

**Adversity Quotient<sup>®</sup>: A Universal Retention Strategy for  
Nascent Organizations**

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**Abstract**

Employee retention involves taking measures to encourage employees to remain in the organization for the maximum period as employees are valuable assets for every firm. Organizations have realized this ultimate truth and are on track to take initiatives to treat their employees as their most valuable assets. It is this unique workforce, which provides competitive advantage to any organization. If two organizations have same product lines using similar technology and are core competitors in a particular product manufacturing what basically differentiates them is their unique workforce. An organization having a stable and productive workforce becomes successful in building their competitive advantage and organizational efficiency. So, the essence lies in recruitment and selection of potential candidates and building employees who possess excellent resilience to outshine from others. This paper aims to narrate the need for resilience in employees which can be measured through Adversity Quotient Profiling<sup>®</sup> and by creating awareness on individuals Adversity Quotient<sup>®</sup> Scores.

**Keywords:** Adversity, Adversity Quotient<sup>®</sup>, Retention, Employees, Strategy.

**Introduction**

Employee retention refers to the ability of an organization to retain its employees. As relating to the efforts by which employers attempt to retain employees in their workforce. In a sense, retention becomes the strategies rather than the outcome. Employee retention should be on

every company's radar as creating effective employee retention strategies can go far toward helping one's business meet its goals.

The employees want to know they are being treated fairly and receiving the highest compensation possible and also want to see that they are appreciated by their employers. Small businesses can cultivate a positive workplace by developing engaging new hire orientation programs. Businesses can work on creating above average compensation and benefits packages. Strategies need to be in place to ensure successful communication and to build teamwork among employees as businesses that work toward these goals will likely experience higher employee retention rates than those that do not.

### **Nine Commonly Used Employee Retention Strategies**

**1.1 Hire Right People:** Taking the time to find the right person, someone who is not just technically capable but also a good fit for the company is important. Companies that are successful in hiring have a process that includes attracting high quality candidates, evaluating them in several different areas, and taking the time to get to know the people in different ways.

**1.2 Employee Empowerment:** Is giving employees a certain degree of autonomy and responsibility for decision-making regarding their specific organizational tasks. It allows decisions to be made at the lower levels of an organization where employees have a unique view of the issues and problems facing the organization at a certain level.

**1.3 Employee being the most valuable asset:** Business leaders who adopt the attitude that anyone is replaceable, thinking they can simply hire someone with a greater skill set or someone with a more prestigious pedigree, are fooling themselves. When a company has a truly great employee, that employee carries value that simply cannot be replaced. They carry deep institutional knowledge of the organizations as they have extensive product, systems, and process knowledge. Also they hold client relationships that have been built over many years and carry tremendous experience on what has worked and what hasn't worked for the company in the past.

- 1.4 Believe in your Employees:** Trust is often talked about as the bedrock of a company's success. Most people think about the issue in terms of customers as they have to believe in you and your products and services. But trust within the organization is just as important as your employees must believe in each other. When they don't, communication, teamwork and performance inevitably suffer.
- 1.5 Provide them Information and Knowledge:** The availability, timeliness and accuracy of knowledge is the key to their level of engagement. When employees feel connected by and have the information and knowledge they need to immediately learn or begin doing their job, a higher level of engagement is set from the start.
- 1.6 Feedback on their performance:** If it's done thoughtfully, usefully and with the best of intentions it will help improve the quality of that person's work and may even boost their productivity.
- 1.7 Recognize and appreciate:** Recognition serves as a tool for reinforcing the behaviors that drive an organization to excellence and gives a vital boost to employees also recognition helps in creating an environment where individuals feel appreciated for their contributions and their accomplishments and builds a culture that attracts and retains the best talent.
- 1.8 Keep their morale high:** Employee morale can quickly build or break a company's success so effective leaders often keep a close eye on it and enlist simple and creative approaches to strengthen it.
- 1.9 Create a healthy environment:** It is one that is safe, empowering and satisfying with a supportive team to perform with a sense of professionalism, accountability, transparency, involvement, efficiency, and effectiveness.

Various studies conducted indicate that everyone is contributing to the prevailing attrition and it does not happen for one or two reasons. Organizations must develop its own sensing device to know whether it is the internal or external factor that is causing the attrition. Employee attrition is a costly dilemma for all organizations. In today's taxing business climate, managing company's competent and skilled human capital is vital for its success. The extent of the impact

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of attrition on an organization cannot be fully understood if there is no attempt to quantify the costs. The more complex approaches to costing turnover give a more accurate and higher estimate of the costs. When a competent employee is to be replaced an organization incurs a variety of costs including those related to recruiting, selection, training and suboptimal performance while learning the job and companies usually turn to increasing the compensation for employees to retain them. Employee attrition costs 12 to 18 months salary for each leaving manager or professional. In the current scenario, where every organization wants to be at its competitive best, high attrition rate can really act as a threat to success. Attrition is a very serious challenge especially to rapidly growing organizations. Before it explodes, the organizations should seriously workout strategies to reduce the turnover so that the organizations should not suffer and its planning for the future should be giving close attention to why attrition is occurring in the present.

### **Background of the Study**

Paul and Athisayam (2014) conducted a conceptual study on impact of organization culture on employee retention at Tata Steel, Coimbatore. Culture is the environment that surrounds employees at work. Authors indicated that culture that is aligned with the strategies of industries can lead to employee retention. Employee reward programs, career development programs, performance based bonus, loyalty bonus, quality of work life etc are few tools of employee retention. Gaffney (2005) in her study indicated that career development programmes are critical in retaining employees.

Author stated that the retention research indicated that individuals tend to stay with their organizations longer, where they are experiencing personal and professional growth. Taplin et al (2003) researchers have found that rewards as provided by organizations have relationship with job satisfaction and hence employee retention. Kickul (2001) investigated the role of psychological contract in retention of employees in small businesses. Results indicated that breach of psychological contract has an impact on commitment and intention to leave the organization. Employee may perceive that he has been promised competitive wages, promotional

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opportunities, job training, challenging and meaningful work etc. When these expectations are not met, employees may have tendency to leave the organization. Lineberry and Trumble (2000) in their study assessed that the role of benefits in enhancing employee commitment. Study showed that benefits program is crucial in attracting and retaining employees and driving employee commitment. Study showed that most important driver of commitment is manager's recognition of an employee's personal and family life.

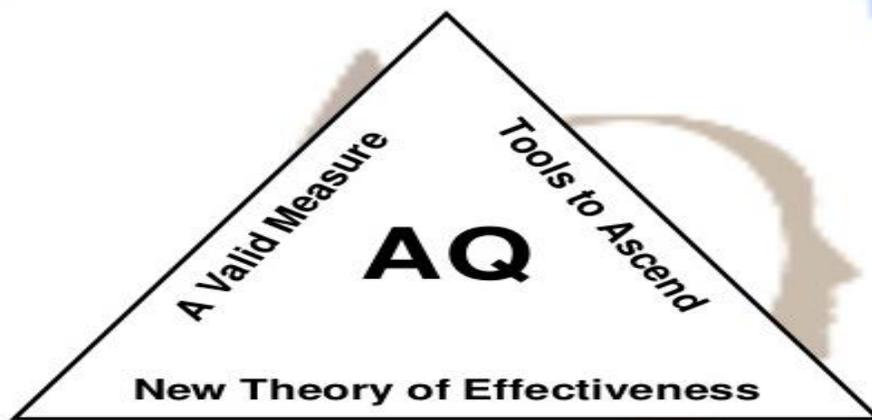
Benefits programs which take this factor into account combined with traditional benefits plans such as medical plans and pension plans will make the companies competitive in meeting the needs of their workforce. According to Pomeroy and Lyon (2000) attraction and retention of employees is a key concern.

Key instrument in attracting and retaining employees is compensation surveys. A properly designed survey can provide important benchmark of competitive pay rates, commission and incentive plans. Rust et al (1996) conducted a study about employee satisfaction and retention of frontline employees. Authors argued that employee turnover is highest among employees who are not satisfied with their jobs. Qualified employees are becoming scarce and difficult to retain, organizations need to focus on improving employee satisfaction. For that organizations need to view workers as customers. Authors believe that first step in the process of increasing employee retention is often the administration of satisfaction survey that seeks to measure perceptions.

### **Adversity Quotient**

Adversity Quotient<sup>®</sup> or AQ<sup>®</sup> is the science of human resilience, people who successfully apply AQ<sup>®</sup> perform optimally in the face of adversity the challenges big and small that confront us each day. Dr. Paul Stoltz, has introduced the concept of Adversity Quotient. According to him, AQ<sup>®</sup> is the ability to handle adverse situations which measures a person's ability to prevail in face of adversity and this AQ<sup>®</sup> can be increased thereby giving a permanent boost for your ability to survive in crisis and finally succeed.

Figure 1: Depicts the Adversity Quotient® Definition



Source: Peak Learning Inc., USA.

Adversity Quotient encompasses four dimensions CO2RE which exactly measures the AQ® of an individual. In the Present day say Intelligence Quotient (IQ), measurement of raw intelligence and Emotional Quotient (EQ), measurement of emotional intelligence, tools used to judge the success of individuals are outdated now and today the new predictor of success is Adversity Quotient®.

The present day high velocity economy with its increasing uncertainty and complexity of jobs, requires employees who can thrive in the face of adversity. While adversity can take any form and magnitude, from major tragedies to minor annoyances, adversity quotient is a measure of how an individual perceives and deals with challenges. Individuals with high AQ® levels take greater responsibility to fix problems and do not blame others for their setbacks. They feel that the problems they face are limited in scope and can be dealt with quickly and effectively. Those who can't handle adversity can become easily overwhelmed and emotional, then pull back and stop trying and turn out to be losers.

### **Procedure to use AQ® Tool in Organizations**

Organizations can effectively hire the best talent pool by using Adversity Quotient tools and its measures as it elaborates from (figure 2 to figure 6) how individuals can get to know their

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respective individual scores on AQ<sup>®</sup> and how they can improve to increase their performance at their work place. The first level aims to take up an online Adversity Response Profile<sup>®</sup> test to know individuals AQ<sup>®</sup> Score, second level aims at bringing about an awareness of the CORE dimensions, third level uses the LEAD sequence as its strategy and finally the Action funnel so as focus on the action you are most compelled to take in the face of adversity.

Figure 2: Adversity Response Profile<sup>®</sup> Sheet to know individual's AQ<sup>®</sup> Score

**Adversity Response Profile**

C	O	R	E
1. ___	2. ___	3. ___	4. ___
7. ___	6. ___	5. ___	8. ___
13. ___	11. ___	9. ___	10. ___
15. ___	16. ___	12. ___	14. ___
17. ___	18. ___	20. ___	19. ___

Total C = \_\_\_ Total O = \_\_\_ Total R = \_\_\_ Total E = \_\_\_

Total C+O+R+E x 2 = ARP Score = \_\_\_\_\_

Adobe Acrobat 7.0 Document

Source: Peak Learning Inc., USA.

The AQ<sup>®</sup> variables are control, origin and ownership, reach, and endurance embodied in the acronym CO2RE. C stands for control over an adverse event. People who respond to adversity as temporary, external and limited have optimistic explanatory styles and tend to enjoy life's benefits. With perceived control, hope and action are turned to reality or learned helplessness shall pass. The more control one has, the more likely one has to take positive action. O2 denotes origin and ownership. The first O stands for origin and has something to do with blame. Blame has two functions which help one to learn from and adjust behavior causing improvement. This blame leads to guilt obliging one to search own soul and weigh the way one might have hurt others. The feeling of guilt is a powerful motivator when used properly for it can help heal real, perceived or potential damaged to an important relationship. Too much blame can be demoralizing and destructive which can destroy ones energy, hope, self worth and immune system leading one to decide to quit. It is indicative of the level to which one or an external entity is the origin of the event, and to what degree one owns the outcomes. Those with

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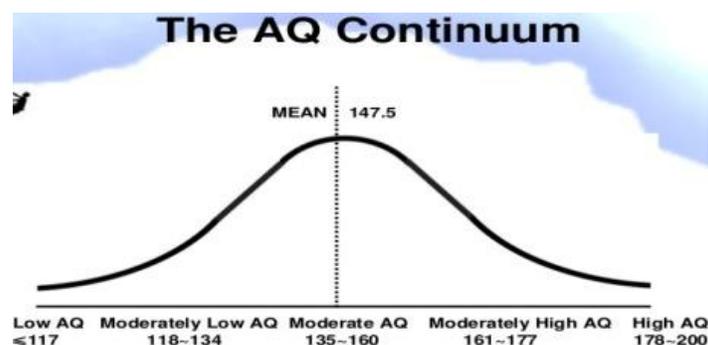
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lower AQ<sup>®</sup> scores tend to blame themselves. Higher scores tend to properly place responsibility, and therefore also have high self-worth.

An individual having low AQ<sup>®</sup> blame oneself for bad events, but with higher AQ<sup>®</sup> an individual learn one's behavior to become smarter, better and more effective the next time similar situation is encountered. The other O means ownership that reflects accountability. This answers the degree of owning the outcomes of adversity whether good or bad. High AQ<sup>®</sup> people enhance their accountability to control, empower and motivate action while low AQ<sup>®</sup> people disown the problem causing failure to act, give-up, point fingers, reduced performance and angers at others and many more negative actions.

Owning the outcome reflects accountability for achieving a specific result in response to a problem. High scores tend to accept responsibility for creating a specific outcome regardless of the causes. R stands for reach evaluating how far the adversity gets into the areas of one's life. Low AQ<sup>®</sup> response allow adversity to affect other aspect of one's life leading to financial panic, sleeplessness, bitterness, distancing self from others and poor decision making. But with high R-score one may limit the reach of the problem to the event at hand.

Figure 3: Represents the Adversity Quotient<sup>®</sup> Standard Bell Curve



Source: Peak Learning Inc., USA.

AQ<sup>®</sup> scores range from 40 to 200, with a global mean of 147.5. When measured, most groups reflect a fairly broad range of two or more standard deviations in either direction from the mean, as well as a standard bell curve distribution of AQ<sup>®</sup> scores. The AQ<sup>®</sup> means vary from group to group based on occupation and industry. A general finding is that those in what are stereotypically the adversity rich occupations tend to have the highest average AQ<sup>®</sup>s. Conversely, groups in the most stable occupations often score below the global mean, validating the notion that people tend to select occupations based on their AQ<sup>®</sup>. The AQ Profile<sup>®</sup> has been tested extensively and shows no age, gender, or ethnicity bias. It is the most robust instrument in existence for measuring resilience.

Figure 4: Depicts a Self Explanatory AQ<sup>®</sup> CORE Dimensions

<b>AQ CORE Dimensions</b>		
<b>Dimension</b>	<b>What it is...</b>	<b>What it determines...</b>
Control	The extent to which someone perceives they can influence whatever happens next	Resilience, health, and tenacity
Ownership	The likelihood that someone will actually do anything to improve the situation, regardless of their formal responsibilities	Accountability, responsibility, action, and engagement
Reach	The extent to which someone perceives an adversity will "reach into" and affect other aspects of the situation or beyond	Burden, stress, energy, and effort; it tends to have cumulative effect
Endurance	The length of time the individual perceives the situation / adversity will last, or endure	Hope, optimism, and willingness to persevere

Source: Peak Learning Inc., USA.

The above table depicts the following:

- Control: How much control do you have over the adversity?
- Origin: Who or what is the origin of the adversity?
- Ownership: What part to I have in the adverse situation?
- Reach: How far will the adversity reach to other aspects of my life?
- Endurance: How long will the adversity last?

Figure 5: Describes the AQ<sup>®</sup> LEAD Sequence



Source: Peak Learning Inc., USA.

AQ<sup>®</sup> is the foundational factor of success that can determine the ‘how’, ‘if’, and ‘to what’ degree of attitudes, abilities and performance are manifested by a person. The adversity quotient of an individual plays an ever greater role in reacting to adversities being dealt with greater uncertainty, demands, challenges, changes and complication. So it is essential that the employees learn to rewire, raise and strengthen their AQ<sup>®</sup> Scores to combat attrition.

Figure 6: Represents the AQ<sup>®</sup> Action Funnel



Source: Peak Learning Inc., USA.

The AQ Profile<sup>®</sup> has been tested across respondents from 51 countries and has demonstrated strong universality and applicability across cultures. AQ<sup>®</sup> scores are presently available from a diverse sample of 500,000 employees and students in 37 different companies and educational institutions worldwide. The distribution of their AQ scores provides norms

against which anyone taking the AQ Profile<sup>®</sup> can compare his or her score. The AQ Profile<sup>®</sup> is normative, meaning higher scores are generally superior, reflecting greater overall resilience and effectiveness.

## Conclusion

The factual judgment is the more resilient one becomes the more constructively and effectively he can respond to and work through life's difficulties as he is not easily dragged down by tough situations. Employees have to take up the AQ<sup>®</sup> test to realize their scores and it will tell a lot about themselves which they may have not known as it provides with a transparent feedback and helps them to realize about themselves as how they respond to adverse situations which is building pressure and stress in dealing with real life situations and if it is left unchecked these patterns of poor responses will remain with them for life time so one has to seek honest and positive feedback and rectify your fixed response patterns. Hence to conclude, AQ<sup>®</sup> tool is a self-defending retention tool to retain employees by building employee resilience as this scientific AQ<sup>®</sup> tool can change employees thought process, change the dimensions of dealing with work life problems by attaining success, prosperity and stress free healthy life style. When used properly AQ<sup>®</sup> is a vital piece of any effort to strengthen employees and their ability to thrive in today's challenging work environment lucratively.

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