

Case Study: Subaru of Indiana Automotive, Inc.

September 2008

The Company:

Subaru of Indiana Automotive, Inc. (SIA)

The Challenge:

Recruit and select 1,100 new automotive assembly workers to fill positions created when the company added a production line for Toyota Camry to its Lafayette, Indiana, Subaru plant. The enviable problem: screening more than 22,000 applications to fill 1,100 jobs.

The Solution:

WorkKeys® job profiling and skills assessments

The Results:

- Turnover reductions of more than 25%
- A streamlined and automated hiring process allowed the company to reduce their recruiting/hiring staff by two full-time persons yet complete a large mass hiring in record time
- Electronic assessments allowed a paperless hiring process – an important environmental benefit for a company committed to Zero-Landfill

As the only Subaru assembly plant in the U.S., the 2.3 million square foot facility in Lafayette, Indiana, produces about 110,000 Outback, Legacy and Tribeca automobiles each year. In October 2005, SIA's parent company, Fuji Heavy Industries (FHI), entered into a business collaboration with the Toyota Motor Corporation, under which it was agreed that SIA would add a production line for the top-selling Toyota Camry. Toyota and FHI agreed to invest approximately \$230 million to implement Camry manufacturing processes on an existing production line at SIA capable of producing nearly 100,000 vehicles annually.

Toyota selected the Indiana plant in part because of the area's long commitment to workforce development. The Tecumseh Area Partnership, Inc. (TAP) serves a dozen counties in west-central Indiana and has worked for many years with regional companies seeking to hire and develop their workers. The primary tool TAP uses for assessment: ACT's WorkKeys® system. Thousands of area residents had already been tested when the Toyota contract was signed and thousands more would be tested to qualify for the selection process at SIA.

"We needed to find highly motivated people with a good work ethic," said Brad Rhorer, Manager of Training and Performance Management for SIA. "We build premium vehicles with a very high standard of quality, so we had to find a match to that standard in the associates we selected."

Given that this was the largest single job creation initiative in Greater Lafayette in nearly 20 years, SIA anticipated receiving about 10,000 to 15,000 applications for the 1,100 new jobs. They knew interest would be high because of the desirable salary and benefit structure, career opportunities, excellent work environment and reputation of the companies involved.

The challenge became enormous when the number of applicants reached 22,300, and the selection procedure needed to find one stellar applicant in every twenty applications. Help was on the way.

WorkOne, the Indiana Department of Workforce Development's Lafayette area workforce office, and TAP together formed a new screening and assessment center known as REACH, the Regional Employment Assessment Center for Hiring, to fill the positions at SIA and other area companies that recognize WorkKeys as a valuable tool for screening and assessing the skills of job seekers.

Through the REACH Center, workforce officials screened applicants using specific job profiles and WorkKeys assessments. The hiring system was a highly selective, rigorous process:

- Applicants completed an online customized application form. Deborah Waymire, then Program Director for the Indiana Department of Workforce Development, helped develop an on-line version of the company's standard application, assigning weighted values to skills and experience needed for the position.
- The system scored applications as they were completed to make the results available in "real time." Applicants who attained threshold scores established by Subaru were invited to take WorkKeys assessments.
- TAP scheduled WorkKeys testing sessions for approximately 5,000 applicants at the REACH Center. The Indiana Department of Workforce Development conducted WorkKeys assessments at its WorkOne offices in Lafayette, Fort Wayne, Indianapolis, Gary, and Evansville. Applicants who succeeded on the assessments were invited to participate in the next stage of the hiring process conducted by Ivy Tech Community College on-site at SIA.
- Individuals who did not meet required WorkKeys skill levels were provided with opportunities for remediation and retesting, or referred to other companies in the region.
- Successful applicants then began an internal selection process at SIA which included a ten-year employment history verification, other background checks, and an interview conducted by a two-person SIA hiring team.
- SIA's employment management team reviewed the list of applicants recommended by the interview teams.

"WorkKeys significantly helped SIA narrow the field of qualified applicants," said Rhorer of SIA. "It tests for some of the main qualifications we require in our Associates, and it helped us match the best applicants to the specific, critical job skills identified by the job profiling process."

"WorkKeys works," said Chris Waymire, Director of Capacity Building and WorkKeys Services for TAP, "because it helps businesses find and train the right people, strengthen the applicant pool, increase employee production, get the most from training dollars, and reduce turnover."

Added Deborah Waymire, now Chief Operations Officer at TAP, "WorkKeys is a pivotal tool for delivering on our commitment to find qualified workers for area employers, and for convincing employers to expand in our region where they can be confident a skilled workforce exists. WorkKeys, along with our online remediation training offered to improve scores, has become the key to upgrading the workforce readiness of the entire 12-county area."

The first Toyota Camry rolled off the line at SIA in February 2007, and the 2008 projection is to produce more than 90,000 Camrys in addition to over 100,000 Subaru models. The results of the hiring and selection process for the Camry production line have been significant. Because test results are available immediately, the entire hiring process has been streamlined. Without the online process, time would elapse between steps while paperwork was examined and tests were scored. The lead time needed to get new associates on board and ready to work has been

significantly reduced. All 1,100 employees were hired, trained and working in just over ten months, using two fewer hiring staff members than in the past, which contributed to lower overhead costs.

The company reports a significant decrease in turnover as well – something north of 25% according to Mr. Rhorer. He indicates that SIA has implemented the full WorkKeys and on-site assessment procedure for its temporary or “variable workforce,” given that these workers must possess the same skills as full-time associates on the production line. Subaru uses variable workers to adjust for fluctuating production schedules based on demand.

In 2004, Subaru of Indiana became the first automotive assembly plant in America to earn Zero-Landfill status, which means the plant sends no materials generated by its manufacturing processes to the landfill. In other words, a typical household puts more trash in the ground than SIA's entire manufacturing facility. For a manufacturing plant situated in a wildlife habitat, reducing the amount of paper produced by the hiring process is important. Mr. Rhorer states that prior to this online hiring process, about 15-20 pages would have been generated for each successful applicant and at least a few pages for each unsuccessful applicant. Zero pages were produced for this massive hiring initiative.

Based on his years of experience with WorkKeys, Mr. Rhorer offers these comments: “WorkKeys is a very friendly assessment system. The immediate results allow for a fast turnaround time, reducing our lead time to fill positions. We have and will continue to make WorkKeys a part of our selection for both full-time and variable positions. I have no doubt the system has lowered our costs and reduced our turnover. We enjoy a great relationship with our partners, WorkOne and the Tecumseh Area Partnership, and we appreciate what they have done to help SIA, and other area employers, meet our workforce challenges.”