



uncomfortable?

*Whether your staff turnover is*

*50% or 5%*

*you should constantly be assessing & improving your  
processes to recruit and retain your key resource*

*..... your staff*



## A guide to on-going

Candidate Attraction, Management & Employee Retention with reference to statistics provided from the recent on-line survey conducted by Cactus Search



“It is difficult for employers to retain good employees if they do not have a strategy to hire the right people in the first place.”

“Once a successful strategy to hire is in place, Retention processes must directly support the reasons that successful, satisfied employees stay.”



# **The Call Centre Industry Size and Structure**





At the end of 2003, the contact centre industry directly employed a staggering 800,000, more than 500,000 of those were agents with the remaining made up of Management and support functions.

*(Source: Datamonitor)*

At the end of 2003, the UK contact centre industry consisted of 5,320 contact centre operations with almost 500,000 agent positions. It has grown by almost 250% since 1995, and continues to add tens of thousands of agent positions each year. The industry is forecast to grow to almost 650,000 agent positions by 2007, directly employing over 1 million people. Continuing growth in the industry will be driven by growth in existing contact centres rather than new operations starting up.

*(Source: The UK Contact Centre Industry - A Study by the DTI)*

As the industry expands the competition for all levels of skilled staff continues to increase dramatically. As a result, any organisation that does not address their recruitment practices and attrition rates could find the effects extremely damaging to their business and subsequently their customers in the not too distant future.

### **Shocking Facts:**

- Labour turnover remains constant in the UK at 16.1% compared to 2002. In Ireland it rose by over 5 percentage points to 15.7%.
- The proportion of UK survey participants experiencing difficulties retaining their people rose from 72% in 2002 to 77% in 2003 (69% in Ireland).
- The highest levels of turnover are found in call centres (50.9%), hotels, catering & leisure.

*(Source: CIPD)*



In addition to attrition rates, attracting new employees and specifically high performers and skilled staff, will become an ever increasing challenging.



## Section 1

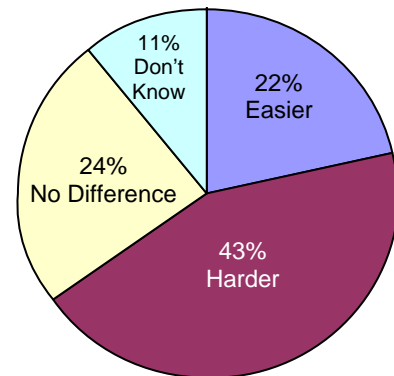
### Attraction & Recruitment





### **Question 1**

Have you found it easier or more difficult to attract staff during 2004 than previously during 2003?



As the industry rapidly expands, the competition for attracting talent is becoming fierce. No longer can organisations hope to place an advertisement in a local paper and expect to receive hundreds of suitable applications. In addition to the expansion of the industry, creating this shortage of talent, high performers are demanding ever-increasing packages to secure top positions. Not only do employers have a challenge to attract talent, they must also ensure they retain them by offering consistent market rates.

### **Attraction of Candidates**

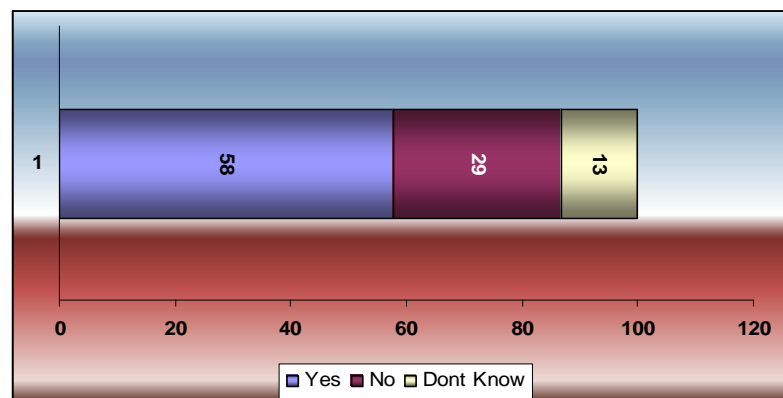
The route of attraction is key to sourcing suitably qualified candidates. Before deciding the attraction method, consider the following:

### **Question 2**

Is your company an employer of choice in your area?

Should your company not be an employer of choice, branded advertising could prove futile; maybe consider advertising blind or advertising in conjunction with an agency and allowing them to handle the response.

Survey Results indicate that 58% of Employers do feel that they are an employer of choice in their area, however a total of 42% either don't know or feel that they are **NOT** employers of choice!



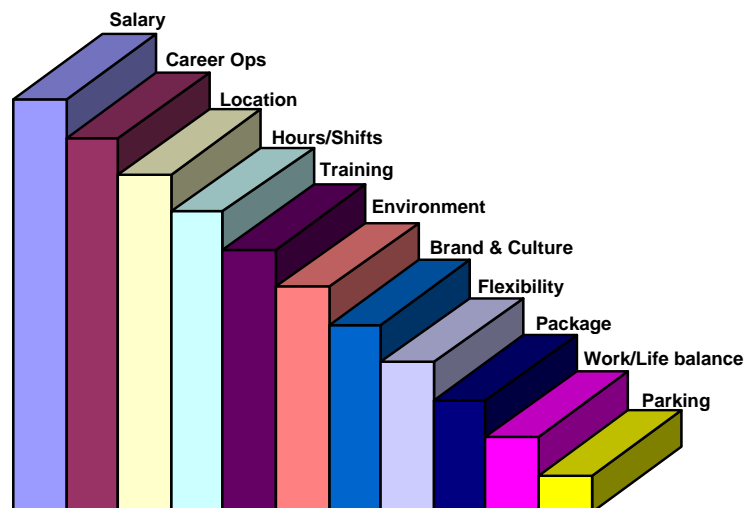


## Key Factors in Attracting Staff

Are you ensuring that the **working environment, salary and package** are in line with expectations to ensure you are attracting the right skills and number of candidates required?

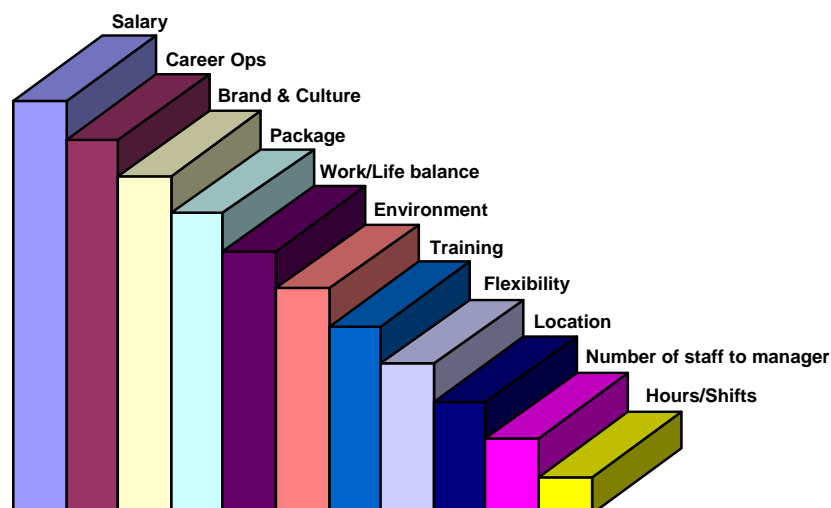
### Question 3

What do you perceive as the most significant factor in attracting new **frontline** staff?



### Question 4

What do you perceive as the most significant factor in attracting new **management** staff?

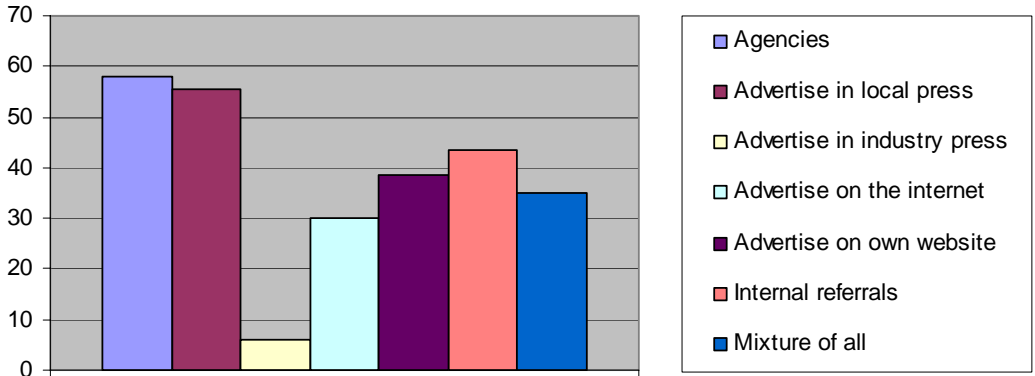


According to the survey results for both frontline and management staff, it is clear that salary and career opportunities are both key factors in attracting staff. It is therefore imperative that salary surveys are carried out and career opportunities are clearly identified if you are to successfully attract the best candidates in the market. It is also clear however that there are some key differences between attracting management & frontline staff, which should be noted.



**Question 5**

How do you recruit and attract your *frontline staff*?



**ringing the changes?**

Coral are the UK's fastest growing bookmaker operation ..... Due to expansion we have an opportunity for you to join our very successful **Telephone Betting division.**

**Call Centre Team Manager Full Time**

**Competitive salary + excellent benefits**  
At Coral Telephone betting the customer experience is our highest priority. We are looking for highly motivated leaders with experience of managing within a call centre environment. If you enjoy a fast paced, exciting customer focussed environment this exceptional job is for you!  
Based in our modern call centre in Barking, near the train station, you will be responsible for leading, motivating, developing and supporting your team to ensure delivery of the highest levels of performance and customer service. Our customers call seven days per week therefore you must be able to work to flexible patterns including evenings and weekends.  
If you would like to join a leading company in a dynamic & interesting environment then call the recruitment line.

**Call on 01225 817663**  
**Or e-mail: [gill.cattell@cactussearch.co.uk](mailto:gill.cattell@cactussearch.co.uk)**  
**Or visit our Website at [www.cactussearch.co.uk/coral](http://www.cactussearch.co.uk/coral)**

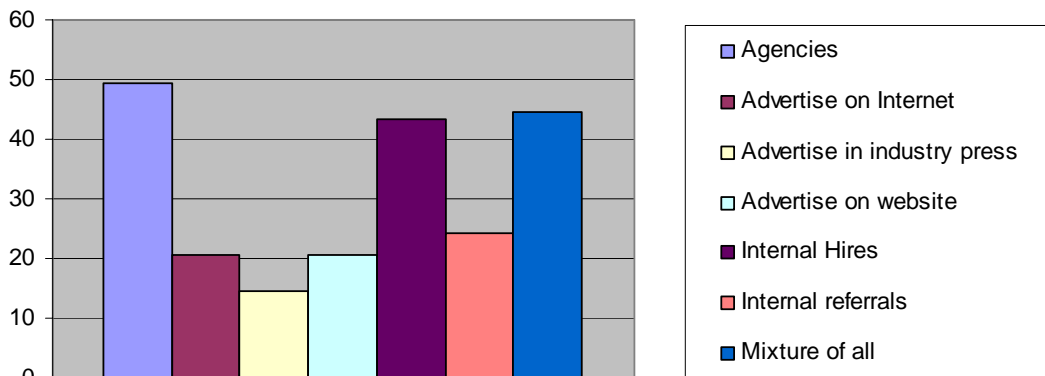
**CORAL**

**Do you have the in-house staff to handle the response from an advertisement?**

If you are not sure you can handle the response, then seek specialist help to assist you as you only have one chance to make a first impression on potential candidates – and the first impression counts!!

**Question 6**

How do you recruit and attract your *Management staff*?





## Using a Recruitment Agency

The survey clearly indicates that the most popular and widely used method of employing staff is through recruitment agencies. There is no doubt that agencies can offer huge amounts of support and assistance in recruiting both frontline and management staff. However there are some key points to consider when using agencies:

- **Pick the agency carefully**, don't just go for the one with the lowest charges because recruitment agencies can do as much harm to your brand as good – *remember, they are representing you and as a result a bad experience with them does reflect on you!!*
- **Constantly look for 'value add'**, the days of agencies receiving a job description and blanket sending CV's to a client are gone. Be sure to ask what processes they will use, how they will select candidates and what they will provide for their fee. In the recruitment of management staff, services agencies should be willing to offer are:

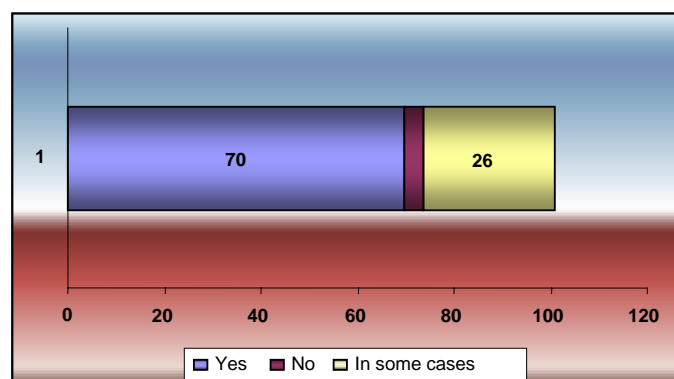
- Client branded micro website
- Full face 2 face competency based interviewing
- Formulation of detailed Role Profile
- Detailed candidate profile writing following interview
- In-depth psychometric testing
- Reference gathering



- A good, reputable agency will ensure that they understand the role, the company and will try and add value to the process, not just dump CV's on you.
- Pick the agency with a good reputation, spend time looking at their case studies and talking to their clients. While it is always more 'comfortable' to go with household names, often the most successful agencies are those that focus on specialist markets.
- Make sure you meet with recruitment suppliers in order to establish a good working relationship and to ensure that both parties fully understand the requirements and services on offer.

### Question 7

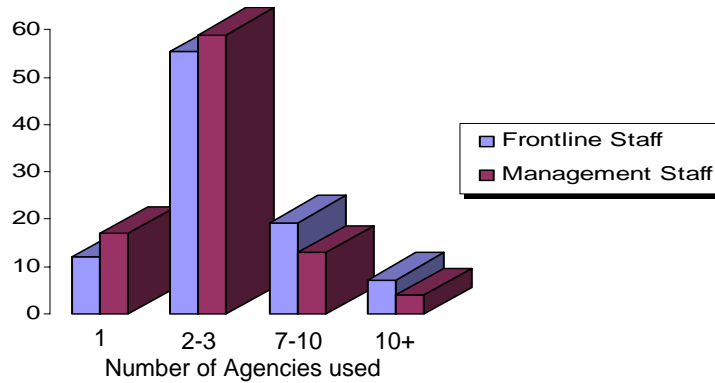
Do you prefer agencies to meet with you to gain a clear understanding of your organisation & role?





**Question 8**

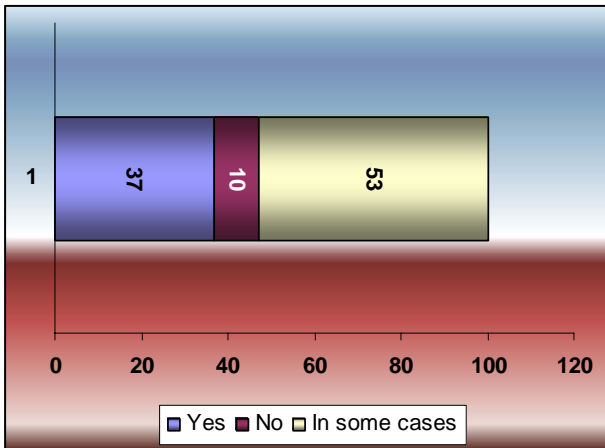
How many agencies do you use for recruiting call centre management and frontline staff?



Many organisations across the UK are still receiving below average services from their recruitment suppliers. In a market where there are over 91,000 recruitment consultants it is no wonder that many are still operating below expected standards and charging above expected rates. As the market changes and recruitment of talent becomes more specific then organisations will have to develop a strong network of recruitment suppliers to meet their needs. This may bring HR department in to conflict with the Purchasing department where their drivers are more likely to be price reduction without any real evaluation of quality.

**Question 9**

Do you feel your relationship with your suppliers can be described as a professional partnership?



It appears from the survey results that only 37% believe that relationships with suppliers can be described as professional partnerships.

The relationship between organisation and agency is evolving constantly and as the shortage of staff continues, it is essential that organisations develop a good network of suppliers.

This should not mean a move away from the key issues of quality and value but will change the relationship to more of a strategic partnership where the objective of organisations is to become a 'Preferred Client' of key quality recruitment businesses where they get priority service from experienced and knowledgeable recruitment suppliers. With the recruitment industry directly employing over 91,000 people in the UK, often finding and assessing the best suppliers and consultants is the biggest challenge businesses face today in the war for talent.



## **Section 2**

# **Candidate Management**





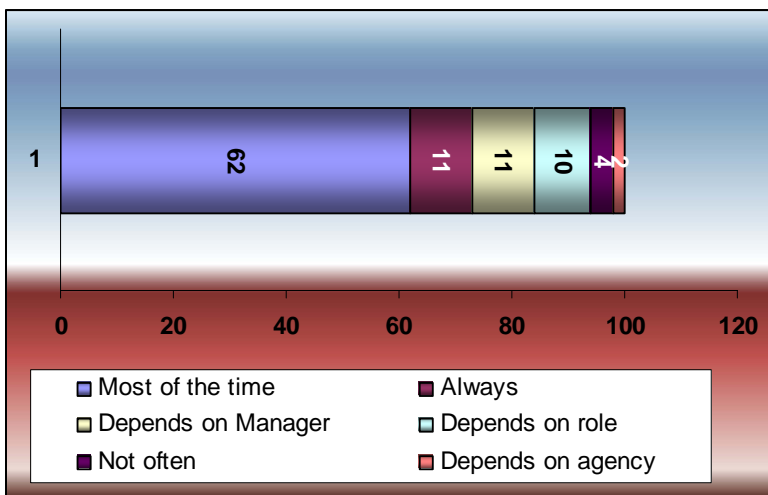
Once you have attracted the right candidate it is imperative to create a professional, informative and enjoyable 'recruitment journey'. Cactus Search has dealt with many clients throughout the UK and the experience for the candidate can often differ dramatically from one organisation to another. There is no doubt that organisations who have successfully recruited talent, have adopted thoughtfully designed and carefully planned recruitment processes. Which in turn have ensured the most effective 'candidate experience'.



Through our experience of successfully supporting clients in recruiting talent, Cactus Search have identified key recommendations of how to create and manage a successful 'candidate experience'. Not only to ensure excellent recruitment practices and recruit talented candidates, but also to promote individual client brands, as often *'potential candidates are potential customers'*.

**Question 10**

Would candidates experiencing your recruitment process feel they had a positive and valuable experience?



The majority of organisations believe that for **most of the time** candidates have a positive & valuable recruitment experience. However, only 11% believed that candidates **'always'** receive this level of experience.

4% of organisations believed candidates do **not** have a positive experience very often.



## Do you know how much a bad candidate experience costs you?

The answer is 'probably not' because it is an 'unseen' cost. It is obviously damaging to treat any prospective candidate badly and the effects can be far reaching. It is a known marketing fact for example, that if you treat a customer badly they tell 20 people about it.



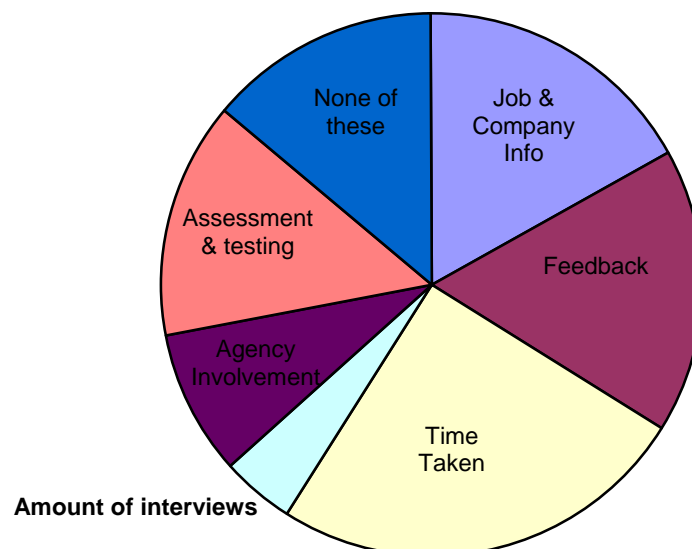
## How do you ensure an excellent Candidate experience?

- Produce a full and detailed role profile for the position including information on the role and also the company.
- Ensure a quick response to applications, sending them more information if they have applied directly in response to an advertisement
- Communicate and stick to the timescales agreed for the process
- Undergo full competency based interviewing with each candidate
- Provide feedback following the interview
- Undergo a range of Psychometric testing and profiling (if appropriate)
- Ensure a quick response to interviews

The aim of a 'managed candidate experience' is to provide a consistently high service to all candidates.

### Question 11

Which areas if any would recent candidates through the recruitment process say needed improving?





## **Section 3**

### **Retention of Staff**





The following report is provided by the CIPD and offers an interesting insight into the widespread issues involving the retention of staff over all industry sectors.

### Labour turnover rates, by industry sector (UK and Ireland) (%)

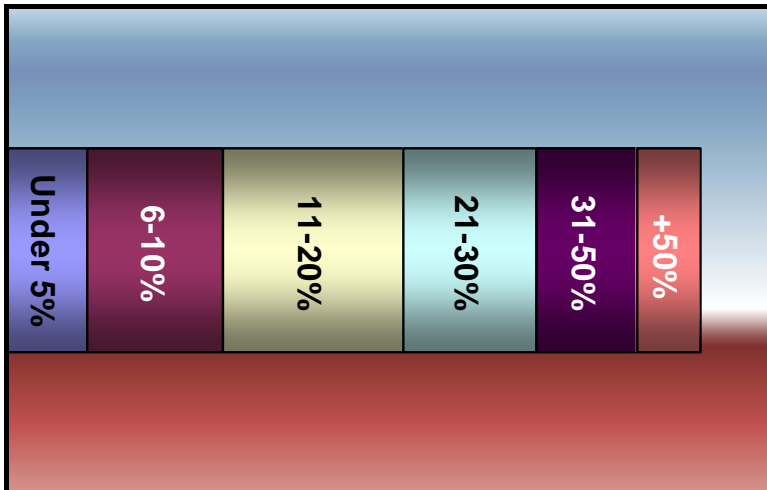
	All Leavers	Voluntary Leavers
Agriculture and forestry	20.7	3.1
Electricity, gas and water	8.6	5.2
Engineering, electronics and metals	12.0	5.4
General manufacturing	13.0	8.2
Textiles	13.5	9.6
Chemicals, pharmaceuticals and oil	11.7	5.8
Construction	20.2	14.8
Paper and printing	9.7	4.2
Other manufacturing and production	16.4	7.8
Voluntary, community and not-for-profit	15.5	10.4
Charity services	11.7	11.1
Care services	17.5	12.7
Private sector services	20.5	12.9
Professional services	12.5	9.5
Finance, insurance and real estate	16.0	11.5
Hotels, catering and leisure	45.7	34.0
IT services	18.7	9.3
Call Centres	50.9	33.4
Media and publishing	22.9	16.5
Transport and storage	17.8	10.1
Communications	27.1	18.1
Other private services	18.1	12.4
Public sector services	12.4	7.5
Local government	11.9	8.0
Central government	12.2	5.4
Education	13.9	9.2
Health	11.7	7.5



Reports do vary and a report by Incomes Data Services' "Pay and Conditions in UK Call Centres, 2003" found staff attrition rates of 25.1%, highest in the retail and transport sectors, lowest in the public sectors.

### **Question 12**

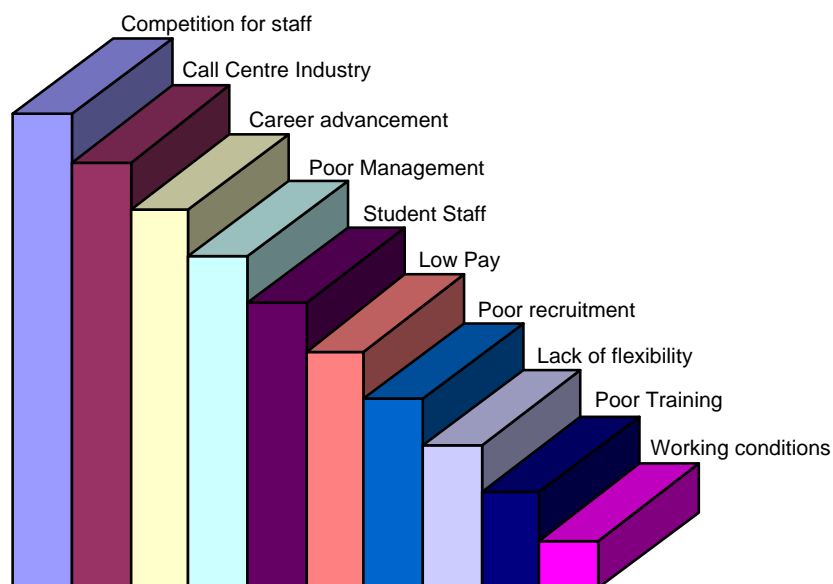
What has your company's attrition been during the last 12 months (2004)?



The survey indicates that many organisations are still experiencing significant problems with high levels of attrition with 64% of organisations experiencing 11-20% and over and of those, 40% are experiencing 21-30% and over.

### **Question 13**

In your experience which of these reasons do you think contribute to the main cause for attrition issues?





It is interesting that the survey clearly revealed that the most dominant cause for attrition is due to competition of staff. This only reinforces how critical it is to be seen as an 'employer of choice' in your area. It is clear that organisations not only need to be aware what makes them an employer of choice, but also what their competition is offering their employees.



Career advancement is always going to be a problem in a call centre environment, however you need to ensure that good employees are retained and do not move to advance their career within the same industry, with another employer.

Poor management is also regarded as a significant contribution to attrition. This is an area that all organisations should be able to address, especially in an industry that employs such large volumes of staff. Identifying and developing good managers is an essential component to both career succession planning and providing a strong management structure, with the ability to manage and lead staff.

Whatever the statistic of your own Contact Centre there are certain methods & strategies of ensuring attrition is kept under control.

An '**Employee Retention Strategy**' is based upon two primary beliefs:

***"It is difficult for employers to retain good employees if they do not have a process to hire the right people in the first place"***

Once the right people are in place how do you go about retaining them?

***"Retention processes must directly support the reasons that successful, satisfied employees stay. Many 'experts' dwell on the reasons employees leave, which is not as important or revealing as the reasons they stay"***



## Tackling Retention

Retention of staff is as critical in the cycle of employment as the initial recruitment, however as relatively massive budgets are put aside for the attraction, recruitment and selection processes, employee development and retention strategies often receive a fraction of the attention.



To provide a solution to our clients to tackle problems with attrition, Cactus Search has partnered 'TalentDrain', a company whose focus is to **reduce the flow of talented people leaving your organisation**. Their

services and solutions are based on the simple belief that by decreasing staff turnover you will not just save money and solve problems, you will ultimately ensure your organisation is more efficient and effective in its core activities.

Below are 2 examples of the cost of attrition according to the size of organisation:

1. A small organisation or department within a larger entity. These figures are based the turnover rates, replacement costs, and salaries on a very average call centre operation.

<b>Employee Turnover Costs</b>	
Number of Staff	100
% Staff turnover	35%
External Recruitment Costs (per head)	£1000
Internal recruitment costs	£1200
<b>Total Recruitment Cost</b>	<b>£77,000</b>
Training investment per new recruit	£400
<b>Total Recruitment &amp; Training Cost</b>	<b>£91,000</b>
Average Salary	£12,000
Time taken by new starter to become proficient	4 weeks
<b>Total Cost of Skilling Up</b>	<b>£36,522</b>
<b>Total Cost of recruitment, training &amp; skilling up</b>	<b>£127,522</b>



2. A larger organisation where turnover is an issue across a number of functions. The impact of the wide spread problem being that the average costs associated with recruitment, training etc increase giving a quite terrifying cost of turnover.

<b>Employee Turnover Costs</b>	
Number of Staff	1000
% Staff turnover	25%
External Recruitment Costs (per head)	£2000
Internal recruitment costs	£1500
<b>Total Recruitment Cost</b>	<b>£875,000</b>
Training investment per new recruit	£800
<b>Total Recruitment &amp; Training Cost</b>	<b>£1,075,000</b>
Average Salary	£25,000
Time taken by new starter to become proficient	8 weeks
<b>Total Cost of Skilling Up</b>	<b>£1,086,957</b>
<b>Total Cost of recruitment, training &amp; skilling up</b>	<b>£2,161,957</b>

In order to calculate your attrition costs, try TalentDrain's 'turnover calculator', an easy to use tool that helps you establish the real costs of staff turnover. Find out how much your organisation can save if employee retention is increased by just a few percent -

<http://www.talentedrain.com/retention/calculator.asp>

For more information on TalentDrain, please visit: [www.talentedrain.com](http://www.talentedrain.com)



## **Section 4**

## **Conclusion**





Attraction, recruitment, candidate management and retention of staff are all critical areas affecting the Contact Centre Industry today. With the ongoing threat of 'off shoring' it is critical to the UK Contact Centre Industry that it matures, in not only the provision of services, but also the costs associated with the provision of these services. Attacking these areas are all ways in which organisations can reduce overheads.

With the tight labour market showing no immediate sign of abating, more organisations are realising that effective resourcing is the key to their success. Employers now require a more sophisticated approach to resourcing, one that strategically links talent acquisition to the needs of the business.



At the same time, people's expectations of what they want from employers are also rising, and organisations need to be more innovative in how they attract and retain staff. Many are adopting a more flexible and diverse approach to their recruitment practices to meet these challenges. Organisations will also have to consider innovative approaches to recruitment ensuring that both 'best suppliers' and 'best practices' are adopted and utilised to achieve 'best results' in the recruitment of new employees.

While this document has been written to reflect the experiences and views of a select group of people with supporting statistical information from the Cactus Search Survey which encountered over 300 responses, those people have been instrumental in the sourcing and selection of personnel for Contact Centres for a combined period of over half a century.

We leave it up to you to interpret the information included here, and how it relates to your business and we hope that it has been of interest and will enable you to make key decisions about the future of your organisation.



## **Section 5**

### **About Cactus Search**





Cactus Search Ltd is a new generation of executive search companies whose main aim is to provide higher service levels and business support services that will benefit both the employers and candidates alike. Unlike other recruitment companies, we are not here to "fill vacancies". Our aim is to provide our clients with real competitive advantage. *We do this by providing our clients with the right people who have the right mix of skills, experience and attitude – inspirational leaders.*



Broken down into 4 differing services Cactus Search is able to provide resourcing solutions for the Contact Centre industry whether interim or permanent, management or volume.

**Executive Search, Assessment & Selection** - Designed to recruit Directors, General Management and Board level Operations in a totally confidential manner.

**Advertised Selection and Assessment** - Designed to recruit senior / middle Management and Operational roles. It combines advertising with searching our skills and experience database.

**Registered Search** - Exclusive access to profiled candidates for all levels of strategic and operational management. Cactus Search has an enviable skills and experience database including many of the most influential individuals within the Contact Centre industry.

**Volume Resourcing** - Cactus Search can take away the burden of volume response management, provide as much of the screening & assessment process as you require and simultaneously reduce your cost-per-hire.

We have the resources and experience to deal with all stages of a project, including candidate attraction and response management through web, e-mail, telephone and paper-based methods. We offer a full sifting and screening service, and our team of assessors can design, deliver and manage assessment events and testing. Reference checking and offer-management complete the process, with due candidate care throughout.



## Who have Cactus supported?



### Roles Recruited:

Interim Head of Customer Services  
Customer Service Centre Manager  
Head of Customer Service Centre

### Process:

Registered Search  
Registered Search  
Executive Search

"We are very pleased with the efficient, responsive and personal service Cactus Search have provided to us and would not hesitate to use them again."

**HR Manager**



### Roles Recruited:

Head of Fault Management  
Customer Operations Manager

### Process:

Executive Search  
Registered Search

"The campaign was a success start to finish, each stage was clearly communicated and was within the timescale provided. Because of the efficient, cost effective, responsive and personal service Cactus Search provided me I would not hesitate to use them again"

**Director of Fault and Business Integration**



### Roles Recruited

Operations Manager  
Resource & Planning Manager

### Process

Registered Search  
Registered Search

"I am very pleased with the responsiveness of Cactus Search, the quality of their candidates and the overall value for money of the service. If the need arises I will not hesitate from using them again"

**Director of Customer Service**



### Roles Recruited

Call Centre Manager  
Resource Planning Analyst  
Resource Forecasting Analyst

### Process

Registered Search  
Registered Search  
Registered Search

"Cactus Search have worked closely with Abbey on a number of key campaigns and have taken time to understand the recruitment brief; proactively searched the target markets; regularly presented high calibre candidates who satisfy the brief. The whole team take a flexible and creative approach to resourcing."

**Senior Resourcing Consultant**



## Contact Us:

Should you have any views on this document or would simply like more information on our services please contact us at:

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