

EMPLOYER RESOURCE NETWORK

Employer Resource Networks (ERNs) are private/public partnerships that improve talent retention and engagement through employee support and training.

Structure

ERNs are place-based or virtual organizations governed by an active board of directors. These boards are employer-led and may be composed of human resource staff from contributing companies, public/private human service professionals and success coaches or resource coordinators.

Stakeholders

ERN stakeholders include businesses, economic development agencies, human services and workforce development agencies; private non-profits; community colleges and vocational training organizations; and local, regional and national foundations.

Funding

ERNs are joint ventures combining funds from annual employer membership fees, public funds and foundation grants. Network start-up costs range from \$50,000 to \$120,000. Most of the funding is targeted toward employee job retention and training activities that provide long term savings for participating businesses.

Contributions

Depending on their size and use of the ERN job retention specialist (success coach) most employers pay membership fees that range from \$3,000 to \$10,000 annually. With the average cost of turnover for an \$8/hour employee at \$3,500 (Society of Human Resource Management), this contribution is the equivalent of 1–3 terminations annually. The success of ERNs in improving job retention rates can mean an outstanding return on investment for participating businesses.

Business characteristics

Companies of any size or sector can form a successful ERN. Businesses that wish to improve their employee retention rate, pay a living wage, embrace the importance of wraparound services as part of their business model, and are willing to partner with local agencies and service providers are ideal partners to join an ERN.

For additional information on Employer Resource Networks, please contact us at communityventures@michigan.org.

Benefits for businesses

- Employee retention rates of over 90 percent with participating employers.
- Contributing employer ROI of over 175 percent.
- Employer-tailored training and job retention services.
- Publicly and privately funded job retention specialists.
- Specialized expertise in leveraging workforce and economic development resources.
- Informal networks to pool resources and create opportunities for cross sector collaboration.
- Increased family stability and decreased reliance on public assistance for employees.
- Improved employee productivity and attendance.
- Partnership network of employers, nonprofits, community colleges, and public agencies that expands range of resources available for individual businesses.