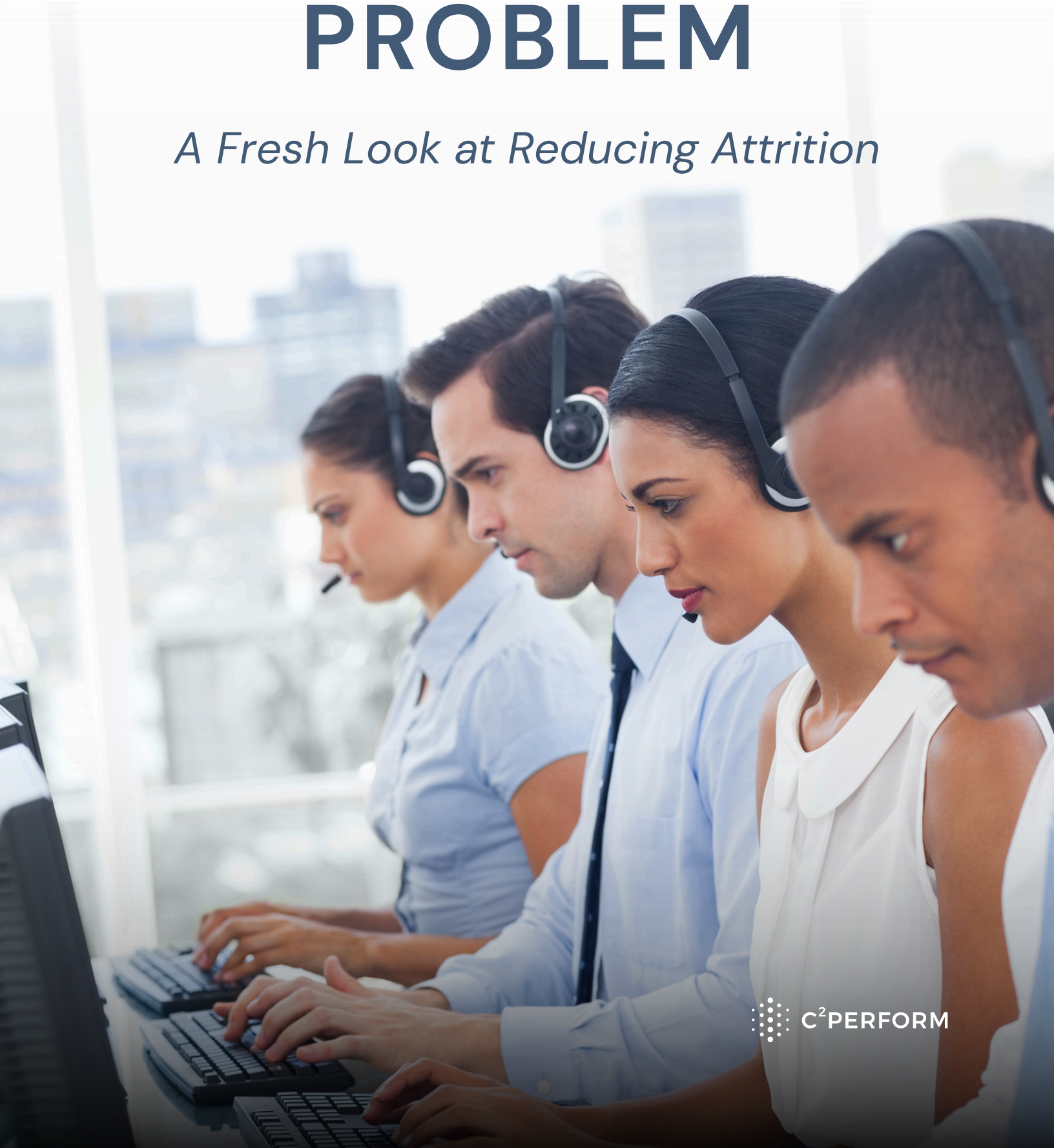


NEW THINKING ABOUT AN OLD PROBLEM

A Fresh Look at Reducing Attrition





Intro & Table of Contents

Solving Employee Turnover In Contact Centers

This eBook contains a recap of the insights and discussions from our roundtable sessions. Our goal is to equip you with fresh perspectives, innovative tools and a playbook to help build more resilient and engaged contact center teams – and reduce the impact of unwanted attrition.

We hope you'll find this information useful. If you'd like more to discuss any of the tools or research topics in greater detail, feel free to drop us a [note](#).

Inside, You'll Discover:

- 2 **A DIFFERENT VIEWPOINT**
The Top 3 Reasons Contact Center Employees Leave
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Balancing Transformational and Transactional Leadership
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Utilize our expert resources!



A DIFFERENT VIEWPOINT

The Top 3 Reasons Contact Center Employees Leave

Employee attrition continues to be the top issue cited by contact center executives as their biggest concern. Whether you're new to the industry or a long-time veteran, attrition is always top of mind. **Why then have we continued to think about attrition in basically the same way for the past 30+ years?**

It's time for some new thinking.

We researched more than 20 academic papers that specifically address issues related to contact center employee turnover. In this eBook, we'll go over the three top factors that correlate most closely with an employee's decision to leave a contact center role and recommend some resources to help you address each of these areas of opportunity.



LEADERSHIP



EMOTIONAL LABOR



JOB SHOCK

The body of academic research we examined makes a compelling argument to quit thinking about things like leadership, emotional labor (which causes job stress) and job shock as “soft” factors. The reality is that these things have a direct correlation to contact center attrition. They're considered soft because few, if any, companies take the time to measure them. You can – and should – change that.

A NEW METRIC TO MEASURE THE IMPACT OF ATTRITION

Do You Know Where You Stand?

We've led industry roundtables and conducted numerous interviews with customer support leaders, which we always start by asking how employee attrition is currently being measured. In general, about **one third of the companies we interviewed track a specific attrition metric**. So, odds are, you're not alone if you're struggling with a way to get a handle on the "true cost" of attrition.

Some participants calculate an **attrition percentage**, while others use a **cost of attrition** model that assigns an internally-defined "cost to replace" times the number of employees who've left.

From our work with 100+ brands in a variety of industries in 30+ countries, we created what we call the **Attrition Velocity** metric that expresses the impact of attrition in a way that leaders throughout the organization find impactful. Here's the formula:

$$\frac{\begin{array}{l} \text{(Number of people who leave)} \\ \times \text{(Cost of attrition per person)} \end{array}}{\text{Payroll Amount for the period measured}} = \begin{array}{l} \text{Expressed as a \%} \\ \text{of total payroll} \\ \text{for the period} \end{array}$$

Example

Let's use the following inputs as an example:

- 200 employee contact center or customer support operation
- Annual attrition of 35% (source: SQM Group survey) = 70 employees
- Cost of attrition per person: 18% (average of multiple surveys) = \$7372
- Average salary of \$40,958 (source: Salary.com) = annual payroll of \$8,191,600
- 70 employees who leave times \$7372 cost of attrition = \$516,040 per year

$$\frac{\$516,040}{\$8,191,600} = 6.3\%$$

In this example, the Attrition Velocity is 6.3, meaning that 6.3% of each payroll dollar for the whole operation is spent on attrition-related expenses.

We encourage you to use this formula with your actual inputs as a starting point to quantify attrition's true impact on your organization and to use it as a KPI throughout the year. (It tends to get people's attention.)

REASON 1: DO EMPLOYEES REALLY “QUIT THEIR MANAGER?” Balancing Transformational and Transactional Leadership

Contact centers and customer support operations present a unique management challenge in balancing metrics with inspiring and leading teams in a high-stress, transactional environment. Our research uncovered two notable leadership themes:

- **A lack of trust** in higher levels of leadership among contact center frontline employees
- A tendency to rely on **transactional leadership versus transformational leadership**

In contact centers and customer support, the saying that employees leave their managers, not their jobs, is commonly heard. However, research shows a different viewpoint: studies indicate that **a lack of trust in senior leadership strongly influences turnover** in contact centers. This implies that employees may be leaving because of issues with management at higher levels, emphasizing the significance of trust in leadership across different management levels in an organization.

Despite employees often hearing they are a company's most valuable asset, leadership gaps occur when management is perceived as only being interested in metrics and when the most common feedback received by an employee focuses on what's being done incorrectly.

What's the impact? Gallup reports that only 26% of employees strongly agree that the feedback they receive helps improve their work [1].

Let that sink in. Roughly three quarters of your workforce believes the coaching and feedback they receive isn't helpful.

Managing contact centers is challenging, but doing a better job **balancing transactional and transformational leadership** can go a long way to removing the leadership trust gap.

Transactional leadership focuses on exchanges between leaders and followers, where rewards and punishments are used to motivate performance and achieve specific goals. In contrast, **transformational leadership** inspires and motivates followers by appealing to their higher ideals, values, and intrinsic motivations to foster personal growth and organizational development. Transactional leadership emphasizes task completion and adherence to rules, while transformational leadership focuses on vision, innovation, and empowering individuals to reach their full potential.

[1] <https://www.gallup.com/workplace/257582/feedback-not-enough.aspx>

Background

James MacGregor Burns introduced the concept of transforming leadership (Burns, 1978), which involves leaders and followers helping each other advance to a higher level of morale and motivation. Burns identified two concepts: transforming leadership and transactional leadership, which differ in characteristics and behaviors. Transforming leaders make significant changes in organizations and cultures through personality, traits, and articulation of an energizing vision.

Here are the four dimensions of transformational leadership:

1

INDIVIDUALIZED CONSIDERATION

Mentor, coach,
listen, respect.

*Followers have a will
for self-development
and are motivated.*

2

INTELLECTUAL STIMULATION

Challenge assumptions,
take risks, solicit input,
encourage creativity
and learning.

*Followers ask questions
and figure out better
ways to do things.*

3

INSPIRATIONAL MOTIVATION

Purpose and meaning
- how a leader shares
the vision, standards,
goal communication.

*Followers are more
invested, encouraged
and optimistic.*

4

IDEALIZED INFLUENCE

Role model, ethical
behavior, instills pride,
gains respect and trust.

*Followers have
confidence and a sense
of fairness.*

Bernard M. Bass expanded on the work of Burns by introducing the term "transformational" leadership and explaining the psychological mechanisms behind it. Bass focused on measuring and understanding how transformational leadership affects follower motivation and performance (Bass, 1985).

A transformational leader influences their followers in such a way that they feel trust, admiration, loyalty, and respect for the leader, resulting in increased effort and dedication. This type of leader inspires followers with a mission and vision, encourages innovation, and provides individual consideration. Unlike Burns, **Bass suggested that leaders can exhibit both transformational and transactional leadership simultaneously.**

Implications for Managers

Here are some tips for implementing transformational leadership in your organization (Yuki, 1999):

- Develop a challenging and attractive **vision** together with your employees.
- Tie the vision to a **strategy** for its achievement.
- Develop the vision, specify and translate it to **actions**.
- Express **confidence, decisiveness and optimism** about the vision and its implementation.
- Realize the vision through **small, planned steps and small successes** in the path to full implementation.

The Takeaway

30+ years of research shows that the **right mix of transformational and transactional leadership positively predicts and impacts performance outcomes** at the individual, group and organizational level in a company.

PLAYBOOK TO ADDRESS THE TRUST GAP

Learn more about Transformational Leadership by reading [this summary article](#) and sharing it with the leaders in your operation (1). The article may be distributed without charge under a Creative Commons license with attribution.

Get a baseline for how your team feels about the type of leadership they experience by implementing the Multifactor Leadership Questionnaire (MLQ), which measures critical leadership components (Antonakis, Avolio, & Sivasubramaniam, 2003).

The current version is MLQ-5 and is available at [Mind Garden](#) (various purchase options). We recommend doing this twice a year.

Provide a feedback loop with your team and your leadership that maps out the “small, planned steps” described in the Yuki article and celebrates successes along the way.

[1] [Transformational Leadership](#)

REASON 2: EMOTIONAL LABOR

When “Fake It Til You Make It” Only Goes So Far

“**Emotional Labor**” (EL) is the term used to describe the effort of controlling emotions to meet the job requirements, like showing positivity when dealing with customers. A study we reviewed paints a clear picture of the potential impact of EL on an employee’s likelihood to leave a company (Isik & Hamurcu, 2017).

As a leader, you understand that your team members often have to engage in emotional labor, which can lead to emotional exhaustion and burnout. This is worsened by job stress, and it directly impacts their intention to leave. In simpler terms, continuously asking someone to pretend to be someone they’re not can only last for a limited time before negative consequences arise.

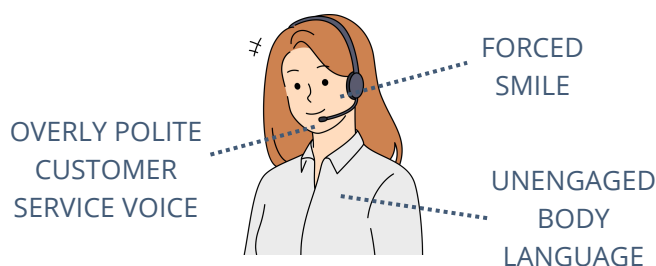
Background

Emotional labor involves two types of behavior:

- **Surface Acting**, which refers to the outward display of emotions without feeling them internally, and
- **Deep Acting**, which involves genuinely feeling the emotions being expressed

The study used the **Emotional Labor Scale (ELS)** to measure emotional labor in the workplace. The ELS includes 21 items assessing surface acting and deep acting, and participants rated their engagement in emotional labor behaviors on a 5-point scale. The total ELS score indicated the overall level of emotional labor, with higher scores reflecting greater emotional labor.

SURFACE ACTING



DEEP ACTING



Implications for Managers

The authors found that **there is a strong link between emotional labor and employees wanting to leave their call center jobs. The more emotional labor employees had to do, the more likely they were to want to leave.** This was true even after considering other factors like job satisfaction.

Basically, it means that having to constantly manage emotions at work, especially in call centers, can make employees more likely to want to quit.

The Takeaway

The impact of emotional labor and job stress in contact centers should not be dismissed as "soft" factors, as the cited research has shown a direct correlation with employee attrition rates. In fact, **an increase in emotional labor explains around 10% of the variance in the intention to leave.** High levels of emotional labor and job stress have been linked to increased turnover, resulting in real costs for organizations.

PLAYBOOK TO ADDRESS THE EMOTIONAL LABOR CHALLENGE

- Create a metric to determine the impact that Emotional Labor is having on your organization by **administering the ELS** cited above. A downloadable version is available [here](#) and in Appendix A of the eBook.

- Once you've got that baseline, get into the habit of administering the **ELS at various times through the year.** It's a quick survey and shouldn't take your team members more than five minutes to complete.

REASON 3: JOB SHOCK

Think Beyond Onboarding

In the world of contact centers and customer support, **“Job Shock”** is the feeling of being overwhelmed when starting a new job, especially when managing a heavy workload and challenging customer interactions. (“Positively” in this context means having a greater influence – so, Job Shock increases the likelihood of emotional exhaustion.)

Defined as “a sudden, unexpected event or circumstance that disrupts an employee's sense of order, coherence, and control in their job (Grandey & Gabriel, 2015),” it’s important to note that Job Shock is more than just ineffective new hire training.

In simple words, **when Job Shock goes up, employees are significantly more likely to feel emotionally exhausted and consider leaving their jobs.** This highlights the importance of addressing job shock (Posey, 2019) to prevent the negative consequences it can have on employees.

Background

Job Shock can significantly impact turnover intention among call center employees, meaning the more intense the Job Shock, the more likely employees are to consider leaving. The Grandey and Gabriel study found that Job Shock can explain up to 10% of the reasons why employees want to leave their jobs, emphasizing the importance of addressing this issue to reduce turnover rates.



As is the case with Emotional Labor, Job Shock is positively related to emotional exhaustion, and emotional exhaustion is positively related to turnover intention. Similarly, the study found an even greater effect of Job Shock on turnover intention among employees who were less satisfied with their jobs. This makes sense because employees who feel they were not properly prepared for the demands of the job would exhibit lower job satisfaction as a whole.

Implications for Managers

Job Shock is **a significant predictor of turnover intention** among contact center and customer support employees and is also correlated to emotional exhaustion and job satisfaction. Researchers found that when call center employees experienced more job shock (which means feeling surprised, overwhelmed or stressed by something that happens at work), they were more likely to feel emotionally exhausted and want to quit their job.

The Takeaway

As call center leaders, it's common knowledge that inadequate onboarding can lead to high turnover rates. However, "**Job Shock**" goes beyond just insufficient initial training. It involves setting realistic expectations for candidates about the actual job requirements, managing the crucial "touchpoints" during the initial time in position and having a support system in place for new hires to help them navigate and cope with the challenges that come with the job.

PLAYBOOK TO ADDRESS JOB SHOCK

- Measure your current employees' intention to leave by using the **Institute for Employee Studies Employee Engagement Survey (IESEES)** in your operation... and track it. Do this twice a year as well. You can download a PDF of IESEES [here](#). It's also in the Appendix B of the eBook and is available to use free of charge under a Creative Commons Attribution – Non-Commercial – No Derivatives 4.0 International License.

- Review (or create, if you haven't done so) an **onboarding journey** that goes beyond initial training and nesting and **maps out every touch point and interaction with a new employee**. Add activities like scheduled coaching on predetermined intervals, surveys, training reinforcements and recognition and map this out for as long as is needed. You may even want to consider administering the IESEES at several points during the first 90-180 days.

- One of the best practices we've observed is a **variation on the traditional post-new hire feedback loop** where Operations, Quality, Training and HR **follow an entire training cohort** (example, two classes of x employees) and actively engage those employees for the first 120-180 days of employment and use data gathered during that period to reduce the likelihood of early attrition. Data elements like training performance, previous work history, attrition, coaching feedback, career development discussions, refresher training and more can help you ultimately land on a new hire journey that goes beyond a series of training courses to be taken in a certain order. Rotate leadership of this group among members from each department.

Focus on any "**low hanging fruit**." Create an action plan to address three items that that can be fixed with owners and due dates. After the first three items are fixed, go to the next three and the next three.

FINAL THOUGHTS

Let's Put New Thinking to Work

The body of academic research we examined makes a compelling argument to **quit thinking about things like leadership, emotional labor (which causes job stress) and job shock as “soft” factors**. The reality is that these things have a direct correlation to contact center attrition, and they are costing you money, impacting your employee experience and your customer experience. They're considered soft because few, if any, companies take the time to measure them. You can – and should – change that.

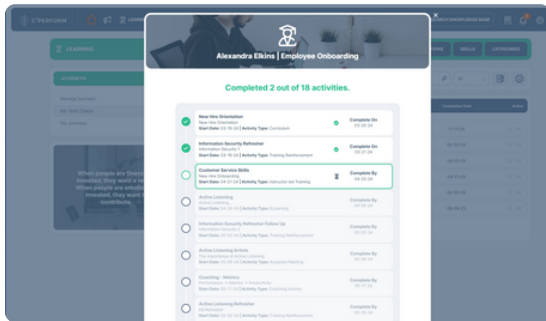
What You Can Do

1. Establish a metric to track attrition's true impact on your business using the **Attrition Velocity formula** or some other approach. While the formula is important, establishing a benchmark that everyone in your organization knows and is very visible is a critical first step.
2. Learn more about **Transformational Leadership** by reading the article we recommended and review opportunities that you have personally to use its concepts to balance the typical transactional nature of running contact center and customer support operations. Leading by example will never go out of style, and the more you demonstrate transformational leadership traits, the more your team will.
3. Use the **Customer Service Experience Assessment** (on pages 13-15 and available for download) to get an understanding of the impact Emotional Labor requirements have on your frontline team members. Don't worry about the results yet; the key is to get an idea of emotional labor's impact on your team and correlate it to attrition. After you've got that baseline, find out what your team needs in the way of support and training.
4. Consider replacing or augmenting your typical employee satisfaction survey with the **IESEES survey** (on pages 16-18 and available for download and non-commercial use) to get a better view of attrition intention. This survey is probably the best one we've seen in terms of addressing the “real” reasons why employees leave, including emotional labor and job shock.

While you may not be able to do all of these things – you do have a “day job” after all – it's important to **start thinking about attrition in new ways to avoid the same old problems**.

Thanks for downloading our eBook. We hope it gives you some fresh perspective on contact center and customer support attrition and helps you on your journey to building a stronger, more engaged workforce.

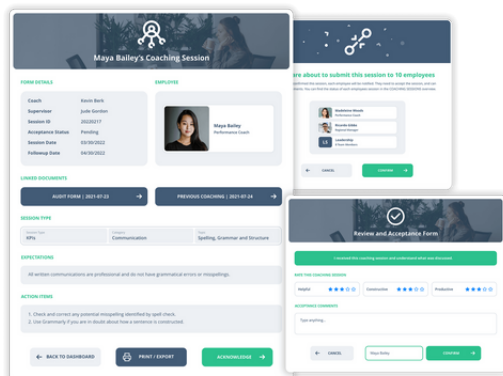
Want to increase retention and engagement in your call center? *Utilize our expert resources!*



[SCHEDULE A CONSULTATION](#)

Employee Journeys That Go Beyond Typical Onboarding

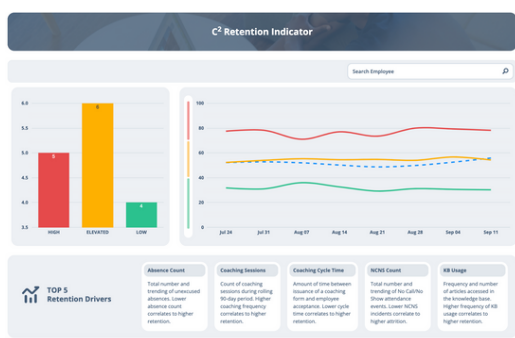
- ✓ Map every touchpoint for a new hire during, not just training.
- ✓ Workflows assign each event to the right person for follow up.
- ✓ Share the Journey with recruits to create realistic expectations and to show your investment in your new team members.
- ✓ Reduce the impact of Job Shock and increase retention during the crucial onboarding phase.



[SCHEDULE A CONSULTATION](#)

Dynamic Coaching Platform

- ✓ Easily create a plan that makes sure you focus on what's important in each session, whether it's onboarding, performance, or career development.
- ✓ Reduce the amount of time required to prepare for coaching up to 50%.
- ✓ Correlate coaching activities to key performance outcomes – track any coaching topic you want to make sure you're on the right track.
- ✓ Access a two-way feedback loop where team members provide input and rate the value of each session.



[SCHEDULE A CONSULTATION](#)

AI-Powered Employee Retention Indicator

- ✓ See who on your team is most likely to leave in the next 90 days, with 82% accuracy!
- ✓ Stop employee turnover in its tracks and retain top talent through direct coaching and targeted analytics.
- ✓ Have direct access to top retention drivers and develop a discreet plan to intercept unengaged employees.

Customer Service Experience Assessment

Appendix A

Thank you for your participation in this important survey as we work toward building a better work environment that promotes the overall well-being of our team. This survey is designed to measure and understand the emotional demands placed on you in your daily interactions with customers.

By participating in this survey, you will be contributing valuable insights that will help us create a better and more supportive workplace for everyone.

We want to assure you that all responses will be kept strictly confidential. Your honest feedback is vital to the success of this initiative, and we greatly appreciate your willingness to share your experiences with us.

Please respond to each of the statements below using a scale of 1 to 5.
(1 =strongly disagree, 2 = disagree, 3 = neutral, 4= agree and 5 = strongly agree)

[DOWNLOAD THIS FULL SURVEY HERE](#)

I control my facial expressions when interacting with customers.

1

2

3

4

5

I hide my true emotions when dealing with customers.

1

2

3

4

5

I try to look enthusiastic even when I'm not.

1

2

3

4

5

I try to appear calm and composed when dealing with customers.

1

2

3

4

5

I act like I'm interested in what customers are saying even when I'm not.

1

2

3

4

5

I fake a smile when interacting with customers.

1

2

3

4

5

I use a cheerful tone of voice even when I'm not feeling cheerful.

1

2

3

4

5

I try to make customers feel like they're my top priority even when I'm busy.

1 2 3 4 5

I try to put myself in the customer's shoes when interacting with them.

1 2 3 4 5

I try to genuinely feel concerned for customers when they have a problem.

1 2 3 4 5

I try to really understand what customers are feeling.

1 2 3 4 5

I try to empathize with customers when they're upset.

1 2 3 4 5

I try to feel happy for customers when something good happens to them.

1 2 3 4 5

I try to feel proud of customers when they achieve something.

1 2 3 4 5

I try to share in customers' joy when they're happy.

1 2 3 4 5

I try to feel disappointed for customers when something doesn't go well for them.

1 2 3 4 5

I try to really listen to what customers are saying.

1 2 3 4 5

I try to put aside my own problems when interacting with customers.

1 2 3 4 5

I try to give customers my full attention.

1

2

3

4

5

I try to be patient with customers even when they're difficult.

1

2

3

4

5

I try to provide customers with emotional support when they need it.

1

2

3

4

5

Institute for Employee Studies Employee Engagement Survey

Appendix B

The questionnaire will consist of questions asking you about training and employee engagement within your organization. Please select how each statement makes you feel on a scale of 1–5.

(1 =strongly disagree, 2 = disagree, 3= neutral, 4= agree and 5 = strongly agree)

[DOWNLOAD THIS FULL SURVEY HERE](#)

I am encouraged to develop new skills.				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

My leader takes employee development seriously.				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

I have many opportunities for training and development.				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

I find real enjoyment in my job.				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

I am seldom bored with my job.				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

Overall, I am satisfied with my job.				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

I have felt emotionally drained by my work.				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

I feel burned out by my work.

1 2 3 4 5

I have felt under constant strain recently.

1 2 3 4 5

I sometimes feel overwhelmed by the pace of change here.

1 2 3 4 5

The pace of change is too fast here.

1 2 3 4 5

I speak highly of this organization to my friends.

1 2 3 4 5

I would be happy for my friends and family to use this organization's products/services.

1 2 3 4 5

This organization is known as a good employer.

1 2 3 4 5

This organization has a good reputation generally.

1 2 3 4 5

I am proud to tell others that I am a part of this organization.

1 2 3 4 5

This organization really inspires the very best in me in the way of performance.

1 2 3 4 5

I find that my values and the organizations are very similar.

1 2 3 4 5

I always do more than is actually required.				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

I try to help others in this organization whenever I can.				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

I try to keep abreast of current developments in my area..				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

I volunteer for things that contribute to the organization’s objectives.				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

I frequently make suggestions to improve the work of my team/department.				
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

Which of the following statements most reflect your current intentions?				
<input type="checkbox"/> 1 - Plan to leave as soon as possible <input type="checkbox"/> 2 - Likely to leave within the next year <input type="checkbox"/> 3 - Likely to stay for at least another year <input type="checkbox"/> 4 - Plan to stay for the foreseeable future				

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RESOURCES

Appendix A

Customer Service Experience Assessment

Appendix B

Institute for Employee Studies Employee Engagement Survey

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