workforce metrics, such as workforce make-up and which types of employees are the most and least loyal.
- Uncover "why" employees are leaving before they make the decision to leave.
- Identify who is most a risk, and when.
- Determine the specific attributes behind high and low performing employees
- Expand performance analytics to allow recruiters to target specific skills and attributes that lead to higher performing, longer tenured employees.

Many companies are not collecting the right information to be able to determine trends or take meaningful action.

Leading Indicators: The Key To Effect Impactful Change

Sophisticated workforce management involves a paradigm shift from trailing indicators to leading indicators. Instead of learning why employees leave after it is too late, the goal is to traverse upstream and find all of the drivers that create and influence the decision to look for another job.

Leading indicators allow you to analyze patterns and trends from your employees and look for operational improvements. If you cannot answer these questions, it's time to apply a Voice of the Employee solution.

- What is triggering employees to leave?
- What is the correlation between different roles, people, departments, or compensation models that chose to leave?
- Are there specific skill sets that are higher churn?
- Do you know what situations drive your employees to start looking?

Acumen Solutions Pioneers Leading Indicators to Drive Organizational Change

1

Predictive analytics allowed our client to identify that employees with tenure between 1 and 4 years posed the highest risk to leave.

2

Additionally, leading indicators showed that performance evaluations and length of time between promotions dramatically influenced employee turnover.

3

Working with HR, Acumen Solutions implemented organizational changes that countered these issues in the first year alone.

Incremental Changes Lead to Dramatic Cost Reduction

The idea of overhauling the entire workforce management process can be overwhelming. It's possible, however, to isolate stages in the workforce management lifecycle that can make the most dramatic impact on costs. The gains from small, incremental improvements in attrition rates are tremendous. For example, if a 5,000-person company decreases its voluntary turnover by even 1%, it equates to \$6.7million in annual cost savings.

Can you really afford to keep the status quo?

If you're losing 20-50% of your employee base annually, the costs of interviewing, hiring and training new talent will significantly impact your ability to compete. Additionally the cost of reduced productivity and lost opportunities will inhibit your company's potential.

Acumen Solutions empowers HR to become strategic and value-driven partners within an organization. Keep, train, and attract new talent with increased insights provided through a Voice of the Employee solution. Acumen Solutions is a Salesforce Global Strategic Partner with on-shore consultants who help take businesses to the next level. As a leader of innovation that relies on industry best practices, our experience delivers success for Fortune 500 companies and government agencies.

Contact Us to Learn More

Clients choose Acumen Solutions for one simple reason: our experience delivers success. Joining forces with our clients, our teams of strategists, subject matter experts, and engineers solve problems that can't be fixed by technology alone. As a Salesforce Global Strategic Partner, Fortune 500 companies and government agencies trust

us to build solutions that grow revenue and strengthen customer relationships.

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