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Telemarketer Bucks High Turnover Trend

Communication, Promotions and Financial Perks Help Employees Stay Loyal
By SIMONA COVEL

Mark Wilson says he wants everyone who works for him to feel "like it's the best job they've ever had."

That's an ambitious goal for any employer. But his company, Ryla Teleservices Inc., faces the added challenge of being in an industry known for high employee turnover. Almost all of the telemarketing-services firm's 350 full-time employees earn an hourly wage. And the work, the president and chief executive admits, is often "repetitive and monotonous."

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Even so, turnover at the Atlanta-area company was 27% last year and is consistently under 30%, compared with an average of 43% for similar call centers in the U.S. in 2006, according to the American Teleservices Association, a trade group based in Indianapolis. Mr. Wilson, 47, credits an emphasis on training, as well as efforts to foster a caring environment -- a sharp contrast to other call centers where employees are often treated as commodities, he says.

Making a Connection

Retention can be a big challenge for many small companies, which lack the room that larger employers have for restless employees to move around, says Jim Kochanski, senior vice president at human-resources consulting firm Sibson Consulting in Raleigh, N.C., a division of Segal Group Inc.

But some small companies like Ryla can take advantage of their size by building up communication between employees and an accessible management team, and establishing an environment where people can advance.

Creating loyalty is often about "making sure everyone's connected with the mission of the business," Mr. Kochanski says.

Open-Door Policy

Mr. Wilson, who had run a call center for a big company, started Ryla five years ago, determined to provide quality jobs and culture where workers would want to stay. His approach is marked by openness, which includes keeping workers in the loop on the company's business wins and hiring plans. He maintains an open-door policy so employees can stop by his office and make suggestions on how to run the company better.



David Stuart
Mark Wilson

"The industry has a bad stereotype of sweatshops and high turnover," he says. "We're proving you can overcome that if you take a creative approach."

[Forum: Talk with Ryla's Mark Wilson and WSJ.com readers about retaining and motivating talent at small companies](#)

But soon after founding the company, Mr. Wilson learned that Ryla's style was an adjustment for many employees accustomed to regimented workplaces. For instance, after a new-employee training session, the trainer overheard a trainee complain about having to work the day after Thanksgiving and told Mr. Wilson. Frustrated that employees didn't raise the issue directly, Mr. Wilson headed to the training room.

"I went back in and said, 'Does anybody have a problem with the holiday schedule?' " he recalls. After a moment of silence, a woman said that she had never been required to work the day after Thanksgiving. On the spot, Mr. Wilson declared it a holiday.

"I had to prove to them that an open-door policy can make an impact," he says. But Mr. Wilson admits that with so many more employees and clients, that quick decision would be a harder one to make now.

Rising Up the Ranks

In an industry often characterized by dead-end jobs, Mr. Wilson also prides himself on promoting from within. Eighty percent of managers once worked the front-line phone banks, he says. The firm offers regular professional and personal-development seminars on subjects such as financial planning and dressing for success.

Mr. Wilson estimates that he spends as much as \$250,000 each year on retention, including a full-time associate for employee development, who collects employee feedback and manages employee seminars and training programs. That spending, though, is less than it would cost to train a slew of new employees each year, he says. The company also sponsors charity events, another way employees are engaged to work together toward a goal.

The Situation: Ryla Teleservices tries to keep workers loyal in an industry known for high employee turnover.

How They Do It: An open-door policy allows employees to express ideas and concerns. Financial perks, seminars and events keep people motivated. The firm also focuses on helping workers rise through the ranks.

The Expense: Ryla spends as much as \$250,000 yearly on retention -- less than what it would cost to keep hiring and training new employees each year.

The average Ryla employee earns \$10 an hour and has health benefits, though these were trimmed three years ago as costs rose. The company now covers 70% of employee health-insurance premiums, compared with 100% when the company was founded, Mr. Wilson says. "It was tough for us to swallow," he says. But the cost of full coverage "was too burdensome to continue." Mr. Wilson adds that employees understood that costs were rising, and no one left as a result.

When it comes to pay, Ryla offers an unusual perk for a workplace where most workers are paid hourly: People who stay on for three years and meet attendance and performance goals may be given stock options. The company's vice president of finance sits down with eligible employees and talks them through the process. Mr. Wilson estimates that 25 hourly workers and 25 managers own equity.

'Happy, Corny Stuff'

Other cultural initiatives are less tangible. Some are simple, like encouraging supervisors to say hello to every member of their team every day. About once a quarter, Ryla will celebrate Spirit Day, where employees might, for instance, be treated to a picnic. These celebrations often feature "cheer offs," a competition where groups of employees write and perform chants to keep spirits high.

The company marked its five-year anniversary on a recent Spirit Day. Employees divided into teams corresponding to the clients they represent. Each team wrote and performed a cheer for the anniversary. Winners were awarded \$500 to give to a charity of their choice. Past prizes have been free lunches or extra vacation days.

Denise Burdick, who cold-calls businesspeople for a Ryla client, says that given the industry's reputation for wearisome and thankless work, she "never would have thought I'd end up in telemarketing." Nevertheless, she has been at Ryla for five years. What keeps her around, Ms. Burdick says, are extras like stock options, the community-service activities and the chance to work on a variety of projects. Some rewards are unexpected, like a recent \$50 monthly performance bonus.

Still, some employees aren't a fit for an environment chock-full of "happy, corny stuff," Mr. Wilson says. Employees who "just want to go to work every day" aren't going to last.

Write to Simona Covel at simona.covel@wsj.com