FINAL THESIS

How to Reduce Attrition at Company X?

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Bachelor’s Thesis
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Degree Programme in Business Administration
Option of International Business
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ABSTRACT

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Attrition is one of the biggest issues requiring improvement at Company X like in its field of business in general. Many people that apply to contact center field are searching for a short-term employment only. In order to reduce attrition, it is important to acknowledge the real reasons why an employee decides to resign. This study concentrates on the factors that most effect on the decision to resign and tries to go deeper.

The objective of this study was to find out the real reasons behind an employee’s decision to resign and collect improvement ideas or methods to decrease the amount of yearly resignations at Company X.

In addition to theoretical frame of reference, the study is based on qualitative analysis. During 3 months the exiting employees answered an anonymous questionnaire and 22 were interviewed in person. Written data was collected from 18 respondents. The questions were related to one’s experience on atmosphere, image of work content before and after employment, supervisors, training, scheduling and so on.

Majority of respondents stated that Company X was a good employer. Issues that affected on the decision to leave were lack of time (students) and issues with supervisors. The most common reason mentioned, was the monotonous work content. Work content was not mentioned as the main reason, however, but a reason effecting the decision. Main reasons were mostly studies, uncompetitive salary or lack of feel of success.

In order to decrease the level attrition at a company like Company X, the employer must affect on employees’ motivation and gain commitment though motivated employees.

Company X conducts certain researches for their personnel regularly and are therefore well aware of points of improvements. According to the results gathered from this research, there is work to do to improve supervisors’ leadership skills. Also recognizing the signs before one decides to resign is important. By keeping up and improving the great working atmosphere and creating varying working possibilities, Company X can try to decrease attrition to the target level.

Key words: human resources, attrition, employee turnover, motivation, commitment
# Table of Contents

1 INTRODUCTION .......................................................................................................................... 5

2 COMPANY X .................................................................................................................................. 7

3 BACKGROUND OF THE RESEARCH .......................................................................................... 8
   3.1 Choosing the subject .................................................................................................................. 8
   3.2 Purpose of the research ............................................................................................................ 8
   3.3 Research questions ................................................................................................................... 9
   3.4 Research methods .................................................................................................................... 10
      3.4.1 Qualitative or quantitative research? .............................................................................. 10
      3.4.2 Questionnaire .................................................................................................................. 11
      3.4.3 Personal interview ........................................................................................................... 12
   3.5 Limitations of the research ..................................................................................................... 13
   3.6 Reliability and validity of the research .................................................................................. 14

4 THEORETICAL FRAME OF REFERENCE ................................................................................. 16
   4.1 Current labour situation in Finland .......................................................................................... 16
   4.2 Types of attrition ..................................................................................................................... 16
   4.3 Minimizing attrition ............................................................................................................... 18
   4.4 Role of training and supervision ............................................................................................. 20
   4.5 Reducing attrition – Six motivational factors .......................................................................... 21
   4.6 Motivation ............................................................................................................................... 22
   4.7 Motivational theories ............................................................................................................... 23
      4.7.1 The hierarchy of needs ...................................................................................................... 24
      4.7.2 Two-factor theory ............................................................................................................. 26
      4.7.3 Self-determination theory ............................................................................................... 28
      4.7.4 Expectancy theory ............................................................................................................ 29
      4.7.5 Attitude-behavior consistency ......................................................................................... 30
   4.8 Commitment ............................................................................................................................ 31
   4.9. Reasons to resign .................................................................................................................... 33
   4.10 Theoretical summary ............................................................................................................ 34

5 RESULTS OF THE RESEARCH .................................................................................................... 36
   5.1 Number of respondents .......................................................................................................... 36
   5.2 Questionnaire and interview .................................................................................................... 36
      5.2.1 Background information of respondents ........................................................................ 36
      5.2.2. Reason for leaving ......................................................................................................... 36
      5.2.3 Changing of work image .................................................................................................. 36
      5.2.4 Working tasks and training period .................................................................................... 36
      5.2.5 Working hours and location ............................................................................................. 36
      5.2.6 Salary and other employee benefits .............................................................................. 36
      5.2.7 Supervising ...................................................................................................................... 36
      5.2.8 Working environment ...................................................................................................... 36
      5.2.9 Motivation and challenges ............................................................................................... 36
1 INTRODUCTION

It goes without saying, the more committed and motivated a person is, the more likely he is to stay in his work and do his best in order to improve company’s operations.

Often motivation plays the most important role on people’s willingness to stay in a company. Motivation derives from one’s personal needs. There are several motivational theories of which Abraham Maslow’s theory of hierarchy is probably the most known one. It suggests that a person only has motivation if the lower levels of a pyramid of five levels of needs are fulfilled. From bottom to top, these levels are physiological needs, safety needs, social needs and sense of belonging, self esteem needs and self esteem recognition status and self actualization.¹

But then if motivation is the factor that most often lies behind high numbers in attrition, what are the concrete things that affect it? Integration is a possibility to affect in their job content, salary and other incentives maybe? Other affecting factors are that people are not challenged enough, poor communication between employee and employer, poor promotion possibilities, poor style of management and impossibility to balance work and leisure.

Commitment is another factor that goes hand in hand with motivation. The more motivated the employee is, the more committed he is. But also, the more committed the employee is, the more motivated he becomes. Commitment is something that can be created by correct tools. By offering an employee a good basis for his work (tools, programs, methods, guidance) the employee feels more secure, confident and therefore motivated as well. There is no motivation without a certain level of commitment and other way round. According to a study by Mark Borough, only 26 % of employees are really committed to their work.

The aim of this research is to find out true reasons behind high attrition, which is one of the biggest development areas of Company X. The idea of this research is derived from the company representatives and intrigues with its validity and topicality. The main goal is to analyze the gathered results in a versatile way in order to come up with new ideas of improvement. Since motivating the employees plays a big role in this research, it is based on motivational theories. The results are also focused on motivational improvements.

The research is carried out among the exiting employees and focus is on the qualitative aspects. Also, by creating an anonymous questionnaire I hope to get more honest answers than the company has had in their previous questionnaires. Some personal interviews have been made earlier but not regularly. The aim for these so called exit interviews, are to create open discussion about the lacks and possible points of improvement. On the other hand, also positive feedback can give some excellent ideas on what should be stressed among the unmotivated employees.

The main objective, however, was to find ways to make the employees stay longer and reduce need of continuous recruiting. Therefore, it is very important that the research is well planned. The effectiveness of implementation is also an important issue.

Main difficulty at the moment is the image of the whole business field of Contact Centers in Finland. The image of CC-work is often very negative as people tend to think that it consists only of rude, pushy and dishonest sales techniques. This image is very difficult to change and takes enormous effort from all the businesses in the field. Therefore this thesis concentrates on what can be done inside the company.

The figures presented in this thesis that are not related to the research, are based on numbers that were available in December 2010.
Company X has conducted many researches about employee satisfaction and issues that affect commitment. Employee satisfaction is very important to a business like Company X’s and is therefore measured on a yearly basis. All resigned employees are asked a reason why they have decided to leave Company X. Reasons mentioned often are another job or studies but hardly anyone cares explaining why one decided to seek for another job in the first place. That is what this thesis deals with; finding the real reason behind the decision.

2 COMPANY X

This text has been hidden for confidentiality reasons.
3 BACKGROUND OF THE RESEARCH

3.1 Choosing the subject

I first became acquainted with Company X during my practical placement period at Company X Portugal. My tasks in Portugal were partly human resources related and therefore I contacted Company X Finland for a subject for my final thesis. A human resources related subject seemed the best area for me, since I already were somewhat acquainted with their procedures and organizational culture.

3.2 Purpose of the research

The purpose of this research is to elaborate the reasons that lie behind agents’ decision of leaving the company and come up with possible improvement ideas regarding attrition. This research does not take into consideration other than exiting employees of the company. Company X conducts a survey yearly for their current employees whose aim is to analyze the employee satisfaction. This questionnaire covers many areas including commitment and motivational questions. However, this research was directed at current employees and does not necessarily discuss the reasons for leaving rather than satisfaction.

Also, Company X always asks each employee to fulfill a multiple choice questionnaire when giving their notice. Since this questionnaire is seen by the closest supervisor and the HR department it might not be fulfilled honestly. What comes to the actual leaving reasons are somewhat shallow and rarely anything else than studies, a new job or personal reasons.

The objective of this thesis is to get a broader view on leaving reasons and get aware of points of development according to the opinions of actual agents.
Another objective is to measure satisfaction of the agents in order to analyze if there is difference between agents of different backgrounds. The target audience of the survey is the resigning agents.

All in all, it seems that Company X is quite well aware of reasons for high number in attrition. Also, the management is constantly trying to do something about the high numbers and there are continuous projects to improve commitment and motivation.

3.3 Research questions

The main question that this thesis revolves around is how to reduce attrition in Company X? High number of attrition is a common problem of contact centers and Company X is no exception. This weakness must be turned into an opportunity and the way to do this is through motivation and committed employees.

Therefore, the supporting questions are: Which are the best ways to motivate and create committed employees? What is the real reason that makes a person quit his job? What has to change so that a thought of leaving does not become a leaving decision?
3.4 Research methods

3.4.1 Qualitative or quantitative research?

When conducting a research the first arising question is often, whether the research is qualitative or quantitative. Therefore a difference between these two methods must be made. The pros and cons are often debated.

According to an article written by Brendan McGuigan\(^2\) at wisegeek.com quantitative method is a more classical scientific method. It involves gathering data that is absolute, such as numerical data. It is often referred to as the more neutral method, since it aims to gather as unbiased and equitable data as possible. The key idea that supports quantitative research is to separate things so they can be counted and analyzed statistically. Therefore, quantitative research only concentrates on clear and obvious factors and has a very clear idea on what is being measured. The tools used in quantitative research are often based on mathematical equations and provide statistical results. Quantitative research is good for measuring amounts and gathering data for statistics but it rarely gives reasoning for the answers. Therefore, it is useful to combine some qualitative research questions to explore the causes behind the given answers. Examples of quantitative research questions are for example: How often do you get positive feedback from your work? How long have you worked at Company X? How much experience did you have before you started?

Quantitative research instead, consists of more explorative questions and gives more detailed reasoning that cannot be measured in a numeric manner. According to Naresh Malhotra and David Birks\(^3\), qualitative research is often used for generating hypotheses and identifying variables that should be included in quantitative approaches. Qualitative research is used to illuminate the results


from quantitative research questions. It is also possible that qualitative method is used as a secondary data source. Qualitative research gives the respondents a possibility to express their own opinions and views and aims to gather experiences and feelings. Qualitative research questions are often open-ended and ask about feelings or attitudes, for example: How did you feel when your supervisor gave you negative feedback? In your opinion, how did your supervisor work? Why do you think there was not enough training?

Naresh Malhotra and David Birks state that in general, qualitative research tends to be exploratory and quantitative tends to be descriptive. As Company X executes a yearly survey for their employees, to gather descriptive and measurable results on development areas, this research concentrates on more qualitative areas. The objective is to get results that explain why there are so many people that leave very soon after starting and what are the opinions and thoughts of the respondents in this matter in a more profound level.

The data was collected by two methods: an online questionnaire and a personal interview with each leaving employee. This guarantees more profound results as well as honest and open responds from the respondents.

3.4.2 Questionnaire

The questionnaire was executed online by using e-lomake (electronic form) program at TAMK University of Applied Sciences. The link was sent to each leaving employees personal email address. A paper version was not needed and the questionnaire was obligatory for everyone that resigns no matter if he/she is Company X’s own employee or an employee of a recruitment agency. Follow-up of answers was difficult because of anonymousness. The results were directed to one database that could not be seen anyone else than me, the realize rod the research. This way the supervisors or HR department could not see the opinions of each respondent separately and the results could be viewed anonymous.
The questionnaire consisted of both multiple choice and open-ended questions and was full filled in Finnish. This way the questionnaire was more varying and the respondents would not lose their interest in answering. The multiple choice questions concerned opinions about recruitment, training, supervisors and salary etc. The challenge was to reach all the resigned employees and make sure they answered the questionnaire.

After gathering the data, it was analyzed and tabulations were run by Tixel. Total sample was divided to sub-groups according to working experience and recruitment company’s employee vs. own employee, working site etc.

3.4.3 Personal interview

The interview with each respondent took approximately 20-30 minutes and was held in Finnish. Some questions were not asked from every employee, depending whether he’s a full time or a part time employee. Also, the aim is to have an open discussion instead of a strict interview. I made notes during each interview and gathered the results of each respondent to one document to be analyzed together. I had a list of questions to be asked, but the most important thing was not to stick to those exact questions but to get elaborative answers on certain areas. Like the questionnaire, also the interview was divided into 16 issues: background information, reason of leaving, future plans, job interview and given impression, scheduling, training, feedback, supervisor, motivation, physical well-being, challenges of work, salary, information flow, worst thing, best thing and other opinions.
3.5 Limitations of the research

Like always when conducting a research, the research question must be well defined and clearly in mind at all times. However, there are some risks concerning this research as well.

The biggest limitation is probably the fact that the results must be truly qualitative and the answers must be “dug out” from the respondents, since very rare resigning people give an honest reason for their decision. Very often quantitative issues are much easier to measure and analyze. While Company X conducts a quantitative satisfaction survey each year, I must draw a sharp line so that I would not repeat the results of that survey. Therefore I have used two different methods, a traditional questionnaire and a personal interview.

In this research I have stressed the fact that the questionnaire and interview are both anonymous. This is one of the most radical changes in the old questionnaire that leaving agents fulfilled earlier. By implementing an anonymous research I have expected to collect more honest and trustworthy data. Also, this time the form is not seen by any other employee and therefore agents might actually say what they think without exaggerating or downgrading their answers.

Like I have stated earlier, Company X conducts a satisfaction survey yearly for their employees. Since the development areas are already quite well defined, a possibility that I will not find any new development ideas exists. Also, the subject of the thesis is somewhat contradictory. In order to gather reliable results I must have enough respondents. I set my objective to gather at least 35 answers. This means that at least 35 agents should have left the company by the end of year 2010. It is a very high number and I did not wish that so many people would resign in that short a time. The subject is very wide and abstract, as quantitative researches often are.
3.6 Reliability and validity of the research

According to Joppe (2000)⁴ “The extent to which results are consistent over time and accurate representation of the total population under study is referred to as reliability and is the results of a study can be reproduces under a similar methodology, then the research instrument is considered to be reliable.” In other words, reliability means that a research should have the same results regardless of who executes it if it’s executed in an exactly same way.

What comes to this thesis it can be considered a reliable work. However, it should be kept in mind that creating a reliable qualitative research is somewhat difficult since the observations of people are hardly the same and the opinions of people vary quite a lot with time, mood and feelings.

Validity instead, refers to the “relevance and accuracy of what is measured”. Validity is often divided into two types. Internal validity shows if the tests measure accurately what they were meant to measure. External validity on the other hand, shows to which extent the findings can be generalized to other people, situations or times. Validity measures the truthfulness of the research. (Trochim, W. M., 2000).⁵

Regardless of difficulties with reliability, the thesis is very much valid. It is relevant with a clear and current need for this type of research. It is made to create value-added information to an existing organization and is based on theoretical studies. Also the fact, that the respondents are actual agents with personal opinions and special knowledge on what could be done differently in order to keep them in the organization for a longer period of time, makes this study valid.

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⁵ Trochim, W. M. (2000).
As a researcher I must realize that also my opinions might effect on the results concerning the interview. Therefore while having and interview, I must keep calm and neutral and not show my personal opinions and at the same time I must ask questions that will provide Company X with valuable information. The most problematic part however, is writing down what the respondents have said since I must write their opinions and not provoke the text with my own assumptions.
4 THEORETICAL FRAME OF REFERENCE

4.1 Current labour situation in Finland

Since the recession started in 2008, Finland’s economy has decreased quite a lot. This, of course, has affected Company X as well and production had to be reduced. Regardless of this, Company X Finland constantly needs new resources to make up for those that leave the company. Recruitment is stumbling regardless of high unemployment numbers in Finland and suitable and committed employees is challenging to find.

The most recent statistics of Finnish labor is from August 2010. There were 197 000 unemployed, which has reduced by 6 000 from August 2009. Unemployment rate was 7,3 % and 0,3 % less than a year earlier. There were, however, 21 000 more employed than a year before. The smallest unemployment rate was in the Southern Finland (6,5 %) and highest in the Northern Finland (10,4 %). (Statistics Finland, 21.9.2010)5

These numbers suggest that there should be thousands of job seeking people in Finland. However, this cannot be seen at Company X. Based on internet and general discussions telephone work is not seen as an admired and respected job. Therefore it is even more important to reduce attrition and keep existing and talented workforce in.

4.2 Types of attrition

Term attrition refers to the ratio of people that give their notice and resign. Attrition can be measured on a monthly, quarterly or yearly level and it has

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become a somewhat common problem in customer relationship management (CRM) businesses. Work in contact centers is often sought as an “in-between jobs” work. According to discussions with agents of Company X and other contact center employees, many are seeking for another job, closer to their own field or moral beliefs while continuing working at a contact center. This seems to apply especially to outbound project employees. Inbound project employees are more committed to their job and usually continue working for a longer period of time.

As recruitment is an expensive and time consuming process it is not desired that a newly recruited person leaves very soon. Therefore, the more one can do to avoid high attrition number, the better. It is important to recognize the type of attrition, in order to understand reasons and do measurements to avoid it in the future. According to Monster.fi there are three types of attrition. These are seasonal turnover, turnover related to job content and mass turnover.6

Seasonal turnover is a high peak at a certain point each year. Examples of seasonal turnover are for example high number of resigns after a busy sales period or at the end of summer when schools start. Seasonal turnover is closely related to employees’ personal life situations and is very common in areas of commission based salary. This is because people who earn commission based salary tend to follow the market and keep their possibilities to earn as high as possible.

Another type of turnover is related to job content. In case there are no possibilities to meaningful career development people tend to give their notice after stabilized to their tasks. Even though many people are not dreaming of career development, a possibility for it is a positive driver.

The third type of attrition is the worst situation of all. Mass turnover refers to a situation when a big group of employees decide to give their notice at the same

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time. This might be consequence of a new supervisor that does not collaborate with the team, a salary dispute at the union or possible negative information in the media about the organization.

In case of Company X, seasonal turnover has been a clear trend each August when employees start universities or other schools. According to previous studies at Company X, employees give their notice basing their decision also on job content. This issue will be discussed more closely in chapter number 5 and 6.

4.3 Minimizing attrition

There are not many ways to affect the factors that lie behind attrition, but there are some customs that you can try. Monster.fi\(^6\) recommends that while recruiting one should think of the future, not the present. It is important the newly recruited people are flexible and able to respond to the changing needs of the organization. It is also very important the information flows regularly and smoothly, so that no employee feels left out on the current situation of the organization. There is nothing that makes a person more uncomfortable than secrecy concerning his/her job. Each individual should be up-to-date on the changes and future plans of the organization in order to feel safe in their working environment.

Another important issue when preventing attrition is listening to the agents. It is extremely important that the supervisors offer a safe environment for their employees to give development ideas and other issues their work is related to. There must be clear channels on how to the employees can give feedback so that it is not ignored. For this sort of issues it would be a great advantage if the

organization can implement anonymous questionnaires in order to get truthful feedback. Another way is to have a feedback box where agents can post feedback whenever, to whom ever, anonymously. This has been implemented at Company X Finland, but is not really used by agents. Giving feedback should be stressed by supervisors. This way the feedback does not become so one-sided and gives a possibility for agents to review their supervisors as well.

One thing that surely minimizes attrition is increment. Unfortunately, it is not long-lasting help in this matter and is very expensive. Therefore offering other incentives that aim to improve the atmosphere rather than financial benefit is a better way to go. For example flexible working schedule or common events that offer a possibility to relax outside the office are often very encouraging from the employees’ point of view. Also, supervisors should keep encouraging their employees and constantly tell them that the employees are the most important resource in the organization. A common mistake at supervising is inequality of feedback and employees become bitter towards the one’s that seem more “important” to supervisor.

In contact center work, the agents are regularly reviewed and constantly given feedback to. On one hand it is the supervisor that guides the agent to become a more productive employee. On the other hand, it is the customer in the other end of the phone that concentrated mostly on negative feedback. Therefore also positive encouragement is every bit as important as constructive, often negative, feedback. However, giving feedback should work in opposite direction as well. Supervisor should have meetings so that the development ideas of their employees are heard. Also regular introduction of development plans show the personnel that their future is thought of and valued.

Attrition of call centers is a worldwide problem. In a company like Company X the supervisor has the greatest influence in the employees. As in any group of people there are the opinion leaders that often can change the dynamics of each group. By knowing who this person is, and how to affect him/her, a supervisor
can influence in the whole team. In my opinion, psychological and human skills are the most important weapon on opinion leading.

4.4 Role of training and supervision

When it comes to reducing attrition, skilful supervisor role is vital. It is mostly supervisors that are in contact with the employees and therefore their influence is great. Also, it is up to the recruiter to give a realistic but positive image of the company, so that a new employee will not feel disappointed on his/her first day. First impressions are important, also in this case. Another important force is training offered for each new employee. Therefore it is extremely important that each employee knows what to expect from their supervisors and that supervisors develop their actions concerning motivational factors that are introduced later in chapter 4.5.

When a new employee is recruited a proper training must be organized. Clear and correct training guarantees that the employee feels confident enough to become part of the team. The training period also gives the employer a possibility to estimate whether or not recruitment was successful. Monster.fi suggests that it is the employer’s responsibility to make sure that that the newly hired employee copes the training well. This is done by giving a clear and honest image of job content, together with common habits and organizational culture. It is also very important to share both organizational and personal goals and objectives with each employee. It must be ensured, however, that each requirement is explained and easily measured so that the employee understands it fully.

The most common mistake when training a new employee is to criticize without offering solutions. Especially when training, it is very important that the employee feels welcome and is supported at all times. He/she must have someone to rely on with his/her hesitations and be encouraged to ask. From the very beginning of a new employee’s career, the supervisor should remember to
ask his/her opinions and give feedback, both positive and negative. Also, giving a new employee challenging tasks from the start will encourage him/her to stay longer in the organization. One important issue to realize is, that it is not trainee’s responsibility only, to offer guidelines and advises but also every other employee in the company. The experienced agents should be encouraged to help the new one’s and support them in the new environment and surrounding they have entered to.

After training, the responsibility of creating a meaningful environment for the new employee passes to supervisor. Supervisors must acknowledge that it is their responsibility to make sure that employees are content. A system to see how each supervisor manages to implement the motivational factors should exist. Also, supervisors should have tools to easily estimate their employees’ satisfaction. For example a weekly meeting on what was good and what was bad or a deeper discussion monthly with supervisor could be carried out with not much extra effort. In these development discussions the most important thing is to prepare well and be clear, in order to be efficient and to not lose precious production hours. According to Monster.fi, however, it is important that not only the supervisor knows what the motivational factors are, but that also employees should be aware of them. H&R should support the supervisors in their responsibilities.

4.5 Reducing attrition – Six motivational factors

According to Monster.fi most attrition problems are relatively easy and inexpensive to solve. There are several researches that show that most of the employees do not leave because of money. Many employees, however, say that their leaving reason was based on financial issues in order to maintain positive image. Monster.fi has conducted a survey which verifies six motivational factors that can mostly be affected on by better managerial methods. As a matter of fact, 75 % of respondents said that their leaving decision has something to do with the way their supervisor acted.
The six motivational factors mentioned by Monster.fi are:

- Honest and constant two-direction flow of information between the employee and his/her supervisor includes constructive discussion of problems and stepping in on time.

- Challenging and meaningful job content requires that supervisors make sure that each employee feels that their job is challenging and meaningful. Employees should estimate their job content regularly.

- Constant possibility to develop skills requires that supervisors are rewarded while success. Employees, however, are responsible to follow their personal development plan.

- Recognition and rewarding success.

- Possibility to influence.

- Linking the goals to business operations so that each employee knows how their work affects.

4.6 Motivation

Motivation is a very complex concept to define. It is a psychological concept that can be defined in many ways: drive, will, reason etc. As a word, however, it has a fairly clear explanation. In Oxford Dictionary of English, the word itself is explained as follows:

1. The reason for acting or behaving in a particular way. Ex. Escape can be a strong motivation to travel.

2. Desire or willingness to do something; Enthusiasm. Ex. Keep staff up to date and maintain interest and motivation.\(^7\)

It is very personal where a person gets his/her motivation but it is often related to attitude. Telemarketing has long had a negative image. Especially telemarketer’s are often considered pushy and dishonest. According to Itella’s research on most preferable ways of direct marketing over 60% of Finns find telemarketing the most annoying way (Nikulainen, 3.12.2003).8

Often when a person thinks of telemarketing the first thing that comes to his mind is magazine sales. In many magazine selling companies sales strategies are pushy. At companies like Company X, however, the strategies are softer and more conversational of nature. Many job applicants of Company X have an image of pushy marketing methods that effect on their expectations, attitudes and motivation. This image is hard to change, but there are several motivational theories that handle issues like this. For this reason the motivation of employees is low even when they start working at Company X. Therefore, changing and correcting attitudes is one of the most important issues that effect to the motivation of future employees.

4.7 Motivational theories

Motivational theories can be divided into content theories and process theories. By combining these two theories one gets a more thorough insight of motivation and motivational drivers. Content theories focus on why human needs change with time and therefore also on what are the factors that motivate employees. Process theories instead, focus on the mechanisms that make human motivation to change and how human needs influence their motivation. The most famous psychologists that discussed motivation are Abraham Maslow, Frederick Hertzberg, Edward Deci and Victor Vroom.1

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4.7.1 The hierarchy of needs

The theory by Abraham Maslow is most likely the most popular observation on what motivates people. He explained that people have five types of needs: physiological, security, social, self-esteem and self-actualization. According to Maslow, people are motivated first to satisfy each lower-level need followed by each higher level need, in this particular order. For example, an unemployed person might get the motivation from just getting a job (security needs are accomplished). After he has a job, he will then be motivated by other people’s respect for him and might even take more education in order to reach it (he wants to be accepted by the team and have friends in the new environment). This theory is a content theory.

Maslow’s hierarchy of needs is not only a motivation related theory, but also a theory closely linked to one’s commitment to hi/her work. Commitment is more closely discussed in chapter 4.8.

In Company X this theory can be seen for example in varying goals of each agent. For a young agent with not much previous work experience the first need in order to become motivated can be for example a good and hygienic working post. If his headphones are dirty and desk is messy it naturally reflects to his attitude and motivation.

By offering only continuous contracts of employment Company X can fulfill an employee’s safety need. Also health programs and safety boxes are examples of fulfilling employees’ safety needs.

Maslow’s hierarchy of needs is often described with a following figure.
After safety needs are fulfilled, one needs to become friends with his colleagues and feel as part of the team. After this has succeeded, one has a need to gain respect of others and reaching new goals in order to increase self-esteem. This need can be fulfilled by giving one more responsibilities or for example using more experienced employee’s as mentors. This way the mentor achieves confidence and the “student” feels safe and approved in the team.

The highest need one needs to fulfill is the need of self-actualization. It consists of innovative thinking and new, broader working tasks that are closer to employee’s personal interest and morale. This can be implemented by giving an agent assistive tasks of team leading, or giving a possibility to specialize to one area of the project and teaching others concerning the issue. Therefore varying tasks and a possibility to develop further in a job is very important in terms of motivation.

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It should be kept in mind that each person’s experiences vary and everyone needs to concentrate on his/her own needs. A person with many years of experience as an agent will need to focus on fulfilling his creativity and problem solving skills in order to be motivated by his working tasks, whereas a newly started person will need to focus on the acceptance of the team. It is mostly the supervisors’ responsibility to stay aware in terms of who needs what and know how to interact with each employee so that they are able to reach their need levels.

4.7.2 Two-factor theory

According to Frederick Herzberg the best way to motivate your employees is to organize the job so that doing it provides the feedback challenge that helps satisfy employee’s higher level needs for things like accomplishment and recognition. These higher level needs are relatively insatiable so recognition and challenging tasks provide an internal motivation generator. When satisfying only the lower level needs, the employer prevents his employees becoming dissatisfied.

![Figure 2. Examples of hygiene factors and motivators](image)
Herzberg divided motivation factors into two: hygienes and motivators. Hygienes satisfy lower level needs whereas motivators satisfy higher level needs. In case hygiene factors are inadequate, employees become dissatisfied. Adding more hygienes to the job is an inferior way to motivate someone, however. This is because lower level needs are very quickly satisfied and a person keeps requiring more.

For example at a contact center like Company X the employer could offer more tangible incentives, like simple chocolate bars or other products for those that sell the most in a certain week. However, offering only this sort of incentives every week Company X takes a big risk. This sort of tangible products will soon lose their effectiveness as an incentive as tangible products tend to lose their value. On the other hand, whenever a tangible incentive is given daily, weekly of even monthly, it easily become a certainty expected by the agents.

Instead of relying on hygienes, managers should try rather emphasize job content in order to create motivated work force. This should be done so that the employees’ tasks are enriched and become more challenging. Also feedback and recognition play a very important role. These measures are called motivators.¹

Motivators at a contact center can be simply support from the supervisor or trusting one with new responsibilities. As motivators are often more abstract, they are also more subjective. Not everyone is willing to and able to have the same sort of responsibilities. Therefore there is no direct equation on what sort of motivator is the best. A good example of using motivators as a tool is to create a smaller specialist team. For example at Company X a team supervisor has noticed that three agents that have worked with the same tasks for months seem to have lost their interest in their work. The supervisor could gather up a team of those three agents and give them a special assignment. As my knowledge of supervisors’ tasks is limited it is difficult to give a direct example. The supervisor could also assign one of the team members to help him with his

daily tasks. By doing this, important production hours are lost. Therefore by giving the unmotivated a pen and paper with a task to write their solution suggestion to a problem the supervisor has, the production hours do not suffer and the unmotivated get to think of new things and hopefully feel trusted. This way also the supervisor will have more time to run his tasks.

4.7.3 Self-determination theory

Psychologist Edward Deci has also discussed motivation (research by Deci and Ryan, 1985). Unlike Herzberg, he has not concentrated on motivators, but demotivators instead. Deci has also divided motivational factors into two: intrinsic and extrinsic. Intrinsic motivation derives from value-based rewards, like salary and incentives. Extrinsic motivation however, derives from intangible rewards, like praises or positive relationship with co-workers. Deci says that by relying too heavily on extrinsic rewarding they may backfire. Deci highlighted that extrinsic rewards could actually detract from the person’s intrinsic motivation. The point in Deci’s theory is close to Herzberg’s one; Be cautious in establishing incentive pay for highly motivated employees, so that you involuntarily lower the desire they have to do the job out of a sense of responsibility.

Figure 3. Extrinsic and intrinsic motivation

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4.7.4 Expectancy theory

Another important motivational fact has been realized by psychologist Viktor Vroom. He suggests that most people won’t pursue rewards they find unattractive or rewards where the odds of success are very low. Vroom says that a person’s motivation to go the extra mile depends on three things: expectancy, instrumentality and valence.

First, an employee must expect that effort will produce performance in order to motivation occur. In Company X’s case, supervisors must make sure that that their agents have the skills to do the job, but also that they have trust in themselves that they can perform their job. To create positive expectancies for employees, training, job descriptions, confidence building and support is vital in establishing motivated employees.

Instrumentality suggests that employees must be able to see the results of their well performed effort. They must believe that successful performance will lead to getting the reward as promised. This can be done by creating a clear, easy-to-understand incentive plan that is available for all the employees to see.

Third issue that makes an employee go the extra mile after an incentive is valence. It represents the perceived value the person attaches to the reward. The incentive must be of value to an employee. This is often hard to implement, since the employer should take individual preferences into account while creating the incentive plan. As most people get motivated by money, it is the most commonly used incentive. Especially in the area of telemarketing, it is practically always present. Still money alone as an incentive does not seem to work as we can see in the high attrition numbers of contact center businesses. All the people need money, but often intangible incentives are most effective. Those are more personal and subjective and therefore also more difficult to
offer. Also other sorts of incentives can be used, for example movie tickets or other gift vouchers.¹

4.7.5 Attitude-behavior consistency

As mentioned before telephone work has not a good and truthful image among employees and job seekers. Therefore one of the ways that would reduce attrition is changing the image among employees. Several studies have been carried out concerning attitude-behavior consistency, which all aim to define factors that align attitude and behavior. The main question is whether people act in accordance with their attitude and if knowing person’s attitude allows one to predict his behavior. The linkage between one’s attitudes and behavior is often thought of stating the obvious and there are studies that prove this to be true.

However, the most known study concerning attitude-behavior consistency suggests that not always attitudes coincide with one’s actions. This classic study¹¹ is done by LaPiere in 1934. LaPiere wrote an article in Social Forces magazine called Attitudes versus Actions, which introduced his results concerning his study. He had travelled for two years with an obviously foreign-born Chinese couple in the United States during a period when there was a lot of anti-Chinese sentiment across the country. However negative a sentiment, they were accepted in all but one of their 66 hotels, auto-camps or Tourist Homes during the trip. LaPiere became interested in the general attitude’s effect on the behavior and decided to conduct a survey that was sent by mail to 251 hotels and restaurants in the area they travelled. His questionnaire simply asked whether of not the hotel would receive a Chinese couple as their quest. He received 128 answers of which over 91 % of the replies were “No”, only one was “Yes” and the rest “Uncertain, depend on the circumstances”.


As a conclusion LaPiere suggested that “while conventional attitude questionnaires may have value in reflecting a symbolic, social and political orientation, they are of doubtful value in measuring actual attitudes which connote an actual pattern of behavior”. Therefore it is impossible to make direct comparison between the reactions secured through questionnaires and from actual experience. For example, LaPiere’s study would suggest that only a foolhardy Chinese would stay in an American hotel, while his own experience show an entire different result.

LaPiere’s study suggests that no matter how self-evident the results of a survey concerning attitudes may seem, it does not necessarily mean that a person’s behavior will be affected. A person might change his natural behavior for example for politeness, sympathy or empathy.

4.8 Commitment

In addition to motivation, also commitment plays an important role and it goes hand in hand with attrition. Commitment is maybe Company X’s most prestige value and therefore it should be reflected in the actions of all employees and should be seen as a decreasing power behind attrition. Commitment is symbolized by element of fire (steady, strong and radiant) and a motto “I’m passionate and engaged”. According to Company X, commitment ignites one’s actions and drives one’s performance. It fuels our passion for a job well done.

Commitment can be considered as the last step of Maslow’s hierarchy of needs, self-actualization. According to a study represented by Marcus Buckingham in his book “First, break all the rules”, only 26% of any company’s workforce

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is fully committed to their job. Fully committed means that an employee truly takes responsibility on what he is doing. He is at work on time, does what he promises and more and is trustworthy. A committed employee is motivated and does not take his work for granted. He also respects his boss and employer. The same study also proves that the number one reason an employee voluntary leave their job is not the company, not the work, but the boss instead.

The study Marcus Buckingham also suggests that in order to improve employee retention or attrition is to offer the employee more involvement in decision making, more appreciation, better communication, more team leading, flexibility, more autonomy and better coaching. The same things as one often wished from one’s superior, that is.

Hiring a new employee is more than finding a person to fill that vacancy. It costs a lot of money and other resources. An employee feels committed when his/her personal values, beliefs and ethics meet those of the employer. The employee should feel he owns a certain part of the work load and are therefore fully integrated with the project or company. The biggest role of creating a committed employee stands with the supervisor. Supervisor must make the employee meet the self-actualization level of Maslow’s hierarchy of needs by recognizing the agent, giving feedback and offering them opportunity to learn and grow.

According to the study made by Buckingham employees first commit to their supervisors and then to the company. In order for an employee to commit to his supervisor the supervisor needs to be confident, credible, flexible, enthusiastic and demonstrate integrity. These are the most important characters for team leaders and should be properly tested before hiring a new team leader.
4.9. Reasons to resign

The main issue in creating committed employees is acknowledging the real reasons behind employees’ decision to leave. Experienced business women and authors of the book Love’em or Lose ‘em14, Beverly Kaye and Sharon Jordan-Evans, encourage employers ask directly why did their employee decide to search for another job. Only by asking direct can one expect direct answers. According to their book the top 10 reasons for a person to stay in his job are:

1. Exciting work and challenge
2. Career growth, learning and development
3. Working with great people
4. Fair pay
5. Supportive management/good boss
6. Being recognized, valued and respected
7. Benefits
8. Meaningful work and making a difference
9. Pride in the organization, its mission and culture
10. Great working environment and culture

According to Kaye and Jordan-Evans only 4 % give the real reason for resigning to their employer. This suggests that 96 % of people do not mention the honest reason behind their decision. Therefore it is extremely difficult for an employer to know why it is that a person has decided to leave and to establish actions to prevent attrition. By asking the correct and direct questions, the employer can try understanding which factors affect attrition in his organization.

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4.10 Theoretical summary

As we have learned in the previous chapters motivation and commitment are factors that can be affected with certain procedures and assurances. Most motivational academics or researches have divided motivational factors into tangible and intangible factors.

The most important thing is to first offer a good basis for emotional well-being. These actions are e.g. to offer good and ergonomic tools for working, competitive salary and skillful supervising. After these basic things are taken care of, employees will start hoping and requiring for more abstract things, mostly on emotional and psychological level. These things can be e.g. recognition of achievements or acquiring more responsibilities.

It has also been proved by researches (Viktor Vroom, 19xx) that creating positive expectancies for employees, training, job descriptions, confidence building and support is vital in establishing motivated employees. They must know for sure that successful performance will lead to promised rewards, but also must the incentives be of real value to employees.

As discussed earlier, the image of CRM field is not very positive in Finland. It is often considered that linking one’s attitudes to one’s behavior is stating the obvious. Although there are several studies that show this to be true, there are also studies proving that not always attitudes coincide with one’s actions. Therefore also those applicants that have a doubtful attitude towards contact center work can become great employees if trained and treated with correct ways.

Commitment goes hand in hand with motivation and also plays a very important role at Company X. Even Company X’s values states that commitment is the fire that drives employees. It is steady, strong and radiant. According to a study by Marcus Buckingham only 26 % of employees are truly committed to their...
employee. When considered contact center field, the number closer to the truth is likely to be much lower, however.

Marcus Buckingham also suggests that the biggest reason for a person to resign is the boss. This might be surprising but directs us the correct way to start with lowering the attrition. In case the supervisor does not interact with the employee at all or maybe too much or in an incorrect way the risk of the employee to leave grows. Therefore the people skills in each supervisor must be cherished. A good supervisor is appreciative, communicative, flexible and autonomous. It is more important to know how to lead (people) than to manage (things).

According to Beverly Kaye and Sharon Jordan-Evans the biggest reason for a person to stay in the company is the job content instead. Job content consists of having an exciting and challenging work with possibilities to grow, learn and develop.

As a conclusion, by combing satisfactory job content with a skillful boss, the attrition is likely to decrease.
5 RESULTS OF THE RESEARCH

5.1 Number of respondents
This test is hidden for confidentiality reasons.

5.2 Questionnaire and interview

5.2.1 Background information of respondents
This test is hidden for confidentiality reasons.

5.2.2. Reason for leaving
This test is hidden for confidentiality reasons.

5.2.3 Changing of work image
This test is hidden for confidentiality reasons.

5.2.4 Working tasks and training period
This test is hidden for confidentiality reasons.

5.2.5 Working hours and location
This test is hidden for confidentiality reasons.

5.2.6 Salary and other employee benefits
This test is hidden for confidentiality reasons.

5.2.7 Supervising
This test is hidden for confidentiality reasons.

5.2.8 Working environment
This test is hidden for confidentiality reasons.

5.2.9 Motivation and challenges
This test is hidden for confidentiality reasons.
5.2.10 Physical wellbeing
This test is hidden for confidentiality reasons.

5.2.11 Information flow
This test is hidden for confidentiality reasons.

5.2.12 Other feedback
This test is hidden for confidentiality reasons.

6 FINDINGS
This test is hidden for confidentiality reasons.

7 IMPROVEMENT SUGGESTIONS

7.1 Atmosphere and working environment
This test is hidden for confidentiality reasons.

7.2 Recruitment
This test is hidden for confidentiality reasons.

7.3 Supervising
This test is hidden for confidentiality reasons.

7.4 Feedback
This test is hidden for confidentiality reasons.

7.5 Creating variable tasks
This test is hidden for confidentiality reasons.
Company X is quite well aware of why people leave the company. Even though the main reason might be studies, there is often something else in the background. The main reason is, that people are searching for a short-term employment and have a certain standing towards work in the first place. When this standing is fed with problems with the boss, differing of the given image or inability to lead personal life like before the decision to leave starts to strengthen.

Most important issue to lower attrition is to create motivating and trustworthy work environment. The motivation start with the recruitment interview; the recruiter should be able to find out who is truly motivated and why. After that comes new-hire training that must offer enough good tools so that the new-hired employee feels comfortable to start working. The employee must feel comfortable around older employees and around his supervisor. This is where supervisors leading skills are vital. Every agent must be able to ask and be answered when problems but also given both negative and positive feedback. By noticing the agent’s effort and rewarding him for it (even with praises) makes an enormous difference to an employee’s mind.

After the employee has learned one project it is important that they are offered more variable tasks. This can be by transferring some of team supervisors responsibilities to an agent or by recycling agent in other projects for certain hours a week. Another important issue is to remember that agents are not to be left alone at any time of their employment. Also the older employees must be noticed with praises and feedback. Even though they have learned their work well already a risk of doing the same mistakes over and over again rises. Committed and motivated employees work harder and are more trustworthy. They are difficult to find in the cc-field, but none of the employees should be taken for granted.
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Internet sources


Presentations


Articles


Figures


APPENDIXES

Appendix 1: The questionnaire

This text is hidden for confidentiality reasons.

**Taustatiedot:**
1. Oletko ollut inbound vai outbound projektissa? (Inbound, outbound, molemmat)
2. Kuinka kauan olet ollut meillä töissä? (Alle 2 vkoa, 2 vko-1kk, 1kk-3kk, 3kk-6kk, 6kk-1vuosi, yli 1 vuosi)
3. Oletko koko- vai osa-aikainen?
4. Oletko oma vai vuokratyöntekijä?

**Irtisanoutuminen ja motivaatio:**
5. Lähtöisy: Miksi lăhdet Company X:lta? Miksi et jăa osa-aikaiseksi?
6. Tulevaisuus: Mihin aiot seuraavaksi?
8. Työajat: Minkälaisia työaikoja olisit toivonut? Kuunneltiinko toiveitasi?


15. **Palkkaus:** Mitä mieltä olti palkkauksesta? Avoimia kommentteja? Ruusuja ja risuja?

16. **Tiedonkulku:** Miten tiedonkulku toimi? Tunsitko olevasi ajan tasalla tapahtumista ja siitä mitä sinun tuli tehdä? Miksi?

17. **Huonointa:** Mikä oli työsi huonoin puoli?

18. **Parasta:** Mikä oli työsi paras puoli?


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**Appendix 3: Personal interview question form – Translated**

The following questions are to support me in the personal interview with each exiting agent. The target is to create an open, anonymous conversation with the agent. The interview will take 15 – 30 minutes, depending on the respondent. The questions may change by person, but this is the basis of the interview with everyone so that the results are comparable. During the interview, notes are made and all the notes are collected into one document for a later analysis.

**Background information:**

1. Have you worked in an inbound or outbound project? (Inbound, outbound, both)

2. For how long have you worked at Company X? (Less than 2 weeks, 2 weeks -1 month, 1 month-3 months, 3 months-6 months, 6 months - year, over a year)

3. Are you a part-time or a full-time employee?

4. Were you hired by Company X or a recruitment agency?

**Resigning and motivation:**

5. **Reason for leaving:** Why are you leaving? Why will you not stay as a part-time employee?

6. **Future:** What will you do next? Where will you go to work?

7. **Recruitment interview and image of work:** Did you get a correct
image of work content in the recruitment interview? Why not? What information was missing?

8. **Schedules**: What sort of working hours did you wish for? Were your wishes heard when scheduling?

9. **Training**: Did the given training support you in your job? How? How did it help you in your daily work? Did you notice an area that needed more training?

10. **Success and feedback**: How often did you feel successful? Did you get good feedback? How was the feedback given? Did you get enough feedback?

11. **Supervising**: How did your supervisor act? What would you have changed in his methods? How did you get along with each other? How was he as a leader?

12. **Motivation**: Did you encounter any motivation problems? Why? Did your mind run off to other issues often? Could your attitude or motivation have been affected during work? How? (ex. Supervisor, training, management, air conditioning, physical exercise)

13. **Physical exercise**: Did you do any exercise during breaks? Would physical exercise have had effect on your motivation?

14. **Challenges and objectives**: Was your work challenging? How did it affect in your motivation to work? Were the objectives clear? How did you take them? Why?

15. **Salary**: What is your opinion about the salary? Open comments? Was the salary paid correctly and in time?

16. **Information flow**: How did the information flow work? Did you feel like you were up to date on current events and your own responsibilities? Why?

17. **Worst**: What was the worst thing in your work?

18. **Best**: What was the best thing in your work?

19. **Other**: Anything else?