


Boosting talent stability & ownership mindsets in frontline operations

Webinar

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Session speakers

 Session moderator



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Agenda

1 **Introductions and kick off**
The talent imperative and talent as an investment

2 **The Impact of employee ownership**
Discussion on how Ingersoll Rand implemented employee ownership to transform their business

3 **How to implement employee ownership**
Discussion on what it takes to implement broad-based employee ownership and how Ownership Works helps organizations achieve their goals

4 **Q&A**

5 **Next Steps**

Messages for the CEO on frontline workforce

The imperative

Frontline talent stability and productivity remains a challenge for most organizations across sectors despite steep pay increases

The opportunity

Addressing these challenges can generate attractive ROI (3-5x per year) within reasonable timelines (e.g., 1-2 years)

The unlock

The unlock is a shift in the organization's mindset from thinking of the frontline as a cost, to investing in it as it invests in capital

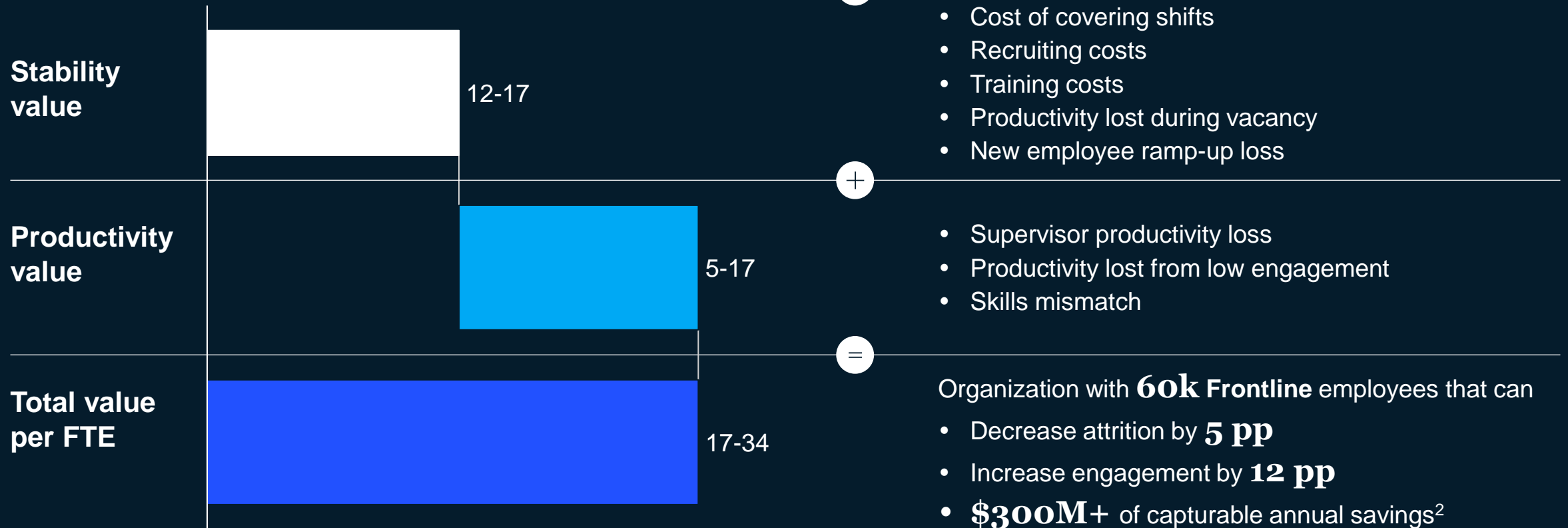
The recipe

Winners in frontline performance are setting a frontline strategy, investing in frontline innovations, and rewiring the operating model

Improvement in stability & productivity generates meaningful value

Average EBITDA impact per medium-skilled worker

Thousand \$ per active frontline US FTE per year¹

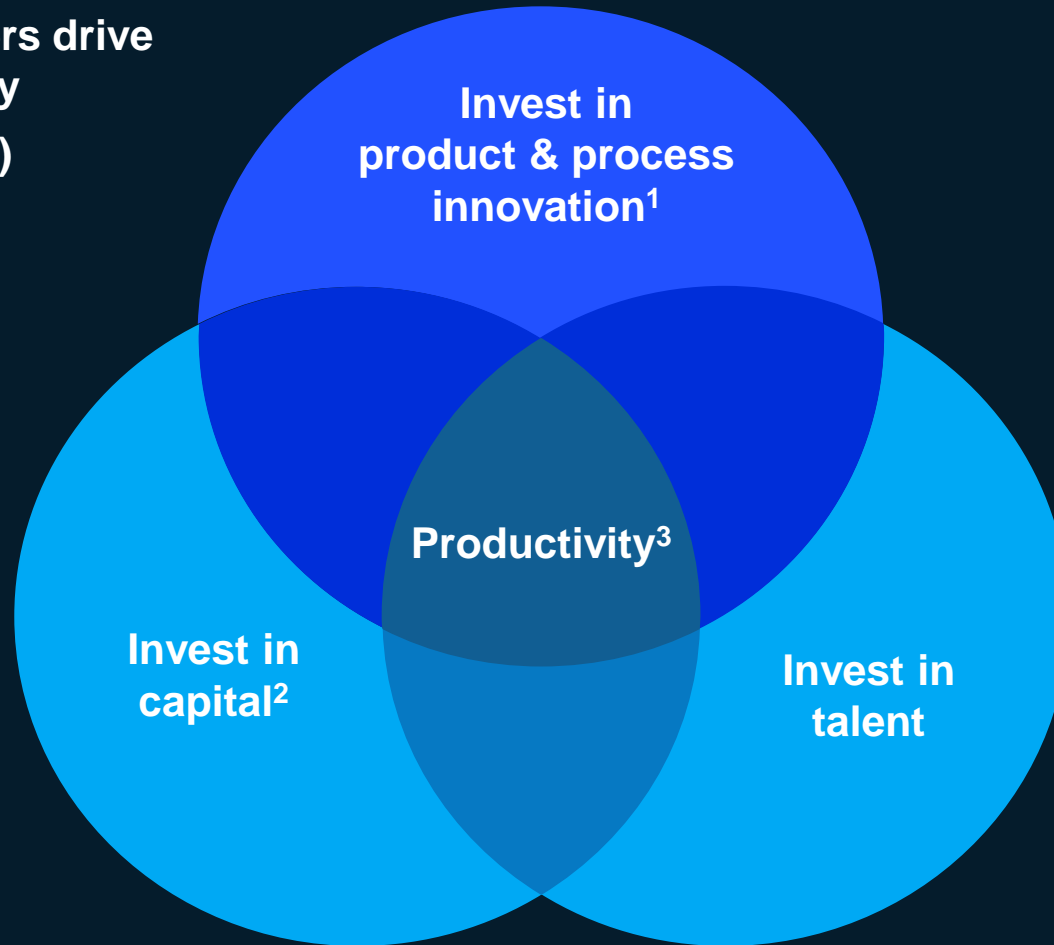


1. Assumes average salary of \$63K used for US; ~\$40k used for EU (not including overtime or benefits). Turnover of 33% per year. Time to fill = 28 working days, work week = 5-days. Contribution per FTE = S&P500 median gross margin per FTE

2. +~0.8 pp EBITDA margin

The top 1% in productivity invest in talent, capital and innovation

How winners drive productivity
(56 of 5000)



7 ways leading companies are investing in talent

1. **Work Design** e.g., safe and efficient space, process, and equipment
2. **Talent planning** e.g., labor demand forecasting, flex scheduling
3. **Attracting and onboarding** e.g., skills matching
4. **Talent development** e.g., training, coaching, tuition reimbursement
5. **Talent effectiveness** e.g., performance visibility and rewards/ celebrations
6. **Culture and experience** e.g., connectivity, wrap-around services
7. **Rewards, recognition, and incentives** e.g., hourly rate, distributed equity

1. E.g., R&D, customer research, agile coaches, consultants, lean processes
2. E.g., Working capital, goodwill, PP&E, technology/automation
3. Productivity is defined as Revenue/FTE

Industries direct 70+% of investment towards labor

Average investment mix by industry, 2010-2021

■ Labor Investment (labor cost) ■ Invested capital (WC + PP&E)

Industry	Investment mix	
Healthcare	88%	12%
Industrials	83%	17%
Pharma & Medical Products	82%	18%
Business Services	81%	19%
Consumer	77%	23%
TLI	76%	24%
Materials	74%	26%
Energy	48%	52%
Global	74%	26%

Companies have robust capital investment processes, but investments in talent are not rigorously evaluated despite the relative weight in investment factors

1. Average labor investment per FTE = Wages / WACC / FTE
2. Analysis of conglomerates, financials, real estate, TMT, and insurance not displayed

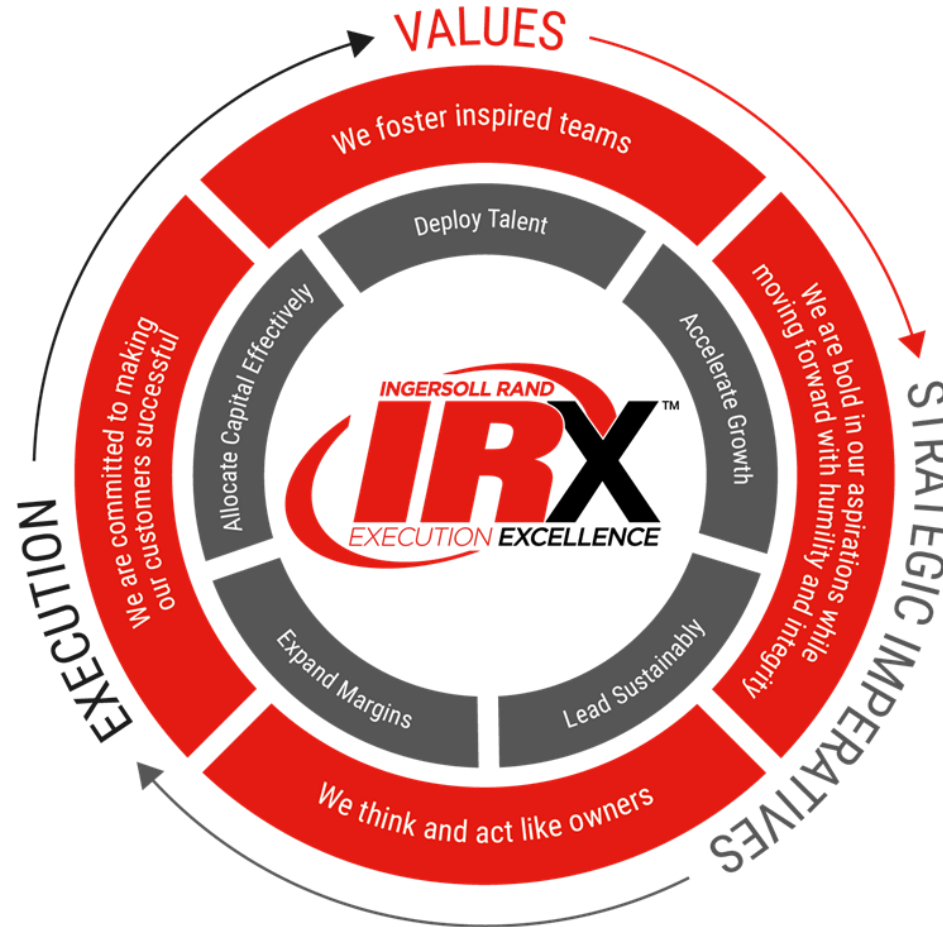
The Impact of Employee Ownership



Michael Weatherred

SVP, Ingersoll Rand
Execution Excellence
(IRX), Business and
Commercial Excellence

Ingersoll Rand is driven by an entrepreneurial spirit and ownership mindset. We provide innovative and mission-critical flow products and industrial solutions across 100+ respected brands around the world.



Total Rev

\$6.9 B

Adj. EBITDA

\$1.8 B

Adj. EBITDA Margin

26%

Associates

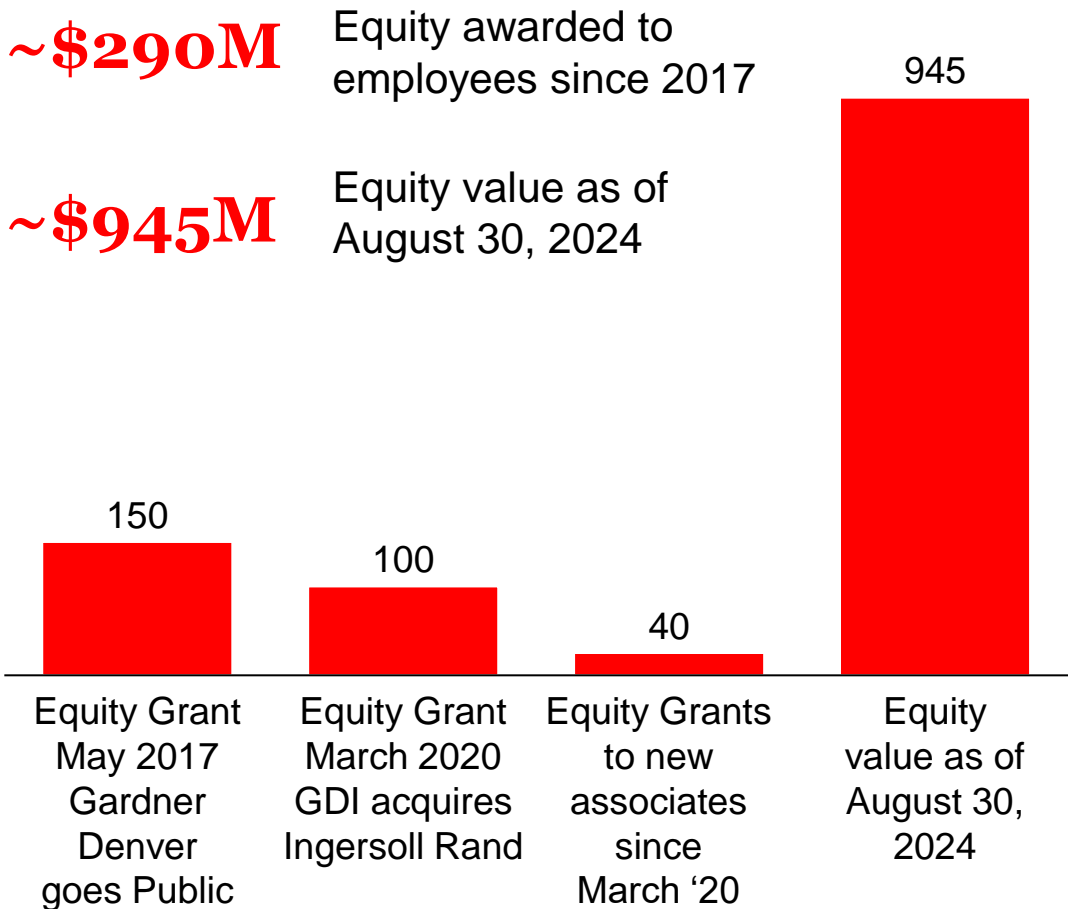
+18k

Manufacturing Locations

+70

The Impact Story

Pioneer in Employee Ownership



Source: Ingersoll Rand

Top Industry Percentile

81% Employee engagement improved from 20 th to 90 th percentile (2016-24)	-63% Decrease in attrition, from 19% to 7% (2016-24)
+13x Increase in enterprise value, from \$3B to \$41B+ (2016-24)	+71% Improvement in safety; rank exceeds World Class standard (2016-24)

“
As a frontline employee, I never thought about being granted company stocks. This has given me a strong sense of belonging and security. I am proud to be part of Ingersoll Rand – L.W. United States Associate

What is broad-based employee ownership?



Leigh Weiss

Advisor KKR and
Ownership Works, Senior
Advisor, McKinsey &
Company

Broad-based employee ownership requires



Critical success factors include

Leadership – empathy, personal responsibility

Transparency and education on company goals, priorities, & performance

Success criteria, planning and accountability for people & engagement metrics

Elevated purpose

Employee voice – innovation, decision making

Ownership Works

We partner with companies and investors to develop and implement innovative broad-based employee ownership programs



Anna- Lisa Miller

Executive Director
Ownership Works

Benefits of employee ownership

Higher employee engagement and productivity

Increased retention

Better financial outcomes for companies and employees

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Companies supported by
Ownership Works



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Private equity partners



Ownership Works at C.H.I. Overhead Doors

Watch the video [here](#)

C.H.I. 



**Ownership
Works**



Thank you!