



Driving Employee and Customer Engagement Using Company Values

Center for Services Leadership Spring Board Meeting
Televerde-Perryville Demand Center, Goodyear, Arizona

White Paper, April 3, 2019

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Leadership

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“Employers who demonstrate commitment to corporate social responsibility are far more likely to attract and retain employees in today’s highly competitive job market. In short, as employees, we care deeply about this and would much rather be associated with companies that carry a strong reputation in this area.”

- Adrian Paull, CSL Board Member

What do you believe in? What is worth your time, your money, your support? Consumers and talent are asking these questions as they make decisions about services, products and career opportunities. Responding to this increased interest in the public good, companies are re-evaluating their thinking about corporate social

responsibility, moving it from the unnecessary-but-nice category to center stage.

The Event

The Spring 2019 Center for Services Leadership board meeting explored this topic in a setting where social issues could not be ignored. Meeting at the Televerde Demand Center at the Arizona State Prison Complex—Perryville, Arizona, board members observed an example of a business that lives its purpose to give felons a second chance, and discussed whether companies should consider this and other issues in their business planning.

Key Managerial Implications

- Customers and employees are looking to connect with companies that hold similar values but implementing a corporate responsibility strategy is complex.
- Brands suffer when companies are perceived as socially irresponsible.
- The U.S. is in the midst of a historic labor shortage, yet some 23 million Americans who have paid their debt for breaking the law face nearly insurmountable barriers to getting hired.
- Televerde provides training and experience that enables inmates to find good jobs after release, dramatically reducing that group’s recidivism rate versus the general population.
- Research and tools are available from business-backed initiatives formed to address the problems faced by people with past convictions. Look into the Ban the Box movement and the Getting Talent Back to Work initiative.

The Business Case for Corporate Responsibility

The five women addressing a group of executives at a call center near Phoenix, Arizona could have been the high-functioning sales and marketing team at any

successful company. But instead, wearing orange tee-shirts and matching pants, they were inmates at the Arizona State Prison Complex — Perryville. The women work for Televerde, a global business-to-business sales and marketing support company, which gives inmates training and experience that they can

parlay into in satisfying, high-paying careers when they are released.

The occasion was the spring board meeting of the Center for Services Leadership. Executives left their cell phones, laptops and tablets in their cars, and passed through security to meet behind the walls for a full day of discussion about corporate responsibility. Many companies, eager to align with the values of their customers and employees, are shouldering social and environmental concerns as part of the mission—something ASU benefactor Wm. Polk Carey called “doing good while doing well.” But, what is the business benefit when companies marry social responsibility with shareholder value? The Televerde operation provided a backdrop for the discussion.

Opportunity lost

Call it a consequence of full employment: according to SHRM (Society for Human Resource Management), employers this spring had approximately 7 million positions to fill, but only about 6.5 million people were looking for work. It had been more than 12 months since the U.S. Bureau of Labor Statistics first reported the imbalance, making this the longest worker shortage in the 20 years the bureau has tracked data.

But despite the need for applicants, some groups still struggle to land jobs. Hampered by their backstories — generational poverty, low educational attainment, poor physical and mental health, substance abuse, criminal conviction — many potential workers don’t try to find jobs or when they do, are overlooked by companies. If business could develop this pool of human potential, the labor gap might be closed or at least narrowed.

Included in this group are people who have been incarcerated, such as the women at Televerde. Ex-convicts face some of the highest obstacles to obtaining employment. Some 23 million Americans have a criminal conviction on their record, and every year, nearly three-quarters of a million complete their sentences and return to the community. Of those newly released, 75 percent can expect to remain unemployed after 12 months. The biggest factor is not

their qualifications or their ability to be trained. It is the stigma of a criminal conviction that in many companies disqualifies former prisoners from advancing in the hiring process.

The cost of shutting out former felons is high for individuals, business and society, says Michelle Cirocco, chief responsibility officer for Televerde. Approximately 40 percent of those finishing a prison sentence this year will find themselves back behind bars within five years, and unemployment is a leading cause. This is a tragedy for individuals, but their families suffer as well — from lack of income and the extended absence of a partner or parent. Children of the incarcerated are much more likely to wind up in jail themselves. And incarceration is expensive. It costs \$25,000 a year to hold an inmate behind bars in Arizona, Cirocco notes; for only \$2,000 more, that prisoner could attend Arizona State University. Meantime, businesses struggle to find workers.

Cirocco says hiring candidates with prior convictions not only solves staffing issues, it’s also a tangible demonstration of corporate responsibility, and that’s a powerful tool in marketing. “We know that, all things being equal, customers will buy from people they like,” she said, and consumers like companies that have purpose beyond profitability. In her presentations, she cites studies showing that 74 percent of those polled want work that has meaning, and 40 percent prioritize purpose above pay or title.

Yet many organizations pass on this opportunity to show their social awareness. It’s an attitude that is getting a deeper look.

The policy wall

Company policies are a formidable barrier to applicants with a criminal record. Behind those policies is fear: that current employees will be uncomfortable around a new colleague with a record, or that a former felon will commit a crime or otherwise disrupt the workplace. But Scott Ferrin, field services director at the Society for Human Resource Management (SHRM), says those attitudes are not as pervasive as you might think.

SHRM conducted research in partnership with Charles Koch Industries probing attitudes within businesses about people with criminal records. The surveys found that concerns about the way current employees might react may well be overblown.

More than half of managers and non-managers surveyed responded that they would be willing to work alongside individuals with criminal records, although human resource professionals were more cautious. The data also failed to support fears about the job performance of employees who had been jailed. SHRM asked managers and HR pros if the formerly incarcerated are equal to or better than those with no criminal record when hired. 82 percent of managers responded that ex-inmate hires were as good or better; 67 percent of the HR staffers agreed. The two groups also agreed on the cost of hire: employees who had spent time in prison cost the same or less to hire as their co-workers.

The SHRM study also highlighted companies who had hired applicants with records and experienced good outcomes. “Many employers have had very positive results from giving people with criminal records a second chance,” Ferrin said. John Hopkins Medicine has hired hundreds of people with records, and not one had played a role in any accident, he said, and Dave’s Killer Bread reported that its formerly incarcerated employees tended to be role models for performance, attendance and teamwork.

Watch for nuances

But Aric Zion says beware of bias when evaluating these surveys. Zion is CEO of Zion and Zion, an Arizona firm that that conducts research and provides public relations, social media and advertising services to its clients. He explained that social acceptability bias can be triggered when respondents are asked to state whether they are willing to take an action that is perceived as “good.” The desire to be viewed favorably may influence their responses.

For example, Zion says, 53 percent of people will say it matters that a company is a good employer, operates in a socially and environmentally beneficial way,

stands up for social justice and invests in communities locally and globally. Other research shows that more than 50 percent of people say they are likely or very likely to do business with companies who address social issues.

But, Zion points out, 49 percent say they choose firms that create products and services that are good for themselves and their families. In other words, self- or family-interest too plays a role in consumer decisions. If people tend to be self-interested after all, are companies on safe ground ignoring or soft-pedaling social responsibility? You might think so, but probably not, Zion indicates.

Twenty years ago, researcher Jennifer Aaker came up with the Brand Dimensions framework, a way of analyzing and understanding the elements of brand personality. Since then, her scale has become a trusted measure of understanding brands. Aaker identified and measured five positive characteristics that comprise brand: sincerity, excitement, competence, sophistication and ruggedness. Later, another researcher added set of negative brand characteristics to the framework: egotistical, boring, lacking logic, and socially irresponsible.

Zion explains that the top three positive attributes (sincerity, excitement and competence) and the last two negative attribute (social irresponsibility) are most significant in determining a brand’s personality. But one of the characteristics has more pull than the others: social irresponsibility. A brand may log a solid score on positive characteristics, but the impact is greater if it is perceived as socially irresponsible.

So, building social responsibility into brand is a promising strategy, but it’s tricky business that demands strong leadership across the organization. “Big initiatives go flat,” Zion adds, “when an idea gets ahead of the people who are supposed to implement it — when they don’t understand it or their reservations go unaddressed.” He pointed to the 48 percent of HR professionals who said they would be willing to work with someone who has a criminal

record. That means 52 percent are not, Zion observed, and that fact should not be ignored.

“The session at the prison was very impactful and thought provoking. Not only the notion of giving individuals a second chance, but also from the perspective of a very tight labor market and the demand for workers. I was very impressed with the dedication, commitment, and quality of the employees we met at Televerde. One of the big challenges for insurance and financial services companies is the state and federal regulations that won’t permit the hiring of convicted felons. At State Farm our mission is to help people. We believe education is critical for healthy, vibrant communities.”

- Dave Prus, CSL Board Member, State Farm

Corporate responsibility and the Televerde story

Televerde describes itself as “a company born in purpose.” It was founded in 1994 giving incarcerated women in Phoenix job training and experience to take with them after release. Tech was booming, solutions like ERP were coming to market and Y2K loomed. Its original founder looked at that landscape and reasoned that companies would be more likely to accept women with a prison background if they could sell. After a slow start, Televerde grew, and so far some 3,000 women have worked for the company in call centers at Perryville and at a prison in Indiana. Between the two prisons, Televerde employs around 400 female inmates at any given time.

Cirocco is one of those women. In 1996, she says, she was convicted of a felony and found herself at Perryville. “I had two children I wanted back, and I was committed to building a better life,” she says. She remained with Televerde upon release, working in client success before rising to chief marketing officer in 2017.

In January, Morag Lucey became CEO, and Girocco’s role changed to a focus on corporate responsibility.

Her role shifted from marketing Televerde’s services to spreading the word about the company’s business model. Televerde is respected globally for lead generation and sales acceleration but its business model is its differentiator: giving female inmates a second chance. Businesses respond when they understand what Televerde is trying to do, she said.

Inside Televerde

The women who work for the company apply for their jobs like any employee anywhere. They must have a high school diploma or a GED and a clear prison discipline record. The company recruits at job fairs that are run by the women who work in the call center.

New hires, who come from all backgrounds, start in an intense business boot camp where they learn the basics of marketing and sales. According to the Televerde website: “We believe in going beyond teaching our callers how to qualify and close. Instead, we teach them how to be consultative business partners for our clients.” Training is continuous, and women can advance through a career progression to executive positions. After release, Televerde’s non-profit Arouet Foundation helps women transition into society.

The women are paid federal minimum wage for the hours they work. While some of the money is sent to families, part goes to the state to cover some of the cost of the inmate’s incarceration - about \$1.5 million a year, Girocco says. Women also build up spending accounts, allowing them to pay for personal items like shampoo, underwear and other incidentals that families would otherwise have to fund. And the rest goes into a saving account – a trust – that helps the women get resettled after they leave the walls behind.

Learning to sell and consult

Cirocco explained that the company uses technology to identify potential customers for its clients, then the women make calls to talk about the target customer’s “pains and challenges,” and what solutions are available help. Next they set up follow up meetings.

With experience the women branch out to inside sales and lead development. Eventually, many Televerde reps close deals. With experience and performance, women can grow into other jobs. Televerde structured career paths for women who want to “climb the ladder,” as one inmate expressed it.

Cirocco stresses that Televerde is successful not because it’s charity, but because the company is good at what it does. The company has delivered \$8 billion in revenues for clients like SAP, Sage, Honeywell, Phillips and Marketo.

For the women, the Televerde effect is life-changing. Women who work there during their incarceration are far less likely to return to jail: 7 percent over 20 years have been re-convicted compared to the 40 percent average for the general prison population. Their success has ripple effects on their families, too, where four out of five are mothers and two-thirds of them have children under 16.

Televerde “offers you an open door to learn and to build trust, in yourself and from your family,” said Samantha Garcia, who runs Televerde’s new hire “boot camp.” Margaret Maloney, who at the time was days away from completing a second sentence at Perryville, described how working at Televerde made a difference for her. During her first conviction, she said she spent a lot of time “sitting around the yard playing cards,” and within a year of release she was back. This time around she has learned skills and developed leadership traits that she’ll be able to translate to a good job. “I have the courage to be something different now,” she said. “The last time I left I was afraid – I’m not afraid this time.”

Brooke Shafer is also serving a second sentence. “Televerde gave me hope and skills,” she said. “I could have sat on the yard and played cards all day,” she said, with a nod to Margaret. “But instead I come to Televerde, and when I’m here I forget I’m in prison – I feel like a member of society.”

The women talked about their impact on their families, too. Teresa Peterson has a 16-year-old son, now in prison himself. One day, watching the local

news on TV, he saw his mother being interviewed about her work at Televerde. “He saw that Mom was stronger,” she said, proud of the role model she has become. Shanell Breese described her younger self as shy. “You cannot be shy at Televerde,” she laughed, explaining how she approached Cirocco one day to talk about a promotion – a promotion she won.

Changing the outlook

Several national initiatives are shining a spotlight on the opportunity represented by the population of former prison inmates.

Cirocco, who was at the White House recently to celebrate the bi-partisan First Step Act, said Televerde has recently affiliated with the Global Impact Sourcing Coalition (GISC), a network of businesses that create jobs for those most in need (such as former felons) through their procurement and supply chains. The organization provides tools to help companies institute impact sourcing and assesses members against its Impact Sourcing Standards. Televerde signed onto the Global Impact Sourcing Challenge, through which member companies are striving to hire 100,000 impact workers by the end of 2020. So far, only 20 companies have signed on, she said.

Ferrin described Getting Talent Back to Work, a joint initiative of SHRM and the Charles Koch Institute. “The initiative calls on business executives to provide the dignity of gainful employment to those with criminal records who have paid their debt to society,” Ferrin said. SHRM offers an online toolkit with information and tips for employers.

Ban the Box is a movement aimed at getting laws passed to prohibit employers from screening applicants based on criminal history at the very early stages of the recruiting process. The Getting Talent Back to Work toolkit includes information on this issue.

<https://gisc.bsr.org/impact-sourcing/challenge>

<https://www.gettingtalentbacktowork.org/>

<https://bantheboxcampaign.org/>

Biographies



Michelle Cirocco, Chief Social Responsibility Officer, Televerde

Throughout her career at Televerde, Michelle Cirocco has developed a passion and commitment for the success of the business. Since joining the company in 1999, Michelle has gone from account management and sales positions to leading the company's global marketing department, building and managing the client success department, and overseeing sales operations. She was named Chief Social Responsibility Officer in 2019.

Michelle earned her MBA at the W. P. Carey School of Business at Arizona State University and serves on the board of the Center for Services Leadership. She recently organized and hosted TEDxPerryvilleCorrectional, which looked behind the curtain of incarceration and showed the potential that exists in second chances. It was the first TEDx at an Arizona prison facility. She also serves on the board of the Arouet Foundation and volunteers for the Phoenix Rescue Mission and Athena International.



Scott Ferrin, Field Services Director, Society for Human Resource Management

For 10 years Scott Ferrin has been serving 23,993 HR professionals who are members of SHRM in 48 affiliate chapters in Arizona, Colorado, Hawaii, Kansas, Nevada, New Mexico, Oklahoma, and Utah. He has 20 years of work experience in HR in the mining, financial services, insurance and education industries.

He earned a Bachelor of Science in Business Administration at Weber State University, and an MBA from the University of Phoenix.



Aric Zion, CEO, Zion & Zion

Aric's background includes a master's in computer engineering, Executive MBA training at Emory University and doctoral-level training in marketing at Arizona State University. He was senior marketing leader for EMEA product marketing at Nortel (ranked Fortune 154 at the time). He also brings several years' experience from global assignments in account marketing and product marketing based in The Netherlands, Tokyo, and London.

Aric's training and experience in senior and global management, marketing, market research, engineering, statistics, and design thinking converge to form a unique base that he tapped to build the team and culture at top-ranked marketing agency Zion & Zion. Aric currently serves as Zion & Zion's CEO. At present, Zion & Zion has numerous agency-of-record relationships with public and private companies including: Aristocrat Technologies, ARS/Rescue Rooter, BD, ISM Raceway, Sun Health, and Walmart.

Other Presenters

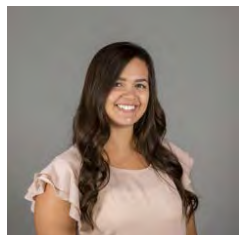


Thomas Hollman, Ph.D. Executive Director, Center for Services Leadership

Thomas Hollmann is a Clinical Associate Professor of Marketing and Executive Director of the Center for Services Leadership. His work experience spans four countries and over 10 years in Fortune 100 companies, including Black & Decker, Xerox, and as an executive at Sun Life Financial.

Hollman's research interests include services science, with a focus on B2B, service analytics, and relationship marketing, with a particular interest in relationship outcomes (profitability, customer equity, defection, retention, satisfaction, etc.). His research has appeared in the leading journals and he has received research grants and awards from the Center for Innovation Management Studies, Xerox, IBM, and the Center for Services Leadership. He has consulted with a range of Fortune 500 firms and he received awards for his teaching at Arizona State University and at

North Carolina State University. He earned a Ph.D. in Marketing from Arizona State University.



Marisa LeBret, Coordinator, Starbucks Initiatives at Arizona State University

Marisa LeBret supports the Starbucks Initiatives at Arizona State University. For more about the initiative, see Edge: Helping Youth Get That First Job.

Marisa holds a bachelor’s degree in health education and promotion, and a master’s degree in family and human development. She is passionate about supporting initiatives that create healthy habits in youth that ultimately transfer into adulthood. Marisa has six prior years of higher education experience working in student services, recruitment, and retention.

Outside of this role, Marisa holds a health education specialist certificate and participates in wellness initiatives at ASU and hosts wellness sessions for undergraduate students.



Natividad Mendoza, Co-Founder and Director, From Gangs to Jobs

A former gang member, Natividad Mendoza is the co-founder of From Gangs to Jobs, a 12-week prison reentry program that provides youth with tools to change their lives for the better.

Natividad changed his life in 2003, when he completed the Teen Challenge program, Bakersfield and Riverside, California, and an internship with God’s Gang in Santa Ana and San Juan Capistrano, California. He graduated from Bible College, offered by the Teen Challenge Ministry Institute, where he supported a start-up program called Won-by-One God Squad.

In 2006 he moved to Phoenix, Arizona, where volunteered at Neighborhood Ministries and helped implement a program called Strong Hold, teaching class and mentoring youngsters. He also taught

Responsible Fatherhood at Victory Outreach, all while maintaining a full-time job.

In 2007 Natividad was contacted by Cliff Porter and asked to help start a program called A Cord of Hope. The mission of the organization was to help young men out of tough life situations via construction work. In 2008 the two started From Gangs to Jobs. In 2009, Natividad completed the leadership training program of the Devos Urban Leadership Initiative and in 2012, became ordained in the Church of God.

He is married and has two children.



Shantini Munthre, President, Brandkind Marketing

Shantini Munthre describes herself as having an American heart, a South African soul and a universal spirit. Her firm, Brandkind Marketing, is a conscious branding consultancy. During her career she has helped some of the world’s leading brands for Proctor & Gamble, SABMiller (now under Anheuser-Busch InBev SA/NV), Sara Lee and Vanguard.

Her new book is LOVE+FEAR: Mastering the Primal Motives of Buyers. In it she introduces a powerful framework for brands to connect with buyers on what they care most about: themselves, their loved ones and this planet.



Center for Services Leadership

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The Center for Services Leadership is a groundbreaking research center within the W. P. Carey School of Business at Arizona State University which combines the latest scientific insights from the academic world with the best of service strategy in the business world.

The Center was created in 1985 as a response to a unique set of challenges facing companies at a time when sources of revenues were beginning to shift. While others were focusing on products and manufacturing enterprises, the Center for Services Leadership pioneered the study of service. Today, the center is a globally recognized authority and thought leader in the science of competing strategically through the profitable use of service.

We encourage you to connect with the Center for Service Leadership by visiting www.wpcarey.asu.edu/cs for information on research, in-person and online executive education, and corporate membership opportunities.