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Can Fringe Benefits Stem the Tide of Call Center Turnover?



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Working at a call center can be a high-stress job with a high rate of attrition. To combat the notoriously high turnover of employees in the low-wage world of call centers, some companies are upping the ante by spicing it with some unusual perks, from on-site movie theaters and massages to group wall painting.

Call center reps get a bad rap. They're expected to be constantly nice in the face of increasingly not-nice customer interactions, field the blunt of management's never-ending drive for increased performance, and solve every problem that randomly hits their line. It's no wonder the industry faces a lightning-fast turnover rate.

"It's a problem our clients wrestle with every day," Matt Katz, vice president of business consulting at Merced Systems, told CRM Buyer. "Anything companies can do to add even a few months to an individual's time on the payroll has real financial impact."

The Math Behind the Madness

For every month a single staffer is retained, Katz said, the company saves from US\$2,000 to \$3,000. "It costs \$10,000 to \$15,000 in hard expenses to replace a single call center worker, plus there's the lost performance costs -- during the gap between when the trained staffer leaves and before the new staffer is up to speed -- of a few thousand more a month," he said.

That's a lot of pennies to pay for staffers that turn on a dime.

"The challenge for employers is to figure out how to retain key employees and make their jobs fun, interesting and less stressful all at the same time," Jack McElaney, vice president of sales and client services at E Communication Advantage, told CRM Buyer.

Walking the Talk

"It is true that retention is a big issue in call centers. It always has been," David Anderson, CEO of The Utopia Group, told CRM Buyer. "However, in places like Central America, which is where I live, this is even more important, as there is a limited resource of English speakers to consider."

It takes more than a pep talk and an occasional pat on the back to keep these valuable staffers on the line.

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companies are upping the ante by spicing it with some unusual perks, from on-site movie theaters and massages to group wall painting.

"We had a client use our call center as a team building exercise for their group of agents. Each group took a section of a wall in a select area of our center and applied their team spirit and artistic skills to that canvas," says McElaney.

However, while fun and helpful at the moment, such exercises can have mixed long-term results.

"Our client is gone, but the art brightens our walls every day and symbolically shows the lasting impression a team exercise can have," adds McElaney.

Other incentives are more pocketable.

"Some of the most successful programs have been those which represent creative and out-of-the-box type thinking. I have seen call centers give away motorcycles, large cash bonuses and other types of incentives," said Anderson.

"Some things would surprise you," he added. "I recently saw one call center all but eliminate tardiness and increase morale and productivity by offering donuts for those coming in to work 15 minutes early."

Yet other incentives are more a promise of freedom.

"Some of the most successful at retaining employees are companies that offer advanced training and certification programs, and in the case of multinationals, an opportunity to travel to the U.S. and other countries as part of training and team building," explained Anderson.

The Cost of Coddling

"Other call center professionals have asked me how much does it cost to run these programs, and my answer is always 'how much does it cost us to not run these programs?'" said McElaney.

The sentiment is shared throughout the industry.

"I am not a financial person; I am an operations guy, but I can tell you this: Most bean counters do not begin to understand the cost of not focusing on morale and retention," exclaimed Anderson.

In any case, many incentives offered these days do not cost much.

"All of the programs that we have used, alone or in total, were not and are not expensive," explained McElaney. "We have noticed marked improvement in productivity and morale as a result of allowing them to take place. Just the act of polling employees about what is important to them and then acting on it can show an increase in morale."

"Even on a shoestring budget, employee retention programs can work," he added.

One of the most successful techniques cost nothing at all.

"We push for more contact with supervisors that are not punitive," says Katz. "It's important to listen and treat staffers as people."

Who Benefits From the Bennies?

In a nutshell, everyone wins: Management protects the bottom line and staffers get to bank the rest -- at least for a while.

"These measures are very effective, until everyone in the market starts offering similar 'bennies,'" said Anderson.

An ever-increasing need for new ideas in the way of morale boosters and stay-on-the job incentives remains a key factor in operating a profitable call center.

"You must act on it regularly and change it up constantly," advised McElaney. "'In with the new and out with old' is a good motto to have with incentives that don't work or lose their appeal."

No Reprieve for Bad Management

However, be forewarned that snazzy benefits and bags of cash alone will not retain employees for long.

"Unless there is a huge gap in salary and basic benefits, it is rarely those fundamentals that impact morale or retention. Work environment can also be a very powerful recruitment and retention aid. Another powerful impact is management style," said Anderson. "It's important to put together the complete package."

Management style in particular can be the biggest bugaboo.

"No matter how attractive the environment, no matter the incentives, a tyrannical management style can lead to retention problems and low morale," he warned.

"It has been my experience that the most successful operations are those who have integrated HR into the operation. When a company employs a proactive HR strategy and treats the employees as resources rather than just numbers, the organization is more successful in recruitment, retention and productivity," he added. **ECT**

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