Actalent's Managed Talent Solution Positions Clients for Unlimited Innovation + Growth

> BY MEREDITH LURTY, KEVIN MADDEN, AND CRYSTAL ROKOS

What were once rumblings of a looming talent shortage have quickly become reality for engineering and sciences companies across the globe. As vacancies go unfilled and demand for talent in these industries accelerates, companies must rethink their talent strategy.

The overall unemployment rate in May 2022 was 3.6%. However, the three-month average unemployment rate in engineering and sciences categories was significantly lower (March 2022 - May 2022).

Quit rates are at historic highs and the Labor Force Participation Rate — the number of workers participating or eligible to participate in the workforce — has been trending downward over the past twenty years.

Currently, there are seven times more job postings than available workers in engineering and sciences to fill them.

And there's no relief in sight.

Science, technology, engineering, and mathematics (STEM) occupations are projected to grow more than twice the rate of all occupations in the next decade. **The U.S. Bureau of Labor Statistics (BLS) employment projections[2] show an 8.0 percent growth in STEM fields through 2029, compared with 3.7 percent for all occupations.**

A recently released report by EMSI, The Demographic Drought: How the approaching sansdemic will transform the labor market for the rest of our lives (2021), provides an in-depth look at the causes, complications, and consequences of a talent drought. Our latest whitepaper, The Manager Meltdown, explores the increasing pressure on managers in this talent drought, and the spiraling effect on their employees. "The people expected to maneuver companies through the talent shortage are the same people who are quitting: the managers, the technical leaders, the go-tos, the mentors, the ones with experience and knowledge and know-how."

10x

In May 2022, openings were 10x greater than the number of unemployed workers available to fill them

Another way to look at it: for every open position, there is 1/10 of an available worker to fill it.

1.7%

UNEMPLOYMENT RATE
Software - Hardware - IT + Mathematics

1.4%

UNEMPLOYMENT RATE
Architecture + Engineering

1.1%

UNEMPLOYMENT RATE
Sciences: Life, Physical + Social

⇧ **8.0%**

STEM field growth through 2029

⇧ **3.7%**

Growth in all other fields through 2029

Except managers are burned out.

What started out as a scarcity of talent, morphs into scarcity of time. Responsibilities mount and spread with less people to do the work. Managers cannot effectively manage technical details, project details, and employee performance, and that results in short-term solutions, poor decision-making, overlooked opportunities, increased costs, and less pride in work.

But there are tremendous opportunities for companies willing to shift their mindset around talent solutions, specifically, putting as much (or more) effort into keeping their people as they do in finding them. Including their managers. Those who are successful at doing so will position their companies for unlimited innovation and growth.

Actalent's intentional pivot toward people

Actalent's entire business is built on its ability to attract expert talent who can help solve important problems for clients with engineering and science's needs. And, for forty years through our previous branding as Aerotek and EASi, we succeeded in helping thousands of companies grow and advance by placing people with the right skillsets on important projects.

However, as any good company does, we paid close attention to feedback from our talent and our clients to learn how we could improve. We kept a close eye on trends in the marketplace, job growth projections, and job skills shortages to learn how we could adapt. And what we determined and acted upon was this:

- People are not replaceable, not easily anyway — and certainly not without a lot of cost. Companies must begin to view every employee as a cornerstone of success, whose impact and value appreciates with time.

- When we put our people first and care for them accordingly, they aren't just satisfied, they're also engaged. And when employees are engaged, they're happier, more productive — and more likely to stay.

Today's employees seek managers who will help in developing their careers, provide clear expectations for performance, deliver consistent feedback, and offer variety in the projects they work on. Combined with the increasing demand for engineering and sciences skillsets, and the scarcity of available candidates to fill open positions, Actalent's Managed Talent solution is a strategic, win-win option for our talent and our clients.

When we take care of our people, we take care of our clients. By prioritizing our consultants' satisfaction and engagement, Actalent also prioritized our clients' success. We're ensuring, even amid a talent drought, that our clients will have access to critical skills and expertise when they need it.

But we also learned that access to talent was only one part of the solution. As we began to understand the importance of employee engagement on business growth and innovation and started to operationalize practices that supported and promoted engagement, it became very clear that **talent care and management** is a critical companion to **talent success**.
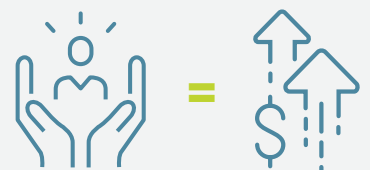
However, with time already spread thin managing project details and developing business opportunities, our clients had difficulty allocating time, resources, and systems to support the care and management of their consultants.

Building on our expertise as an organization that understood how to engage employees, Actalent's managed talent solution represents a direct match between what we believe about our talent, and how we can best help our clients innovate and grow their business — even amid a talent drought. A Managed Talent solution solves the compounding challenges of talent access and talent attrition.

And by solving these problems, our clients also avoid other problems as well.

Problems our clients avoid with Managed Talent:

⚠ Accumulation of unnecessary costs associated with rushed onboarding, training, and ramp-up processes, which perpetuate a continuous cycle of turnover, overpayment, lost productivity, and unfilled positions.

⚠ Risk exposure associated with co-employment and undefined lines of governance, which can create security risks.

⚠ Oversight and control challenges associated with divided focus (e.g. talent management and technical details) that add constraints to time which result in unmet project deadlines or objectives due to time constraints, talent management, engagement and/or productivity.

Additional value our clients gain with Managed Talent:

We're proud of the problems we help our clients solve and avoid, but one of the most exciting aspects of our Managed Talent solution is the added value we deliver:

✓ **Talent Engagement and Retention:** Engaged talent are enthusiastic and more productive, benefiting business culture, performance, bottom line.

✓ **Performance Optimization:** With proper coaching and management, consultants are more equipped and engaged to perform at optimal levels, resulting in increased productivity and morale.

✓ **Project Intelligence:** When financial and talent performance metrics are routinely reviewed, it allows for on-time adjustments to strategy and helps inform planning for future projects as well.

✓ **Continuation of Knowledge:** With well-documented processes, systems, knowledge, and findings throughout the life a project, information is easily transferred to other people and projects, resulting in greater efficiencies and productivity.

Let's review these added benefits more closely.

Talent Engagement and Retention

Retention is becoming a top concern for employers across the country as they compete for limited engineering and sciences talent. Job quits exceeded 4.4 million quits in May alone — continuing a record-setting trend.

Even before the pandemic, the 2018 SHRM/Globoforce Survey found that 47 percent of HR professionals cited "retention/turnover" as the top workforce management challenge.

One of the greatest indicators of whether an employee will leave or not can be determined by their level of satisfaction and engagement, two terms that are often interchanged, though achieve different outcomes.

> Talent Engagement

In his article Psychological Conditions of Personal Engagement and Disengagement at Work, William A Kahn (1990) identifies three factors that contribute to an employee's engagement at work:

Meaningfulness: a sense that they're adding value to the organization and contributing to its overall success.
Safety: the ability to contribute ideas and thoughts without fear of reprimand or repercussion.
Availability: the resources and support to put thoughts and ideas to work.

When employees demonstrate commitment to help their employer achieve goals, grow its brand, and advance its reputation in the marketplace, they're engaged. This employee is taking on important tasks, asking for help when needed, and speaking up when they feel there is a better way to do something. Engaged employees go above and beyond because it's safe for them to do so. Not to mention, employees who report feeling engaged, remain at their company and experience, on average, a 20 percent increase in productivity, sales, and customer satisfaction.[3]

> Talent Satisfaction

Satisfaction occurs when an employee enjoys aspects of the job but doesn't feel compelled or driven to put in more effort than what's asked. They're showing up — maybe a little early some days, staying late others — but beyond that, the effort level is minimum.

For companies looking to hire people with engineering and sciences skills, satisfaction will not be enough to keep them. There is too little supply and far too much demand.

Actalent recently **surveyed more than 600 engineers** across a variety of industries to learn about the factors they consider most important to engagement. Their responses illustrate the critical role managers play in satisfaction and engagement, but also the gaps that exist between what employees want in an employment experience and what they're getting.

+ + +

Engagement and Satisfaction Importance Rankings

Factor	Importance Rank	Performance Rank	Gap
Transparent communication about job and company	1	20	🔴
Recognition for your work	2	13	🔴
Opportunities for growth and advancement	3	22	🔴
Job security	4	14	⚫
Clear communication about your expectations	5	17	🔴
Managers care about your career	6	21	🔴
Clear communication about your performance	7	15	🔴
Your ideas are taken seriously	8	7	🔴
Gaining a broad spectrum of skills	9	16	🔴
Company is stable	10	5	⚫

The Manager Matters

We asked respondents to identify and rank the factors that were most important to them (importance), and how well their employers fared in providing them (performance). Red dots indicate a gap between what's important to employees and what they receive. The bigger the red dot, the larger the gap. Blue dots indicate agreement between importance and performance. According to the top ten factors identified, the manager plays a critical role in the satisfaction and engagement of employees.

When considering how their companies fared against these factors, 33 percent of full-time employees reported being very satisfied at work. These employees understand the impact of their contributions, feel valued and supported in their work, and go above and beyond what is expected of them. Furthermore, they contribute to the overall positive culture of an organization.

Across all engineers — full-time and contractual — 39 percent reported feeling somewhat satisfied; 10 percent reported feeling neither satisfied or dissatisfied; 12 percent reported feeling dissatisfied; and 6 percent reported feeling very dissatisfied. These rates are problematic — and costly — for companies. Neutral or negative satisfaction ratings contribute to low morale, productivity losses, and project slow-downs or bottlenecks.

Measuring satisfaction and engagement provides valuable insight into a company's likelihood of retaining employees, how productive employees are likely to perform, and how likely it is they will positively impact culture.

Therefore, companies must pay attention to engagement at every level of the business, and at every step of the employee experience. For example, an employee who is led by a disengaged manager is three times more likely to feel disengaged; an employee with a poor onboarding experience won't easily recover from the early feelings of dissatisfaction and disengagement: Every level of the business, and every step of the experience matters.
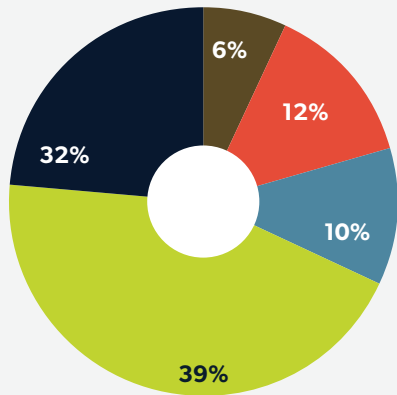
Overall Satisfaction with Current Employment

Full-time Engineers

6%
14%
12%
33%
30%
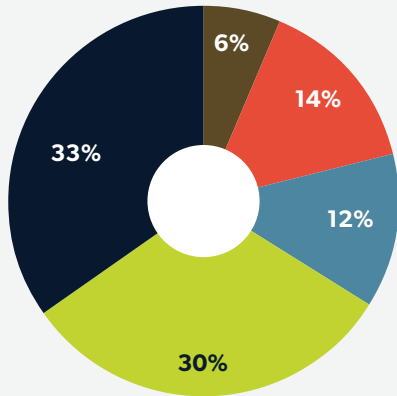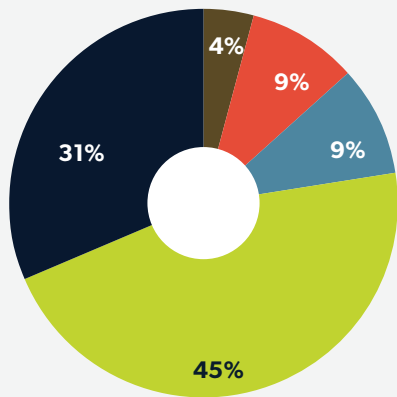
Contract Engineers

4%
9%
9%
31%
45%

Total Engineers

6%
12%
10%
32%
39%

Actalent's Managed Talent team collaborates closely with clients to define, plan, and execute a positive, comprehensive onboarding experience for consultants. The plan outlines logistical details, including how to gain access to necessary equipment and available resources to support performance optimization from the start, another value our Managed Talent solution delivers.
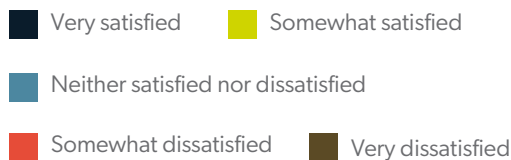
Performance Optimization

When engagement increases, production increases — and prioritizing effectiveness of performance (how well a job is done) over efficiency (how fast a job is done) is an important component of employee engagement.

Effectiveness places emphasis on ensuring talent have the knowledge, skills, and support needed to be successful, while efficiency is more concerned with talent's ability to accomplish tasks with the least amount of time, money, or effort. Efficient performance gets the job done faster, though with higher attrition rates.

Effective performance gets the job done better, though with higher retention rates. Unfortunately, understanding the distinction between efficiency and effectiveness and acting upon it are two different things.

When Gallup surveyed 10,000 employees in 2016, just 2 out of 10 felt they were optimized to perform great work — that's just 2,100 who believed they were performing at a high level, leaving nearly 8,000 who did not.[4]

Often, disengagement and non-optimization are direct results of the stress and time constraints managers face when they're responsible for both project completion and talent performance. When a deadline looms, it's tough to take time away from task management to focus on performance management. Especially if performance management isn't their strength.

■ Very satisfied   ■ Somewhat satisfied

■ Neither satisfied nor dissatisfied

■ Somewhat dissatisfied   ■ Very dissatisfied

Percentages may not add up due to rounding

Since continuing along the same path isn't a solution even in a good labor market, let's consider a couple others.

1 | Hire more internal managers and spend additional time and resources training them on how to effectively engage and optimize their team.

Investing internally to optimize talent performance and manage project lifecycles might be a good fit for organizations looking to create closer alignment. The first step in this approach requires an in-depth evaluation of the organizational climate. Typically, organizations hire experts to conduct a thorough analysis of the workforce environment, including level of employee engagement, optimization, productivity, and growth potential. Results of the analysis are presented to leadership to determine next steps and begin the development of change management plans across the organization. Ideally, and according to ADKAR Change Management Model, the managers tasked with enacting this change initiative should be trained in effective change management practices. With implementation underway, these managers should be consulted regularly to assess progress and identify further needs. Once plans are implemented, systems to regularly monitor and assess effectiveness of implementation and management must be built to ensure complete integration of change into the organization's culture and operating practices.

Due to level of time, effort and expertise required to build internal capacity to manage both talent optimization and project outcomes with no guarantee of success, many organizations fall short in achieving full optimization. Therefore, finding a strategic partner with expertise can prove to be a more effective and sustainable option for many organizations.

2 | Find a strategic partner to drive the engagement and optimization of teams while they retain management of the program or project outcomes

A core capability of Actalent's Managed Talent solution is performance optimization. Through consistent execution of onboarding, performance monitoring, feedback, coaching sessions, and skill development, we ensure our clients are productive, engaged, and effective to achieve, even exceeding, desired outcomes.

We understand that technical managers have a lot on their plates — from project budgets and milestones, to deadlines and deliverables. So, we assume responsibility for caring and managing the performance of consultants assigned to your program or project. Removing this responsibility from technical managers provides them more time and expertise achieving program or project outcomes.

We gather a lot of insight around performance optimization, among other metrics, and provide this intelligence to our clients so they can apply what's learned to improve, innovate, and grow.

⊘ Customer Success Intelligence

Digital advancements have transformed the way companies do business — and not just in terms of how products get to market, or the precision with which customers are targeted, or the efficiency with which processes are streamlined. Digital advancements also provide critical, nuanced insight into employee performance. And these insights go well beyond traditional measures (e.g. hours applied to projects, adherence to schedules, headcount reports).

Today, analytics give granular insight into exactly when, where, and how employees engage, perform, and produce — and, even more importantly, why. When employers understand and use these insights to optimize employee performance, everything about the business gets better.

At Actalent, we call these analytics and insights Customer Success Intelligence. As longtime developers of healthy and productive workforce ecosystems, we've studied and applied leading edge practices, methodologies, and technologies in engineering and sciences to elevate employee performance, and ultimately bottom lines.

The ability to investigate and assess skill level, utilization rate, efficiency of team resources, budgets and costs related to a project, onboarding benchmarking and time-to-improvement are a few of the insights our data collection and analysis yield for the projects Actalent supports.

Customer Success Intelligence >>>>>
DATA ANALYTICS TO ACTIONABLE RESULTS

Talent Attraction	Talent Engagement and Retention	Time and Talent Efficiencies	Risk and Compliance	Cost Efficiencies	Quality Work Execution

ACTALENT'S CUSTOMER SUCCESS INTELLIGENCE

We collect these data for our client's entire workforce ecosystem — internal and external employees alike — to provide a comprehensive and strategic view of performance and productivity, engagement, and retention—and the contributing factors or detractors to support the data. And we don't keep the information, or intelligence, for ourselves. We share it with our clients, so they know exactly where to leverage their efforts for maximum value too — immediately and in the future.

The Specifics of Customer Success Intelligence Metrics

Companies looking to increase engagement and, therefore, productivity must begin to collect and measure **factors of satisfaction and engagement**. Here are some important next steps:

- Benchmark key metrics such as onboarding time, attrition rates, retention rates and engagement at the onset of each program, project, trial and/or engagement

- Move beyond satisfaction and into engagement through implementation of proven tactics to enhance the Workforce Ecosystem Experience (e.g. clear expectations, performance feedback and coaching, recognition)

- Measure, monitor and act on critical financial metrics around spend, PO tracking and costs through forecasting needs and setting up action plans

- Measure retention and consulting performance through quantifiable metrics and actionable plan(s) to increase talent success and recognition, thereby project success

- Review metric performance every quarter beginning at initiation through a collaborative in-person business review with key stakeholders

Actalent's Customer Service Intelligence capability supports the transition from talent as a transactional approach to a caring, relationship-driven one. Efforts to develop a healthy, productive workforce ecosystem based on data-driven intelligence will result in success for the talent, our clients, and those who benefit from the products and services our clients deliver.

Coming Full Circle

More and more, employees are searching for meaning in their work and have a strong desire to advance a clear purpose. Whether evaluating prospective employers based on social responsibility programs, community give-back commitments, and/or overall impact to create a better world, employees want to work for companies that are making a difference.

Performance Feedback

Furthermore, as discussed, employees want clear communication about their performance. Particularly in an increasingly hybrid culture, clarifying expectations and providing performance feedback is critical to engagement. Managers who demonstrate genuine interest in an employee's development and career growth is an essential component of retention. Frequent and meaningful conversation with employees about performance and development will inspire higher engagement and performance levels.

Praise + Recognition

Recognizing employees for the contributions they not only builds trust between employees and leadership, it has a measurable impact on retention. While not every employee will want to be called out on a stage in front of hundreds of people, most want some form of recognition for their contributions and impact.

Praise and recognition come in all shapes and sizes— from a simple email, phone call, voicemail or call out during your next team call, even the smallest gesture makes a big difference. Unfortunately, only one third of employees report receiving recognition the last time they went the extra mile.

Diversity + Inclusion

"Inclusion is the ability to engage diversity in your workforce, so that everyone has equal opportunities to contribute."-Shirley Davis Sheppard, Ph.D., Vice President of Diversity and Inclusion and Workplace Flexibility at the Society for Human Resource Management (SHRM).

Companies that promote, encourage, and celebrate diversity and inclusion of race, thought, gender, age, and experiences benefit from new ideas, broad perspectives, and a more engaged workforce. They are more productive, engaged, fulfilled, and profitable. Consider these statistics from a recent Zip recruiter survey:

- **74%** of millennials believe that their organization is more innovative when it has a culture of inclusion.

- **79%** of organizations say fostering a sense of belonging in the workplace is very important for their success.

- **25%** of employees recognize comfort as the biggest driver of belonging, wanting to feel treated fairly and able to bring their authentic selves to work.

- **67%** of job seekers said a diverse workforce is important when considering job offers.

- **Over 86%** of job seekers say workplace diversity is an important factor when looking for a job.

The Managed Talent Difference

Our engineering and sciences consultants want to build a career with an organization that values them, supports them, and demonstrates how their work impacts the world.

Our clients need engineering and sciences talent, but don't have the time or internal structure to manage their performance, satisfaction, and engagement.

Managed Talent addresses all of these needs by providing exceptional talent to our clients, and a dedicated manager to oversee their performance and engagement at every step, and coach them in their career.

By taking care of our consultants, we're taking care of our clients, too.

1 Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, OOH Data Access and Republishing Information, at https://www.bls.gov/ (visited December 13, 2021).

2 Ibid

3 Harter, Jim. "U.S. Employee Engagement Holds Steady in First Half of 2021." Gallup.com, Gallup, 24 Sept. 2021, https://www.gallup.com/workplace/352949/employee-engagement-holds-steady-first-half-2021.aspx.

4 Gallup, Inc. "Re-Engineering Performance Management." Gallup.com, Gallup, 7 Oct. 2021, https://www.gallup.com/workplace/238064/re-engineering-performance-management.aspx.