



\$12M BeSci Win!

'Chuckling a Sickie'  
People + Culture

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# People + Culture / Data Science

Category: Employee ROI

Project: Employee Stockpiling of Annual Leave and Long Service Leave

Client: Confidential. 5000 Employees. Australia

## The Challenge

Following decades of success, our client with 5000 employees was now in decline and facing large payouts when employees were retrenched. Payout costs had snowballed because many employees had stockpiled annual leave and long service leave entitlements throughout their career. This wasn't a problem in the 'hey dey' of the company. Today it meant real money. FOMO and loss aversion had created a hidden employee default + entrenched cultural norm.

The result was a financial problem in the \$10s of millions.

**We needed to identify who was stockpiling + how to reduce the numbers and therefore the payout**



## Behavioural Expertise

We applied mathematical, big data and predictive analysis against HR data for 5000 employees. We built an algorithm to run '000's of mini-data-experiments to prove pattern analysis and key drivers for stockpiling.

Data analytics identified who was stockpiling the most:

- 2 of the 5 departments
- Employees with 10+ years of service



## Cultural Insight Allows us to Delve Deeper

In Australia people often take an extra day off around a long weekend. Instead of taking it out of their annual leave they pretend they are ill and use their medical leave. It's called '**chucking a sickie**'. This means they still have their annual leave entitlements to either use up or be paid out when they leave the company. They are enjoying a longer weekend at the expense of the company.

We put this insight to significant use and delved deeper into the data.

- We proved our hypothesis that a causal relationship existed. Staff were using medical rather than annual leave and taking a day off either side of the holiday.
- The cost to the company averaged \$1M around each public holiday.
- We also found staff had 'buddied up' with a colleague to cover for them. Who would reciprocate for them later in the year.

## Solutions

The quick + big win was to create new defaults and mandates:

1. The client already mandated skeleton staff around Christmas and New Year successfully
2. The client enforced new mandates to take annual leave around Australia Day and Anzac Day

We mined the data for true data intelligence and insight

We optimised cultural knowledge

Measured Results Matter

# \$12M to 20M

New problem identified during data mining  
(There are 12 to 20 national and state public holidays in Australia p.a.)

# \$1M

Cost to business around every public holiday

# 2

Divisions 'chucking a sickie' and stockpiling more than others

# 2

The mandate introduced for all employees:  
Take 2 extra annual leave days

*(We've) decreed two more compulsory leave days - the Aus. day and the Anzac day one as well.*

HR Director

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# Understanding the Brain is Your Business

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