Workforce Turnover Audit

Unlock your organization's potential

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The Turnover Challenge

Today's economic challenges make the job market more dynamic than ever. Fierce competition for reliable employees is making companies fight harder than ever to retain their top talent. This is especially true for low-income workers. Turnover in the United States is the highest it's been in over a decade, according to the U.S. Department of Labor. This means if businesses aren't careful, they can expect break ups with more than 1 in 5 of their employees in the next year. This is especially true for low wage earners.

The quick solution: make sure that your company is a place people want to work. Okay, I know, that's easier said than done. To get a firm grasp on how to make that happen, you have to really understand the specific factors that encourage employees to want to stay or to leave. And the tool to do that? Enter stage right, the **Workforce Turnover Audit**.

Unlike other off-the-shelf assessments, the Workforce Turnover Audit is a way for you to evaluate what is important to your employees and discover how you can meet their needs along with your own business objectives. The audit is a detailed inventory of job-related work experiences customized to the structure of your organization. Intelligent algorithms coupled with machine learning gives you data insights to your turnover and performance realities.

The Psychology of Turnover

Employees leave their job for an alternative option for many detailed reasons.   These reasons vary by employee but in aggregate can be summarized by saying employees leave (voluntarily) because their **expectations and the realities of the job are not aligned**. When expectations are not met, the motivation for movement increases. Turnover then becomes a function of motivation for movement and perceived ease of movement.

So, why are expectations not aligned? Employee's expectations are like an iceberg. That is, we often see the employee's outward behaviors, but all too often, do not understand the underlying Values, Beliefs, Experiences and Abilities that drive those expectations. Understanding and meeting employee needs is the key to retention.

Employee – Job Alignment

The way to improve retention is to align the Values, Beliefs, Expectations and Abilities of the employee and the company. This process starts by hiring applicants who already most closely align with company expectations. Hiring is then followed by training that helps employee both meet their own needs for growth while improving their value to the company. Training is a great way to share and align values. Finally, the last step is to create the proper work environment. The proper environment is one that builds connections, or the congruence of job needs to personal needs. Congruence allows employees to feel like they fit with the community in which they live. The bottom line: **The better the employee fit the more likely a person is to stay.**

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Why Do Employees Leave?

Aside from pay and benefits, there are three common reasons that interfere with congruence and increase turnover.

Not a good fit for the job
They were excited about the job when hired but did not possess the behaviors, attitudes or skills needed to be successful.

Lack of opportunities
Employees need a positive view of their future. Lack of opportunities to learn and grow can cause them to look elsewhere.

Poor work environment
When employees don't get along with coworkers or don't feel supported by their manager, they leave. Plus, the new world of working remotely presents even greater challenges for building a positive work environment.

The Workforce Turnover Audit™
The Workforce Turnover Audit helps you identify and pinpoint why employees are leaving and provide you with a detailed roadmap to address each priority. The audit uses a specific inventory of job-related work experiences **customized to the structure of your organization**. Through AI technology, the system analyzes and calculates the effect and interaction of the employee likelihood of leaving to their demographics, job and organization structure, and perceptions of their job, team, manager, and organization. Using this smart data, we work with you to create custom solutions that will increase employee retention and stop the churn.

The Workforce Turnover Audit

While engagement surveys have been around for years, they often only show you **what** is happening, but they can't tell you **why** it's happening - until now. The Workforce Turnover Audit is a data-based questionnaire tool that identifies and measures the likely causes of turnover in your organization. The analysis identifies and prioritizes gaps in management practices and behaviors compared to employee feedback. Armed with that information, you're ready to take action.

What Makes This Audit Different?
This audit gives you 4 levels of analytics that goes far beyond the standard descriptive assessment results that are produced by off-the-shelf assessments and provides you with the information that will make a difference. Here are the four levels of analytics:

Standard off-the-shelf surveys
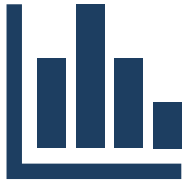
Descriptive Analytics. This analysis answers the question of "What happened?" by creating explanatory data usually with simple statistics and graphs. This is the type of information you get from most employee engagement surveys. But really, you know what has happened and is happening if you have high turnover. What you really need to know is why!

The Workforce Turnover Audit
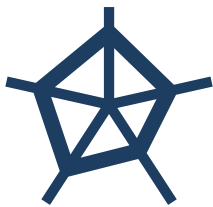
Diagnostic Analytics. This analysis answers the question, "Why did that happen?". Insights are gained by showing relationships between data. This is where we find out the real answer to why people are leaving.

Predictive Analytics. Here's the real beauty of this audit. This analysis uses the data with machine learning and predicts "What will happen?" by using known data to offer insights about future events.

Prescriptive Analytics. The final component of the audit then answers, "What actions should we take?" by using optimized model outcomes to provided targeted solutions.

Off-the-shelf surveys, while often free and easy to use, are generally limited to the use of descriptive statistics. They provide you with simple graphs that tell a story of what has happened. Their limitation is that they have no diagnostic or predictive power essential to the development of targeted action plans needed to correct the turnover problem.

On the other hand, the **Workforce Turnover Audit** provides diagnostic data and predictive models that can pinpoint specifically why turnover is happening and what targeted actions are needed to correct the problem. As a simple analogy, the off-the-shelf survey is very much like going to a physician to get a general checkup. While the physician can find that you have a problem, he cannot tell you the specifics, or more importantly, how to treat it. Thus, he refers you to a specialist. The ITN data experts are the specialists for finding the real causes of turnover.

Local Validation

Another differentiator is that the audit data is based on your specific workforce location details. Inputs used in the models include things such as your departments, your shifts, your managers, and your employees' work conditions. Then the model benchmarks are linked to your performance metrics such as turnover percent, productivity, quality and attendance points. The use of your direct performance measures lets the Artificial Intelligence (AI) models learn and improve.

How Does the Survey Work?

We start by giving your employees an anonymous questionnaire that generates insights into the level of their work engagement and their likelihood to leave the organization. This is accomplished by understanding how they feel about their job, their manager, the company culture, and the team they work with. The system workforce experience algorithms then relate worker responses to likely turnover outcomes. These data insights confirm blind spots that have the biggest impact on turnover and key performance metrics, as well as highlighting strengths that show what is already working.

What Does the Audit Measure?

The Workforce Turnover Audit is your roadmap for driving positive change in your organization. It provides custom data insights related to the **job**, the **team**, the **manager**, and the **organization**. Factors critical to the success of each aspect of the worker's job is examined in detail.

Organization

Manager

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Team

Job

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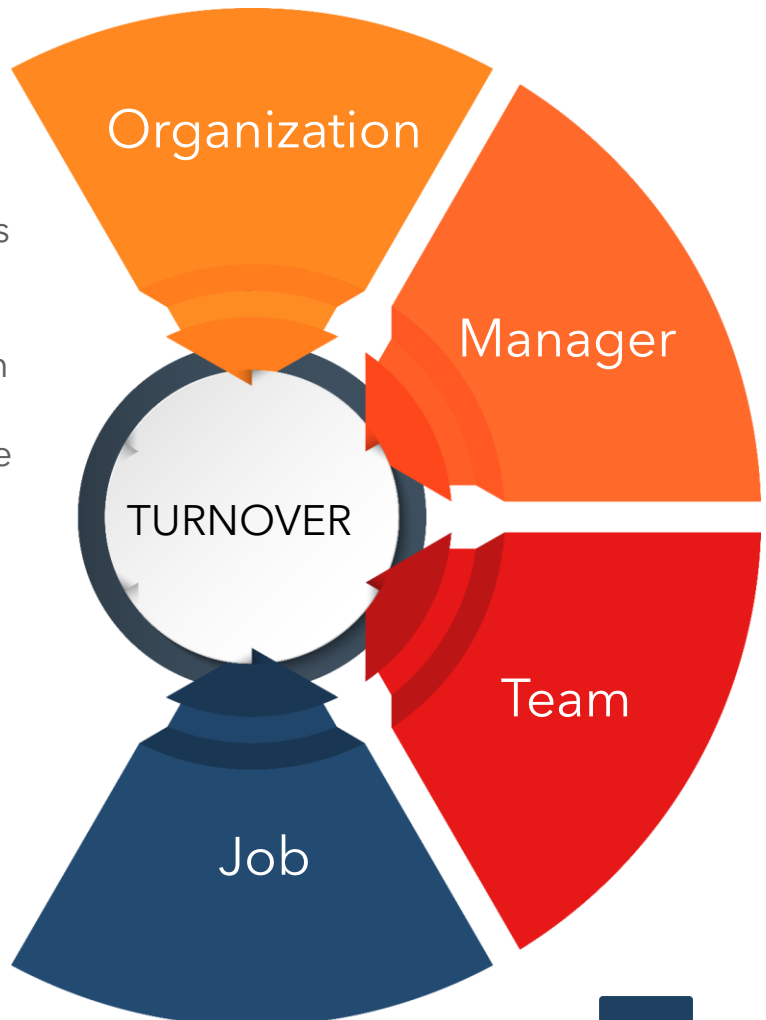
Questionnaire Development

The audit is created using an extensive list of questions related to each of the workforce environment categories. Our process is to review our library of questions with you. We want to combine our audit plan with your insights and experience in order to develop an employee questionnaire targeted to your precise needs.

Does the Audit Work?

The Workforce Turnover Audit empowers your managers and employees to pinpoint and fix problems using the detailed insights that are given by the data. We identify the interaction of workforce experience scores to the likelihood of turnover in a direct and clear manner.

ORGANIZATION RESULTS			
JOB	TEAM	MANAGER	ORGANIZATION
77	71	60	76
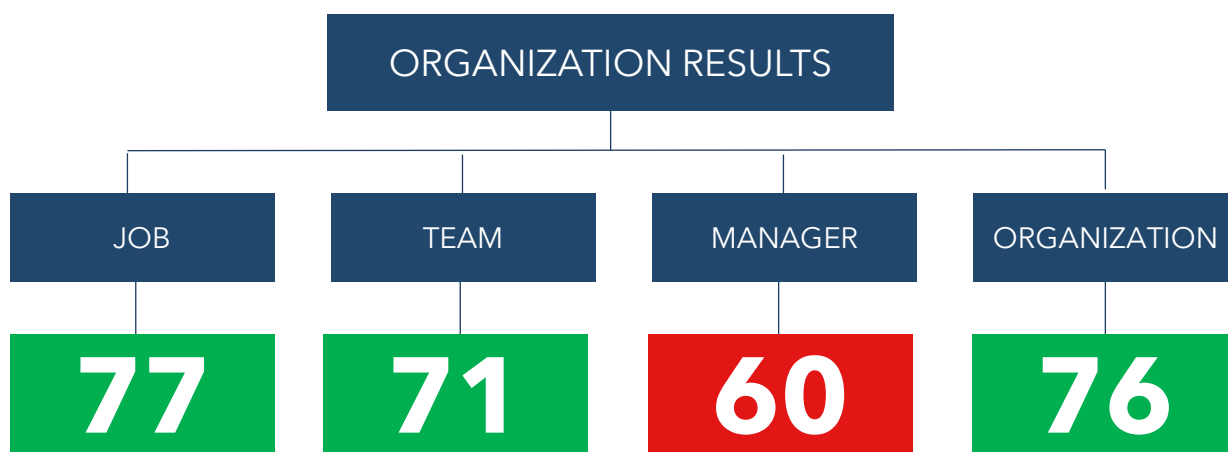
The audit provides precise detail for understanding the location and severity of causes of turnover in your organization. Imagine what your organization can achieve with a more engaged, and productive workforce!

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Detailed Analysis

The audit's diagnostic data takes a detailed look into the responses by organization structure. In the example below the data looked at the organization's probability of turnover scores by Division, Gender, Tenure and Age. From the results table, we can see the data identifies an issue with the engagement of newly hired, young, female employees. This is especially a concern in Division Three.

| Gender	Division	Tenure	AGE 25 to 40	40 to 60	Over 60	Under 25
Female	ONE	0 TO 90 days	4.4	4.4	4.7	5.0
		1 to 3 years	4.0	4.3		3.6
		3 plus years	4.2	4.2		
		90 to 1 year	4.2		4.0	4.1
	THREE	0 TO 90 days	3.2	4.5	4.3	
		90 to 1 year	3.6	4.2		3.0
	TWO	0 TO 90 days	5.0			4.5
		1 to 3 years	4.1	4.4		
		3 plus years	4.8	4.7	3.5	
		90 to 1 year	3.9	4.6		4.6
Male	ONE	0 TO 90 days	4.4	5.0		4.3
		1 to 3 years	4.0	3.9		4.1
		3 plus years	4.2	4.0	3.7	4.8
		90 to 1 year	4.1	4.2		4.2
	THREE	0 TO 90 days	4.1	4.3		4.8
		90 to 1 year	3.8	4.1	4.0	3.7
	TWO	0 TO 90 days	4.5	4.7		4.1
		1 to 3 years	4.2	4.4		3.7
		3 plus years	4.4	4.5		4.7
		90 to 1 year	4.1	4.1		4.3

AI Based Predictions

The ITN Turnover Audits also use AI based predictive modeling to provide strategic direction for development of each of the attributes analyzed: Job, Team, Manager and Organization. To achieve this goal, an ensemble of machine learning algorithms is developed to create a composite, predictive model. The predictive model then identifies the important factors related to retention.

In the example below, we have a predictive model for "Organization". In the predictive model we see that lack of trust in combination with a poor culture led to exceptionally low engagement scores. Conversely, improving the attributes of trust, great culture and honesty will lead to very high, probabilities of high tenure.

Decision Tree - Model
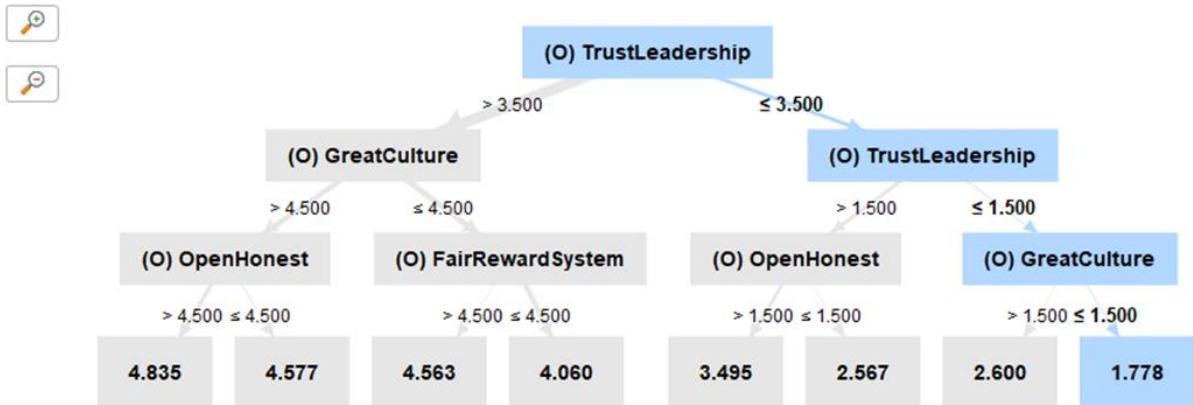
The Turnover Solution Equation

Stopping employee turnover and focusing on key retention strategies that include **Hiring**, **Training**, and **Inspiring** employees in a manner that is consistent with BOTH the business and the employees' needs has been an HR strategy for many years. However, few organizations have been truly successful. Real employee engagement and retention is a summation of organization efforts (and investment) related to Hiring, Training, and Inspiring. For the quantitative at heart, here is your "Turnover Solution" equation:

Turnover % = 1/ (Precision Hiring + Targeted Training + Employee Inspiration)

As the above equation indicates, the more effort you put into the use of data-based and optimized methods to properly Hire, Train, and Inspire your workforce, the lower your turnover percentage will be. Let's take a closer look at these three factors.

Workforce Needs

Precision Hiring

Employee Inspiration

Targeted Training

Workforce Results

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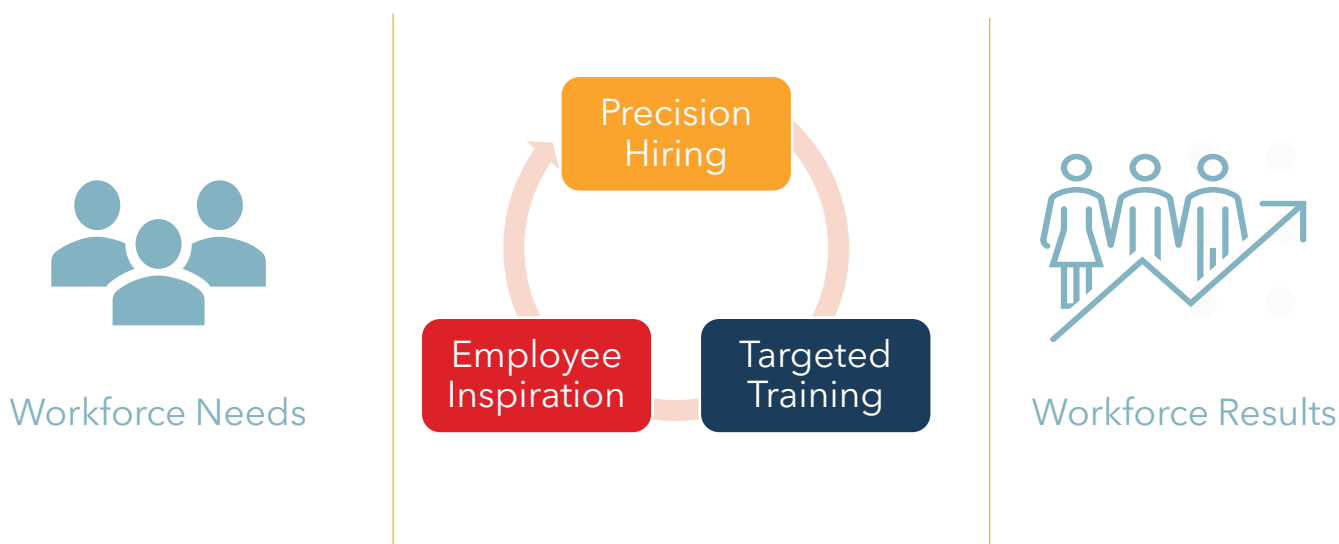
Employee Inspiration

Maximizing the productivity of your workforce requires effective management and alignment across all of your organization's structures including (1) the job (2) the team (3) management and (4) the organization. Alignment requires:

- Increasing self awareness
- Designing jobs and processes to fit employee needs
- Developing managers to meet the needs of others
- Creating high performance teams
- Reinforcing and communicating you company values and culture.

One other point. Don't just focus on the "Minimum Requirements" for your people to get the job done. Rather give them the support they need to perform at a higher and inspired level. To achieve this goal, it is critical to understand and important attributes that make up a person. Some key considerations are below.

Behaviors

Abilities

Attitudes

Inspire

Experience

Skills

Motivators

Workforce Analytics

This is where it all comes together. We all need data to make great decisions, especially people decisions. And working with people data can be very complex. To be successful, we must harness the power of software and workforce analytics. Most if not all businesses regularly monitor key business results, such as revenue, customer retention rates, or profits and losses. They do this to ensure control and success. So why wouldn't we do the same with key people metrics? By rigorously measuring people data, you can uncover employee needs and problems that are negatively impacting business results. These insights arm you with the confidence needed to take action and improve outcomes to stop the turnover churn.

Predictable Performance

Below is a summary of our recommended process for maximizing retention. For Predictable Performance take a data-based approach to (1) Hire the right people (2) Give them the training they need and (3) Treat them the way they want to be treated.

Precision Hiring
- Right Person – Right Job

Targeted Training
- Skills and growth

Employee Inspiration
- Teamwork and leadership

Ongoing Monitoring
- Review policies & procedures

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Strategic Outcomes

The real power of the Workforce Turnover Audit is its ability to convert powerful data insights into clear action plans. The Audit's data insights can be used to find your Strengths, Weaknesses, Opportunities and Threats (SWOT Analysis). From these conclusions specific plans can then be developed and prioritized.

Below is a sample SWOT analysis that highlights some examples of strengths and development opportunities across all the dimensions of the study. By identifying targeted areas for development, you can more efficiently and effectively **Inspire Your Organization to Perform**.

Strength
- Division 2 is setting the standard
- Generally, management is viewed favorably
- The Company is seen at fair and honest.

Weakness
- Division 3:
- Not connected
- Low score for Company Vision, Fair Rewards, and Trust Leadership,

Opportunity
- Teams want communication, to help each other and resolve conflict
- Employees want growth opportunities, and manager to resolve issues

Threat
- Division 3: Females up to age 40 with less than 1 year tenure low evaluation of managers
- Division 1 & 3: CRS position most likely to turnover

Benchmarking

Benchmarking is a great way of discovering how you are performing. It is easy to always think that you are doing well and making progress. Data on the actual results with a comparison to a competitive set is a good way to identify gaps and weaknesses in current practices.

There are three types of benchmarking that you may want to consider:

Internal Benchmarks – Internal benchmarking is used when a company already has established standards and compares results across internal groups.

Competitive Benchmarks – Competitive Benchmarks are used is used when a company wants to evaluate its position within its industry. In addition, competitive benchmarking is used when a company needs to identify industry leadership performance targets.

Time Benchmarks – Time Benchmarks are used to monitor performance over time. Trend data tells us how we are doing and if changes in plans are needed.

A sample comparison is provided below.

Category	Mean Score	Benchmark	Variance	Prior Year	Change
Job	82	84	-2	79	3
Manager	64	82	-18	70	-6
Team	88	81	7	88	0
Organization	75	80	-5	73	2

The Turnover Solution

Not Sure Where to Start

If you're tired of employee turnover and looking for a way to reduce or eliminate the churn and burn effect, start with our Workforce Turnover Audit to assess exactly where your problems lie. You could have a roadmap for success in a matter of weeks and know exactly where to spend your limited time and resources that will make a real impact on your organization.

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