



ALEX CHAUSOVSKY PRESENTS



# Building an Effective Talent Strategy

Proven tactics to attract, hire and retain your most-valuable asset



**BUNDY GROUP**  
Mergers & Acquisitions | Capital Raises



Topics We'll Cover

# Our Talk Today

- Labor Market Update
- Attracting Top Talent
- Hiring Strategies
- Talent Retention
- Best Practices

# National Labor Market Performance

» September 2023



JOB GAIN

336K



UNEMPLOYMENT RATE

3.8%



AVG HOURLY EARNINGS

4.2%

Past 12 Months

# Labor Market Remains Tight

# 3.8%

National Unemployment Rate  
August 2023

## Market Supply



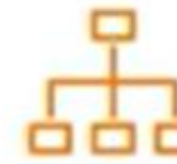
Legal

**1.2%**



Healthcare  
Practitioners

**1.5%**



Management

**1.6%**



Tech

**2.1%**



Architecture  
& Engineering

**2.6%**



Business  
& Financial

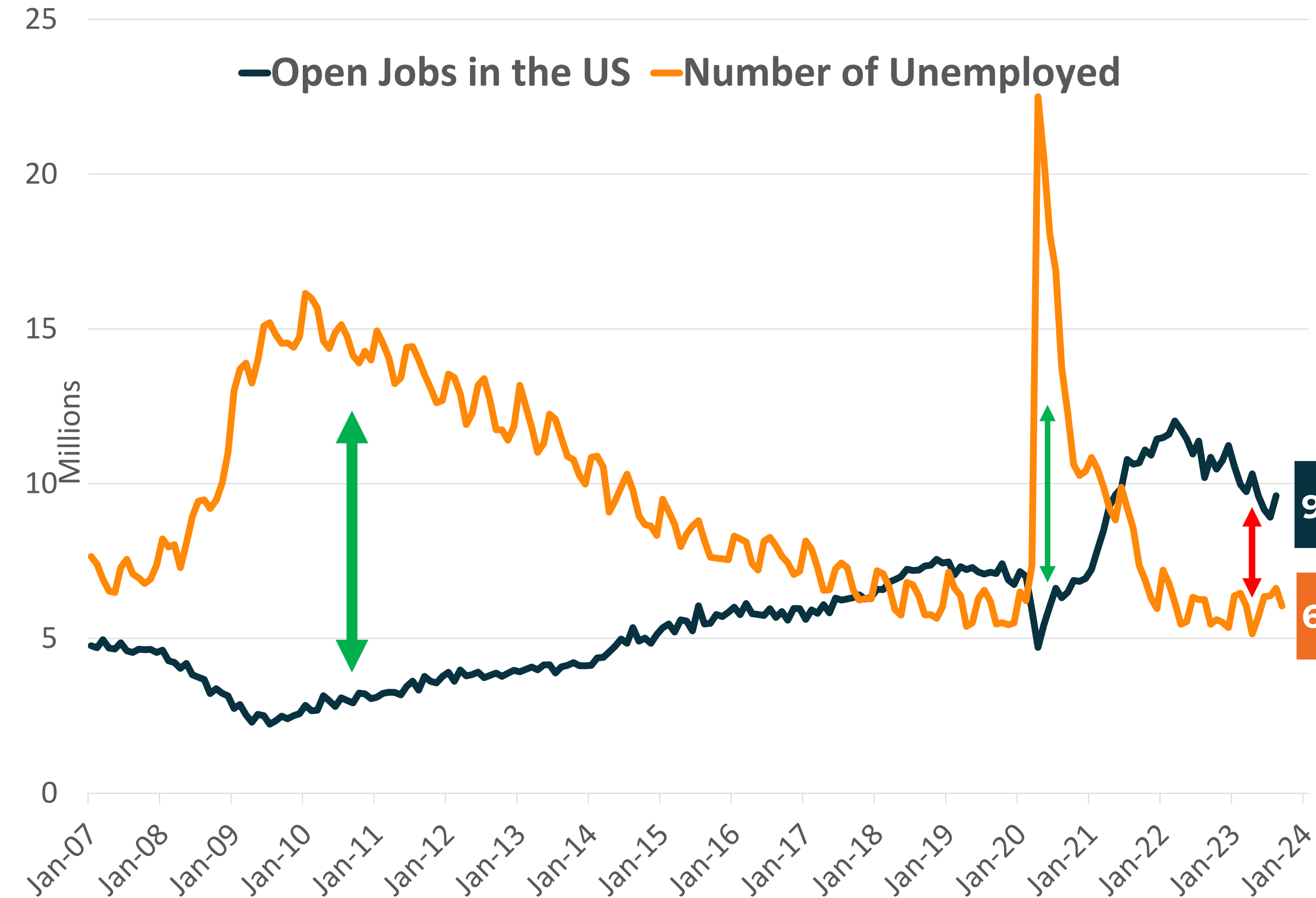
**3.1%**

# Jobs Added by Sector - September 2023

<b>Leisure and hospitality</b>	96K
<b>Government</b>	73K
<b>Education and health services</b>	70K
<b>Professional and business services</b>	21K
<b>Retail trade</b>	20K
<b>Manufacturing</b>	17K
<b>Wholesale Trade</b>	12K
<b>Construction</b>	11K

Source: BLS

# The Labor Gap



## Prominent Sectors

1.9M Education & Healthcare

1.9M Professional & Business

1.2M Leisure & Hospitality

1.0M Government

665K Retail Trade

616K Manufacturing

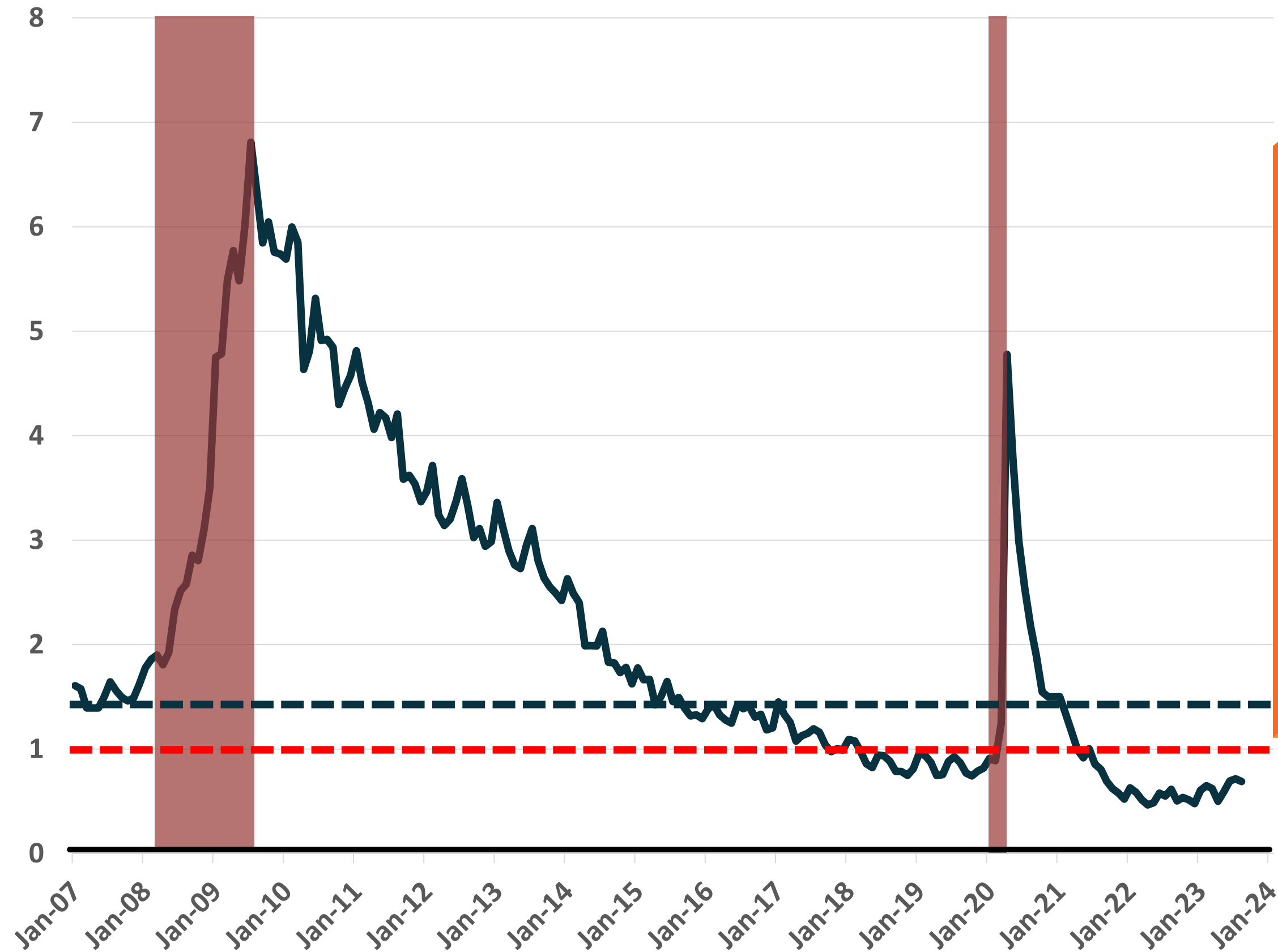
350K Construction

231K Wholesale Trade

9.6M

6.0M

# Number of Unemployed per Opening



**0.69**

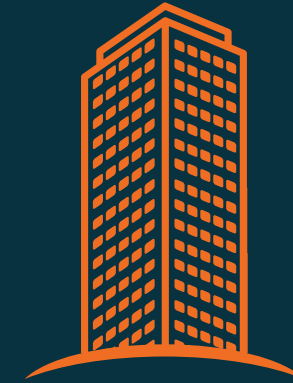
Number of Unemployed  
individuals per job opening

# Talent Supply & Demand Disruptors



LABOR  
SUPPLY

HYBRID &  
REMOTE  
WORK



COVID-19  
SURGES &  
VACCINES

WAGES &  
INFLATION







# Do you have a Talent Strategy?

Yes, absolutely! Who doesn't? 27%

No, but we're working on one! 64%

No, we're fine without one. 9%

This is a clear call to action  
for many businesses!

# Attracting the Top Talent

WHAT CAN YOUR  
ORGANIZATION DO TO STAND  
APART?





# Factors of Consideration

- Your Leadership
- Your Strategy
- Your Culture
- Your Comp & Benefits
- Your Management Team
- Your Vision
- Your Mission
- Your Values
- Your Market
- Your Product



## MARKET

Markets are not monolithic.



## PRODUCT

Explain why your offering is positioned to take advantage of growth?



## TEAM

Who are the Key Players and what have they accomplished?



## MISSION

What is the company trying to accomplish beyond making money?

# FOUR PILLARS

Attracting Talent as a  
Marketing Function



# CLAMPS

A vital part of the conversation  
with candidates



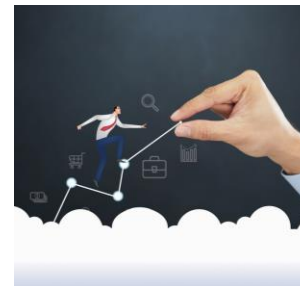
## CHALLENGE

The work itself, technology, market, ect.



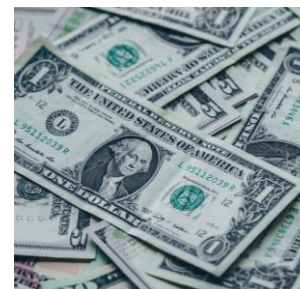
## LOCATION

Geography, ability to live & Work where you want.



## ADVANCEMENT

Career growth, increasing responsibility.



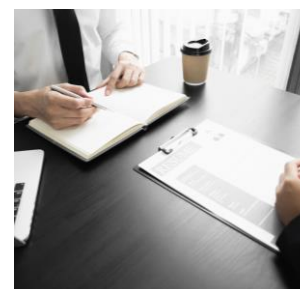
## MONEY

Overall Compensation



## PEOPLE

Your manager and coworkers



## SECURITY

Likelihood of long-term employment

# Hiring Best Practices

IMPROVING EFFICIENCY AND EFFECTIVENESS OF YOUR ORGANIZATION'S HIRING PRACTICES



Recruitment & Hiring

Training & Development

Employer-Employee Relations

Maintain Company Culture

Manage Employee Benefits

Handle Disciplinary Actions

Create a Safe Work Environment



**HR DUTIES**

# How to get the word out

Job Boards

Employee  
Referrals

Temp  
Agencies

Career Fairs

Recruiters

Social Media





# Active Candidates

- Unemployed
- Proactively searching
- Set up job alerts
- Actively applying (Shotgun approach)

VS

# Passive Candidates

- Employed
- Not searching but open
- Casually browsing
- Wouldn't apply unless personally engaged

# The Type of Candidates You Interview is Critical

Continuous Improvement is the goal



- It takes ~11 interviews to fill a role with active candidates
- It takes ~4 interviews to fill a role with passive candidates



# How Many Interviews Should it Take?

1-2 Interviews	83%
3-5 Interviews	14%
6+ Interviews	2%
Other	1%

**If your process involves conducting more than 2 interviews to fill a job opening, you could miss out on top talent!**

# Compensation Analysis



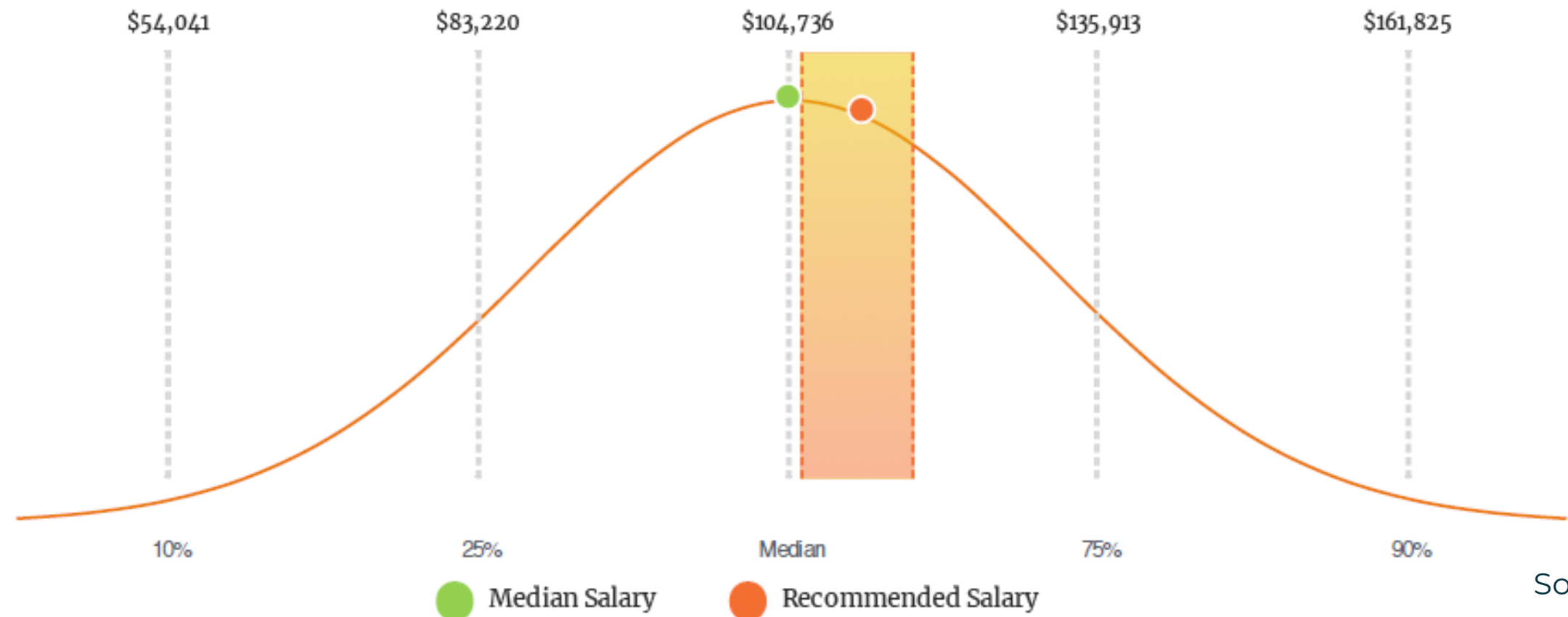
## Report Parameters:

<b>Metro Area:</b>	Chicago-Naperville-Elgin, IL-IN-WI	<b>Education:</b>	Bachelor's Degree
<b>Experience:</b>	2 - 4 years	<b>Industry:</b>	Mechanical Power Transmission Equipment Manufacturing
<b>Number of Employees:</b>	50 - 99	<b>Annual Revenue Range:</b>	\$10M - \$50M

## Key Insights

<b>Recommended Salary</b> ↑ \$111,744 16.9% higher than the national recommended base salary of \$95,594	<b>Current Supply</b>  Significant Shortage      Significant Surplus	<b>Salary Forecast</b> ↑ \$113,119 Expected to increase \$1,375 by Q4 2024 (1.2%)	<b>Median Salary</b> ↑ \$104,736 20.7% higher than the national median salary of \$86,778
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## Electro-Mechanical Engineer Recommended Salary



# Median US Market Wage Increase %'s For Top 20 Manufacturing Occupations Nationally

\* Wages and salaries only. Excludes benefits and other forms of compensation.

Occupation	Sep '23 Employment <sup>1</sup>	2023 % <sup>2</sup>	2022 % <sup>3</sup>
Miscellaneous Assemblers and Fabricators	1,056 K	5.7%	3.5%
First-Line Supervisors of Production and Operating Workers	489 K	6.0%	3.2%
Laborers and Freight, Stock, and Material Movers, Hand	397 K	4.6%	2.7%
Inspectors, Testers, Sorters, Samplers, and Weighers	372 K	9.0%	8.1%
Packaging and Filling Machine Operators and Tenders	293 K	7.5%	2.3%
Welders, Cutters, Solderers, and Brazers	277 K	6.9%	3.1%
Machinists	264 K	6.6%	1.2%
General and Operations Managers	260 K	4.1%	2.9%
Mfg Sales Reps, Except Technical and Scientific Products	243 K	9.1%	8.2%
Electronic and Electromechanical Assemblers	242 K	5.3%	3.1%
Industrial Engineers	238 K	5.0%	3.2%
Shipping, Receiving, and Inventory Clerks	223 K	6.5%	6.0%
Industrial Machinery Mechanics	220 K	7.5%	3.2%
Maintenance and Repair Workers, General	199 K	6.4%	10.5%
Industrial Truck and Tractor Operators	178 K	5.0%	4.4%
Computer Numerically Controlled Tool Operators	166 K	5.8%	2.9%
Cutting, Punching, and Press Machine Setters and Operators	161 K	6.2%	5.5%
Industrial Production Managers	159 K	5.1%	3.0%
Heavy and Tractor-Trailer Truck Drivers	153 K	3.1%	2.4%
Molding, Coremaking, and Casting Machine Setters, Operators	152 K	5.3%	3.7%

Largest y-to-y increase

Highest 2023 growth

Source: labortitan.com

1) Employment and pay for NAICS 31-33 (Manufacturing) nationally

2) Wage growth from Sep 2022 - Sep 2023 across manufacturing nationally

3) Wage growth from Sep 2021 - Sep 2022 across manufacturing nationally



# The Salary Gap by Industry

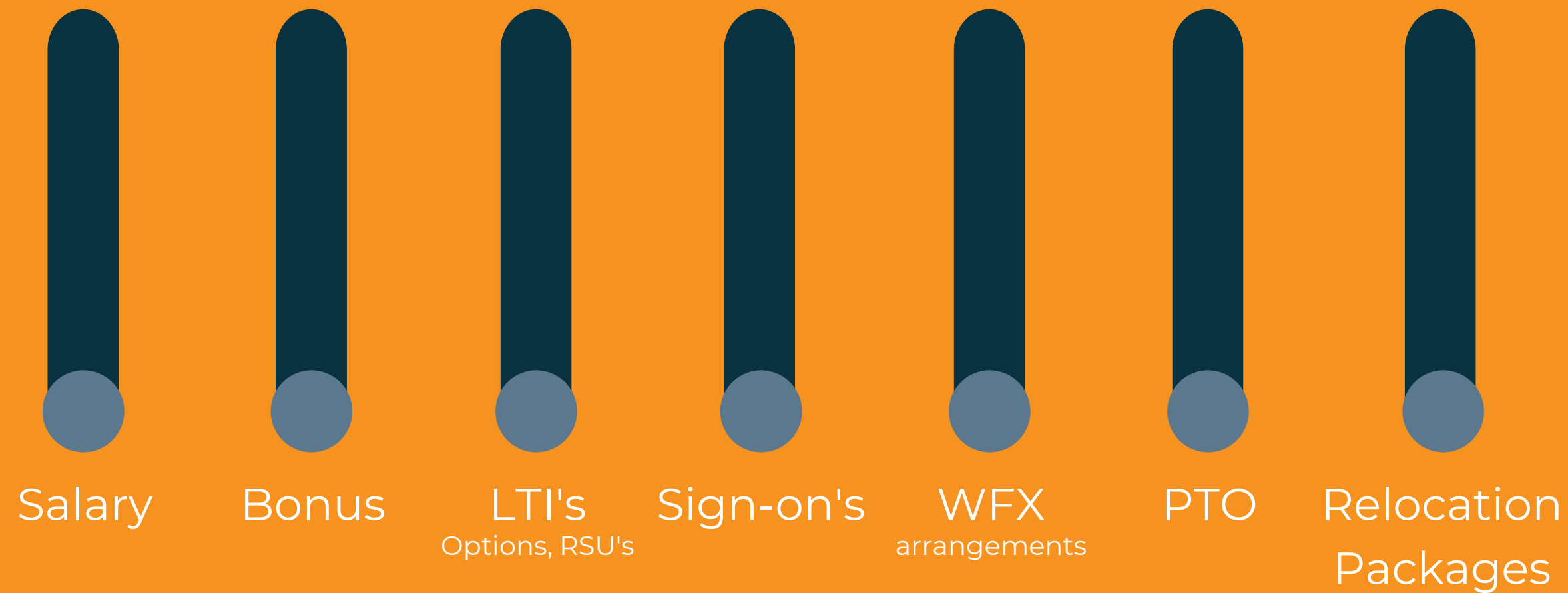
How does this impact salary offers across industries?



*Note: Salary recommendations based on Bachelor's degree and 4-6 years of experience.  
Sources: LaborIQ®; Bureau of Labor Statistics*

# A Comprehensive Offer

## LEVERS TO PULL





# Hiring Metrics to Consider

## **APPLICANTS PER HIRE**

The number of people who have applied to a role

## **TIME TO FILL**

The amount of time it takes to find a new candidate

## **INTERVIEW TO OFFER**

How many interviews it takes to find an offer-worthy candidate

## **OFFER ACCEPTANCE RATE**

The percentage of extended offers accepted

## **COST PER HIRE**

Total monetary and time investment required to fill the role

## **PROFITABILITY PER ADDITIONAL EMPLOYEE**

How much additional profit this position represents



# Retaining Your Impact Players

MOVING THE NEEDLE WHEN IT COMES  
TO IMPROVING ENGAGEMENT AND  
RETENTION





**Top 5 Predictors  
of Turnover**

**1. PAY AND BENEFITS ARE NOT  
COMPETITIVE**

**2. THE IMMEDIATE MANAGER**

**3. POOR COMPANY CULTURE**

**4. IMPROPER FIT TO THE JOB**

**5. COWORKERS NOT COMMITTED TO  
QUALITY WORK**

Source: Gallup Research

# Are your current employees getting paid what they're worth?

Job Title	Degree Required	Years of Experience	Actual Employee Salary	Lower Boundary	LaborIQ Recommended	Upper Boundary	Difference vs. Recommended
Finance Director	Bachelor's, CPA	8 to 10 years	100,000	168,757	177,639	186,521	-41%
Purchasing Director	Bachelor's	6 to 8 years	73,500	149,958	157,851	165,744	-51%
Sr. Accountant	Bachelor's	6 to 8 years	75,000	90,571	95,338	100,105	-17%
Accounting Manager	Bachelor's	4 to 6 years	70,000	100,545	105,837	111,129	-30%
Accounts Payable Specialist	Associate's	2 to 4 years	44,500	48,083	50,614	53,145	-7%
HR Admin	Bachelor's	2 to 4 years	47,000	41,185	43,353	45,521	3%
Benefits Specialist	Bachelor's	6 mon to 1 year	40,000	58,104	61,162	64,220	-31%
Director of IT	Bachelor's	10+ years	160,000	184,913	199,906	214,899	-13%
IT Specialist	Bachelor's	4 to 6 years	66,600	97,769	102,915	108,061	-32%
IT Help Desk	Associate's	2 to 4 years	48,200	83,489	87,883	92,277	-42%
Marketing Manager	Bachelor's	2 to 4 years	54,000	74,799	78,736	82,673	-28%
Account Manager	Bachelor's	2 to 4 years	78,000	81,611	85,906	90,201	-4%
Chief Financial Officer	Master's	10+ years	219,357	212,567	223,755	234,943	In Range
Machine Operator	High School	4 to 6 years	41,600	32,370	34,074	35,778	16%
Maintenance Technician	High School	6 mon to 1 year	45,760	47,767	50,281	52,795	-4%
Quality Control (QC) Technician	High School	6 mon to 1 year	44,096	39,164	41,225	43,286	2%
Senior Process Engineer	Bachelor's	4 to 6 years	89,523	95,687	100,723	105,759	-6%
Senior Sales Representative	Bachelor's	8 to 10 years	112,864	126,618	133,282	139,946	-11%
Shipping Clerk	High School	2 to 4 years	35,760	33,040	34,779	36,518	In Range
Warehouse Supervisor	High School	6 to 8 years	40,926	42,633	44,877	47,121	-4%
IT Systems Analyst	Bachelor's	2 to 4 years	72,030	89,067	93,755	98,443	-19%
Vice President (VP) of Operations	Bachelor's	10+ years	133,200	162,859	176,064	189,269	-18%





# Retention Metrics to Track

## EMPLOYEE RETENTION RATE

The number of employees who have stayed within a given period

## EMPLOYEE TURNOVER RATE

The number of workers that must be replaced within a given period

## VOLUNTARY TURNOVER RATE

The turnover rate for staff who *choose* to leave

## EMPLOYEE TURNOVER COST

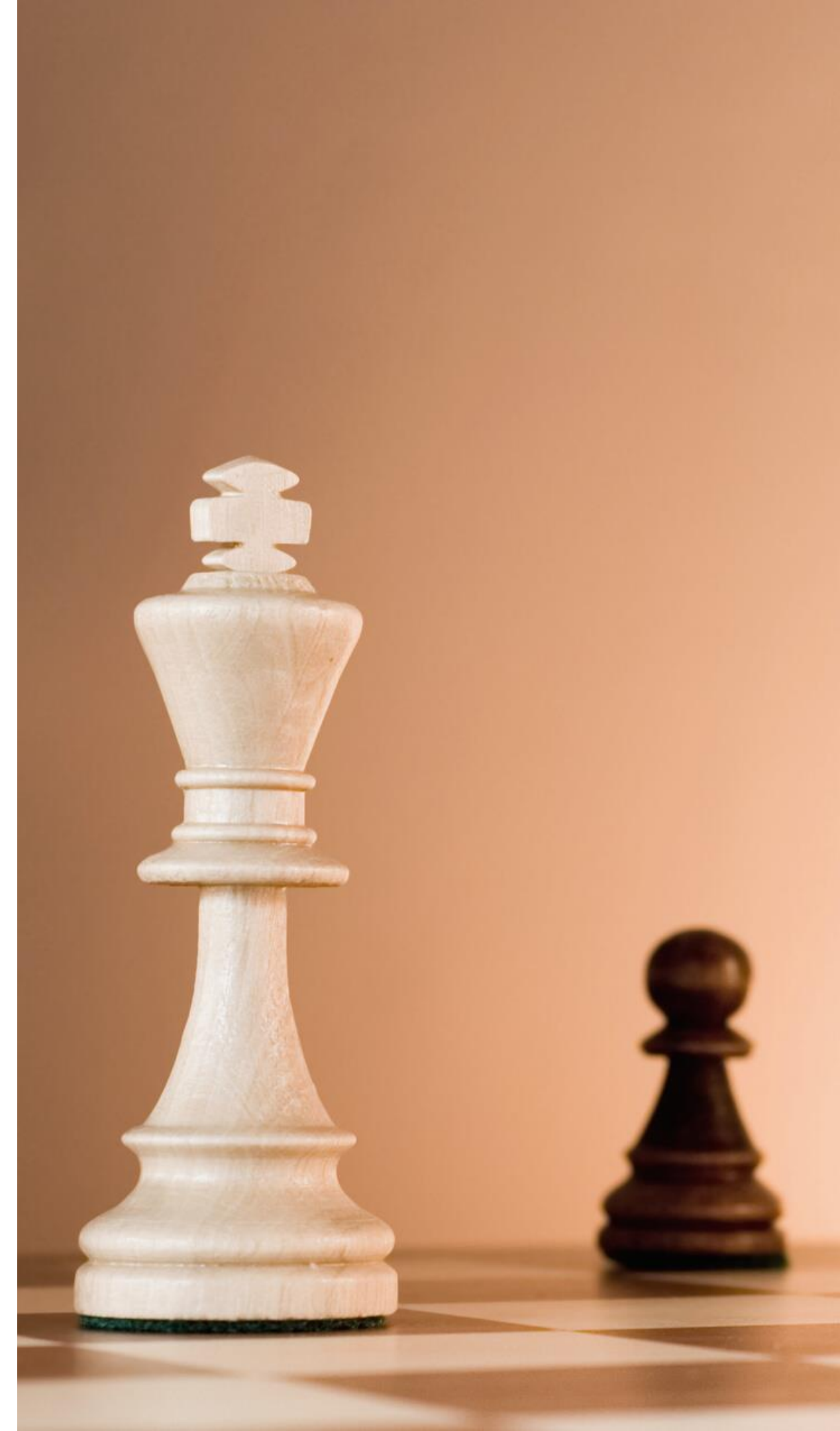
The amount it takes to bring in a replacement employee

## EMPLOYEE TENURE

The average amount of time employees stay at your company

# Key Takeaways

ACTIONABLE AND PRACTICAL ADVICE  
FOR CONTINUOUS TALENT STRATEGY  
IMPROVEMENT



# Developing an Effective Talent Strategy Requires Commitment

- Allocate resources to developing and continuously improving a comprehensive talent strategy
- Be a data-driven decision-maker
- Find partners and allies
- Communicate why your company is attractive and understand candidate priorities
- Strive for efficiency and top-notch communication in the hiring process
- Competitive pay is key; also, ask for input, listen, and respond to keep your people



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# Q&A

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