VALUES BASED Leadership

A Case Study for Digital Dish 2012





Values Based Leadership A Case Study for Digital Dish Bernie Torrence

The purpose of this case study is to correlate the data of employee attrition of satellite technicians in the state of Ohio. This study will show how the development and implementation of Values-Based leadership not only reduced annual Technician turnover from 80% to 28%, but also reduced training and acquisition costs by \$1.3 million annually.

Interviews were done with technicians, supervisors, employee hiring, Human Resources, Executive Vice President, and the CEO.

One of the dynamics of this study has been the reversal of a union organizing attempt, and the solidification of regional warehouse and installation facilities by implementing a common language of values. This was accomplished by a **constant focus in building and sustaining relationships.** This was paired with specific values-based training for the new hire as well as the seasoned technical employee.

This study will also show the dynamics of business leadership change, and the "value of nurture versus nature", for explosive growth and cost containment.

Additional cost savings were received in areas of company morale, safety, and respect of company property at many different levels. While these cost savings were not as easy to translate into black-and-white, it easily added up to tens of thousands of dollars.

Values Based Leadership (VBL)

The term **Values-Based Leadership** (**VBL**) is new and has been coined specifically from this system of leadership and management at both the micro and macro level. Over the years specific management and leadership styles have been implemented by Fortune 500 companies. These styles include MMO (managing my objectives), Kaizen, Lean Sigma, and TQM (total quality management). This study will do its best to identify and describe the areas of specific benchmarks and training systems implemented.

DIGITAL DISH

This company is in its 14th year of existence. It began as a family enterprise and has always provided installation services for the satellite industry. The company began when the technological breakthrough of small satellite dishes was provided in rural communities. Over the 14 year existence they have provided not only satellite, but cable installation in major cities and have focused primarily within the Midwest. The home office is located in the state of Ohio where the call center is located in a county of 80,000 inhabitants. They have become an employer of choice in the area, and in the last year have gained tremendous local acceptance as a quality employer in desperate times.

The Technician

This study is focusing on the profile of a satellite or cable technician. These people are under tremendous pressure because it is a 7 day a week, 365 day a year business. What used to be a simple installation of cables and connectors, has turned into a highly technical install which requires people skills, sales skills, construction skills, and digital skills. Most of the technicians function in company furnished vehicles and must be able to pass background, drug, and driving tests. The "Nature" of this industry at the time Digital Dish began was a highly transient labor force that was independent and random. During the explosive growth of the highly competitive days, a movie 'Cable Guy" and a comedian "Larry the Cable Guy" typified this high pressure, highly competitive installation world…just "Git r Done"

The Dilemma

The cost of hiring and equipping a technician exceeds \$5000. In the last year with unemployment

benefits being extended, the average wage of \$39,500 is marginal when considered against a 24 month unemployment benefit package. This has become a real issue because the technician can be placed in circumstances where they face falls, lifting, crawling, and on-the-job challenges which could transpose into claims. (Example A)

Hiring

When interviewing the human resource hiring department, it was found that of 100 responses only 50% would qualify as a potential candidate. The hiring department at the Digital Dish is a 40 hour per week job and receives phone calls day by day from advertising media, Craigslist, monster.com, and career builder.com.

When a call is taken it becomes obvious that the attracted labor pool presents a challenge from the beginning. Pre-screening is completed, appointments set, and interviews are given face to face. The elimination process begins at stage 1.

This is for one of three reasons:

- a. Candidate did not have a clear driving record
- b. Candidate could not pass a drug test or background test
- c. Candidate could not handle the 50 pound limit for equipment

In addition it should be noted that the training wage of \$8 dollars an hour would not be enough to motivate a person to leave unemployment, and in many cases the people responding to the ads were only looking to get the name of a qualified employer so they could fill the unemployment requirements. In listening to these calls it was obvious that the labor base attracted was not generating a top-level candidate.

When interviews were scheduled only 27 out of 57 actually showed for the interview. This means only 42% of the Candidates showed up for the interview. This seems normal for the industry.

Attrition

The cost of training a satellite technician from the pre-call advertising stage through the 4 month training has proven to be \$5000. That is why *keeping an employee is more important than hiring an employee*. This figure seems to be average throughout the industry. The census for Digital Dish is 500 technicians and in the year 2010 80 % of the technicians did not last one year. This is called "churn" and is typical for this type of industry. By reducing "churn" you can increase bottom line profits, morale, and company image.

At a cost of \$5000 per technician, Digital Dish was training 400 new employees per year for a total cost of \$2,000,000. This was a direct cost and did not take into consideration any unemployment or human resource benefits that had to be offered.

In 2011, by implementing values-based leadership, attrition was reduced from 80% to 28% resulting in a savings of \$1.3 million. In meeting with the vice president responsible for the hiring, training, and development of technicians, the term "tech exits" was used to describe this phenomena. Because the search for a technician many times is limited to the local area serviced, a plan was initiated that would allow some technicians to work from their home (out techs). Others had to pick up their vehicles at the regional center (in techs). By differentiating these two types of technician incentive plans and the increase in the hourly wage seem to bring a positive effect on retention. A 4 day week was also implemented for some technicians, but mandatory RoundTable meetings were still part of the weekly accountability system that brought massive change. (Example A)

I see a transition taking place in human resource management. Our Human Resource team is facing more compliance issues, litigation, and disruption than ever before.

-Dawn Yoder, CEO

The CEO

In 2010 the CEO was changed and had been affected by a statement from Richard Zimmerman who was then Chairman and CEO of Hershey's chocolate company. The quote was as follows:

"As time goes by, talking about values will be regarded as absolutely essential; just as essential as marketing or logistics or strategic planning or thinking or decision-making."

Values became a major focus. Identifying their core values, recognizing their core values and reinforcing their core values.

"These were not corporate values...these were life values...values that already should have been in place. I saw my job as the voice of values that should really have been given in the home or in the school." – Dawn Yoder, CEO

Having grown up in the satellite industry and working in all aspects of the organization, the CEO began a management change and leadership focus. She was familiar with the Global Priority System of values implementation from the past. Courses from John Maxwell such as the 21 Irrefutable Laws of Leadership, Winning With People, and Developing the Leader Within You, were some of the staples that have developed a very unique style of leadership.

An "inner circle" was formed with training in basic management and leadership techniques being implemented from the home office. This then grew to the 9 regional centers that housed equipment, trucks, and provided the staging of technicians. In addition, a simple and practical weekly RoundTable was set up and mandatory for all of the managers. Within six weeks change was seen, and within six months a corporate culture was developing.

Three distinct dynamics were integrated.

- 1. RoundTables: This weekly meeting involving 6 to 8 people, was facilitated by an employee and designed to keep two-way discussion focused on a specific value. These values are things such as dependability, honesty, work ethic, and confrontation. (Example B) The material used was from Global Priority (www.globalpriority.org) All Roundtable Instruction is available on line. (Example C)
- **2. Reinforcement:** each of these values which were the focus of the RoundTable discussion were reinforced in the form of print by posters, creative printing in the bathrooms, and constantly reinforced via web and signature lines. (Examples D and E)
- **3. Recognition:** a full-scale recognition program was implemented and moved from the management levels all the way through the organization. A new language began to emerge as specific recognition was given on hiring anniversaries, employee counseling, and company reprimands. The CEO credits a book published by Character First. Every organization, whether service, installation, or manufacturing, is dealing with a similar set of problems.

Turnover, theft, dishonesty, substance abuse, falsification...

The management team began to look for attributes of character everywhere and then to recognize it. This recognition program grew into 2 distinct systems and are explained on (Example F).



Total Commitment

With total commitment from the CEO and management level, a mandatory one hour per week meeting was set up and became part of what now is called the **Global Priority System**. Within six months both the language and the company culture were redirected, and specific soft changes were felt in areas such as attitude, outbursts, and language.

A training director was set up to oversee RoundTables at nine facilities... from the CEO throughout the casual employee a language of trust began to emerge.

At the technician level it was obvious that implementation of RoundTables gave a new opportunity for employees to be healed and heard. Creativity began to increase and the recognition program was implemented. A "wall of fame" was erected at each warehouse facility. This simple recognition created a spark of enthusiasm which translated into additional commitment.

In the following year of 2011, this translated into technicians who were happier, healthier, and more open to change, which is a standard fare for the satellite industry.

What became obvious when interviewing the technicians and office personnel is that the patient implementation of **Values-Based Leadership** from the CEO throughout the organization will generate measurable savings and increased morale.

The reduction of hiring costs from \$2 million to \$700,000 has allowed this company to redirect resources to purchase additional vehicles in the fleet as well as constructing new buildings and hiring additional personnel.

The CEO closed the case study with these comments:

"If we have not developed the potential of our employees, then we have not been a steward of our greatest asset. The people under this roof, regardless of their job descriptions, are my key responsibility.

I have 3 strengths: understanding people, understanding patterns, and developing new content. I have been able to integrate these strengths into a management and leadership style that has developed a language, an outcome, and an environment that has extended the culture of our corporate office into all of our regional centers.

Transformation begins with me and allows me to communicate our company purpose and mission statement on a daily basis. Each Regional Center can now see the values constantly represented.

On Friday, as I sign our employee recognition certificates, I receive a real sense of accomplishment, not for me, but for my people as they have learned to identify and recognize some of the very simple things of life.

I have found that people are the same at home as they are at work. Don't kid yourself... It is the same. If a person is generous at home they will be generous at work. If a person is angry at home they will be angry at work... Pressure always reveals character. By teaching these simple things and reinforcing their importance we are enjoying a change in environment.

This is not rocket science; these are simple things that should have been talked about years ago. A value system that already should have been in place. Attitude, productivity, savings, how to confront, how to receive criticism ...

These simple things can be quantified and extrapolated.

I believe every small, medium, and large organization can use this system to move from a cold environment to a warm environment.

I believe that there is a difference between human resources and human assets. -Dawn Yoder, CEO

My employees are not resources to be consumed but assets to be protected and encouraged.

I see a transition taking place in human resource management. Our Human Resource team is facing more compliance issues, litigation, and disruption than ever before.

I believe that if my heart is for my people... Their heart will be for me.
-Dawn Yoder, CEO

VBL can be implemented and trained at the new hire level. We get what we inspect... this leadership style is easily duplicated and allows me to create a culture and language daily so that people have clear parameters on what is negotiable and what is not... **Do These Things...**"

I believe that people need a win.
-Dawn Yoder, CEO

I believe everyone has potential that is untapped. -Dawn Yoder, CEO

Employee Insights

"When I started at Digital Dish, I was amazed at how nurturing the environment was from the way that they led, to the way they interacted with their teams, and the way they interacted with each other. The principles of Global Priority are not only being reviewed but also practiced. The management team goes to RoundTable with us. They sit down as peers and discuss the principles and show us where they feel they are lacking. The management team, in my view, is more like a mentoring team. They don't manage the employees in the conventional sense of the word, but nurture each and every one of us to be the best PERSON that we can be.

While the principles do help us professionally, they also help at home in our personal relationships. Whether it is raising my children or dealing with a difficult family member, I look to these principles and draw strength and inspiration from them to help me see the way out of difficult situations. These principles are the frame work and foundation to what I believe makes a person. These are the principles I want my children to have and pass on. They have made me a better person, mother, wife, and employee through practicing them."

- Ali Scheideger

"Attitude is everything. My two favorite principles are pressure and emotion. I have learned that being proactive under pressure and being aware of my emotions has made me a more productive person at work and a better person at home. I have seen great changes and improvements in myself by applying the principles to my life. I feel any person who practices these principles and has a good attitude can only succeed in life, work, and family.

- Ashley Turner

"There are a few principles that stick in my mind from my RoundTable experience. Goals, Saving, Conflict, and Direction are thus far unforgettable in many of their own ways. I am a very goal oriented person to begin with, but expressing my goals to a room full of co-workers who I really don't know gave me the sense of support that I was obviously lacking and in return, I have achieved some of the goals I had been procrastinating about. My main goal was to get my own apartment which I am now very proud to have. With that ties in the principle of Saving. Our RoundTable facilitator, Scott, being a younger person like myself, inspired me to start looking at where my money was going and to evaluate my spending habits in a way to better understand what I was doing right or wrong. After a while, I realized I could do without a lot of the things I wasted a dollar on, and here I am happier than ever and I have something to show for it. Also, in life there is conflict which can just as easily be avoided or created. An old Cherokee proverb says "There are 2 wolves inside us - one good and one evil. The one that wins is the one you feed." RoundTables help us feed the good one. The final principle I admired is Direction. I believe we all have an internal GPS by which we can go anywhere and do anything if we just have faith in ourselves and others. Many co-workers I have heard speak out in RoundTable have done well with the Direction principle - whether it be furthering their education or bettering a relationship with family and friends. I wanted to share these principles because they have taught me a lot and through it all I am a better person and there is more to come. Thank You."

- Cindy Miller

"I grew up in a family who didn't think my thoughts and opinions mattered all that much so when I first started here I was very shy and had no confidence. One of the managers had suggested that I participate in the RoundTable sessions. Being in RoundTable has taught me how to find my voice and how to have more confidence, not only here at work but in life in general. Now I realize that people actually do care what I have to say."

-Erica Barcroft

"I have always thought of myself to have good morals, ethics and an all-around good person, but with RoundTables I found room to improve. RoundTables have helped me understand myself better which, in turn, helped me professionally. I found that by understanding each person's needs I can build better communication with them even when I don't agree on the situation. I always tried to avoid confrontation with one manager, but now strive for it because we have learned how to listen to each other and our relationship has now grown into one that values the other's opinion."

- Laura Rabatsky

Personal Transformation Stories

The Principle of Savings learning to delay gratification when buying a soda

The Principle of Confrontation learning to confront a situation at home

The Principle of Honesty returning a billfold to its rightful owner

The Principle of Ownership taking care of the new company vehicle

Recognizing Results

A survey was done by OFFICETEAM who specializes in administrative staffing. They published this survey on how recognition will affect the bottom line and the "power of praise". One of the overview comments stated that:

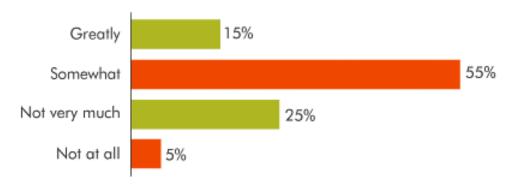
"In the current economic climate, you may feel that even bagel Mondays are an expense you can't afford, much less a costly employee recognition program. But new research from Office Team and the International Association of Administrative Professionals shows that a lack of employee recognition carries its own cost both in terms of morale and your company's bottom line".

The following 3 Survey questions shed light on the importance of Praise.

- 1. What effect, if any, does receiving recognition have on your work performance?
- 2. How likely is it that you would leave your current position if you did not feel appreciated by your manager?
- 3. How do you feel about the amount of recognition you receive throughout the year?

(See graphs)

Administrative professionals were asked, "If you were looking for a new job, to what extent would potential employers' recognition programs factor into your decision to accept an employment offer with the company?"



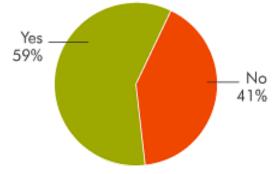
Source: OfficeTeam and IAAP survey of 549 administrative professionals

Managers were asked, "In your opinion, how does the amount of recognition you receive affect how often you recognize others?"



Source: OfficeTeam and IAAP survey of 300 managers

Managers were asked, "Do you think praise loses its impact if offered too often?"



Source: OfficeTeam and IAAP survey of 300 managers

The fact that two thirds of support staff said recognition greatly, or to some degree, improves their onthe-job performance gives managers a solid, bottom-line reason to continue to invest in these initiatives. Our research indicates that a little recognition can go a long way. The key is to make sure you remain aware of the little things that people value most.

The entire survey is available at: www.officeteam.com/recognize results

Example A. Statistics for Churn

The numbers are pretty consistent with last year's 1st quarter. We are terminating at a slightly higher rate than last year. I can see that warehouses with issues have found ways to rectify their situations, and the warehouses that are showing decreased retention, aren't really showing bad numbers.

I'm happy with these numbers. Retaining 72% of our technicians is far better than the 20% that we retained when I first started to monitor Retention and Termination.

Thanks All

Brian

The Following 2 tables show how retention/turnover statistics changed from 20% in 2010 to 73.4% in 2011 and 72.1% in 2012.

1st QUARTER 2012 RETENTION/TURNOVER

(1-1-2012 TO 3-31-2012) *Company Average Retention 72.1%

WAREHOUSE	# EMPLOYED	# TERMINATED	RETENTION RATE	TURNOVER RATE
CINCINNATI	36	9	80%	20%
TOLEDO	29	8	78%	22%
MARIETTA	17	5	77%	23%
DAYTON	47	15	76%	24%
CLEVELAND	28	10	74%	26%
CANTON	26	10	72%	28%
BUCYRUS	25	11	69%	31%
JACKSON	29	13	69%	31%
YOUNGSTOWN	29	14	67%	33%
COLUMBUS	22	15	59%	41%

1ST QUARTER 2011 RETENTION/TURNOVER

(1-1-2011 TO 3-31-2011) *Company Average Retention 73.4%

WAREHOUSE	# EMPLOYED	# TERMINATED	RETENTION RATE	TURNOVER RATE
DAYTON	48	7	87%	13%
COLUMBUS	29	5	85%	15%
CINCINNATI	31	7	81.50%	18.50%
MARIETTA	11	4	73%	27%
YOUNGSTOWN	35	13	73%	27%
TOLEDO	29	11	72.50%	27.50%
BUCYRUS	21	8	72%	28%
CANTON	30	13	70%	30%
CLEVELAND	20	14	59%	41%
JACKSON	20	14	59%	41%

Better Retention

Worse Retention

Cleveland	+ 15%
Jackson	+ 10%
Toledo	+ 5.5%
Marietta	+4%
Canton	+2%

 Cincinnati
 - 1.5%

 Bucyrus
 - 3%

 Youngstown
 - 5%

 Dayton
 - 11%

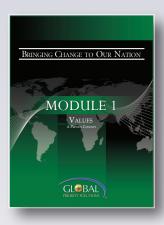
 Columbus
 - 26%

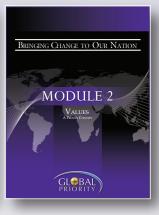
Example B:

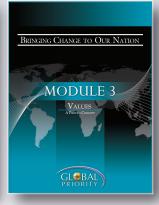
ALL 40 PRINCIPLES

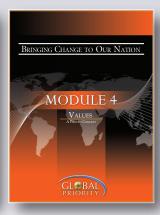
Global Priority is working with a series of principles that have proven themselves in all levels of development and leadership. The unique RoundTable Methodology is a peer to peer interactive format. This is the "how-to" piece that you have been looking for.

The material used in Global Priority is always presented with a dual focus. Foundational material for personal development and directional material to help guide others. All material is designed to be used in a RoundTable setting.









- 1. Attitude
- 2. Hard Work
- 3. Honesty
- 4. Listening
- 5. Goals
- 6. Saving
- 7. Responsibility
- 8. Patience
- 9. Generosity
- 10. Conflict

- 1. Understanding People
- 2. Facts
- 3. Dependability
- 4. Boundaries
- 5. Forgiveness
- 6. Debt
- 7. Common Sense
- 8. Ambition
- 9. Confrontation
- 10. Restraint

- 1. Inspiration
- 2. Motives
- 3. Developing People
- 4. Pressure
- 5. Direction
- 6. Ownership
- 7. Co-Signing
- 8. Criticism
- 9. Emotions
- 10. Proper Thinking

- 1. Humility
- 2. Influence
- 3. Productivity
- 4. Temper
- 5. Ethics
- 6. Judgment
- 7. Correction
- 8. Planning
- 9. Sowing
- 10. Prosperity

Example C: How to Start a RoundTable

The methodology for the RoundTable is amazing in its simplicity. Every one of us has learned over the years that two way communications is very important. However, today in seminars and even web-based training most of the communication is one way... *I talk... you listen*.

This is what makes a RoundTable so exciting. Every RoundTable is unique in itself because each person is unique. It is important that all participants have a chance to share their point of view as well as their ideas. As you experience the simplicity of a RoundTable, you will notice that it begins with **underlining** the statements that apply to you as each person has an opportunity to read. At the end of this oral portion of the RoundTable, a vibrant discussion should begin as each person begins to share what and why they underlined in a certain segment of the principle. That discussion is *the sound of transformation!*

As you grow as a facilitator you will learn to focus the *benefits and action steps* of a principle specifically for each of your participants. Your job is to listen more than you talk. This is the unique factor of a great facilitator and what makes this material so powerful... peer-to-peer transformation.



The material for starting RoundTable is easily available online and through specific trainings which are done by the Global Priority team. Most of the materials are available online @globalpriority.org.

Example D:



THE POWER OF A PRINCIPLE!

All the principles that are utilized in our training were based upon values which should be common sense. The material was presented in four 10 week modules. This provided a common language which began in the corporate office and then influenced the nine regional centers. It was obvious that the corporate office became the epicenter and it was important to extend this system into the furthest reaches of our organization. Buy-in at the regional office level was imperative. We utilized WebEx and conference calls as well as home-office trainings to establish consistency.



Example E:

All of the weekly principles are reinforced by visual posters and banners. The philosophy was "everywhere you look" you will be reminded about the principle of the week. In most cases a framed poster was hung in the common area and as the weeks went on all 40 posters were visually presented and solidified both the language and the core values. Each week a reinforcement poster was placed in all of the restrooms in which birthdays, company announcements, and the principle of the week were constantly in view. It should be noted that most of this material was printed on the office copier and NOT the print shop. This kept costs to a minimum.



Example F

An employee peer to peer recognition program was suggested by one of the call center employees. The name High Five was established and each week employees were encouraged to recognize specific character traits that were exemplified in the workplace. The first week there were 80 letters of appreciation and High Fives that were sent. Now it is not uncommon to have 150 per week. The website was expanded so that this anonymous recognition could come in from all of the regional centers as well. This was a spectacular idea and brought high leverage change as the various departments took part in the weekly recognition.



Annual recognition was also established when every employee received a special character award. Immediate supervisors were challenged to find great character strength for each employee and then have a very informal ceremony where that strength was recognized in front of the peers. This also transcended into an excellent way to have informal meetings when a person needed help or needed to be challenged in areas of character. Rather than formal reprimands, a very simple language of character was utilized to explain specifically where an employee may need growth. This also helped in the development of first-line managers.



