



EMPLOYER RESOURCE NETWORKS (ERNS)

FREQUENTLY ASKED QUESTIONS

1. What are ERNs?

Employer Resource Networks are private-public consortia whose purpose is improved workforce retention through employee support and training. The key ERN innovations are: business engagement; cross-sector collaboration among employers, human services and educators; workplace-based employee success coaching (case management); real-time referrals to community resources.

2. Who are primary stakeholders in ERNs?

ERN stakeholders include: small to mid-sized companies; public human services and workforce development; private non-profits; credit unions and/or community banks, community colleges and vocational training organizations; local, regional and national foundations and United Ways.

3. What are the benefits of an ERN?

ERNs are a value proposition to all stakeholders. Their outcomes include: employee retention rates of 85-98%; contributing employer ROI of 175-330%; informal regional human resource networks; decreased employee reliance on public assistance; increased family financial stability.

4. Where are ERNs?

There are currently ten ERNs in West Michigan with 77 employers and an aggregate workforce of 15,000. ERNs have been established in Indiana, New York and Wisconsin; discovery processes have begun in Arizona, Kentucky, Kansas, Nebraska, Ohio and Tennessee.

5. How did ERNs begin?

ERNs began in Grand Rapids, Michigan. West Michigan Team being the pioneer of the ERN model, learning from the work of Cascade Engineering's Employer of Choice initiative in the late 1990's, the employers engaged and investing in this work have a culture open to exploring innovative employee supports, learning approaches and asset development as an employee benefit. The model incorporates a social science framework for understanding poverty (Dr. Ruby Payne, Aha Process!) and welfare to career advancement (Cascade Engineering).

6. What size companies participate in ERNs and why?

Small to mid-sized companies are the primary ERN participants. They range in size from 50 to 8,000 employees. ERNs are of particular value to companies with 75-300 employees and lean human resource staff as well as those with 300 + employees for whom frequency of skills training is becoming more of a necessity.

7. How are ERNs structured?

ERNs are virtual organizations governed by an active Board of Directors. Their Boards are composed of human resource staff from investing employers as voting members; and public/private human service professionals and success coaches or resource coordinators.

8. What is the funding base for ERNs?

ERNs are joint ventures combining funds from annual employer membership fees, public human/employment service monies and foundation grants. Typical operational costs range from \$50,000 to \$75,000, covering a success coach(s) salary/benefits and administration. 90% + of funding is targeted toward the employee coaching activity / training activities, with a strong intent to minimize any overhead costs.

9. How much do employers contribute to ERNs annually?

Depending on their size and utilization of the ERN success coach, employer membership fees range from \$5,000-10,000 annually. With the average cost of turnover for an entry level employee at \$3,500 (W.E. Upjohn Institute), this contribution is the equivalent of 1-3 terminations annually.

10. How are the success coaches' salaries funded?

The first year is typically seeded through a 50-50 match of employer contributions and philanthropy funds. The member employers cover between 75-100% of the cost after the initial 1 or 2 year start-up phase. The goal is for the employer members to sustain the ERN based on value returned to the company.

11. Which employees benefit from ERN services?

While the initial focus was on low-wage workers receiving public assistance, all employees in ERN participating companies now access success coaching and training. Employees who do not receive public benefits may seek services from the success coach, as it is an employee benefit available to ALL employees, regardless of income.

12. How is the ERN operating model different from the usual social service approach?

ERN success coaches are not in central, social service locations but on-site at participating company workplaces. Their caseload is typically 1/3 that of a public case worker so they can proactively focus on retention. Success coach accessibility and availability are keys to the ERN success: employees have immediate and direct access to counseling and referrals; employers retain workers whose social issues might otherwise result in termination.

13. How do human resources and success coaches integrate their work?

Success coaching is fully integrated into human resource protocols from recruitment/ interviewing to termination. Events such as employee lateness, absenteeism or, poor performance trigger human resource managers or supervisors to make referral to the individual's success coach. Employees are also able to contact their success coaches directly, without being referred by human resource staff. Confidentiality is ensured by the success coach not being a company employee and maintaining a balance of appropriate communication with human resource personnel.

14. What are benefits of ERNs to human resource staff?

The presence of skilled success coaches in the workplace relieves human resource staff from managing their employee's non-work related issues. Their participation on ERN Boards links them in an informal, "rapid-response" professional network.

15. In what ways do ERNs support an individual employee's career laddering?

ERNs support career laddering: through shared seat training, referrals to skills building opportunities; offering GED, English as a Second Language and computer classes; facilitating employee movement into higher paying jobs.

16. How do ERNs foster movement off public assistance towards self-sufficiency?

Success coaches work with employees to develop and follow family financial plans. They connect employees with asset development and debt reduction tools such as emergency loans through an employer partnership with a local credit union that also promotes savings to establish an emergency fund and Individual Development Accounts. ERNs have also partner to offer courses in financial literacy and homeownership.

17. What role do community colleges have in an ERN?

Educational institutions partner with ERN employers to seek public training funds or design shared seat training scheduled around the employers shifts to increase skill development in the workplace. Community college instructors are embedded in employment settings to design curricula which meet employer just-in-time needs for new skills.

18. What issues may catalyze a community to consider the ERN model?

The issues differ from place to place but include: employee retention; presence of a skills gap between employer needs and employees' current skills level causing vacancies in higher paying middle skills jobs; poverty reduction in the low-wage workforce; family financial literacy and asset development; decreasing public assistance expenditures.

19. How do communities or regions begin the process of establishing an ERN?

ERNs are catalyzed when individuals, organizations or community coalitions identify issues such as poverty reduction and/or skills gaps for which an innovative approach to workforce development is needed. The initial stakeholders depend on existing community collaboration, assets, local champions or connectors as well as the regional economic base.