



By George Kralidis

About Staff:

Hire Right: How AEGON improved employee satisfaction

OVER THE LAST decade, our insurance company, AEGON has experienced compounded annual double-digit growth. In Canada, we have expanded both through organic growth and the acquisitions of NN Life and Money Concepts. As you can imagine, having the right people in the right job during this time has been integral to us.

Back in 2001, we decided to invest more resources into getting the right people and keeping them after reviewing the results of an employee satisfaction survey, as well as turnover levels. There was room for improvement. We decided to start at the hiring stage. In my opinion, many line managers are too focused on technical skills when hiring, so our first step was to develop job descriptions that focused on behaviours. (Now we concentrate less on what the candidate has done and more on how they have done it.)

We have a number of plans to cater to Generation Y staff members, who demand work/life balance – including unpaid leave programs and a reduced work-week.

To do this, we started by analyzing the job using a job-profiling tool provided by The McQuaig Institute. We created behavioural job profiles that we could compare to the candidate's profile, getting the line managers to focus more on soft skills and less on hard skills. Initially, managers were reluctant to get involved in the process, but they soon realized that the extra time spent establishing fit up-front would be paid back many times over.

However, we took the selection process a step further. My own personal experience (also reflected in a recent study) is that employees don't quit their job – they quit their boss. To address this, we decided to compare the McQuaig profiles of both the boss and the employee to determine areas where they would mesh well together, as well as areas where they might experience conflict. We looked at things like decision-making approaches, a sense of urgency, delegating style and the need for structure. If a potential employee and his or her future boss were on a

totally different page, we wanted to understand these differences at the hiring stage. If we made the decision to move forward with the candidate, knowing these differences would help us to address them up front, before they became a problem.

This new selection process has had a significant impact on retention. In 1999, AEGON Canada (then Transamerica Life) posted a staff turnover rate of 16%. In 2004, turnover came in at 9%, a 44% reduction. This decrease in turnover has had a tremendous impact on the bottom line (the cost of turnover for managers and administrative staff is often 100-200% of salary when you factor in training costs, lost productivity and the impact on morale).

On the employee satisfaction front, we are proud to cite a 2004 survey indicating that our employees view AEGON Canada as a good place to work. Over the last few years we have taken several initiatives to increase their satisfaction. There are many studies that cite the relationship between employee satisfaction and customer satisfaction and our experience has shown this to be true.

We also invested time in addressing generational differences between employees. Generation Y responds to a different reward system and will not respond well to anything based on tenure. They need growth opportunities and their timeline is very different than their older peers – they want it now.

To give them what they wanted, we developed a benefits program that would be flexible and meet the needs of a diverse workforce.

Companies need to demonstrate a flexible, employee-centric approach if they are to recruit and retain the best. Being able to profile the job to the candidate and the candidate to the boss was an integral part of the processes we put in place to improve employee satisfaction – from the pre-hiring stage to coaching and career development.

This simple recruitment strategy has provided our company with a reduction in turnover, higher retention rates, less employee relations issues, greater employee satisfaction with jobs and managers and greater manager satisfaction with employees. ♻️

George Kralidis (george.kralidis@aegoncanada.ca), BAS, CHRP, is assistant vicepresident, human resources, at AEGON Canada Inc. He has 17 years of HR management experience.