# StandOut, Powered By ADP For Mid-Market Organizations

StandOut, powered by ADP, is an integrated suite that pairs a technology platform with coaching to help team leaders build engaged, high-performing teams so organizations achieve their employee engagement and performance goals. To better understand the benefits, costs, and risks associated with StandOut, ADP commissioned Forrester Consulting to interview three mid-market customers and conduct a Total Economic Impact™ (TEI) study. [1]

Like leaders at larger organizations, the mid-market leaders of human resources and talent development interviewed for this study had inconsistent employee engagement data, low visibility into employees' weekly behaviors, and inefficient (often paper-based) performance review processes. Their organizations' managers did not have a way to focus and energize employee priorities consistently and the dedication of time and commitment to the performance improvement process varied widely. This led to lower employee engagement and, in turn, lower customer experience.

After implementing StandOut, managers gained visibility into their teams' actions, attitudes, and levels of engagement through weekly check-ins and survey "pulses." Because StandOut provided historic views into employee engagement and performance, managers could target the strengths of their employees and conduct coaching conversations to improve performance and experience. They described StandOut as an easy-to-use solution that they accessed on both PC and mobile devices, allowing them to implement continuous performance management, increasing connectivity even while remote. They found StandOut invaluable during the pandemic as a barometer and enabler of employee
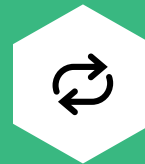
Faster ramping for new managers
Two months

Reduced voluntary turnover rate by
16%

Reduced employee survey costs by
50%

engagement. Decision-makers at midsize organizations using StandOut reported increased employee engagement and more impactful coaching conversations and credited the platform with supporting the growth of their firms at critical phases.

Interviewees for this study included:

- The VP of HR of a manufacturing company with 7,000 employees and 155 managers.

- The HR director and chief culture officer of an energy sustainability services company with 430 employees and 80 managers.

- The VP of HR and talent development of a financial services organization with 255 employees.

This abstract will focus on midsize organizations' use of StandOut and its value to their organizations.

INVESTMENT DRIVERS

Decision-makers at midsize organizations shared many common talent activation objectives:

- **Leaders yearned for visibility into employee needs and strengths to fuel work outcomes.** Rather than quarterly or annual performance reviews that were subjective and infrequent, managers wanted regular insights into the real-time pulse of employee engagement. One VP of HR explained: "Our customer experience manager constantly uses and references StandOut as a tool for employees to share strengths or areas they want to work on with their supervisors. Or, what they loved or loathed about an interaction with a customer that was a bit challenging or something successful."

- **The performance review process was time-intensive but not meaningful.** Interviewed people leaders realized that their existing performance review process added no value for what they wanted to focus on for employee growth. The process, a vestige of the industrial age, focused on competencies that were outdated or not meaningful, such as "timeliness." The HR director and chief culture officer said: "The whole process of filling out the sheets and putting rankings seemed less and less meaningful to us. It took a lot of effort and time on the parts of our managers without a clear direction of what the return was going to be. We actually weren't using anything to track people's behavior and growth and change."

- **Fast growth in midsize companies required tools to support organizational change.** Interviewed midsize organizations described the need to scale quickly to support the addition of new offices and managers. The HR director and chief culture officer explained: "We had significant growth that occurred over a short period of time. We suddenly had lots of young leaders and needed them to be able to grow in

their role." StandOut enabled new managers to get to know their team members quickly.

STANDOUT FEATURES

With StandOut, human resources, culture, and talent management leaders were able to gain visibility into employees' strengths and engagement levels while implementing continuous performance management. This enabled them to:

- **Take frequent, ongoing "pulses" to understand employee engagement.** With StandOut, managers conduct weekly coaching check-ins using data collected from the platform and quarterly Engagement Pulse surveys. This makes their coaching conversations targeted and centered on their weekly struggles and successes. One VP of human resources remarked: "The managers embraced it very quickly, especially when I said, 'If you do well at this, guess what, you won't have to do performance reviews anymore. We're going to use Performance Pulse and Engagement Pulse, and you can take all this information from your check-in and look at it at the end of every year to have an annual sit down with your employee.'"

- **Manage effectively during an historic time of uncertainty and distance from employees.** During the pandemic, interviewees reported being able to provide high-quality customer service because their employees were closely connected to their supervisors despite working remotely. Forrester's US PandemicEX Survey[2] identifies a key metric that organizations should be tracking: employee confidence that the company will make decisions with employee wellness in mind. StandOut enables frequent communication and a focus on employees' state of mind rather than competencies, allowing organizations to perform despite the pandemic. The VP of talent management said: "In the

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middle of this pandemic, where everybody is stressed, anxious, and worried, our service quality score jumped to 4.70 from 4.65 last month. When employees feel good, are recognized, get to use their strengths, and have communication with their supervisor … all of that builds. StandOut has some effect on that. These metrics are hard to move, and we're proud of it."

- **Focus on coaching, rather than evaluation.** StandOut transforms the performance review process from infrequent evaluations to ongoing coaching opportunities. With a focus on strengths, rather than deficiencies, the platform

> **"StandOut brought awareness to how an employee feels, what they're doing well, and what they're struggling with. The manager is now taking responsibility and holding their team accountable for what they need to do."**
>
> *VP of HR and talent development, financial services organization*

enables managers to adopt a continuous improvement cycle that is based on data and real feelings (what employees "loved" and "loathed" about their work) rather than impersonal or irrelevant competencies.

- **Reframe performance improvement as a system, not a checkpoint, focused on strengths and behaviors.** Managers who use StandOut can have candid conversations with employees about their strengths and interests. The platform encourages openness and fosters a sense of trust (and relief) at sharing likes and dislikes. This leads to some role changes and redistribution of work. "StandOut enabled things that we knew were underlying to bubble to the surface in a really productive way," shared the director of human resources. "The StandOut approach and check-ins gave employees the permission to really just open up and unleash."

KEY RESULTS

The interviews revealed that key results from the StandOut investment include.

Increased employee and customer engagement.
Interviewees reported positive shifts in their employee and customer engagement scores, which they attributed, in part, to StandOut. Increased engagement leads to higher retention, productivity, and innovation.

- **Leaders reported increased employee and customer engagement scores.** Interviewees at midsize organizations reported positive shifts in engagement scores. The VP of talent development said: "Our employee engagement scores went up; I would say that StandOut has increased engagement and had an impact. One of our COO's departments that had historically been rated very low in employee engagement had one of the highest scores recently. She says she attributes StandOut to that increase of engagement." The same talent leader linked increased employee engagement to increased customer engagement: "When employees feel heard and valued, they provide better service to customers."

- **StandOut bolsters a positive, high-performing culture.** The leaders interviewed for this study commented on the additive role that StandOut plays within their high-performing cultures. It leads to increased manager performance and amplifies the positive behaviors among employees. "The organization that I came into had a really well-established, great culture and for years had been a great place to work," said the chief culture officer. "People have permission to be themselves, and I think StandOut fosters that and keeps us moving in the right direction."

- **StandOut enables remote work and resilient businesses.** Even before the pandemic, organizations embraced flexible work locations and hours. Through the challenges with COVID-

19, StandOut facilitated regular weekly check-ins between managers and employees to gain insight into how the pandemic was impacting their work along with impromptu surveys to get a pulse on the mood of the workforce. The chief culture officer commented: "StandOut provides an open door for the team leader-team member connection. They have a weekly forum to connect on their loves, loathes, and priorities. That regular interaction is so necessary in a pandemic."

Reduced voluntary turnover. Organizations used StandOut to improve employee retention.

- **Voluntary turnover rates reduced by 16%.** Voluntary turnover is a key metric for understanding the health of a company's people management strategy. One company was able to cut voluntary turnover by more than 16% in one year. StandOut was a key factor in that reduction because of its ability to ensure that managers are giving the right kind of attention to the individuals on their teams. Reducing turnover is driven, in part, by having employees work in the right roles. The director of HR said, "I think StandOut helps with refining and getting people in the right seats where they can excel."

Reduced costs and inefficiencies in the performance management process. Midsize organizations realized cost and efficiency savings from StandOut.

- **StandOut reduced the costs to collect employee engagement data.** Many interviewed organizations were already conducting annual engagement surveys of their employees, but leaders sometimes didn't see results for up to six months. Companies can conduct StandOut Engagement Pulse surveys on a more frequent basis. This provides them with more recent and relevant insights about their teams, and it reduces the annual survey costs by as much as 50%.

- **Managers can be more productive — faster.** Interviewees said they believe StandOut saved between two and four months of time for managers to ramp up to 100% productivity. StandOut enables this because leaders can gain quick insights into their teams' strengths, build a culture of attention, and create a level of trust with their employees.

- **ADP's client success organization provides ongoing support.** The interviewees reported regular, ongoing support from the StandOut team to ensure a smooth rollout. During the implementation period, they had frequent check-ins that included the human resources and IT teams. This increased the time-to-value for the StandOut platform.

Increased legitimacy of the performance review process due to ongoing data collection. Interviewed customers valued the data-driven platform that StandOut provides.

- **Data, rather than speculation, drives performance discussions.** Interviewees described past performance review processes as "subjective" and "with no real data to back it up." Human resources leaders suspected that managers recounted the last thing that happened, rather than the full picture of employee performance. With StandOut, managers have a track record of ongoing employee performance data that moves with the employee. "We have access to the account profiles of employees through ADP, and we can look at people's check-ins over time. So now we have records of things that are going to stay with people and they're easy for team leaders to check," explained the director of human resources. "I think that there is a lot of value in that moving forward."

TOTAL ECONOMIC IMPACT ANALYSIS

For more information, download the full report "The Total Economic Impact™ of StandOut Powered By ADP," commissioned by ADP and delivered by Forrester Consulting.

STUDY FINDINGS

Forrester interviewed eight organizations with experience using the StandOut product and combined the results into a three-year composite organization financial analysis. Risk-adjusted present value (PV) quantified benefits include:

- Cost savings due to reduction in voluntary turnover. StandOut was a key factor in that reduction because of its ability to ensure that managers are giving the right kind of attention to the individuals on their teams.

- Faster time-to-manager productivity. StandOut saved between two and four months of time for managers to ramp up to 100% productivity. StandOut enables this because leaders can gain quick insights into their teams' strengths, build a culture of attention, and create a level of trust with their employees.

- Improved efficiency of performance management process. StandOut reduced the costs associated with performance management, replacing legacy tools and survey processes that were cumbersome and costly.

Return on investment (ROI)

217%

Increase in retention rate

12 to 18% higher with StandOut

Appendix A: Endnotes

[1] Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

[2] Source: Forrester's Q2 2020 US PandemicEX Survey 2 (April 29 to May 1, 2020) of 533 employed US adults.