

Though the Great Resignation has receded from its peak at the height of the Covid-19 pandemic, significant levels of attrition across many industries are continuing to have a negative impact on the bottom line of North American companies. The Society for Human Resource Management ([SHRM](#)) defines attrition as “a term used to describe voluntary and involuntary terminations, deaths, and employee retirements that result in a reduction to the employer's physical workforce.” A depleted physical workforce translates to higher production costs, reduced productivity, and diminished levels of customer service. This document aims to shed light on the many financial and cultural downstream impacts that high attrition causes, provide context for the elevated attrition rate within the contact center industry, and review a case study for a contact center with a robust employee retention program informed by industry best practices.

How High Attrition in Customer Service Partners Impacts Your Customers

Elevated levels of attrition are detrimental to business initiatives in any industry, and the effects are especially pronounced when most newly open positions are customer-facing. Contact centers are particularly vulnerable to this impact. While the following list is not exhaustive, it provides a glimpse into the most damaging effects that high attrition can have for contact centers and companies that outsource their customer service solutions.

Decreased Employee Engagement and Declining Performance Metrics

Since the workload of employees that leave must be reassigned to the remaining agents, the average level of responsibility that must be maintained increases with each employee's departure. For many companies, an increase in compensation for these expanded roles is not a viable option. As a result, it is common for the remaining employees to feel overworked, burnt out, and lacking in motivation to go “above and beyond” when they are struggling to manage their increased workload.

De-motivated employees have more than just a cultural cost. Covering the workload generated by unfilled positions without a substantial increase in compensation leads to disengagement for many employees. Disengaged employees have “37% higher absenteeism, 18% lower productivity and 15% lower profitability” according to [Forbes](#). Put in monetary terms, 34% of a disengaged employee's salary is wasted. The [Bureau of Labor Statistics](#) puts the average annual salary of a customer service representative at just under \$35,000 per year, 34% of which is nearly \$12,000. Businesses could be losing \$12,000 per employee, per year to disengagement.

Constant Onboarding Leads to Gaps in Service Quality and Availability

Even in a scenario where a qualified pool of applicants is readily available, the time and productivity lost during the hiring process is substantial. According to the [Harvard Business Review](#), the onboarding process for new customer service agents can take 43 days. Per [Indeed](#), it can take more than 90 additional days to fully train and integrate agents into production. During this time, the current agents will be experiencing the same volume of customer contacts, thus

leading to an increased average speed to answer and a decrease in customer satisfaction scores. Furthermore, the departure of experienced agents accounts for losses that are not always reflected in the bottom line. The loss of tenured employees brings with it a transfer of institutional and industry knowledge away from their respective teams to either a competitor or a new industry altogether. No amount of training can adequately replace the loss of experience that occurs when senior agents leave. This loss of experience and personnel, in turn, leads to longer hold times, impatient customers, and a decrease in overall customer satisfaction. In short, attrition contributes to a decrease in engagement, productivity, profitability, and a loss of valuable institutional knowledge.

Anticipated Attrition is Factored into Pricing Models

For many outsourced contact centers, the estimated rate of attrition is factored into any quote for services rendered. As a result, if a company is experiencing elevated levels of attrition, its clients can expect to have the anticipated cost of recruiting, onboarding, and training new agents to be built into the quote offered for their services. Taken over a large sample size, the costs of maintaining services with elevated attrition drives the costs in hiring and lost productivity to prohibitive levels. According to a recent study by [SHRM](#), the cost to recruit and onboard new employees averages nearly \$4,700 per hire. Aside from the loss of a tenured associate, attrition hits a company’s bottom line and impacts its service pricing model. To stay competitive, both the companies looking to outsource their customer service and the contact centers themselves must address unsustainable attrition as a means of keeping prices under control.

Current State of Attrition within the Contact Center Industry

Contact centers are particularly vulnerable to the pitfalls of attrition. The [Bureau of Labor Statistics Job Openings and Labor Turnover Survey](#) shows that the 2023 national attrition rate is 35%¹, while [NICE](#) puts the contact center attrition rate at 42%. With attrition rates well over the national average, contact centers clearly have a problem retaining and developing talent.



Source: [NICE](#)

¹ Please see the [Methodology](#) section for details.

While the above statistics make for grim reading, they are not an inevitability. As an outlier to industry norms, SaviLinx has found success in countering high attrition through its expansive retention program. By combining the best of both compensation- and culture-based retention methodologies, SaviLinx has retained the majority of its top talent throughout the 2023 calendar year.

While specific initiatives may have varied results according to each company's respective culture, the following list identifies the key areas in which SaviLinx has invested its time, money, and attention to preserve its experienced workforce and the institutional and industry knowledge that it bears.

A Culture-first Methodology: Savi's Multipronged Approach to Retention

SaviLinx has been able to preserve its talent pool by employing a holistic employee retention plan. It begins with the culture developed by Savi founder and CEO Heather Blease. Heather's vision for the company is to "elevate the human connection" and that begins with employees.

Top-Down Culture of Caring/Service Emphasis for Employees and Clients

- a. The value of cultural alignment to retention strategies cannot be overstated. SaviLinx begins determining whether a candidate is a match for the company's culture by highlighting its values via its website, recruitment materials, and other published documents. The simple statement "We're looking for people who care" provides the framework through which all potential candidates are considered and appeals to two of the company's primary differentiators: compassion and human connection.
- b. SaviLinx further reinforces the concept of cultural alignment within its respective teams by including empathy as a measure in its hiring and screening processes. By building teams with a shared set of values, SaviLinx enables its employees to collaborate with like-minded individuals that prioritize care and service for their customers and, by extension, each other.

Training

Savi knows that training is often the first impression an employee gets of a company, which is why we take a "learner-first" approach. Equipping Agents with the critical skills and knowledge to succeed in their roles is a foundational element to retaining them later in their employee journey. Savi also believes that training is never over. As a part of our retention plan, we offer up-skilling and development-focused ongoing training. With [49%](#) of employees stating that a "clear career path" has a high impact on their decision to remain with a company, Savi training prioritizes ongoing learning and developmental opportunities.

Diverse Incentives

- a. Savi implements a "pay for performance" model that compensates agents at a higher rate when they successfully meet all their performance metrics. This model rewards high performers and incentivizes improvement among less well performing agents. The key to a successful "pay for performance" model is the agent's deep understanding of their goals

and metrics. SaviLinx supervisors implement a regular cadence of employee check-ins where metrics and development opportunities are discussed. This degree of visibility creates accountability among employees and gives them the opportunity to be rewarded for their hard work and professional accomplishments.

- b. Furthermore, agents are regularly singled out for praise for their efforts via a robust employee recognition program. As mentioned above, disengaged employees drain a company's productivity and cultural wellness. Employees that are engaged through strategic and meaningful recognition have the opposite effect. Employees who receive enough recognition are "56% less likely to be looking or watching for job opportunities" while being over 5 times more likely to "recommend their workplace as a great place to work" according to a study from [Gallup](#) in collaboration with Workhuman. Employees are more likely to stay in their current role when they feel recognized for the important work they do. They are also much more likely to recommend that their colleagues and potential new hires do the same. The downstream impacts of engaging employees at all levels of an organization transcend attrition; they can revitalize an organization's entire culture.

Gamification

SaviLinx has recently implemented gamification into its call centers to help motivate staff and encourage positive competition. Gamification is the application of game style elements and principles in non-game contexts. Agents can see their own metrics, compare with teammates, and beat their personal records. Integrating game-like features such as rewards and visible progress tracking encourages employees to achieve regular, measurable improvement. A [NICE](#) survey states that 57% of managers believe that gamification "helps to improve performance, and also increases overall happiness and engagement." The game-like nature of these metrics causes more frequent engagement from agents and helped develop a goal-oriented culture. Agents have cause to more frequently review their stats, work to climb the leaderboards and celebrate wins. Gamification has proven to be a powerful tool in enhancing employee happiness within organizations.

Work/Life Balance and Flexibility

Understanding that employees have a life outside of work is a crucial component to creating a positive company culture. After the Covid-19 pandemic forced many employees to work from home, some found they liked the freedom it provided. In a [NICE](#) study, 72% of employees stated that having remote or hybrid working options was a high priority in determining whether to remain at a job. Savi operates primarily remotely but does offer brick and mortar locations for employees who prefer to work on-site or have contract specific requirements. Regardless of their location, all Savi employees stay connected with their peers and supervisors through Microsoft Teams. By committing to being accessible via this platform, Savi's supervisors have created an environment where remote agents always have support and coaching when they need it. Easy access to their virtual colleagues also enhances the remote employee's experience and sense of belonging. The flexibility for agents to choose the environment that suits them reflects Savi's people-first policy.

People-First Methodologies for Retention Pay Fiscal and Cultural Dividends

Though the Great Resignation is no longer dominating the headlines, elevated attrition levels continue to negatively impact the productivity and engagement of employees in many industries. This trend is particularly striking in the contact center industry. As cited above, the median annual attrition rate for customer service agents sits at an alarming 42%. Ample research indicates, however, that proper investment in employee engagement can pay dividends to both contact center companies and their clients. By committing to a top-down cultural evaluation, companies can draw from the components of SaviLinx' success to improve engagement, productivity, and profitability.

Partner Stability Leads to Consistently High Service Levels Provided by Tenured Agents

An investment into a robust retention and engagement strategy benefits your customers as well. When discussing the positive impacts engaged employees have on business outcomes, a recent survey from [Gallup](#) found that, "Highly engaged business units achieve a 10% increase in customer ratings and a 20% increase in sales." When relying on contact center partners to maintain your brand via customer interactions, these numbers are significant. Whether implementing an entirely new culture of engagement is a viable option will vary from company to company, the value-loss of high attrition is an issue that must be considered when beginning new initiatives.

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Methodology

The 35% figure for national attrition average was calculated using The Bureau of Labor Statistics Job Openings and Labor Turnover Survey for 2023. To control for seasonal and temporary jobs, the following fields were removed from the calculation: mining and logging, construction, manufacturing, trade, transportation, and utilities, real estate and rental and leasing, leisure and hospitality, and other services. As a result, we have computed a figure that is relevant to comparable industries and professional services as compared to contact center agent attrition.