The Power of Listening:
HR Strategies for Shaping Employee Experience

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On May 8, 2024, Intelligent Enterprise Leaders Alliance founder and Managing Director, Rob Shannon, sat down with Deborah Mcfarlane, Chief Human Resources Officer at KBS Services. During the live conversation, Deborah provided valuable insights into her career progression from Law to HR, KBS's pilot program to streamline communication, and how KBS is using AI to continuously improve their HR operations.

Explore the enlightening interview below.

Rob Shannon: Hello, everyone, and welcome to the Intelligent Enterprise Storytellers. My name is Rob Shannon. I'm the Managing Director and Founder of the Intelligent Enterprise Leaders Alliance. It's my absolute pleasure today to welcome Deborah McFarlane to the program. Deborah is the Chief Human Resources Officer at KBS Services.

Deborah is also one of our featured speakers at the upcoming People Analytics Exchange taking place in late June in Minneapolis. Deborah, welcome to Storytellers.

Deborah Mcfarlane: Great. Thank you so much, Rob. It's great to be here.

Rob Shannon: You're very welcome. And I've been looking forward to this conversation for a while. We've got a lot to cover.

I want to encourage everyone out there to ask questions. We have time. We're certainly going to do our best to get to them. I think that makes for a really engaging conversation when we can take questions and comments from the community at large. And there's a lot of you out there. So thank you for joining us as well.

Before we jump in, Deborah I wanted you to just maybe for the group that might not be familiar with KBS to just talk a little bit about the company, what industry you're in, and the

customers that you serve. And maybe a little bit about the size and scope of the organization.

Deborah Mcfarlane: Yeah, no, happy to. So KBS is really a property services business. We employ anywhere from 40,000 to 50,000 people a year in either what I'll call the retail services, office services industrial supply chain, et cetera, right? So think about anything you need to run a building from the parking lot all the way in. We supply the contractual labor to get the services done.

So that's, that's probably the cliff notes version of who we are, but we operate in all 50 states. We're also up in Canada as well. And we're located in Southern California.

Rob Shannon: Great. Well, thank you. I've always enjoyed learning a lot about different businesses, and it's interesting. I know when you and I first spoke, we talked a little bit about our backgrounds and that there are some similarities there.

Specifically, you started out contemplating a career in law but ultimately found yourself in HR via the operations space. And I was hoping you might be able to describe how that path led you to gain firsthand insights into the challenges that are faced both by the workforce and also leadership.

Deborah Mcfarlane: Yeah, no. I think I'm like most people, right? I went to school with this grandiose idea of what my career was going to be, and then I had this thought about what law was. And for me it was advocacy, it was taking care of people, it was helping.

Which I still believe it is. But as I went through college and actually spent a little bit of time in a law firm, just to try to understand what the job was, I realized that a lot of the, I'll call them pomp and ceremony part of the role wasn't really for me. And it wasn't really conducive to my personality.

And so it was really important for me to find something that I could still, connect with the advocacy and the fairness and doing what was right, but at the same time, still be authentic and real to who I was and how I could make an impact. And so I fell into HR. And I don't think that is dissimilar to a lot of people, right?

And so as I was putting myself through school, I ended up working in retail. led into an operations management role. And I will tell you, even to this day, there were lessons learned from that very early career around the operations space that really I used to this day. Right. And so what I really got from the operations piece was a passion for frontline leadership.

And I got this passion around still being that advocate for the people and still doing what was right and fair, but also doing what was right and fair for the company and, and the

employee, right. And so to this day, I think what that operations part has really helped me within HR is speaking the language of the business, right?

I understand the vocabulary. And I think a lot of the time, HR leaders get criticized, frankly, for not understanding the business and not speaking the terms. And so it was really great. for me to be on the frontline, having been there, done that, lived in their world. So it just meant that the solutions I was offering, the people strategies I was offering were really grassroots.

And, and I just think it was really appreciated. And again, that notion of, customer experience, employee experience, and operational excellence just came to life. And again, those are lessons I learned and come back even 25 years later, right?

Rob Shannon: That's so interesting. And you just, you touched on a lot there.

There's so much to unpack just even in that response. And I, you know, I really appreciate it as I'm sure the employees do that work for KBS to have someone that has gone through the types of experiences that you have and have an advocate for both the employee. But also the company. And I think a lot of HR people that I speak to are constantly facing that challenge of that balance between the corporate and the employee.

And I think I'm sure it's very well. And amongst the employees at KBS. So you talked a little bit about customer experience, employee experience operational excellence themes that we talk about all the time at Intelligent Enterprise. But the one I wanted to sort of jump into next is really maybe around the employee experience side of things.

And I'm intrigued by the emphasis that you've placed on employee listening and listening strategies at KBS and was hoping you might be able to share with our viewers today, some of the things that you're doing. The process that you undertook to get them launched and maybe some of the outcomes that you've seen so far.

Deborah Mcfarlane: Yeah. So I think a lot of the time when we talk about listening strategies, the first thing we think about is a survey, right? And that is absolutely core to what we do. And it's very important. But I do think it's really important to share: listening is beyond a survey. The most important thing, I think, is your leadership team being ready to listen and respond to whatever feedback they're getting.

And I know that sounds really, really basic, right? Because what sometimes happens is we, as an HR organization, we go out, we put out a survey, people either respond or not, and we're focused on the response rate. Okay. And it's very important that you get that board sampling. But what's more important from my perspective, or equally as important and needs to run parallel paths, is that we make sure that the leaders are encouraging and ready to listen.

And so in those moments where people have feedback that isn't necessarily on a survey, that people can respond appropriately, that they, that the employee walks away feeling really heard. And so if you can put in what I call The expectations around frontline leaders listening and responding appropriately when you come to the survey side, people will just automatically take your survey because they know that they're going to be heard and that the voice matters in those moments, right?

So I think that's a really important thing to level set on because we spent a tremendous amount of time upfront on defining the role of the people leader in the listening to our people before we got to the launch of a survey. Okay. The other piece that was really important for us was thinking about the employee journey across a series of milestones.

And then, so when we did our surveying strategy, it was really along what I will call the first, you know, 365 days. And this is this data piece, right? So when we thought about turnover, we said, what is the employee experience? When do we lose our people? For us, we lose folks in the first 90 days. Not dissimilar to a lot of companies.

But there's something happening in that first 90 days. And so what was the trigger point in the first 90 days? When did we want to tie the survey to get that sentiment and feeling? And then we went through and said, the next big milestone for us is 91 days. Then it's nine months. Then it's 365 days.

And so when we thought of, when we rolled out our strategy or our actual survey, it was about the first interview, sorry, the first survey was around almost like a stay interview. Will you be here in three months? What will it take for you to leave? What will it take for you to stay? Very simple. Then we get into, you know, the 91st day.

It's like, has the trailer matched the movie? Everything we said during the recruiting process, are we living up to what we said? And it was more of a sentiment trailer matching the movie question. As we start getting into the ninth month, it's more around: are we living up to your expectations as an employer?

And as, as we get into the, you know, the 365 days, now the sentiment is more around, what will it take for you to stay? You know, two years, three years from now. Because for us, our data showed us that if I got you to 365 days, I had you for five years. So for us, it was so important to get you to the year so that I could keep you for the five.

And we needed to survey along the way. And so that's how we, we approached the strategy and the approach. But for us, it had to be listening first from our leaders, two-way dialogue, and helping people appropriately respond to any feedback that was coming. Plus the HR, you know, the HR stuff right around the employee surveys as we went.

So that's how we approached it at KBS.

Rob Shannon: Thank you. So much to unpack there. I've got so many questions for you as a follow-up, and the first one is the leadership pushback, if any that maybe you experienced or not. I mean, I can imagine some organizations, everyone thinks that these kinds of things that you just described are great ideas.

Absolutely want to listen to what employees have to say. But perhaps upon reflection, there are sometimes these instances where leadership is maybe afraid about what they're going to hear. So can you talk maybe about the cultural challenges if there were any and trying to get leadership on board to just even embrace the program?

And then obviously there were a lot of great outcomes there, but talk to us a little bit about that if you would.

Deborah Mcfarlane: Yeah, I think the best thing, the biggest, there were two big obstacles for us. I'd say the first one was Leaders and I want to be careful how I say this. When you have long-tenured leaders they have a lot of beliefs about how their company is performing and they're often a projection of their own beliefs because, you know, I've been here 20 years, I know how it works and the warm sentiments that they have are often projected and believe that the newer folks coming in have the exact same sentiment.

Right? And I actually found this in previous companies where we had really top-heavy tenured leadership and newer employees coming in. And it was interesting because when you would talk to the frontline employee, and then you talk to the leader without doing a survey, polar opposites in terms of how folks thought things were going.

And so I think what happens with some of your leaders is they have a belief And the data doesn't always match. And for them, it's, it's, it's personal, right? I mean, they've invested 20 years of their life in a company, for example. And so it hurts a little bit. And so what we really had to focus people on was how do I say this?

There's no emotional sentiment in an opinion. It's just an opinion. And what our job as leaders is to listen and to learn and to hear and then look across the entire survey and think about how validating is it, right? And meaning this, what I found always was happening is. In the absence of having a survey, you have the amplified voices of a few and the loudest and the other folks that are just, you know, coming to work every day, doing their job, don't feel heard and they are disengaged and not connecting in the same way.

And so what we found happen is when we started saying to people or leaders, I should say, I hear that you have a network of people that you trust. We're going to use those people as part of our change management network. And so you're going to use those people differently than you have. They're not going to be your, Hey, how's it going in the field?

It's going to be, Hey, this is what the survey told us. What do you think? And so you still get your connection points of the people you trust, because that was really important to the

leaders. But at the same time, we were getting the sample size of the entire organization. But now we were taking the tenure of the people who had really great feedback and using them in a much more productive way.

So that was probably the biggest obstacle. But then that's how we pivoted the leaders to get them to focus more on what the entire organization was telling us, not just the amplified voices of a few.

Rob Shannon: Great. Thank you so much. I imagine there are a lot of people out there right now who are just shaking their heads in agreement with the things that you just said that are experiencing the same thing. So really appreciate you diving in deeper. You mentioned two things also in that answer about data change management. Two sorts of things, again, that we focus on quite a bit. I wanted to dive into maybe some of the communication challenges that you've encountered with data.

You spent a couple of minutes there talking about that as a key part of the listening strategy. And I was curious about how you manage the perceptions from the rest of the C suite. On the data that you're gathering from employees through these projects that you just talked about with the time that's needed for the frontline leaders to explore those comments and then take action if action is actually required on whatever has been defined as the priorities.

So again, you know, lots of unpacking that question there, but definitely curious about some of those things if you don't mind sharing.

Deborah Mcfarlane: Yeah, absolutely. The first one that I encountered with my peer group is really around. This notion is an interesting one that HR people shouldn't be talking about data.

We should be talking about culture, people's experiences, and you know, what I call warm, fuzzy, sentimental things, right? And so you would, the first obstacle we really had to overcome was: Why are we even talking about this in the first place? Because people could not reconcile this concept that data and HR even belong together in the first place. Which is interesting considering everything we do is, you know, data-based, right?

And so the first thing we actually did was change the vocabulary And it was a a small slight nuanced change, but it changed the discussion And so the first thing we did was we no longer use the word data. We said employee insights. We said, okay moving forward Because people were so hung up on this, you know, data is scientific.

HR is people and warm and fuzzy. And, and they just couldn't connect the two, right? Which is again very interesting. And so when we changed the words to employee insights and where we started saying, okay, data comes in many forms. It comes in a survey, it comes in a report, it comes in dialogue.

And so what we had to really try and get people to realize is data is just an input, and it has different sources, right? So, meaning, we focus heavily on, Hey, we have the survey as employee insights. And then we had the dialogue to validate with our employees. Therefore, it's all employee insights. And so as we started framing it that way, leaders were now talking and connected with their version or their, their thoughts on what HR should be focused on.

Right. And frankly, it was the same stuff. We just, right. I mean, it's always very interesting what resonates with people. And so that's how we framed it. And then we were very clear that the employee insight is actually a measure of your culture. And so because we were putting it in those terms, people started listening.

Right. And so now that engagement score that came back at, you know, 70 percent was now suddenly a reflection of the culture on your team based on your employee insights, which is very different than the survey told us. And the data says this. Right? So that was the first thing. And again, it's slightly nuanced, and probably a little silly but the, it just changed, you know? You could see the instant shift in the dialogue and the thinking of the leaders.

The other thing too, is when we selected the tool that we were going to use we were very specific that we were doing quarterly touch points, 10 questions, eight of the same questions every time, because that's frankly what we needed. And then the other two were something that was relevant and happening in the business right now.

And, it peaks people's interest, right? Because it's I want to give feedback. Hey, we just did a, you know, make it up a restructuring. I want to tell the business teams how this is going. And so we ended up getting lots of feedback about how recent initiatives were actually working and that also piqued the interest because it was no longer the same eight questions. I mean, that was your benchmark, but what was most important to people was: How are we doing right now?

And what can I tweak? And it put this immediate action in place around those two questions, right? And so as we went through and we set it up, we made sure that the frontline leaders had access real-time to the platform so that they had, the comments live. They had that participation rates live and they had an action planning tool within it so that it no longer was what I call a HR activity. It was leadership all the way through. You could drive it. You could get your comments. Hey, don't wait for HR to come tell you or give you the report. Go take action right away. You're that leader. And so we really try to empower people to go and unless it was an enterprise issue, but if it's something local and specific, but like, don't wait for us, just go, just, just go do what you need to do.

And so that's really how we overcame it because it became this part of people operations versus this HR thing that we did at corporate. And that's, that's really how we approach that.

Rob Shannon: Again, you know, so many. Interesting things that you've talked about there. The first one I want to circle back to was you talked a little bit about data and maybe that sort of chasm that exists sometimes with how HR people might be perceived, even how they might perceive themselves.

You talked about warm and fuzzies versus data. I'm curious, you know, sort of, if you were giving advice to people that are out there watching today, that maybe you're struggling with that same perception. They feel like they're up against it. For years, we often heard HR talk about needing that seat at the table or wanting to sit at the table.

And typically it would be a custom with the C-suites. Show me some data. Show me. Tell me. So now we're empowered. HR is empowered to collect the kind of data and use the data that you've talked about. But if you don't mind, maybe provide some mentoring and coaching to some of the folks who are out there that maybe are just starting their career in HR and who are looking to make the kind of impact that you've made via some of these projects that you've talked about today.

Deborah Mcfarlane: Yeah. I think that the best thing I could advise folks is to connect everything back to the business and specifically, right? I think we can all pull out surveys and benchmarking that says, Hey, you know but why do we do surveying? Because we can, we can pull the math that says the higher your engagement score, the more revenue you get.

Okay, yes, we can conceptually and your leaders conceptually understand that, right? However, it needs to go down to the granular level. Who are the people you serve? Who are the clients? You know, however you turn that in your organization. So if I'm an operations, HR business partner, I started my career as a HR business partner, right?

So I was on the front lines, right? And I grew my career. Through strategic HR business partner work. So it's just it's just embedded, right? It's just, it's just how, how I ended up thinking about it. But for me, the connection point was always going back to whether I was supporting it, whether I supporting operations, how do I take the value or the measure or the outcomes and tie it directly to that team?

So, I think sometimes we can all talk about the value of serving. We can talk about the high-level value to the organization, but what is in it for the IT leader or the, you know, the people? What is it in it for them specifically? And then how can you frame the improvements in a way?

So for example, Hey, I've looked at your turnover.

Your turnover is. Make it up 80%. That's a terrible number, but we're illustrative here, right? I've noticed your turnover is 80%. Okay, great. I've looked at your employee survey data or insights. And here's what it tells me about some of the things I've looked at the number four reasons why you were, why you were losing people.

And Hey, by the way, it all ticks and ties. So let's talk about a plan of how I can get you, and work side by side with you to get you a plan down to get your turnover down to 40%. And here's what we're going to do together. Right? Because now it becomes this real thing that I have an action. I have a specific action to help your team.

And there's a business outcome that that leader can understand and get wrapped around. And they're gonna work side by side with you. And as that HR business partner, you are now the person that's going to go back to your COEs and if it's new recruiting that you need, if it's new You know, training, et cetera.

You're the one who's going to be at the forefront working with that leader which now only increases the relevance and the importance of the HR team to that business to that business leader, right? And so if there's any advice, especially when you're in that HR business partner space, it's: be so specific and connected to the business priorities of that team that your solutions become relevant to improving their team's performance.

Right? And that is most critical. From my perspective,

Rob Shannon: everyone can look like a hero. And, and a win is a win. Right? Win is a win. Before we move on, and you know, there's another segment we're gonna talk about here in a moment about AI. Everyone wants to talk about AI and its impact, and we're gonna get to that, I promise.

But I'm wondering and guessing a lot of other people are curious, as I am, about some other tangible wins that you might be able to share with us. You talked about getting people, you know, sort of in that almost stay interview from the 90 days, and then you knew at certain intervals you have them for five years.

Outside of that, were there any other tangible outcomes that you saw that were maybe quick wins or things that just surfaced as being organizational victories?

Deborah Mcfarlane: Yeah, there was one. We had a series of what I'll call talent programs that came out of it. But really, the really interesting thing that came through it is well, probably two big wins out of the gate.

We realized we were losing people around the 10th day. And so can you imagine putting in all this time and effort into training? Sorry, hiring and training. And then on the 10th day, people like, No, thank you. And so what we really realized is this realistic job preview. We weren't doing a great job at it, and so it totally changed the candidate experience.

And what we ended up doing was reaching out to a virtual reality company. We're not using the virtual reality with the headsets, but just creating the videos around, this is what your job looks like. And we found the fallout rate, so it's again, early innings, but it's beginning to show some promises that people are self-selecting out as a candidate versus us hiring them.

And then selecting out at the 10th day. Now, what the positive is, is people are saying, I don't want to do that job, but if another job that looks like one, two, or three is available, then please consider me. So we're not losing the candidate. And so that is an example of things that had happened. And so that's, that's one really quick, positive when we were able to put in place.

And then another one we got some really great insight into the pay progression. Through our organization. And so what we learned very quickly is you know, we pay better the market for the talent pool in which we, we hire from but you know, there is a physical element to the work that we are doing.

And so what we learned very quickly is. If we people's discontent started around the 60 days. And so what we realized is if we did what I'm calling a progressive pay by tenure and we put in, you know, a process that once you completed X amount of hours you get X amount of a percentage of a raise, etcetera.

And we did that through the first two years of employment. Now we're only in the sixth month, but already it's showing a significant drop in turnover in those first. You know, like I said, we've only been doing it for six months now, but it was such an easy fix. It was a two-week huddle. We got together, we got the business and the CFO to sign off.

We went back to the customer. They're like, yes, absolutely. Let's get retention. And then we were able to put it in through Workday to systemize it. And within two weeks we were live and going. So that's the kind of thing that on-demand, on-time data gets you, that we were able to take really quick action and move forward.

Rob Shannon: Thank you. I know I put you on the spot there, but I appreciate that. Cause I was curious myself. So the last segment of our conversation today is going to touch on AI. It's a good segue. You mentioned technology in that last sort of segment. And I know you guys are piloting a high-volume recruiting program at the moment, and I was hoping that you could elaborate on how that initiative and talent acquisition streamline communication between candidates, recruiters, and hiring managers.

Deborah Mcfarlane: So current state for us decentralized model, we have about 1,200 frontline leaders all dispersed across the US and Canada. And so, as you can imagine a decentralized hiring model for high volume when you're hiring anywhere from, you know, 30,000 to 50, 000 people a year. It's, it's a lot, right?

And because of the way our contracts work, business rolls off and rolls off. And so you have to do a very specific workforce planning so that you can make sure that you're meeting the demands of the business. Right. And so heavy reliance on local leadership. And and so obviously we're like, there has to be a better way.

We realized that our frontline leaders are spending anywhere from 15 to 20 percent of their time doing hiring and onboarding, right? And considering we really want them in front of customers and leading business, probably, you know, there was a better way to do this, right? And so what we have done is so this isn't, so it's a bit interesting.

So we didn't want to invest in the technology forest. What we said is, okay, what do we have? And so what we have is an applicant tracking system, which honestly was not connected to you know, a career site. I'm probably not painting a great picture here, but you know, it's important to understand where we are and where we're going.

Right. And so what we had is an applicant tracking system, which was I'll call it rudimentary. And probably was an electronic filing system. And then we had what I'll call a proprietary what do you call it? A proprietary system on how to onboard. And then we put folks into Workday and three unconnected systems decentralized model.

I mean, You can imagine. And I'm sure every HR person on here today is a little like, yikes. Wow. Yeah. And so what we said is, okay, let's figure out a model where we can get 40, 000 people through what is the right candidate experience. And we define the experience all the way through. And then we said, What can we do right now?

Because we needed to prove that this was actually going to work. And so what we said is, we mapped out all the processes, we mapped out all the SOPs, and then we went to AppCast, which is an aggregator. And essentially what we did is we said, okay, help us with our postings and maximize our marketing dollars.

And we essentially said, okay, we spent X amount today: the same amount of postings, the same amount of dollars. So that way the business is not spending more. Cause again, we're proving out here. Right. And so what we did is we built job postings instead of job descriptions. I mean, so we did a lot with what I call the candidate marketing experience, but the positive now is we had some data.

Right? Because before when you have an applicant tracking system that's not connected, you don't know days to fill. You don't know how long the job where it's been posted. You don't know any of those things. So now we actually had data in conversion rates. We had data on how much we were spending, what was the best sources and pools.

So that was good. And then we said, Okay, what can we actually do with the ATS we have? So we connected it, right? Crazy. I know. And so we said, Okay, let's actually use this better. What we didn't fix, though, is the onboarding, because that is still something that would require a lot of effort.

And so we said, Okay. Well, how do we get the capacity to get through these 40,000, 50,000 people a year to hire? And so what we did, we went and outsourced to an RPO. We created

all of the again, the processes, SOPs, et cetera. So when those recruiters are calling, it actually feels like it's a KBS employee and we have a project manager local.

Now, the thing that's really tough because we don't have a fully-fledged ATS, there's still a lot of manual processes between the three. Right? Because when you qualify the person, I'm having to reach out to the front-line leader to say, Hey, I got four great candidates. Can you interview? And can you take the folks? That is not where we want to be in the long term.

But again, we're proving out right now. So what we've been able to do is get about 47 sites onto the model. And what it's really showed us is that because we're putting a lot of effort into the marketing of the jobs. We're getting the right candidates coming in. We're getting more candidates coming in with the same dollars.

And the people, because we've now added that realistic job preview, which was one of the lessons learned from both the surveying and the actual turnover in that experience, what we are now able to do is that first day, that first 10 days turnover I was referencing. We've actually cut that down in half, right? Which is a big deal for us. And then overall in the first 90 days, our turnover has gone down by 70%. Right? So that for us is big and it's showing us that the model is working. So now I just have to start thinking about what is the right system, what is the right AI, the machine learning, all of that, to put this in place so that I can take the human touch out in the right spaces, I should say, not all of the human touch.

And so that's what we've been working on. And so still early innings, but it's showing great promise for us. And It's just a huge opportunity because there are so many AI opportunity apps and technology out on the marketplace that we are going through a very robust evaluation process and deciding what are the right partners because we now understand exactly what's happening.

What do we need? And then what we can actually put through AI and what we can put through machine learning. So that's very long answer. I apologize, but it's just a very, very recent. And these are some of the warnings that we're getting right now.

Rob Shannon: Yeah, thank you, Deborah for sharing. I can't believe we're up on time. This is unfortunately our stopping point for the interview. But that is a great segue to your session that we're going to be hearing about at the People Analytics Exchange. So for all of you out there who enjoyed this content, you're definitely going to want to come out and hear more from Deborah and the other speakers that we have.

But today, I want to thank you, Deborah, so much for joining us. I really appreciate it, as I'm sure everyone did that participated. Deborah McFarlane, Chief Human Resources Officer at KBS Services. Come out and see us in June at the People Analytics Exchange. Thanks so much, Deborah.

Deborah Mcfarlane: Great. Thank you.

Rob Shannon: Take care.