Identify the causes of turnover in call centers

Business, Call Center

Since the opening of the first call centers by the aviation industry in the late 1960s, call centers have become a basic business requirement for customer support, service, and marketing for businesses, large and small.

" What determines employee turnover?" The answer to this question has great relevance to the individual who may be thinking about quitting a job, and for the manager who is faced with lack of employee continuity, the high cost involved in the induction and training of new staff, and declining organizational productivity. Within call center industry, workforce turnover has been one of the most pressing issues for many years. Excessive employee turnover rate is detrimental to organizations. It is related to direct and indirect costs; it affects morale, productivity, reputation, and survival of the organizations. (Hemdi & Nasurdin: 2006)

The prediction and understanding of employee turnover intentions has been studied from many different perspectives. A majority of these studies have focused solely on the direct antecedents and examined their roles in the context of process models of turnover. In addition, previous turnover intentions studies have focused exclusively on job-related variables (e. g. role conflict, role ambiguity, role overload, work conditions, job tasks, and autonomy) and demographic variables (e. g. gender, age, tenure, and education) as determinants affecting employee attitudes and/or turnover intentions.(Hemdi & Nasurdin: 2006)

Research Statement:

" Identify the causes of turnover in call centers".

As the topic speaks itself that it's a research about main causes of turnover in call centers. We will be surveying various types of call centers i. e. Mobile communications, Banks, and e. t. c. for this purpose. Moreover as described earlier, our main focus will be on knowing the main causes of turnover in call centers. With the help of certain variables we will be finding out that what a call center employee expected from his job and what he gets in real terms, furthermore we will also be calculating the factors which contribute towards a call center turnover i-e what situation makes a call center employee to switch to another organization. Last but not least we will also checkout the level of satisfaction of a call center employee.

Research Objectives:

Our research is based on the following objectives

* To study the expected level of importance of specified employment characteristics for call center employees.

* To figure out the actual happenings in a call center job with respect to our specified employment characteristics.

* To identify those employment characteristics for which employees can leave the current employer.

* To determine the satisfaction level of employee with their current job.

Theoretical frame work:

1. Literature review:

The 20th century was an extraordinary period for employees as the wage rose, fringe benefits grew and working conditions improved. At the beginning of the 1990's the majority of new jobs that were created, were in categories paying above median wages. Further more workers fears of job loss have also declined in recent years. In late 90's employers were faced with the challenge. (Milman: 2001)

Pakistan is at the threshold of one of the greatest opportunities in the global Business Process Outsourcing (BPO) market. It has acquired virtually all of the pre-requisites for success ranging from low cost to government incentives and funding. The government is using all its resources to create the infrastructure required to jumpstart growth in the business process outsourcing sector so the Business Service Providers could concentrate on marketing their services abroad and get due share in the international BPO market. In Pakistan BPO industry, although the growth in the fields of medical transcription, legal transcription, data capture and forms processing has not been substantial but in the last few years, there has been a major boom in outsourcing voice-based call center work. (PSEB study: 2005)

Call center turnover is a topic that gathers a lot of attention on this site as it tends to run higher in this industry than most others. As a result, call centers face increasingly high costs associated with replacing lost employees as well as a decline in customer service levels when staff numbers are low.

Much research has been done to identify the key indicators for higher attrition in the call center setting. Findings have pointed to elements such as the job itself, particular work environments, lack of proper hiring practices

and poor training as the primary drivers for high turnover rates in the call center industry.

Turnover -- also known as attrition or churn -- reflects the percentage of customer service representatives (CSRs) that leave a call center in a specified period. High CSR turnover is a common problem at most offshore call centers. This factor plays a pivotal role in reducing quality, increasing recruitment and training costs, and reducing the marketability of a call center operation. Many call center managers take this problem as being part of the " nature of the beast" and try to live with it, without really doing much about it. Others tackle it simply by increasing the salaries for CSRs; but that generally won't deliver the required results in the long run either. The most successful call centers have, however, figured out other ways of making the situation better. (Altaf: 2007)

International Call center CSR positions pay quite well in offshore destinations like India and Pakistan. An individual with minimal education, but with a reasonable accent and basic customer-interaction skills can make much more than, for example, a rookie civil engineer or even a medical graduate. Once employed, these CSRs leave their organization for one of two destinations: another call center that offers better compensation or work environment or another line of employment that tantalizes with more interesting work, better advancement opportunities or a better work environment. (Altaf: 2007)

Call centers in non-English speaking countries generally employ CSRs with at least 14-years of formal education. Up to 30% of these CSRs may have 16

years of education or more. These CSRs -- who pursue a CSR career due to their relatively attractive salaries -- are asked to do a solo job that is often repetitive and doesn't require them to use the intellectual abilities they developed during their college education. This results in sheer boredom that eventually leads to a desire for a change of career. (Altaf: 2007)

The chances of career advancement in a call center are quite limited. This is a direct consequence of their flat organizational structure. Moreover, most call centers don't have clearly defined career paths. These factors make being a CSR an unattractive career choice.

Most call center jobs are available during the evening shift only. CSRs are offered little room to maneuver in schedules that are generally quite inflexible. Moreover, they have to perform for long hours in confined spaces. Some can live with these restrictions for a couple of years, but the effect it has on their mood and social lives makes the value proposition just too unattractive in the long run. (Altaf: 2007)

An often overlooked cause that contributes a great deal to the turnover rate has to do with the line management function. Line managers have great control over how CSRs feels about their jobs on a day to day basis. Managers can make staff feel better by showing flexibility in scheduling or turn them off through obnoxiously disturbing monitoring. Any sort of abuse of power by the manager or public humiliation of an employee can also contribute to a high turnover rate. (Altaf: 2007)

Mobley (1982) defined turnover as the end of membership in an organization by an individual who received monetary compensation from the organization. However, a distinction must be made between turnover intention and turnover itself. Turnover intention refers to an individual's perceived probability of staying or leaving an employing organization (Cotton and Tuttle 1986), while actual turnover is the movement of organizational members across the boundary of an organization (Price 2001).

Although, it is recognized that people leave their jobs for a variety of reasons, there is consistent research evidence indicating that voluntary turnover can be explained by employees' intention to leave the organization. In the investigations of turnover, actual voluntary turnover measures are extremely difficult to obtain. Therefore, intentions to turnover are used in majority of turnover studies, as these intentions are the only antecedent that has been consistently found to be a direct antecedent to actual turnover (Griffeth et al. 2000; Hom and Griffeth 1995). In fact, studies on turnover have shown that turnover intention is the best immediate predictor of voluntary turnover (Griffeth et al. 2000; Lambert et al. 2001; Price 2001). A meta-analysis undertaken by Steel and Ovalle (1984) confirmed that intentions were more predictive of turnover than attitudes such as job satisfaction or organizational commitment.