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Identifying top performers before competitors do

How an HR Head foresaw and prevented an attrition disaster



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The mysterious derailing of projects

FBM Solutions is a renowned provider of ERP solutions to enterprises in the Indian subcontinent. Established in 1999, the company became profitable within two years, showing remarkable year-on-year growth. It grew from an organization of twenty-five people to a thriving company with more than 700 employees. However, the company started witnessing delays in project deliveries. Since the growth was steady, the churn rate was not given much importance.



However, Konark, the CEO, had lately noticed that deliveries were getting impacted since the last several months. He finally called for a special meeting of all department heads, regional heads, managers, and team leads.

An ERP solutions provider starts witnessing delays in project deliveries.

The organization has more than 700 employees and over 20 regional heads.

The number of people in the organization makes it highly unlikely for the CEO and the leadership to remember who is who.

A meeting of all departmental and regional heads is called to identify what was going wrong.



A quest to uncover the causes of delays

The mood in the oak-paneled meeting room was grim as everyone tried to find answers to what caused the growth to fall. All the heads of departments and regions presented their reports trying to zero in on the causes that might have caused the delays. Unable to get any substantial answers, Konark had asked the meeting to be deferred.

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As everyone was closing their laptops, Aftab, the newly joined HR Head, spoke.



Have we considered the human resource angle?

he asked.

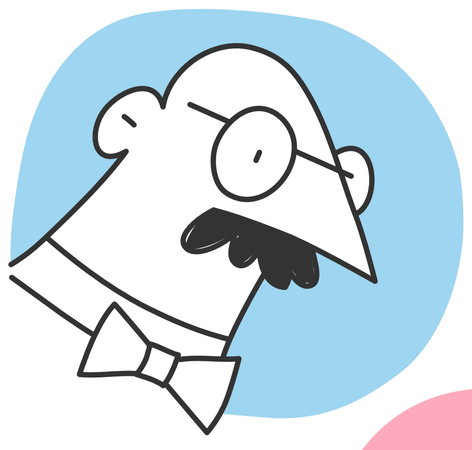
A few attendees looked at him while others continued disconnecting their laptop chargers.



I mean, shouldn't we look at the attrition rate? I know it's quite low, but if there is no business angle to this problem, there could be a people problem

he said.

Konark took his time before answering Aftab. He took off his glasses, rubbed his temples and then said,



Our attrition rate is not low. It's the lowest among our competitors. 7%, to be precise. Not much of a chance for a people problem



He added, putting his glasses back on.



However, if you can identify what it is, we are all ears, Aftab



All the heads of departments and regions present their reports, trying to zero in on the cause of delays in project deliveries.

The meeting ends without any conclusion regarding the causes of the decline.

Newly joined HR Head Aftab points out that since they were unable to find out problems from the business angle, they should explore problems from a human resource angle.

The CEO, Konark, reminds Aftab that their attrition is the lowest among their competitors (7%). However, he asks him to investigate the human resource angle.

The HR Head makes a troubling discovery

Early next day, Aftab locked himself inside his cabin with a flask of coffee and a folder of reports he had downloaded the previous night. Immediately after the meeting, he spoke with several managers and made a startling observation. He was not yet sure about it and had accessed the reports to confirm his findings.

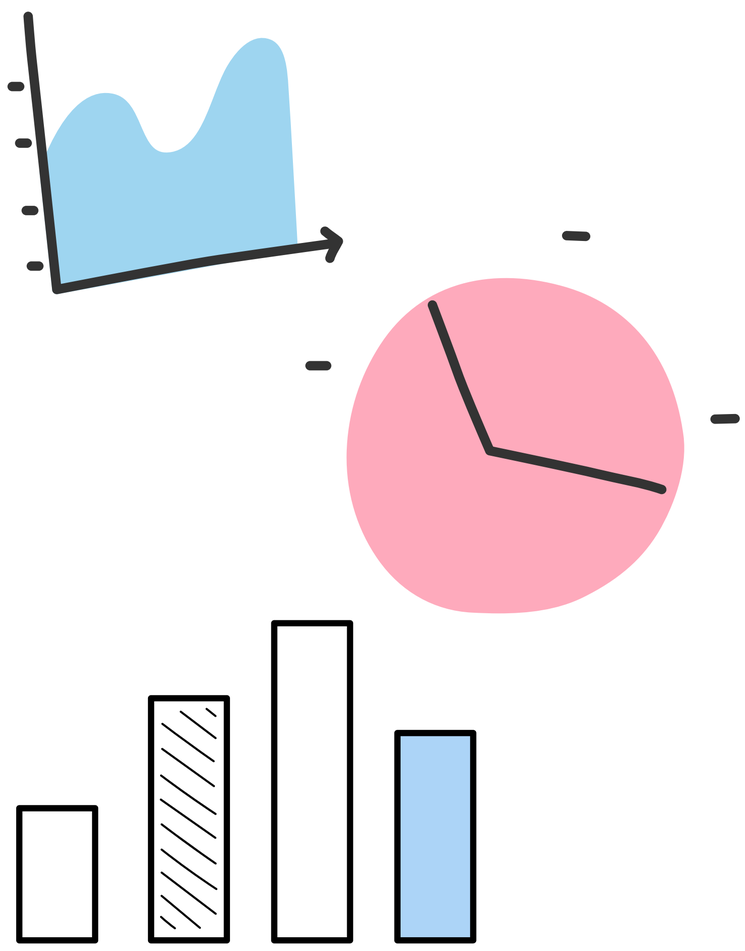


Opened on his screen were quarterly reports of employee resignations. Quite by chance, he had stumbled upon something that had made him jolt out of his seat.

To dig deeper, Aftab started meeting with the team members and managers of the employees who had left. He made two discoveries.

The employees who had left were directly involved in supporting those high-profile deployments and projects.

Almost every team member of those who had left spoke very highly about them. One actually lamented over how he missed working with a now-resigned team lead, even going to the extent of calling him a big brother of sorts, who always helped him and looked out for him.



While observing the dates on which employees left the company, he noted that they coincided more or less with the time when a specific project or ERP deployment had started derailing.

This confirmed his hunch that although the overall attrition was 7%, almost 95% of the employees who had left were among the top performers.

Since they had been within the organization for a long time, they knew the processes well and were entrusted with supporting critical and high-profile implementations. Apart from the customer support team, Aftab also noticed a similar pattern in the sales team too, with the company losing three veteran salespeople in the last two years.

By the end of the week, he had realized what was happening. He wanted to meet Konark and he without waiting.

- The HR Head Aftab pores over data of when projects got derailed and the data of employee exits.
- He makes a startling discovery as a pattern emerges between top performers' exits and the time when projects got derailed
- When he rechecks the attrition data, he finds out that 95% of the employees who left were top performers.
- Armed with this information, Aftab rushes to the CEO to apprise him of his finding.

Readjusting the sails through the right platform

Early next morning, as Aftab barged into the CEO's chambers, Konark looked up.

I guess you have something important to say. Go ahead. I am listening



He said, gesturing Aftab towards the seat in front of him. Unable to contain his excitement, Aftab walked over to Konark's side of the table, replacing his iPad with his laptop as the latter looked perplexed.



I did find something very important but equally troubling

Aftab said.



I did a quick search. We have lost 13 of our best minds to our competitors in just 8 months

Konark connected the dots. The projects shown on the screen had witnessed many hurdles and delays, costing FBM an arm and a leg in costs.

Within an hour, the oak-paneled meeting room was filled with department heads, with regional heads joining through a conference call.



Would anyone care to remind me what is the attrition rate at our company?

Aftab asked, without looking up as he loaded the right files on his screen.

7%, more or less



Said a regional head from the telephone.

And what's the attrition rate among the top performers?



He asked.

There was complete silence as everyone stared at each other with confused faces. Aftab began briefing them all about what he found.



Think about it. It's basically the Pareto principle. 20% of our employees help us achieve 80% of our growth. And we have no way of identifying who those 20% are. It's time we put in place a robust and reliable structure to identify high performers

There were murmurs of agreement across the meeting room. Within three weeks, Konark and Aftab were presented with several demos from top HRMS providers known for powerful Performance Management Systems or PMS. **At the end of the month, they selected Keka.**

The HR Head presents his findings, connecting the dots between projects derailed and exits of star employees.

He also warns that if corrective action is not taken, they will lose more high-performing employees to competitors.

A unanimous decision is taken to implement a PMS. After much deliberation, FBM opts for Keka's PMS module.

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Setting up a streamlined process to measure performance

Both him and Aftab were still seated in the now-empty meeting room, with several paper cups of coffee in front of them.

We have never had a formal appraisal process here at FBM. Yes, we do have appraisals but they are not based on data



Konark remarked.



We need to ditch the Excel and sheet-based processes right away

Aftab added.



Previously, I worked on a Performance Management System called Keka. It literally simplified the whole process for us and made it more transparent

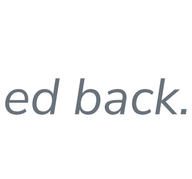
He said, straightening up in his seat and looking at Konark.

Talk to them then. Find out how quickly they can get it active for us



Konark said, rising up from his chair.

We also need to incorporate competencies and behavioral aspects in assessing candidates as top performers, that's important



He added. He then walked to the door, pulled it open, paused for a moment and turned back.

You have done well, Aftab



He said. And with a swift smile, he closed the door behind him.

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Getting into action

Aftab set-up meetings with each department head and they collectively worked together to define the goals and objectives for the employees. The entire process took two complete months, since all stakeholders wanted to do it in a well-planned manner.

He had clearly defined the steps to be taken as:

STEP 1
Define Goals, sub goals and objectives for employees

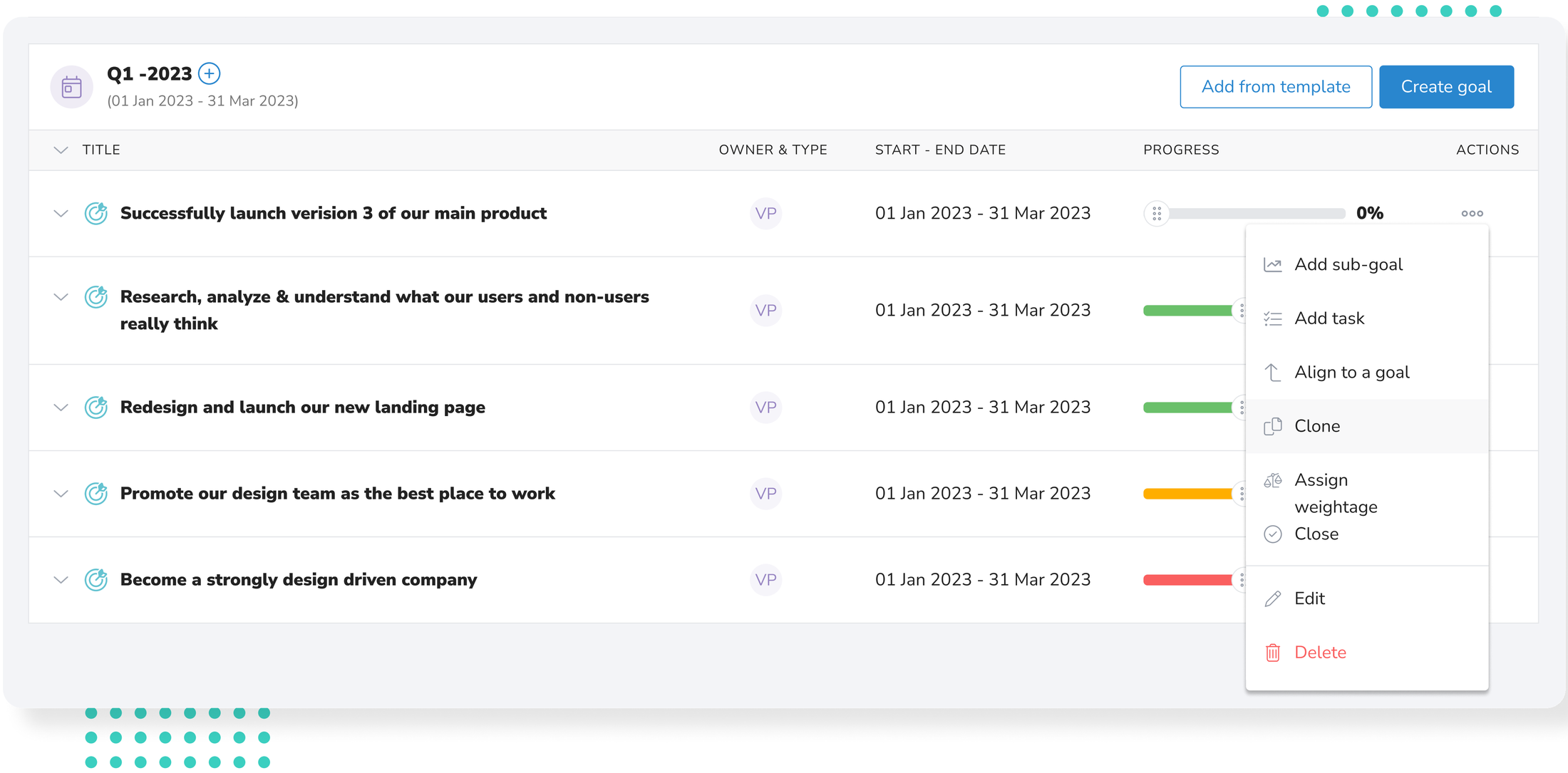
STEP 2
In addition to goals, define competencies and behaviors

STEP 3
Define an organization-wide rating scale

STEP 4
Set up 1:1 meets & collect feedback through Keka

STEP 5
Educate employees on using Keka

FBM now had a platform through which they could map the path to success and set clear goals for each employee. Employees were also able to define personal objectives and update them daily to achieve short-term goals, paving the way to accomplishing long-term goals.



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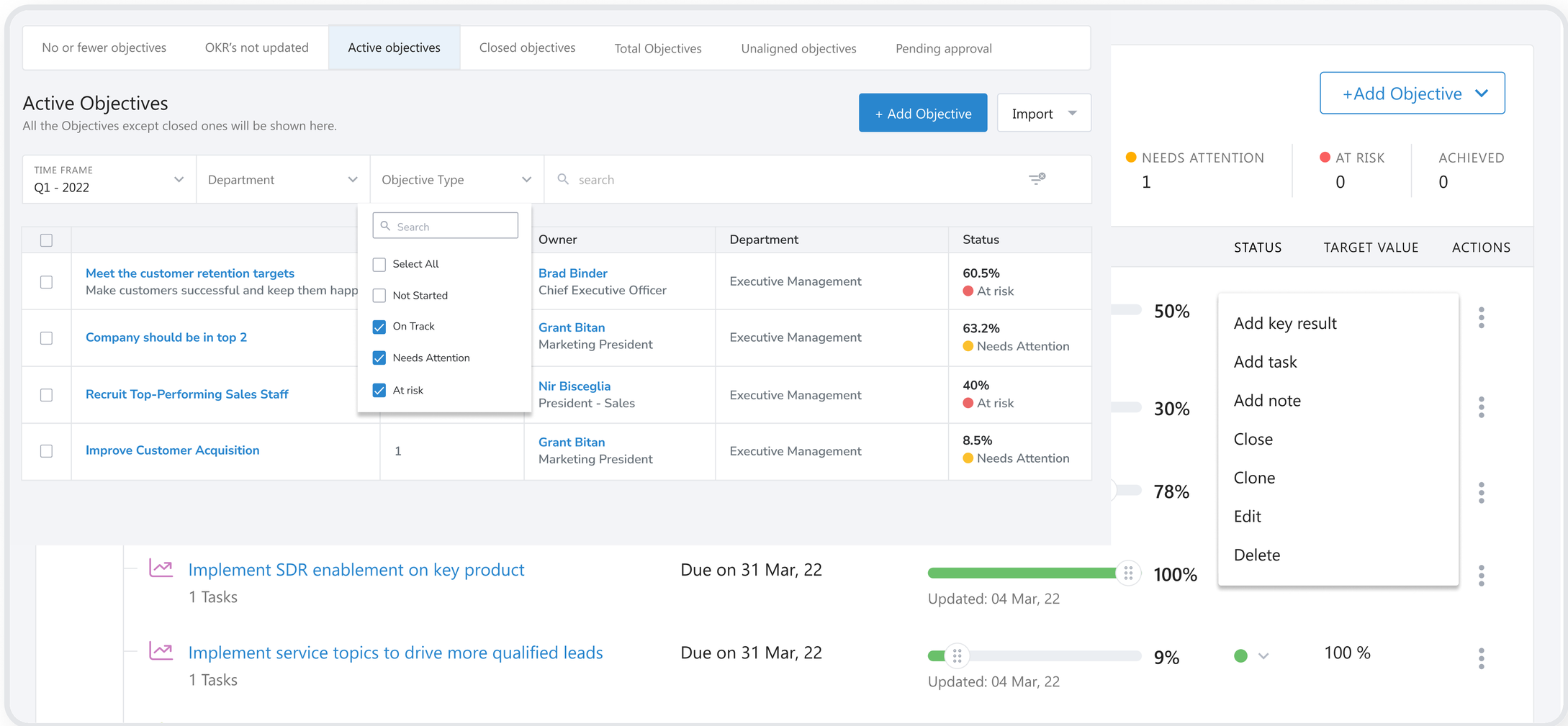
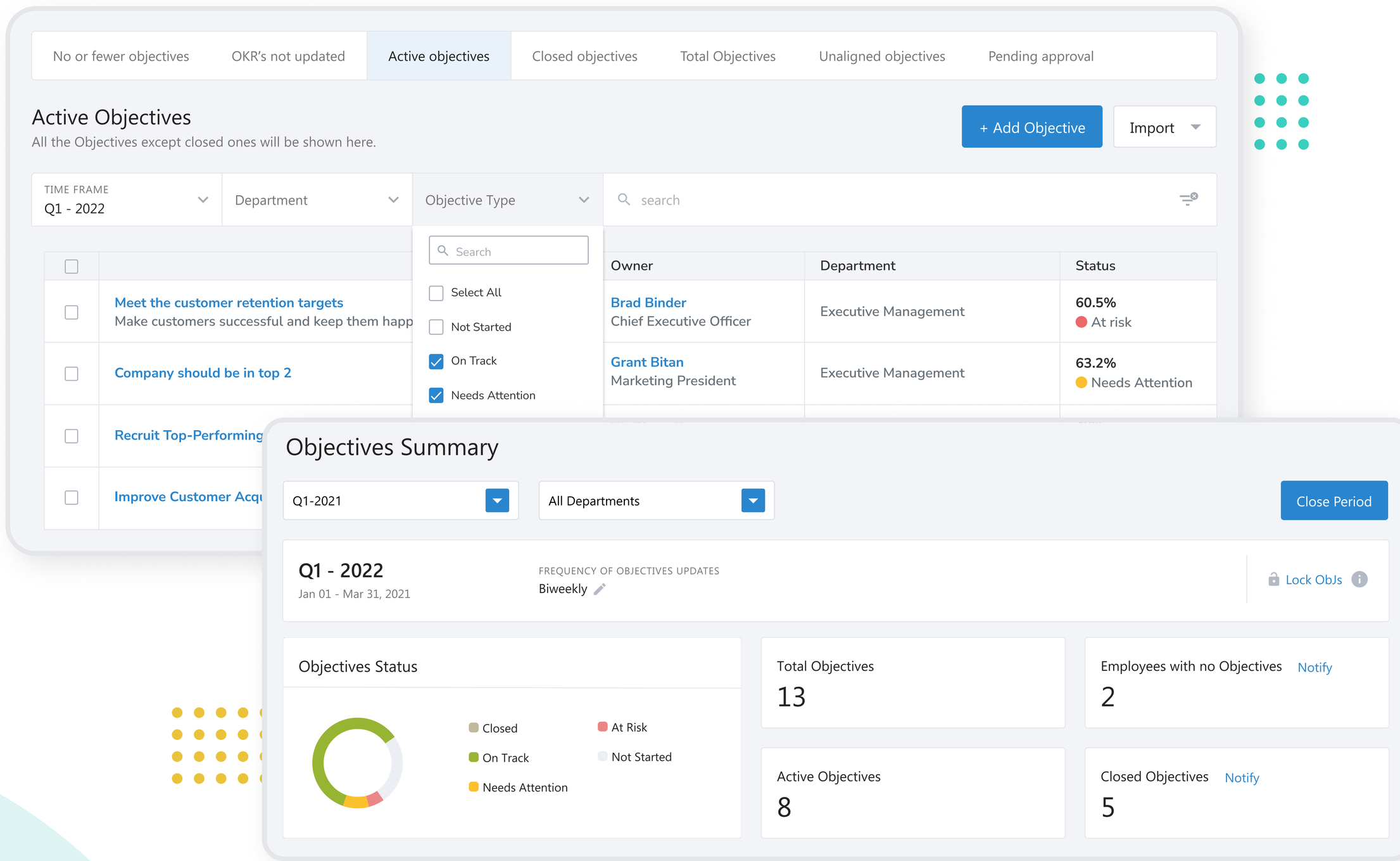
OBJECTIVES:



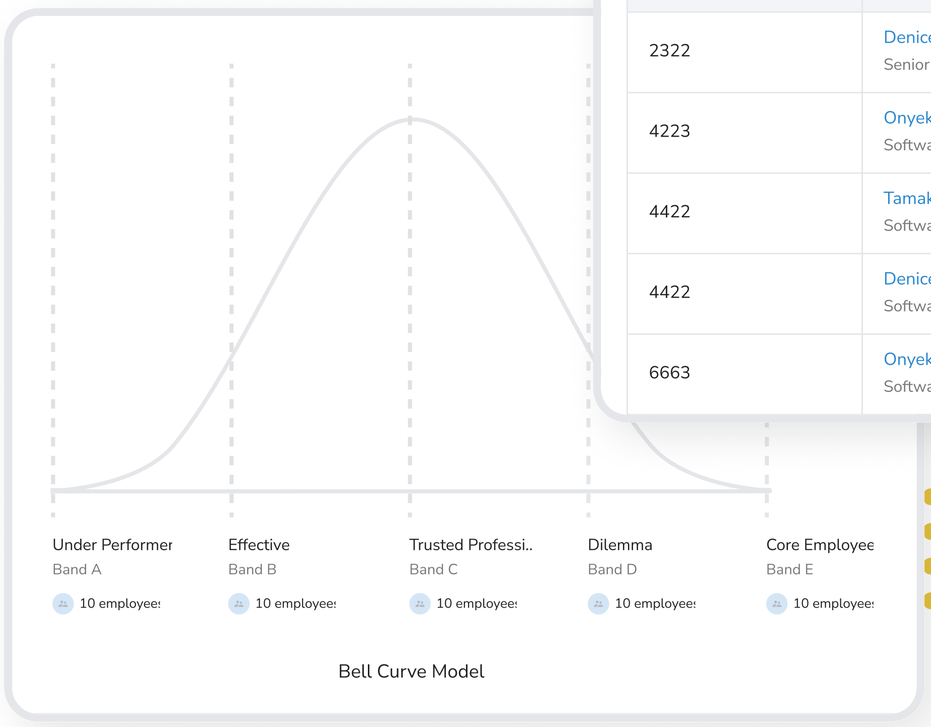
Managers were provided with a simple and seamless view so that they could filter and track objectives that were:

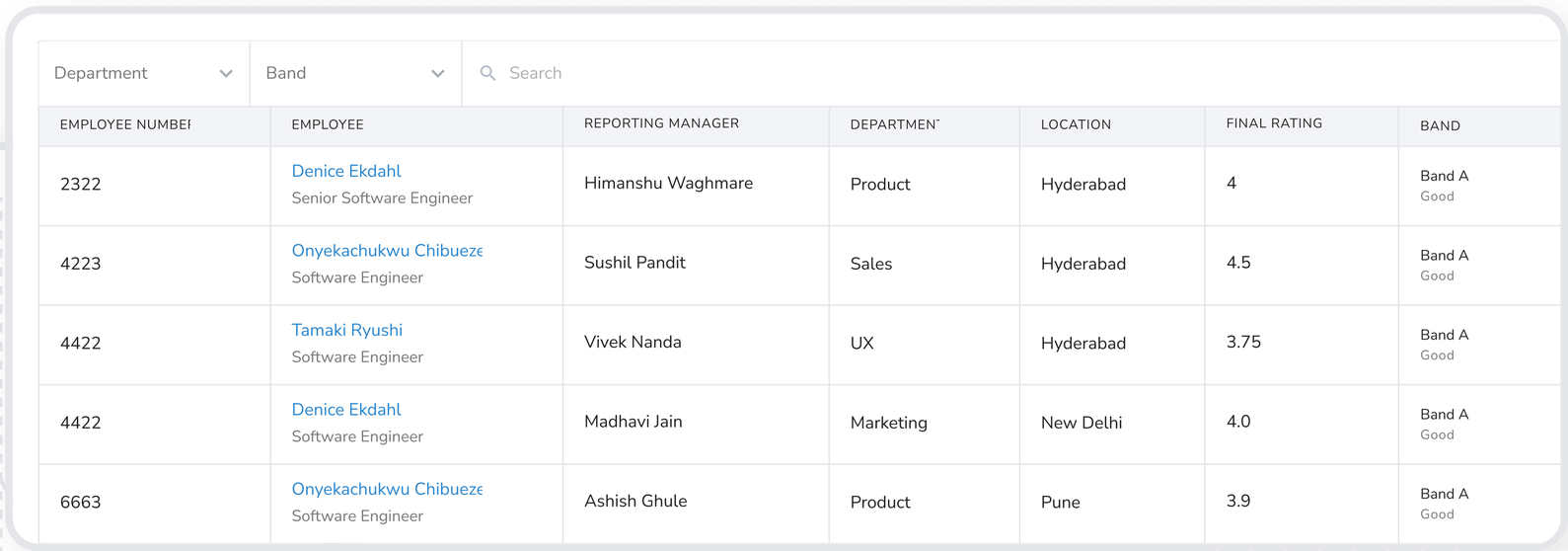
- On track
- At risk
- Needed attention



Grouping the reviewed employees **into categories**

Keka also enabled the managers to group employees into specific categories based on the outcome of their reviews. For example, the managers at FBM were able to group employees into the categories of top performers, moderate performers, and those who needed improvement. This dashboard was accessible only for managers.





A marvelous comeback **after the next appraisal cycle**

The litmus test of the PMS implementation came after a year, at the next appraisal cycle. After one year of diligently following and updating the goals and OKRs, the leadership at FBM was able to identify **72 Top performers** from **six departments**. In other words, the management and the HR department had a clear idea of whom to retain on priority.

Another difference was, unlike before, the appraisal cycle was smoother. There was a general vibe of confidence among employees. They appeared cheerful as all aspects of performance management were being measured accurately and were not left to anyone's biases.

Out of the shortlisted top performers, seven were of the mind to leave the company due to some constraints. Since they were identified as high performers, their reporting managers left no stone unturned to retain them. FBM was able to retain all seven of them. This was a huge win for Aftab and the entire organization. Konark was highly impressed as now he knew exactly who were the 20% contributing 80% of the growth.

By the end of the year, all the projects were back on track. This was attributed mainly to the improved customer service and project delivery that was possible only because top performers' attrition was controlled.

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Identifying and retaining top performers

Employees with Highest Performance Ratings

Brad Binder President - Sales	DEPARTMENT **Executive Management**	RECENT RATINGS **4.54**
Gopi Nandan HR - Lead	DEPARTMENT **Human Resources**	RECENT RATINGS **4**
Johnny Smith Software Engineer	DEPARTMENT **Engineering**	RECENT RATINGS **3.85**
Smith Will Software Engineer	DEPARTMENT **Engineering**	RECENT RATINGS **4**
Sharan Lee Sales Lead	DEPARTMENT **Quality Assurance**	RECENT RATINGS **4**

View Employee Ratings

- The litmus test of Keka’s PMS arrives after 12 months, during the next appraisal cycle.
- The appraisal cycle goes smoothly, with employees feeling more confident about the process.
- 72 high performers are identified from six departments.
- Seven of these employees plan to exit due to location constraints. Since they are identified as high performers, they are provided with more flexibility and are eventually retained.
- There is zero attrition among the top performers.
- FBM is able to bring all projects back on track with on-time deliveries.
- This win is attributed to improved customer support and project delivery, thanks to zero attrition among top performers.

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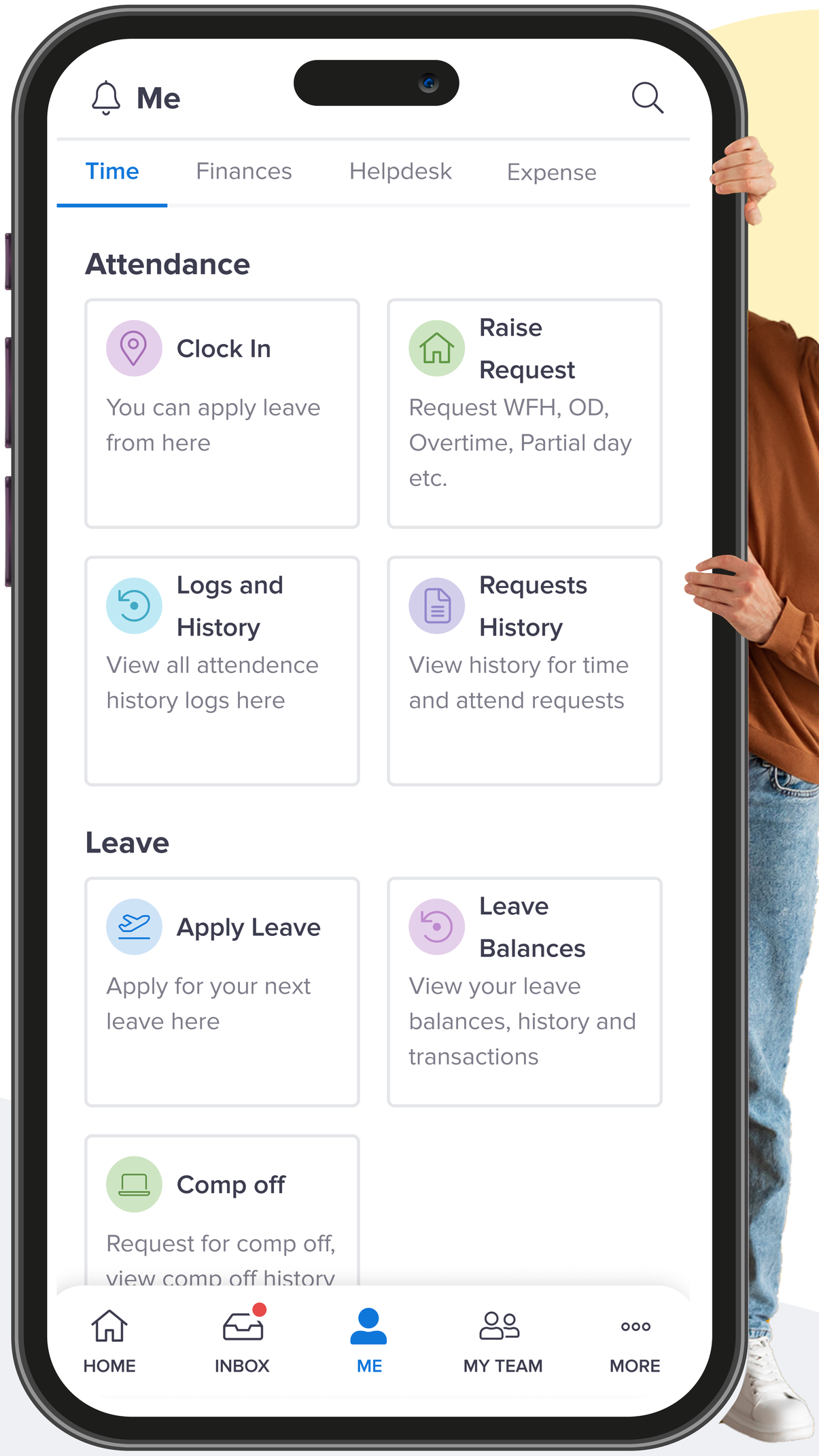
About Keka

Everything you need to build a great company

Keka is your people enabler. From automation of people processes to creating an engaged and driven culture, Keka is all you need to build a good to great company.





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