LYTIQS™

CASE STUDY: IMPROVING HIRING & RETENTION

Introduction: A 20-year-old mid-sized regional financial services company, employs 8,500 U.S.-based workers across 110 locations with divisions in retail banking, residential lending, and commercial lending,

AT A GLANCE

Challenges

- High turnover was undermining recruitment efforts and talent retention.
- Limited data on factors influencing employee retention and turnover.
- A lack of strategic insights into which workforce investments would yield the highest impact.

Outcomes

- 40% reduction in voluntary turnover, leading to stronger employee retention.
- Annual cost savings of approximately $12 million due to improved retention and performance.
- More strategic hiring practices, focusing on long-term employee success and reducing high-risk hires.

OBJECTIVES

- **Reduce voluntary turnover** by identifying key drivers of retention.
- **Improve hiring practices** to focus on long-term employee success.
- **Align management incentives** with employee retention goals.

APPROACH

- **Conducted statistical analysis** of the employee data to identify turnover drivers.
- **Examined a wide range of variables** such as recruitment source, commute distance, and compensation.
- **Analyzed results across different workforce categories** to pinpoint where interventions would be most effective.

SOLUTION DEPLOYMENT

To reduce turnover and improve retention, LYTIQS Consulting determined that the company needed to implement three targeted strategies: **a turnover scorecard**, **stock option incentives**, and **revised hiring practices**.

- Implemented a manager turnover scorecard linked to incentive programs.
- Launched a stock options service award program to incentivize long-term retention.
- Modified hiring practices to consider candidates' job history and utilized temporary staff for select positions.

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ANALYSIS & INSIGHTS

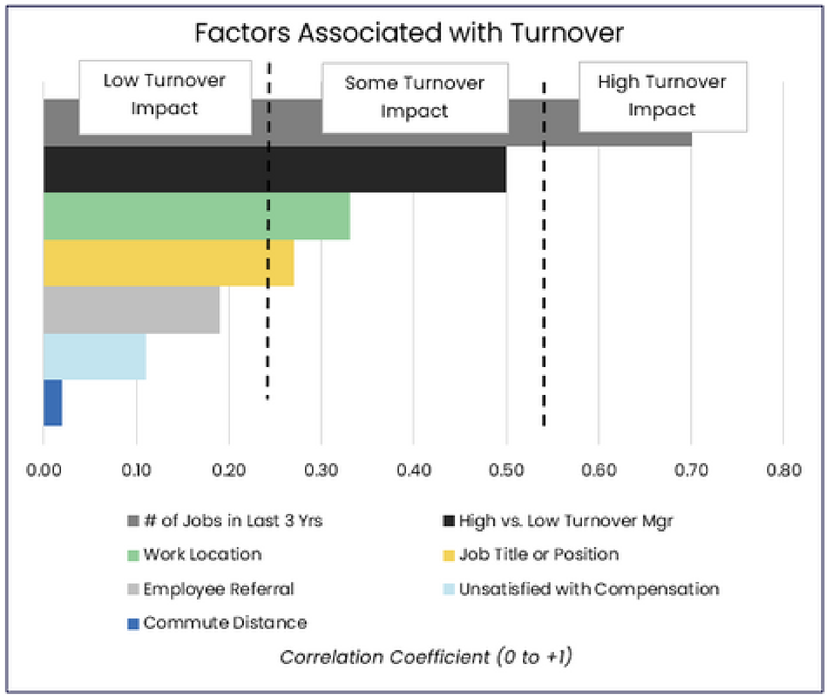
The analysis revealed that contrary to expectations, commute distance and compensation beyond 80% of the market rate were not major factors in turnover.

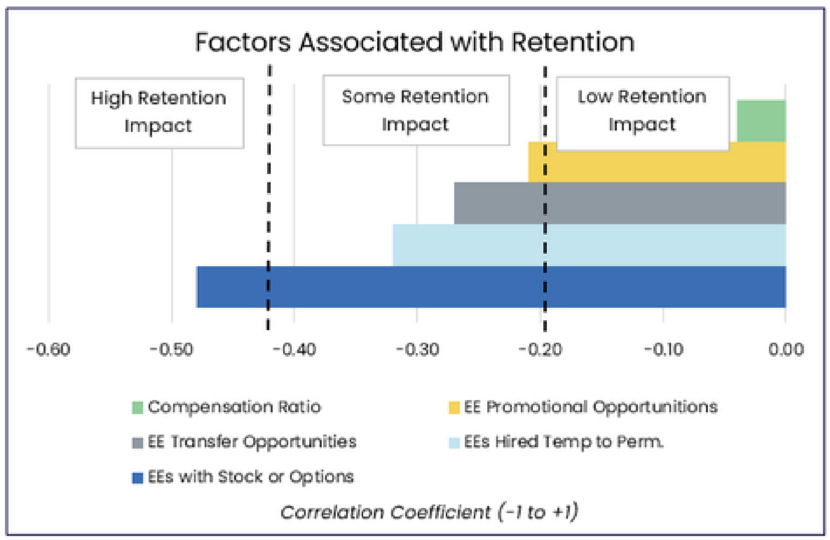
Key drivers of retention were restricted stock grants, stock options, and opportunities for promotions and transfers, particularly in operations, sales, and skilled staff categories.

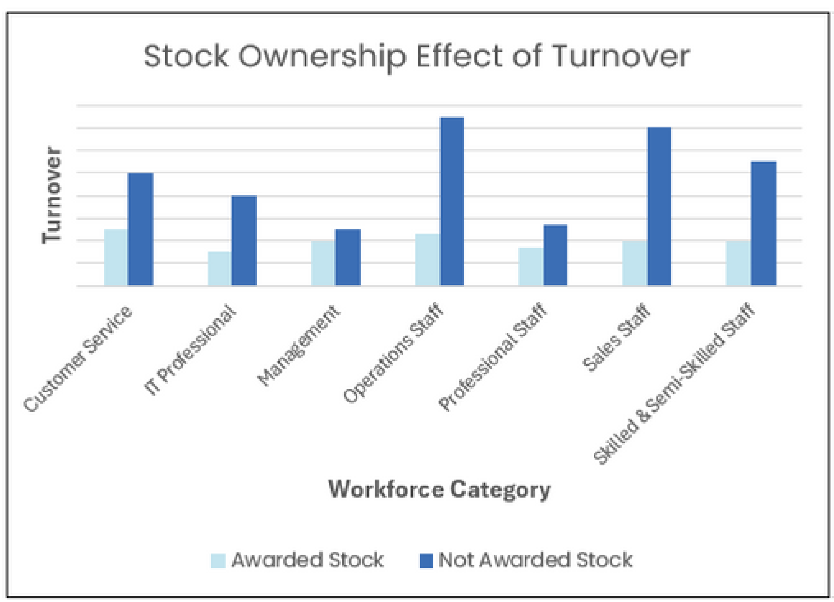
Additionally, it was found that employees with frequent job changes before joining the organization had a higher risk of turnover, while a third of managers were responsible for 80% of company-wide turnover.

RESULTS

By aligning management incentives with turnover reduction and adjusting award programs, the financial services company achieved **a 40% reduction in voluntary turnove**r. These strategic changes led to improved employee performance and resulted in an **annual savings of approximately $12 million**.







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