REDUCING EMPLOYEE CHURN RATES

A "Blind" QualQuant Collaboration Session
Redefines the Existing HR Model

This case study will explore the immediate conditions within the workplace ecosystem and briefly demonstrate factors that can better motivate employees; maximizing retention rates.

Topics for investigation:

► *Employee wishes for the benefits program*
► *Factors that can increase employee loyalty*
► *Areas to work on that will improving employee engagement*

THE BUSINESS CHALLENGE & PAIN POINTS

A Human Resources department for a large insurance firm was experiencing a higher than normal internal churn rate in comparison to previous years. In order to reduce churn rates:

- Research was conducted to identify the underlying cause driving this behavior
- Ideas for improving the workplace (such as: forming new employee programs, perks, benefits, and career pathing /planning), were considered
- Types of programs that could be designed to have the most impact over employee motivation were evaluated

APPROACH & APPLICATION

Typical survey research design often fails to gather truthful and accurate response to sensitive topic areas such as employee retention and turnover, as employees are often fearful their responses will be sent to or evaluated by direct managers and perhaps referred to during performance reviews. This means that gathering many employees into one room for a discussion about unsatisfactory job conditions is nearly impossible.

Therefore,   a "blind" employee collaboration session was designed to provide employees a place to openly and honestly express themselves about the day to day experience with full confidentiality. This approach also relied on the use of psychological probing factors which were designed to encourage creative thinking amongst employees, in fact, masking the original intent of the research which was to bring out root cause of employee turnover. Using probing factors such as wishful thinking and future visioning gave employees the ability to think differently and was reflected in the quality of responses given. Employees free expressions brought about the true state of internal affairs and the obstacles the organization was facing.

There were three main areas of investigation that when analyzed together, are comprised of the ecosystem surrounding current working conditions:

1.) Wishes for benefits program
2.) Driving employee loyalty
3.) Increase employee engagement

By quantifying employee concerns at the departmental level, the "blind" qual/quant collaboration session built a consensus about where the organization stands, identified key areas for improvement and set exact priorities for the issues and programs that should be tackled first to form a better working environment. And the results were in fact very telling but surprising at the same time.

CLIENT PROFILE:
Industry: Insurance

IDEATION FOCUS:
Reduce internal churn
Enhance employee motivation

INNOVATION TYPE:
Employee Engagement &
Program Development

INNOVATION PROCESS:
Step 1: Employees were invited to participate in an online qual/quant collaboration session.

Step 2: Employees openly write their thoughts (qualitative stage) in response to three questions designed with psychological probing factors to populate the databank.

Step 3: Once the databank is populated with initial ideas/thoughts, they are then "blindly" exposed to other employees. All employees participating in the session are then asked to rate and select the thoughts/ideas (quantitative phase) that are most relevant to them and would satisfy their job needs, potentially driving their loyalty.

Step 4: Based on the employee rating and selection process, the patented Qual/Quant Signals algorithm amplifies and prioritizes the most sought after employee needs. This guided the HR department to only act upon the employee ideas that will have the most impact over the objectives: To increase employee retention and reduce churn rates.

AUTHOR: Kimberly Struyk, Kimberly@QualQuantSignals.com (201) 665-6467
www.qualquantsignals.com

INSIGHTS INTO ACTION

During the initial stages of collaboration, management was concerned about the day to day occurrences that might contribute to turnover. However, the research revealed employees had a broader mindset requiring the organization to think both long and short term when it came to the benefits package. The first "a-ha" moment occurred from multiple mentions about the implementation of retirement benefits in combination with a more affordable and well rounded medical benefits package.

Below are the employee ideas that were amplified by the majority who has similar expectations for available retirement benefits:

- "I want to know my organization is investing in not only today but my future as well"
- "Salary continuance into retirement and unpaid vacation time funneling into the retirement bank"

These insights signaled that employees were looking for long term commitment from the organization who would be responsible for securing their future. This forced the HR department to consider a longer term approach to compensation packages, such the availability of company sponsored 401K plans, laying groundwork for employee advancement through individual career pathing and the potential for profit sharing.

But looking deeper into the message or themes of the session, the Human Resources department came to the realization that beyond retirement and the overall benefits package a different type of overall employee model may create a more meaningful workplace environment. The illustration below depicts a holistic view of employee expectations that was a direct result of the QualQuant Collaboration Session.

"Blind" Employee Collaboration Session Reveals Areas of Improvement

1 Wishes for Benefits Program

Retirement Benefits
[Pension plan, Continued medical coverage, Payout unused vacation]

Well Rounded Benefits
[Low to no cost-Medical, Dental, Vision, 401K Match]

Attendance Related Incentives
[Rewards for non-absence, No personal calls]

2 Driving Workplace Loyalty

Competitive Compensation
[Annual reviews, Bonuses for meeting company, Profit sharing]

Employee Recognition
[Appreciation meetings, Communicate employee value]

Flex Time
[Flexible hours, work from home]

3 Increasing Employee Engagement

Recognition Program
[Incentives for extra initiatives, Customer praise, Personal goals]

Management Training
[Emotional Intelligence, Leadership training, Downward communication]

Workplace Inequities
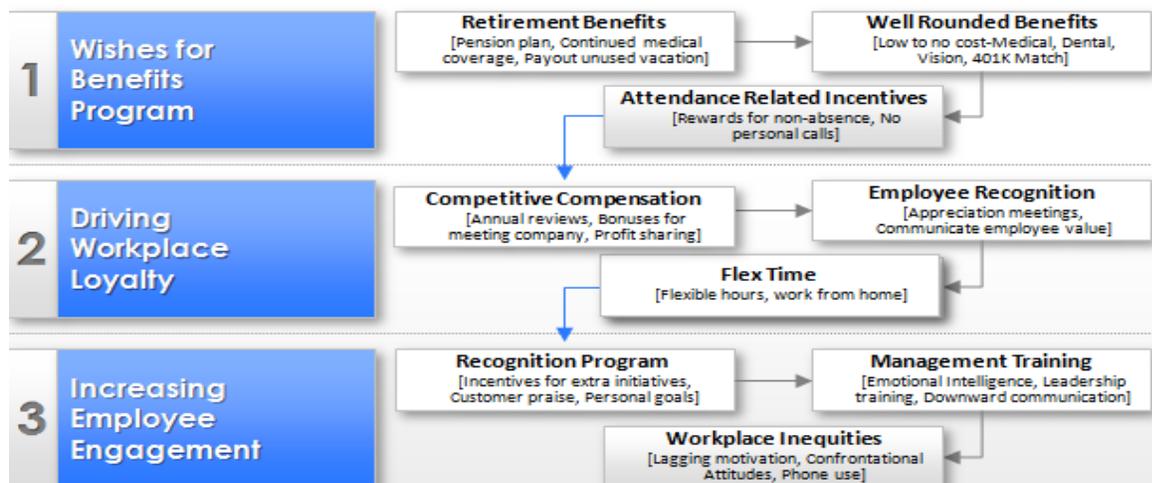[Lagging motivation, Confrontational Attitudes, Phone use]

FIGURE 1:
Taking a holistic look at the immediate workplace environment from the employee perspective reveals key areas that are lacking in the day to day. The results located in this chart obtained the most votes during the collaboration session and were deemed to hold a high intrinsic value amongst employees. With this information uncovered, the Human Resources department chose to change direction, placing employees at the heart of the business for 2013; ensuing upon a new path for training and development as discussed in the remainder of this presented case study.

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www.qualquantsignals.com

This map, when presented, revealed that the current HR model took on the shape of brand building model rather than an employee expectation based model and in turn was responsible for the high employee turnover rates. This indicated that existing HR model must be flipped into something more employee driven. The original school of thought placed the benefits program as the foundation of motivation for employees to stay on the job. A secondary focus was given to engaging employees enough to spark deeper involvement with the organization which was thought to automatically drive loyalty and retention at which point no long term nurturing of employees was required.

However, upon analyzing the results of the collaboration session, the expectation map depicted above reversed this line of thinking. These results set a path for the new program in which:

- Employee engagement is now the job motivator (instead of a job action or task oriented)
- Loyalty is now defined as an action taken on behalf of the employee (versus a characteristic of the employee)
- Benefits are now used as a job retention tool (instead of the job motivator)

The laddering of these three areas are intended to form a strong bond between the employer and the employee, reducing churn and maximizing retention. In conclusion, implementing the employee expectation model aims to eliminate areas in which other employers can be competitive. This is because any firm can recruit top level talent by offering a more competitive package i.e. higher salary, better benefits, profit sharing but these are tangible benefits. It is proven that on the job intangibles are what increases employee retention and reduces turnover which is exactly why the employee expectation based model aims to solidify the intangibles.

Brand Building Model   *Employee Expectation Model*

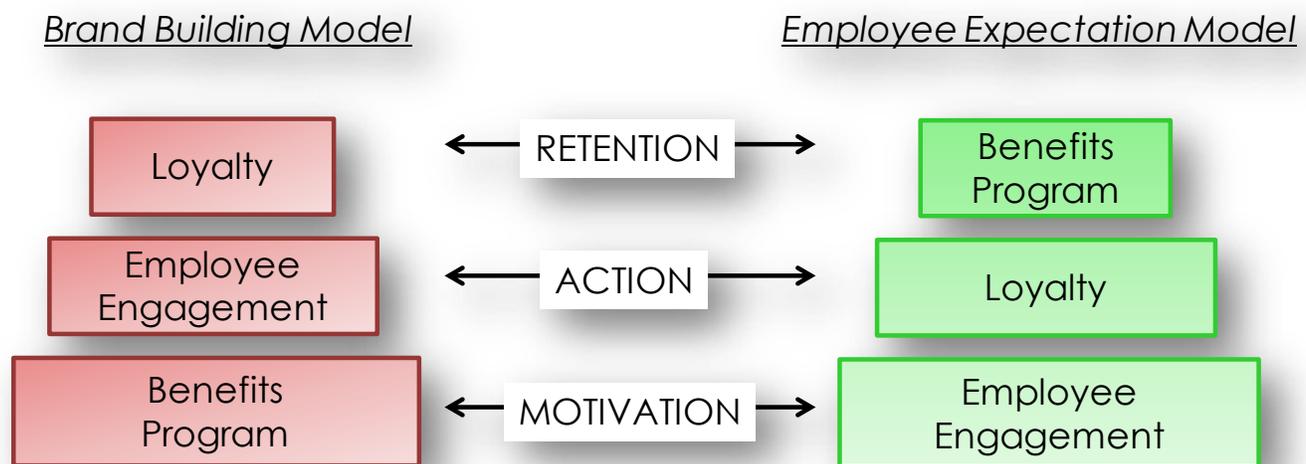| Brand Building Model		Employee Expectation Model
Loyalty	← RETENTION →	Benefits Program
Employee Engagement	← ACTION →	Loyalty
Benefits Program	← MOTIVATION →	Employee Engagement

FIGURE 2:
Moving from the brand building model for employee development to the employee expectation model has shifted the focus to implementing programs full of the "intangibles". Intangibles that fully engages the employee and motivates them on a daily basis (monthly recognition meetings, monthly newsletter from CEO to facilitate downward communication, management training to create an empathetic working environment, career planning and flex time), leading to increased employee actions (decision to stay on the job, actively taking on new roles and responsibilities that accelerate career growth, team contributions) which should build loyalty amongst the workforce.

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