Call Center Recruiting Faces Increased Worker Expectations

HRO Today Flash Reports are a series of ongoing research initiatives that address today's topics of interest in the HR community. They are focused briefs that can be used to support business decisions and further discussion among industry practitioners and thought leaders.

This report focuses on the North American market and examines call center recruiting metrics, the biggest obstacles to achieving call center hiring goals in 2022, and forecasts for remote vs. on-site call center operations.

This study was sponsored by **PSG,** though the sponsor was not revealed to study participants.

psg PSG Global Solutions

Methodology

Between October 10, 2021, and January 26, 2022, a series of email invitations were sent to subscribers of *HRO Today* Magazine and *HRO Today* newsletters to take part in an online study about their company's call center recruiting practices. Study respondents were at the manager level or above within their HR departments and were screened to ensure their company maintained a call center. There were 50 total usable surveys, and all respondents were from North America.

Introduction

The call center industry is still trying to figure out how to operate in a post-COVID-19 world. The long-term implications of COVID-19 and remote work on the call center industry remain unknown. Issues related to culture, security, training, and business continuity are only a few of the hurdles that must be overcome, along with networking and security concerns.[1] When weighing the decision to work remotely, the cost savings of not maintaining an office may be less of a consideration for business leaders than call center representatives' demands for remote work options. In a competitive labor market, those workers can exert significant compensation pressures as the industry demand outstrips the supply of trained workers.

Conclusions

**High demand for workers leads to candidate shortages and greater compensation.** Higher demand for candidates than available supply was the greatest challenge in achieving hiring goals, as indicated by nearly three-quarters (73%) of study participants. Over one-half (51%) of HR leaders also indicated that rising compensation levels were impacting their ability to meet hiring goals. Because of the tight labor market, candidates and employees are demanding more compensation, which employers must address to retain employees and achieve hiring goals.

Remote work will remain prevalent. Nearly three-quarters (72%) of call centers will continue to maintain on-site work requirements, but that doesn't mean that most contact center work will be done from a centralized location. Demands for remote options are impacting nearly one-third (30%) of HR leaders' hiring goals. Currently, the majority (55%) of contact center representatives work remotely at least some of the time, and it is anticipated that in 12 months, this percentage will rise to 60%. Organizations will need to deliver a hybrid model of on-site and remote working.
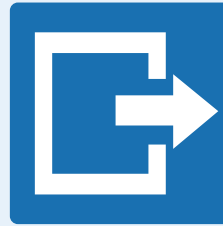
Call centers grapple with retention challenges. Nearly two-thirds (63%) of HR leaders are extremely or moderately concerned about employee turnover, revealing a major challenge for call center businesses. This concern goes beyond retention of the current workforce and into the recruiting process. Study respondents indicated that nearly one-in-five new hires leave within the first 90 days of starting with the company and nearly one-third leave within the first six months.

Recruitment efficiency is top of mind. While most HR leaders consider the efficiency of their contact center recruiting process as "reasonably efficient," only 14% considered the process "very efficient," suggesting considerable room for improvement. Currently, the average time to fill a contact center role is 27.3 days, and over two-thirds of respondents indicated that it took at least 22 days to fill a role. Given the unparalleled demand coupled with high turnover for call center agents, organizations need to optimize their recruitment processes if they are to meet business objectives.

DETAILED FINDINGS:

Percentage of Call Centers with Onsite Requirements

Does your call center have on-site work requirements?

Study participants were asked if their company's call center requirements included on-site work requirements. Nearly three-quarters (72%) do maintain on-site work requirements—a result that is closely reflected in another recent analysis. Site Selection Group, a leading provider of global location advisory and corporate real estate services, found that long-term, 25–30% of call center employees could work from home and 70–75% onsite. Advantages to this model include a reduced real estate footprint, greater access to the labor pool within a one- to two-hour commute, culture building, and opportunity for collaboration.[1]

Percentage of Call Centers with On-site Requirements
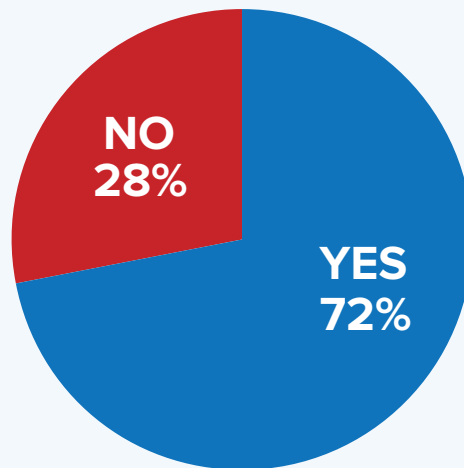
Challenges Impacting Ability to Achieve Call Center Hiring Goals

What do you believe will be the biggest challenge impacting your ability to achieve your call center hiring goals in 2022? Please select all that apply.

Respondents were asked to indicate the biggest challenges impacting their ability to achieve their call center hiring goals. Higher demand than available supply of candidates was the top challenge for nearly three-quarters (73%) of HR leaders, by far the most of any of the six areas examined.

Demand for call center job applicants is increasing. Call centers are deemed "essential businesses" by the Department of Homeland Security, and throughout the pandemic, general business contact centers from tele-banking to take out have been staffing up to cope with their jammed call queues.

The most recent *Contact Center Survey* from Deloitte Consulting LLP reports that 77% of surveyed call centers expected to grow in the coming 12 months. With contact centers often vying for the same applicants, hiring best fit candidates depends greatly on employer response time. Companies relying on longer, more traditional hiring processes lose nearly 25% more of the above-average candidates than their competitors who have a more streamlined hiring process.[2]

As is the nature of a free market economy, when demand increases, so do prices. This is also impacting call center recruiting, as over one-half (51%) of surveyed HR leaders indicated that rising compensation was impacting their hiring goals. Because workers are demanding more compensation, companies must respond by increasing wages for new hires and current employees unless they want to face increased retention challenges.

Over one-half (51%) of surveyed HR leaders indicated that rising compensation was impacting their hiring goals.
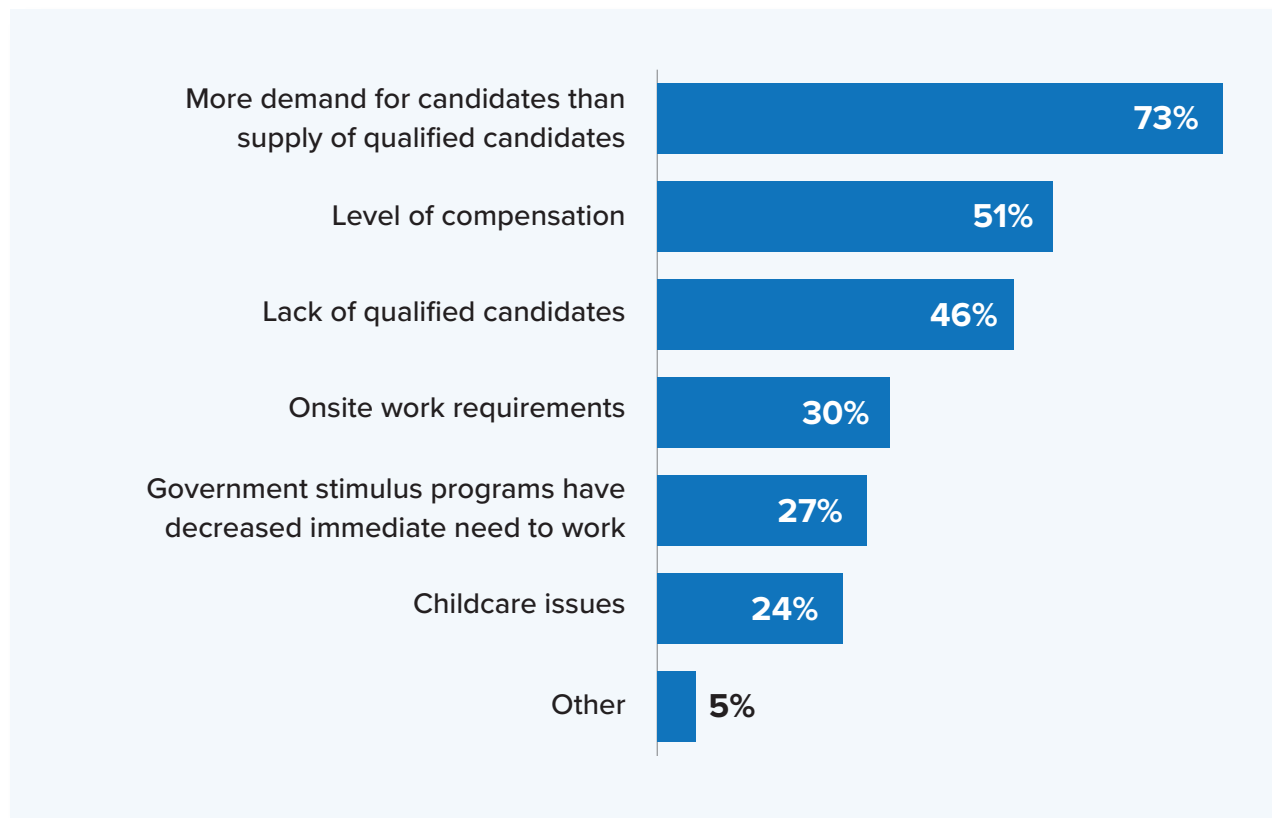
Lack of qualified candidates, selected as a key challenge by nearly one-half (46%) of respondents, is greatly impacted by increased demand for candidates in general. There are certain essential communication and interpersonal skills needed to be a successful call center representative. Pronunciation, speech, and voice quality are all elements that can't be evaluated on paper, yet are critical to the success of an operation.[3]

On-site work requirements are also impacting organizations' ability to achieve their goals for nearly one-third (30%) of respondents. The pandemic created an expectation of remote work options among job seekers for reasons including daycare, health concerns, and lack of a daily commute. Adopting a hybrid remote model could help call center businesses with both recruitment and retention.

Challenges Impacting Ability to Achieve Call Center Hiring Goals

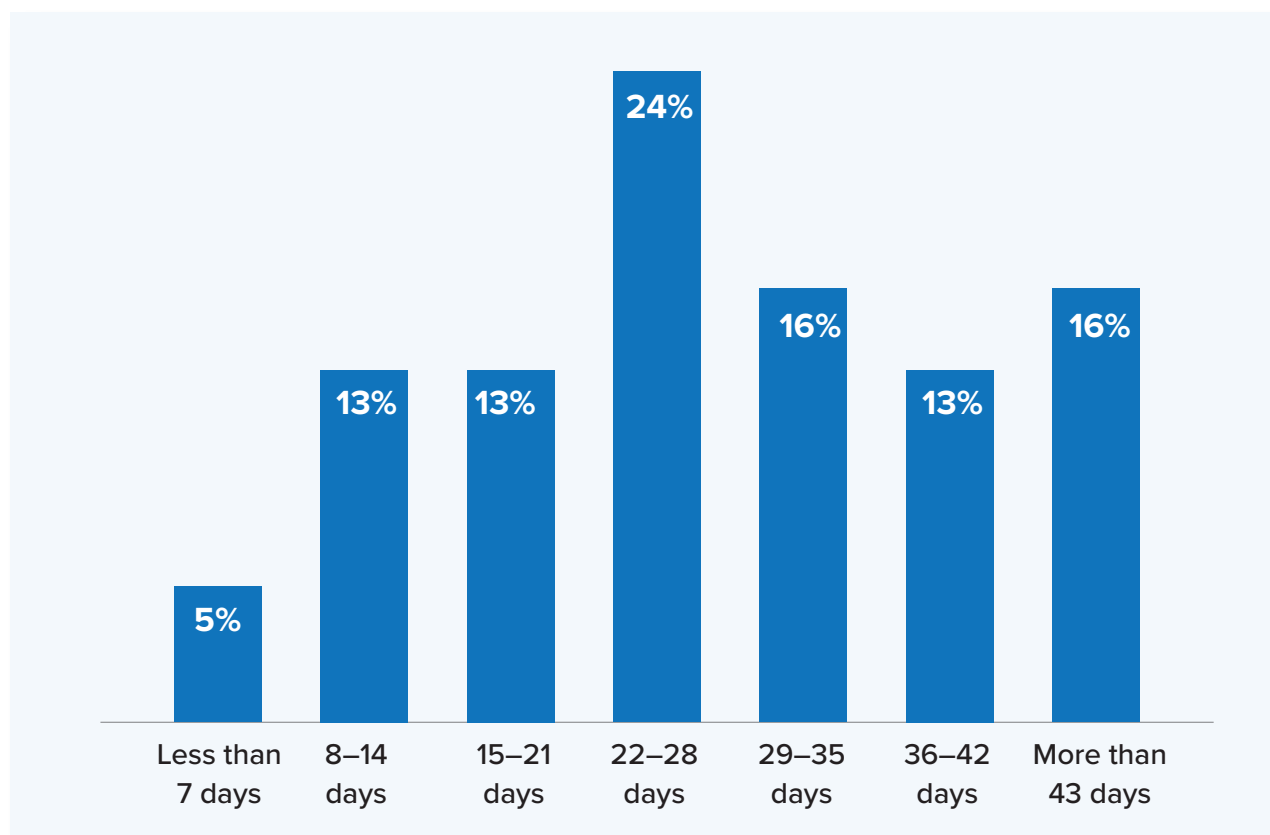| Challenge	Percentage
More demand for candidates than supply of qualified candidates	73%
Level of compensation	51%
Lack of qualified candidates	46%
Onsite work requirements	30%
Government stimulus programs have decreased immediate need to work	27%
Childcare issues	24%
Other	5%

Number of Days to Fill Contact Center Position

On average, how many days does it take to hire a contact center candidate from the time they are initially contacted until they start?

Study participants were asked to identify the average number of days it takes to hire a contact center candidate. The results fell in a classic bell curve distribution, with the middle segment, 22–28 days, having the greatest percentage of respondents (24%). Overall, the average time-to-fill was 27.3 days. Over two-thirds of respondents indicated that it took at least 22 days to fill a role.

The average time to hire is going to vary by industry and by the employee qualifications needed for the role. For example, in the November 2020 *Staffing Practices in Financial Services Contact Centers* survey from Fidelity National Information Services, the average elapsed time to hire for a full-time customer service representative was 38 days. Requirements for call center representatives for the financial services industry are among the most stringent in the industry.[4]

Number of Days to Fill Contact Center Position

Number of Days to Fill Contact Center Position bar chart. Less than 7 days: 5%; 8–14 days: 13%; 15–21 days: 13%; 22–28 days: 24%; 29–35 days: 16%; 36–42 days: 13%; More than 43 days: 16%.

Cost-per-Hire of Contact Center Customer Service Representative

What is your typical cost-per-hire for a contact center customer service representative?

Calculating cost-per-hire always involves many assumptions and varies greatly by the type of industry and the agent's skill level and aptitudes required. Study results found that among HR leaders who calculate their cost-per-hire, the average cost-per-hire is $2,300. Surprisingly, over one-quarter (27%) of survey respondents don't track their cost-per-hire.

However, calculating cost-per-hire always involves many assumptions and varies greatly by industry, employee skill level, and the requirements of the position. A third (33%) of respondents indicated that their cost-per-hire was less than $1,000, while one-quarter (25%) indicated their cost-of-hire was $3,000 or more. The U.S.-based companies that comprise the study sample may have been including off-shore call centers in their estimate, accounting for the lower numbers.

Cost-per-Hire of Contact Center Customer Service Representative

Bar chart: Less than $1,000 — 33%; $1,000–$1,999 — 21%; $2,000–$2,999 — 21%; $3,000 or more — 25%; Don't know — 27%
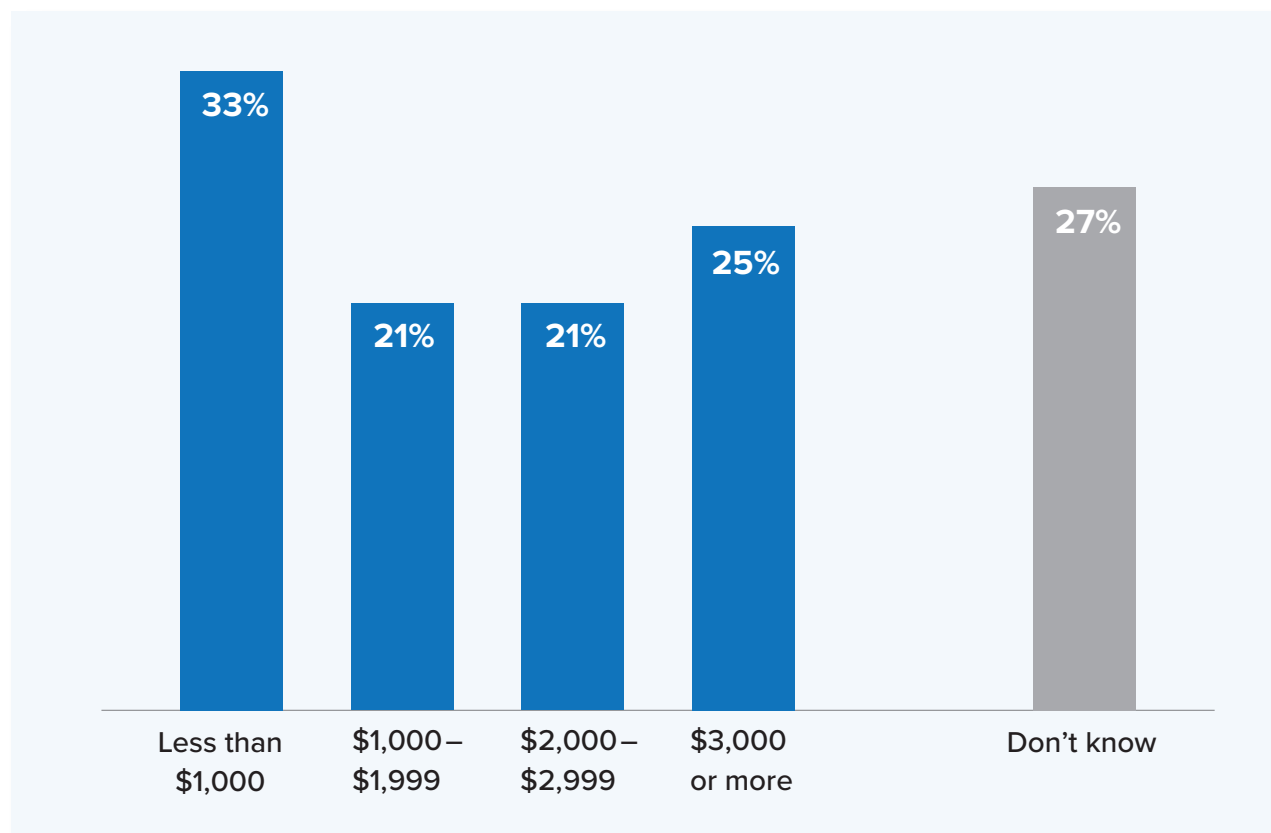
Call Center Employee Retention Extent of Concern

To what extent is contact center employee turnover a concern in your business?

Respondents were asked to indicate the extent of their concern about contact center employee turnover. Nearly two-thirds (63%) were extremely or moderately concerned, indicating turnover in contact centers is a major challenge for businesses. The current tight job market has only exacerbated the issue.
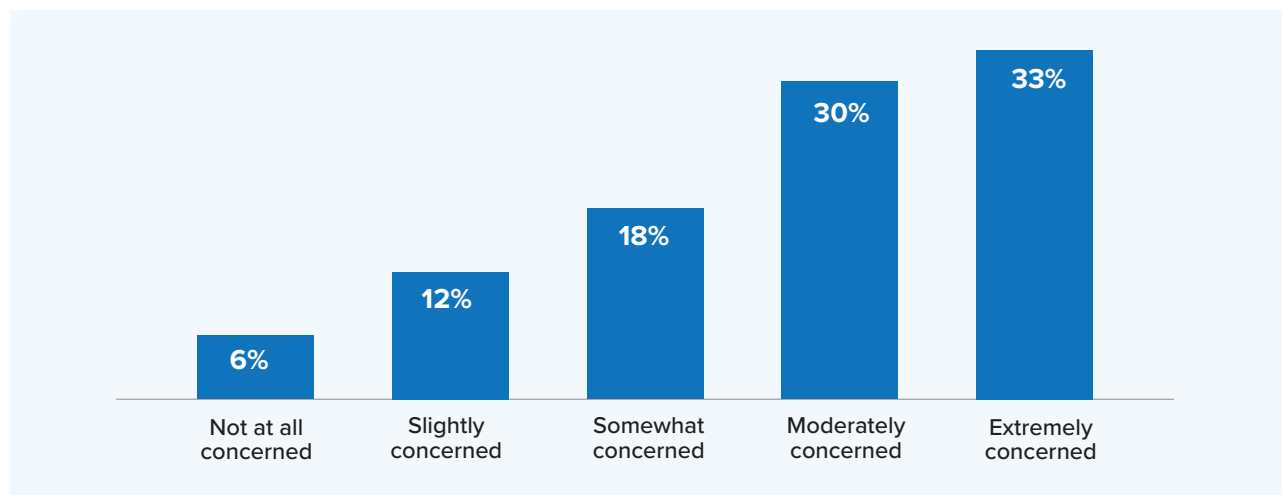
In ongoing trend studies conducted by ContactBabel, an analyst firm in the contact center and customer experience industry in the U.S. and UK, staff attrition has consistently been quoted as one of the major worries of contact center management.

An elevated level of unchecked attrition has a two-headed effect. First, it raises recruitment and staffing costs. Second, it has a ripple effect that can cripple a contact center's ability to provide an acceptable level of service, creating a negative customer experience and placing massive stress on the agents who are left.

The report goes on to say that staff attrition in small doses can be good for a contact center, bringing in fresh blood and enthusiasm. However, elevated levels of attrition have some serious side effects, including: [5]

- Increased recruitment and training costs
- Decreased average agent competency, as there are so many new hires still in training
- Lower quality of the customer experience, as the agent may not know how to answer the query correctly the first time
- Adverse effect on contact center performance indicators, including first-time resolution, call transfer rates, queue time, and call length
- Drop in morale among the remaining staff
- Increased pressure on team leaders and experienced agents to support new staff

Call Center Employee Retention Extent of Concern

|				
6%	12%	18%	30%	33%
Not at all concerned	Slightly concerned	Somewhat concerned	Moderately concerned	Extremely concerned

Need for specific skills or technical qualifications

Do your call center representatives need specific skills or technical qualifications?

Study participants were asked if their call center representatives needed specific skills or technical qualifications. Nearly three-quarters (73%) indicated they need those abilities.

There are many skills that are needed in call centers, such as effective communication skills, knowledge retention, ability to handle pressure, and speed and efficiency. Additional technical qualifications may include an understanding of products or services, an aptitude for data, the ability to navigate and understand dashboards, and sometimes bilingualism.[6]

Need for Specific Skills or Technical Qualifications

NO 27%

YES 73%
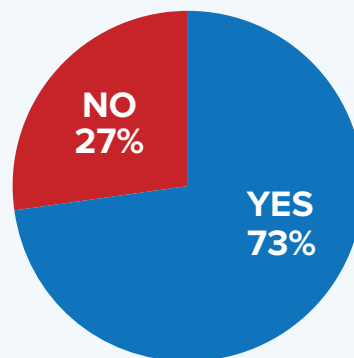
HR leaders are more concerned about retention in call centers that require specific skills or technical abilities versus those that do not, at 68% and 55%, respectively. The greater the skill set needed, the harder it is to replace the call center representative.

Call Center Employee Retention Extent of Concern by Specific Skills vs. Non-Specific Skills	Need Specific skills	Non-specific skills
Extremely/Moderately Concerned (Net)	68%	55%

Turnover Rates in Call Centers

Please provide the percentage of new hires that leave for each period specified below.

Study participants were asked to estimate the percentage of new hires that leave within 90 days and the first six months of starting a role. They revealed that nearly one-in-five (18%) of new hires leave within the first 90 days of starting with the company and nearly one-third (29%) leave within the first six months.

Turnover Rates in Call Centers	First 90 days	First 6 months
Average Percentage	18%	29%

Our study findings are corroborated by recent research from BambooHR, which found that one-third of new employees quit after six months.[7]

According to their report, the reasons why new employees leave at such an alarming rate could range from:

- Feeling neglected
- Feeling overwhelmed
- Feeling under-appreciated
- Feeling under-qualified
- Having a bad candidate experience
- Having a lack of mentorship and collaboration within the organization

In 2020, there were around 2.83 million people working in call centers in the United States.[8] According to Quality Assurance and Training Connection, annual turnover in the call center industry averaged between 30% and 45%. That equates to between 849,000 to 1.27 million employees each year.

This is particularly significant because when organizations lose a call center agent, they don't just lose their expertise or years of experience with the company, but also the investment that it took to hire that employee.[9]

Contact Center Recruiting Process Efficiency

How would you rate the efficiency of your contact center recruiting process?

Respondents were asked to rate the efficiency of their contact center recruiting process. While nearly three-quarters (73%) of HR leaders consider their process to be "very efficient" or "efficient," only 14% considered the process "very efficient."

Given the high demand for call center candidates coupled with high turnover, organizations need to optimize their recruiting processes. The costs of not doing so include not only the loss of any direct revenue associated with the position, but also the consequences of customers frustrated with wait times or inexperienced representatives.

Rating Efficiency of Contact Center Recruiting Process

Bar chart — Very efficient: 14%, Efficient: 59%, Neither efficient nor inefficient: 21%, Inefficient (net): 7%
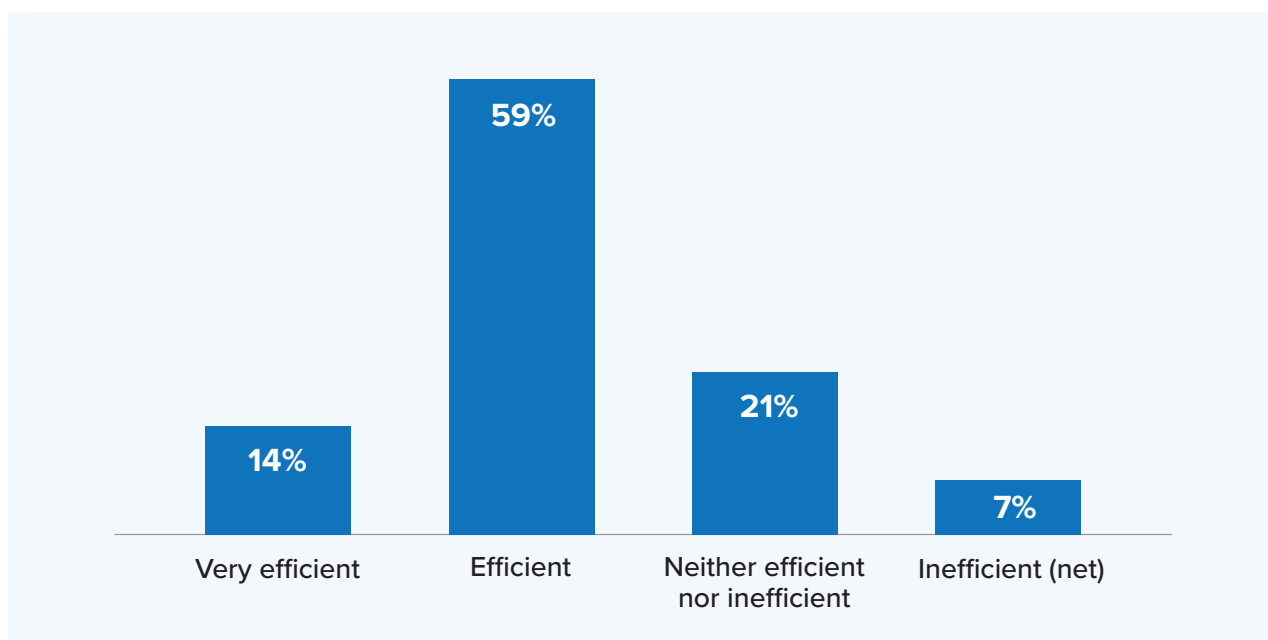
Call Center Representative Location

Please indicate the percentage of your U.S. contact center representatives working remotely versus on-premises now and 12 months from now.

Respondents were asked to provide the percentage of contact center representatives working remotely versus on-site currently and 12 months from now. The majority (55%) of call center representatives work remotely. Looking forward to the start of 2023, it is anticipated that this number will rise to 60%.

There will also continue to be some degree of a hybrid model of on-site and remote working.

Some of the positives of remote work include access to larger labor pool, reduced real estate expenses, employee retention, scheduling flexibility, work-life balance, and fewer health risks. Negatives for the arrangement include greater distractions, onboarding challenges, management challenges, security risks, and team building limitations.[10]

Call Center Representative Location	Current	12 months from now
Remote	55%	60%
Onsite	45%	40%

Looking forward to early 2023, 42% of HR leaders anticipate an increase in the percentage of their employees working remotely — twice the number of those who anticipate a decrease. The reality of call center representatives working remotely is going to be a part of the employment process for quite some time.

Anticipated Change in Percentage of Remote Work in 12 months
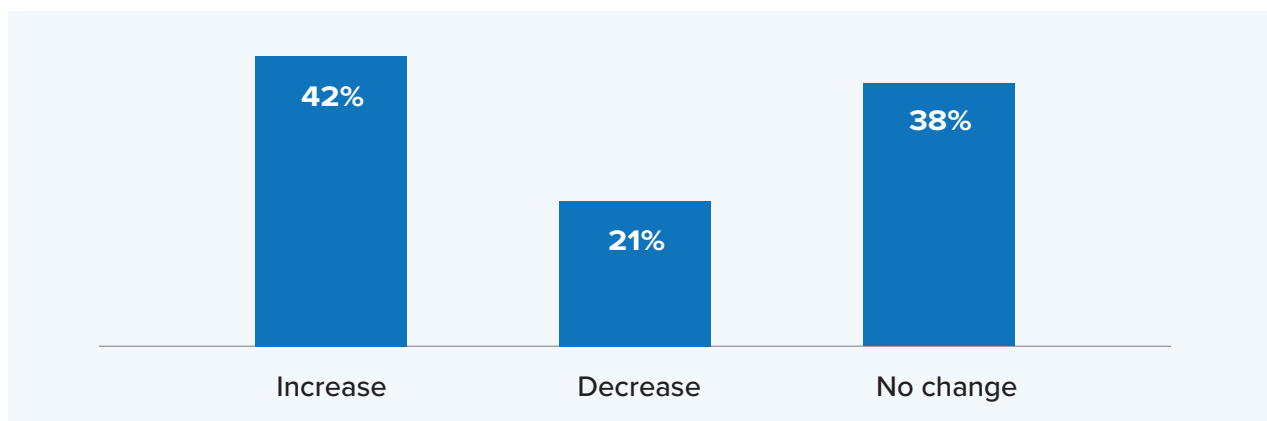

Increase — 42%
Decrease — 21%
No change — 38%

Anticipated Change between U.S. and Offshore Contact Center Locations

In the next 24 months, how would you characterize your mix of contact centers staff changing between the U.S. and offshore?

Nearly two-thirds (62%) of respondents do not anticipate a change in their ratio of U.S. and offshore contact center locations in the next 24 months. However, nearly one-quarter (24%) anticipate more U.S.-based centers, while only 16% anticipate more offshore. While the change will likely not be dramatic, there may be a slight shift back towards U.S.-based call center locations.

Anticipated Change between US and Offshore Contact Center Location

Much more US	12%
More US	12%
No change	62%
More offshore	12%
Much more offshore	4%
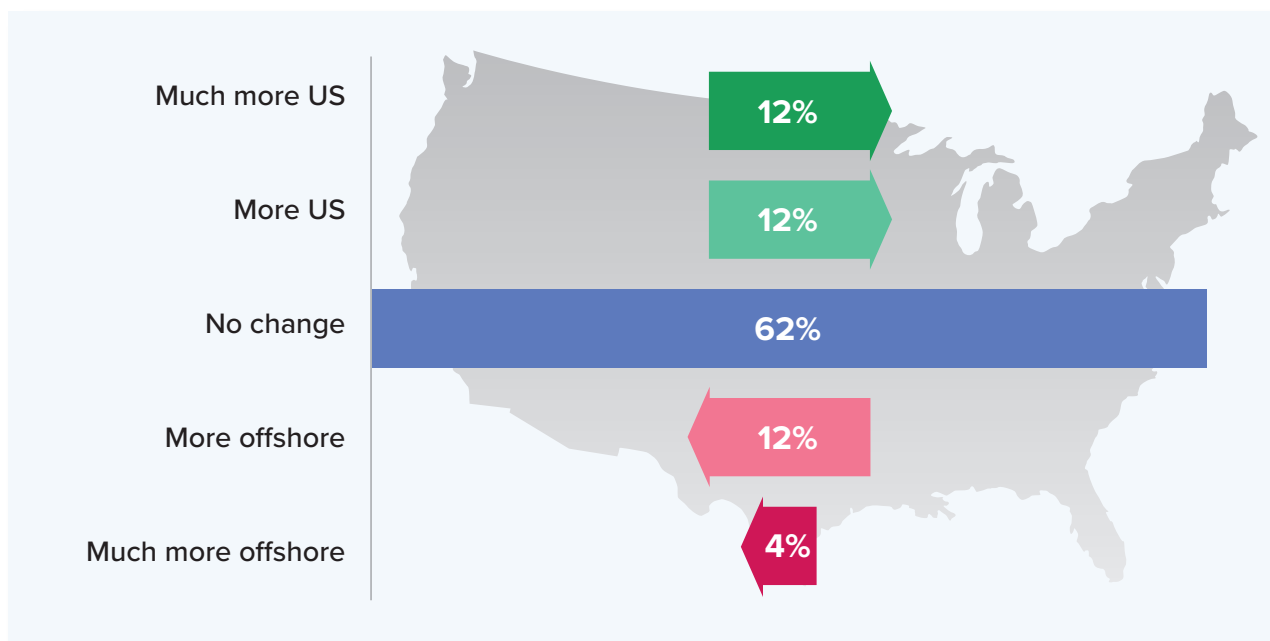
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