

Client Case Study



Turning around high turnover rates:

How one organization is using competencies to make a change



ABOUT ROCKY MOUNTAIN EQUIPMENT CO-OP:

Rocky Mountain Equipment is a consolidator of agriculture and construction equipment dealerships, primarily focused around the CNH brands. They are the largest independent dealer of Case IH and Case Construction equipment in Canada, and the second largest in the world. RME's business employs nearly 1000 people directly, and serves tens of thousands more customers and their employees. Operating more than over 35 dealerships across Alberta, Saskatchewan and Manitoba as well as customers radiating beyond those three provinces, RME's goal is to bring professional, stable, and dependable equipment partnerships to its customers.

Challenge

"The culture of a business tends to mirror the industry it operates in," says Alex Andrews, Manager of Organizational Development from Rocky Mountain Equipment. In this case it meant that RMC, dealing with a blue collar customer base, found itself operating using laid back, less formal business practices. This resulted in a more relaxed



approach to recruitment and internal issues, as well as talent management. When Rocky Mountain Equipment realized they were losing 300 employees a year due to a turnover rate of 35%, they knew they had to make a change. The time and effort cost to replace that many individuals is extremely taxing on a business. For instance, according to a study conducted by the Society for Human Resource Management, employers will often spend

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six to nine months of an employee’s salary to locate and train a replacement for them.



Solutions

In order to tackle this problem, Rocky Mountain decided to use competencies to build a strong foundation for talent management and define performance expectations. They began by working with HRSG to create a competency library and create profiles for key roles within the organization. By evaluating what level employees need to be operating at, Rocky Mountain was able to further define

how to provide effective development programs to its staff. They were also able to assess the potential for individuals to grow in the future, and take on additional responsibilities and leadership roles. At the end of the process, Rocky Mountain had a more focused approach and is now able to definitively say what types of employees they are looking for, in terms of what’s best for the organization.

To gain momentum for their competency initiative, Andrews and his team made sure to get participation from the right parties, as well as engage the entire organization in developing the competencies. Using the preset language from HRSG's competency library, they were then able to tailor the

competencies to their industry, starting with the executive team roles and working downwards. By involving more than just the HR department in developing the competencies, people were more likely to see the value and benefits.



Alex Andrews
Manager of Organizational
Development

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Results

When it comes to actually using the competencies in recruitment, Rocky Mountain is currently focusing on roles that saw the highest amount of turnover or other key positions. The competency profiles that were developed allow the organization to look for the specific knowledge, skills, and abilities that employees need to be successful in certain roles. Developing these profiles gave Rocky Mountain more clarity over what had been causing their high turnover in the first place. “We employ

a lot of heavy duty mechanics, and we had individuals who if they came in and knew how to turn a wrench we'd have them start work right away,” says Andrews. “We realized that over time we'd missed certain things like they didn't have a team mentality, they perhaps weren't competent in other areas, and the reason for that is we didn't know what those areas were.” Now Rocky Mountain is able to make sure that those they're recruiting have the necessary skills.

The direct results in terms of turnover have been encouraging. So far the turnover rate has reduced by 10%, but Andrews is confident that Rocky Mountain will continue to see improvements. "Even something as simple as our onboarding process is now much more effective

because we are focusing on the right skills," says Andrews. Going forward, they plan to expand the use of competencies across the entire organization, and use them to create development plans for employees hired before the competency project began.

Do you want to achieve excellence through competency-based talent management? To discuss your competency initiative call us at 1-866-574-7041 or email info@hrsg.ca.

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To discuss your competency initiative and see the HRSG multi-level competencies in action, call us at 1-866-574-7041 or email info@hrsg.ca.

