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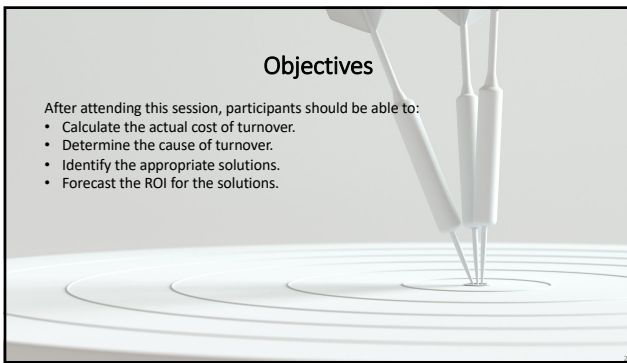
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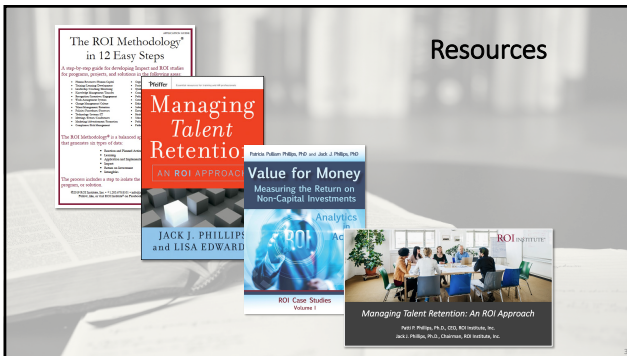
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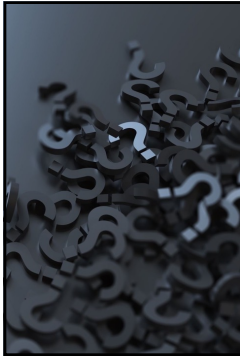
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**Why are you here today?**  
(Select all that apply.)

- I have very high turnover in many job categories.
- I have very high turnover in a few job categories.
- Turnover is higher than it should be.
- I anticipate turnover will increase soon.
- I want to be prepared to manage retention when needed.

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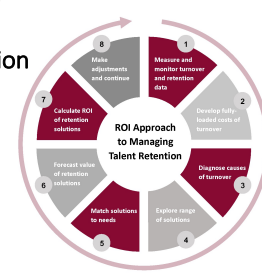
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**ROI Approach to Managing Talent Retention**



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Step 1 | Measure and monitor turnover and retention data

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### How to Calculate Turnover

Turnover (%) =  $\frac{\text{Number of employees leaving in a specific period}}{\text{Average number of employees}}$

Turnover can be calculated by:

- Job group
- Branch, plant, department
- Division
- Organization

Turnover can be characterized by type of departure:

- Voluntary
- Avoidable
- Regrettable

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Step 2 | Develop fully-loaded costs of turnover

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**Turnover Costs**

- Exit cost of previous employee
- Recruiting cost
- Employment cost
- Orientation cost
- Training cost
- Wages and salaries while training
- Lost productivity
- Quality problems
- Customer dissatisfaction
- Loss of expertise/knowledge
- Supervisor's time for turnover
- Temporary replacement costs

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**Example of Using External Databases\***

| Job Type/Category   | Turnover Cost Ranges as a Percent of Annual Wage/Salary |
|---|---|
| Entry Level — Hourly, Non-skilled, e.g., Fast Food Worker | 30-50%  |
| Service/Production Workers — Hourly, e.g., Courier        | 40-70%  |
| Skilled Hourly, e.g., Machinist                           | 75-100%   |
| Clerical/Administrative, e.g., Scheduler                  | 50-80%  |
| Professional, e.g., Sales Representative, Nurse           | 75-125%   |
| Accountant Technical, e.g., Computer Technician           | 100-150%  |
| Engineers, e.g., Chemical Engineer                        | 200-300%  |
| Specialists, e.g., Computer Software Designer             | 200-400%  |
| Supervisors/Team Leaders, e.g., Section Supervisor        | 100-150%  |
| Middle Managers, e.g., Department Manager                 | 125-200%  |

\*Education Resources Information Center

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**Step 3 | Diagnose causes of turnover**

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**Why Employees Leave**

- Inadequate pay
- Insufficient benefits
- Ineffective management
- Lack of engagement
- Lack of career opportunities
- Type of work
- Employee feels underappreciated
- Insufficient work-life balance
- Lack of work flexibility
- Unrealistic goals and expectations
- Mission of organization
- Performance goals are not clear
- Dysfunctional culture
- No longer challenged
- Lack of growth opportunities
- Burnout

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**Methods to Determine Causes**

- Brainstorming
- Problem analysis
- Cause-and-effect diagram
- Diagnostic instruments
- Mind mapping
- Records analysis
- Stay interviews
- Focus groups
- Probing interviews
- Job satisfaction surveys
- Engagement surveys
- Exit interviews
- Exit surveys
- Nominal group technique

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**Step 4 | Explore range of solutions**

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### Specific Needs Example

**The top 10 causes of turnover in the bank branches:**

- Lack of opportunity for advancement
- Lack of opportunity to learn new skills and new product knowledge
- Pay level not adequate
- Not enough responsibility and empowerment
- Lack of recognition and appreciation of work
- Lack of teamwork in the branch
- Lack of preparation for customer service problems
- Unfair and unsupportive supervisor
- Too much stress at peak times
- Not enough flexibility in work schedules

**Action: Tackled Top Five**

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### Step 5 | Match solutions to needs

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### Match Solution to Needs

- Avoid mismatches
- Discourage multiple solutions
- Select a solution for a maximum return
- Verify the match early
- Check the progress of each solution

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**Step 6** | Forecast value of retention solutions

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**What is ROI?**

$$BCR = \frac{\text{Program Benefits}}{\text{Costs}}$$
$$ROI = \frac{\text{Benefits} - \text{Costs}}{\text{Costs}} \times 100$$

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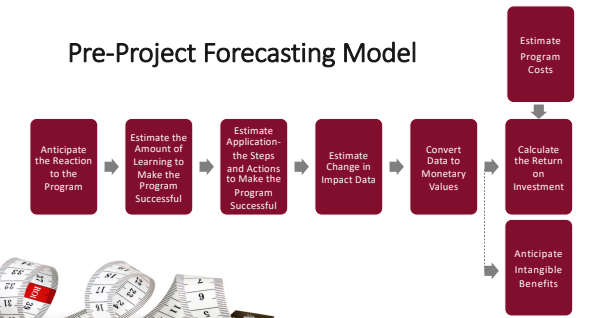
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**Pre-Project Forecasting Model**



```
graph LR; A[Anticipate the Reaction to the Program] --> B[Estimate the Amount of Learning to Make the Program Successful]; B --> C[Estimate Application - the Steps and Actions to Make the Program Successful]; C --> D[Estimate Change in Impact Data]; D --> E[Convert Data to Monetary Values]; E --> F[Calculate the Return on Investment]; F --> G[Anticipate Intangible Benefits]; H[Estimate Program Costs] --> F;
```

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### Steps to Pre-Project ROI Forecast

1. Develop Levels 1-3 objectives, with as many specifics as possible.
2. Estimate/Forecast monthly improvement in impact (Level 4) data ( $\Delta P$ ).
3. Convert Level 4 measure to monetary value (V).
4. Develop the estimated annual impact for each measure ( $\Delta P \times V \times 12$ ).
5. Estimate fully loaded program costs.
6. Calculate the forecasted ROI using the total projected benefits and costs.
7. Use sensitivity analysis to develop several potential ROI values with different levels of improvement ( $\Delta P$ ).
8. Identify potential intangible benefits.
9. Communicate analysis with caution.

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**Step 7** | Calculate ROI of retention solutions

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### Evaluation Framework

| Levels of Evaluation            | Measurement Focus  | Typical Measures  |
|---------------------------------|--|---|
| 0. Inputs & Indicators          | The input into the project in terms of scope, volume, efficiencies, costs      | Participants, Hours, Costs, Timing  |
| 1. Reaction & Planned Action    | Measures participant satisfaction and captures planned actions, if appropriate | Relevance, Importance, Usefulness, Appropriateness, Intent to use, Motivation to take action                            |
| 2. Learning & Confidence        | Measures changes in knowledge, skills, and attitudes                           | Skills, Knowledge, Capacity, Competencies, Confidence, Contacts   |
| 3. Application & Implementation | Measures changes in behavior or actions  | Extent of use, Task completion, Frequency of use, Actions completed, Success with use, Barriers to use, Enablers to use |
| 4. Business Impact              | Measures changes in business impact variables                                  | Productivity, Revenue, Quality, Time, Efficiency, Customer Satisfaction, Employee Engagement                            |
| 5. Return on Investment         | Compares project benefits to the costs   | Benefit-Cost Ratio (BCR), ROI%, Payback Period  |

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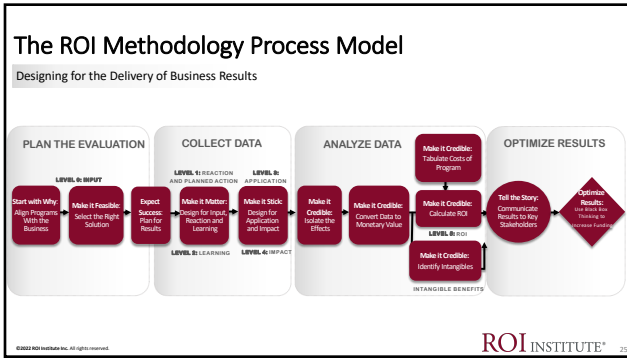
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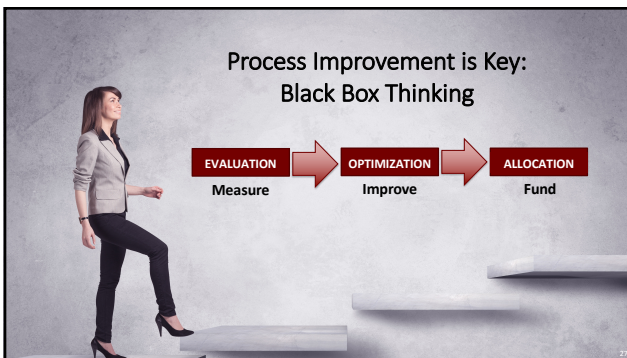
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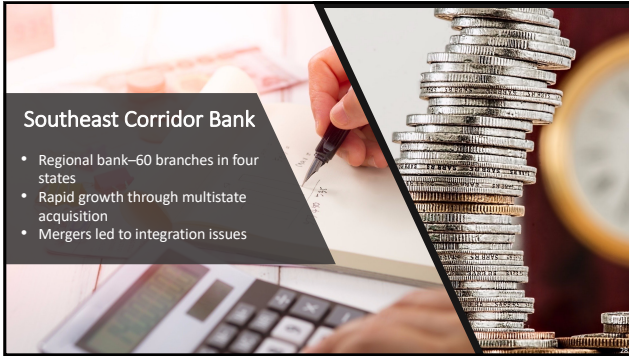
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**Southeast Corridor Bank**

- Regional bank—60 branches in four states
- Rapid growth through multistate acquisition
- Mergers led to integration issues

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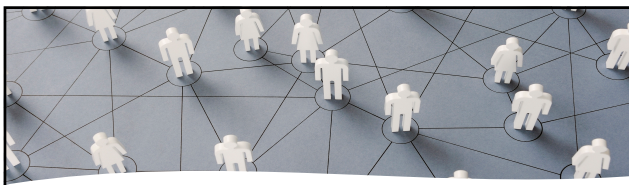
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**The Need**

SCB's annual turnover = 57%  
Industry average = 26%

Turnover leads to:

- Operational problems
- Misemployed staff and supervisor time
- Customer service disruptions

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**Nominal Group Technique**

**Technique Analysis**

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### The Solution: Engagement Linked With a Reward

Expand the scope of the employees' jobs with increased pay and a clear path for advancement and improvement to:

- Broaden employee responsibilities
- Empower excellent customer service



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### ROI Calculation

$$\text{BCR} = \frac{\$4,625,000}{\$1,290,396} = 3.58$$
$$\text{ROI} = \frac{\$4,625,000 - \$1,290,396}{\$1,290,396} \times 100 = 258\%$$

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It's That Easy

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**You will receive these resources from today's session.**

Visit <https://www.roiinstituteacademy.com/> for additional free tools.

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**ROI CERTIFICATION®**  
SCHEDULED EVENTS

|   |                                     |
|---|-------------------------------------|
| February 14-25, 2022 – Live Virtual     | July 11-15, 2022 – Williamsburg, VA |
| February 28-March 4, 2022 – Orlando, FL | July 25-29, 2022 – Denver, CO       |
| April 11-15, 2022 – New Orleans, LA     | August 15-19, 2022 – San Diego, CA  |
| April 25-29, 2022 – Nashville, TN       | September 12-16, 2022 – Boston, MA  |
| May 9-13, 2022 – Orlando, FL            | October 10-14, 2022 – Seattle, WA   |
| June 13-17, 2022 – Salt Lake City, Utah | November 14-18, 2022 – Atlanta, GA  |
|   | December 5-9, 2022 – Charlotte, NC  |

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**Questions?**  
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