



Recruiting, Managing, & Retaining A Healthy Workforce:

Minimizing Employee Risk in the Workplace

JEFF YATES, DIRECTOR OF BUSINESS DEVELOPMENT S3 MANAGEMENT GROUP DECEMBER 2023

Employee Risk: What is it?

Definition: Employee Risk is the potential for current, prospective, or prior employees to derail the execution of an organization's strategic and operational objectives

Employees are a company's greatest asset, yet they bring the greatest risk. Addressing risk directly improves hiring, retention, culture, and profitability.

"Almost everything that can go wrong in a business has a human capital component.
-DAVID CREELMAN, CEO, CREELMAN RESEARCH



What is Employee Risk?

```
Misconduct
                  Corporate
        Claims Turnover Equity
Firing Costs Mental
        DEI Retention Termination
   Layoffs EMPLOYEE Reputation Labor Bad
                              Harassment
                              Diversity
Discrimination
              Disengagement
              Voluntary Inclusion Wrongful
                 Wellness
              Unemployment
```



The Cost of Employee Risk

The average cost of hiring a new full-time employee ranges from \$4,000 - \$20,000

The average cost to replace a salaried employee is six to nine months of their salary.

In 2022, the overall cost of voluntary employee turnover amounted to over \$1 trillion.

The average cost of settling out of court for an employment claim is \$75,000. The average jury award for an employment-related case is \$217,000

The average cost of a disengaged employee is \$16,000 per year

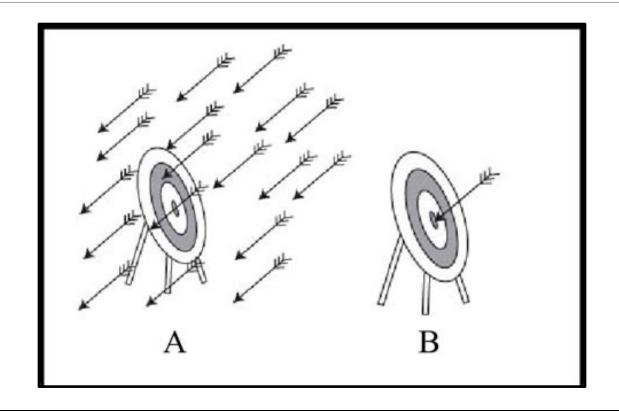
Productivity losses *related to stress* cost employers \$225.8 billion, or \$1,685 per employee, each year.

The average amount paid out on an unemployment claim is \$4200





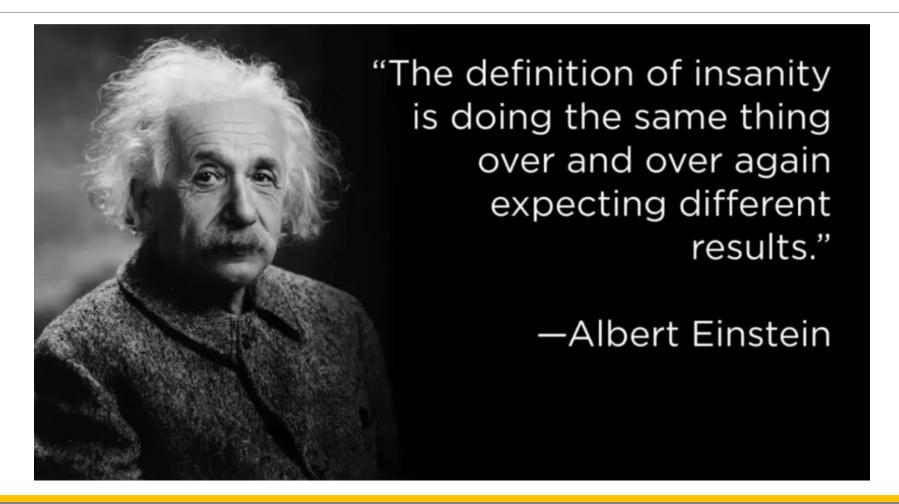
Employee Risk: Historical Approach?



If you aim at nothing, you will hit it every time! - Zig Ziglar



Is there a Better Way?

















A Proven Formula to Minimizing Employee Risk And Increasing Retention

Focus + Technology + Process = Mitigation

Utilization Integration

Successful risk mitigation = increased retention

Intentional Focus

4 Key Areas of Employee Risk

- Hiring/Retention
- Mental Wellness
- Workplace Misconduct
- Unemployment

Intentional





Risk

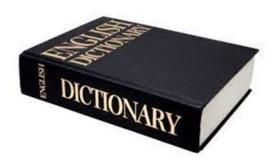
The science of hiring:



By Definition:

Subjective (adjective):

based on or influenced by personal feelings, tastes, or opinions.



Objective (adjective):

(of a person or their judgment) not influenced by personal feelings or opinions in considering and representing facts.





Components of Subjective Hiring

- Applicant Tracking Systems (ATS)
- > Job Boards
- > Resumes
- Personality Tests
- > Interviews



Applicant Tracking Systems - ATS



ATS Flaws - Harvard **Business School this** year suggested that flaws in automated resume-screening tech are causing millions of workers to be overlooked during the hiring process. The software focused on specific skills listed in the job description instead of what a person could bring to the role.



Posting Jobs On Job Boards



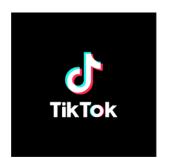












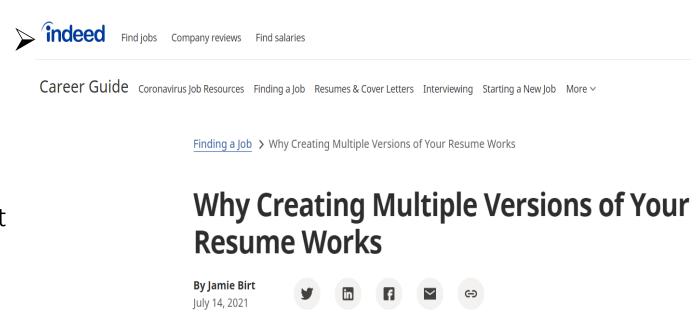






Resumes

- The first documented resume was created by Leonardo da Vinci in 1482 A 540-year-old hiring tradition
- ➤ Google If you type "How to write the perfect resume" in the search bar, you'll get more than 4 *Billion* options in less than one second



- > Resumes might contain false information estimated that 40% contain errors
- > Resumes leave too much room for bias various factors can create "first impression" bias, based on certain criteria listed on the resume. This bias is one of the leading causes of hiring mistakes.



Behavioral Testing

ISTJ	ISFJ	INFJ	INTJ
ISTP	ISFP	INFP	INTP
ESTP	ESFP	ENFP	ENTP
ESTJ	ESFJ	ENFJ	ENTJ













Could there be a better way?



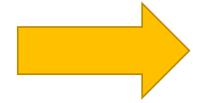
Subjective Hiring – hiring decisions made based on resume, interview, and application process. Applicant paints a picture of themselves that they want you to see.

A Case For Objective Hiring – hiring decisions made based on whether or not a candidate is internally wired for a position. Applicant's hard wiring (never changes) is what is seen first.

Think of it like a car:









Applicants that are wired for the job train faster and stay longer





What Are Objective Traits

Realistic



Enterprising



Social



Investigating



Artistic







Intentional Focus

4 Key Areas of Employee Risk

- Hiring/Retention
- Mental Wellness
- Workplace Misconduct
- Unemployment

Intentional

Risk Mitigation





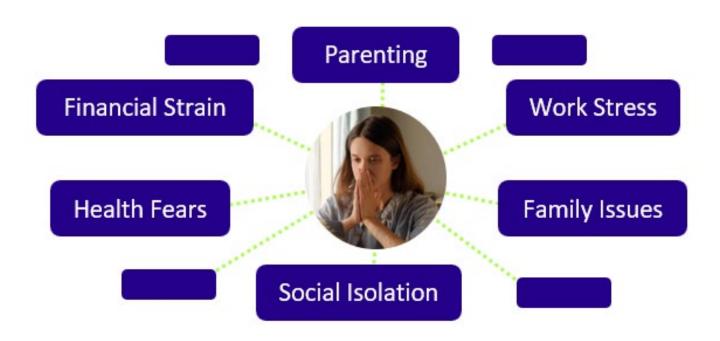


people pleasing

fatigue

Individuals are facing more challenges in their life than ever before.





74% Report Stress

3 in 4 employeesreport stress that impacts their mental health

Left unchecked, these pressures can easily develop into serious mental health issues.



81% of Gen Z'ers have left a job b/c of mental health reasons.

68% of Millennials have done the same





Too many people begin their care at a higher level than necessary.

Increased costs

Higher friction

Decreased engagement

- Inconvenience
- Stigma
- Incompatibility
- ▶ Cost

Social Workers Counselors Therapists Psychiatrists Crisis Care

Low Intensity Care

High Intensity Care







Change the starting point from clinical care to human connection!

Start. Hear.







Human Connection

Resources

■ Reduced claim costs

Low friction

1 Increased engagement



91% Employees want to start with support, not care.

Coaches

Clinical Counselors

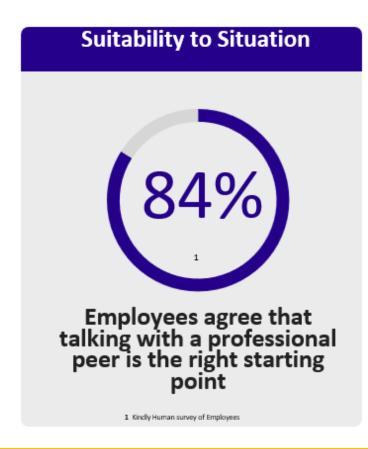
Crisis Care

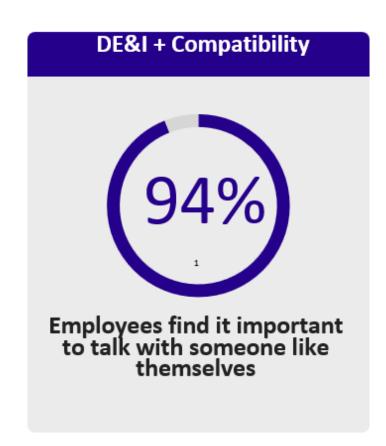


The vast majority of people suffering do not need clinical help, but are simply looking for a place to begin with human connection.



"I want to start with someone who gets me and is available right now."









Intentional Focus

4 Key Areas of Employee Risk

- Hiring/Retention
- Mental Wellness
- Workplace Misconduct
- Unemployment

Intentional

Risk Mitigation



Recent Influences

Workplaces Reflect What's Happening In Society

#MeToo and #TimesUp

Movement against sexual violence; Movement against harassment, assault and discrimination at work.

2017

COVID-19 Pandemic

Marginalized groups are disproportionately affected by pandemic; #WFH continues to impact millions.

2019

#BLM, Elections & LGTBQ+

Opened America's eyes to the persisting racial inequities, gender identity and a most contentious election - all pointing to the need to make systemic changes.



#RTW, Vaccine Mandate & #AppleToo

Divided guidance on returning to work coupled with a Delta variant and Federal mandate, all while employee voices are wanting to be heard on all issues.



ESG + DEI

Environment, Social and Governance requirements, combined with Diversity, Equality and Inclusion (DEI) initiatives need impact and results to help drive corporate initiatives and results.

2022







PROBLEM: A BROKEN SYSTEM OF BEING HEARD





A Disconnect

Employees Still Don't Have a Voice.

Despite diverse hiring, unconscious bias training and public commitments, many organizations are overlooking a crucial step in their culture initiatives, or mistakenly believe their current processes and procedures for managing workplace misconduct are adequate.

National Averages

MISCONDUCT INCIDENTS THAT GO UNREPORTED

COMPANIES THAT HAVE MISCONDUCT ISSUES ANNUALLY

HAVE BEEN DISCRIMINATED AGAINST OR HARASSED

ALIGNMENT OF COMPANY'S ACTION & STATED VALUES

61%





THE ANSWER: A SOLUTION THAT UNTANGLES THE PROBLEM

Workplace misconduct, culture issues, harassment, DEI initiatives, discrimination ethics or whistleblowing requirements, toxicity, and/or turnover.

... TRYING TO SOLVE WITH ANONYMOUS HOTLINES ...

A complex process of "knowing" there are issues, yet few incidents are reported (or not at all), and the onus is put back on the employer to unwind, investigate and resolve.

... <u>WILL</u> SOLVE WITH 3rd PARTY SOLUTION

Utilize a complete solution that <u>untangles</u> the issues for employers, saves organizations time and money, mitigates risk and improves workplace culture. Empower employees with a voice!











Intentional Focus

4 Key Areas of Employee Risk

- Hiring/Retention
- Mental Wellness
- Workplace Misconduct
- Unemployment

Intentional



Unemployment Insurance Expense Basic Compliance vs Risk Management

Risk Transfer

Stop Loss Protection, Predictable Budgeting

Risk Management

Data/Analytics, Strategic Hiring, Training Tools

Compliance

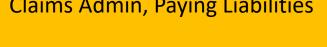
Claims Admin, Paying Liabilities

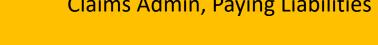
UI Risk Management

- Financial Stewardship
- **Risk Protection**
- Focus on Driving Cost Out
- Tools For Full Employee Lifecycle

Basic Compliance

- Claims Processed
- **Liabilities Paid**







What's your story?

4 Key Areas of Employee Risk

- Hiring/Retention
- Mental Wellness
- Workplace Misconduct
- Unemployment

Review the Risk

Risk

Risk

Management

Process

Analyze
the Risk

Risk

Analyze
the Risk

1.Identify the Risks

5. Monitor and

Intentional

Focus + Technology + Process
Utilization Integration

Risk Mitigation



The S3 Sentinel

sen·try | \ 'sen-trē - Definition - A Program That Protects from Employee Risk



Strategic Hiring

- Objectively assess "inner wiring" of applicants
- S3 Talent Matching System (TMS) connects people with the right jobs
- Additional screening tools such as Nurse Retention and IntegriScreen



Employee Mental Wellness

- Peer-to-peer connection 24/7/365
- Pre-clinical employee support
- Data/Analytics with observations and recommendations



Training & Compliance

- E-Learning platform with targeted employee training courses
- Employee handbook creation & maintenance
- Compliance library & calendar



Misconduct

- Safe employee portal for incident reporting
- Efficient investigations with response times exceeding industry standards
- Resolution recommendations based on applicable laws & best practices



Unemployment

- Claims administration & corporate risk assessment
- Pre-emptive fraud protection
- Stop loss insurance



Thank you!

<u>Jeff.Yates@S3ManagementGroup.com</u>

972-984-5275 ext. 170 www.S3ManagementGroup.com

