

ATTRITION, EMPLOYEE ENGAGEMENT & WFH TRENDS

AN IN-DEPTH LOOK AT CHANGES
WITHIN THE AUSTRALIAN
CONTACT CENTRE INDUSTRY,
JANUARY – APRIL 2022

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RECRUITMENT

The great resignation has arrived by force

Like a storm that's been gathering on the horizon for some time, we've heard the rumbles of thunder in the distance and wondered "will this storm actually arrive? And if it does what will be the damage?"

Now that the storm is here the worst fears are being realised – the impact and the damage are far greater than predicted. This author was sceptical and in publications published as recently as 3 months ago questioned whether "the great resignation" was nothing more than a predictive guess that had gained media attention.

Sure, recruitment and attracting talent has been increasing in its challenge but wasn't this largely due to the lack of skilled migration and reluctance of job seekers to leave their current position? Job stability appears to have fallen off the top of the list quite dramatically.

Our recently published [2022 Contact Centre Best Practice Report](#) showed the industry wide attrition rate for Australian contact centres in 2021 was 26%. This update reconfirms that figure, with 28% being the annual attrition average amongst the 114 contact centres that participated in this latest round of research.

The contact centre industry is very broad though and so many contact centres reported numbers that differed strongly to this depending on size, location, call type, culture, salary and many other factors. We've detailed some of the differences in this report.

This particular report focuses solely on the first four months alone of 2022, with responses collected from 114 centres over an eight day period in late April and early May 2022.

As mentioned above, when asked about their attrition rate for 2021, this particular group reported an average answer of 28%.

When asked about their attrition rate for the first four months of 2022 (how many agents left the contact centre so far this year) this group reported an average answer of 21%. This is staggering.

If the trend continues we are on track for annual attrition of 63% (a two-three fold increase on 2021).

34% of contact centres reported that they have lost equal to or more staff in the first four months of 2022 than they did for the whole of 2021.

ATTRITION, EMPLOYEE ENGAGEMENT & WFH TRENDS

This is terrible news for the contact centre industry, many of whom identified late in 2021 that recruitment challenges were already extreme.

Flexibility with regards to WFH has been another topic that has caused much angst for contact centre management and employees alike. As we move out of the enforced Covid-19 restrictions of 2020 and 2021, what would contact centres do? Would WFH remain permanently in place or would agents be called back into the contact centre against their wishes? We examine what has happened so far this year.

Employee engagement can often be the canary in the coal mine when it comes to an early identifier for attrition. Attrition is the result of the problem (not the cause) and employee engagement insights can often give a great insight into the cause of high attrition. Contact centres often measure employee engagement far too infrequently meaning that it is a lagging indicator, or just not relevant at all. How have employee engagement scores moved so far in 2022? We answer that.

The information in this paper came from asking only six questions to the audience of senior contact centre leaders. These questions were chosen based on industry feedback around the most pressing issues at the moment.

Employee engagement and WFH flexibility questions were deliberately asked as these are the two most common factors for leaving we are hearing from agents at the moment. We finished the survey with an open ended question "what has been your greatest challenge so far this year?" These results are shared on page 7.



OVERVIEW OF REPORT CONTRIBUTORS

114 contact centres participated in this report, across all metropolitan and regional areas of Australia, representing over 32,000 contact centre employees. 60% of respondents had contact centres based in metropolitan Sydney or Melbourne.

22% of respondents operate in the banking and finance industry, 18% insurance, 14% utilities and 13% identified as BPO / outsourced providers.

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FRONT LINE AGENT ATTRITION

Agent attrition for the whole of 2021: 28%
Agent attrition Jan 1 – Apr 30, 2022: 21%

Attrition By Contact Centre Size Jan – Apr 2022

HEADCOUNT	ATTRITION %
0 – 50	15%
51 - 100	16%
101-200	26%
201-300	29%
301-500	30%
501-1,000	30%
1,000+	29%

The bigger they are the harder they fall (or the higher their attrition will be). Smaller contact centres did a better job at holding onto their agents in 2022 and again over the first four months of this year so far. However they have certainly not been immune to “the great resignation” with even the best performers (contact centres with a 0-50 headcount) on track to double their attrition figure from 2021.

Contact centres larger than 200 agents are on track to average close to 90% staff attrition in 2022 if the current trend continues.

Attrition By Location Jan – Apr 2022

STATE	ATTRITION %
VIC	21%
NSW	22%
QLD	23%
SA	19%
WA	29%
OTHER	17%

REGIONAL	23%
METRO	21%

Western Australia has experienced the highest level attrition so far this year and on a national level, regional contact centres are losing more agents than those in metropolitan areas.

Attrition By Industry Jan – Apr 2022*

INDUSTRY	ATTRITION %
Banking & Finance	18%
Insurance	21%
Utilities	22%
Bpo/Outsourced Provider	30%
Healthcare	18%
Public Sector	16%
Not For Profit	20%

*Not all industries are listed in this table

Often considered to provide their staff with the best remuneration, the banking and finance industry has experienced less attrition than the average as has healthcare. The public sector is often known as a stable place of work and its employees have been the most loyal over the first four months of 2022. However it should be noted that at any other time an attrition rate of 16% in four months would be considered extreme.



TL ATTRITION & WFH FLEXIBILITY

Team Leader Attrition

How has your Team Leader attrition been so far in 2022?

ANSWER CHOICE	ATTRITION %
Significantly worse than normal (a lot more TLs have left)	5%
Slightly worse than normal (a few more TLs have left)	9%
The same as normal	69%
Slightly better than normal (a few less TLs have left)	5%
Significantly better than normal (a lot less TLs have left)	12%

In a welcome relief, Team Leader attrition so far in 2022 must be described as excellent. The majority of contact centres reported it to be the same as normal, with more saying TL attrition has improved than declined.

Agent WFH Flexibility

How has Agent WFH flexibility changed so far in 2022?

ANSWER CHOICE	ATTRITION %
We've decreased the level of flexibility agents have with regards to WFH	24%
It hasn't	36%
We've increased the level of flexibility agents have with regards to WFH	40%

Some interesting results here, with a quarter of contact centres having made the bold move to decrease the level of agent WFH flexibility. The majority have wisely increased it, around one third haven't change it yet – many are still waiting to see or unsure what the best move is.

The average attrition so far in 2022 for contact centres that have increased agent flexibility is 20%. For those that have decreased agent flexibility it is 24%.

This report finds that centres that have increased their agent WFH flexibility have 4% lower attrition than the contact centres that have increased it. It would be foolish in this current climate to dismiss 4% as only a “small amount” – contact centres need to be doing all they can to minimise rising attrition.

A recent report by LinkedIn on the US market showed that remote jobs made up less than 20% of ads by volume, but received over 50% of the applications. We aren't that different here in Australia, and given how hard it is to attract talent in contact centres we need to understand that candidates are voting with their feet.

One of the most significant findings from our 2022 Contact Centre Best Practice Report was the overwhelming response to how much Frontline Agents enjoy working from home. On average, they would WFH 78% of the time if the choice was theirs. Really, most agents only want to come into the contact centre one day per week. At the other end, just 4% of Agents wanting to work from the contact centre 100% of the time.

There is a real divide opening up in the industry as the data shows. 40% have listened to their Agents and have increased their WFH flexibility which is the opposite of the 24% that have decreased the WFH flexibility.



Employee Engagement Across the First Four Months

Have you measured employee engagement so far in 2022, and if so how does it compare to your previous employee engagement score?

ANSWER CHOICE	ATTRITION %
No, we haven't measured it yet in 2022	59%
Yes, score is same as last time (within 5%)	12%
Yes, score has increased since last time	20%
Yes, score has decreased since last time	8%

In the long and great history the Australian contact centre history has, we have never seen attrition like we have at present. Yet staggeringly, nearly 60% of contact centres have not bothered to measure employee engagement. The staff have not been asked. In medical terms, it's like trying to treat a patient who is in great distress without asking them any questions.

Staff are leaving and most contact centres have no idea whether their remaining agents are engaged in their work or not. Regular employee engagement measurement is crucial. If you think it is "too hard" or takes "too long" you are wrong. There are simple tools available.

Contact centres that reported their employee engagement scores had increased since last measured had an average attrition of 15% so far in 2022 (compared with the average of 21%)

Our [2022 Contact Centre Best Practice report](#) surveyed over 600 frontline agents across Australia and asked them what they valued the most with regards to employee engagement. A full breakdown can be found in the report.

CHALLENGES



Your greatest challenges so far in 2022

We concluded our research by asking a simple, open ended question – what has been your single biggest challenge as a Senior Leader in your contact centre over the last 4 months?

Below is a summary of the responses. The full list of raw responses has been included as Attachment 1 (page 9) We've chosen to publish the full list to allow you to hear the very words contact centre leaders are sharing with them around their biggest challenges at the moment. In summary:

Recruitment (in some form or another) was listed as the single biggest challenge by over 50% of senior leaders. This will therefore come as no surprise. Unemployment is at record lows, and the [Internet Vacancy Index](#) hit an all-time high on May 11, 2022 (a monthly count of online job advertisements compiled by the National Skills Commission). When will we see relief here? Well the Reserve Bank of Australia believes things will get tougher before they get easier – unemployment is expected to further drop to 3.5% in early 2023 and stay around that level for some time.

Attrition, absences and unplanned leave are having a big impact on the ability of the contact centre to deliver for its customers. They are impeding contact centres ability to operate efficiently day by day, let alone allow any forward planning.

Continual adjustment to WFH and the “coaxing” of staff back into the contact centre. Contact centres are struggling with how to engage and motivate staff, and many are in a period of upheaval as they encourage reluctant staff to “come back” into the contact centre.

Staff engagement and connection continues to be raised as an issue. In many ways (despite the last two years) contact centres are “re-learning” how to connect with staff given the new environment we live in.

CONCLUSION



Conclusion

The great resignation is here, but that doesn't mean contact centres are powerless to stop people filing out their doors and never returning. This report finds:

- Contact centres that have increased agent flexibility with regards to WFH have 4% lower attrition
- Contact centres that reported and improved employee engagement score so far in 2022 have 4% lower attrition
- Recruitment of new staff is reported as the single biggest challenge across the industry at present

While the projected annualised attrition figure is 90% for contact centres with 200 frontline agents or more, due to the wild increase in attrition so far in 2022 it is unlikely that the trend of the first 4 months will carry through for the whole year. This doesn't mean that relief is in sight, however there will hopefully be a stemming of the exodus.

At SMAART Recruitment we pride ourselves on being Australia's leading recruitment agency for all contact centre positions. If you would like to chat further about recruitment strategies that are working best in the current market, please get in touch.

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APPENDIX

APPENDIX 1

Below are the raw responses to the question “what has been your single biggest challenge as a Senior Leader in your contact centre over the last 4 months?” Particulars have been removed to protect identity.

Acquisition of 2 other organisations. Staff change-fatigue and engagement.
Agent UPA due to COVID-19 isolation and sickness Constant cycle of recruiting due to internal moves within the business - our internal attrition is closer to 25% due to internal opportunities in other departments which are always advertised and available to our contact centre staff - It is great career development but we are back to back recruiting to fill the roles with only a 1 x week gap in recruitment cycles and limited talent pool.
As a remote call centre it's maintaining connection and communication with staff
At the moment, people management of existing team has been smooth, my focus has been taking on two new business teams, and working to bring all three business units into the same 5 year strategy.
Attendance
Attendance
Attendance rates as staff absence increased with staff impacted by COVID
Attendance Rates, covid related & personal issues.
Attracting staff, predicting call volumes after 2 years of COVID/lockdowns and starting to get new ways of working up and running (WFH blend with in office)
Attrition
Attrition and leaves
Attrition and Out of Office Shrinkage
Attrition and upskilling
Attrition has been a big challenge along with WFM due to attrition and UPA/COVID impacting our workforce significantly during our peak periods.
Attrition is single biggest challenge for 2022 as we are reducing WFH arrangements, frontline teams are opting to leave and choose an option which allows them to continue WFH. Recruiting new team members where the requirement is to work from office is getting hard as flexibility takes precedence over salary.
Attrition within offshore contact centre due to changes to WFH laws
Bringing the “fun” factor & Skill Building into a remote team.
Business continuity with covid-19 impacting staff
Caller aggression due to COVID-based delays.
Change in management causing loss of key project traction around integrations
Change Management around system implementations
Combination of attrition and COVID related absenteeism
Connecting with team in person within restrictions placed on us. This is getting better as the year progresses however.
COVID and the recent floods in Brisbane affecting staff levels
Dealing with higher than normal unplanned leave due to COVID-19
Demand
Employee retention
Employing quality FTE's. Receiving higher than average salary requests aligning to head count budgeting, this includes internal requests for pay increases
Encouraging attendance in the office (not mandatory)

APPENDIX

Engagement
Engagement in the face of returning to the office, and building the agent value proposition for returning to the office. Even though we are doing so with a high degree of flexibility, there is still broad hesitation despite the company strongly pushing for a greater in-office presence.
Finding candidates
Finding good staff
Finding quality staff has been easier - getting a long time commitment can be a challenge.
Finding staff
Finding suitable candidates for open positions and offering competitive remuneration inline with the current market.
Finding suitable resources in a very tight job market. Our business cannot take shortcuts with recruiting based on the service we offer.
Finding talent in the Australian market Driving engagement and encouraging staff back into the office
Forecasting and rostering/WFM.
Getting good quality staff and retaining them.
High occupancy of agents causing attrition of agents is the biggest challenge. Creating a negative spiral that is hard to get out of.
Hiring and Wage Creep with new staff salary expectation against existing staff expectations.
Hiring staff
Hiring TEMP resources to backfill employees involved in projects. The quality of TEMPS in the market has significantly reduced so much so that we are re-thinking the strategy. We have even tried to increase TEMP hourly rates by 25% but the quality is still average.
I'd like to comment that in terms of attrition, all our staff who have left have received internal promotions, we have not lost any staff to external attrition. At times workforce management with staff unwell due to covid related illness
Implementing change in a cost conscious environment
Keeping staff connected to the business and maintaining productivity from WFH which appears to be declining whilst facing negative response to encouragement to return to WFO
Managing resources and workload
Managing the expectations of staff around flexible work requests
Managing the transition back to office working
Managing through Covid, flexing to WFH, logistics/It. Now working through what a Hybrid WFH model will look like outside of BCP
Managing unplanned absences
Managing unplanned leave
My small team have been working with me for several years. My single biggest challenge over the past 4 months has been keeping the team motivated, challenged and on task all whilst everyone is WFH. As we are short staffed it has been a challenge to just get the day to day core tasks completed, let alone being able to provide any extension tasks for individuals to keep them motivated. I believe that WFH has definitely helped keep the team members from moving on and looking for other roles, but as we move to a 40/60 office split in the next few weeks (and the team aren't too keen to get back into the office) I believe my attrition figures will definitely change!
Ongoing COVID and general illness = high unplanned absense
Our company is being acquired so managing employee concerns relating to this has been my/our biggest challenge
Productivity for WFH employees
Quality of external talent market
Recruiting quality staff
Recruiting trained staff
Recruitment
Recruitment - getting applicants

APPENDIX

Recruitment & attrition
Recruitment and onboarding/team member resilience
Recruitment and quality of candidates
Recruitment at Team Leader level
Recruitment for centre needs. Staff desire for FT work has decreased and a growing PT workforce is causing challenge for long term planning and staffing.
Recruitment of new agents / telemarketers, capacity planning with Covid.
Recruitment of quality staff in a low unemployment environment and also being a in regional area.
Recruitment of talented staff, the caliber of applicants has not been as strong as previous but also the drop out rate before start date from contract signing has increased significantly.
Recruitment of ten new agents. Struggled to meet our staffing requirements in VIC. Expanded the search to AU wide and then expanded further to NZ where we ended up hiring 4 new agents.
Recruitment, selection and onboarding the right culture fit.
Recruitment, technology
Recruitment. All of our attrition has been positive however finding replacements has been extremely tough.
Recruitment. Trying to find the right candidate has been the biggest challenge.
Recruitment. We have many open roles and trying to recruit is very difficult.
Recruitment/attrition
Recruitment/staff retention
Resourcing
Retaining staff and employing staff
Retention of new starters
Returning to the office and engagement
Shrinkage due to the number of staff getting COVID
Sick leave
Sourcing and retaining talent especially volume recruitment in the current competitive candidate landscape.
Stability of our technology platform
Staff training and speed to competency
Staff turnover
Staffing, its a tough time to hire
Successfully managing return to office across 5 different regions and setting the new norm flexibility for agents
The management of staff expectations in relation to flexibility of WFH
Time management, systems upgrades
Training and development. Zoom sessions are just not as effective.
Transition from WFH to in office. Trying to get staff back in.
Transitioning during COVID-19 settings
Transitioning the workforce from Home to the Office while keeping employee morale high
Trying to hire staff
Unplanned leave management
Volume spikes as a result of additional customer growth above plan and higher trading activity due to market volatility.
Workforce Planning

