New Ways To
Curb Employee Tardiness, Absenteeism and Turnover by Using Employee Selection and Online Games

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For companies with employee tardiness, absenteeism and turnover challenges, help is now available in the form of on-line, 15-30 second games of chance. It is now possible to quickly reward good behaviors with the right to play a quick game, win points and accumulate or redeem them instantly. On-line game programs can be easily administered for thousands of people in different job categories at multiple locations. This creates exciting and promising new concepts to consider in the area of personnel management and sales.

A slippery slope you've seen much too often.

Employee tardiness, absenteeism and turnover appear to be a perpetual problem that doesn't seem to be getting any better (in spite of the state of the economy). Many companies report annual turnover above 300% while costs to hire and train a replacement range from $5,000 to $15,000. It usually starts with a relatively new employee and being tardy is the first sign of trouble, then an unexcused absence or two, then a write-up and shortly thereafter a termination or the employee just doesn't show up. Almost every conceivable approach has been tried to solve these nagging problems; many have failed or have been abandoned because of turnover by the very people who are managing the program to lower turnover. Inevitably, a point of acceptance becomes the norm and managers can be heard to make statements such as "It's just the nature of the business and we have to learn to live with it." This attitude only perpetuates the problem and the cycle continues.

Before discussing on-line games as a tool for improvements in these areas, there are a few basic principles that must be dealt with. The biggest problem is that many companies have given up and decided to live with the problem. In that case, they are lost and there is no help for them. For those organizations who have not surrendered to the problems there is hope and I am convinced much can be done to significantly improve the situation.

The wrong question to ask: "why do people leave?"

The first thing that can be done is for an organization to stop focusing on why people are leaving and concentrate on why people are staying. The first premise, why people are leaving, assumes that there is something wrong with you and your organization and that people are quitting to avoid an inherently noxious work environment. If you assume this to be the case, you blame turnover on low pay, apathetic supervisors, working conditions, and the basic nature of the job itself. All these reasons imply a major organizational change is necessary to make people like you and therefore not leave you. While some improvements can be made in these areas, I suggest you can reap a better return on your energy and investment by considering the second premise/question, why are people staying with you?

To focus on those who don't quit and stay with you is to take an approach that perhaps there is very little wrong with your organization. Otherwise, how do account for the fact that many employees stay with you and don't become a turnover casualty in spite of all the things that are allegedly wrong with your organization?

Here's an example of what I'm talking about. When I talk to managers who bemoan their high turnover problems, I always ask them if there are any job incumbents who have adequately performed their jobs for a reasonable period of time in spite of the deplorable work environment. I usually get a reply of "Sure, there are." Then I ask what differentiates them from their co-workers who quit? This usually elicits a puzzled expression and a question, "What do you mean?"

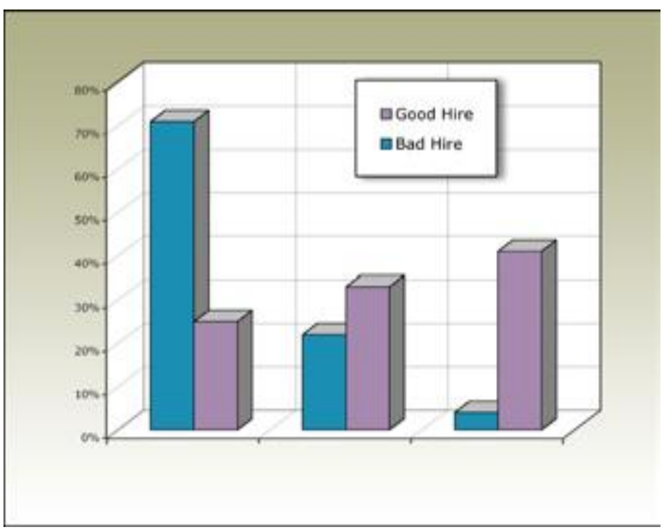
I am saying that if you can understand the characteristics and nature of those who successfully remain on your "miserable" jobs, you could hire more people like them. Birth is easier than resurrection. I respectfully suggest that it is far easier to change who you hire than it is to change your organization.

This concept of matching people to jobs was thoroughly researched in the 1950s by a little-known but brilliant social scientist, Patricia Cain Smith. The basic conclusion of her work was there is no such thing as an inherently bad job; rather there are people who don't adapt well to certain types of tasks. In other words, the key to a mutually beneficial work relationship is to understand the basic nature of the job, incumbents who are successful at it, and to hire people with characteristics similar to the successful job holders.

This begs the question, how do you discover, define and measure the profile of a person who stays with you? The answer is thorough a criterion validity study which statistically compares the biographical (not personality) characteristics of satisfactory job incumbents versus those similar employees who abandon their jobs.

Sometimes this process is referred to as the weighted application blank or WAB. This procedure and its effectiveness are the subject of a book I wrote, "Bet on Cowboys, not Horses" which can be purchased at the Amazon and Barnes and Noble websites. The process will yield a series of organizational specific empirical weights which can be aggregated to form a scale to predict the probability of a person being a long tenure hire. Note that in figure one there is a significantly higher probability in the good range of scores than in the poor range. So, hire only applicants who score in the good range because they most closely match you successful incumbents.

Figure One



Before we examine the role of incentive rewards as a tool for controlling employee turnover, tardiness and absenteeism, there is a new concept to consider, online games. Games are now being played as a method of enhancing training, social relationships and productivity. The early measurable results have almost all been positive and now there is even an academic society, DIGRA (Digital Games Research Academy), devoted to the study of understanding workplace game-playing. A pioneer in the research of workplace games is Dr. Jeffrey Goldstein. He reports that **"workers who played online games were more likely to be better performers and have a more positive job attitude."**

Games of skill vs. games of chance (the awesome power of random intermittent reinforcement).

There are two basic types of online games, those of chance and those of skill. Most managers who first consider the integration of the games usually think of games of skill. While there is some value to these games, there are two significant problems with them. Skill-based games favor a player (usually younger) who has considerable previous experience with these types of online games. While the skill game is motivational to the experienced gamer, it is discouraging to the non-experienced game player. In most environments this is not acceptable. The other problem is games of skill usually require more time to play. On the other hand, games of chance such as a roll of the dice, spin of the wheel, pull the lever, a raffle drawing, etc. take little time, favor all players equally without regard to skill requirement and still provide the excitement and engagement of skill games. Games of chance harness the enormous power of random intermittent reinforcement. They reinforce the achievement and inject excitement into the accomplishment of a goal by generating a random (but controlled) outcome!

The reward is not the game; it's the *opportunity* to play a game.

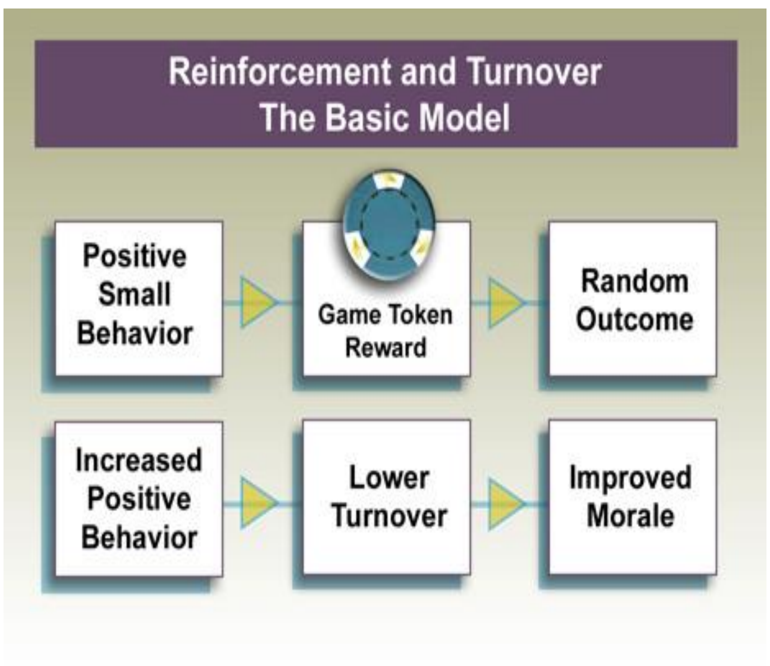
I am convinced that the future of online games lies within the games of chance as opposed to games of skill. Think about it from this perspective, games of skill disproportionately reward those who have good game skills while games of chance can reward fairly those who have met organizational goals. Further, think about some of the reasons online games are useful.

- They provide recognition for job performance
- They create excitement
- They can motivate people to perform tasks to be rewarded with a game opportunity
- They can provide people with desired rewards

Most importantly games with random output can be used as incentives to drive workplace behaviors that reduce employee turnover, tardiness, absenteeism and increase sales.

To accomplish this, I am suggesting that behaviors which can improve employee turnover, tardiness, absenteeism and sales be immediately rewarded with "tokens" which can initiate an on-line game which yields random, intermittent (but controlled) outcomes. Random, intermittent reinforcement (outcomes which vary in strength and frequency) is reported by Aubrey Daniels, a well known behavioral psychologist, to be the most powerful reinforcement available to encourage the repetition of good behavior. The model is relatively simple.

Figure 2



While figure 2 is relatively straightforward, the impact on human behavior cannot be overstated. There are four critical aspects to consider to make this model effective in an organization.

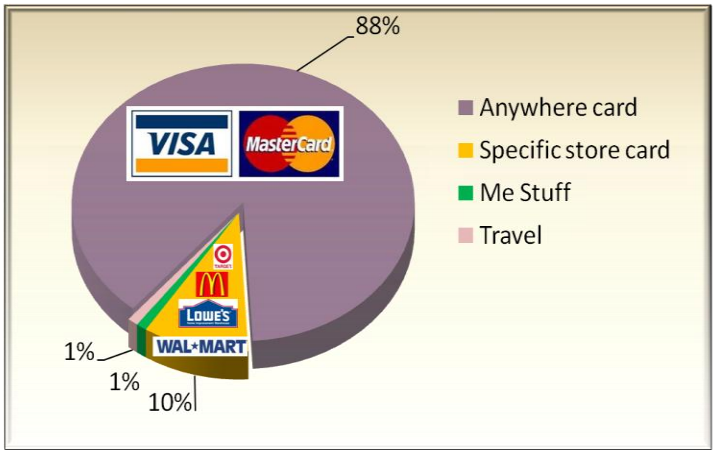
1. Little behaviors lead to the accomplishments of big behaviors. For example, you will get better results by granting rewards to a student for completing daily homework than by giving them a large reward at the end of the semester for receiving a satisfactory grade. There are some good applications of this principle when it comes to reducing employee turnover, tardiness and absenteeism.

2. The more immediate the reward, the more powerful it is. This principle has been a missing link in the majority of incentive plans I have examined. Most of these programs offer large incentives (cameras, trips, watches) as rewards for the completion of a large goal (remember daily homework, not the four month grade). I think this "Big Reward" phenomenon has become engrained in the corporate structure because heretofore, without the Internet and its virtually unlimited capabilities, it was not possible to do otherwise.

3. For a reward to be a motivator, it must be something the recipient desires. The lack of adherence to this principle has compromised the effectiveness of most traditional incentive and reward programs as most administrators erroneously assumed that employees wanted merchandise, trips, etc. My experience has been just the opposite. An analysis of millions of

dollars in incentive redemptions in call centers revealed that the vast majority of recipients preferred putting funds onto a debit card (fixed amount or refillable).

Figure 3



Note that less than one percent of redemptions were for merchandise or items with company logos. This is good news for managers because of the fact that "game point winnings" can now be converted to re-loadable or fixed value debit cards such as now provided by VISA and MasterCard and instantly redeemed or accumulated for whatever the recipient wishes.

4. Increased positive behavior increases morale and job satisfaction. This is an often overlooked principle of human motivation. Most people assume that the relationship is just the opposite. With this mindset, they will try to get people "pumped up" and hope that things will get better. Yet, workplace psychologists have known for years that people who perform better (stimulated and reinforced) will nearly always achieve a higher level of morale and/or job satisfaction. I emphasize that morale (and lower job turnover) is a result of achieving positive behaviors, not the result of a pre-behavior "pep talk."

Games and turnover, tardiness & absenteeism applied in the real world.

As all of this relates to employee turnover, tardiness and absenteeism, it must be set in the framework of all effective and influential stakeholders: recruiting and hiring managers, supervisors, co-workers and the actual employee. This is depicted in Figure 4

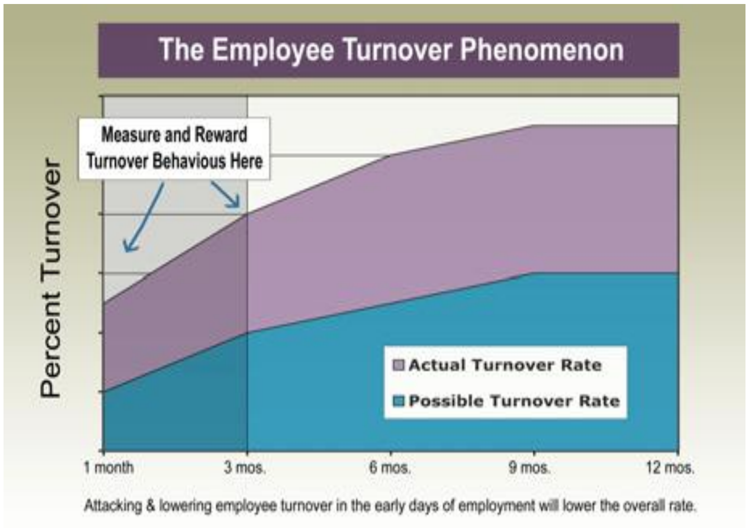
Figure 4

The basic procedure is

1. Set measurable goals.
2. Identify small behaviors for each stakeholder
3. Reward those behaviors with game tokens
4. Allow people at their own discretion to convert game winnings to a stored value debit card and use the card to purchase what they want at millions of locations
5. Measure results

I have worked with hundreds of organizations to help them lower employee turnover, tardiness and absenteeism. The results of many of these studies are reported in my book, "Bet on Cowboys, not Horses." Every organization I worked with had major problems with the way they reported turnover statistics. When I asked them what their turnover rate was, they always gave an annual statistic such as 125% per year. To do this is to put the focus on a large and remote goal. Companies would be better served to measure turnover in much more immediate terms. For example, one week, four weeks, etc. If you improve your turnover rate, your four-week retention will improve and hopefully so will your yearly rate.

Figure 5



Remember, if your child completes their daily homework, they are much more likely to make an "A" in the class.

Also, early and often reinforcement of tenure accomplishes two significant advantages. One, it makes supervisor accountability more manageable. It is much more difficult to make excuses for one month's turnover results for one year's results. Two, early tenure reinforcement will help new hires to survive the inevitable stress of the new job.

The new job phenomenon was measured and reported on by psychologists at the prestigious Menninger clinic in Topeka, Kansas. The conclusion of their research was that any major life change, a new job certainly meets that requirement, will always be met with early disillusion and even depression. In the case of a new job, an all too common coping strategy is to quit as the situation appears to be hopeless to the fragile new employee. Yet, the Menninger psychologists conclude that the initial "blues" brought on by the life change to the new job nearly always diminishes and even improves with the passing of time. So anything which can be done to help the new employees get through the early "blues" will invariably increase the chances that they will hang in there and become a long-term productive employee. Games and rewards can do this.

Figure 6

For example, suppose you establish an accomplishment and rewards schedule similar to the following:

Behavior – new employee shows up for work first day
Employment supervisor: 5 game tokens
New employee: 15 game tokens
Note: a computer program can control the average payout of a game token. For example, any game token can yield/win a point value between 2 and 5,000, but the average will be 10 points.

Behavior – New employee completes training
Employment supervisor: 10 game tokens
Training supervisor: 20 game tokens
New employee: 50 game tokens
Note: training classes are an excellent opportunity to reward the new employee with game tokens for a wide variety of accomplishments. To do so is to provide early reinforcement which in turn enhances the likelihood that the new employee will remain

on the job long enough to transcend the blues stage.

Behavior – New employee has finished training and now completes one week on the job
Employment supervisor: 20 tokens
Training supervisor: 40 tokens
New employee: 100 tokens
Supervisor: 75 tokens
Work group member: 10 tokens

There are two very significant patterns in this example: increased number of tokens given for the next event and decreased frequency of distribution! These patterns are the key to successfully hurtling the trough of "the blues" that is inherent within the New Job Morale Curve. Similar tokens and rewards could be given for other tenure achievements such as 1 month, 3 months, 6 months, etc.

Perhaps the most important behaviors to be identified and rewarded are those that deal with work group inclusion. This is consistent with the approach to employee turnover which focuses on why people stay on the job not why people leave it. Study after study has concluded that at the lower organizational levels, people remain on the job because they do not want to terminate meaningful and important social relationships with co-workers. Hence anything that establishes and nurtures job social bonds can only improve the turnover problem. With that in mind, here are a few behaviors which should be rewarded with game tokens:

- Everyone who introduces themselves to the new employee on the first day of work
- To co-workers and supervisors who take a coffee break or go to lunch with the new employee
- To co-workers who car pool with the new employee
- To co-workers who bring cookies to work. This implies nurturing, sharing and bonding
- To employment and training supervisors who visit the new employee to see how things are going
- To supervisors, managers, and co-workers who write personal welcome notes or email to the new employee
- To co-workers who refer a potential new hire. It is a well established principle new hires that were referred by existing employees are much more likely to be successful as employees. I think it is possible to segment this behavior into smaller related behaviors, for example,
    - The referral itself. (Even if the referral was not hired)
    - Getting attendance at an open house for prospective employee
    - Employment of the referral
    - Various start and extended anniversary dates
- To all group members when the new employee reaches a critical anniversary date such as 60 days.
- Attendance at extra-curricular events such as open houses, picnic, parties, luncheons, etc.

These are just a few of the incentive and reward ideas I have that are related to employee turnover. Undoubtedly, there are many more behaviors creative stake holders can develop.

Employee turnover, tardiness and absenteeism are not inevitable and those organizations who view them as such are condemned to live with it and experience a myriad of compounding consequences on organizational stability and effectiveness. The cycle can be stopped and reversed with focused attention and incentives now available via the Internet. The steps required to do this are relatively simple and straightforward.

1. Refuse to accept turnover, tardiness and absenteeism as the nature of the job
2. Identify and reward small behaviors that will improve the situation
3. Reward stake holders with incentives they really want, not what you think they want

4. Involve all related stake holders
5. Utilize the power of random reinforcement: games.
6. Use the data from the incentive system to create pertinent, real-time reports and hold managers accountable
7. Use the data to continually reevaluate and adjust the system

Finally, I think it is important to note that high turnover, tardiness and absenteeism are not problems that can be fixed and then neglected. If that is the prevailing attitude, they will recur quickly and once again your organization will be faced with the frustrating consequences. It requires constant and vigilant attention. It must become engrained in your corporate structure just as any other critical metric such as ROI, profitability, etc.

The ideas and concepts I have stated are solid and all are based in the best conclusions of legitimate academic research. If properly and permanently incorporated in a high turnover, tardiness and absenteeism environment, they will begin to shift the paradigm in the value system of an organization in which too many incumbents view as one to escape. The new value can become “this is a group I don’t want to leave.” Wouldn’t that be great?

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Want to learn more or to prove it yourself?

Snowfly is the leading provider of Internet based employee incentive and loyalty programs. Some of the material in this article is from Snowfly customers, many of whom willingly share their best practices. Snowfly's incentive system allows clients to harness the enormous motivational power of immediate positive reinforcement to focus employee behavior on company objectives. Compared with home-grown programs, Snowfly improves KPI’s by at least 20% (sales, schedule adherence, attendance, turnover, quality), reduces a huge administrative burden and reduces costs. The results are easily seen within weeks and there is no long term contractual obligation. Snowfly has been serving customers for more than eleven years. Snowfly’s web site: www.Snowfly.com. For more information, contact Snowfly at 1-877-SNOWFLY (766-9359) Robert Cowen at extension 709 or email rcowen@snowfly.com, Ryan Fabian at extension 710 rfabian@snowfly.com or Tyler Mitchell at extension 707 or email tmitchell@snowfly.com.