

# AEGON CANADA PARTNERS WITH McQUAIG TO IMPROVE RETENTION AND EMPLOYEE SATISFACTION



George Kralidis, *avp human resources*

AEGON is one of the world's leading insurance companies, with 28,000 employees globally and over 700 employees in Canada. Creating a better future for all its stakeholders is central to AEGON's overall mission. Over the last decade, AEGON has experienced compounded annual double-digit growth. In Canada, AEGON has expanded through both organic growth and the acquisitions of NN Life and Money Concepts.

"Having the right people in the right jobs is always important, but especially during the times of rapid change that come with growth, acquisitions and retrenchment," says George Kralidis, assistant vice-president of human resources for AEGON Canada. In 2001, the organization used the results of an employee satisfaction survey, as well as turnover levels, to decide that there was room for improvement. "It is impossible for a company to meet its strategic objectives if its people are not fully engaged. One of our key strategies was to employ The McQuaig System™ in the recruitment process. Any good retention strategy starts at the hiring stage."

## THE FIRST STEP TO RETENTION: HIRE RIGHT

"In my opinion, many line managers can be too focused on technical skills when hiring, so our first step was to develop job descriptions that focus on behaviours," says Kralidis. "Now we concentrate less on *what* the candidate has done and more on *how* they have done it."

"To help us make this transformation, we used The McQuaig Job Survey®. It provides a simple, consistent process for gathering information on key job behaviours. And since it allows us to compile information from multiple stakeholders, it is a great time saver."

The AEGON recruitment team then compares the candidate's McQuaig Word Survey® to the Job Survey to get a clearer picture of how the candidate will respond to the job demands.

"We align job descriptions with critical behaviours well in advance, so that we are not scrambling when the position comes open," says Kralidis. "Managers were initially reluctant to get involved in the process but soon they realized that the extra time you spend establishing fit up-front will be paid back many times over."



The employee lounge, called the TransCafe, reflects AEGON's work/life balance philosophy

"... employees do not  
quit their jobs, they quit  
their boss."

## BENEFITS OF USING MCQUAIG

- *reduction in turnover*
- *higher retention rates*
- *less employee relations issues*
- *greater employee satisfaction with jobs and managers*
- *greater manager satisfaction with employees*



George with vintage jukebox  
in the TransCafe



Kim Ferreira, *manager, training & development, hr*

## FIT WITH THE BOSS

“It has been my finding that employees do not quit their jobs – they quit their boss,” says Kralidis, echoing the findings of many research studies as well as his own personal experience. As a result, AEGON adds rigor to its assessment of candidate-boss fit with The McQuaig System.

“We compare the profiles of both the boss and the employee to determine areas where they will mesh well together, as well as areas where they might experience conflict. We look at things like decision-making style, sense of urgency, delegating style and need for structure. If a potential employee and their future boss are on a totally different page in this regard, it needs to be addressed in the hiring stage. If we still make the decision to move forward with the candidate, the different approaches need to be addressed before they become detrimental.”

## TANGIBLE RESULTS

Using The McQuaig System in the selection process is one of many important factors that has had a significant impact on retention. In 1999 AEGON Canada (then Transamerica Life) posted a staff turnover rate of 16%. In 2001, they adopted The McQuaig System and in 2004 it came in at 9%, a 44% reduction. This kind of reduction has a tremendous impact on the bottom line when you consider research indicating that the cost of turnover for managers and administrative staff is often 100-200% of salary – higher for sales and leadership roles.

On the employee satisfaction front, Kralidis is proud to cite a 2004 survey indicating that employees now view AEGON Canada as a good place to work. He states that “over the last few years we have taken several initiatives to increase satisfaction and McQuaig has also played a critical role. If the employee is well suited to the job and their boss, satisfaction is greatly increased. Once again we expect the bottom line impact to be significant, considering recent studies showing the link between employee satisfaction and customer satisfaction.”

## RETENTION STRATEGIES FOR GENERATION Y

Kralidis states that generational differences between employees present unique HR challenges. “Generation Y responds to a different reward system and will not respond well to anything based on tenure. They need growth opportunities and their time line is very different than their older peers – they want it now.”

AEGON has also been an industry leader in developing a benefits program that is flexible and meets the needs of a diverse workforce. AEGON has developed a number of plans to cater to the staff demanding work/life balance, including unpaid leave programs and a reduced work week.

“Companies need to demonstrate a flexible employee-centric approach if they are to recruit and retain the best. McQuaig has played an integral part of the processes we implemented to improve employee satisfaction – from the pre-hiring stage to coaching and career development.”