



**FurstPerson**

*Find Hire and Keep the Right Employees*

## **Driving Hiring Performance Improvement**

***White Paper: 10 Things You Should Know from the 2008 Call Center Recruiting and Compensation Survey***

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## **Ten Things You Should Know From the 2008 Call Center Recruiting and Compensation Survey**

Opportunities are emerging from the historic economic turbulence and uncertainty. The most significant financial crisis in 80 years caused consumer confidence to plummet to an all-time low in October. Unemployment is at a 26-year high, and the Dow Jones Industrial Average has dropped by more than 40% since October 2007. The U.S. has been in a recession since December 2007 and some experts fear the country could be spiraling towards a depression. As the economic tempest rages, many contact centers are poised to redefine their mandates and to take advantage of newfound applicant pools.

From the ruins of corporations that once stood as icons of capitalism has risen new opportunities for companies to enhance market position by improving the emotional connection with customers through superior service. The high unemployment rate has expanded the talent pools from which call centers draw in many labor markets. Although hiring more talented and dedicated employees is an important step towards improving a company's position, many of the factors that drove poor employee engagement and high attrition have remained unchanged. The implication is that a call center's success at capitalizing on this opportunity will depend on its ability to change the way it operates.

As part of our ongoing commitment to developing hiring best practices for the call center industry, FurstPerson designed the Call Center Recruitment and Compensation Practices Survey. The objective of this survey is to capture and quantify how hiring best practices improve contact center business results. Organizations that participate in the survey receive a comprehensive report detailing outcomes and strategies to help their organizations. In this report, we have highlighted, at a high level, ten outcomes from the survey completed in October 2008. To register to participate in future surveys and receive the comprehensive report, please visit [www.furstperson.com](http://www.furstperson.com).

### **Survey Participants**

Two groups participated in the survey. First, a group of call center leaders representing 70 centers throughout the United States and Canada completed the survey. More than one-half of these leaders were center directors. Approximately 79% of respondents had at least one year of experience and 83% represented a non-outsourced contact center. Second, a total of 1,360 job applicants from 11 centers across the United States also participated.

## Call Center Leadership Results

### 1. What is the most productive sourcing strategy?

Participants indicated that employee referrals produced the largest percentage of new hires. The next three most productive strategies included: company web site, print ads, and national job boards.

Although referral programs appeared to be the most productive, respondents did not rate it as the most effective sourcing strategy. Participants rated company web site as the most effective, with employee referral programs rated second. The result suggested that participants consider the number of new hires along with other factors (cost, candidate flow, etc.) when evaluating a strategy's effectiveness.

The least productive strategies were community recruiting, college or other school recruiting, career services, and job fairs. In addition to accounting for a relatively small number of hires, more than 50% of participants indicated that they did not use these strategies.

### 2. What are hiring projections for 2009?

Despite the economic challenges highlighted in the introduction, approximately 57% of respondents expected their center's hiring volume to increase over the next 12 months. Only 5% forecasted a reduction in hiring volume over the same period.

### 3. What is the average monthly attrition in North American centers?

The average monthly attrition rate over the last six months for participating centers was 7.18%. Internal centers reported having significantly lower monthly attrition (5.66%) compared to outsourcers (8.69%).

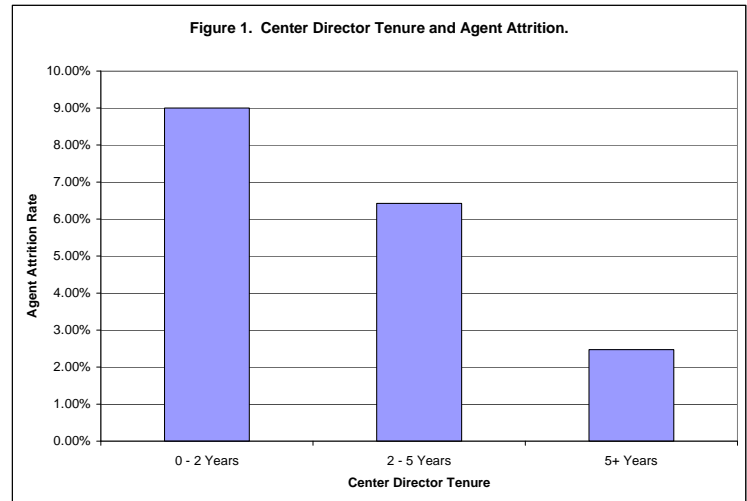
The majority of respondents reported that 70% or more of their monthly attrition was voluntary. The most common reasons cited for voluntary attrition were:

1. Personal Reasons
2. Dissatisfaction with Salary
3. Job Abandonment
4. Poor Job Fit
5. Scheduling Conflicts

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**4. Is a center director’s tenure related to agent attrition?**

As shown in the figure, a center’s attrition rate is related to the director’s tenure. Directors with five or more years of tenure reported average monthly attrition rates that are 247% lower than directors with less than two years tenure. These results imply that contact centers looking to reduce agent attrition should invest in initiatives to retain quality leaders who will provide an added level of stability and support to agents in addition to agent hiring and retention programs.



**5. Is there a cost of attrition differential between internal and outsourced centers?**

Across all centers, the average cost of attrition per agent was \$5,466.32. The cost was lower for outsourcers (\$3,420/agent) than for internal centers (\$7,994/agent).

**Call Center Applicant Results**

**6. What types of applicants are knocking on a call center’s door?**

Most applicants were female (53%), under 40 years of age (79%), and either White/Caucasian (35%) or Black/African American (37%). Most applicants (62%) reported that High School or equivalent as their highest level of education attained, with an additional 20% reporting that they had an Associate’s or Bachelor’s degree. Interestingly, more than 58% of applicants indicated that they were unemployed at the time of application.

A closer examination of candidates who were employed at the time of application found that slightly more than 21% worked in another contact center and 18% were in retail.

More than 70% of all applicants indicated some previous call center experience.

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**7. What's the difference between an applicant's actual and desired pay?**

Applicants reported an average pay rate of \$11.60/hr., which was over \$1/hour lower than the current average rate reportedly paid by the center leaders (\$12.84). One issue FurstPerson explored was the difference between an applicant's current and desired salaries. The average desired rate of pay was \$13.85/hr. Though individuals in some industries or job types felt more underpaid than others on average, the relationship between applicants' current and desired pay was very strong ( $r = .85$ ). The pattern of results suggested that most applicants, regardless of current pay, felt underpaid by about \$2/hr.

**8. Is pay related to satisfaction?**

Overall, 46% of job applicants reported being "Dissatisfied" with their pay, which may help shed some light on the seemingly high percentage of unemployed applicants. However, the majority of applicants who were employed at the time of their application reported being "Satisfied" or "Very Satisfied" with their current rate of pay.

Applicants who received a higher wage tended to be more satisfied. Interestingly, those who reported being "Very Satisfied" were not necessarily paid a higher wage than those who reported being "Satisfied".

**9. Do weekend and holiday schedules impact satisfaction?**

Applicants who were required to work weekends and/or holidays expressed less satisfaction with their schedules than people not required to work weekends and holidays. Conversely, applicants who worked a Day Shift expressed more satisfaction than those working a Night or a Swing Shift.

**10. What do applicants look for in a new job?**

Contact center applicants rated Opportunity for Advancement as the most important consideration, followed by Pay and Company Reputation. These findings generally held true regardless of gender, ethnicity, or age.



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**About FurstPerson**



**What we do:**

- Develop and operate web-based pre-hire, employee selection assessments that help contact center organizations hire and keep the right employees.

**Our experience:**

- Eleven years of research and implementation experience working with all major call types including customer care, sales, collections, winback, and technical support.
- Implemented our solutions in over 200 labor markets in the United States, Canada, UK, and the Philippines.
- Significant industry experience in telecommunications, insurance, outsourcing, financial services, retail, travel, and business services industries.
- Seven years expertise in the home agent hiring.
- Average client is a multi-site, multi-call type organization with complex hiring workflow models and job profiles.



**Differentiators:**

- Predictive assessments with demonstrated bottom line results ranging from improved new hire performance (10 to 30%) to reduced turnover (15 to 50%) and lower recruiting expense.
- Hiring solutions based on empirical research supported by ongoing job and validation analysis.
- Customized solutions leveraging our extensive contact center hiring expertise and industry leading assessment solutions.



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