LYTIQS™

CASE STUDY: TURNOVER ANALYSIS & ROI OF RETENTION

Introduction: A large multi-hospital provider with over 7,000 employees.

AT A GLANCE

Challenges

- Inefficient workforce planning process
- Lack of insight into the main drivers of employee turnover and retention
- Unknown value of internal mobility on retention

Outcomes

- Predictive data model for repeatable turnover reporting and analysis
- Cost of turnover and financial impact quantified.
- Actionable ROI savings plan implemented with an estimated value of $1.3 million annually and $7.1 million over 5 years.

OBJECTIVES

- Optimize Workforce: Demonstrate how workforce modeling can optimize cost, profit, and productivity.
- Talent Strategy: Evaluate whether to build, buy, or rent talent for maximum business impact.
- Internal Mobility: Assess whether internal mobility drives value or increases turnover and costs.
- Turnover & Retention: Identify key drivers of employee turnover and retention to improve workforce stability.

APPROACH

- A comprehensive analysis was completed to identify key trends, predictive drivers, and critical metrics, ultimately quantifying the financial impact on business outcomes.
- Data over a period of 3 years from various HR systems, including Lawson (core HR), Cornerstone (performance management), Healthstream (learning management), and HR Smart (applicant tracking), were analyzed.

SOLUTION DEPLOYMENT

To achieve the ROI savings plan outlined by LYTIQS, Cadence Healthcare needed to take 3 prescriptive steps:

- Increase internal hires (promotions and transfers) by 10%.
- Implement defined career paths and training programs to support internal growth.
- Track, measure, and report on internal hires, ensuring savings targets are met and career paths are effectively utilized.

ANALYSIS & INSIGHTS

The answers to Cadence Health's core challenges were revealed by studying their internal mobility, turnover, and performance data.

Hypothesis:
Internal mobility (defined as promotion or internal transfer) could be a powerful source of ROI and talent. For roles such as Nursing, it is more beneficial to build than to buy more talent.

Discovery #1:
Internal employees who were promoted or transferred into open positions had significantly greater retention, with a turnover rate of less than one-third compared to those hired externally for the same roles.

Discovery #2:
Internal employees who were promoted or transferred into open positions also outperformed those hired externally.

Discovery #3:
By shifting the hiring strategy to prioritize a 10% increase in internal mobility opportunities, the organization can unlock substantial ROI through salary cost savings while also achieving a notable improvement in turnover rates.

RESULTS

Cadence Health was able to use an annual savings calculation to extrapolate a robust 5-year savings plan if they focused on designing a workforce plan that highlighted the hiring and movement of existing internal employees.

The annual savings calculation used was a combination of cost of turnover, cost per hire and Total Cost of Workforce calculation which was all derived from their employee HR data.

The solution was clear and the recommended approach not only optimized talent unitization but also strengthened employee retention and engagement, driving long-term success.

Turnover - Internal vs External

High Performers - Internal vs External

Projected Savings