

ANALYSIS OF ICANN TURNOVER – FY10 AND FY11

By Steve Antonoff, Director of Human Resources

Steve Antonoff joined ICANN in March 2007 as Director of Human Resources. He has over 30 years of Human Resources experience, with senior/executive roles in major international firms including Savin Copiers, Hyundai Motors, LA Gear and QANTAS Airways.

Overview

In a continuing effort to ensure that ICANN is a quality workplace and a “workplace of choice”, I have conducted an analysis of staff turnover from July 2009 through May 2011. This represents the two fiscal years (less June 2011) under the stewardship of the current CEO.

The analysis looks at ICANN’s turnover statistics compared to industry (particularly the high technology sector, where ICANN competes for talent) and at the reasons for voluntary and involuntary turnover during the review period. It compares that turnover to best practices and looks at ICANN’s efforts to improve the workplace. Recommendations for further action are included.

Definitions

Headcount: Refers to any staff member filling an ongoing role. Specifically excluded are the CEO and the Ombudsman, who report directly to the Board of Directors and anyone serving for a time-defined project only.

Departures: Refers to voluntary and involuntary conclusion of service as a staff member.

Methodology

Turnover is calculated based on the number of departures divided by the average headcount during a specified period of time. Average headcount is derived by adding the headcount on the first day to the headcount on the last day and dividing by two.

Turnover is typically measured in three categories: overall, voluntary and involuntary. This allows for a simple measure against industry standards, and is important in order to understand why people leave an organization.

Statistical Review

FY 10

ICANN’s overall turnover in FY 10 (July 2009 to June 2010) was 8.73 percent based on ten departures, which compares favorably with the U.S. high tech industry average for that period of 25.8 percent, as reported by the United States Bureau of Labor Statistics (BLS) in May 2011. During this period ICANN’s voluntary turnover was considerably less than involuntary turnover, whereas the BLS statistics for the same period show a virtual split between voluntary and involuntary turnover.

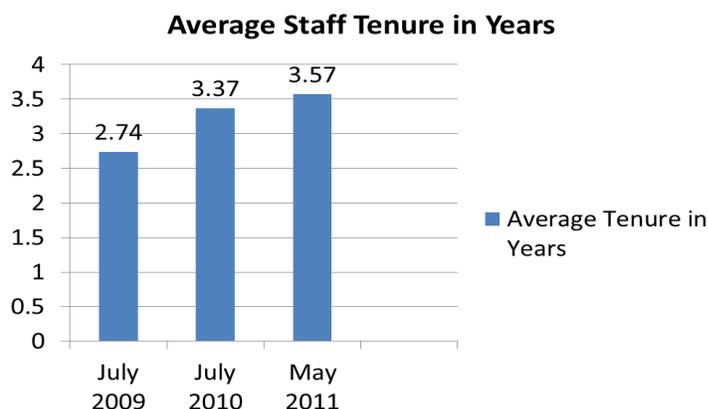
FY 11

For FY 11 to date (July 2010 through May 2011), ICANN’s overall turnover is 11.38 percent based on fourteen departures. The overall turnover rate for calendar year 2010 was 11.62 percent. Through March 2011 (the latest period for which BLS information is available), the ICANN rate was 10.7 percent, which compares favorably with the high tech industry figure of 19.9 percent as reported by the BLS. While voluntary turnover for ICANN has been higher than

involuntary turnover during this period, both voluntary and involuntary turnover at ICANN are significantly lower than the reported BLS statistics for the same period.

ICANN's turnover in both years is lower than the industry average for voluntary, involuntary and total departures.

In addition to the relatively low turnover rate, it is also important to note that ICANN's average tenure continues to rise even with increased headcount over the past few years. In other words, many longer tenured staff members are staying with the organization. The chart below shows the rise in average tenure since July 2009:



Involuntary Turnover

Involuntary turnover generally results from terminations due to poor performance, violations of policy, job restructurings and layoffs (job elimination or reduction in work force¹).

In FY 10, the majority of departures at ICANN were involuntary. These were mainly due to poor performance and/or job restructuring leading to a change in the job description, rendering the skill set of the existing staff member incompatible with the newly defined position.

In the current fiscal year, there have been more voluntary than involuntary departures. Again, the involuntary departures generally were due to poor performance and/or job restructuring.

Some terminations for performance were part of the normal course of business while others were the result of increasing performance standards. Best practice means constantly evaluating standards of acceptable performance and seeking out opportunities to improve; this will inevitably lead to involuntary terminations, as not all staff are able to rise to the challenge.

As part of ICANN's Organizational Effectiveness Initiative, an employee survey was conducted in October 2010; over 90 percent of the staff responded. Some said they felt ICANN was not aggressive enough in moving poor performers out, and that this was a drag on the rest of the organization. ICANN's ongoing performance management efforts, in which all employees participate, continue to help staff achieve more by identifying performance issues and allowing them to be addressed in a timely and effective manner.

¹ ICANN has not had a reduction in force in the past five years.

In my professional opinion, ICANN's involuntary turnover since July 2009 is well within norms, occurred for valid reasons, and is consistent with best practice to improve performance and ensure that the right people are in the right jobs. This can be seen in the depth and breadth of expertise that the new staff members have brought to ICANN.

Voluntary Turnover

Voluntary turnover is the result of individuals choosing to leave their jobs. Their reasons are many and varied. Exit interviews are conducted with all staff leaving voluntarily to help us understand their reasons, and to identify any patterns that management would wish to address.

The few voluntary terminations in FY 10 were due to reasons unrelated to ICANN but rather to opportunities outside the organization.

In FY 11 a larger number of departures have been voluntary. Exit interviews confirmed that these departures were not due to issues at ICANN, but generally were motivated by external opportunities, family issues, and retirement. None of the staff members who left voluntarily over the two years indicated in their exit interviews dissatisfaction with management or with ICANN in general. Many continue to actively support ICANN and its management team.

Community Discussion

Some members of the community have expressed concerns about the level of turnover at ICANN in the past two years. Questions have been raised about the number of staff members that have left ICANN and whether those leaving are creating a gap in staff expertise, community relationships or institutional memory.

It is certainly true that some employees with long-standing experience in both the industry and the community have moved on to other endeavors. Current staff members, however, including members of the management team, have deep experience in the industry and have a variety of significant relationships with stakeholders around the globe. While recognizing the value that previous staff members brought to ICANN, there are some very skilled, long-serving members of the management team, as well as world-class new members, who bring an experienced, unique and fresh approach to ICANN as it enters its newest phase of development.

Further, while departing employees undoubtedly take some institutional knowledge with them, a significant amount of institutional knowledge remains, and the data on staff tenure shows that this knowledge is being retained. The accumulation of institutional accomplishments during this time period also supports the premise that ICANN's new and highly motivated employees have increased productivity and achievement.

ICANN must serve the global public interest in an environment of increasing and often conflicting demands and pressures. It takes a world-class organization to fulfill its challenging mandate; a high performance bar extends to every staff member. Professional standards and expectations have continued to rise across ICANN's history, particularly in the past two years, and that is appropriate.

Some question whether current ICANN staff members are unhappy in their jobs, but are afraid to speak their minds. In last year's staff survey, many staff members were forthright in their assessments of what could be improved at ICANN. Nothing in the survey results suggests the existence of fear, nor would such openness occur in an organization living under that shadow. As shown below, one of the main goals of introducing the Organizational Effectiveness Initiative

to ICANN staff was to ensure that every staff member could feel comfortable expressing their views, knowing that those views would be carefully considered, but not judged.

Initiatives to Improve the Workplace

The Organizational Effectiveness Initiative – a bottom-up, multi-stakeholder program involving all staff - is tackling operational and process improvement, staff development, reward and recognition, internal communication and inter-departmental collaboration.

Improved HR processes and automation are leveraging technology to provide staff with more information, online access to their records and more effective communications.

Increased emphasis on training and development will help staff succeed in their current roles and prepare for future opportunities within ICANN.

Management and leadership training, supplemented with coaching and consulting, are improving staff management skills. Feedback mechanisms will help ensure effectiveness.

A thorough analysis of compensation is underway to ensure that our pay-for-performance is in line with the best practices of comparable organizations.

Conclusions and recommendations

Turnover at ICANN is statistically below that of the comparable technology industry. In-depth review of involuntary terminations established that most were due to performance and were consistent with ICANN's commitment to world-class standards. Review of voluntary departures established that the reasons individuals have left ICANN are typical, expected and not a reflection of dissatisfaction with ICANN, its management or policies.

It is my conclusion, based on this analysis and more than 30 years in the HR profession, that ICANN's turnover rate is not a cause for concern. No issues, either apparent or hidden, require corrective action.

We vigilantly monitor attrition and take corrective action as necessary. Nonetheless, we are always seeking ways to improve. In addition to the initiatives already underway, I would recommend:

- A formal evaluation of staff workloads to ensure an appropriate work/life balance
- A follow-up employee survey to measure progress since last year
- Enhancing and formalizing the development of a more formal career plan/career path for staff.