Callminer Eureka

Understanding
How Interaction Analytics Can Reduce Agent **Attrition**

Introduction

The typical customer service representative interacts with current and potential customers approximately 1,000 times a month. Successful organizations understand that the quality of these customer interactions affects customer satisfaction and consequently customer loyalty.

Agent attrition can impact both in a negative way. Excessive attrition can also have significant economic impacts on the enterprise. In order to better understand the dimensions of the problem and assess the potential for Interaction Analytics to improve agent retention, CallMiner, working with Pelorus Associates, conducted a comprehensive examination of academic and industry research coupled with in-depth interviews with its customers and other industry thought leaders.

This paper presents a high-level overview of the challenge and the contribution of modern Interaction Analytics toward addressing the underlying causes of agent attrition.

What is the scale of agent attrition?

Quantifying a precise turnover rate is complex. There are three types of turnover. First is involuntary turnover. This occurs in any type of organization when it becomes clear that the individual is not a good fit for the position. In the call center sphere involuntary turnover tends to occur most commonly within the first six months of employment. External turnover pertains to individuals who find more attractive opportunities outside the organization or perhaps withdraw from the workforce. For contact center workers this often includes family issues such as birth of a child or relocation of a spouse. The third category is internal turnover. This is the best kind of turnover as it means the individual was able to move on to other opportunities within the organization.
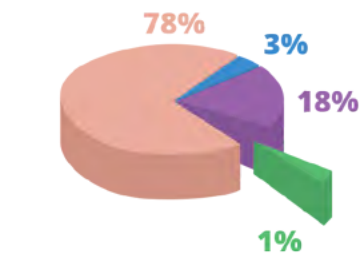
The US Bureau of Labor Statistics, which is the gold standard for employment data, does not report turnover on such a granular level as customer service representatives. Our research relied heavily on academic studies and credible industry research. Not surprisingly, agent attrition is very high for outsourcers in India, Indonesia, and other Far East regions where call centers are plentiful and competition for agents is intense.

In major population centers it is not unusual for attrition to exceed 100% and sometimes even 200%. Two professors at Bryant University who conducted in-depth research of the Indian call center industry put it this way, "While call centers all over the world have employee turnover concerns, the retention rate in the Indian call center industry is abysmally low. This is a significant business problem as most firms are unable to recoup the cost of training these employees".

A large outsourcing firm with over 11,000 agents worldwide told us that in Manila agents that are unhappy with their bosses or coworker will simply walk across the street and start another job, often for more money.

According to Deloitte Consulting, as shown in its 2013 Global Contact Center Survey, large call centers with over 500 agents suffered from turnover rates of 50% or higher annually. The survey indicated that companies that outsourced more than 50% of their agents also experienced the highest level of turnover.
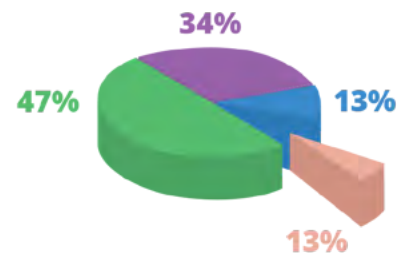
Less than 10% outsourced reps	10% to 50% outsourced	More than 50% outsourced
78% 3% 18% 1%	29% 16% 47% 8%	34% 13% 47% 13%
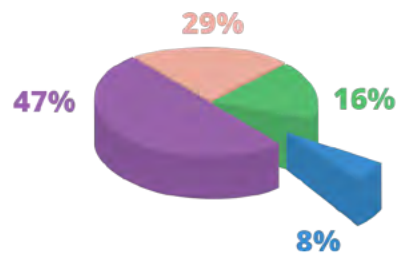
■ Less than 10% annual turnover   ■ More than 50% annual turnover   ■ 10 to 50% annual turnover   ■ Don't know / NA

In North America the attrition rate is lower and tends to vary markedly by job function and by tenure on the job. Outsourcers that do a lot of outbound work such as collections and telesales incur higher turnover rates than enterprise contact centers.

How large is the problem of agent attrition?

✓ For outsourced call centers in nations like India, the Philippines, and Indonesia where call-center jobs are abundant annual turnover rates of 50% to 100% are common with 70% as a reasonable average.

✓ For domestic outsourcers turnover rate is estimated to be between 30-45%, with some companies experiencing much lower rates and some experiencing triple-digit turnover rates. (Source QATC).

✓ Among our sample of CallMiner customers attrition rates ranged from a low of 5% to a high of 58%.

✓ Agent churn for first-time agents is often its highest during the first 90 days of employment, and it usually results from being overwhelmed by the demands of the role, after being "thrown in at the deep end."
- From "How to Onboard Customer Engagement Center Agents" published by Gartner

Although other industries such as retail, banking and nursing also experience a higher than average attrition rate, contact centers are unique in that agents often have a very short tenure before they decide to leave their jobs.

According to experts the dropout rate for a fresh class of new agents can easily be 60% within the first 90 days of employment. New employees that have not worked in contact centers before may find the environment and workplace very different from their previous experiences.

What are the impacts of attrition in the contact center?

When a high-performing agent leaves the contact center, morale of those agents remaining often declines, especially if the individual was well-liked and highly regarded. Customer quality may also be impacted as others have to pick up the slack until a replacement is performing at the same proficiency level.

There are also direct economic consequences. In our research we discovered several credible estimates of on-boarding expenses. An academic research project conducted in Canada where actual costs were tracked for contact centers showed that these costs worked out to approximately 16% of the new hire's salary.

In fact the cost depends primarily on the position being filled. For skilled technical support personnel it can easily exceed $20,000 while the on-boarding cost for a basic order processing salesperson could be as little as $1,500.

A reasonable average cost for on-boarding a new agent based on our research is $8,800 according to Response Daily ($4,000 for hiring, $4,800 for training). If we assume an annual 15% attrition rate, a 250 agent call center would incur costs of over $325,600 per year. This includes the direct costs for advertising, recruiter fees, testing, screening, interviewing, human resources, training, and extra supervision such as more frequent QM assessments.

Other less visible but no less important costs impacts include:

- ✓ Critical skills or knowledge drain
- ✓ Lost intellectual capital
- ✓ Dissatisfied customers
- ✓ Lower sales volumes

Why do agents leave?

Higher pay is a motivation for job changing but it is surprisingly low on the priority list. In fact, call center positions pay relatively well compared to other jobs that do not require a college degree or extensive prior experience.

Call center work, particularly with the work at home option, often provides more flexibility than other positions.

A look at the data across resources coupled with input from the industry experts and customers interviewed, uncovers a general consensus regarding the common causes of agent attrition.

Common causes of agent attrition

- Ineffective self-service

- No ability to screen out at risk employees during probation.

- Lack of tools to identify the source of complaints

- Inaccurate and unfair evaluations

- Lack of ability to target coaching

- Limited opportunity for self-development

- No incentives and limited opportunity for income growth

Interaction Analytics addresses the common cause of agent attrition

Interaction Analytics has been available to contact centers for the last couple of decades but only recently have leading contact centers come to view the technology as an absolute must-have for delivering a superior customer experience as well as addressing the common causes of agent attrition.

The vendor community has made significant progress in improving product quality and cost-effectiveness. Solutions today can translate speech into machine-readable text with a high degree of accuracy and do this in near real time.

With more advanced applications language categories based on context can be established and then monitored automatically. Some systems can detect changes in sentiment and also measure "dead time" when no conversation is taking place.

Current generation systems are highly flexible, easy to use, and offer very attractive ROI.

While some contact center executives we spoke with thought the implementation of Interaction Analytics has had or will have a positive impact on reducing agent attrition, it is very difficult to prove a linear relationship given the many intervening variables that affect attrition rates. However, it is clear from our research that innovative deployments of Interaction Analytics do remedy many of the causes of turnover.

Here are the ways that Interaction Analytics addresses the causes of attrition among call center agents.

More effective self-service - Agents don't want to keep answering the same questions over and over. Interaction Analytics can identify the reasons people call and even determine which replies best answer and satisfy the callers. Making these changes at the IVR frees agents up to handle the more challenging calls and provides callers with fast and accurate responses.

Screen out at-risk employees - Experts concur that the highest dropout rate occurs within the first 90 days of employment. Modern Interaction Analytics solutions have the ability to monitor agents in real time and simultaneously create ratings based on objective criteria. Experienced contact center managers can tell from these early evaluation scores which individuals are not likely to progress to an acceptable level of performance or are likely to become early dropouts.

Mercedes-Benz Financial Services

Colleen Unick, Call Center Services Manager for Mercedes-Benz Financial Services, responsible for Speech Analytics for call centers in US, Canada, and Mexico explained,

"We see CallMiner Eureka as a valued extension to our coaching team, helping us foster our CustomerOne environment by providing data that supports agents positive behaviors."

Ability to identify nature of complaints – Using Interaction Analytics categories can be built that are comprised of related phrases. Users can quickly drill down to the actual exchanges that include language within these categories. This valuable business intelligence not only reveals the policies and practices that produce complaints, but best practices for first call resolution.

Fair and accurate evaluations - Evaluations are a major source of stress for contact center agents. They perceive the process as inherently unfair because of the tiny sample chosen for review.

bluegreenvacations
share happiness

Adam McCord, Quality Analytics Manager for Bluegreen Vacations America, explained,

"Having all this data makes coaching much easier because there's little dispute of what the facts are. The agent can get out ahead of the process by observing their scores before they speak with their supervisor."

A typical call center supervisor or quality specialist may review five calls per agent per month. That same agent may very well have handled over 1000 interactions during that same timeframe. The specific calls selected may be aberrational or mundane, providing little or no opportunity for productive coaching assistance.

Another concern is that many of the rating criteria are highly subjective. Examples include clarity, courtesy, call control, and empathy. Ratings on these criteria often depend as much on who's doing the rating as who's being rated.

CallMiner automates performance scoring on 100% of interactions, not just a small sample. The responses which denote superior or inferior performance on qualitative criteria are collectively established and agreed upon by supervisors. This takes subjectivity out of the equation.

Targeted Coaching - Since the evaluation process is consistent and takes into account 100% of interactions both agents and coaches have very specific information about agent's performance. With both parties sharing the same information there is little dispute about the facts. This focuses the coaching effort and thereby makes these sessions more productive.

David Martinson, , Director of Business Intelligence for the Results Companies, noted what a big timesaver this was for supervisors.

"With the information made available from CallMiner Eureka the supervisor spends less time doing evaluations. This means more time for coaching, which is where supervisors should be spending their time."

The Results Companies is a worldwide BPO with over 14,000 agents.

Empowers self-development – A traditional manual quality monitoring program provides feedback to agents on interactions that occurred several weeks in the past. Agents are reliant on these feedback sessions and subsequent performance reviews to understand if changes in behaviors have improved performance.

With analytics-driven agent performance feedback, information can be fed back directly to agents immediately and continuously. The agent has access to performance on both hard and soft metrics. Agents can determine for themselves where they need to seek out additional learning and coaching and see the impact of behavioral changes almost immediately. Real-time analytics systems further enhance agent self-correction and development.

Greg Borton, CEO at Listening Methods.

"Agents can master their own self-improvement because they have ongoing access to their performance information on myEureka and take it upon themselves to train or receive coaching on the specific areas they want to improve. This has had a positive impact on agent morale."

Incentives and opportunity for income growth - One of the more interesting findings from our research is learning how access to the technology spurs innovation. Large end-users find applications that solution providers never anticipated. A very interesting example is Bluegreen Vacations. This company's stated purpose is to ".. Aspire to fulfill our purpose of 'share happiness' by providing choice, flexibility and quality through our Bluegreen Vacation Club, a unique vacation ownership plan."

The main call center is based in Indianapolis. In recent years this area has become a very popular location for call centers. The competition makes keeping good agents a difficult challenge. Bluegreen considered raising compensation levels across the board but instead took advantage of their investment in Interaction Analytics technology to develop an incentive program that works for agents as well as the company.

This provides incentive for agents to improve on their own as well as with coaching assistance. High-performing agents obviously would prefer to stay with Bluegreen rather than move on to a competitive contact center.

Additional causes of agent attrition and how interaction Analytics can address them

The above list of causes of agent attrition is my no means exhaustive. A survey conducted by ICMI of 444 contact center executives, directors, managers and team members cited these agent complaints that can also contribute to high turnover rates. They can also be effectively addressed with Interaction Analytics. Here's how.

AGENT COMPLAINT	HOW INTERACTION ANALYTICS CAN ADDRESS
Pace of work too fast	When agents lack the skill or information they need to address customer concerns, the pace of work can seem too fast. With Interaction Analytics, they can receive guidance on the best response in real-time to resolve issues quickly.
Complaints and problems	Valuable business intelligence from Interaction Analytics reveals the root cause of complaints so that changes can be made to reduce or eliminate them.
Sense of powerlessness	Agents have access to performance data and can determine for themselves what they need to improve and then seek out additional learning.
Complexity	Interaction Analytics solutions that capture all conversations – phone, email, chat and social media can reduce the complexity by automating the monitoring process and providing feedback to agents with guidance on next steps.
Scrutiny / Micro management	Objective feedback based on insights from Interaction Analytics takes the emotion out of agent performance reviews. When agents receive the coaching that they need to be more successful, they recognize that management has their best interests at hand.
Personality conflicts	Oftentimes conflicts arise when agents sense favoritism. Objective feedback based on insights from Interaction Analytics can mitigate conflicts and help all agents to improve performance and meet their goals.

Summary

High attrition rates remain a persistent problem for many contact centers. The consequences are the high cost of replacing valued employees and perhaps more importantly the impacts on customer satisfaction. There are many operational remedies for reducing attrition.

These have been widely discussed in contact center circles and include such actions as establishing a career ladder, delegating more decision-making authority to individual agents, creating a more congenial and less structured environment, increasing compensation, and resolving the product and policy issues which precipitate complaint calls.

The constraint is that in many enterprises contact center management does not have the authority to make these changes. However, contact center management does have significant influence over technology investments. We have seen from our research that innovative applications of Interaction Analytics, both vendor and user driven, can effectively address the underlying issues that contribute to agent turnover.

About the author

Dick Bucci is Founder and Principal of Pelorus Associates where he specializes in contact center technologies. Dick has authored thirteen in-depth market research reports on workforce optimization applications and numerous articles and white papers.

Prior to founding Pelorus Associates Mr. Bucci was a senior sales and marketing executive with leading telecommunications vendors and value added resellers. He has over 30 years of experience in telecommunications and is one of the most widely published and widely quoted analysts in the contact center industry. For more information call 434-589-2131 or visit www.pelorusassoc.com

About CallMiner

CallMiner believes that resolution is the fundamental driver of positive customer experiences. When contact center agents and others responsible for customer engagement are enabled by insight and feedback in real-time, they can dramatically improve the rate and speed of positive outcomes.

With the tagline "Listen to Your Customers, Improve Your Business" our goal is to help companies automate the overwhelming process of extracting insight from phone calls, chats, emails and social media to dramatically improve customer service and sales, reduce the cost of service delivery, mitigate risk, and identify areas for process and product improvement.

Highlighted by multiple customer achievement awards, CallMiner Eureka has consistently ranked number one in customer satisfaction, including recent surveys conducted by DMG Consulting and Ovum. For more information, please contact CallMiner Eureka at (781) 547-5666, or visit www.CallMiner.com.

PROMERO, INC.

1100 Park Central Boulevard South, Suite 2500
Pompano Beach, FL 33064

954 - 935 - 8800

sales@promero.com

www.promero.com

CallMiner
Eureka