White Paper Series

Solutions

Reducing Turnover
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We began collecting information about turnover – what affected it, both positively and negatively – in 1991, and by 2005 we had 81 pages of articles on that subject alone. We've sorted them out, put them in order and will report on what has been shown to stem turnover.

We know there's such a thing as "good" turnover – that which occurs by attrition or managers' choice to make room for young talent. What we're concerned about here is the kind we call involuntary, when talented people leave because something about your organization doesn't meet their expectations.

Common sense tells us that it hurts when that happens. But we found out just how painful it really was in 1990 when Doug Phillips, HR director at Merck, figured out that replacement costs for an exempt person could total 150% of that person's salary. The factors affecting turnover cost, he figured, included:

- efficiency of the incoming employee and associated coworkers
- diminishing efficiency of the departing employee
- productivity lost while the position is vacant
- on-the-job costs including orientation and training
- separation costs
- employment processing costs
- possible unemployment compensation costs
- out-of-pocket costs such as advertising and other recruiting expenses

Total turnover costs for a salaried worker, he concluded, ranged from 1.2 to two times annual salary, with the average at one-and-a-half times annual salary. For an hourly employee the average would be about three-fourths of annual pay.

Later studies by Families & Work Institute and the Saratoga Institute corroborated his conclusions and even raised him, suggesting the cost could go as high as 2.5 times salary. So did management consultant William Bliss, who figured in 2000 that a company with 1,000 employees and a 10% rate of turnover per year would be looking at a $7.5 million turnover tab. Bliss offered his own comprehensive list of the sources of those expenses, putting them into six categories:

- costs due to the person leaving
- recruitment
- training
- lost productivity
- new hire
- lost sales

And he includes details Phillips and others may not have thought of, like the cost of department staff discussing their reactions to the vacancy, customers the departing employee may take along, mistakes the new employee would make during the indoctrination period, and the time it may take the manager to develop trust and build confidence in the new employee’s work.

In late 2000 we learned that preventing unwanted turnover was critically important for another reason. A joint study by Roper Starch Worldwide and Unifi Network, a division of PricewaterhouseCoopers, examined the impact of turnover on customer satisfaction in six different industries and found a "significant" link between employee retention and the retention of customers. Consumers, they concluded, were showing the negative impact of turnover.
They interviewed 3,005 customers of companies in six service industries and found 60% were dissatisfied with the service they receive. One-third felt turnover was a "crucial" factor, and said the lack of employee continuity and training are impeding their ability to get high-quality service.

The costs of turnover

If you’re figuring the cost of your own turnover, don’t forget that many of the costs may be hidden. Here’s a list of what you might include in your estimate

- Exit Interviews
- Overtime for employees who are left
- Temporary workers
- Lost productivity of departing employee
- Reduced productivity of temporary replacement
- Reduced productivity of co-workers
- Lost work opportunities
- Advertising costs
- Recruiter
- Application processing
- Screening
- Interviewer(s)
- Replacement Costs:
  - Candidate travel
  - Selecting
- Agency fees
- Compensation
- Installation Costs:
  - Relocation
  - Employee Processing
  - Orientation
  - Training
- Productivity Differentials

What works to reduce turnover? On the following pages are some examples of practices, policies and programs that companies have found succeeded in reducing turnover. We’ve also included studies that have found a payoff in reduced turnover for some programs and practices. The numbers next to the footnotes refer to the number of the article digest in the Newsbrief.

Onsite Childcare

Dr. Sandra Burud, Pamela Aschbacher and Jacquelyn McCroskey began in the early '80s to show the value of onsite childcare in preventing turnover. Their book, Employer-Supported Child Care: Investing in Human Resources, reported that by 1983 there were 415 such centers in the U.S. and preventing turnover was the motivation for many of them. The bottom line: 65% of the 415 companies reported that childcare had a positive effect on turnover; 15% said it was more effective than three-fourths of the other turnover prevention methods they had used; 62% said it was more effective than half the other methods they’d tried, and among companies that had compared the rate of turnover among childcare users with other employees, it was 25% lower than the overall workforce.

In 1991, when the Work-Life Clearinghouse first began collecting research, best practices and company experiences, we learned from Heart of the Valley Center, a residential care facility and nursing center in Corvallis, Oregon, that their on-site center not only enhanced the facility's reputation but saved $24,000 in turnover costs and another $3,000 in help-wanted and other advertising costs as well. The center for employees' children cost the nursing home about $22,000 in renovations and $24,000 in start-up and equipment costs. A year later, turnover had decreased by 23%.
In 1995 we heard that one of the country’s first corporate childcare centers was still going strong. It was offered by Neuville Industries, and it started back in 1979. It was one of the first in the nation, and the first corporate center in North Carolina. From the beginning, the sock maker paid 45% of the cost of care (in 1995 employees were paying just $47.50 per week) and the $7.62 hourly wage for childcare workers was well above the state’s average of $5.25. Turnover at the company in 1995 was about 40% – half the industry average. Employee Phyllis Van Horn said she was clear about the payoff. With her two children in care only 25 yards away, “It’s made all the difference in the world. I would have left my job,” she said – “just exited the workforce.”

Stemming turnover was one of the major motivations for Children’s Health System when that organization began to provide three kinds of childcare: backup care, care for mildly ill children and transition care for new babies still nursing. After the first year they conducted a study to see if the center was accomplishing its goals. Looking at usage, costs and benefits, Turnover was found to have gone down from 22% the previous year to 12%. The return on investment: more than three times the cost. The hospital, convinced beyond a shadow of a doubt, then doubled the center’s 5,000 sq. ft. Said Wise, "For the hospital, it was very important that the investment pay off. For the parents, this is a facility people dream about."

In 2003, Circadian Technologies let us know that absenteeism for shiftworkers was more than twice that of the general population, and turnover nearly three times as high. But their study, Cost Benefits of Child Care for Extended Hours Operations, found that when extended-hours childcare was offered, absenteeism, turnover and overtime were all reduced – so much so that a childcare center would pay for itself after five years.

In 1997 the National Association of Insurance Commissioners, a non-profit with a tiny budget, had yearly turnover of 30%. By 2003 they had rolled out a host of inexpensive benefits and practices to give workers a better quality of life. One of the most innovative was an "infants in the workplace" program. Parents signed a liability release, created a plan for care and designate a co-worker to serve as alternate-care provider when work and baby needs conflict. Then they can bring babies up to the age of six months to their offices. In five years, 33 infants have come to work, some for the whole six months and others just until other care can be found. All restrooms have changing tables, and a quiet room with soft lights, crib and rocker is available for fussy babies. A grievance procedure is in place in case other employees get annoyed, but it has gone unused. Far from being a distraction, says COO Judy Lee, the babies have been a stress reliever. Turnover is down to 7% and some staff who left to join big corporations are back knocking on their door.

Finally, Bright Horizons Family Solutions and one of its clients compared the records of users and nonusers of that client’s center. Among the findings: Users of the center had saved the company $511,377 per year in reduced absenteeism in turnover.

Communication

The 2004 Employee Benefits Trend Study by Watson Wyatt Worldwide found that employers that offered excellent benefits packages but did a poor job communicating about them had a turnover rate of 17%. When communication was effective, turnover was cut in half, even for companies whose benefits made up less than 10% of employees’ total compensation.

Onboarding

In 2000, FedEx hired 35,000 people, mostly to replace those who had left; the staggering turnover was an attention-getter. A task force investigated and found that the problem could actually be traced to employees’ very first days on the job. Not only was the current orientation process ineffective, much of the time it wasn’t taking place at all. The responsibility fell squarely on managers, and many were unaware of its importance, or their own role. They needed tools that would be both useful and engaging,
and the answer was a "New Hire Orientation Kit." Tabs reveal a wealth of information for both managers and new hires, including a letter from the CEO, checklists, a welcome letter which managers can sign and personalize, and local information that can be customized. The kit contains a spiral-bound guide for managers, a schedule for what should occur at different times during the employee’s first day, first week, and at intervals during the year. A 30-minute video, designed to appeal to the MTV generation, tours the company and sends a surreptitious message about opportunity. FedEx, it's designed to say, is a company you can stay with.

**Benefits**

In 2005 we wrote that workers at the Tile Shop get no stock options or onsite pet care, but they do get a perk they love as soon as they walk in the door. Instead of waiting months or years to be eligible for the 401(k) retirement savings plan, new hires can join from day one. Immediate benefits give new workers a greater stake in staying; the Tile Shop reports turnover is down sharply at all their stores.

**Flexibility**

Burgess & Associates, Kansas City consultants, surveyed 65 area companies and compared turnover with benefits offered. Organizations with the lowest turnover agreed that flexible scheduling was their most effective benefit.

In 2003 we reported that The Telford & Wrekin Borough Council had one of the lowest staff turnover levels in the country – 3.3% at the time, compared to the national average of 10.7%. The reason, they said, was the fact that they offered flexible work arrangements to their 5,500 employees. Since doing so, they were able to operate for an extra three days each year, and for longer hours. Sickness levels among staff dropped from 13 days three years before to just eight-and-a-half days in 2003 (the national average was 11 days). And staff loyalty and morale have also improved. More than half of their staff were working part-time, and many worked from home or staggered their hours (one week on, one week off). Line managers handled individual requests and were encouraged to use common sense and be caring (in a practical way). They were also expected to initiate work-life balance conversations and look after their own work-life balance; senior managers were as eligible for flexibility as junior staff. And managers were also rated on the job they did. Each year employees were surveyed to see if their manager had been flexible. The number of "Yes" answers, they said, has risen every year.

**Telecommuting**

In 2001 we reported that Kansas City-based ARO, which handles customer service for insurance companies and finds its jobs tough to fill, was experiencing annual turnover of 60%. The people they had been able to recruit for their call centers were mostly young and inexperienced; the high turnover meant too much expense for training and recruiting. ARO either had to hike its wages or find another way to appeal to prospective employees. They decided to try telecommuting, and spent about $900,000 on a remote call center phone system.

As this article was written, 85 of their 100 agents were working from home. A switch would automatically route calls to the right people and a popup window would tell them which insurance company’s name to use when they answered the phone. Managers could listen in, unheard by the customer, and send instant messages if the agents need help. The company’s operating costs dropped by about 30%, with most of the savings coming from leasing costs. Agents’ annual turnover plummeted from 60% to 5%, and their employees tended to be older and come with significant workplace experience.
A 2002 survey of call center execs found more than three-fourths saying telework had improved both retention and productivity. **Wideforce Systems** said more than three-fourths of call center managers surveyed reported turnover went down to less than 20% when they allowed employees to work remotely. And those managers also experienced a 12% increase in productivity. Half of managers who used only traditional workers reported turnover rates of more than 20% a year. A related article said communications giant **Nortel** had nearly 15,000 teleworking employees, and the company was reporting improved employee satisfaction, increased work-life balance, and $15 million a year in real estate cost savings.

**Holland America** began its remote agent program back in 1994 and in 2002 they reported telecommuters stayed with the company an average six years, compared to two years for in-house reps. Said telework manager Joe Potts, "We send our best employees home as teleworkers."

**Paid family leave**

In 2002, an independent study looked at the impact of paid family leave for California workers and found that it not only paid off but created significant financial savings for both the state and its employers. The study, *Paid Family Leave in California*, was released by the **Labor Project for Working Families** and conducted by **University of Chicago** and **UC Berkeley** economists. It concluded that paying workers to take essential time off to bond with a new baby or care for an ailing family member would foster greater attachment to jobs; employees would be less likely to quit if they could take needed family leave, which would reduce recruitment and training costs.

A 1991 study by **Families and Work Institute** conducted for a large high tech employer found that parental leave was definitely cheaper than turnover. The study totaled the costs of absenteeism, productivity, time spent in planning the leave and training the replacement, changes in disability pay and output during the leave. Then it examined costs of retraining and getting the returned employee back up to speed. The bottom line: The average cost of parental leave was 32% of annual salary, the cost of replacing the person on leave would have been 150%. Of those taking leave, 94% returned.

**Supportive managers**

In 2000, a **Gallup** study of two million employees at 700 companies found most rated having a caring boss higher than money or fringe benefits and both tenure and productivity were determined by their relationship with their immediate supervisor. The Gallup study confirmed findings by a 1999 **Lou Harris Assoc./Spherion** poll that found 40% of those who rated their supervisor as poor were likely to jump ship, compared to 11% who rated them as excellent. If you’re plagued by defections, said these experts, change your ways and train managers in the art of benevolence.

On his first day as **Domino's Pizza**’s CEO, in 2005, David Brandon asked about the company’s turnover and was told it was 158% a year. Brandon vowed to change things and began by re-naming the human resources department "PeopleFirst. When research showed that the most important factor in a store’s success was its manager, the company went to work to train managers to be more patient and respectful, treat employees like human beings, and find ways to discipline without alienating them. One manager invited those who make the same mistake more than once to don a pair of dopey, oversized, black-rimmed glasses and reported that no one had yet declined the invitation. The company’s turnover is down by 50%.

**And some general anecdotes and studies . . .**

When Eileen McGoldrick acquired **Wright & Kimbrough** in 2000, she instituted telecommuting, flexible work schedules, a paperless office so employees could access their work from any computer; bonus programs and a 401(k); one paid day off a month for volunteering; an investment club. Personal days replaced sick and vacation days, beginning with 120 hours to be taken in 1/2 hour increments and a paid day off on their birthday. Turnover dropped from 300% to zero.
A 2001 "best practices" study by the Women in Cable & Telecommunications Foundation found companies with major investments in work-life programs had higher retention and lower turnover. They also were able to attract a more diverse workforce, although women, particularly women of color, were still underrepresented and were not finding sufficient opportunities to advance in the industry. Initial results of the Benchmark Survey showed that when companies provided "best practice" programs that fit their corporate culture, they had higher retention levels, saved turnover costs and had a more diverse workforce. The survey focused on the responses of the ten companies that reported the greatest gender diversity, with 50% or more female employees. It found all spent substantial resources on employee programs, an average of $240,000 annually. The budgets and the programs had the full support of corporate senior management, which was, said the report, a key ingredient in their success.

Scott Kerslake, CEO of Athleta Corp., used to be a trader on Wall Street, and when he wanted to go for a run he had to sneak out. In 2001 we reported that he urges his sports apparel company's 60 employees to put themselves and their personal needs before their jobs. Turnover, in an industry that averages 38%, was less than 1%. "Employees are loyal," said Kerslake, "because they're treated as responsible adults." They also were getting the work done. The company grew 500% in one year, with $18 million in revenue. The cross-trained staff would fill in for each other. Those who needed time off for personal matters would willingly work evenings or weekends as necessary. "I'm overwhelmed at the support I'm getting," said one employee who was undergoing fertility procedures, where "timing is everything" and she would often have to leave work on short notice. "Most companies," said Kerslake, "treat people as objects. I'd rather create a culture that allows employees to be honest."

**Balanced lives mean creative staff**

Also in 2001 we wrote about employer Margaret Johnsson, who had an unusual way of running a company. When she founded Johnsson Group, a Chicago financial consulting firm, she was determined to have a creative staff working for her. She wanted "breakthrough thinking" for her clients, so she did her best to hire creative people and reward them for their innovations. But she also said she believes consultants who lead balanced lives produce more creative solutions for their clients. Rita Gallagher, MBA, financial consultant and mother of two, logs a 35-hour week and leads a Girl Scout troop every Tuesday. Michael Jefvert bowls most Thursday nights and works out at the gym most mornings. In an industry where 70-hour weeks are typical, Johnsson Group employees are discouraged from putting in more than 45 hours. They get generous vacations and a two-week paid sabbatical every three years, with a thousand dollars for expenses. Turnover there was only 8% in 2001, vs. an industry average of 25%.

In 2002 we wrote about two Canadian employers who experienced extremely low turnover. For **Intuit Canada** in 2002, turnover was just 3% in an industry where 20% was standard. That company reported having three sleep rooms, each with a bed, lamp and alarm clock. Employees could play basketball, volleyball or floor hockey in the gym, or perhaps a less active game in the games room/lounge, with fireplace and big screen TV. Said one employee, "Few companies treat their employees this way. You'd have to drag us out kicking and screaming."

The other was **EPCOR**, a large utilities company and one of Canada's top 100. That company was a believer in career development, paying for courses, even those that meant getting a university degree. Its turnover rate was just 5%. Said one executive, "We're trying to create an environment where they want to work, be and contribute for a long period of time. We think we're on the right track, but we'd never say we were done."

A 2002 **Fast Company** article reported that when Jennifer Shroeger started working on the turnover problem among UPS part-time workers, 50% were deserting each year. Four years later the rate had gone down to 6% and no one left a night shift. Shroeger's plan: First, make sure you know what new hires really want (many, it turned out, were taking a part-time job in hopes it would become full-time, which rarely happens). Keep communicating, and know new recruits well enough so you deliver the right message (those older than 35 talk differently, listen differently, and respond to different motivation). Create a positive work environment -- not easy in the cavernous UPS building in which they worked, but improved lighting and upgraded break rooms helped. Shroeger created an employee retention committee for each operation and shift (20 altogether) to step in and help clarify disagreements or
misunderstandings. And supervisors were trained to appreciate the need for flexibility and show an interest in their workers as human beings. And because they knew that not everyone would be spending their life loading boxes, UPS helped pay college bills and offered Saturday classes for computer skill development.

The philosophy at Great Plains Software, we reported in 2000, was to make the company such a great place to work they would knock the door down to get in. And this article reported turnover here was at a jaw-dropping 5%, as opposed to the IT industry average of 18% to 25%. How did they do it? The perks helped; all employees got stock options, casual dress was standard, daily classes were offered in everything from aerobics and yoga to parenting and personal finance. The company was definitely family-friendly, said employees. But support engineer Dawn Hutton illustrated what seemed to be another reason this company had made Fortune’s “100 Best” list for three years – the sense of personal responsibility found in each employee. “When a customer wants to do something different with our software,” said Hutton, “it’s up to me to find a way to accomplish it.” Employees here were encouraged to see needs and fill them without being asked. “Even without a leadership role,” said one employee, “anyone can take on leadership qualities. It’s not like I have to manage people to be able to share what I know and help others.”

The list of perks was long and lavish at The Container Store in 2000, but trust and communication were the key to keeping turnover low. A life-size Gumby stood watch over the receptionist’s desk at company headquarters, symbolic of their “be-flexible-in-everything-you-do” motto. Numerous “employer of choice” awards graced cases in the lobby (including Fortune’s “Best Company to Work For”), along with pictures of obviously happy employees who did nothing more exciting than selling storage containers and garbage cans for a living. This company takes its time when it hires, said the report, sometimes holding out for months until finding the right person for a job. Their wages were undisputedly great, and at this time they had recently increased training hours from 185 to 235, in an industry that typically offers workers seven hours. All full-time employees got two weeks vacation, and tenure earned time; 20-year employees would get six weeks, two airline tickets and $1,000. And each supervisor was entrusted with the sole responsibility for attracting, developing, motivating and retaining employees. Turnover was an amazing 15%-25% (retail turnover averages more than 100%) and employees were motivated enough the previous year to bring in $214 million in revenue.

You may not usually think of a steel company as worker-friendly, but in 2003, Dofasco Inc., a Hamilton, Ontario company, was outperforming many of its big competitors; in 2002 it was one of the only steelmakers in North America to make a profit. John Mayberry, who led the company for 11 years and retired this May, was interviewed for this Fast Company article. How have they kept shareholders happy? “Satisfied customers,” says Mayberry, “and they come from happy employees.” Dofasco, he said, had some unique ways to keep its work force happy. All 7,400 employees got equal bonuses based on 14% of the company’s pre-tax income; in 1999 workers split a record pot of $36 million. Every employee had a percentage of salary that was variable; when the company did well, they prospered. Dofasco was also committed to flattening the hierarchy and helping employees work up to their full potential. In the early ‘90s they sliced out layers of management and put decision-making in the hands of line workers. Said Mayberry, "People can make a phenomenal difference if you can tap into them, if you stop telling them to put their brains in a box and do whatever the supervisor says. We’ve put the accountability and reward right where it belongs . . . That’s why we get great innovation." They also got a committed workforce; Dofasco’s turnover was less than 1%.

In 2004 we reported that five years earlier SouthTrust Bank had been losing employees at an astonishing rate; half – 200 out of 400 – were leaving every year. HRVP Shirley Fiano figured turnover was costing the company about $1 million a year. "You could feel it in the air," she said. "The morale was poor, commitment was low and people didn’t know what was expected of them." So executives reordered their priorities, putting employees first, customers second and shareholder profits third. They read Ken Blanchard’s book, Gung Ho! Turn On the People in Any Organization, and put his suggestions to work, letting employees do their jobs without micromanaging, making sure they knew those jobs were important and rewarding and recognizing them for their efforts. And they put their money where their mouth was at every opportunity. At Christmas time, they were the only bank around to close for an extra day to give workers a three-day holiday (customers were surprisingly supportive). Then they applied the principals of
Beverly Kaye and Sharon Jordan Evan's book, *Love 'Em or Lose 'Em: Getting Good People to Stay*. Instead of exit interviews, they had 'stay interviews,' asking employees what kept them. They trained managers, realizing that "no matter what we did, the people who touch employees' lives day in and day out are the managers." Within a year, turnover had dropped 12%. In 2003 it had gone down from 50% to 26%.

In 2005 a study profiled 15 companies, and all agreed employees should be allowed to work part-time hours without being penalized. The employers, all from Wisconsin, were surveyed by 9to5 as part of a study funded by The Sloan Foundation. All found that providing quality part-time options was beneficial to the business in a number of ways, including improved retention. A principal at Kahler Slater, a Milwaukee design firm, said his company had found replacement costs could run 300% of a person's salary.

**Wegmans Food Markets Inc.** gave its employees affordable health insurance, we reported in 2004, and believed it to be in its best interest to keep it that way. Wegmans didn't believe cutting labor costs for its 31,000 employees was the best way to compete. On the contrary, the company's bedrock philosophy is that taking care of employees will lead to greater profits. At this point, it was working well. Each of its 65 stores was averaging about $46 million in annual sales compared to Wal-Mart's $23.5 million or Kroger's $14 million. The focus, says Karen Shadders, Wegmans' VP of people, was on freeing up people so they could be more productive. "If they can't take care of their families," she said, "they can't do their jobs." Most full-time and part-time employees were getting free single health coverage. An effective communications campaign was encouraging workers to switch to lower-cost generics, saving the company about $2 million. Retirement benefits were generous. Turnover among full-time employees was an amazing 6% to 7% in an industry where the average was more than 47% in 2002. "If we take care of our employees," said Shadders, "they'll take care of our customers."

A 2005 study of the U.S. call center industry found plenty of reasons why turnover was so high, and suggested ways they can improve. **Cornell University** professors surveyed managers at 472 call centers about their HR practices, performance and business strategies. Some of those practices that were meant to improve productivity were in fact doing just the opposite, they say. The worst offenders seemed to be outsource call centers, those that contracted with companies to provide their customer service. They generally were giving their workers the least discretion over daily tasks, and it was no coincidence, said these researchers, that they had nearly twice as many dismissals and layoffs as in-house centers, sometimes replacing as much as 51% of their workforce each year.

What reduces turnover? Empowering employees to make decisions that actually address customer needs. More successful centers let workers, said these experts, take the lead in handling some problems instead of locking them into a cookie-cutter approach. High turnover creates a vicious circle. Because it takes three to six months for someone to become proficient, and so many workers are new, companies feel they have to create a rigid work environment and give them little discretion. That lack of discretion, said one employee quoted here, together with low wages and no benefits, had people saying "why should I stay there?"

**MetLife**'s 2005 guide set out to help relieve the major problems that plague call centers: absenteeism, turnover and low productivity. Employers were complaining that salaries were higher, retention lower, and loyalty almost non-existent. "They've come to expect that employees will resign almost as quickly as they are hired," said the new guide, "Absence, Lost Productivity, and Seven Solutions." The culprit in most cases was defined as stress, and most of it was related to work, family and personal issues. Centers where the work is repetitive and labor-intensive were experiencing the most stress, short term disability claims, FML absences and high turnover. Most stressed were those in telecommunications, where calls are expected to be quick, and representatives felt they had little or no personal control over the demands placed on them. Centers that provided full-service consultative solutions, where interactions were based on knowledge and information exchange, had the least stress and turnover.
The seven solutions: 1. Screen potential employees for skill sets; 2. Involve the union; 3. Take advantage of technology; 4. Communicate the company’s vision; 5. Involve everyone in health and wellness; 6. Assess the work environment; and 7. Educate employees.

**Schneider National** was using a new electronic scheduler in 2005, part of the company's push to give its drivers more work-life balance. The new system allowed drivers to punch in special events, like a child’s birthday, to make sure they’ll be close to home on that day. They could access it from their trucks, their homes or company headquarters, and it made scheduling more predictable. The Green Bay transportation firm was working on giving everyone, not just those with seniority, the kind of schedules that would give them a more predictable life. A "home-run" program allowed three drivers living in the same area to rotate two trucks among assignments, giving each driver a week off after a two-week out-of-town assignment; that meant 17 weeks off a year to spend with their families. And they had recently announced the largest pay increase in the company’s 70-year history. The industry had been plagued by a shortage of drivers and high turnover, and while the technology for the new scheduling system represented a multi-million dollar investment, said recruitment director Mike Norder, turnover had dropped and applications soared. "We’re hoping to make up [the cost] and then some," he said, adding, "You can’t deliver service unless you have drivers."

**GMAC Mortgage**, Elkins Park, PA, had specific objectives in mind when they began to pay attention to work-family issues in 1989. Their plan was to improve profitability by getting rid of the factors that limited productivity – absenteeism, turnover and lateness way back in 1992. They also wanted to avoid litigation by complying with laws, and let customers know they were responsive to employees. Evaluations found turnover down from a high of 43% in 1986 to a low of 7.5% in 1991, saving an estimated $280,000. Unplanned absenteeism fell 20% since 1989, and sick pay was down about $142,000 per year. Recruiting seemed to be more successful and climate surveys indicated that the dramatic morale improvements were related to greater flexibility. The company also felt that work-family programs had improved its image, says Michael Blanchard, spokesman.