



Customer Story:

# How a multinational software company uses Erudit to reduce talent churn

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Calibrate HR initiatives for the workforce and per team based on people analytics

**\$220K**

Save over \$220,000 per year through company-wide engagement initiatives

**\$170K**

Save over \$170,000 per year by addressing burnout in 2 departments

## Business profile

Industry: Software

Office locations: LATAM and USA

Size: 100 employees

Integrated communications platforms: Microsoft Teams and Outlook

## Summary

This international and multilingual organization builds software for banks and microfinance institutions to improve process management and to respond to other technological needs.

Headquartered in Mexico City, the software company's employees are distributed over 4 countries: Mexico, Peru, Colombia and the USA. All 4 locations are employing the hybrid work model, allowing employees to work remotely or in-office.

## Challenge

In 2019, the software company decided to create a new entity, which split its workforce into 2 organizations. This had a profound impact on the company's performance.

The de-merger of the software company affected workforce and business performance. Executives and the human resources (HR) department struggled to understand employee sentiment about the major change and its implications on the workforce.

Seeking clarity and solutions to the decline in business performance, the software company decided to use Erudit in 2021 in order to:

- Get to the bottom of employee sentiment
- Measure workforce wellbeing
- Gain insights for solutions to voluntary turnover and the drop in sales and productivity

Their main challenges:

- Avoid voluntary turnover
- Improve productivity, particularly in sales and client services



**Erudit is like a thermometer, allowing us to see how our company is doing, how people in our company are doing and what people are not saying. These metrics can help us *make decisions early*, before it's too late.**

## Approach

After integrating Microsoft Teams and Outlook with Erudit, the AI anonymized the messages then detected and produced the metrics. Erudit measured burnout risk, engagement, and turnover risk levels based on its training from Erudit's psychologists and data scientists. The daily metrics were displayed on the dashboard and stored to produce graphs over time.

The anonymized metrics and data were also analyzed further to create anonymous employee profiles and to understand each department's needs. The workforce analytics provided a clearer direction for HR and management as they seek to improve employee performance and wellbeing.

## Findings

The HR department should focus on company-wide employee engagement initiatives. From the total workforce, 42.9% have engagement below the company average. Low engagement can cost a company 34% of the disengaged employee salary. Improving engagement can save the software company an estimated \$224,400 per year.

For burnout reduction initiatives, management and HR can focus efforts and resources on 2 departments: **Project Team and Sales**. 80% of the employees in the 'Stressed' profile, which has a higher level of burnout and turnover risk than the rest of the company, comes from the Project Team (33%) and Sales (47%). The organization can focus resources and design initiatives that relieve stress, address burnout, and reduce turnover specifically for these 2 departments to increase effectiveness. Addressing burnout for these high risk employees can save the software company between \$130,000 and \$173,000 per year.

Management can prepare for turnover for the **Project Team and Sales** departments. The high cost of turnover comes from recruitment and training. Knowing that turnover risk is higher in these 2 departments, HR can start reviewing the onboarding documents, training, and start checking the job market. This is just a contingency plan, but can provide additional savings for the company.

Management and HR can investigate what caused a critical event in May, where we find spikes in burnout risk for the entire organization for two days. The most affected departments were Product, Project Team, and Sales, where we also see spikes in turnover risk. **Understanding this critical event and better preparing employees and managers for similar events may also reduce turnover for the software company.**

## Results

Improving employee engagement for said percentage of the workforce can save the software company an estimated \$224,400 per year.

Addressing burnout for high risk employees can save the software company between \$130,000 to \$173,000 per year.

Estimated Yearly Savings

**\$400,000**