Stop the madness!

How to reduce the risk of agent churn and improve retention

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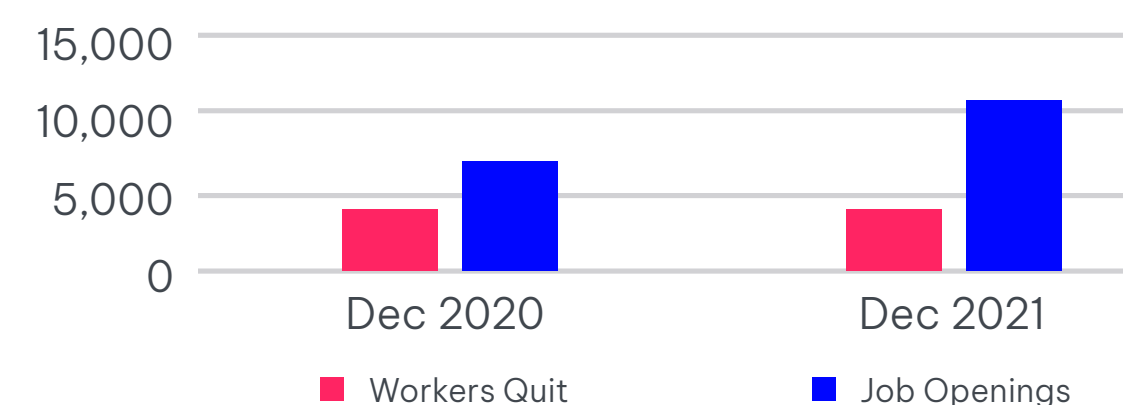
What is the great resignation?

The term "Great Resignation" became part of our vocabulary in 2021 to describe the phenomenon of a record number of people leaving their jobs.[1] Most experts agree that the pandemic changed the power balance for good in favor of employees who have developed a sense of agency to question the status quo. Employees now feel empowered to demand flexible work, a better work/life balance, higher pay, and greater support for mental health.

The massive number of people leaving the workforce or choosing to change jobs, or even careers, is a serious issue for call center managers. Alarming research from Gallup in March 2021 found that 48% of the working population in the United States is actively job-hunting or seeking out new opportunities.[3]

"Agent attrition was 60% higher in 2021 with 58% more jobs available."[4]

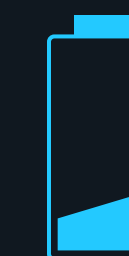### US Quit Levels and Job Openings

In the time of The Great Resignation, turnover inflicts such stress on the remaining employees that they also become a flight risk. It's a vicious, and costly, cycle.

65%
of employees are looking for a new job.[2]

50%
In enterprise organizations with more than 2,500 employees, burnout causes 50% or more of their annual turnover.[5]

1. World Economic Forum: What's driving 'the Great Resignation'? | World Economic Forum (2021)
2. PwC U.S. Pulse Survey: Next in Work (2021)
3. Gallup: The Great Resignation is the Really the Great Discontent (2021)
4. U.S. Bureau of Labor Statistics: Job Openings and Labor Turnover Summary – December 2021 (2022)
5. Future Workplace LLC and Kronos: Employee Engagement Lifecycle Series (2016)

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Why retention matters?

The 2021 March Gallup report also found that **most employees are not engaged or are actively disengaged**, measuring an employee engagement rate of only 34% in the U.S. and Canada. According to the report[6] :

- Lost productivity of actively disengaged and otherwise not engaged employees equals roughly 18% of their annual salary

- Replacing these workers would cost between one-half and two times this same salary

- For a company paying employees $50,000 per year, it costs roughly $9,000 a year to keep each disengaged worker

- It costs between $25,000 and $100,000 to replace them

Purely by the numbers, **it's cheaper to retain disengaged employees than to replace them.**

But this data doesn't tell the whole story. Not all employees are created equal.

Research like the Gallup study forces high performers with low performers into a single number. This obscures the fact that it is much easier—and cheaper—to replace a disengaged, low-tenure employee than a highly engaged, productive, and long-tenured employee.

Even worse, any time you lose a knowledgeable employee, you also lose intrinsic knowledge not written down anywhere. And, when good employees leave, morale among the remaining employees can also drop.

Ironically, the heaviest burden on remaining employees is the new employees who are being hired to reduce the stress from the increased workload caused by mass resignations. But instead of taking work away from the remaining workers, their time and energy are spent on onboarding and training—which adds more work for everyone.

So, in this tight labor market, focus instead on retaining the workers you already have. This tactic will reduce your hiring challenges and enable you to deliver better customer—and employee—experiences.

$1 trillion

U.S. businesses are losing $1 trillion per year due to voluntary employee turnover.[7]

80%

HireRight reduced agent attrition by improving agent satisfaction by 15% and agent engagement by 80% by partnering with NICE.

Read case study

6. Gallup: The 'Great Resignation' Is Really the 'Great Discontent' (2021)
7. Gallup: This Fixable Problem Costs U.S. Businesses $1 Trillion (2019)

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Early retirement

Early retirement, demand for flex and remote work, and rising expectations

According to data from the Federal Reserve Bank of Kansas City, an additional 2 million workers unexpectedly retired from the U.S. workforce in 2021—and stayed retired.[8]

Percent
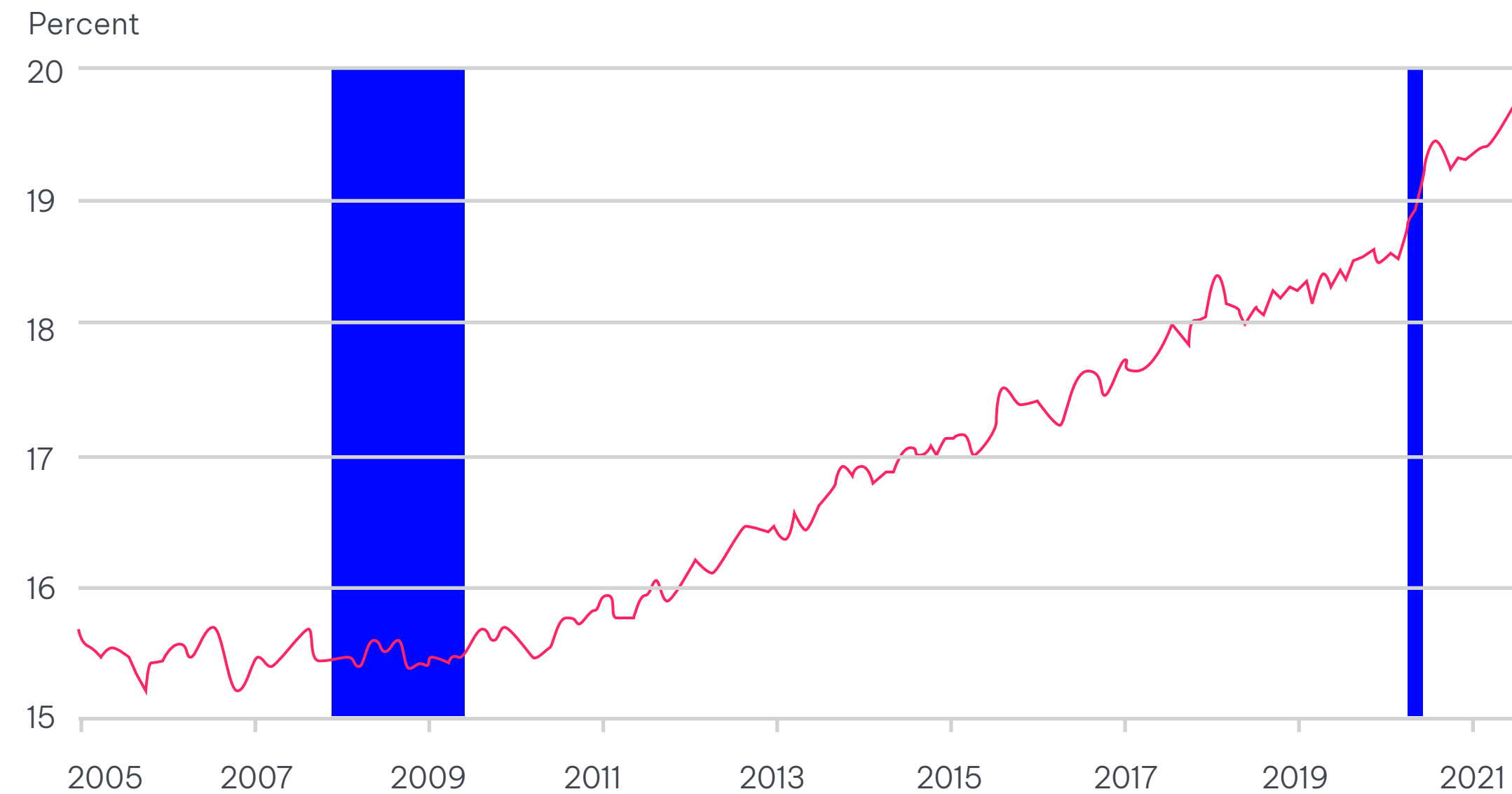
Note: Gray bars denote National Bureau of Economic Research (NBER)-defined recessions.
Sources: U.S. Census Bureau, NBER, and author's calculations.

8. Federal Reserve Bank of Kansas City: What Has Driven the Recent Increase in Retirements? (2021)

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Demand for flex and remote work

An EY Study found that 90% of respondents "want flexibility in where and when they work, with millennials twice as likely to quit as baby boomers." [9]

Women, in particular, disappeared from the workforce during the pandemic and have yet to return. According to Bureau of Labor & Statistics, 1.62 million additional women remain out of the workforce due to: [10]

- Lack of affordable, quality childcare [11]
- Shift to home-schooling
- Realizing families can survive on one income after having to do it during the pandemic

The unprecedented housing costs are also a factor.[12] In fact, 41% of employed Americans would take a pay cut in order to relocate to a more affordable region.[13]

ICATU — 4 days

NICE software enabled ICATU Seguros to transition on-premises agents to remote within four days.

Read case study

9. EY: More than half of employees globally would quit their jobs if not provided post-pandemic flexibility, EY survey finds (2021)
10. U.S. Bureau of Labor Statistics: Employment status of the civilian population by sex and age
11. CNN Business: US grapples with shortage of child care workers - CNN Video (2021)
12. Real Estate Witch: U.S. House Prices Are Rising Exponentially Faster Than Income (2021)
13. Realtor.com: High Housing Costs Are One Reason Behind the 'Great Resignation' (2021)

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Rising expectations

The lockdowns and mass layoffs of the pandemic provided many workers with an opportunity to consider their next career move and apply for jobs with better pay, better benefits, better work-life balance, or all three.

The pandemic also gave employees a reason to re-evaluate their loyalties to their employers based on whether their employers chose to keep people on during a lockdown—or cast them aside. Loyalty is a two-way street.

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Reducing the risk of employee churn

Matthew McSpadden, CEO of WELD Recruiting, advises companies to "start catering to their current employees and build the most flexible, attractive work environment and company culture that considers remote work, work-life balance, mental health and burnout, fulfillment and growth opportunities, and benefits and incentives."[16]

The factors playing into high employee churn—and in a tight labor market, no less—make it critical to take proactive steps to retain your workforce. Otherwise, you may find yourself with unfillable headcount. As of October 2021, there are 11.0 million[14] open jobs but only 7.4 million[15] unemployed people in the United States to fill them.

Smart contact center managers will enact an evaluation process to help them identify the most talented employees who are at high risk for churn, and the triggers that prompt their exit.

Here are seven actionable ways to reduce employee churn:

1. Give agents greater flexibility
2. Remove friction in the agent experience
3. Create a two-way feedback street
4. Give managers support
5. Improve agent onboarding
6. Tap into each agent's sources of motivation
7. Set a retention intention throughout the agent lifecycle

12%

Happiness in the workplace makes people 12% more productive. [17]

14. U.S. Bureau of Labor Statistics: Job Openings and Labor Turnover Summary (2022)
15. U.S. Bureau of Labor Statistics: The Employment Situation (2022)
16. 'The Great Resignation': Who Is Quitting and Which Job Sectors Are Suffering Most? | GOBankingRate (2022)
17. Warwick University: Happiness and Productivity (2009)

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Give agents greater flexibility

For many agents, better pay and benefits alone won't solve the problem of attrition. One in four (25%) named work-life balance as the reason they would job hunt, with almost as many (23%) saying it was the main reason they would stay at their company.[18] So how do companies deliver on work-life balance?

According to 83% of employees, a hybrid work model is the best way to provide that balance.[19]

Cloud contact center technology supports hybrid models without sacrificing human connection or more meaningful relationships. For instance, it mimics familiar in-person work aspects like supervisor floor
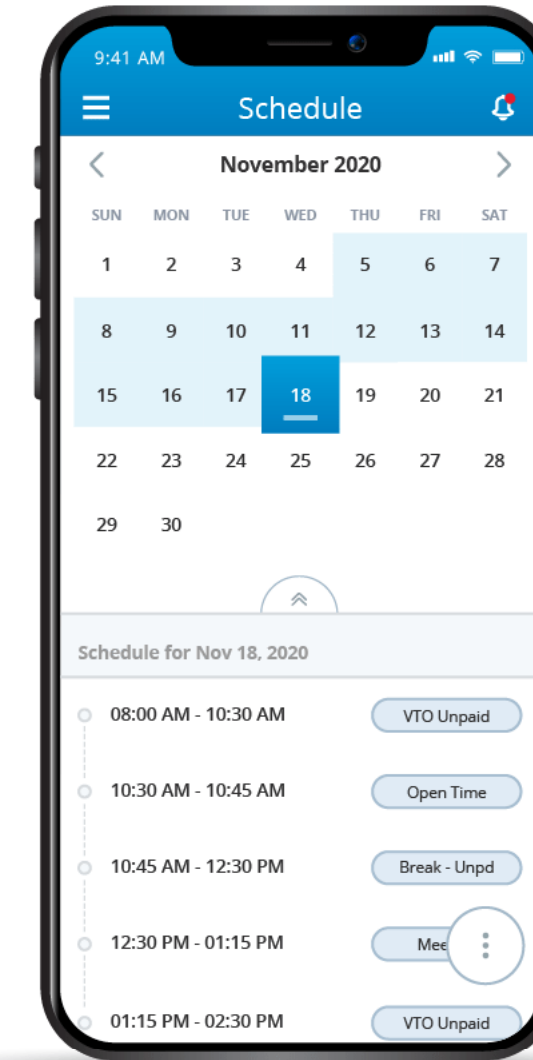
visits to help assist agents through real-time screen monitoring, whispering, or providing real-time voice or text guidance while an agent is interacting with a customer. Or integrated collaboration tools, such as Microsoft Teams, which can act as a virtual solution for water-cooler talk.

Agents might not be able to raise their hand or turn to a neighbor for help, but many of today's tools offer knowledge management to support the agent, such as CXone Expert. While agents are assisting calls, an AI-powered knowledge tool surfaces the right answer they need so they don't need to crawl through pages of results or transfer.

Integrating other answer-sources into the agent desktop, such as customer context from integrated

CRMs, and even real-time coaching on behaviors they can make to improve the outcome of interactions gives them reassurance that they'll always have what they need at their fingertips.

And while some specialty contact center agents might have to be on-premises, leaders can still offer better flexibility and control over work-life balance with an improved agency of scheduling. Mobile scheduling tools where agents can review their schedules, pick up, or trade shifts instantly on-the-fly gives agents more control over their work-life balance while showing them you value their time.

18. Achievers: Workforce Institute's fourth annual Engagement and Retention Report (2021)
19. Accenture: Future of Work Study (2021)

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Remove friction in the agent experience

Imagine how valued you'd feel if you spent one-third of the workweek on unimportant tasks[20] or didn't have the technology you need to do your job in a meaningful way.[21] Well, it's worse for most agents.

Employers often prioritize improving the customer experience, but just like your customers, your employees want tools to effectively solve problems. So much so, that 49% of workers say they're likely to leave their current job if they're unhappy or frustrated with workplace technology.[22]

For many agents, getting squeezed by the increased complexity of work and volumes of interactions on top of inadequate tools compounds negative feelings.

Integrating technology and interaction channels into a unified desktop prevents agents from wasting time and the frustration of having to switch between channels but can also keep them engaged. In fact, one CXone customer achieved a 20% increase in agent utilization from integrating all channels and enabling their agents to concurrently respond to various channel interactions at once.

But increasing interactions needs to be done wisely to avoid burnout. According to Indeed, nearly 60% of millennial and Gen Z workforces were already burned out before COVID-19 and are experiencing it today.[23] To help prevent burnout, consider improving customer self-service to automate agent's routine tasks, decrease a burnout inducing workload, and keep them engaged with fulfilling work. And this works in more ways than one:

Mitchell automated routine calls, like payment reminders, to save 2-3 minutes per call.

Read case study

mitchell

20. Adobe: The future of Time (2021)
21. ICMI: State of Agent Experience and Engagement in Today's Contact Centers (2018)
22. Adobe Experience Cloud: State of Work 2021 (2021)
23. Indeed: Preventing Employee Burnout Report (2021)

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Create a two-way feedback street

Effective retention should focus on both keeping good employees and keeping them engaged with their jobs and your customers. The best employees work for more than the money. They want their work to be impactful and rewarding.

The three Ns

Leadership expert Tim Durkin's[24] 3-N Strategy is a simple and effective framework to help you focus on keeping good people through effective communications and feedback.

NEEDED:

"Everyone wants to feel needed. Employees want to know they are contributing to their team and their company. When agents interact with customers, they want to know they are helping make a difference."

NOTICED:

"Do you notice the hard work of your agents? If so, tell them! It creates very fulfilling moments when the boss says you're doing a good job."

KNOWN:

"Feedback is the best way for managers to share their knowledge, guidance, and appreciation. Receiving a thank you card, email, or phone call from upper-level management, or even the CEO, can go a long way toward helping agents feel valued. And, when your employees feel appreciated, your customers will too." [25]

But feedback should always be a two-way street. Many companies do a poor job of listening to employee feedback. According to a recent Explorance survey, 78% of employees are eager to provide feedback to their employers. However, 56% of employees say they never see results from their feedback, and nearly half (45%) feel their feedback does not lead to meaningful change.[26]

When employees don't feel heard, they are more likely to churn.

trupanion™

55%

Trupanion increased agent retention by 55% through system stability and Workforce Management to give agents real-time visibility into their performance against their goals.

Read case study

24. Tim Durkin – Developing Exceptional Leaders That Will Deliver Exceptional Results
25. Tim Durkin – Developing Exceptional Leaders That Will Deliver Exceptional Results
26. Forbes: New Survey Finds Surprising Reason Behind 'The Great Resignation': How To Avoid Losing Top Talent (2021)

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Give managers support

Many companies promote managers based on their individual performance, but the skills needed to succeed as a manager are very different. Many companies fail to prepare their managers as comprehensively as they prepare their frontline staff. And this has an adverse effect on that staff. In fact, DDI's Frontline Leader Project research shows that 57% of employees have left a job because of their manager, and another 32% have thought about doing so.[27]

Managers need the proper tools, resources, guidance, and support in order to succeed. This includes personalized training on how to:

- Use AI-powered tools and technology to identify coaching opportunities
- Successfully onboard agents
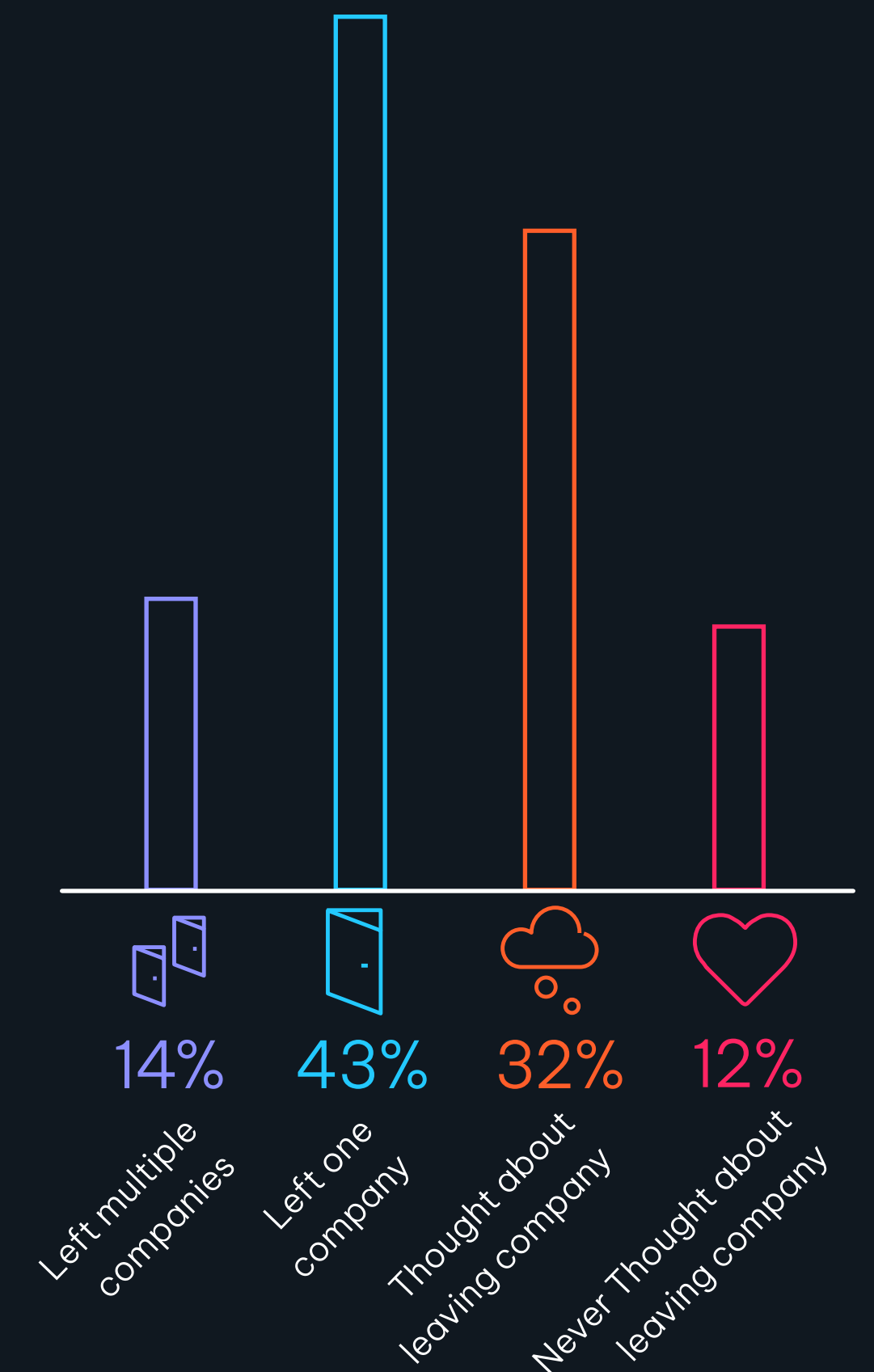- Recognize and celebrate their team members

- Provide candid and empathetic feedback and performance reviews
- Match employee preferences to coaching styles
- Create an employee experience that decreases frustration and increases productivity

Many managers have become increasingly frustrated during the pandemic. According to research from Visier, the resignation rate for managers was nearly 12% higher than the previous year. [28]

Not preparing and supporting managers can lead to manager burnout and churn—often costing companies the incredible intrinsic knowledge that managers possess from their time as individual contributors.

Creating better managers results in better employees who will stay longer.

Quit because of manager

| 14% | 43% | 32% | 12% |
| Left multiple companies | Left one company | Thought about leaving company | Never Thought about leaving company |

27. DDI: Frontline Leader Project
28. Viser: The Burnout Epidemic Report (2021)

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Improve agent onboarding

Setting up agents for success from the start is more important than almost any investment you can make. While employees often feel as if they're on trial early in their time with the company, good managers realize both they and the company are on trial as well.

Onboarding can be overwhelming and isolating. The faster an employee can positively contribute, the more valuable they feel. That's why onboarding has a massive impact on the sentiment and retention of your agents.

It's worth mentioning that onboarding can— to some extent—be personalized to their preferred learning style. You can expedite the ability of your agents to be productive by formalizing a remote-friendly experience. Automate routine tasks and streamline technology so agents spend less time training and more time helping customers. Integrated cloud technology is the best way to ensure the onboarding experience is quick and efficient.

When agents have to switch in-between disjointed systems and technologies to support customer interactions and post-interaction engagement, it doesn't just make them less productive, it frustrates agents and customers with the time it takes to get the answers they need. Complex processes also increase the time it takes to onboard agents.

Ensure your agents feel like they are part of your company culture from the start by demonstrating how their role enforces your company's vision, mission, and values. Incorporate regular team and manager communication and feedback early on to promote a sense of belonging.
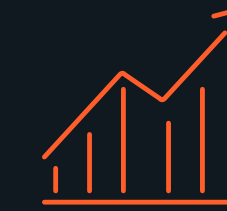
82%
Organizations with a strong onboarding process improve new hire retention by 82% and productivity by 70%.[29]

70%
70% of employees who had an exceptional onboarding experience say they have "the best possible job." These employees are also 2.6 times as likely to be extremely satisfied with their workplace—and consequently, far more likely to stay.[30]

SIEMENS
80%
Siemens Digital Industries reduced agent training time by 80% with CXone and reduced call transfer from 40% to 15% by enabling IVR to answer routine questions.

Read case study

29. Glassdoor: The True Cost of a Bad Hire (2015)
30. Gallup: 8 Practical Tips for Leaders for a Better Onboarding Process (2021)

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Tap into each agent's personal sources of motivation

Tools such as badges and gamification can increase retention, engage employees during onboarding, and continuously develop them throughout their time with the company.

For my latest book, Charting Change, I created a powerful tool called "The Eight Change Mindsets to Harness for Success." Because employee development is a form of change, harnessing these eight mindsets and the motivations behind them will encourage your agents to embrace growth and change during their time with you.

Leverage the Eight Change Mindsets to tailor your agent development and identify individualized ways for team members to make valuable contributions that match their motivations.

Eight Change Mindsets to Harness for Success © 2014 Braden Kelley | All Right Reserved

1. MOVER 'N SHAKER
Give these people the chance to be first

2. THRILL SEEKER
These people like to try new things and experiment

3. MISSION-DRIVEN
These people need the reasons to believe

4 ACTION-ORIENTED
These people just want to know what needs to be done

5. EXPERT-MINDED
Teach these people how to do it, and they will seek mastery

6. REWARD-HUNGRY
These people want recognition for adopting the change

7. TEAM PLAYER
These people are happy to help if you show them why the change will be helpful

8. TEACHER
Show these people how to get others to choose change

The key to building and maintaining momentum is to understand and harness the different mind-set that cause people to choose change

Vera Bradley

15%

Vera Bradley used gamification to see a 10% reduction in agent attrition and increase agent engagement to 15%.
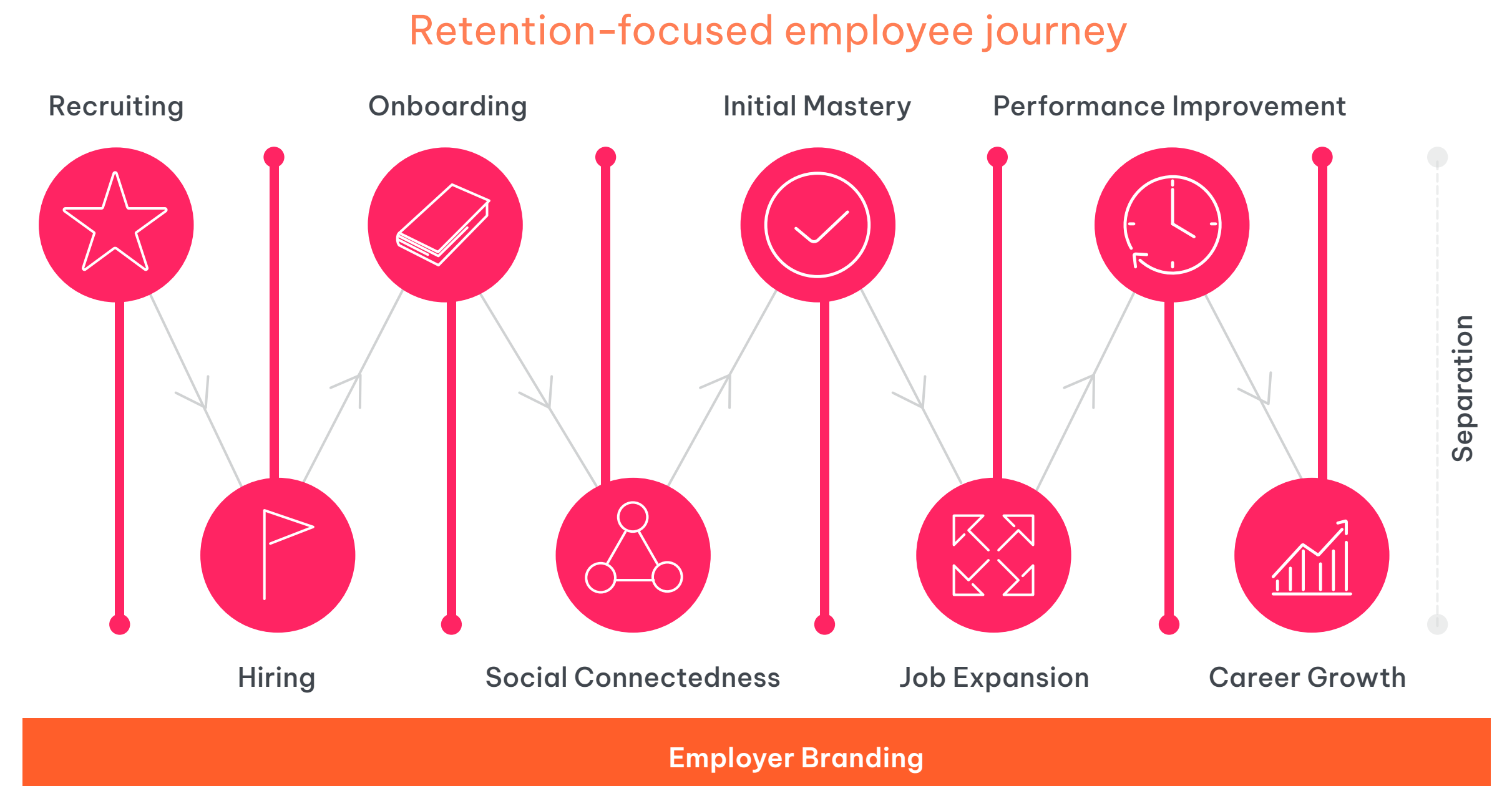
Read case study

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Set an intention for retention throughout the employee lifecycle

Smart companies begin their retention efforts during the hiring process and as part of their ongoing employer branding efforts. They understand the factors that tip employees from satisfaction to dissatisfaction with their job and engage in behaviors and communications throughout the employee lifecycle to create reasons to remain on staff.

While many job satisfaction drivers may be valid for most employees and potential employees, they may take different relative weights for each person and job type. Invest the time with your agents to understand the differences. Start by understanding how potential employees value the different retention factors during the hiring process.

Focus your ideation efforts by "mapping the employee journey" to learn how to best build or reinforce job satisfaction at each stage of the journey. Consider this example:

Retention-focused employee journey

Recruiting

Hiring

Onboarding

Social Connectedness

Initial Mastery

Job Expansion

Performance Improvement

Career Growth

Separation

Employer Branding

Your chances for agent retention will improve by consciously focusing on the sources of satisfaction for each agent across all the phases of the employee journey.

Linking agent experience and customer experience

If you neglect the agent experience, and they hate their job—imagine the message they're broadcasting to your customers. Your agents are your most important brand ambassadors.

Invest in tools to help them serve your customers efficiently and effectively. Substandard technology, "frankenstacks," [31] and administrative burdens all negatively impact both employees and customers.

In this Great Resignation climate, employees choose companies that treat them more like customers and less like cogs in a wheel. These "employers of choice" understand that agents want the same thing customers want: Efficient, effortless, and personalized experiences. Attracting and retaining agents requires the same dedication you apply to elevate customer perceptions of your brand.

Ensuring your agents are well-trained, equipped, and connected drives employee retention (meaning more experienced and capable employees) and creates a better customer experience.

Organizations that care about employee wellbeing have 2X the customer satisfaction as reflected in their net promoter score.[32]

The more time agents spend entering their time, searching for information, and completing repetitive tasks, is time not spent helping your customers succeed and feel good about working with you.

An improved employee experience reduces absenteeism, decreases wait times, increases employee engagement and productivity, shortens call times, and increases first contact resolution.

Forward-thinking organizations also set boundaries for acceptable customer behavior and are willing to provide support to their agents when customers cross lines. This allows employees to deliver an enhanced customer experience while also feeling empowered to walk customers back from inappropriate behavior or off the line to cool down.
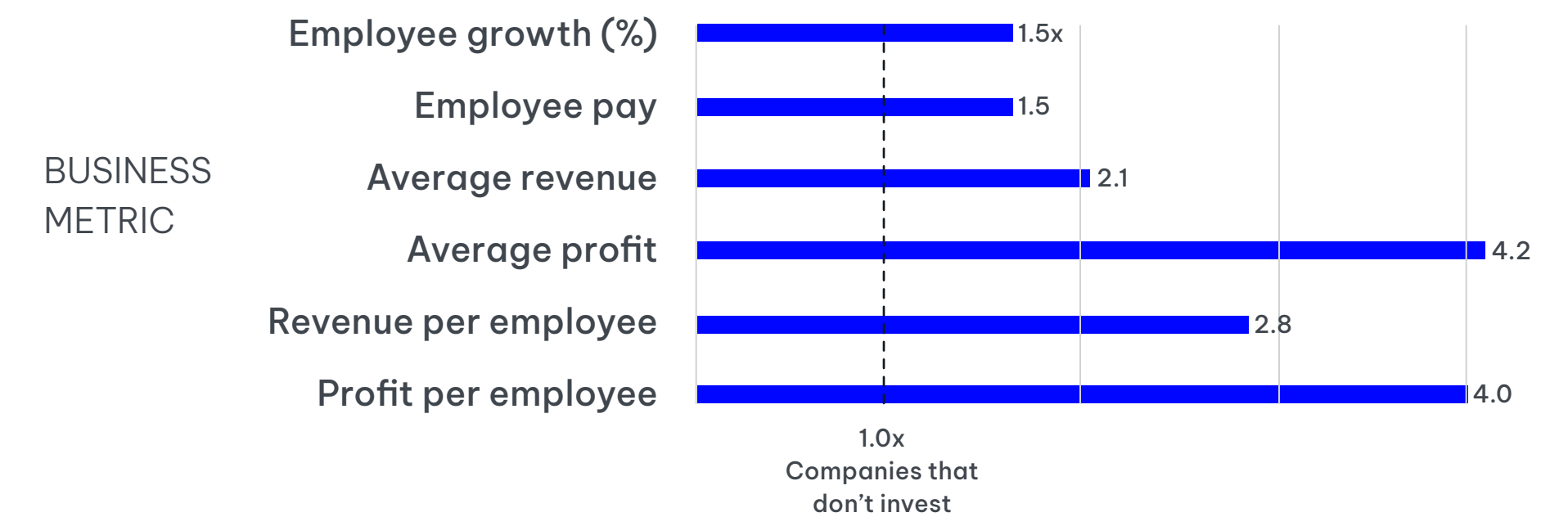
An executive noted in Deloitte's 2017 Human Capital Trends report:

"We now realize we had it backward. If we put employees first, they, in turn, take care of our customers, and they, in turn, take care of our shareholders." [33]

Companies that invest in employee experience generate four times as much profit per employee as those that don't, according to an analysis of 250 organizations. [34]

Companies that invest in employee experience outperform those that don't.

Amount by which companies that invest in employees outperform those that don't

BUSINESS METRIC	
Employee growth (%)	1.5x
Employee pay	1.5
Average revenue	2.1
Average profit	4.2
Revenue per employee	2.8
Profit per employee	4.0

1.0x
Companies that
don't invest

SOURCE The Employee Experience Advantage, by Jacob Morgan (Wiley, 2017) ©HBR.ORG

31. BrandPost: Beware the Frankenstack! (2021)
32. MIT: Building Business Value with Employee Experience (2018)
33. Deloitte: Human Capital Trends report (2017)
34. Marcus and Associates: Does Investing in a Good Employee Experience Pay Off for Everyone? (2017)

Key Takeaways

Reducing churn is a business imperative because companies cannot afford to lose highly skilled agents and attempt to hire and train inexperienced replacements from a labor force that has decreased in size.

Companies will have to go further to reach the number of new hires required to keep contact centers fully staffed. Addressing some of the key reasons people have left the workforce will increase your chances of reaching your hiring goals.

Flexible schedules and remote work can help contact centers retain workers and attract others from the existing candidate pool.

Parents who have returned to the home and opted out of the workforce may be lured back into employment by employers who can provide affordable childcare.

Accommodating a higher percentage of remote workers in your contact center strategy will help you access those who have fled high-cost regions in search of a lower cost of living. Cloud-based contact center technology can help accommodate a "productive-from-anywhere" workforce.

And, better understanding the motivations of each agent to connect with them as individuals that feel *needed, noticed, and known* throughout their employee journey will help you build toward the retention your business needs to thrive and grow. Growing your retention capabilities will put you on the right side of The Great Resignation as an employer of choice and a destination for those leaving their jobs for something better.

Be the employer of choice by treating your agents more like customers. Learn more about how CXone supports productive-from-anywhere agents:

- Watch CXone Expert Overview Video
- Get Real-time Interaction Guidance Datasheet
- Learn more about mobile scheduling

Watch demo

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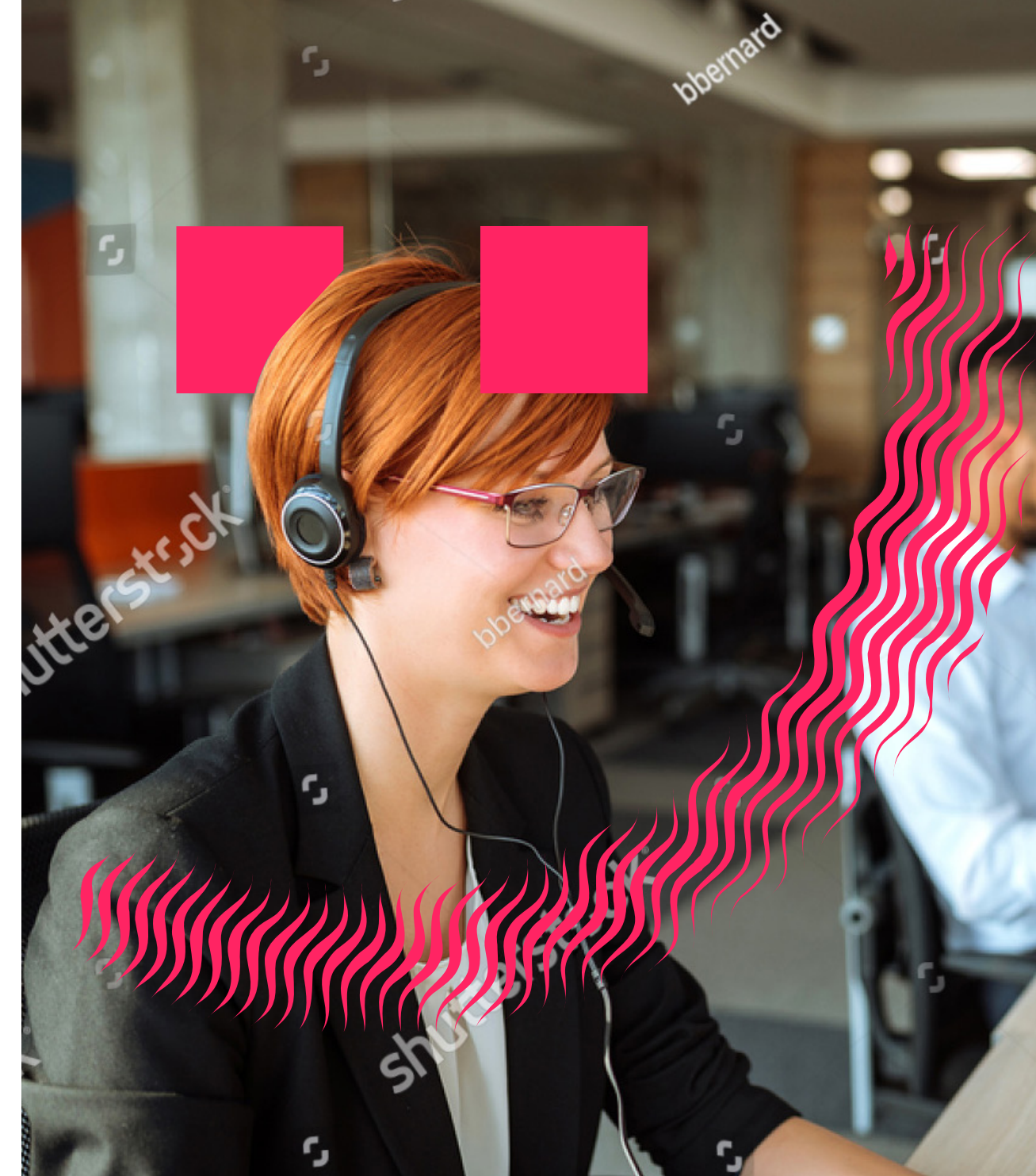
About CXone

NICE CXone is a worldwide leader in AI-powered self-service and agent-assisted CX software for the contact center—and beyond. Imagine the possibilities when your customers are effortlessly guided to quickly resolve their needs directly on your digital properties or matched with a well-prepared agent—every time and on every channel. Plus, with predictive analytics and embedded artificial intelligence (AI), your team can resolve issues faster, personalize each experience—and forge deeper loyalty with each customer.

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