

# CASE STUDY

## THE CHALLENGE

Ephraim McDowell Health (EMH) was experiencing high turnover rates with many of their Associates leaving within a year of their employment.

## THE SOLUTION

- The Work Institute implemented exit interviews to find out the main reasons for Associates leaving EMH
- The Work Institute conducted incumbent and onboarding/ new hire interviews to understand their current Associates principal concerns before it was too late
- These programs used open-ended, Associate in-control questions, which allow respondents to define issues in their own terms, and included quarterly pulse surveys to benchmark the company's results

## IMPACT

- Monthly turnover decrease from 1.77% in 2004 to 1.20% in 2009
- Annual cost savings of \$942,480

The Work Institute is a leader in workforce intelligence combining workforce research, human capital analytics and financial metrics to help companies attract, hire and retain talent, improve performance, diminish risk and manage human capital cost.

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## EMPLOYEE RETENTION STRATEGY RAPIDLY REDUCES TURNOVER

HIGH TURNOVER CAN COST MILLIONS. REDUCE TURNOVER BY FINDING OUT WHAT YOUR EMPLOYEES THINK AND HOW TO MAKE YOURSELF THE MOST ATTRACTIVE EMPLOYER.

Suddenly faced with unusually high turnover of their Associates, Ephraim McDowell Health had a major problem. Leadership decided that it needed a deep rooted plan to understand its strengths and opportunities for improvement. EMH wanted to improve retention with Associates and decrease turnover costs, as well as attract new top talent. To fulfill this need, EMH turned to The Work Institute. Together, they designed incumbent and exit interview programs to identify how to make EMH the most attractive employer. The results indicated four main areas for development: communication, retirement savings program, pay for performance, and an onboarding program.

In 2006, 10.5% of respondents indicated communication to be the most important area for improvement. Verbatim comments gave insight into the variety of aspects of communication to be addressed; one Associate told TWI, "HR needs to keep the Associates clearly informed about policy," while another mentioned the need to "improve communicating between staff and supervisors." They installed flat-screen monitors throughout the hospital that can display instant information. The monitors assure consistency of messaging and a more visual, real time method of communicating; two attributes that Associates emphasized. By 2008, not a single respondent specified communication as an area for improvement.

Additionally, Associates indicated that their highest benefits priority was the retirement savings plan. Therefore, EMH implemented a

new, standardized plan with an enhanced matching formula that allowed an individual to have up to 8% of his or her pay matched by EMH. Because of this, the percentage of "Excellent" responses when asked about benefits increased by 47.8%.

While compensation was as an area of concern, the open ended questions revealed that Associates wanted a performance based compensation system as opposed to a general economic adjustment. Following the institution of this system, the percentage of people noting compensation for a reason for leaving dropped 16.2% in two years.

Lastly, to further drive down turnover, EMH implemented new hire surveys to learn about employees' transition to the company. A number of incoming Associates told TWI that their orientation process was not sufficient; some departments had effective orientation, while others' were non-existent. A Departmental Orientation process was implanted to assure consistency in transitioning new Associates. Ensuing surveys indicated remarkable improvements in orientation satisfaction. One Associate noted, "Within 2 weeks, I knew where everything was and had all my questions answered."

EMH continues to use TWI for their ongoing commitment to evidence-based decision making. Even though certain areas have seen significant improvement, EMH understands there will always be new issues, and TWI's research allows them to keep a finger on the pulse of changing Associate preferences.