



SHRMTM

SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

60th Annual Conference & Exposition

Follow The Retention GPS

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June 23rd, 2008

FINNEGAN | MACKENZIE
THE RETENTION FIRMTM

This Early Morning's Agenda

1. **Retention Quick Quiz** with 7 questions, 7 research-based answers, and 7 to-dos
2. **Retention GPS Principles and Strategies** for reducing turnover in your organization
3. **Case Study:** Applying the Retention GPS to Hilton's call centers that cut turnover in half in 4 months
4. **A Continuing Communication Offer**

Retention Quick Quiz

- 1. Who comprises the largest group of workers who can always find jobs, every day and in any economy?**

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“Entry-Level Service Workers”

Nearly 80% of US jobs are service jobs, and the majority of these jobs require minimal skills and showing up...

- > Retail**
- > Call centers**
- > Healthcare assistants**
- > Restaurants**
- > Hospitality**
- > Fast food**
- > Distribution centers**

“Entry-Level Service Workers”

Employees in these jobs represent all ages and experience levels vs. “entry-level”

Minimal Skills + Show Up =

MSSU...like ka-choo

Example: Mall retail employee

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Older Workers Stay Longer

“The length of time a worker remains with the same employer increases with the age at which the worker began the job.”

US Department of Labor

Not just grey-hairs...

How does this impact training?

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Best Sourcing Method is EMPLOYEE REFERRALS

Employee referrals stay longer, perform better, more referred applicants get hired... referring employees won't embarrass themselves, referred applicants know the jobs better, have a friend

Half of SHRM's 50 best medium and small businesses hire at least 25% from employee referrals

How do we link this + older worker knowledge?

Set a goal to hire up to 50% from referrals and put one person in charge of meeting the goal

M4: Marketing Matters More than Money FINNEGAN | MACKENZIE
THE RETENTION FIRMSM

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“Why do you want to work for our company?”

Right answers connect the applicant to you...

“The night shift is perfect for my lifestyle and I like to help people on the phone”

“I enjoy selling and am challenged to meet sales goals”

Wrong answers are only about the applicant...

“I need a job to pay my bills”

“My probation officer told me to get a job and I should look here”

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TIME is More Important Than Pay and Benefits

Flexible schedules and telecommuting are most important perks...*Career Builder and Robert Half*

Telecommuting, compressed workweek, flex-time have highest impact on retention...*WorldatWork*

Best Buy, IBM, Sun Microsystems offer various flex options...productivity up and turnover down

JetBlue, LiveOps, PHH Arval let call center agents work from home...annual turnover less than 10%

TIME is More Important Than Pay and Benefits

Low-hanging fruit suggestions:

- **4 x 10 schedules** give 50 additional days off per year
- **Enable schedule-swapping**
- **Accommodate flexible in-office schedules**
- **Permit work from home**
- **Force schedule changes only as a last resort**

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TIPPING POINT TURNOVER

Fix early turnover in high-turnover industries and you address turnover across your entire organization

Tracking 30, 90, 180 day turnover is more important than tracking monthly or annual turnover

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TRUST Matters Most

Trust is the quality employees most want in their supervisors...TalentKeepers

Trust levels with supervisors drive 32% of employees' stay/leave decisions...

Leadership IQ

Respect, equitable treatment, and connecting on a work and personal level are employees' highest expectations...Sirota

TRUST Matters Most

How much do your processes for supervisors involve TRUST?

- **Hiring/Promoting?**
- **Training?**
- **Evaluating?**
- **Coaching?**

What's the Missing Piece in Retention Strategies?

Hint: Christopher Columbus is not our role model because he didn't have a ____.



10 Points on the Retention GPS

3 Principles...

- **Point # 1. The #1 reason employees quit jobs is because they can**
- **Point # 2. The #1 reason employees stay is for things they get uniquely from you**
- **Point # 3. The one unique thing all organizations provide for employees is relationships with immediate supervisors**

7 Strategies on the Retention GPS

Strategies for supervisors...

- **Point # 4. Hold supervisors accountable for achieving retention goals**
- **Point # 5. Develop supervisors to build trust with their teams**

7 Strategies on the Retention GPS

Strategies for people management processes...

- **Point # 6. Narrow the front door to close the back door**
- **Point # 7. Script employees' first 90 days**
- **Point # 8. Challenge all people-management policies and practices to ensure they drive retention**

7 Strategies on the Retention GPS

Strategies for top management...

- **Point # 9. Calculate turnover's cost to galvanize retention as a business issue**
- **Point # 10. Drive retention from the top, as executives have the greatest impact on achieving retention goals**

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3 Principles...

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7 Strategies...

- **Point #4.** Hold supervisors accountable for achieving retention goals
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- **Point #6.** Narrow the front door to close the back door
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- **Point #8.** Challenge all people-management policies and practices to ensure they drive retention
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Retention GPS in Action

- Hilton's call centers reduced turnover 50% in 4 months and reached all-time highs in key operating metrics**
- **5 domestic centers; annual turnover 55% in August , 2007 with half leaving in first 90 days**
 - **Most frequent leave reasons: abandonment and attendance**
 - **Agents move from HR → Training → Supervisors with no one owning retention**
 - **90% occupancy; agents wanted only half their supervisors again**

Hilton's Retention Fix/Standards

3 new standards for centers to improve retention:

- 1. Retain 75% of new hires for the first 90 days**
- 2. Improve applicant:hire ratio to 7:1/4:1 based on centers' markets**
- 3. Attain 50% of new hires via employee referrals**

All to be achieved by 6.30.08, tracked immediately

Hilton's Retention Fix/ Branding Unique Offerings

What do we offer our agents that they cannot easily replace?

Hilton name
Travel benefits
Hilton@Home



HILTON RESERVATIONS & CUSTOMER CARE

Hilton@Home

Positions Currently Available
Hilton Reservations & Customer Care is currently seeking experienced individuals interested in work in Reservations, Sales & Marketing.

In this exciting career field, you will receive assigned calls from guests across the country and assist them in making reservations for our hotels and resorts. You will use the most modern technology available while operating from your home based office.

No commutes!



Part Time Work from Home... Full Time Hotel Stays!

Perks and Advantages:

- Convenience of working from home for a global hospitality company
- Hilton Reservations and Customer Care
- Build your own schedule around night & weekend hours
- Free or greatly reduced hotel stays
- All expenses after initial 3 months of on-site training

Requirements:

- Flexibility - Working from home for the first 40 days may differ from your actual job from
- Self-motivated and have the ability to work independently
- Communicate clearly via voice and in writing
- Broad and diverse skills in customer service and computer use

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Hilton's Retention Fix/**Hiring**

1. **Hired middle-aged and older workers via recruiting best practices in each center**
2. **Measured customer service, maturity, verbal communications, and job attraction in re-designed interview and selection processes**
3. **Recommended employee referral best practices and freed centers to design plans**
4. **Designed a facilitated Realistic Job Preview**
5. **Delayed acceptances 24 hours**

Hilton's Retention Fix/Coaching

1. **Set retention goals** for firstline supervisors and tied them to bonuses
2. **Established new-hire supervisors** with smaller spans of control for weeks 5 – 13
3. **Utilized TalentWatch™** to learn each supervisor's LRE score and coached for improvement, emphasizing trust skills
4. **Coded each new hire red, yellow, or green** based on likelihood of staying and coached accordingly
5. **Conducted 91-day meetings** with director, HR, training, and new-hire supervisors to measure each class's retention success and lessons learned

Hilton Retention Fix/Accountability

- Each center director submits 91-day report to the top executive who designed the report which details the following:
 - % of new hire class that reached 90 days vs. 75% goal
 - # of lost agents coded **red**, **yellow**, or **green**
 - Week in which we lost each agent to more closely identify HR's, training's, and supervisor's role
 - % of class generated from employee referrals vs. 50% goal
 - YTD applicant:hire ratio vs. goal

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A Continuing Communication Offer

For future retention updates, participate in our retention blog, receive revised slides, or provide an example for Rethinking Retention...

Please leave your business card

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