

# Now is a Great Time to Attack Turnover Issues

- **Sagging economy**
- **Larger applicant pool**

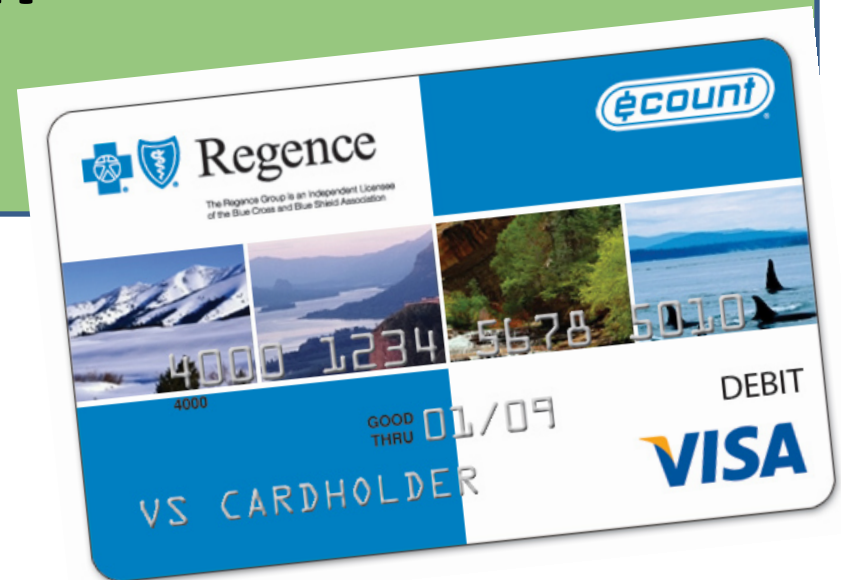
# New Research

- **Games**
- **Gen X & Y**
- **Incentives for Performance**

**The Internet Makes  
It Possible**

# For the First Time in History

- Instant recognition
- Instant reward



# 6 Major Components To Improving Turnover

- 1. Measurement
- 2. Understanding Key Factors
  - Biographical Factors
  - Why They Stay, Not Why They Leave
- 3. Defining Small Measurable Components
- 4. Assignment of Accountability
- 5. Incentives and Rewards
- 6. Measurement of Results

# Real World Reinforcement

- **The subject:** Logan Mitchell, Age 3
- **Desired behavior:** Get Logan to eat his meat and vegetables



# Negative Reinforcement

- “Logan, if you don’t eat at least half of your meat and vegetables then you will have to go to timeout for 5 minutes”
- **Result:** Logan takes 20 minutes to grudgingly eat half of his meat and vegetables



# Positive Reinforcement

- “Logan, if you eat all of your meat and vegetables then you get a \*popsicle\* as soon as you finish!
- **Result:** Meat and vegetables gone in 10 minutes

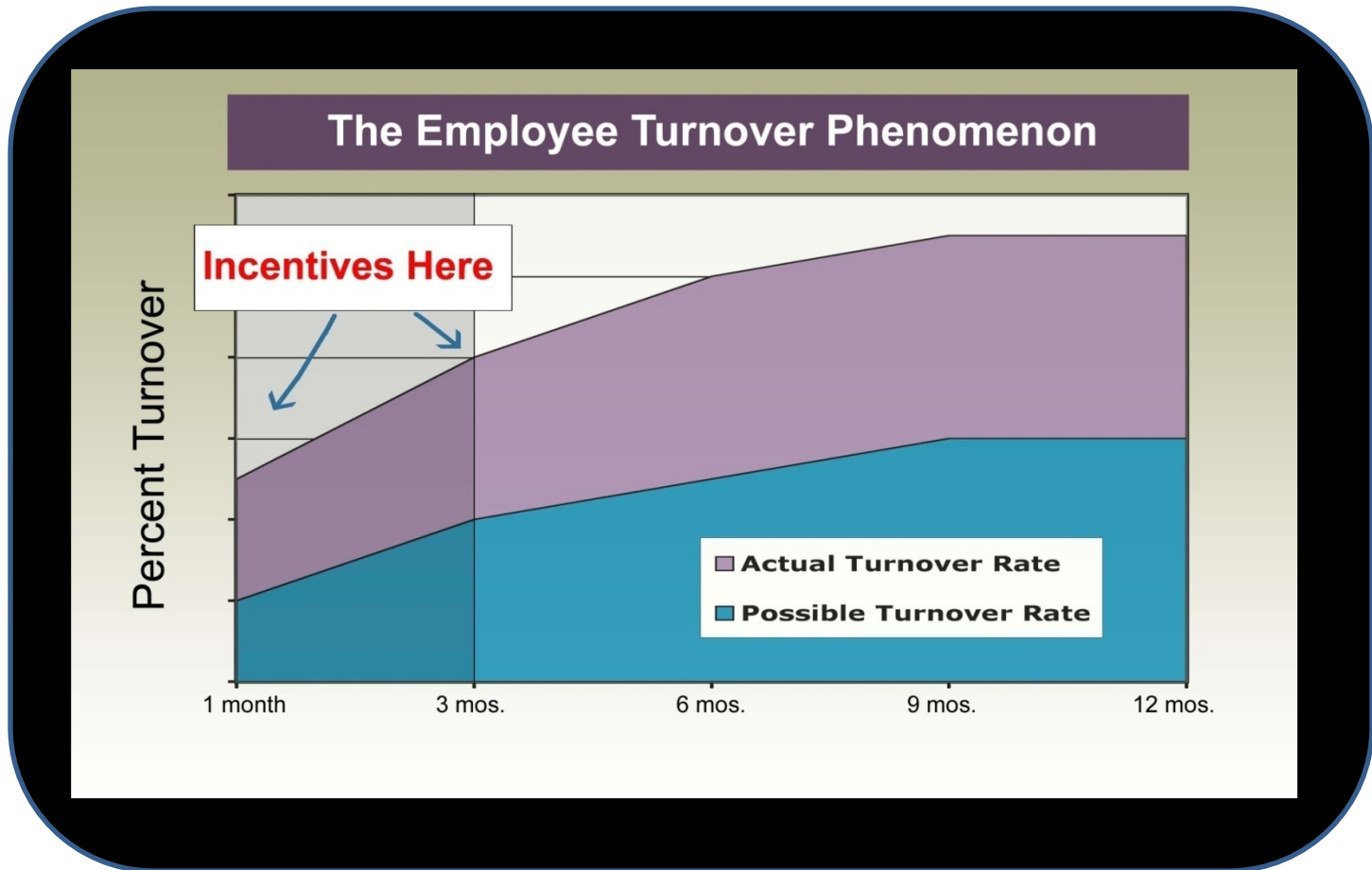
\*Reward must be something of value to recipient

\*\*Reward should be given as soon as possible upon the completion of desired behavior



**The Biggest  
Problem  
With Turnover  
Is  
Measurement!**

# The Power of Compounding Turnover Rates



# Just Wait it Out!



# It All Begins With Selection

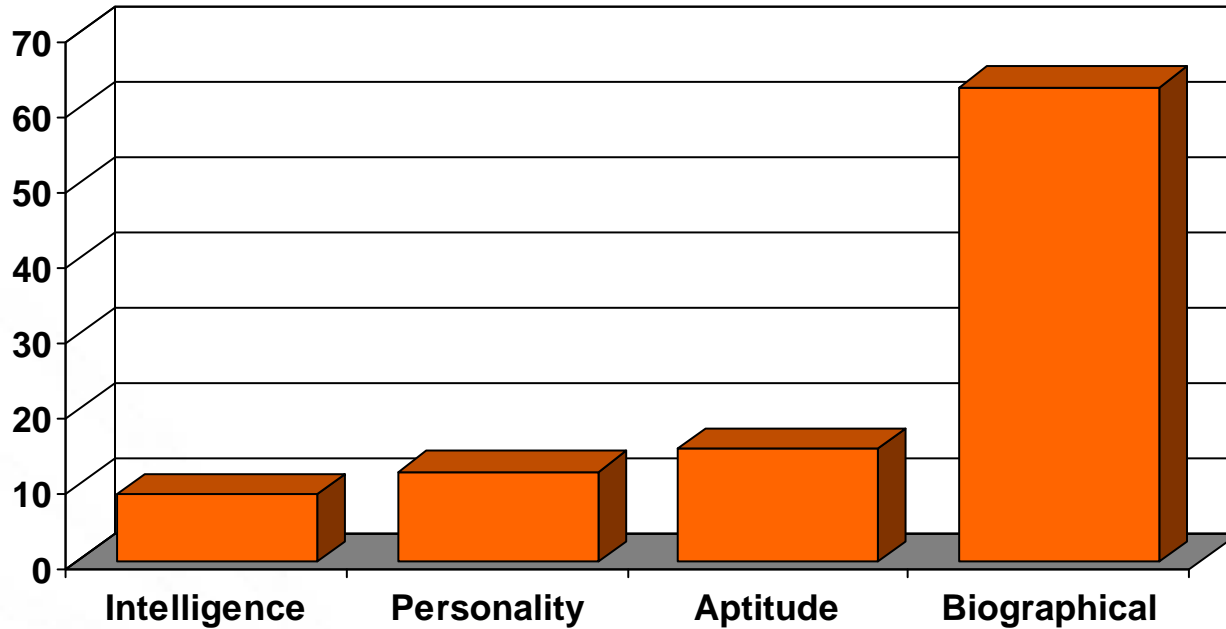


- You can't change the spots on a leopard
- You can't make a silk purse out of a sow's ear

**What Works?**

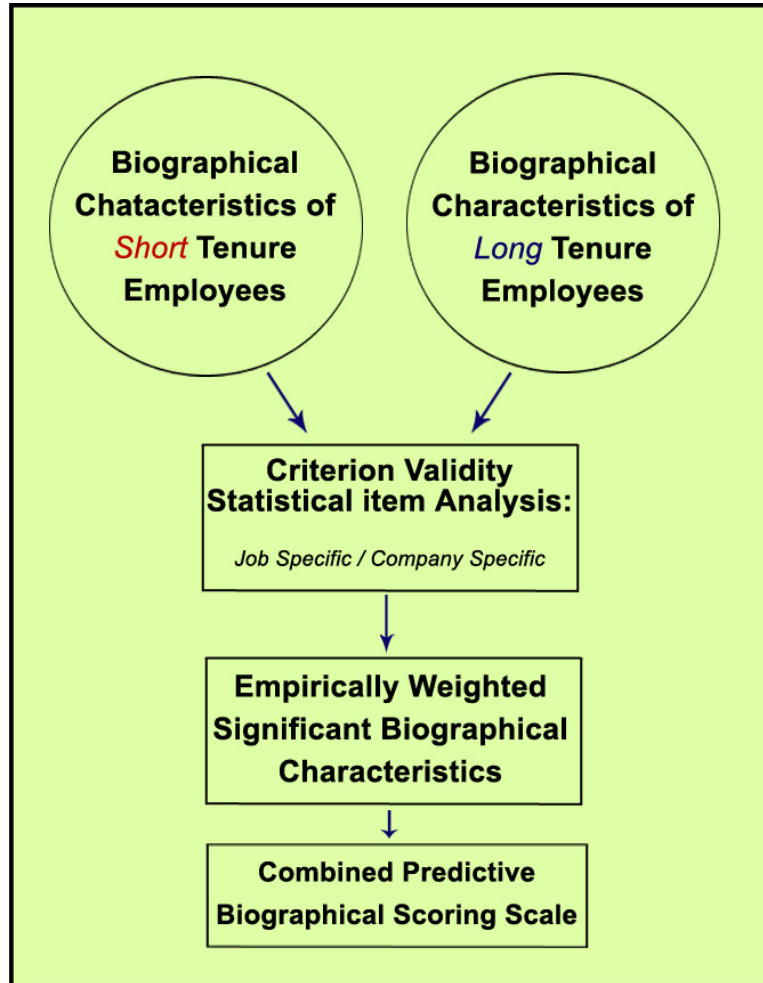
# The Power of Bio Data

Percent of controlled studies with significant predictive validity



In comparison with other factors, biographical items have vastly superior predictive ability. -J.J. Asher, Personnel Psychology

# Focus on Who Stays



## The Criterion Validity Study

- Job specific
- Geographic specific
- Facts not personality

**The past is the best predictor of the future**

# Bio Factor



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## Kipling's Error III: They Were Good Americans (Hardcover)

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I Own It

**When you were a boy, did you ever build a model airplane that you flew?**

**Yes, was far more predictive of pilot success in WWII than the extensive 3 day test batteries.**

# Bio Factor

Previous Telemarketing Experience

		Previous Telemarketing Exp		
		Yes	No	Total
Long	Count	11	23	34
	% within Short vs Long	32.4%	67.6%	100.0%
	% of Total	10.4%	21.7%	32.1%
Short	Count	31	41	72
	% within Short vs Long	43.1%	56.9%	100.0%
	% of Total	29.2%	38.7%	67.9%
Total	Count	42	64	106
	% within Short vs Long	39.6%	60.4%	100.0%
	% of Total	39.6%	60.4%	100.0%

Forbes

COMPUTERS/COMMUNICATIONS

Aspen Tree Software reduces the tricky art of screening job applicants to something a computer can understand.

## Slouches make better operators

By Suzanne Oliver

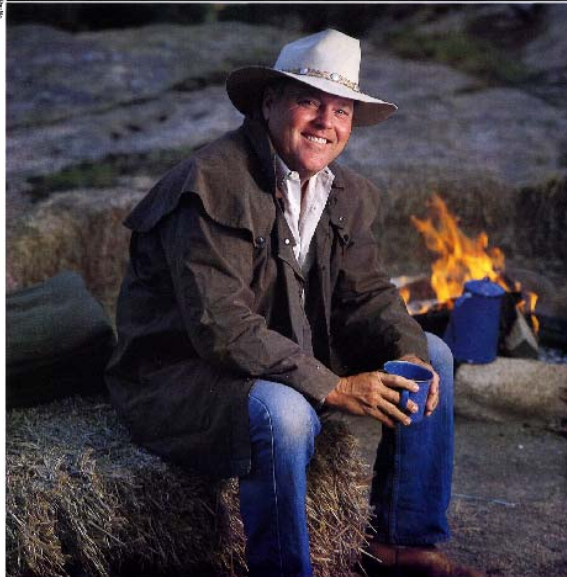
**BROOKS MITCHELL** got a doctorate in personnel management, but he's no organization man. He lost his job as a training

director at Texas Instruments in 1971 and quit his job as personnel director of Pepsi's transportation division in 1975. With his Oklahoma twang, western suits and odd pastime (drifting through small towns in

Wyoming, setting up a karaoke machine in a strange bar and playing guitar to the accompaniment of drunken cowboys), Mitchell never fit into the button-down world.

Perhaps because Mitchell himself did not succeed in organizations, he became interested in predicting who would.

In 1979, while Mitchell was teaching at Southern Methodist University, a garment manufacturer in West Virginia hired him to reduce its high turnover among sewing machine operators. From the job applications of 100 successful operators and 100 who had quit or been fired, he identified ten variables that

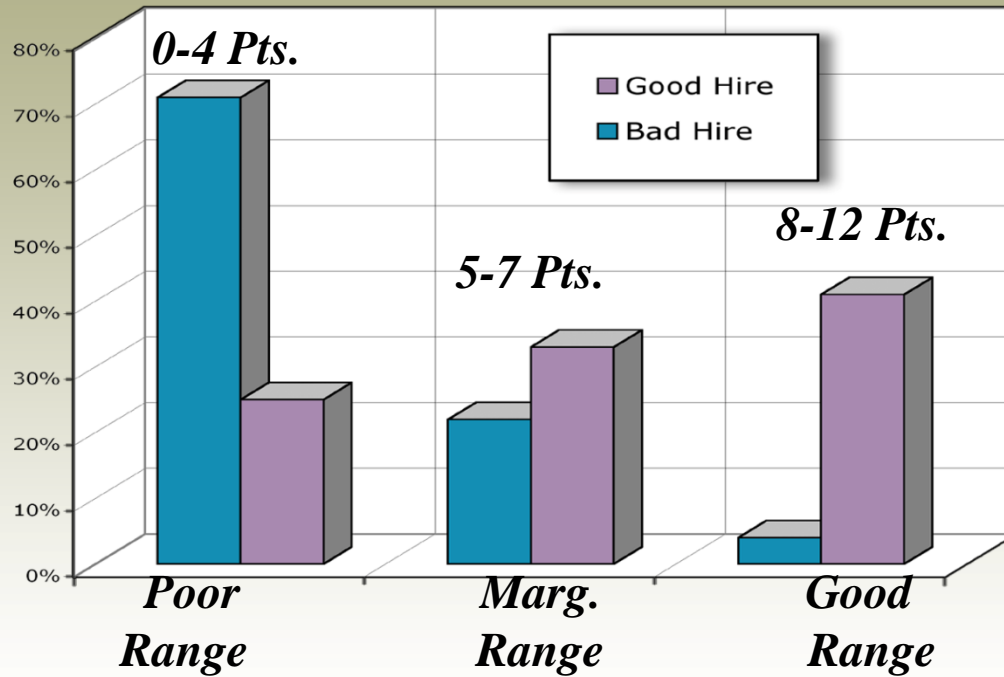


Aspen Tree Software founder Brooks Mitchell. This cowboy won't fit into your organization. But he can tell you who does.

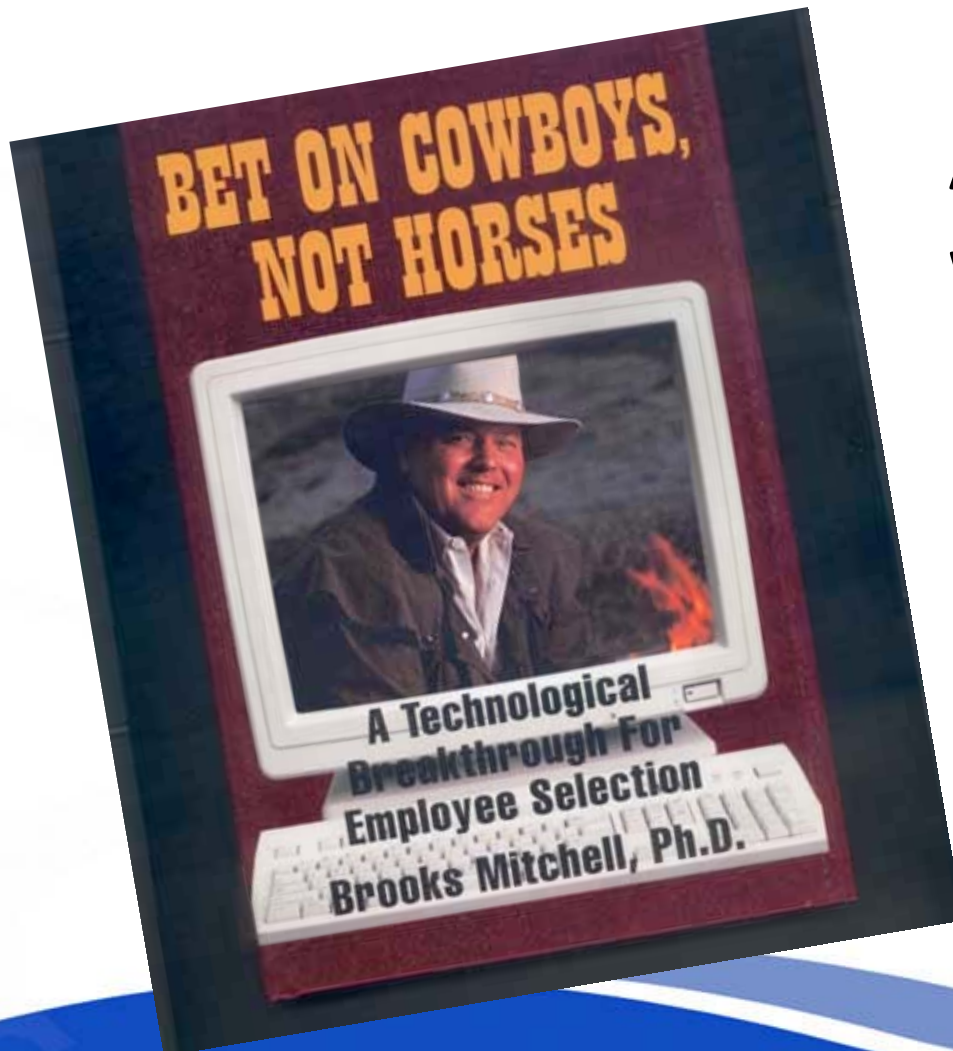
## Biographical Factors

Little exercise  
Lots of TV  
Few hobbies  
Etc.

# Composite CVA Scale

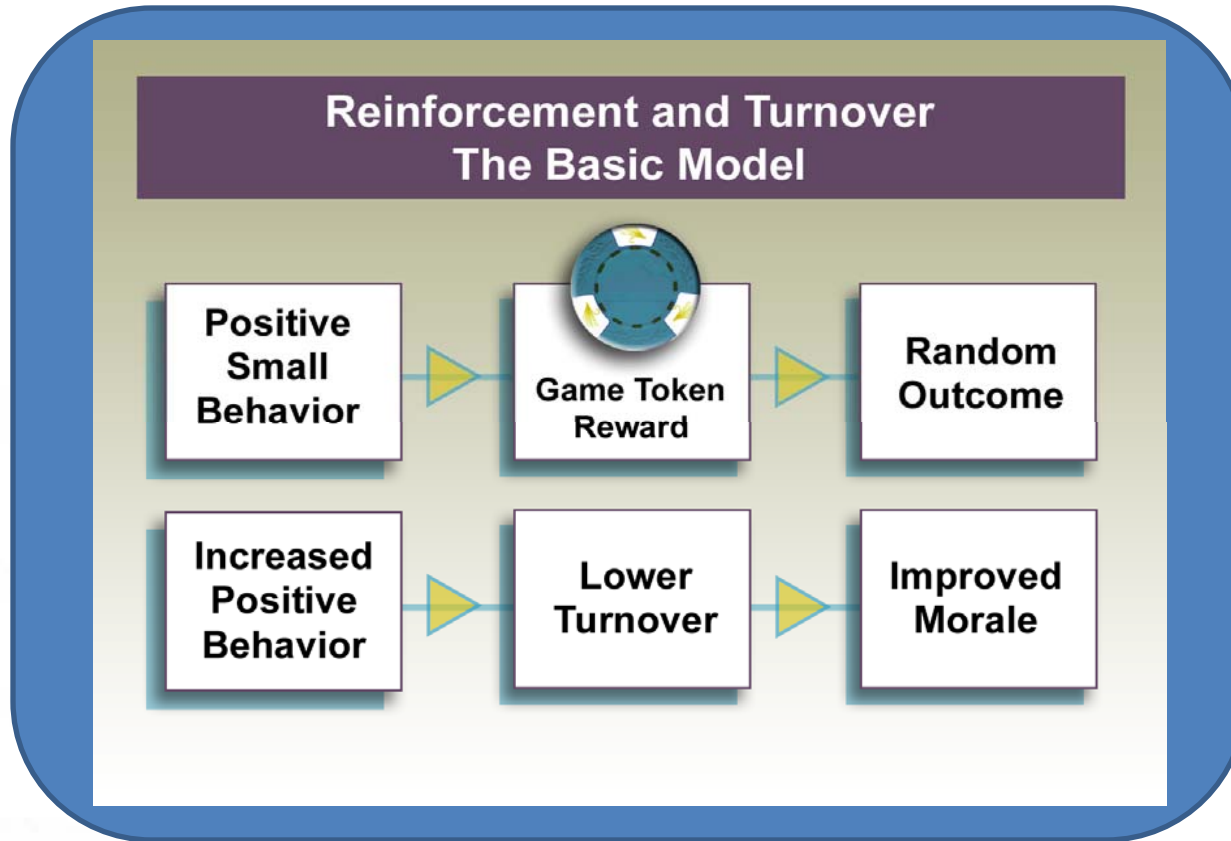


# CVA Methodology

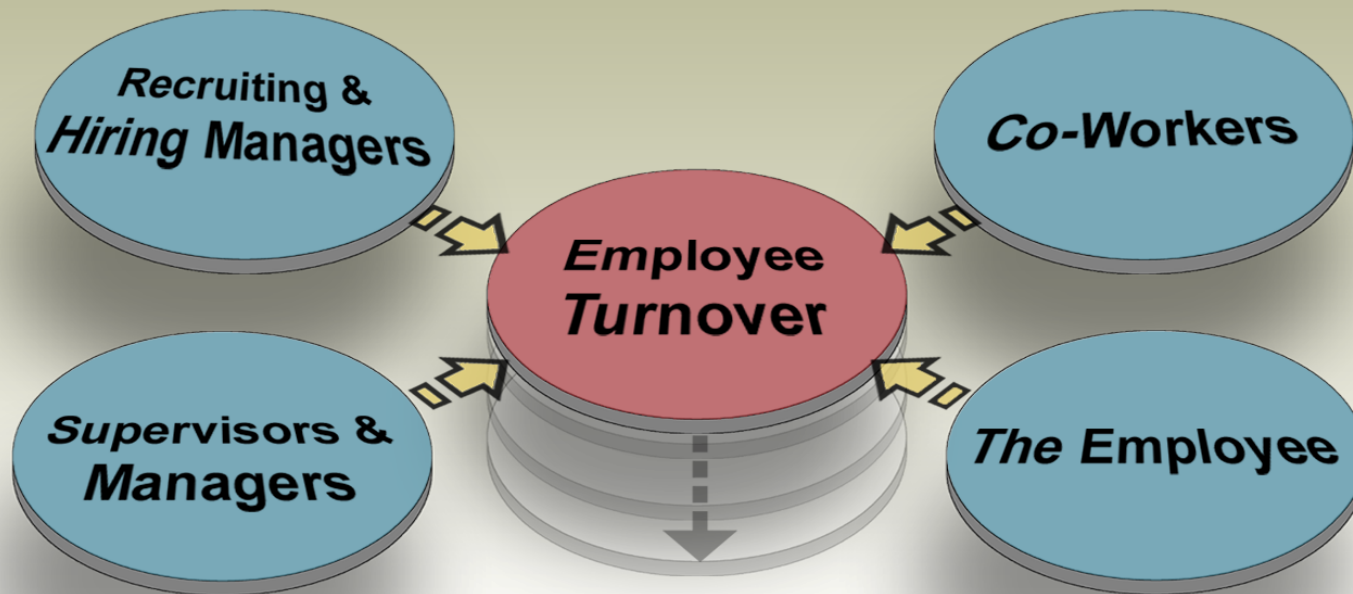


Available on-line at  
[www.snowfly.com](http://www.snowfly.com)

# Reinforcement & Turnover



**Stakeholders to be Involved and Reinforced for  
Employee Turnover Behaviors**



## Change your Focus

- It is more important to understand why people stay than it is to understand why they leave.
- They stay because of early training successes and strong co-worker bonds.

# New Employee Behaviors

- Daily training goals
- Daily attendance
- Early performance success
- Frequent tenure achievement
- Co-worker acquaintance goals
- Supervisor acquaintance goals
- Empowerment rewards

# Sourcing Behaviors

- Visit web site
- Attend open house
- Complete application on-line
- Make an appointment
- Keep appointment

# Co-worker Behaviors

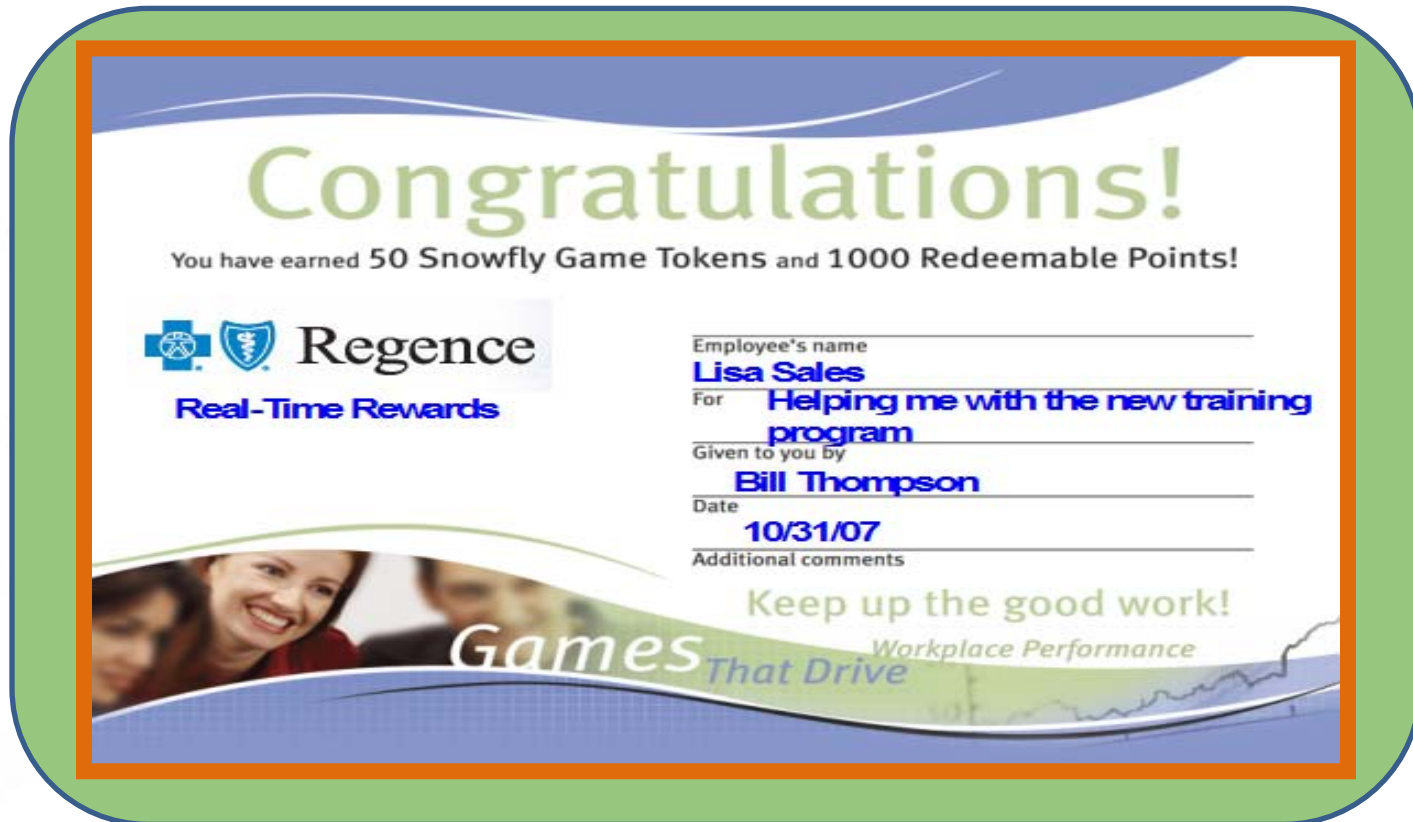


- Referrals
- Acquaintance goals
- Bonding goals
  - Car pooling
  - Events
- Tenure goals
- Any behavior which ties the employee to the group

# Supervisor/Manager Behaviors

- **Manage the system**
  - **Acquaintance goals**
  - **Learning/education goals**
  - **Tenure goals**

# Peer Recognition



**Congratulations!**

You have earned 50 Snowfly Game Tokens and 1000 Redeemable Points!

 **Regence**  
Real-Time Rewards

Employee's name \_\_\_\_\_  
**Lisa Sales**

For **Helping me with the new training program**

Given to you by \_\_\_\_\_  
**Bill Thompson**

Date \_\_\_\_\_  
**10/31/07**

Additional comments \_\_\_\_\_  
**Keep up the good work!**

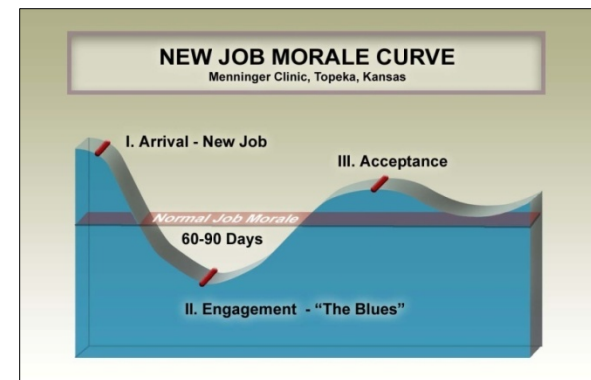
*Games That Drive Workplace Performance*

# Incentives for New Hires



- Allow them to earn and track but **not receive incentive \$\$ until they reach a pre-determined tenure date.**
  - *Example:* On day 90 of employment \$250 in previously accumulated incentives will be loaded on to a debit card

Remember the curve!!



# Just Wait it Out



**“If We Make it Through  
December, Everything  
Is Gonna be Alright”**



# Retention Begins at Recruitment

- **Do you have an employee referral program?**
- **Give the referring employee a stake in the new hires success**

## **Sample Employee Referral Program**

**\$10** for submitting a referral

**\$10** if/when referral shows up for an interview

**\$20** when referred employee is hired

**\$20** on referred employees first day

**\$40** when referred employee reaches 30 days

**\$50** when referred employee reaches 60 days

**\$60** when referred employee reaches 90 days

# Incentives for New Hires



- **Day 1 of employment:**
  - Give new employee access to an account enabling them to track incentives earned
    - Web-based account is ideal
  - Allow new employees to begin to earn and accumulate incentive \$\$

# Sample New Hire Incentive Scorecard

Goal Achieved	Date	Points Earned	Total
1 <sup>st</sup> day of employment	9-1-08	500	500
5 days of employment	9-5-08	1000	1500
Complete phase 1 of training	9-7-08	2000	3500
15 days of employment	9-18-08	2000	5500
Complete phase 2 of training	9-20-08	2000	7500
30 days of employment	10-5-08	5000	12500
First Sale!!	10-12-08	2500	15000
60 Days of employment	11-12-08	10000	25000



**What do your employees want when it comes to incentives?**

# Answer

***Recognition - Feedback - Choice - Earned***



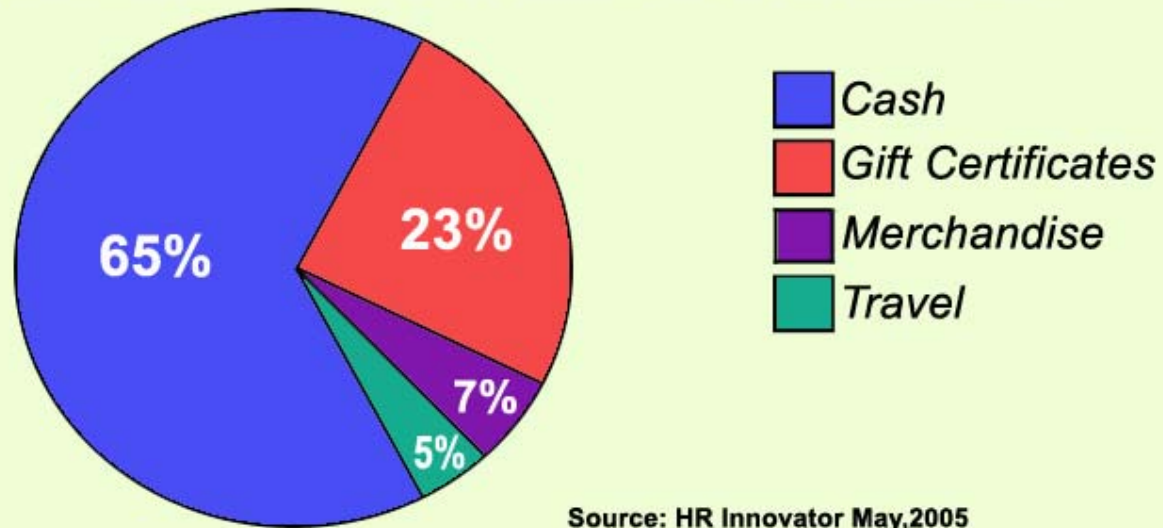
**What do your employees REALLY want when it comes to incentives?**

Answer



## Show Me The Money!

Which one of these rewards do you believe is the best motivator?



Source: HR Innovator May,2005

# Money is Choice

Effect of Type of Incentive on Workplace Performance	
Reward Type	% Improvement
Monetary	27%
Non-monetary Tangible	13%

# Story time with the Prof.....



## *The Steak Knife Incentive*


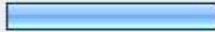
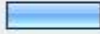



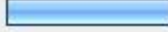
**An angry man at the office with a set of knives!**

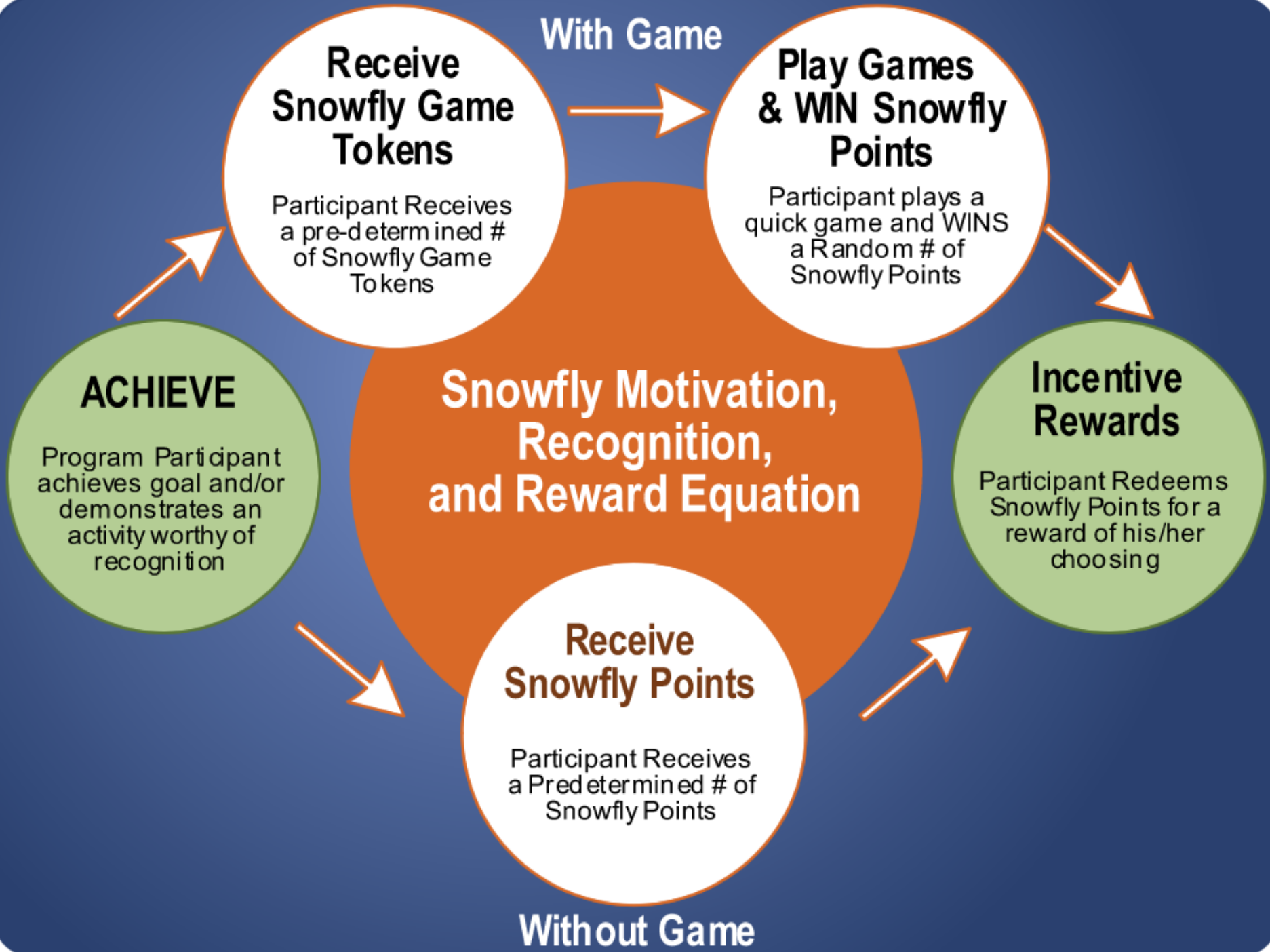


# How Much Money

**1 to 3 percent of pay**

2. What percentage of base salary do you budget for agent incentives? (Check one.)

		Response Percent
0		8.6%
1-2		25.7%
3-4		11.4%
5-6		8.6%
6-7		2.9%
8-9		0.0%
9-10		8.6%
10+		20.0%



# Intermittent Reinforcement

## Points Versus Performance Reward

**"I like the games because you never know what you are going to win."**

**-Workplace Gamer**

***Sure Deals - 0.3%***



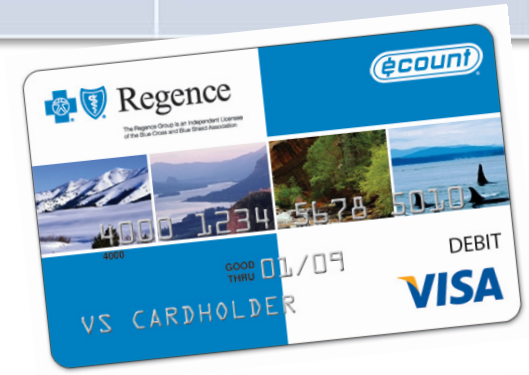
**6,236,867**

**Games Surveyed**

# Snowfly Redemption Data

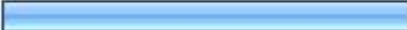


Snowfly Reward Choice Debit Cards Vs Intangibles	
Reward Type	% of Redemptions
Reload Debit Card	<b>96.3%</b>
Intangibles	<b>3.7%</b>

Snowfly Reward Choice Debit Cards Vs Retail Gift Cards	
Reward Type	% of Redemptions
Reload Debit Card	<b>85.4%</b>
Retail Gift Cards	<b>14.6%</b>




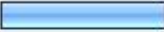
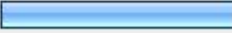
# BE CAREFUL WITH TEAM INCENTIVES

3. Do you utilize? (Check all that apply.)

		Response Percent
Center-wide incentives		42.9%
Team incentives		62.9%
Individual agent incentives		85.7%

# This is a Problem

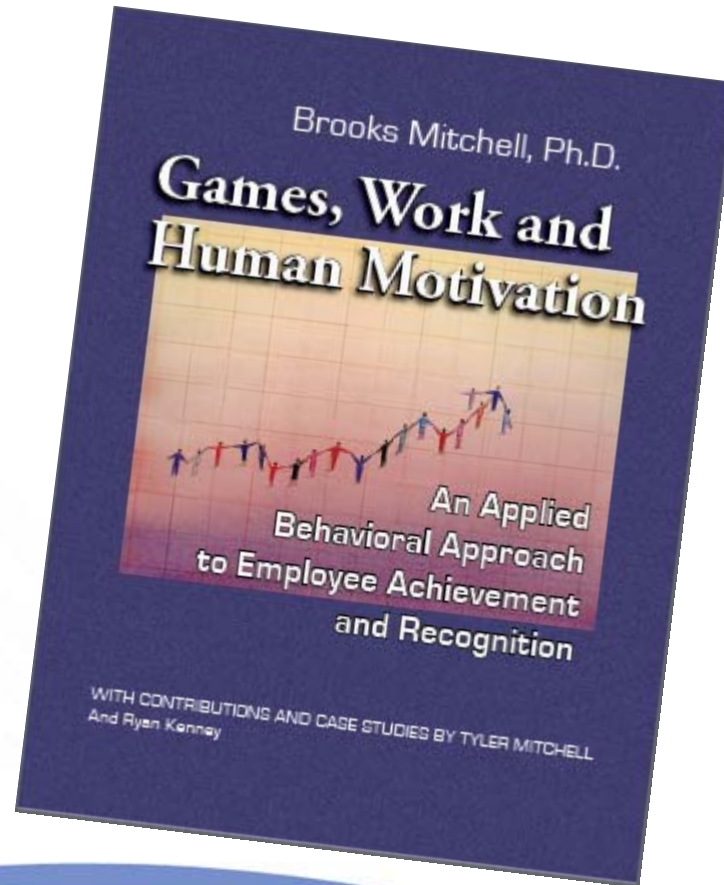
6. Have you measured a positive return for your investment in agent incentives?

			Response Percent
Yes			51.4%
No			20.0%
NA - we don't measure the return on our agent incentive program			28.6%

## ***6 Major Components To Improving Turnover***

- **1. Measurement**
- **2. Understanding Key Factors**
  - **Biographical Factors**
  - **Why They Stay, Not Why They Leave**
- **3. Defining Small Measurable Components**
- **4. Assignment of Accountability**
- **5. Incentives and Rewards**
- **6. Measurement of Results**

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Hard Copy

# Questions?

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Thank you

