

Companies understand data and process improvement. This [Business Value Assessment process] clarifies for the company what they're doing with us. Before it was a convenience, now they see it as a necessity. They know I have a stake in their company. *Compared to the benefits and impacts for our relationship, it is priceless.*  
– Pam Gosla, SCMW

The process of conducting business value assessment has had a lasting impact on the relationship between **South Central Michigan Works (SCMW)** and a local manufacturer of chemical and biological components. The company utilizes an extensive on-the-job training for to prepare its entry-level Chemical Process Operators. Given its investment in training, the company wanted to ensure its retention of these workers was as good as it could be.

Historically, SCMW, representing the local workforce board and one-stop centers, brokered externships at the chemical manufacturing facility for students enrolled in local education and training facilities. When SCMW learned that the company was seeking to improve its success with recruitment and retention of entry-level workers, SCMW approached them about assessing their needs and developing a program of services to address these needs.

### Company Needs Assessment

This company expressed its greatest bottom-line concerns as being the high cost of its entry-level training program and the time and effort staff were spending to screen and recruit relatively few new employees from among many applicants. To hire as few as 10 Chemical Process Operators, staff were reviewing approximately 500 applications and following up to get missing information from hundreds of individuals. Then they would spend several weeks interviewing as many as 100 applicants. In addition to high staff costs, managers feared that they were losing some of the most qualified applicants—who obtained other employment during the lengthy process.

SCMW worked with this company to create a new cooperative recruitment and screening process. Together they identified desired job competencies and qualifications for Chemical Process Operators, including reviewing the characteristics of successfully employed Operators. Once screening criteria were specified, SCMW acted as an extension of the company's recruitment team by:

- Providing manpower and facilities for applicant orientations;
- Informing potential applicants about the occupation and characteristics of the workplace;
- Assisting applicants in making a complete application;

- Pre-screening applicants for appropriate qualifications, a good occupational fit, and amenability to substantial on-the-job training and the possibility of re-assignment to 2<sup>nd</sup> or 3<sup>rd</sup> shift after completion of training;
- Maintaining contact with applicants; and
- Arranging interviews with selected candidates.

Using the AspenWSI Business Value Assessment framework, SCMW worked with the company to consider possible measures of the value of this new process to the company. SCMW worked with the company to assess comparative recruitment costs based on reducing the number of applicants interviewed to hire additional Chemical Process Operators.

Working together, SCMW and this company were able to document improvements in the recruitment and hiring system and estimate the associated value to the employer. For example, with initial screening of new applicants now being conducted by SCMW in accordance with very specific selection criteria, the company was able to start its process of hiring for five open slots with a pool of only 20 pre-screened applicants. After reviewing these candidates, they selected 10 to be interviewed and ultimately hired five individuals.

The findings of the Business Value Assessment were impressive:

- The company estimated that their previous recruitment process cost approximately \$45,000 in personnel hours to hire five new Chemical Process Operators. Data collected after the changes were implemented revealed that, working with SCMW, the cost to the company was a little over \$7,000 to interview and select five new Operators.
- The new process cut the total time from job posting to date of hire by approximately 90 percent. Applicants were thoroughly pre-screened by SCMW, and the company was able to conduct interviews over the course of three days, a steep decline from the three weeks of interviewing that was typical prior to this change.

## Retention

While the company and SCMW decided to focus efforts first on the cooperative recruitment process, they also kept sight of the original concern about the costs (dollar and turnover) of entry-level incumbent worker training. The company's training originally consisted of 90 days of foundation training and exposure to various production processes, and 12-15 more months of specialized proprietary training as workers were assigned job classifications linked to specific production processes. Despite opportunities for advancement and wage progression, a significant number of newly hired workers would leave the company before completing this training sequence. For example, of five candidates hired in the year prior to working with SCMW, only two were retained by the company for 18 months.

The company hypothesized that its previous recruitment process led to them to hire employees who lacked appropriate qualifications, occupational fit, and amenability to substantial on-the-job training. Nevertheless, in addition to the new job analysis and related tools and processes for

assessing fit of entry-level job applicants and providing them with accurate information about the occupation and the workplace environment, SCMW also worked with the company to review the company's training program and worked together on a new design that cut the length of the training down to a total of nine months.

SCMW and the company collaborated to evaluate whether the improved recruitment process yielded employees more amenable to significant on-the-job training, and resulted in improved retention during the streamlined on-the-job training phase. Despite deciding that they would not go forward with a quantitative analysis of retention, interviews with company management staff indicated that they were more satisfied with the aptitude and attitude of candidates coming to the company after SCMW screening. SCMW attributed this improvement, in part, to the successful integration of job profiling into recruitment and screening mechanisms, as well as to the extensive job counseling provided by SCMW to all of its job-seeking clients. At the time this case was written, retention of employees hired through the partnership was almost 100\*. Of those hired through this system, two candidates were promoted and one received support from the company to complete a Bachelor's Degree.

### **Benefits of the Business Value Assessment**

According to SCMW, this company finds value in monitoring and reporting impacts revealed through the business value assessment process to its own corporate headquarters and to its Board, not only with respect to direct cost savings, but also in terms of the effects on the workplace and employee satisfaction. The company has also helped SCMW to build relationships with other businesses in its service area by speaking on behalf of the agency and sharing information about the value of its services in a variety of forums.

SCMW continue to work collaboratively to use BVA findings to improve training of entry-level employees at this company. Evidence of the value of the new training configuration has prompted the company to pursue credentialing that could help Chemical Operators to take first steps along an academic pathway to a Bachelor's degree. SCMW and the company have also discussed recruitment refinements that may lead to improved retention, including holding a job fair on-site at the company and giving applicants a chance to do short-term on-the-spot job-shadowing, among other ideas.

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\* One employee left the company for a related position at another chemical company in the region.