



BUSINESS CASE

DUNDER MIFFLIN

PAPER COMPANY

PRESENTED BY HR QUEENS
JESSIE LIU, HEE JAE YOON, ANASTASIIA SLIVINA,
JACQUELINE ALAYVILLA, SHUHAN WANG



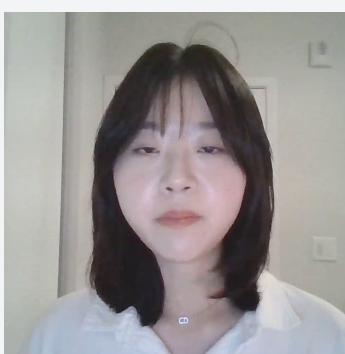
CONTENT

**Background &
Business Problem**

**Quantitative
Analysis**

KPIs & ROI

**Recommendations
& Risk Analysis**



BACKGROUND

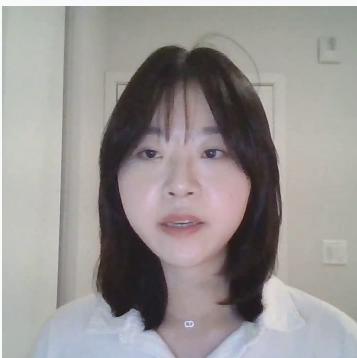
Introduction



- *Dunder Mifflin* is a regional paper company located in **Scranton, Pennsylvania**.
- It has served as the main source of **paper products** to local businesses and individuals for years.

- The company is facing a challenge: **employee churn**.
- The dataset provides insights into workplace dynamics and retention strategies.
- The main goal is to **reduce the high turnover rate** among the employees.

Challenge



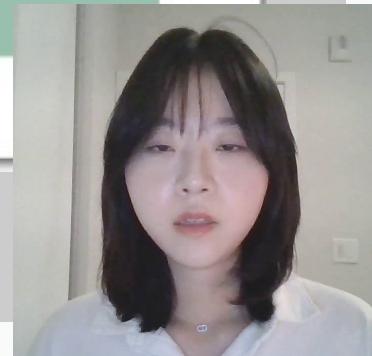
PROBLEM STATEMENT



How can Dunder Mifflin address the **high turnover rate** among employees to ensure workforce stability?



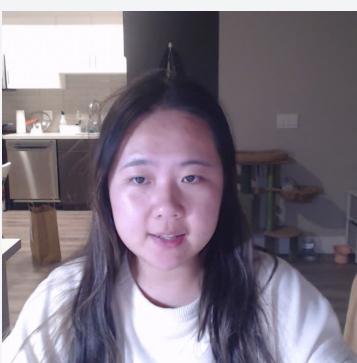
This report aims to identify the factors contributing to **employee turnover** and **offer recommendations** for improvement.



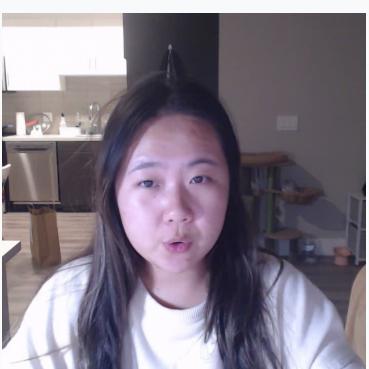
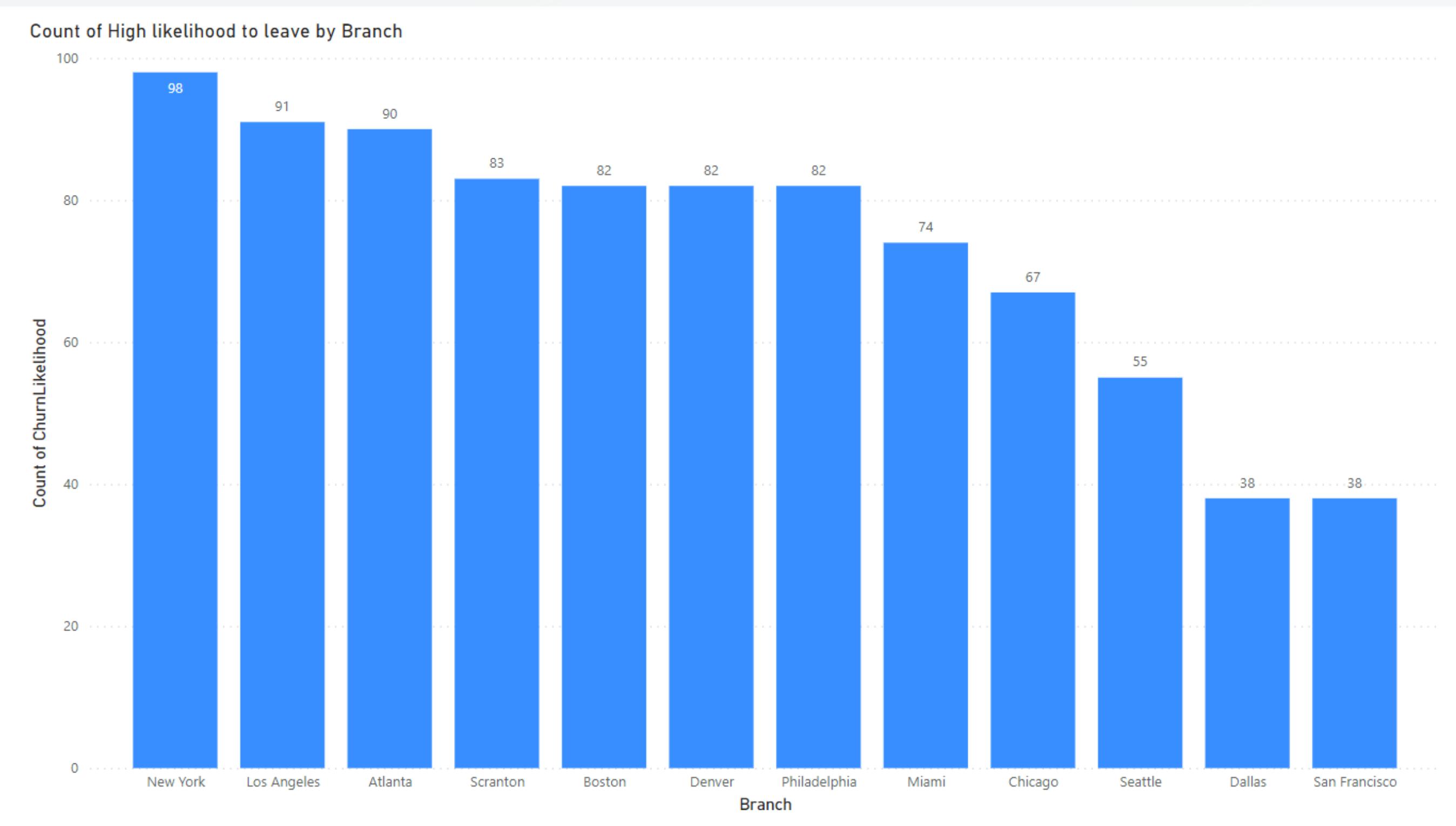
POTENTIAL FACTORS OF TURNOVER

- 01** BRANCH
- 02** SALARY
- 03** TENURE
- 04** JOB SATISFACTION
- 05** WORKLIFE BALANCE

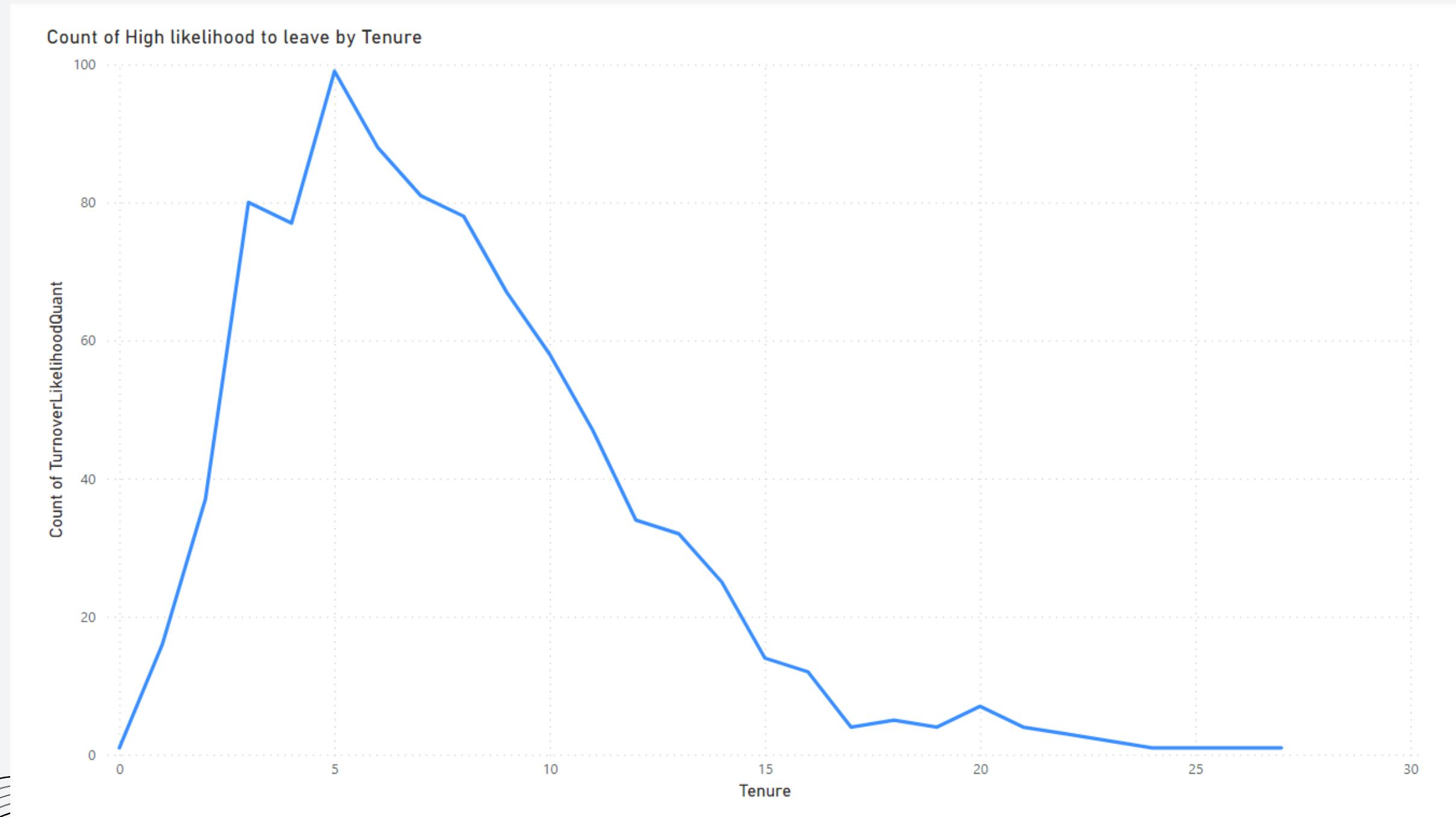
- 06** COMMUTE DISTANCE
- 07** MARITAL STATUS
- 08** TRAINING
- 09** OVERTIME
- 10** PROMOTION



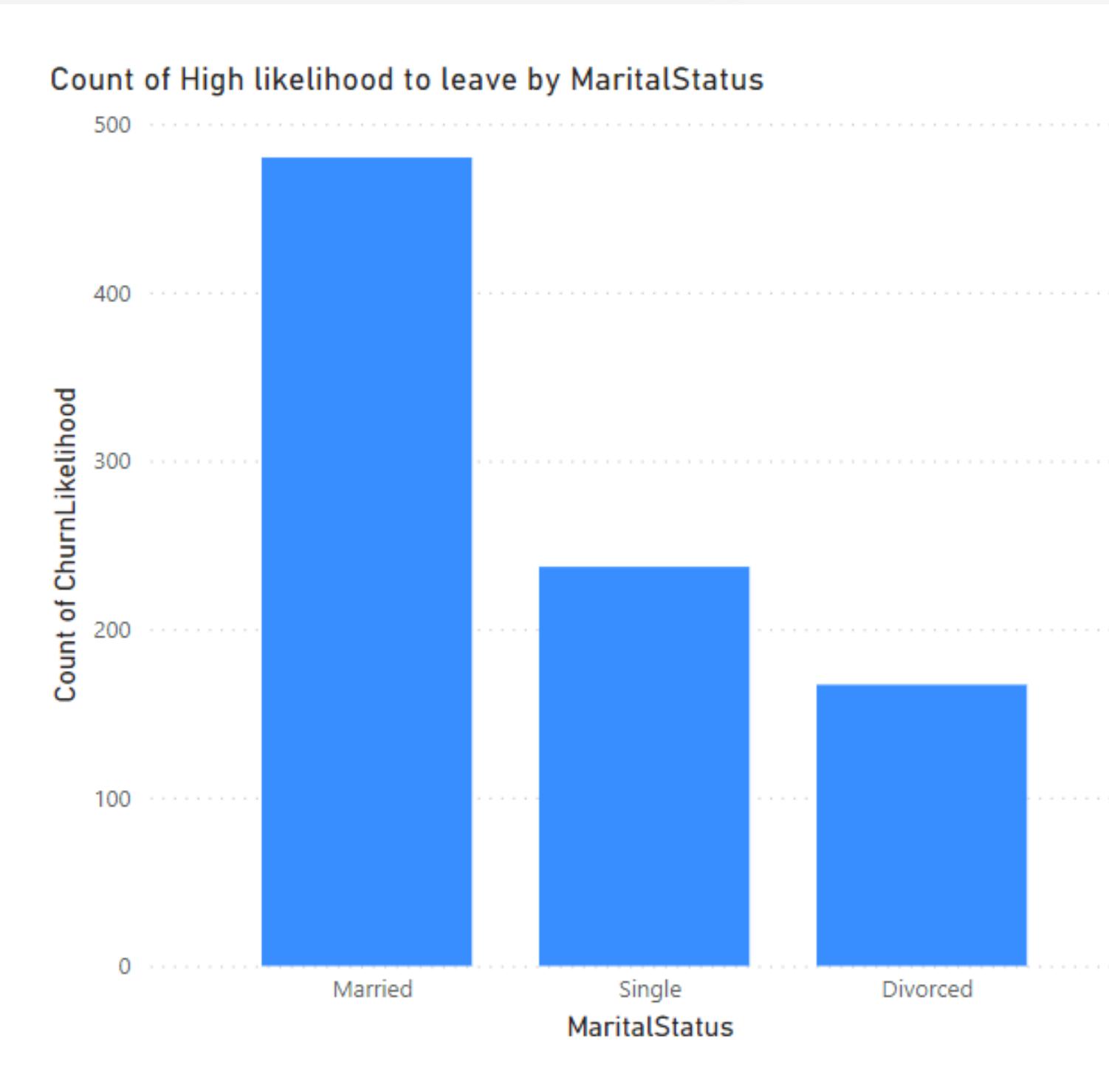
CHURN LIKELIHOOD BY BRANCH



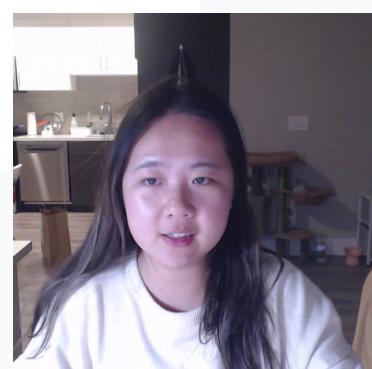
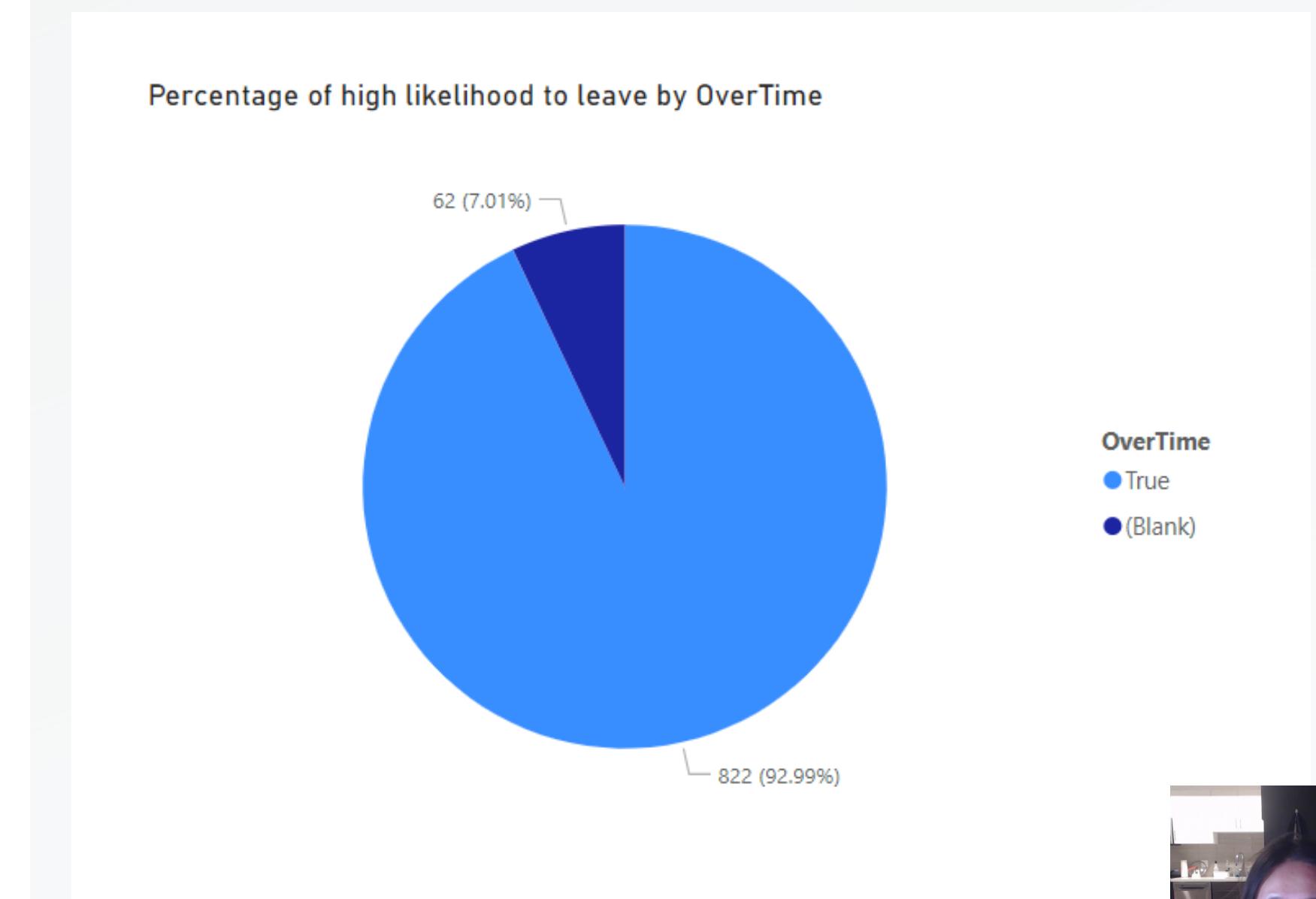
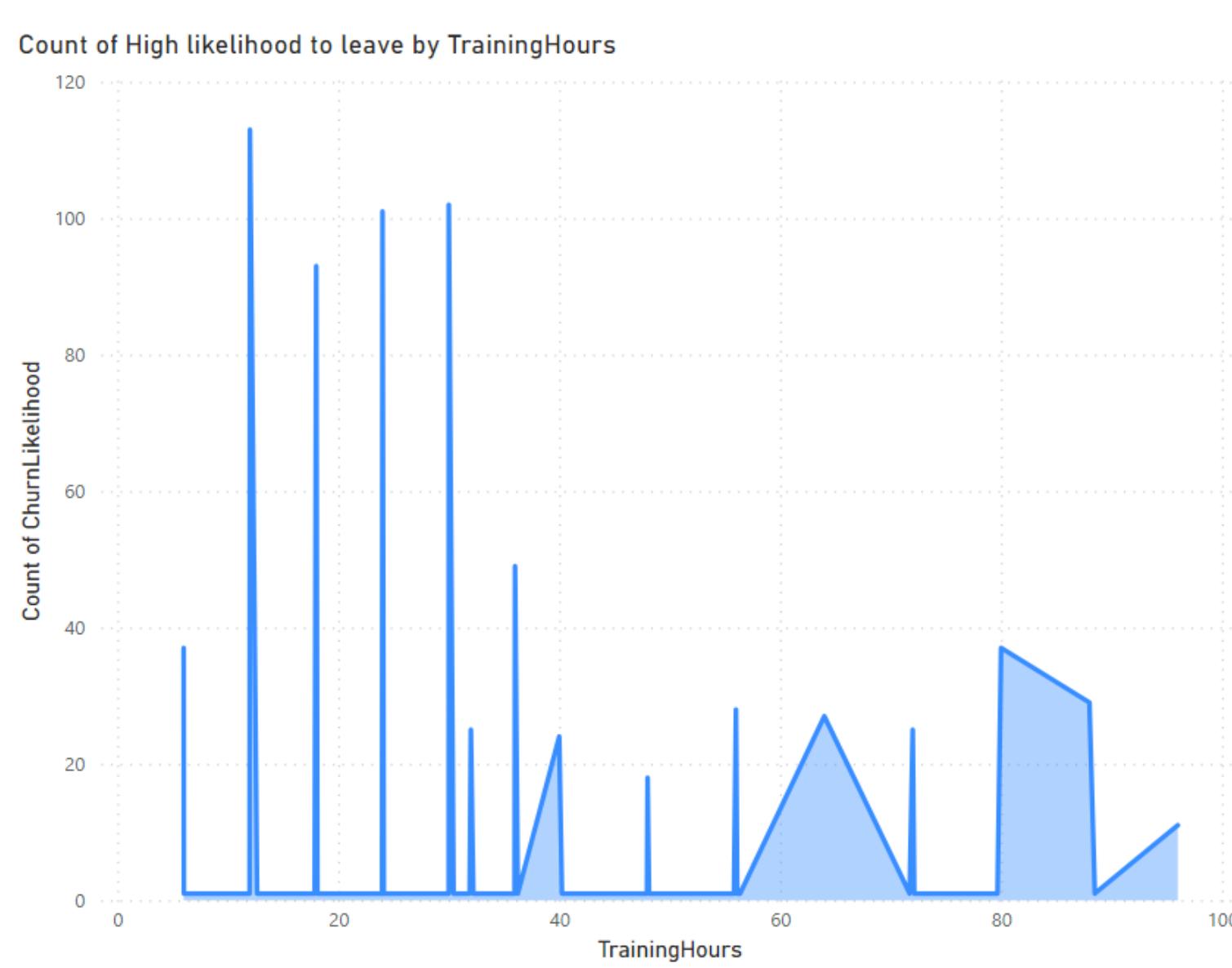
IMPACT OF TENURE ON CHURN



EFFECT OF MARITAL STATUS

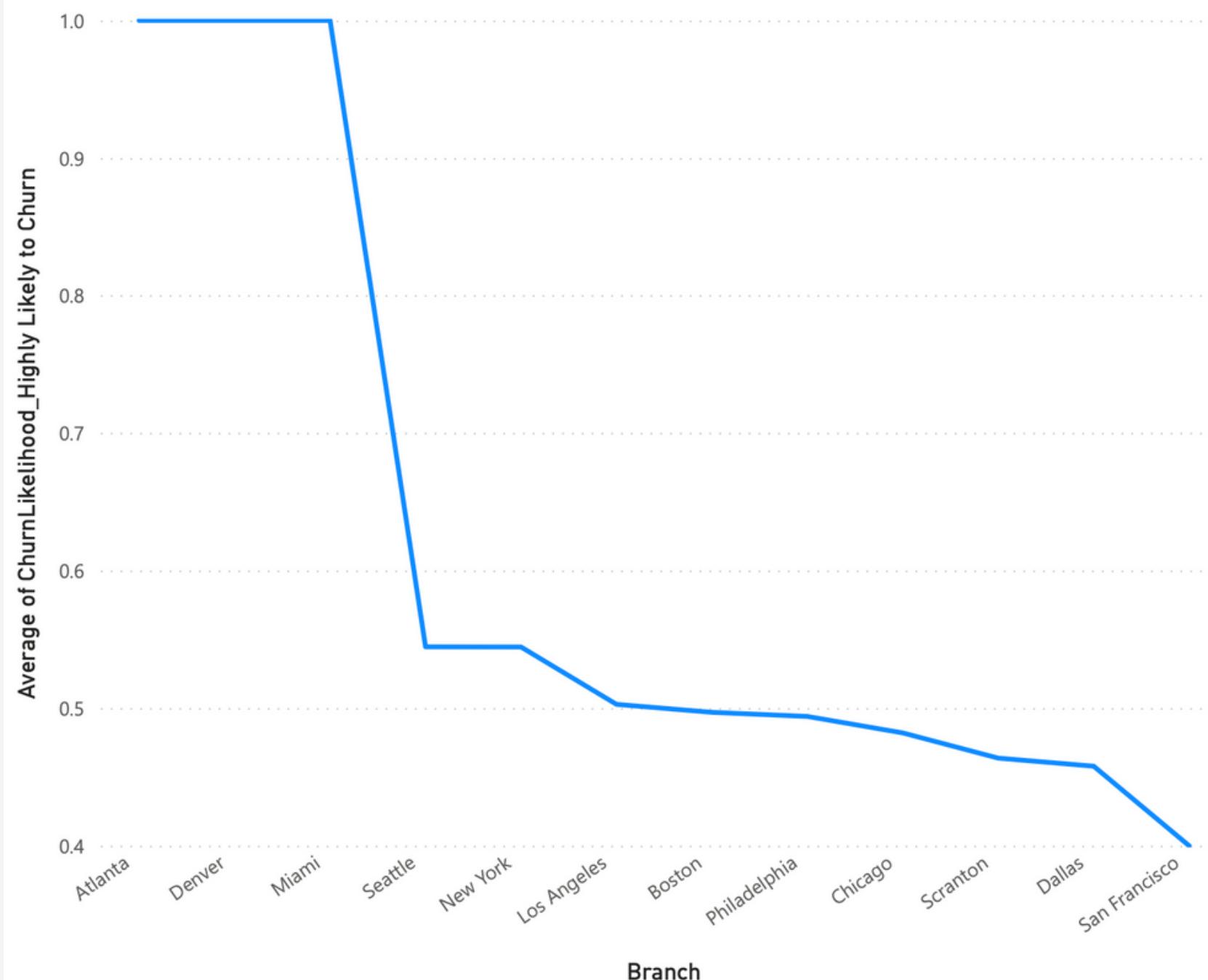


LOOKING AT TRAINING AND OVERTIME

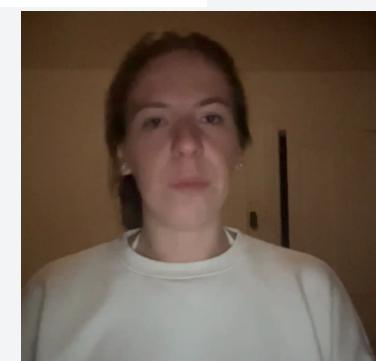


Analysis by Branch

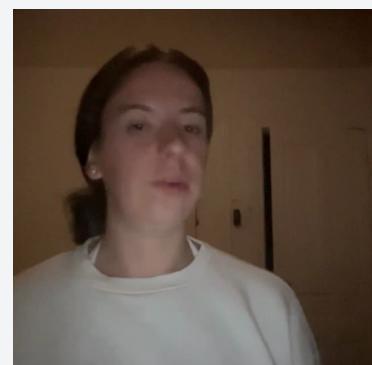
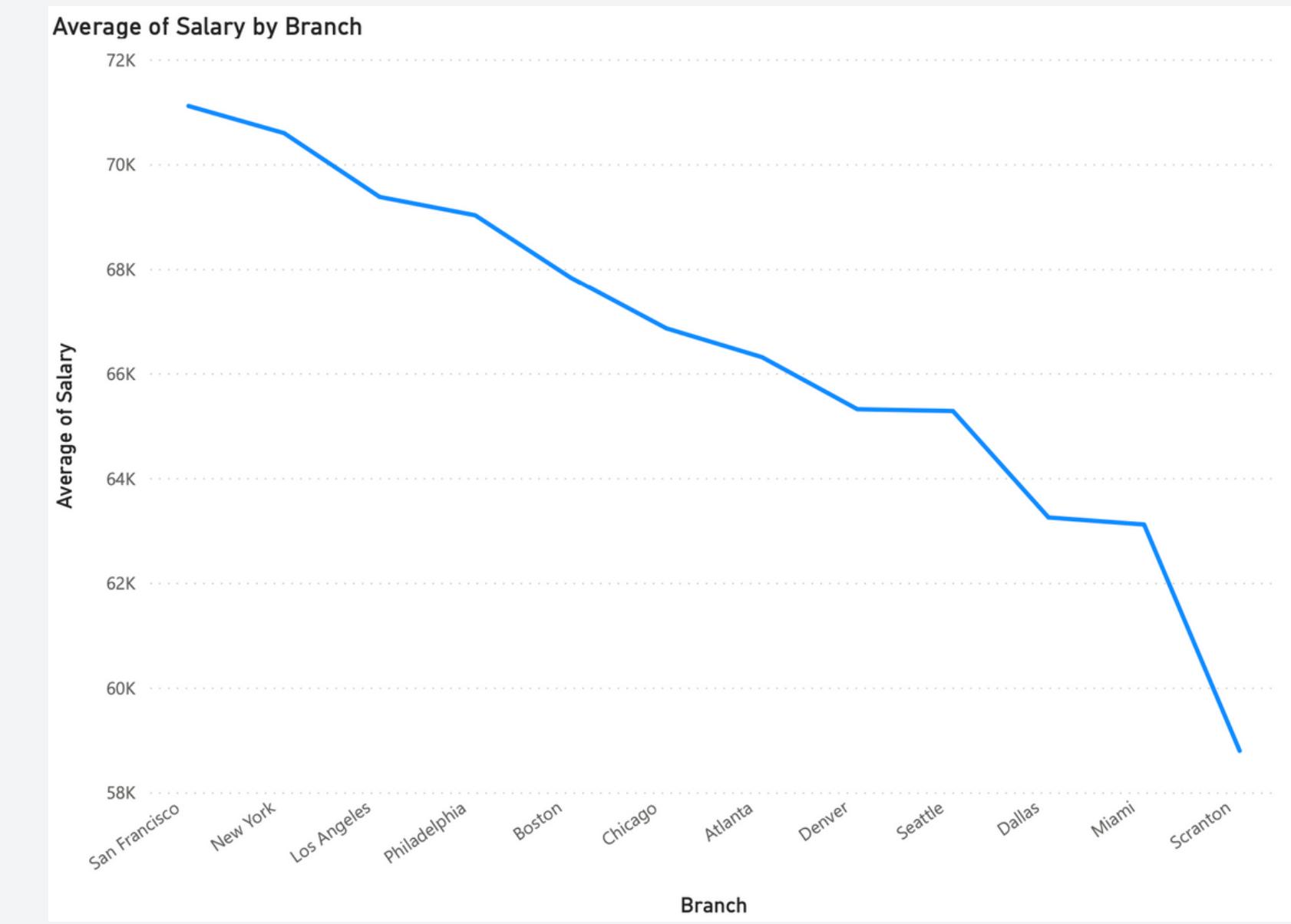
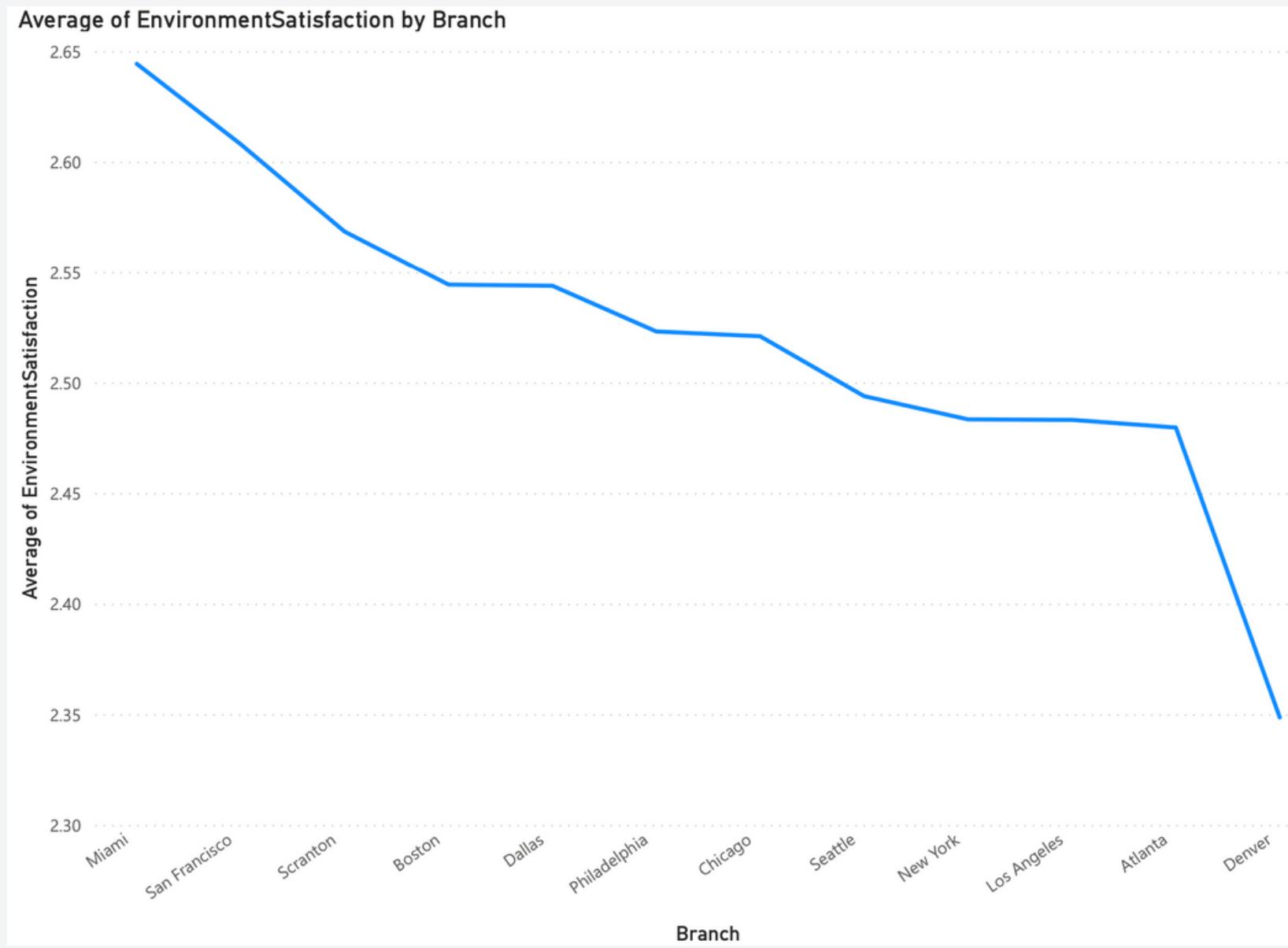
Average of ChurnLikelihood_Highly Likely to Churn by Branch



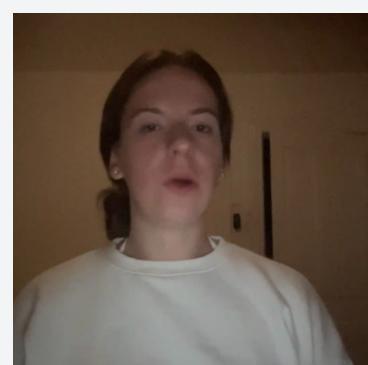
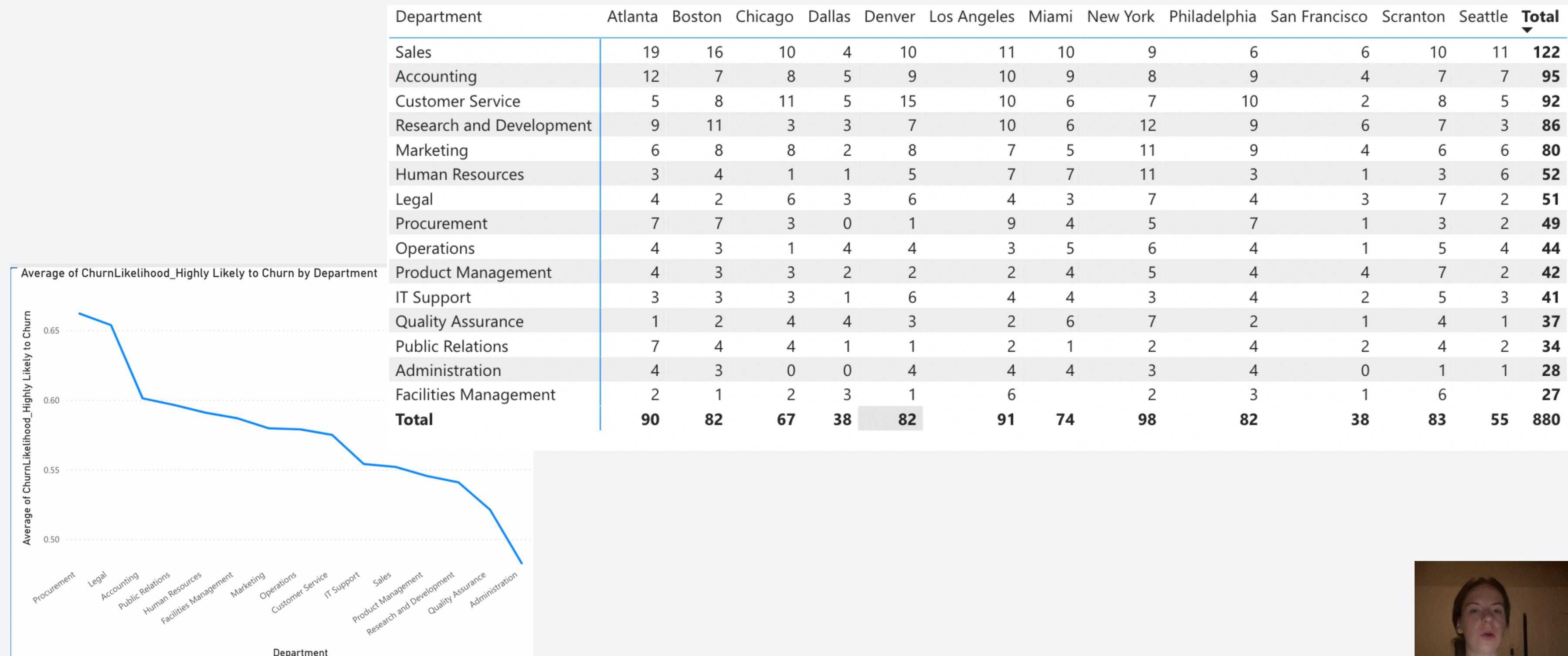
Branch	Count of EmployeeID	Sum of ChurnLikelihood_Highly Likely to Churn
Los Angeles	181	91
New York	180	98
Scranton	179	83
Philadelphia	166	82
Boston	165	82
Chicago	139	67
Seattle	101	55
San Francisco	95	38
Atlanta	90	90
Dallas	83	38
Denver	82	82
Miami	74	74
Total	1535	880



Analysis by Branch - Environment Satisfaction



Analysis by Department



DUNDER MIFFLIN SCORECARD

KPIs	Current	Industry Benchmark	Gap	Performance Score (10)	Performance Level
Average Tenure (years)	7.61	≥ 5.0	2.61	10.00	Good
Job Satisfaction Rate (Avg)	3.42	≥ 3.5	0.08	9.78	Needs Improvement
Work-Life Balance Score (Avg)	3.77	≥ 3.5	0.27	10.00	Good
Performance Rating Average	3.49	≥ 3.5	-0.01	9.98	Needs Improvement
Training Hours per Employee (Avg)	34.65	≥ 30.0	4.65	10.00	Good
Number of Projects per Employee (Avg)	3.5	2-4	0	10.00	Good
Years Since Last Promotion (Avg)	1.2	≤ 2.0	0.8	10.00	Good
Environment Satisfaction Score (Avg)	2.52	≥ 3.0	-0.48	8.40	Needs Improvement
Overall				9.77	Good



ROI ANALYSIS

Purpose

- Determine whether it is better for the organization to hire externally or try to keep internal current hires who are Highly Likely to Churn

- Include extra incentives for Highly Likely employees to stay - bonuses, promotions, higher raises + merit increases

- Calculate Total Costs of the Workforce (TCOW) and compare it to the TCOW if hired externally



ROI ANALYSIS

Internal Hires TCOW



\$7,981,677

\$10,463,843

External Hires TCOW



ROI ANALYSIS

Cost Savings

\$2,482,165

Cost Savings
Range

\$2,233,949 -
\$2,482,165

ROI Range

27% - 31%

- ROI suggests a potential cost savings of about \$2.2M - \$2.4M
 - provide additional benefits[↗] to Highly Likely to Churn population = Savings
 - costly to [↗] hiring externally at market rates plus taking into account other cost factors (ie. turnover costs, raises,etc.)



RECOMMENDATIONS



Raises, bonuses, and promotions to employees in departments and branches with high turnover

STRATEGY 1



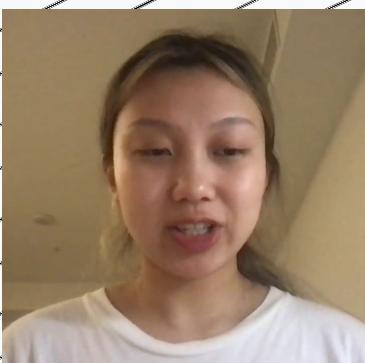
Frequently conduct employee surveys to gather feedback on the quality of the work environment

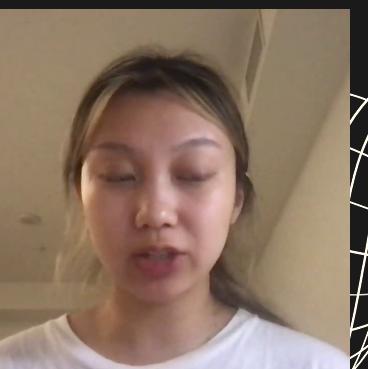
STRATEGY 2



Increasing staffing levels in departments with a high likelihood of churn to address turnover among married employees

STRATEGY 3



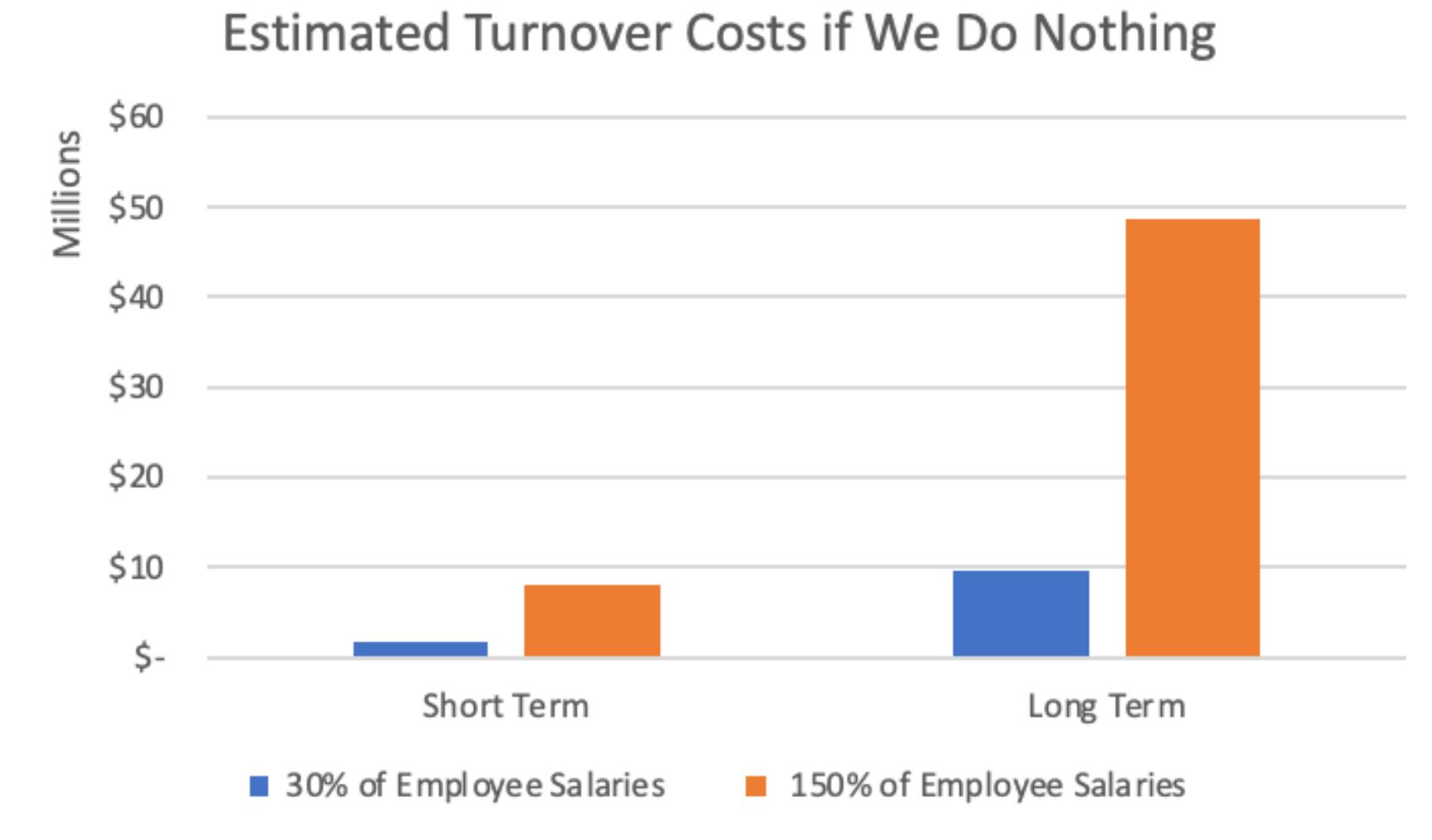


RISK ANALYSIS

What would happen if we do nothing?

Short Term Turnover Costs

- Assume 15% - 20% of employees leave the company in the short term
- If each turnover costs us 30% - 150% of an employee's salaries
 - Our total short-term turnover costs would be \$1.6 - \$7.9 million.



Long Term Turnover Costs

- Assume all employees eventually leave the company in the long term
- If each turnover costs us 30% - 150% of an employee's salaries
 - Our total long-term turnover costs would be \$9.7 - \$48.6 million.

OTHER RISKS

- Damage to employer brand and reputation.
- Perception of instability and unreliability.
- Difficulty in attracting and retaining top talent.

REPUTATIONAL RISKS

- Risk of allegations of discrimination or bias.

LEGAL AND COMPLIANCE RISKS

- Decreased efficiency and effectiveness
- Disruption of workflow and processes.
- Difficulty in maintaining consistent quality standards.

OPERATIONAL RISKS



**THANKS FOR
LISTENING!**

