

EXECUTIVE SUMMARY

Company:

A large international firm

Challenges:

Estimate the link between projected increments of pay and projected improvements in the workplace to retention among employees

Solutions:

Developed a survey for employees

Created a tool to calculate CSR attrition in relation to compensation

Results:

Developed mathematical function that expresses the relationship between pay and retention of employees

Case Study

International Customer Management Institute (ICMI) recently was retained by a large international firm to develop, administer, analyze and report the results of a survey on the perception of compensation.

The objective of the study was to establish the correlation between projected increments of pay and projected improvements in the work place to the retention rate among employees. In addition, the study identifies the primary determinants of overall pay satisfaction and perceptions of pay fairness among employees.

Partnering with an Industrial Psychologist ICMI created a survey that would estimate the return on investment in regards to projected pay increases. The results of the survey allowed ICMI to create a calculator that forecasts customer service representative (CSR) attrition relative to wages. The mathematical formula relating pay increase to retention rate was created to estimate the effect of various possible pay changes.

This study sought to accomplish the following:

- Estimate the link between projected increments of pay and projected improvements in the work place to the retention rate among employees;
- Understand the primary determinants of overall pay satisfaction and perceptions of pay fairness among employees; and
- Ascertain the average levels of overall pay satisfaction and perceived pay fairness, and to assess the uniformity of views on these factors.

The study succeeded in developing a mathematical function that expresses the relationship between pay increments (in percentages) and changes in the retention rate of employees.

“Agent attrition has been one of the most common and costly matters a contact center has to face on a consistent basis,” said Macklin Martin, Executive Director of Consulting of ICMI. “Losing an agent is costly to any organization. Today, many organizations have seen their attrition numbers go down due to the current economic climate; job openings are not as plentiful, so people are staying in positions waiting for the opportunity to leave. The calculator we have created will help organizations see how compensation is directly correlated to employee retention.”

— Brent Haferkamp, Sr. Consultant, ICMI