

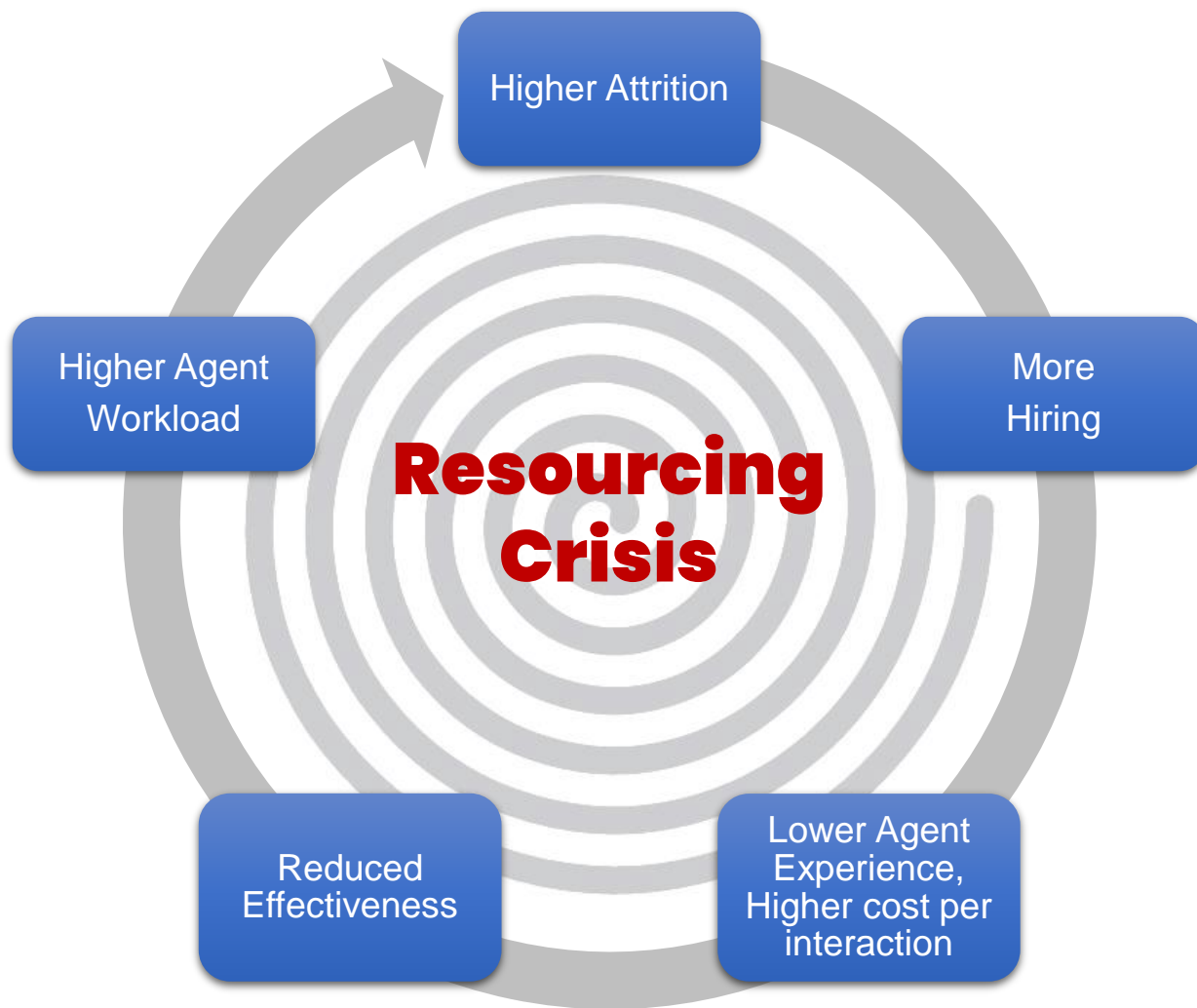
The Hard and Hidden Costs of Agent Attrition

Cinareo 

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Inspired by the article published in Contact Center Pipeline by Brent Holland (Intelliante) & Mark Alpern (Cinareo)

We're in a Resourcing Crisis



Attrition costs employers \$1 trillion per year in the U.S.¹

Impact on contact centers:

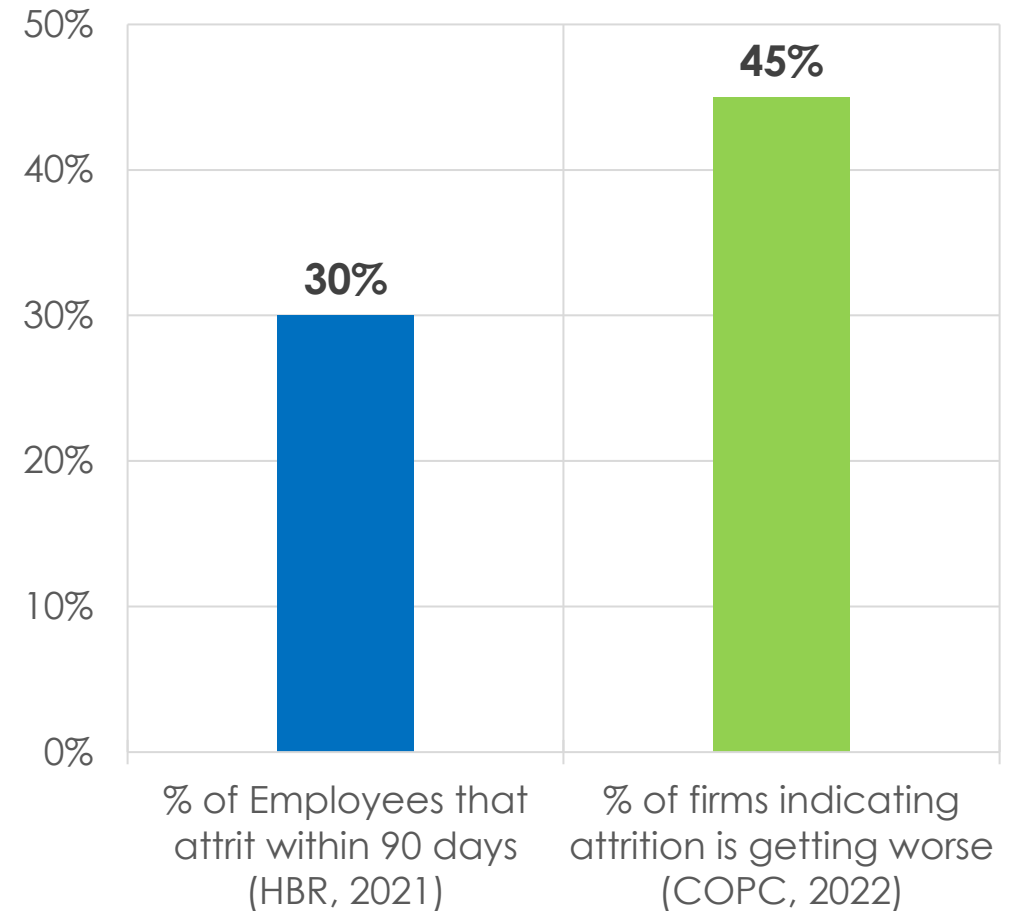
- 60% higher attrition than average²
- Attrition exceeds 20% annually in 49% of organizations³
- 45% of agents quit voluntarily⁴
- 31% of agents are considering leaving⁴

¹ Gallup, 2019; ² Cresta, 2022; ³ COPC, 2022; ⁴ NICE, 2021

What is the Driving the Problem?

Attrition is a pervasive problem caused by:

- Unmanageable workloads
- Inflexible work schedules
- Low wages
- Lack of growth opportunities
- Limited or no option for remote work
- Poor Hiring
- Transactional leadership



The Costs of Attrition

Hard Costs

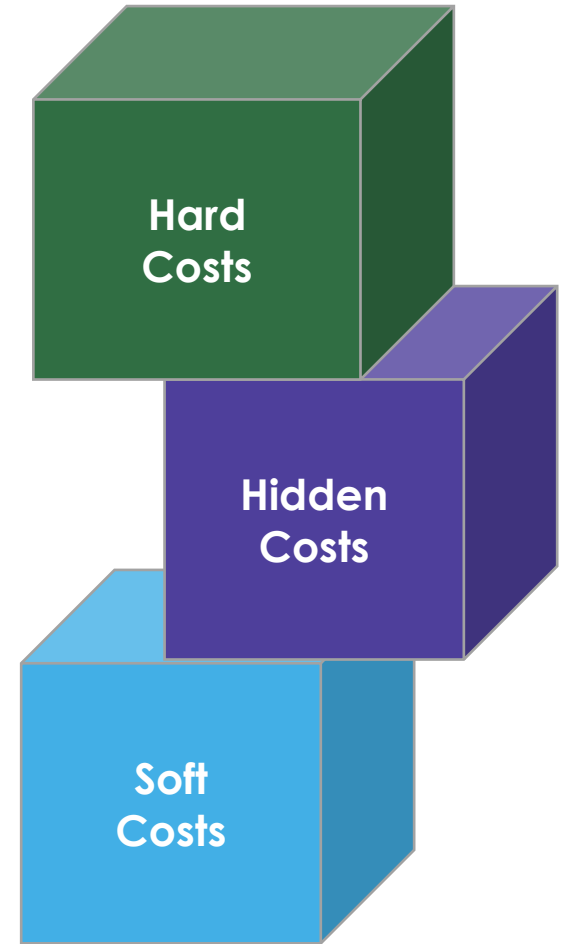
- The direct and tangible costs of turnover come from recruiting and training new hires

Hidden Costs

- The direct, tangible and intangible costs of staff involved in recruiting and training, and administrative overhead

Soft Costs

- The indirect costs caused by agent attrition, such as poor KPI results and lower employee engagement



The Soft Costs of Attrition

Employee engagement and morale decline

- Higher occupancy burdens remaining employees
- Starts negative conversations about organizational issues
- Absenteeism of remaining agents increases

The domino effect

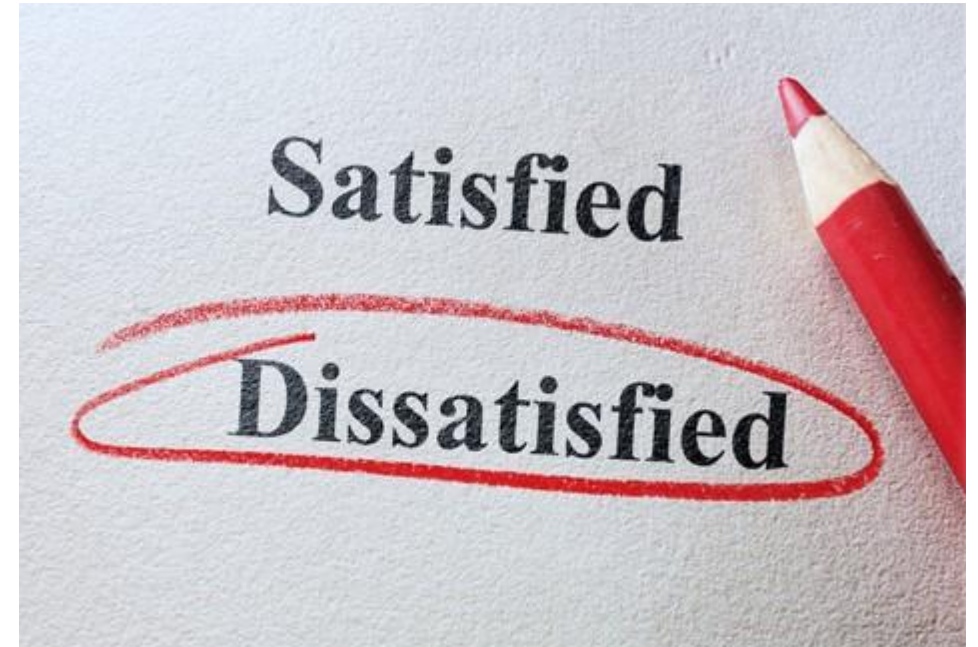
- As agents leave, others ask why and leave too
- Institutional knowledge and experience is lost

Increased supervisory burden

- Supervisors must work to get agents through their learning curve rather than working with agents to guide them to maximize their performance

Inconsistent CX

- Overall service quality decreases as new agents take longer & are often less adept at problem-solving



Hard and Hidden Cost Analysis

Sample organization:

- 150 Agent Contact Center
- 42% Annual Attrition
- 10:1 Applicant to Hire Ratio
- Agent Wage: \$20.98/hr
(~\$41K per year)
- AHT: 470 Sec
- SL: 80/20



Hard and Hidden Cost Analysis

Hard and Hidden Costs

Recruiting

Onboarding/Training

Nesting / Academy Bay

New Hire Learning Curve

Lost Production Capacity

80%

Hard Costs



20%

Hidden Costs



Recruiting Costs: Internal and External

Internal Expenses	Recruiting and Sourcing	Recruiters, education, drug testing, criminal history, references, etc.
	Job Fair & Recruiting Events	Events, shipping, assembly, rentals, etc.
	Bonuses & Incentives	Costing of signing bonuses and applicant incentives
	Employee Referrals	Cost of payments for referrals
	Sourcing Expenses	Cost of lists, databases, memberships, etc.
External Expenses	Recruiting Technologies	TA systems, assessments, interviews
	Advertising & Marketing	Job boards, SEO, ads, etc.
	Consulting	Legal, EEO, compliance, etc.
	Relocation	Relocation
	Travel	Transportation, food, hotel, etc.

COST-PER-HIRE
\$2,250/hire

Onboarding / Training / Nesting Costs

The cost of training and nesting is not simply

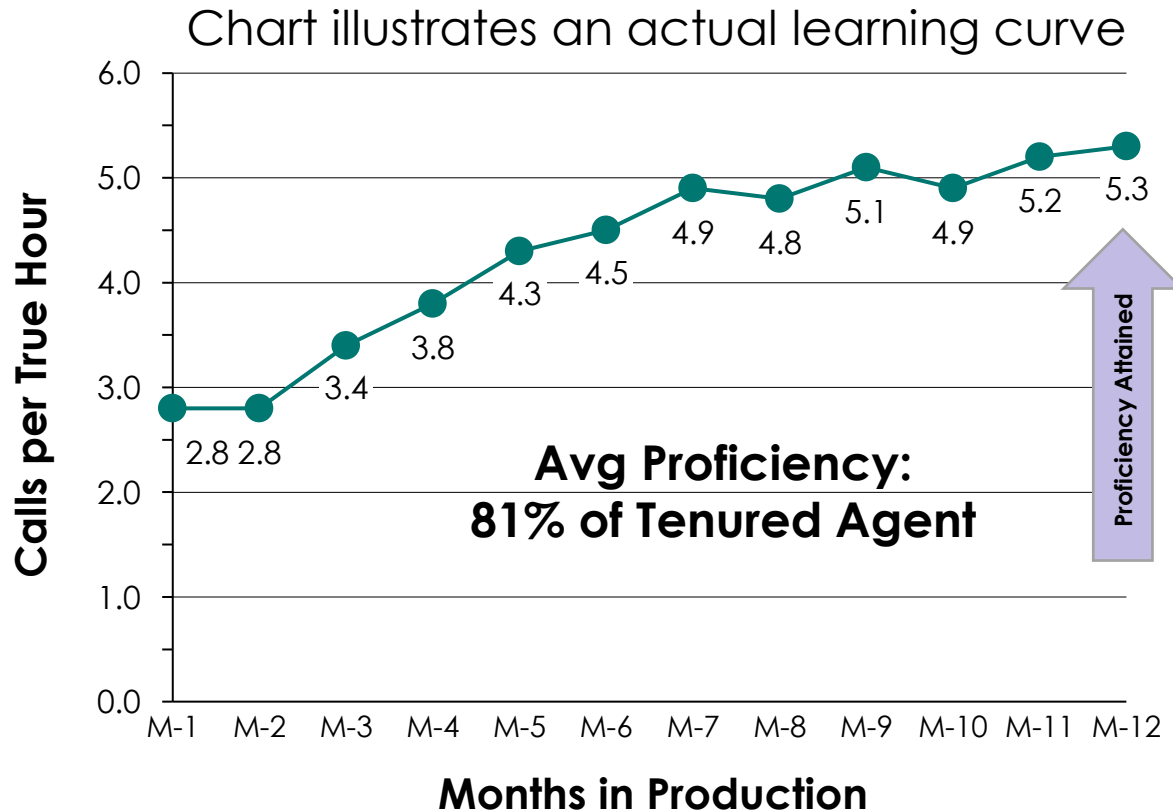
Wages x Trainees x Hours

Must include direct and indirect expenses to measure true costs.

Training Team	Trainer Development	TRAINING (6 weeks) \$6,523/trainee
New Hires	Administrative Expenses	
Training Team Office Space	Instruction Materials	NESTING (2 weeks) \$2,109/trainee
Trainee Classroom(s)	Training Technologies	

New Hire Learning Curve Cost

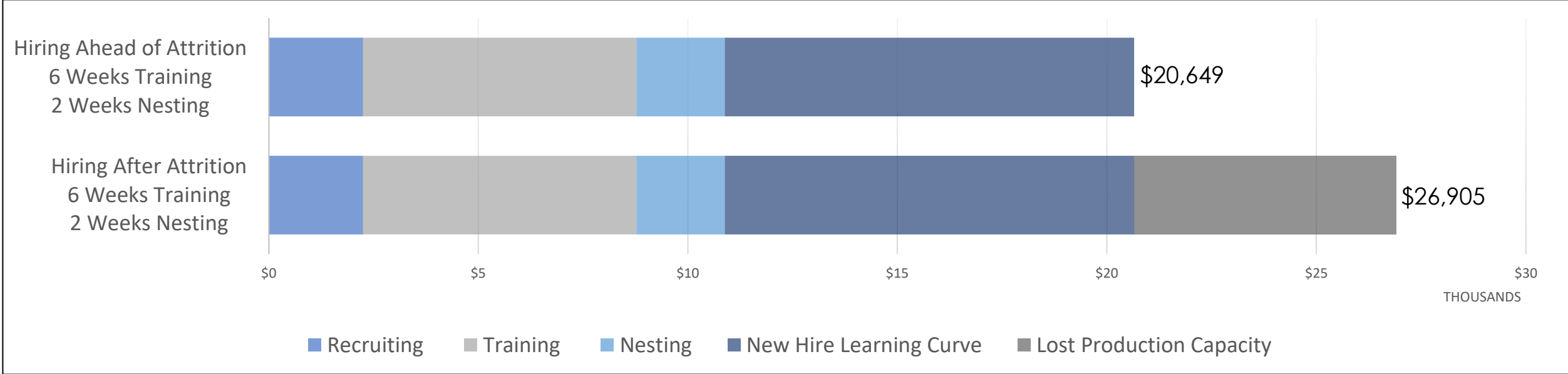
Analyzing learning curve data helps estimate lost productivity of new hires



- Average proficiency of new hires generally ranges from 67% to 81% in Year 1.
- Total Learning Curve cost in Year 1 based on example:

\$9,767/agent

Hiring Ahead or After Attrition



Hiring After Attrition
Results in (per agent):



SL Decrease
ASA Increase

4.8%
9 sec

Lost Production Capacity
\$6,256*

* 10 Weeks: 4 weeks of recruiting, 6 weeks of Training

Cost Estimate of Attrition

- Industry **underestimates cost** of attrition
- Hard and hidden costs: **\$20K - \$40K per agent** dependent on input factors resulting in **1.5 - 2.0 times** agent annual salary
- Hidden costs represent **20 - 40%** of the cost of a new hire

Hard and Hidden Costs

Recruiting	\$2,250
Onboarding/Training	\$6,523
Nesting / Academy Bay	\$2,109
New Hire Learning Curve	\$9,767
Lost Production Capacity	\$6,256

\$26,905/agent
(Excluding soft costs)

Capacity Planning SIMPLIFIED

Take the guesswork out of capacity planning with

Cinareo 

How Cinareo works

1

Build a forecast & capacity plan

Use our simple step-by-step wizard to build a strategic forecast and capacity plan

2

Compare different scenarios

Easily create different scenarios and see the impact on your staff and budget

3

Make informed decisions

Implement the most cost-effective and efficient options for your business

Cinareo can answer questions such as:

What is the impact of a 10% cut to my operating budget?

When do I need to start hiring agents ahead of attrition?

How much will I save if AHT increases or decreases?

What is the optimal number of support staff that I need?

How can I give my staff a raise without raising my budget?

Cinareo provides workforce insights to **complement** your current WFM platform

Long-range planning

Provides multi-skilled contact centres and back-office operations with up to 3 years of advance planning

Detailed budgets

Create budgets that include both agent and support staff costs, overtime, and hiring ahead of attrition.

Different scenarios

Enables assessment of benefits and impact on capacity, staff, and budget to help make decisions.

KPI insights

Provides insights into the key performance indicators that matter most to operations and finance management.

Recruitment and training

Allows you to plan for how many to hire and when, for what queue or skill and the number of trainers needed.

Appendix: Cost Estimate of Attrition

Sample cost of new hires over and above annual salary

	Per Agent
Recruiting	\$2,250

	1 Week	2 Weeks	4 Weeks	6 Weeks	8 Weeks
Training	\$1,087	\$2,174	\$4,349	\$6,523	\$8,697

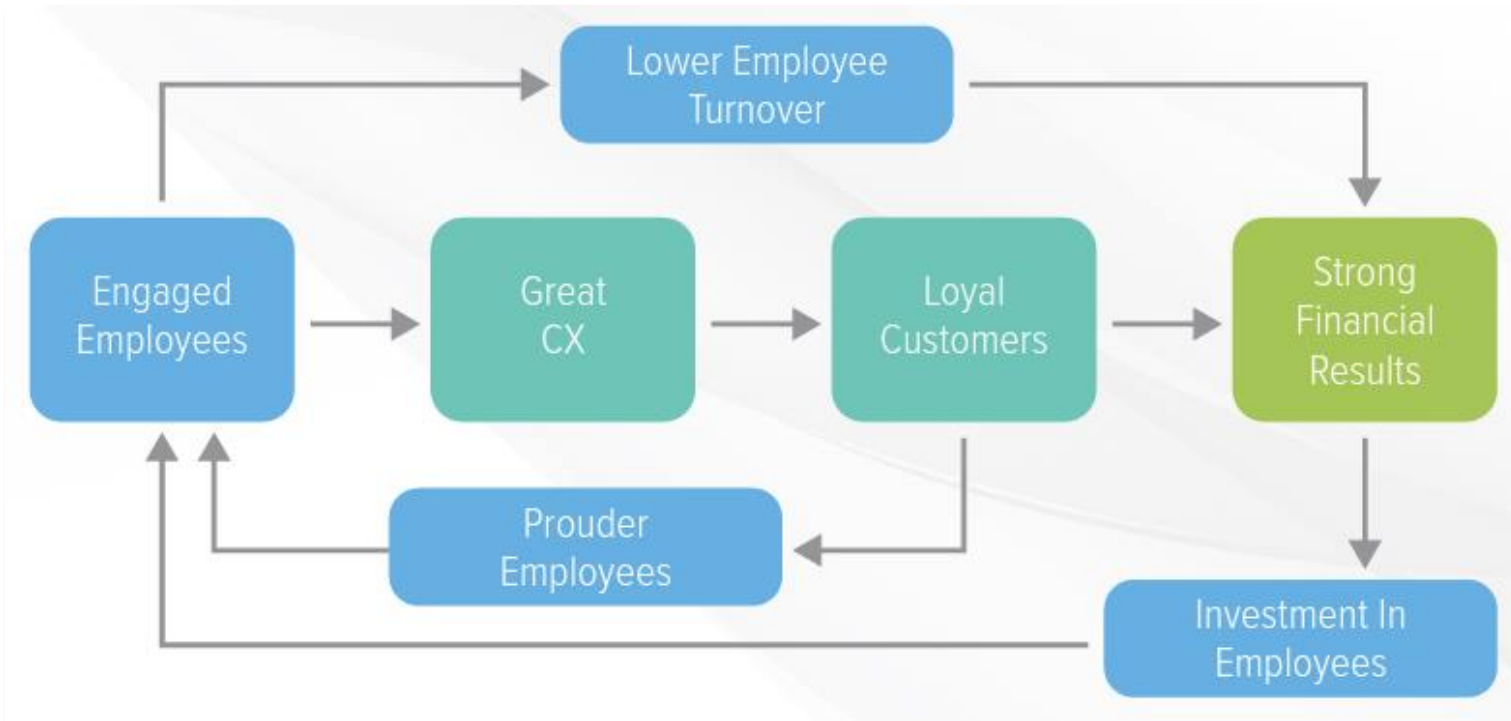
	1 week	2 Weeks	3 Weeks	4 Weeks
Nesting	\$1,054	\$2,109	\$3,163	\$4,218

	12 months
New Hire Learning Curve	\$9,767

	1 Week	2 Weeks	3 Weeks	10 Weeks	12 Weeks
Lost Production Capacity	\$626	\$1,251	\$1,877	\$6,256	\$7,507

Check out the Hard and Hidden Costs Calculator at <https://www.intelliant.com/calculator>

Employee Satisfaction = Customer Satisfaction



Walker Information, 2021

an amazing
employee experience
EX = CX
equals a great
customer experience