KORN FERRY
Institute

Slashing churn

Futurestep's RPO assessment produces drastically low involuntary turnover—18%, compared with US average of 74%

With Futurestep's RPO assessessment in place, the preponderance of call center turnover for a security provider was voluntary: 82% versus national average of 36%. The hiring assessment also may help cut this turnover.

A study of 20,000 new call center hires showed that 46% left the organization in the first 18 months (OpenAccess 2014). The cost of turnover in call centers, when the costs of replacing the employee and the loss of productivity are included, is on average equivalent to three- to four-months of the typical employee's pay (Holma, Batt, and Holtgrewe 2007).

Futurestep's RPO assessment, developed by parent company Korn Ferry, enables organizations both to find quality hires and to do so under time constraints. Recent data from a large sample of call center employees hired by a security provider also show how the assessment may play a role in improving a key predictor of recruiting success: turnover.

The data suggest that the assessment can help slash unpleasant involuntary turnover and provide actionable insight to finding candidates who stay as fulltime staff.

Retention success.

Employees leave for a variety of reasons, voluntarily (such as to go back to school) or involuntarily (terminated, for example, because they miss too much work). Involuntary turnover is a bane of the workplace, disruptive, stressful, potentially demoralizing, and possibly indicative of recruiting issues that can worsen if uncorrected. But with the Futurestep assessment in place, the security provider found drastically low involuntary turnover in its call centers. In comparison with national averages, the company's turnovers were reversed—just 18% involuntary, compared with a US average of 74%. The preponderance of the company's turnover was voluntary (82% versus the national average of 36%).

Figure 1
Markedly lower involuntary turnover.

The average turnover for US call centers is 36% voluntary and 74% involuntary. At the security provider, 82% of turnovers were voluntary (n = 302), whereas only 18% of turnovers were involuntary (n = 66). Involuntary turnovers often result from haste in the recruitment process leading to lack of reference checks, inappropriate sourcing techniques, and the acceptance of unqualified and low-quality hires.

US Average

36%

74%

■ voluntary
■ involuntary

Security Provider

18%

82%

■ voluntary
■ involuntary
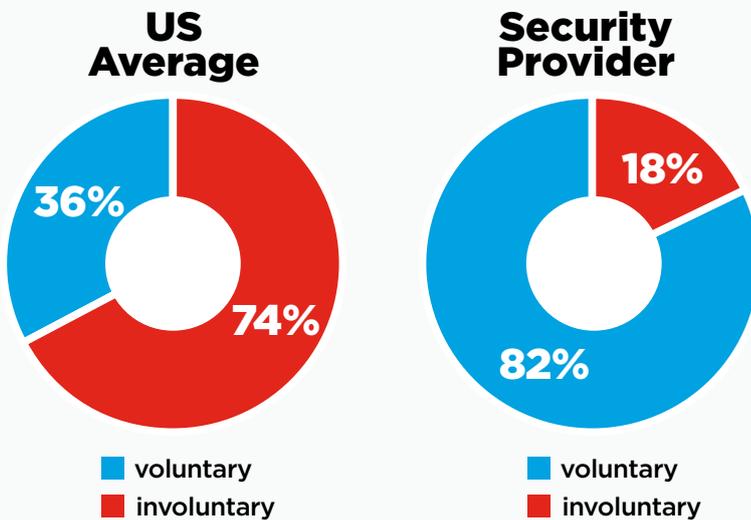
The low rate of involuntary churn at the security provider suggests that Futurestep's RPO assessement sufficiently screens out candidates who neither meet company standards nor meet the qualifications required for the role (Figure 1).

Unrealistic beliefs, weaker candidates, higher turnover.

Although the overall, 30% turnover at the five call centers studied fell below the industry average of 46% for large call centers, analyses were conducted to clarify what drives voluntary and involuntary turnover to further cut churn.

Retained employees were compared to involuntary and voluntary turnovers (Figure 2). Those who turned over involuntarily provided a very different profile than retained employees and those who departed voluntarily.

4 Dimensions of leadership, talent.

Korn Ferry's Four Dimensions of Leadership and Talent underpin Futurestep's RPO assessment. KF4D was developed using assessment data from more than 2 million professionals and executives. It measures:

▶ **Competencies.** Observable skills and behaviors required for success.

▶ **Experiences**. Assignments and roles that have prepared a person for future opportunities.

▶ **Traits**. Natural aptitudes and tendencies, including personality.

▶ **Drivers.** Values and interests that influence a person's career path and motivation.

Figure 2
Profiles compared for retained employees, vs. those who left, voluntarily or involuntarily.

The differences between retained employees (n = 145) and voluntary turnovers (n = 185) and involuntary turnovers (n = 42) are statistically significant. The patterns of scores for retained employees and employees who turnover voluntarily are similar; the pattern of scores for employees who turnover involuntarily suggest different talents. Autonomy is a driver, whereas the remaining are competencies.
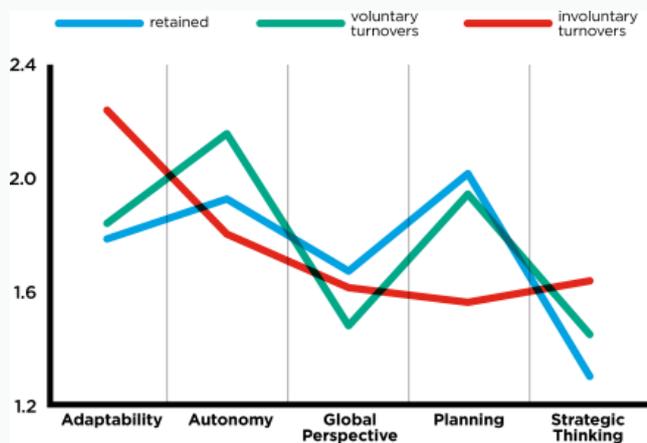
They had more extreme drivers in adaptability, autonomy, planning, strategic thinking, and similar areas.

Their pattern of extreme scores suggests that employees who leave involuntarily have unrealistic beliefs about their own drivers and competencies. This leads to conflicts on the job when actual talent proves to be inadequate. Corroborating this explanation, these employees were optimistic about their skill level on competencies more common at the manager and executive levels, such as global perspective and strategic thinking.

Insights from the assessment also can help cut voluntary turnover (which was 82% in this case) by identifying candidates who fit most tightly the profiles of successful employees who stay. The assessment also can help identify what aspects of their work that organizations might wish to adjust to improve retention, possibly by allowing call center employees more of the job autonomy they desire, for example.

Reduce turnover with Futurestep.

Futurestep's RPO assessment enables organizations to understand the motivations, in addition to the competencies, that influence turnover.

Futurestep makes it possible for organizations to find quality hires under time constraints in two distinct and complementary ways by letting them:

- Focus recruiting efforts on candidates where retention is most likely.

- Understand the motivations and competencies that drive voluntary turnover.

References

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About Korn Ferry

At Korn Ferry, we design, build, attract and ignite talent. Since our inception, clients have trusted us to help recruit world-class leadership. Today, we are a single source for leadership and talent consulting services to empower businesses and leaders to reach their goals. Our solutions range from executive recruitment and leadership development programs, to enterprise learning, succession planning and recruitment process outsourcing (RPO).

About Futurestep

Futurestep is the global industry leader in high-impact recruitment solutions; offering fully customized, flexible services to help organizations meet their talent and recruitment needs. As a Korn Ferry Company, Futurestep can meet a variety of workforce requirements; from RPO and project recruitment, to search and consulting, our solutions apply a truly world-class capability to deliver talent with impact, providing the experience and global reach to identify, attract, and retain the people who drive business success.

About The Korn Ferry Institute

The Korn Ferry Institute, our research and analytics arm, was established to share intelligence and expert points of view on talent and leadership. Through studies, books and a quarterly magazine, Briefings, we aim to increase understanding of how strategic talent decisions contribute to competitive advantage, growth and success.

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