

issues & trends

A KellyConnect® Report



INCREASING CONTACT CENTER EFFICIENCY BY REDUCING TURNOVER

The success and efficiency of a contact center depends significantly on its employees. Agents must be ready to supply a friendly voice, helpful attitude, and competent assistance when interacting with customers. Agents serve as front-line representatives for an organization, solving problems and keeping customers satisfied. Their performance has a direct impact on the company's bottom line. For that reason, contact center managers must take positive steps to reduce the stress of the contact center environment, to increase retention and thereby increase efficiency and productivity.

"Most contact centers today are concerned with two main goals: increasing agent productivity and improving customer satisfaction. Retaining quality tenured employees helps accomplish both," notes Kasey Wilson, Global Product Manager for KellyConnect, a service line of Kelly Services® specializing in staffing contact centers. Unfortunately, high stress combined with moderate (to low) compensation and other factors make it challenging for contact center managers to find and retain quality agents.

Although some contact centers have a fairly stable retention rate, many report employee turnover rates at 90 percent per year or higher. ContactBabel's U.S. Contact Center Operational Review 2007 found that attrition rates continue to climb across various industries, including travel (43 percent), outsourcing (43 percent), insurance (42 percent), retail and distribution (34 percent), finance (30 percent), and healthcare (13 percent).

Failure to retain skilled agents not only affects the quality of customer service, it also costs the company a significant amount in recruiting, hiring, and training new employees. According to Response Design Corp.'s metric database, LeapFrog!, the average cost to hire a contact center agent is \$4,000 and the average cost for training is \$4,800. A Sibson Consulting study found that turnover in the contact center industry costs \$5.4 billion a year.

According to Wilson, the strongest strategy for attracting and retaining quality contact center agents is to implement a thorough recruiting and behavioral-based hiring process to ensure you are selecting the best candidates for the job.

What Can Be Done to Combat Agent Turnover?

All contact centers experience some degree of employee turnover, but the ability to minimize turnover will keep the center running efficiently. Some managers think high turnover is simply to be expected in the contact center industry. But high turnover should not be considered a given; quick fix solutions (i.e., raising salaries) may not address the underlying causes of agent turnover. Wilson suggests that there are three basic strategies managers can employ to ensure they attract quality employees and retain them:

- Screen candidates properly to ensure the best behavioral, technical, and cultural fit
- Provide career development opportunities
- Foster positive relationships with supervisors

Screening Candidates Properly

According to Wilson, the strongest strategy for attracting and retaining quality contact center agents is to implement a thorough recruiting and behavioral-based hiring process to ensure you are selecting the best candidates for the job. "Develop a recruitment plan and then track all results so you can clearly evaluate your cost per candidate, per source," Wilson suggests. "Document the sources that bring applicants to you, so you will know where to invest recruitment funds and where to network to attract the most diverse set of candidates."

As you begin evaluating applicants, use a variety of established pre-hiring assessment tools to determine their knowledge, skills, and abilities. For example, KellyConnect conducts a brief telephone interview, a behavioral assessment, hard and soft skills testing, and finally a behavioral interview. While screening an applicant, use standard questions and consistent scoring methods to keep the results objective and measurable.

Personality Traits of the Ideal Candidate

It is important to select candidates who exhibit predefined behavioral traits appropriate for your organization and are comfortable working in the contact center environment. Study the traits of your current top performers and determine what makes them fit well with your organization. While there is no one specific formula that defines the "perfect employee," certain key behaviors will serve as a guide to finding a diverse pool of candidates with similar traits:

- Works well under time pressure
- Able to handle emotionally stressful situations
- Can be adaptable/flexible
- Internally motivated to achieve goals
- Able to perform well when engaging in repetitive tasks

In addition to focusing on hard skills such as data entry and listening skills, assess additional behaviors such as multitasking, problem solving, and attention to detail. Personal characteristics such as conscientiousness, consistency, and emotional maturity help determine whether a candidate is a reliable and focused worker who will make a good contact center agent.

Ensuring a Good Behavioral, Cultural, and Environmental Fit

Contact center readiness is defined by how well a candidate will fit in with your organizational culture. You must determine not only their ability but also their willingness to work under potential conditions such as physical confinement, routine and repetitive tasks, dealing with unsatisfied callers, and problem solving. An organization may place just as much weight on the person-organization fit as they do on the person-job fit of an individual. It is more beneficial to have a candidate with a good attitude and a willingness to learn than a skilled but unmotivated one.

It is often helpful to provide candidates with a realistic job preview (i.e., day-in-the-life videos, shadowing current employees). Providing this type of preview will help the candidate determine whether your environment is a good fit. If you feel that a candidate is the right person for your job, be sure to hire quickly. Statistics show that a temporary worker is usually on the market for only about five days before they have found employment.

Finding the right candidates for your contact center only lays the groundwork for increasing retention. Agents must be provided with a clean, safe work environment and adequate equipment to be able to do their jobs well. Psychological considerations are just as important as meeting the physical needs of employees. Develop training programs so that agents receive proper training and coaching for both the soft (behavioral) skills and hard (procedural) skills they need in order to do their jobs. A well-designed mentoring program can help new trainees learn the procedures and expectations of the contact center by working one-on-one with experienced agents. Cornell University's School of Industrial and Labor Relations surveyed 350 contact centers and found that centers focused on quality comprehensive training programs had 50 percent less non-strategic turnover and twice the sales growth of centers that focused more on cost containment.

Providing Career Development Opportunities

Discovering and providing the right kind of motivation for employees is another way to increase agent retention. Contact centers that offer clearly defined career paths for their agents increase their chances of attracting and retaining top performers. According to the ContactBabel report, as many as 26 percent of contact center agents eventually move into a role

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within the wider company. Movement between contact centers occurs most often in the healthcare, finance, retail, and distribution, insurance, finance and travel industries.

“Contact center positions can be seen as a foot in the door,” says Wilson. “Many companies use their centers as a feeding ground for higher level positions in the organization. It’s a way to learn the company, become familiar with its products and services, and interact with customers very quickly.”

One way to encourage agents to look upon their jobs as a career path is to design job descriptions for various levels. For example, articulating the job responsibilities and expectations for associate, mid-level, and senior positions gives agents a clear target for continuing on a career path within the contact center. An explicit job description outlines what skills employees must master to succeed in their position and what goals they must accomplish in order to advance their career.

Agents who see opportunities for advancement within the center and within the company will remain committed to the organization and strive to excel.

Retention of Generations X & Y

It can be especially challenging to provide career development opportunities for Generation X and Generation Y employees. Gen Xers, those born between the mid-1960s and late 1970s, have a strong sense of independence, want flexibility in all aspects of their lives, and seek a strong balance between work and family. Gen Yers, born between the early-1980s and late 1990s, also hold high regard for their personal time and the work/life balance. These two generations are not like the Baby Boomers, who often prefer strict processes and generally offer a greater loyalty to a company.

The desire to advance within a company is especially high in Generation X and Generation Y employees. Contact center managers need to capitalize on that desire by recognizing individual achievements and successes and promoting agents accordingly to supervisory positions with increasing levels of responsibility.

“It is critical that managers recognize the difference between generations,” Wilson notes. “They may work together differently, respond differently to benefits, and have different expectations of management.” This understanding is beneficial to contact center managers to determine the best way to hire, motivate, reward, and ultimately retain agents and supervisors within each age group.

Rewards and Recognition Pay Big Dividends in Retention

Recognizing and rewarding a job well done plays a powerful part in encouraging employees to remain in their jobs. Celebrating individual and group successes not only increases employee satisfaction and reduces turnover, it also translates to increased customer satisfaction because of perceptible

motivation and enthusiasm on the part of contact center agents. Recognizing and rewarding excellence creates a repetitive cycle of positive energy in your contact center. Agents who are recognized for their successes are more productive and efficient; the overall quality of your center will improve; customer satisfaction will increase; and agents are encouraged to stay in their positions and continue succeeding.

General group recognition is great for maintaining morale in the organization, but rewarding top performance on a personal level helps all agents to understand what your standards are for your center. A reward can be as simple as a gift certificate to a restaurant or tourist attraction, or as personal as a framed certificate with a thank you note from the CEO. Many centers are looking to reward top performers by allowing them the ability to work from home. The specific ways in which you reward excellence are secondary to the rewards your center will realize in terms of lowered turnover rates, increased retention of quality tenured employees, and positive impact for customers.

Fostering Positive Managerial Relationships

Employees need to develop positive relationships and interactions at work, both with peers and with supervisors. A survey conducted by TalentKeepers, an Orlando, FL-based consulting firm, found that people join a company because of (a) organizational factors such as location and compensation; (b) job duties and responsibilities; and (c) qualities of management. Yet the same survey showed that the number one reason employees stated for leaving a company was lack of proper leadership. “They join for things. They stay for people,” says Richard Finnegan, Chief Client Services Officer at TalentKeepers. “Being a supervisor is a hard job, and I think it’s harder in a call center than anywhere else.”¹

If managers create a work environment that feels safe and open, agents will be more satisfied with their duties and willing to stay. For example, managers should be approachable and communicative when an agent has a question or a problem. A good manager will allow agents to bring new ideas or suggestions forward without fear of criticism. Improving the quality and quantity of people management skills training for supervisors, and then setting retention goals for the supervisors, can greatly reduce turnover.

Finnegan suggests identifying managers who are stakeholders in retaining quality agents, and giving them measurable goals to accomplish. Goals should be set at the supervisor level to improve relationships with employees, such as having agents measure how talented their supervisors are in encouraging retention of employees. Contact center directors should also set retention goals for managers, and regular reports should be sent out to management showing retention levels and the measurable positive effects on the organization—increased productivity, more efficient workflow, lower turnover, and the money saved as a result.

¹ “Measuring agent retention translates to the bottom line,” CRM News, May 17, 2006



Conclusion

Hiring and retaining quality contact center agents will have a positive impact on all aspects of an organization, including customer satisfaction and performance. Due to the nature of the contact center role, agents are extremely knowledgeable about the organization's customers, products, and policies. Selecting the right people and managing them well can not only reduce turnover and increase retention, it can also help a company harvest its next generation of executives.

About KellyConnect

KellyConnect is an innovative approach to contact center staffing. The KellyConnect program provides full service staffing solutions for a variety of contact center environments including customer service, sales, market research, collections, and help desks. For more information about KellyConnect visit kellyconnect.com.

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