

Assessing and Managing Employees Throughout the Employee LifeCycle: Driving Engagement, Retention and Center Organizational Success

Quintiles Transnational Corp. employs 19,000 people who provide a broad range of professional services, information and partnering solutions to the pharmaceutical, biotechnology and healthcare industries. Quintiles has played a role in developing and commercializing the world's top 30 best-selling drugs. Headquartered in North Carolina, Quintiles has offices in more than 50 countries and provides various services throughout the world.

Over the last four years, Quintiles has grown its survey program and has significantly increased its response rate from 56 percent in 2004 during its first year to 86 percent in 2007. The increased rate is related to the organization's serious commitment in responding to the survey. Employees recognize that the survey is not just an activity, but a way to help improve their work lives and enhance the overall business. In terms of growth on its engagement index—despite improvements in participation—Quintiles was about average relative to the normative comparison and had not seen significant change every year. The company set a goal to increase by three percent year-over-year. While it was moderately successful in 2004 and 2005, its increase was essentially flat from 2005 to 2006. However, in 2007, the company achieved a 13 percent improvement on its engagement index score for the entire company—a sizable and impressive improvement for a company of its size.

Credit for this sizable improvement was attributed to the way in which Quintiles focused on the result in 2006. Organizational leaders recognized that change needed to come from the top. They also realized that they needed to focus on all four levers identified through linkage research and priority analyses that drive engagement and customer loyalty—onboarding, promotion, recognition and supervisor effectiveness—in a balanced manner,

rather than focusing on just one driver. They created a plan focusing actions on each of these key areas that also addressed other needs reflected in the results.

In addition, top leadership noticed that the employees were experiencing a dramatic drop in engagement after one year of service as well as an entrenched level of skepticism among employees with one to ten years of service. As a result, they targeted actions that focused on the onboarding experience—what happens in year one—and attempted to better understand the issues that tenured employees were most concerned with. This charge was leveled to all managers and owned by the leadership of each division.

The result of this focus was an improvement in the engagement of all employees. However, improvement was most noticeable among those employees with one to 10 years of service, including an 18 percent improvement for those employees with three to five years of service. New employees, who already had high levels of engagement, also saw a significant jump in scores.

In examining the influence of the action response to the survey that used the Kenexa Behavior Change Index (KBCI), Quintiles found that improvements from the 2006 to 2007 scores were highly related to the perceptions that senior executives took noticeable action on the survey feedback. Moreover, improvements were also related to the perceptions that someone in the employees' departments took action on survey results.

The relationship was even stronger for perceptions that the senior executives were doing something with the results. This finding supported additional research that acknowledges building employee engagement must be owned from the top down. At Quintiles, senior

leadership made a visible effort to respond to the survey, and along with a more local action, helped drive a significant cross-organization improvement.

In the case of Quintiles, seeing and discussing the results did not have any impact on change. Quintiles employees desired to see action, not words. From 2005 to 2006, scores on the KBCI relating to action by leadership (at the top and local levels) was below 50 percent, meaning that less than half of Quintiles' employees believed results were acted upon. From 2006 to 2007, due to increased accountability to act and efforts to make those actions visible to employees, those ratings improved by about 40 percent—the level at which approximately two-thirds of leadership at both top and local levels were believed to act meaningfully on the survey results.

The improvement on the engagement index was also shown to be related to measures of customer loyalty and retention. Overall retention, for example, improved by one percentage point, but from 2005 to 2007, new hire retention—those with less than one year of service—increased by 31 points, or 56 percent. Working in conjunction with the retention efforts, Kenexa was also hired in 2006 to manage Quintiles' talent acquisition process for specific countries. Ultimately, the efforts of Quintiles to improve the recruiting and onboarding experience for these employees made a substantial difference in how they perceive the organization and dramatically increased their desire to stay.

Because linkage research has been a critical part of its survey program, Quintiles has had specific performance metrics that surround customer loyalty, which are shown to relate to engagement. For example, the willingness to refer Quintiles, perceptions of project timelines and team accessibility is dramatically higher for those who fall among the top quartile of engaged workers over those who fall among the bottom quartile. The company has seen in year-to-year measures that as engagement drops, even by one percentage point, there is a decrease in customer loyalty. Ultimately, the connection between engagement and customer loyalty at Quintiles is sensitive to how the employees feel about working there.

Looking to the future, Quintiles plans to continue refining its people priorities that it focused on in 2006 and 2007. In addition to onboarding and driving action planning accountability, several key initiatives include continuing to enhance staff and leadership development, to enhance and strengthen selection and promotion processes (including early talent assessment tools), and to differentiate pay-for-performance recognition and refining short- and long-term incentives. By implementing an onboarding process and an exit survey program, Quintiles also continues to better understand the experience employees have as they come into the organization, how well expectations are met and why individuals leave the company. Finally, through Kenexa's talent acquisition services, Quintiles continues to find key talent that fit appropriately into the company's culture and processes.

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866.391.9557

About Quintiles Transnational Corp.

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