



Case Study

Personnel Turnover Reduced 44%—Saves \$ Millions Per Year

The Opportunity

Personnel turnover is a problem confronting many companies. This is especially exacerbated during good economic times when competition for qualified employees becomes more intense for many positions. The inability to easily fill required positions with qualified employees results in lost sales revenue and dramatically increased training costs. A *Fortune 500* company was struggling to meet the demand for qualified labor faced this very situation. How could it cope with the situation? The management called QualPro and asked for help.

The Approach

Representatives from human resources, front-line personnel, supervisors, and higher management were assembled to attack the problem. The objective was clear—they must find a way to retain the valuable employees currently on the payroll. With no time to waste, they proceeded to quickly identify factors which might influence employee retention.

The Test

Dozens of potential factors were identified that might improve retention of qualified employees. From this list, eleven factors were identified as being practical, fast, and cost free to examine using QualPro's MVT™ process.

<u>Idea</u>	<u>Old</u>	<u>New</u>
Recognition Program	None	Award for tenure benchmarks
Performance Review	Annual	Quarterly
Retention Bonus	Individual	Team
Mentor Program	None	Yes
Profit Share	No	Yes
Supervisory Training	No	Yes
Communication Awareness	No	Yes
Attendance Bonus	Time off	Cash
Interview Process	Supervisor	Work team
Attendance Policy	As is	Change from time to occurrence
Vacation Notification Policy	2-week notice	2-day notice

The Results

The results showed conclusively that the team retention bonus substantially reduced the turnover rate. Other factors that significantly reduced turnover included establishing a mentor program and a work team interview process. Implementation of the findings reduced turnover rate by 45% and saved over \$11 million annually!