



CAREER CLUSTER

Finance

CAREER PATHWAY

Corporate Finance

INSTRUCTIONAL AREA

Operations

BUSINESS FINANCE SERIES EVENT

PARTICIPANT INSTRUCTIONS

PROCEDURES

1. The event will be presented to you through your reading of these instructions, including the Performance Indicators and Event Situation. You will have up to 10 minutes to review this information to determine how you will handle the role-play situation and demonstrate the performance indicators of this event. During the preparation period, you may make notes to use during the role-play situation.
2. You will have up to 10 minutes to role-play your situation with a judge (you may have more than one judge).
3. You will be evaluated on how well you meet the performance indicators of this event.
4. Turn in all your notes and event materials when you have completed the role-play.

PERFORMANCE INDICATORS

1. Develop project plan
2. Evaluate project results
3. Describe crucial elements of a quality culture
4. Explain the nature of overhead/operating costs
5. Explain employee's role in expense control

EVENT SITUATION

You are a **Human Resource Manager** for a computer software company called **Nezdeum** that employs 240 full time employees. You have been asked by Mr./Miss Pat Johnson who is the CEO (judge) to develop a cost effective plan to retain employees and create a quality culture keeping while current business trends in mind.

According to a recent poll, 86% of employees are on a hunt for a job outside their current role. Employees are mobile hunting and getting hired for jobs. The average person will switch careers 8-12 times during their lifetime. By 2020, one in every two Americans will be freelancing. Workers see more benefits with a less traditional approach to employment. According to a national study, every time a business replaces a salaried employee it costs an average of 6-9 months of that employee's average salary. For example, if a computer programmer is making \$40,000+ a year, it would cost the company on average \$20,000-30,000 in recruiting and training expenses. For an entry-level job making \$10/hr, the cost to replace an employee is approximately \$3,328. For a CEO making \$100,000 per year, the cost can take 213% of their annual salary or \$213,000 to replace and retrain. Some of the factors that go into calculating these dollar figures:

- cost of hiring, advertising, and screening employees
- training and management/employee time
- lost productivity (it can take 1-2 years to reach productivity of existing employee)
- lost engagement by other employees seeing a high turnover rate

Nezdeum has 240 employees with a current average company turnover rate of 20%.

Number of employees and wages	Expenses to replace and retrain
40 employees=\$10 hour	\$3,328.00 (expense to replace each one)
100 employees=\$30,000	\$8,000.00
100 employees=\$40,000+	\$20,000.00

The computer programmers employed by Nezdeum make \$40,000 plus per year and have the highest turnover rate in the company with approximately 40% leaving each year. Most of them decide to freelance and become consultants and work from their homes.

The company CEO, Pat Johnson (judge), has asked you to develop a plan to reduce the turnover percentage in the computer programming department. You will present your findings to the judge by answering the following question and presenting your plan.

- If 40% of your employees who make \$40,000 a year leave, how much could you potentially be losing in employee costs each year?
- Develop a strategic plan to reduce the percentage in half. What would losing 20% cost you?
- Develop a list of ideas to retain employees and cut down employee expenses.
- Explain how your idea will save the company money and increase the morale and culture of your organization. In addition, please describe how you will evaluate your plan.
- Incorporate current business trends into your plan.
- Come up with some ideas on how you could cut down and training and hiring expenses.

JUDGE'S INSTRUCTIONS

DIRECTIONS, PROCEDURES AND JUDGE'S ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

1. Procedures
2. Performance Indicators
3. Event Situation
4. Judge Role-play Characterization
Participants may conduct a slightly different type of meeting and/or discussion with you each time; however, it is important that the information you provide and the questions you ask be uniform for every participant.
5. Judge's Evaluation Instructions
6. Judge's Evaluation Form
Please use a critical and consistent eye in rating each participant.

JUDGE ROLE-PLAY CHARACTERIZATION

You are Mr./Miss Pat Johnson, the CEO of a computer software company called Nezdeum, that employs 240 full time employees. You have asked your Human Resource Manager (student) to develop a cost effective plan to retain employees and create a quality culture while keeping current business trends in mind.

According to a recent poll, 86% of employees are on a hunt for a job outside their current role. Employees are mobile hunting and getting hired for jobs. The average person will switch careers 8-12 times during their lifetime. By 2020, one in every two Americans will be freelancing. Workers see more benefits with a less traditional approach to employment. According to a recent poll, 86% of employees are on a hunt for a job outside their current role. Employees are mobile hunting and getting hired for jobs. The average person will switch careers 8-12 times during their lifetime. By 2020, one in every two Americans will be freelancing. Workers see more benefits with a less traditional approach to employment. According to a national study, every time a business replaces a salaried employee it costs an average of 6-9 months of that employee's average salary. For example, if a computer programmer is making \$40,000+ a year, it would cost the company on average \$20,000-30,000 in recruiting and training expenses. For an entry-level job making \$10/hr, the cost to replace an employee is approximately \$3,328. For a CEO making \$100,000 per year, the cost can take 213% of their annual salary or \$213,000 to replace and retrain.

Some of the factors that go into these dollar figures are:

- cost of hiring, advertising, and screening employees
- training and management/employee time
- lost productivity (it can take 1-2 years to reach productivity of existing employee)
- lost engagement by other employees seeing a high turnover rate

Nezdeum has 240 employees with a current average company turnover rate of 20%.

Number of employees and wages	Expenses to replace and retrain
40 employees=\$10 hour	\$3,328.00 (expense to replace each one)
100 employees=\$30,000	\$8,000.00
100 employees=\$40,000+	\$20,000.00

The computer programmers employed by Nezdeum make \$40,000 plus and have the highest turnover rate in the company with approximately 40% leaving each year. This is the highest turnover rate in the company. Most of them decide to freelance and become consultants and work from their homes.

You have asked your Human Resource Manager (student) to develop a plan to reduce the turnover percentage in the computer programming department. Your Human Resource Manager (student) will initiate the conversation by answering the following questions:

- If 40% of your employees who make \$40,000 a year leave how much could you potentially be losing in employee costs each year?
 - *40% of 240 is 48 employees at 20,000 each so 960,000 per year*
- Develop a strategic plan to reduce the percentage in half. What would losing 20% cost you?
 - *\$480,000 would be 20%*
- Develop a list of ideas to retain employees and cut down employee expenses.
- Explain how your idea will save the company money and increase the morale and culture of your organization. Evaluate your plan.
- Incorporate current business trends into your plan.
- Come up with some ideas on how you could cut down and training and hiring expenses.

During the course of the role-play you are to ask the following questions of each participant:

1. Why will your ideas retain employees?
 - a. *Possible Solution: Students should come up with creative ideas such as allowing employees to work from their homes, flex time, subcontracting employees; self paced training with comp time attached, etc.*

2. How could you cut down on training and hiring expenses?
 - a. *Possible Solution: They could use more on-line screening procedures or possible web camera interviews to save time and money. Training could be tiered based on experiences or customized to fit employee's needs and only truly train them on what they don't already know.*

3. How will you evaluate the effectiveness of this plan?
 - a. *Possible Solution: The plan will be effective if the employee turnover rate goal is met.*

After the human resource director (student) has answered your (judge's) questions, you (judge) will conclude the meeting by thanking him/her for his/her work.

You are not to make any comments after the event is over except to thank the participant.

JUDGE'S EVALUATION INSTRUCTIONS

Evaluation Form Information

The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators being demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event.

Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event chairperson and the other judges to ensure complete and common understanding for judging consistency.

Level of Evaluation	Interpretation Level
Exceeds Expectations	Participant demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator.
Meets Expectations	Participant demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 th percentile of business personnel performing this performance indicator.
Below Expectations	Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 th percentile of business personnel performing this performance indicator.
Little/No Value	Participant demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps this person should seek other employment; would rank in the 0-49 th percentile of business personnel performing this performance indicator.



BUSINESS FINANCE SERIES, 2016

Participant: _____

**JUDGE'S EVALUATION FORM
DISTRICT EVENT**

I.D. Number: _____

INSTRUCTIONAL AREA: OPERATIONS

Did the participant:

Did the participant:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
PERFORMANCE INDICATORS						
1.	Develop project plan	0-1-2-3-4-5	6-7-8-9	10-11-12-13	14-15-16	
2.	Evaluate project results	0-1-2-3-4-5	6-7-8-9	10-11-12-13	14-15-16	
3.	Describe crucial elements of a quality culture	0-1-2-3-4-5	6-7-8-9	10-11-12-13	14-15-16	
4.	Explain the nature of overhead/operating costs	0-1-2-3-4-5	6-7-8-9	10-11-12-13	14-15-16	
5.	Explain employee's role in expense control	0-1-2-3-4-5	6-7-8-9	10-11-12-13	14-15-16	
6.	Reason effectively, use systems thinking, make judgments and decisions, and solve problems?	0-1-2-3	4-5-6	7-8	9-10	
7.	Overall impression and responses to the judge's questions	0-1-2-3	4-5-6	7-8	9-10	
TOTAL SCORE						