

10 QUESTIONS TO ASK INSTEAD OF ATTRITION

Further, Together



“If I had an hour to solve a problem and my life depended on it, I would use the first 55 minutes determining the proper questions to ask.”

- Albert Einstein,
Theoretical Physicist

“An approximate answer to the right question is worth a great deal more than a precise answer to the wrong question.”

- John Tukey,
Mathematician

The Problem

Attrition is an outsourcing myth. Every time you ask, “What is your attrition rate?” you are putting your customers at risk of having a bad experience via your contact center outsourcing partner.

Those who ask do so because they have been conditioned to think “The Attrition Question” – that simple request for a percentage of turnover – is a signpost on the way to finding the golden goose of outsourcing partners. It has been a question asked for decades, and unfortunately will likely be asked for decades more.

But you can break the trend for your organization.

In our first attrition article, “10 Reasons Why Attrition is a Bad Call Center Metric,” we exposed the critical flaws in the most common question asked of outsourcing companies, and why the answers you receive can wildly misrepresent reality while leading you to make poor decisions.

(We suggest starting with “10 Reasons Why Attrition is a Bad Call Center Metric” – if you haven’t yet read it, you can find it here:

<http://bit.ly/25EQKWh>)

The Consequence

When we look at the wrong information, such as The Attrition Question, we can arrive at the wrong conclusions that can lead to missing business goals, failed partnerships, and poor customer experience.

It is as simple as that.

The Fix

If you are reading this, we will assume you have been charged with making responsible decisions for your organization. We plead to you: stop asking The Attrition Question, and instead seek out the right questions to ask for your business.

You may be screaming, “But my team insists we ask about attrition!” Not to worry – we have some options to ensure you make more informed decisions about your outsourcing partners. Here are the top ten (or eleven) new approaches to learning about call center staffing:

1. When comparing apples to apples, know what seeds you are planting

Let's get this one out of the way first. If after reading our "10 Reasons Why Attrition is a Bad Call Center Metric" article you insist that you must ask for quantifiable information about turnover, make sure to at very least follow this one best practice:

You must provide the formula to calculate attrition. By controlling the calculation you'll be able to equitably compare your different answers.

It is crucial to ask other questions as well, but controlling the attrition formula is an incredible start. Here is a sample formula to build upon:

$$\frac{\text{Voluntary Resigns (monthly total)}}{(\text{Month-Start Headcount} + \text{Month-End Headcount}) / 2} * 100$$

Make sure to ask for a 12-month history in order to identify trends. Now you can start having a meaningful conversation.

2. If you want the right answer, ask the right people

Do you ask for references when evaluating potential partner organizations? You should be.

One of the best ways to determine if attrition is going to be a problem for your potential outsourcing partner is to ask their references about their own experiences with staffing and attrition.

Has your staffing been a problem while working with the outsourcer?

Does turnover seem abnormally high?

Are teams missing targets due to staffing shortages?

Asking these questions of the references can be the single best way to determine any potential problems with attrition.

3. Use a laser, not a hand grenade

The attrition numbers in a call center will change between teams, vendors, clients, and job types. Instead of asking about attrition, which would include every role across a call center, ask questions specific to call center agents who work on portfolios or clients who are similar to your business and culture (and make sure you control the formula used to calculate attrition – see point #1).

4. Attrition averages are useless

Consider this fictitious company, “Phones-R-Us,” and their average attrition rate of 32%. They reach this number by dividing the average number of total employees during the last full month by the number of total departures (regardless of departure reason - voluntary or otherwise).

Here is their calculation: Phones-R-Us has three clients with 100 agents each. Two of those clients in completely different industries than you, and have attrition rates of 10%; the third client has an attrition rate of 75% and, sadly, that client is a lot like your company. Does knowing the average attrition rate of 32% help or hinder you?

Let’s go a step further: how does the third client’s attrition rate of 75% help you? What if that client is scaling down seasonal operations, and the high rate is expected? If you are scared away from Phones-R-Us, you could be making a huge mistake.

Instead, try asking about tenure of existing employees working with clients like you. Knowing that the average tenure is three years tells you that Phones-R-Us has a loyal workforce.

For bonus points, try asking for different averages around that same statistic. Brush up on your statistic skills, and ask about “mean,” “median,” and “mode” averages – you may find some interesting insights.

5. Compare and contrast for deeper insight

Instead of asking for a single number for attrition, ask potential partners to share a variety of historical numbers broken out by job type, location, and type of service. Instead of focusing on the raw numbers, ask for analysis that details the differences in attrition over time.

For example, you could ask for attrition rates broken down by month, over the past two years, segmented by clients who are of the same industry and/or service category. This will show you two things:

1. the trends and anomalies you should expect, and;
2. how badly they want your business, because few companies take the time to understand attrition rates on this level (which is telling in and of itself, isn’t it?).

This will allow you to gain real insight into your potential partner, and how they deal with turnover.

6. Empty desks are the real problem

Instead of asking how many people left, it is often insightful to ask about how long it takes to replace them. Ask questions such as

- What is the average amount of internal job requisitions for your team members by month?
- What is the average number of days it takes to hire a new agent?
- How does the total number of job requisitions required impact the average number of days?

By learning how long it takes to replace a team member you can begin to predict if turnover will be a problem for achieving your goals.

“What is the worth?” you may be asking, “so long as they replace everyone relatively quickly, I’m good!”

Maybe, but maybe not. Every client has different levels of urgency. A roadside assistance client would probably sleep more soundly if they knew their outsourcing partner could scale up relatively quickly in emergency situations, such as intense snowstorms.

What staffing or volume challenges might you face? Is your outsourcing partner equipped to handle these challenges?

7. “People leave managers, not companies”

The quote above is considered one of the altruisms of almost every management course ever offered. It’s easy to assume that, if true, different managers have different turnover rates.

During your procurement process, ask who your manager will be, what their attrition rate is, and how that rate compares to the attrition rate of other operational managers within the same call center. Ask for an explanation as to why that manager’s attrition rates are higher or lower than average to learn what you can expect from your potential team.

8. Don’t blame it on the rain – ask for a forecast

Ask potential outsourcers to provide hiring statistics (e.g. the number of people hired in the last three years, by month), and their forecast for the coming year. Looking at historical statistics will provide insights as to the seasonal challenges faced by a company’s recruiting team, and show how they respond. Comparing the forecast to the past can help you determine if your upcoming recruiting needs are business as usual, or if there are any potential challenges ahead.

9. It's about the brackets

Instead of asking for insight on attrition across a site, ask for insight in groups of agents. For example, ask for attrition numbers/insight on people from 0-30 days, 31-90, 91-180, 181-365, and so forth. Ask for commentary on why the numbers differ from each group.

Also, ask for a forecast on the tenure of the team members who will be joining your portfolio. This will help you determine how your vendor manager should interact with the team.

For example: if you expect a rise in attrition in the 91-180 day mark, you can be proactive to ensure your outsourcing partner is actively working to identify the cause and reduce turnover.

10. Remember Leicester City's victory

You don't have to be a football fan to know this little story about the team that defied all odds and won one of the world's most prestigious championships (and if you don't know it, hop on Google and find the story - it is amazing!). They didn't have the perfect team, but who defines "the perfect team" when you're winning?

Not all team members are equal, but calculations about attrition treat them as so. Instead of asking about attrition, try asking for three things:

1. a list of all clients (even if specific names are omitted, industry, service offered, and average headcount are often enough);
2. the KPIs and/or scorecards used, and;
3. the monthly performance results for the past 12 months.

This is a lot of information to ask for, and then to evaluate, but knowing if the various teams are hitting their goals may answer one other key question:

Even if attrition is a problem for an outsourcer's teams, does it matter if those teams consistently hit their goals?

(For the record, we aren't saying absolutely that "No - it doesn't matter," but it may spark an interesting conversation.)

11. Bonus: If you hire offshore, know the law of the land

Attrition is different around the world, and is often not what it seems. Before evaluating attrition, research local employment law within the country you are working with. For example, some countries have labor laws that insist terminated employees are given six weeks notice when being terminated – this practice nearly eliminates involuntary attrition, instead creating a cycle where employees who would otherwise be terminated are cycled in between clients/portfolios. Simply, it is cheaper to find a fit for a problematic employee than to let them go.

It is your responsibility to research the nuances of each country or region before entrusting it with your customers.

In Conclusion

Any successful outsourcing venture starts and ends with the staff on the frontlines, who represent your brand to your customers. When you hire an outsourcing company, you are hiring an entire team, and that team must be understood. Through smart questions and inquisitive dialogue, you will learn more knowledge about potential staffing challenges and employee culture than only The Attrition Question, in all its simplistic appeal, can ever hope to provide.

Take the time. Formulate your own questions. Strive for the best partner to represent your brand and deliver great experiences. Your customers will thank you by staying your customers.

As always, our team is an email or phone call away if you have any questions – no obligations, ever! We are happy to help, so we can all go further, together.

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