



# **Recruiting, Retention and Workforce Management in Contact Centers**

**Greater Atlanta Area IAOP Chapter**

**Deloitte.**

Deloitte Consulting LLP

November 21, 2011

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## **IAOP Atlanta Chapter Overview**

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The purpose of the Greater Atlanta Area Chapter is to provide a common, open forum for Outsourcing buyers, suppliers, advisors and academia to share and learn about all aspects of Outsourcing. We will advance the knowledge of all members regarding in-sourcing, ITO and BPO; on-shore, off-shore, and near-shore; from RFI through contract renewal and renegotiation.

# Panel Introductions and Agenda

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## Panel Introductions

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**Andy Haas**, Director – Contact Center Advisory, Deloitte Consulting LLP

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Andy has over 15 years of cross industry consulting experience primarily focused on improving customer experience and reducing costs by helping clients transform their contact center, customer service, and customer interaction capabilities. Andy has specific depth in contact center operational improvements, contact center transformation strategies, contact center sourcing strategies, and large scale technology implementations.



**Barb Powers**, Manager – Contact Center Advisory, Deloitte Consulting LLP

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With over 5 years of consulting experience and 20 years of industry experience, Barb has a consistent record of creating and implementing strategic and operational plans to institute customer focus, re-engineer processes and drive down operating costs. She is focused on leading clients through service delivery transformations for customer facing processes that include contact centers, social media and back office operations such as customer finance and revenue recovery.



**Nancy Kraselsky, Sr.** Manager – Human Capital, Deloitte Consulting LLP

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Nancy has 15+ years of hands-on experience in the area of global HR Operations, including HR Transformation, Shared Services, HR Business Process Outsourcing and the integration with large scale, global HR Technology implementations. Nancy has led strategy and implementation teams for global HR business process design, organizational design, global HR system assessments, Shared Services design and Testing. She has a strong knowledge of SAP HC modules and technology integration. Nancy has worked with many clients across the industries of Consumer Products, Health Care & Life Sciences, Financial Services and Energy.

# Panel Introductions and Agenda

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## Agenda

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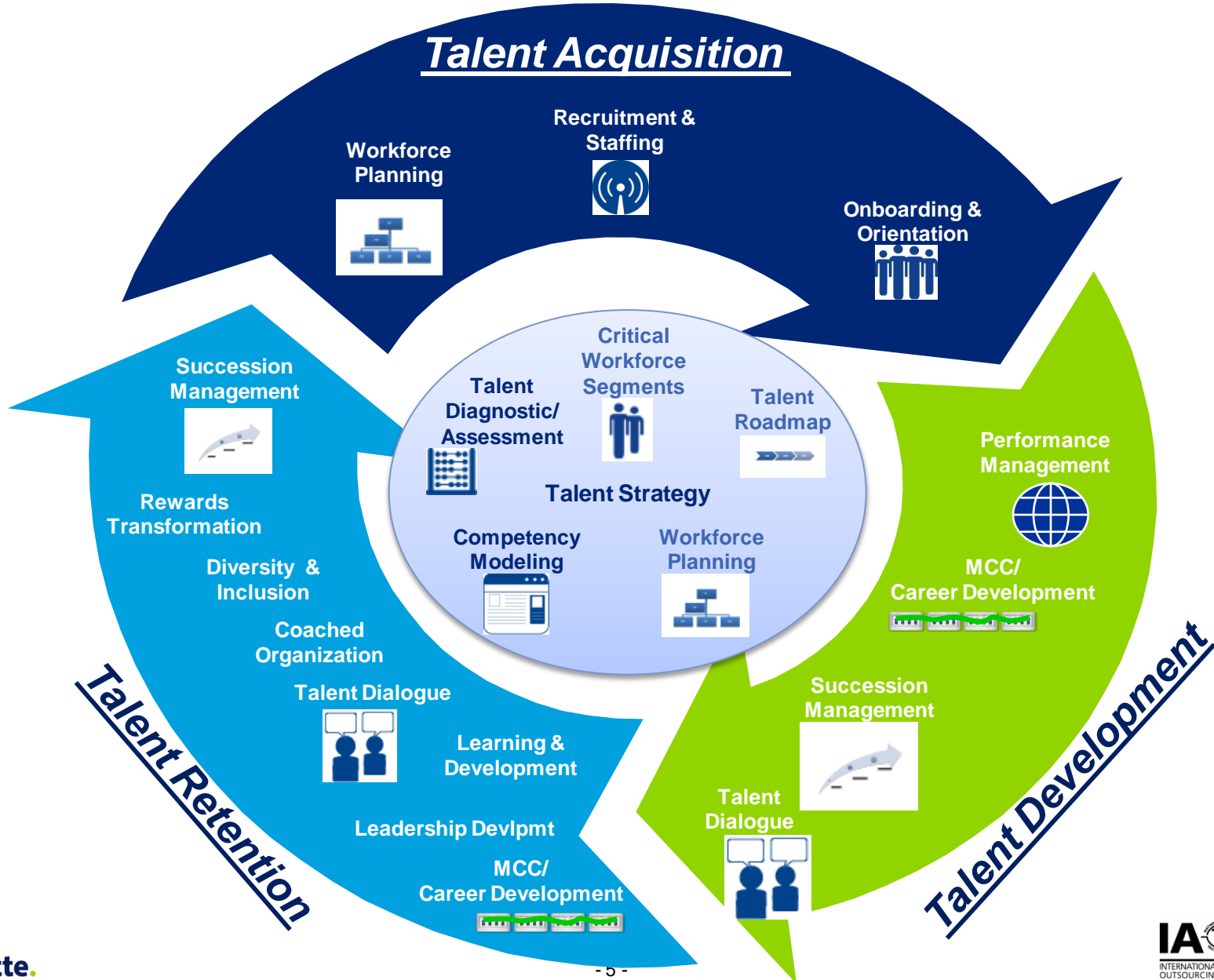
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# The Talent Lifecycle



—— **Macro Contact Center and Human Capital Trends** ——

# Contact Center Trends

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## On-Demand Virtual Contact Center

- Reduce Capital Ex for Premise Based Tools
- Rapid On-Demand Scale based on need
- Fully managed, Hosted IT architecture
- Access to latest Contact Center tools & functionality
- Increase Agent Candidate Pool
- Pay as you go subscriber model

## Reverse-Shoring

- Onshore Benefits (In-House & Outsourced)
- Improve customer experience (Cultural & Accent)
- Corporate brand perception
- Greater control of operations and processes
- Wage inflation abroad mitigates labor cost difference
- Offshore: Lower complex, transactional touch points

## Social Media

- Company-Customer interactions to Customer-Customer interactions
- Internal & External Social Media outlets
- Monitoring and Extracting Customer intelligence key competitive differentiator for CC organizations.
- Real-time response to social media outlets, blogs, customer forums; Integrate with Multi-Channel agent

## Productivity to Customer Experience Model

- Balancing operational efficiency and effectiveness with desired customer experience
- Relationship building versus managing productivity
- Shift from productivity based measurements to Customer Experience metrics
- Value-add Profit Center versus a Cost Center commodity

# Human Capital Trends

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## The top talent concerns of Human Capital leaders today:

- Shrinking pool of skilled workers
- Aging workforce
- Technology integration of their talent solutions
- Workforce retention and attraction

### Economic and marketplace trends...

- **Shrinking Pool of Talent:**
  - Mature workers (55+) fastest-growing workforce segment
  - 6% population reduction GenX (35-45 yrs.)
- **Shortage of skills and experience:**
  - Cross-industry demand for skilled workers exceeding supply.
- **Knowledge retention and attraction:**
  - Organizations experiencing difficulty attracting and retaining critical workforces
- **Generational diversity:**
  - Up to four generations working side by side in the workplace (Veterans, Baby Boomers, Gen X and Gen Y)

### ...are driving the need for:

- ✓ Leadership Development
- ✓ Succession Management
- ✓ Critical Workforce Segment Identification
- ✓ Recruitment & Staffing
- ✓ Career Development/MCC
- ✓ Flexible Work Arrangements



# Human Capital- Evolutionary Trends

Trends	Expected Impact on Business
<b>Workforce analytics:</b>	<ul style="list-style-type: none"> <li>▪ Many organizations are increasingly moving toward HR and talent approaches based on data, information and modeling.</li> <li>▪ Transition to new analytic-driven processes and tools and a focus on building the capabilities, in HR and across the company, to operate in a data and analytics rich environment.</li> </ul>
<b>HR in the cloud:</b>	<ul style="list-style-type: none"> <li>▪ Software-as-a-Service (SaaS) - rapid business model innovation, improved service levels and new ways of controlling costs</li> <li>▪ Vital for organizations responding to the after effects of the economic downturn and pent-up business demand.</li> </ul>
<b>Contingent workforce:</b>	<ul style="list-style-type: none"> <li>▪ As workforce boundaries continue to expand, many companies understand the issues associated with contractors</li> <li>▪ Improved operational performance, lower labor costs, smarter staffing decisions and HR alignment with business objectives.</li> </ul>
<b>From ladder to lattice:</b>	<ul style="list-style-type: none"> <li>▪ Work is more virtual, collaborative and project-based.</li> <li>▪ Workers' needs, expectations and definitions of success now vary widely, rendering obsolete a one-size-fits-all approach to talent management.</li> </ul>
<b>Talent in the upturn:</b>	<ul style="list-style-type: none"> <li>▪ Companies are struggling to move beyond recession based talent approaches and turn their attention to retention</li> <li>▪ High unemployment continue to coexist with critical shortages in specific talent areas, such as research and development and leadership.</li> </ul>
<b>Leading in a regulated world:</b>	<ul style="list-style-type: none"> <li>▪ Managing risk requires critical involvement across the entire executive suite</li> <li>▪ For many industries risk and regulatory issues are at the top of the C-suite agenda</li> </ul>

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## **Recruiting and Hiring**

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# Leading practices show that diverse people have different wants and needs when targeting recruiting, hiring and retaining valued team members



**Veteran**  
(born before 1946)



**Boomer**  
(1946-1964)



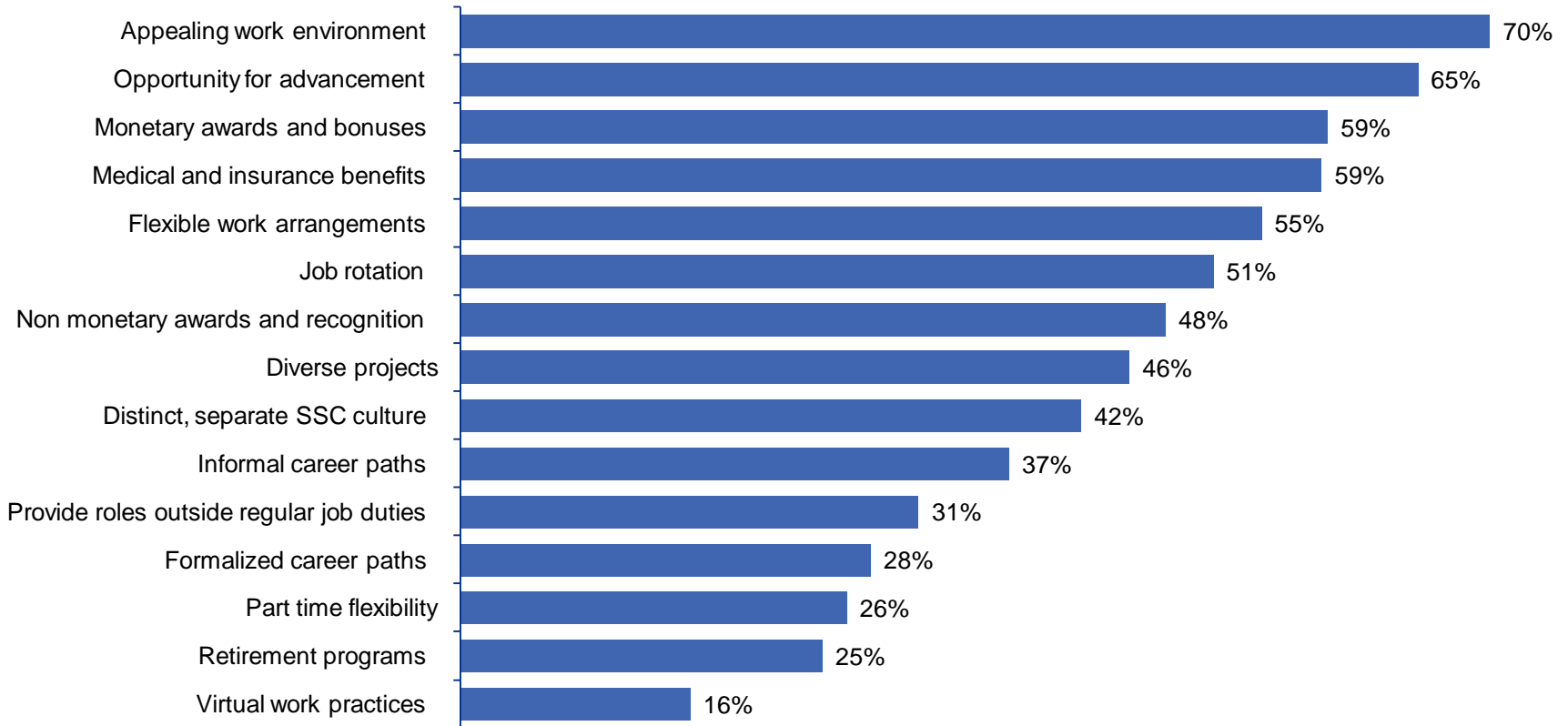
**Gen X-er**  
(1964-1981)



**Gen Y-er**  
(1982-2000)

	Veteran (born before 1946)	Boomer (1946-1964)	Gen X-er (1964-1981)	Gen Y-er (1982-2000)
<b>Style</b>	Formal	Semiformal	Not so serious	Eye-catching; fun
<b>Information Style Preferences</b>	Detail, prose style writing	Chunk it down, but give me everything	Get to the point, what do I need to know?	If, and when I need it, I will find it online
<b>Hiring Message</b>	Relevance to my security; historical perspective	Relevance to the bottom line and my rewards	Relevance to what matters to me	Relevance to now, today, and my role
<b>Preferred Recruiting Channels</b>	<ul style="list-style-type: none"> <li>Print</li> <li>Conventional mail</li> <li>Face-to-face dialogue</li> <li>Phone</li> </ul>	<ul style="list-style-type: none"> <li>Print</li> <li>Conventional mail</li> <li>Face-to-face dialogue</li> <li>Phone</li> <li>Online tools</li> </ul>	<ul style="list-style-type: none"> <li>Online</li> <li>Instant messaging</li> <li>Conference calls</li> <li>Some face-to-face (if it's really needed)</li> </ul>	<ul style="list-style-type: none"> <li>Virtually always online</li> <li>Wired though multiple devices seamlessly</li> <li>Communicate with the world</li> </ul>
<b>What Motivates</b>	<ul style="list-style-type: none"> <li>Challenging work</li> <li>Making a difference,</li> <li>Autonomy, Work Environment</li> </ul>	<ul style="list-style-type: none"> <li>Challenging, work</li> <li>Making a difference,</li> <li>Work Environment</li> <li>Recognition</li> </ul>	<ul style="list-style-type: none"> <li>Stimulating work</li> <li>Career Growth, Learning &amp; Dev.</li> <li>Making a difference,</li> <li>Work-Life Balance</li> </ul>	<ul style="list-style-type: none"> <li>Challenging, stimulating Pay</li> <li>Work Environment</li> <li>Career Growth, Learning &amp; Dev</li> </ul>
<b>Social Media Usage</b>	Minimal	Minimal to moderate	Moderate to constant	Constant

## Which of the following methods does your organization use to attract, motivate and retain agents?



Source: Global Shared Services Survey Results, Deloitte Consulting LLP, March 2011

### Methods used to motivate employees

- Motivating employees using an appealing work environment increased by 23% to become the number one employee motivator
- Average turnover across centers was 9% however, respondents who used a variety of motivators had lower turnover on average

# What is a Talent Strategy?

- A talent strategy is a framework that outlines a prioritized approach for proactively aligning and managing an organization's workforce to allow execution of its key short- and long-term business strategy and objectives
- The goal of having a Talent Strategy is to:
  - put the right number of people,
  - with the right skills,
  - in the right roles,
- Developing and executing a talent strategy is a shared responsibility between Human Resources (HR) and the business
- Based on the talent strategy analysis, talent solutions can be recommended to support the strategy (e.g., recruiting, performance management), which can be supported through technology



Technology is a facilitator of Talent Strategy to help achieve business objectives

# Contact Center Recruitment and Hiring Leading Practices

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## What should you look for?

- Critical performance factors are, i.e. listening, phone etiquette, typing
- Personality traits for success, i.e. multitasking, following directions, problem solving ability
- Candidates who display enthusiasm and ability to maintain a positive attitude

## How do you target qualified candidates?

- Create in-depth job postings that correctly describe job responsibilities
- Develop situational interview questions that help gauge how someone would respond
- Incorporate a structured and efficient interview process

## How do you determine if someone is the appropriate fit?

- Conduct behavioral assessments and benchmark against high performers
- Gauge whether candidate is a cultural fit for your center (positive attitude)
- Assess candidates understand job responsibilities through shadowing
- Call personal references, verify previous employers, and run a criminal background check

**A well developed internal selection process can help increase the likelihood of the correct hiring decision and mitigate future attrition**

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**Workforce Management**

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# Forecasting & Scheduling

## Overview

- Forecasting, Scheduling and Real-time Adherence
- Critical factors: historical and projected call volume, agent availability, workload and shrinkage factors
- Using part-time staff / outsourcer / flex-hours to cover call center operation hours and outage support

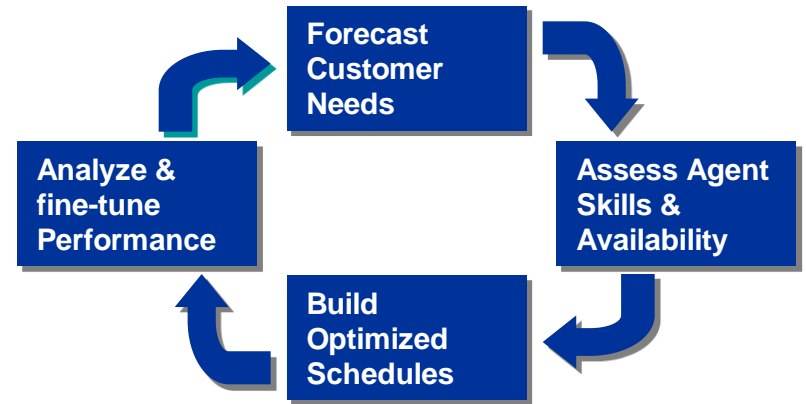
## Benefits

- Improve customer services and operating efficiencies
- Effectively manage operating cost model – Cross skill agents
- Schedule multiple sites as a single unit
- Improved SLA & Customer Experience

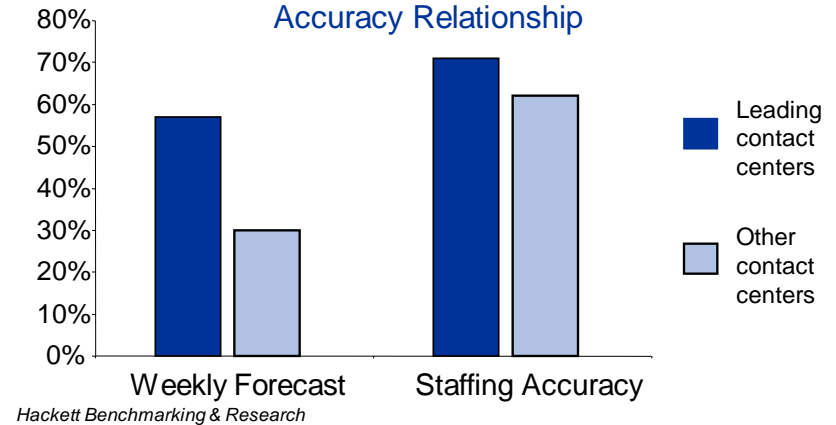
## Challenges

- Accuracy of available historical data and forecasted volume
- Lack of flexibility within the organization
- Need manager with strong experience to leverage potential of forecasting and scheduling systems

## Forecasting and Scheduling Cycle



## Forecast Frequency and Staffing Accuracy Relationship





# WFM – KPIs & Financial Impact of Non-Adherence

## Key Workforce Management KPI metrics

- **Adherence:** How closely agents adhere to their schedule. (Did I start, stop, take breaks and lunch as close to my schedule as possible?)
- **Conformance:** How closely they fulfilled their staff time. (Was I staffed the 8 hours I was scheduled to be staffed?)
- **Occupancy:** % of time working on customer account of total logged in time (benchmark most effective Occ – 75%-85%)
- **SLAs (AHT, ASA):** % of calls handled within a certain threshold (80% / 20 seconds)
- **Shrinkage:** % of non-productive time (i.e. breaks, coaching, meetings, absenteeism) (25%-30%)

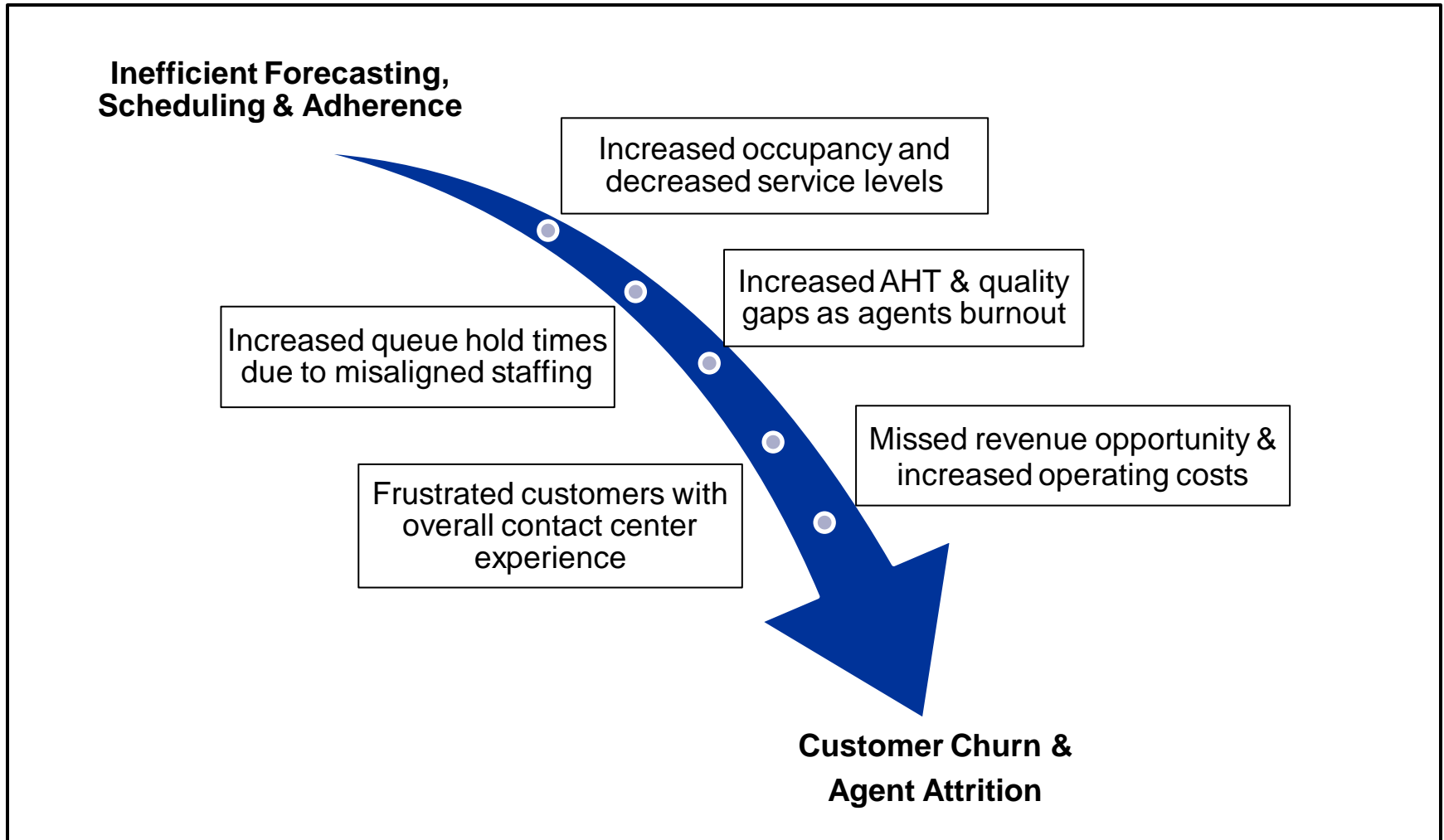
## Adherence Impact Example

Figure 1. The Impact of Non-Adherence

Schedule Adherence	92%	90%	88%
Total Calls and Emails	967200	967200	967200
Handle Time	300	300	300
Base Workload Hours	80600	80600	80600
Base Required FTEs	42.12	43.06	44.03
Annualized Salary and Benefits	\$35,000	\$35,000	\$35,000
Total Salary Expense	\$1,474,185	\$1,506,944	\$1,541,193
<b>Incremental Cost</b>	<b>—</b>	<b>\$32,760</b>	<b>\$67,008</b>
<ul style="list-style-type: none"> <li>• To do the same work with less adherence requires more FTEs</li> <li>• Inconsistent service to customers</li> <li>• Higher occupancy</li> <li>• Real-time team changing the past versus focusing on the future</li> </ul>			

Source: International Customer Management Institute, "Getting the Right People in Right Place at the Right Time for Better Customer Experience", 2010 ICMI Whitepaper

# Downward Cycle & Impact of Inefficient WFM Processes



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## **Retention and Attrition**

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# Impact of Contact Center Attrition and Agent Retention Strategies

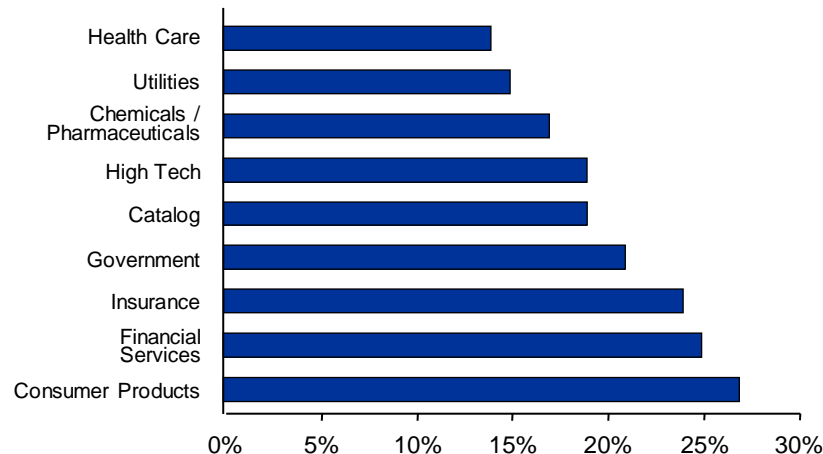
## Attrition Overview

- Typical reasons for leaving:
  - Better pay / comp
  - Reduce high stress/burnout
  - Obtain better working conditions
  - Lack of upward mobility
- A high ratio of Agents to Supervisors leads to high levels of stress among agents and supervisors and a low ratio indicates a cost efficiency opportunity
- Agent turnover adversely affects customer satisfaction, revenue opportunities & operating cost model

## Retention Strategies

- Effective training and coaching is positively correlated to Agent retention
- Operate with a lower team lead to Agent ratio from 1:10-12 agents to allow effective coaching and monitoring
- Utilize both individual and team level incentives
- Provide opportunities for advancement
- Leverage the Exit Interview process to better understand the reasons for why a Agent is leaving
- Hold all levels of leadership accountable for turnover rates including lower level managers

## Average Turnover Rate by Industry

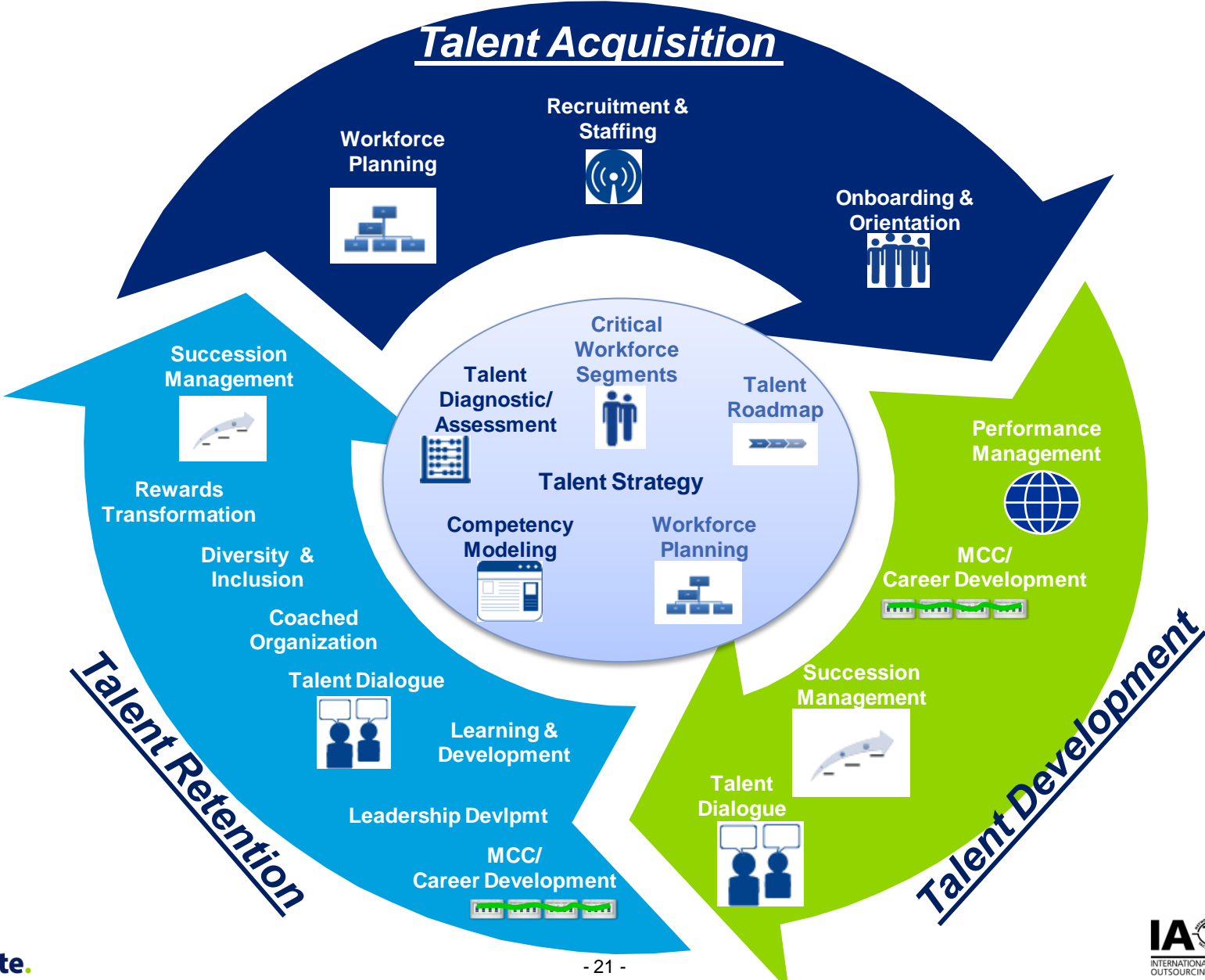


Source: Purdue University Benchmarking

## Benefits of Reducing Attrition Rates

- Better quality and standardization of customer interactions
- Reduce operating expenses
- Tenured agents increase revenue opportunities
- Create a stable work environment / culture
- Decreased need for training / reduce “revolving door syndrome”
- Increased first call resolution / customer experience

# Closing Remarks - The Talent Lifecycle



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