



# **Should I stay or should I go?**

Increasing the profitability at Transcom  
by focusing on retention in the selection  
of call centre workers

Henric Bruvik, MD cut-e Sweden

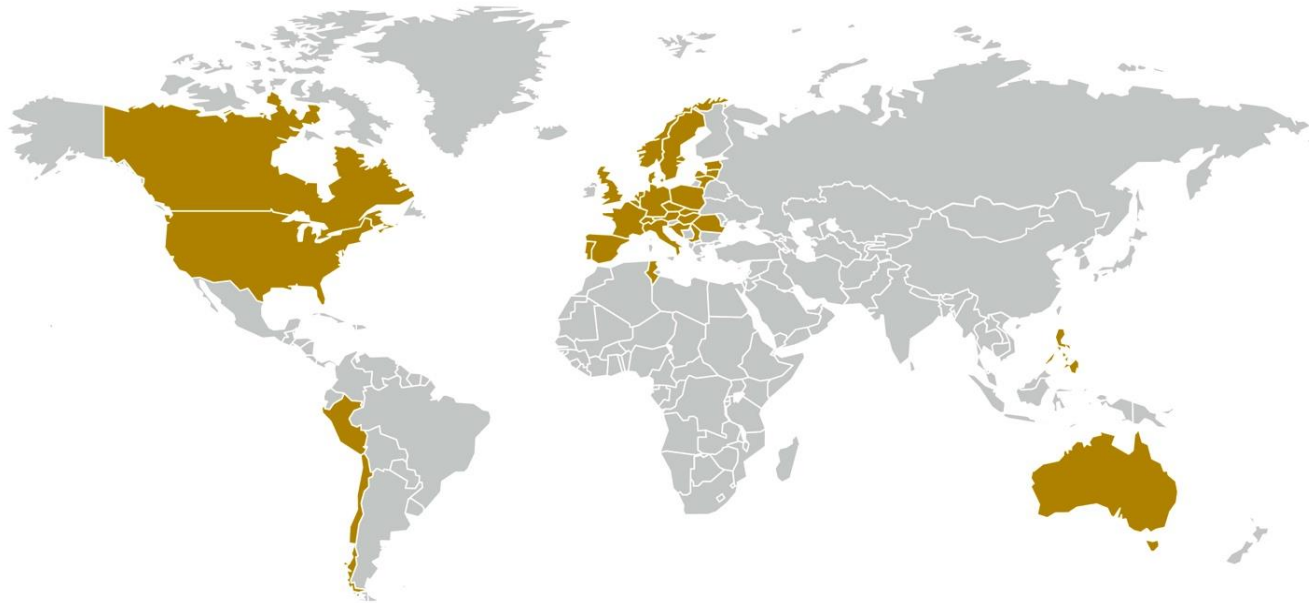
Björn Elowson, Consultant cut-e Sweden

Mats Wernheim, MD Zerolime



# Transcom

- Customer care, sales, technical support and credit management services
- 30 000 employees in 22 countries, services in 33 languages
- 53 contact centers, onshore, off-shore and near shore
- €626.5 million revenue in 2015





# Transcom

## Challenge

**Average period of employment = 4 month,**

**81 % have an employment period of 6 months or shorter**

**= Huge recruitment and onboarding costs!!**

## What to do?

**Let's hire people who stay a little longer!**

**Let's automatize the recruitment process and handle as much as we can inhouse!**



# Selection process Transcom



**Killer questions**

**Test algorithm**

**Video interview**

**Hire**



# AVI – Assessment and Video Interview Solution

- A productification of the Transcom process available for everyone
- A seamless, cloud based solution
- Any recruiter can log in and get started in 5 minutes, requires no training
- Select between a set of predefined job profiles or have one tailored
- Powered by cut-e and Zerolime





# What predicts retention?

## Embeddedness

Recommendations, friends  
and relatives in the  
organisation

## Past behaviour

Tenure in prior jobs and  
number of jobs

Realistic job  
preview

## Personality

Emotional stability  
Conscientiousness

Motivation to  
obtain the job

(Barrick & Zimmerman, 2009)



# Validity study, n = 317

## Predictors

**Personality (shapes basic)**  
**Multitasking (scales mt2)**  
**Logical reasoning (scales 1st)**

## Criteria

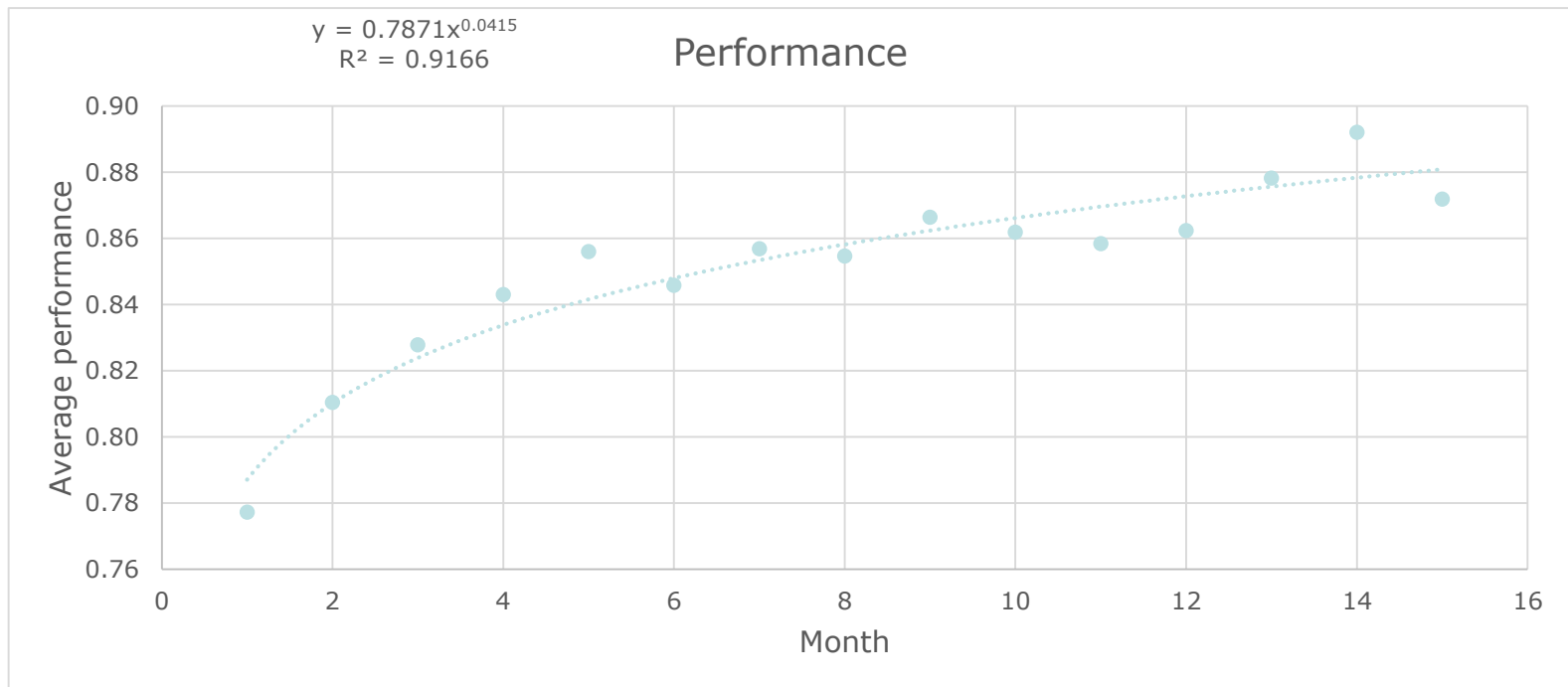
**KPIs: Sales, First call resolution,  
After call work, Absenteism,  
Effectiveness**

**Measure of retention: Self  
reported intention to quit**



# Tenure is the strongest single predictor of performance

- Given the short average time of employment, tenure is more important for performance than any personal trait or ability

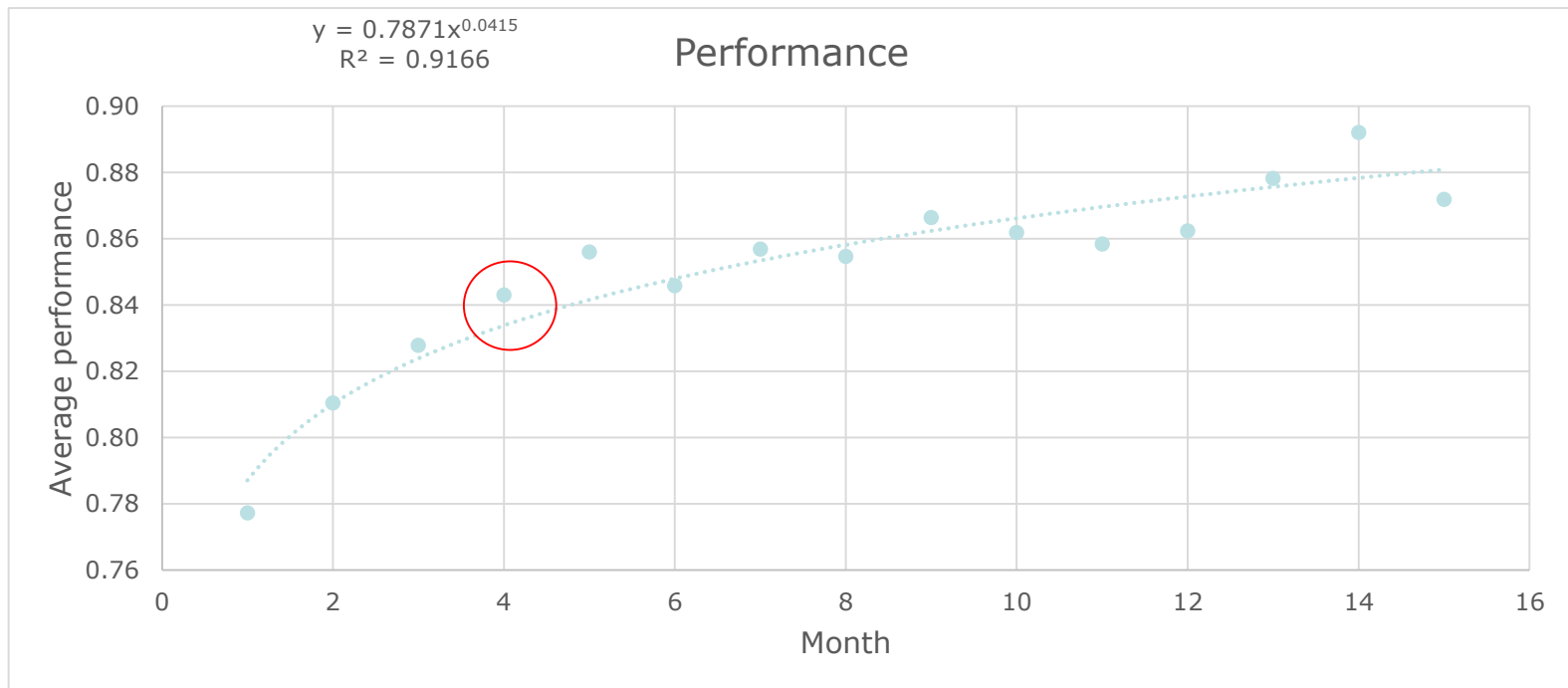






# Tenure is the strongest single predictor of performance

- Given the short average time of employment, tenure is more important for performance than any personal trait or ability





# Profile aiming at predicting retention (intention to quit)

- Algorithm selects candidates who
  - Score high on ability tests
  - Conscientious
  - Works with drive and energy and likes to be challenged with demanding tasks
  - Flexible
  - Not put off by setbacks, and perseveres with task



# The role of cognitive abilities among the agents

- Don't people with high cognitive abilities get bored and quit?
- There are many reasons for quitting a job. Being intelligent is not one of the more frequent reasons!
- Lower cognitive abilities stands out most in agents quitting due to stress
- At Transcom, cognitive abilities is the factor having the strongest relationship with tenure.



# The effect of the algorithm

- Correlation test algorithm and Intention to quit = .50
- If we select the 10% with highest test scores, we increase the likelihood that they are better than average of Intention to Quit by 130%
- If we select the 50% with highest test scores, we increase the likelihood that they are better than average of Intention to Quit by 50%



# Reasons for termination

- 30 % terminated by Transcom and 70 % voluntarily

Ended by	Reason	%
Transcom	Attendance	25 %
	Bad performance	26%
	Others	24 %
	Bad behaviour, end of short term contract, no show, not passed trial period,	resterande 25%
Agent	Opportunities in other companies	23 %
	Others	20 %
	Return to school	22 %
	Stress/working environment	19 %
	Compensation	7 %
	Relocation	6 %

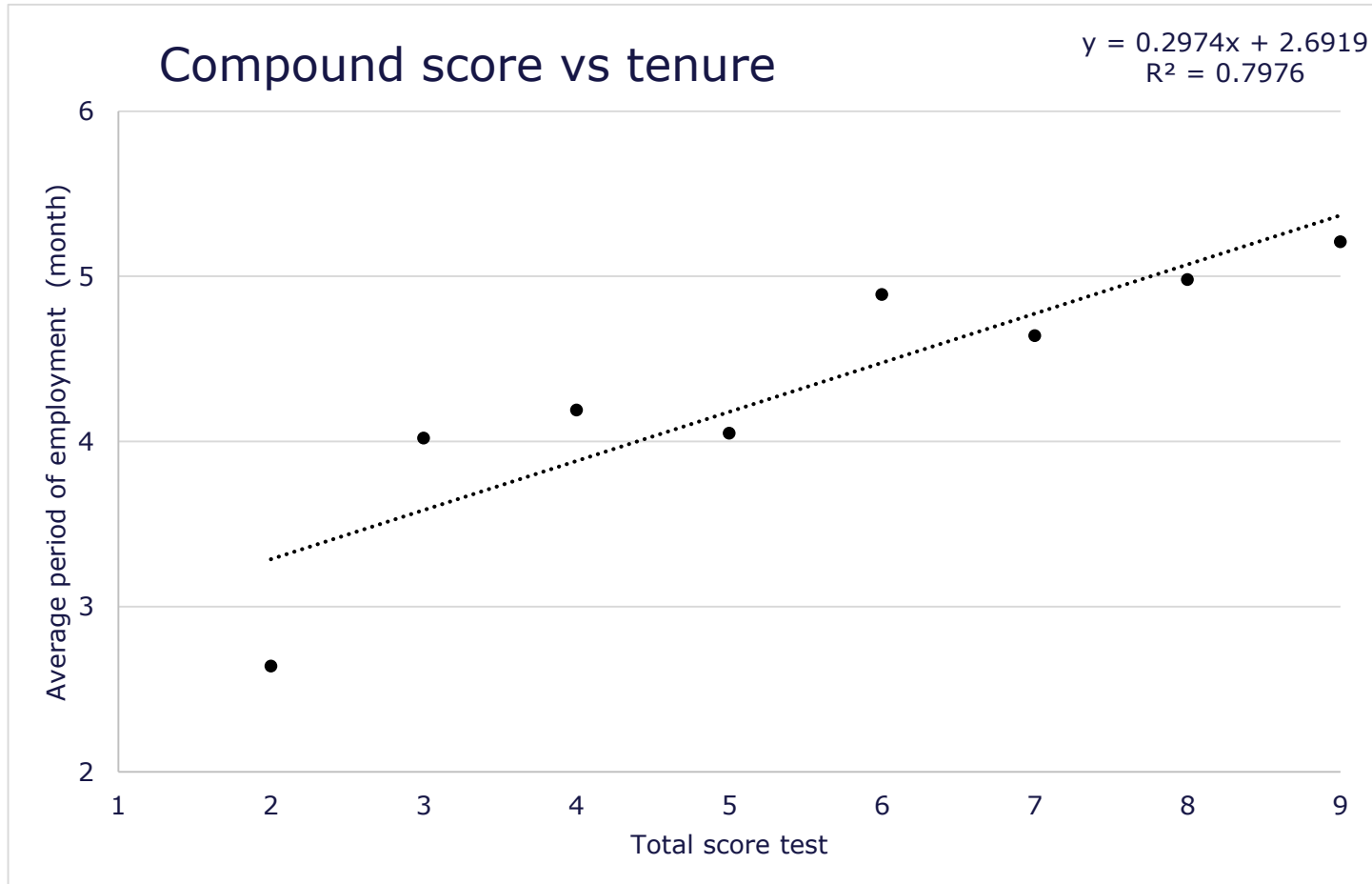


# The follow up study 2015

- A follow up study to evaluate the actual effects of the algorithm, looking at the performance and retention of the work population selected with the algorithm
- > 8 000 candidates
- Test and retention data for 1480 of which 930 had quit

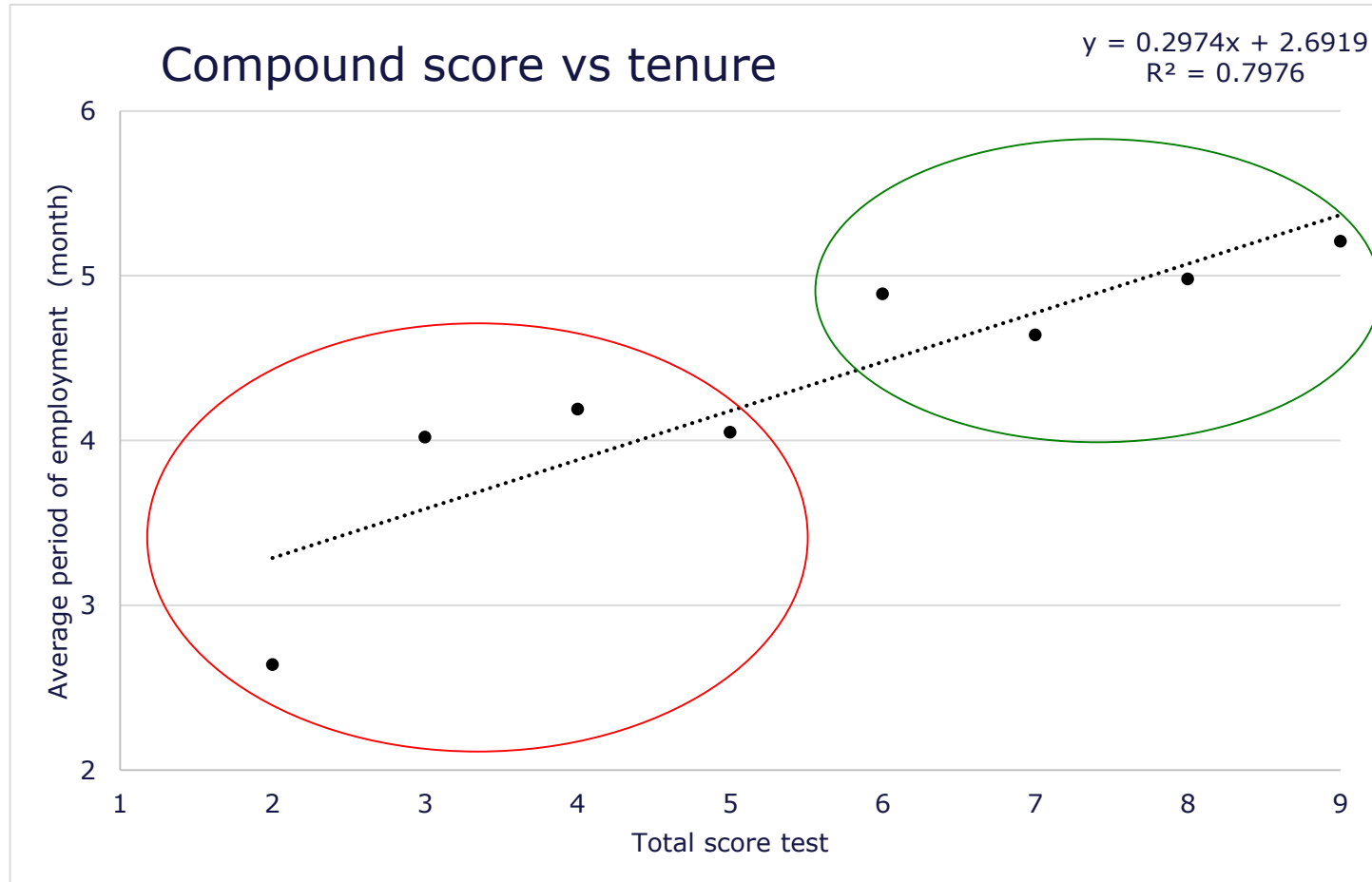


# Relationship between algorithm and tenure





# Relationship between algorithm and tenure







# The road ahead

- Roll out the process in more countries
- Validation study among managers
- Study together with the University of Gothenburg: How can we motivate agents to stay?