How contact center leaders can appeal to and retain Millennial workers.

Research Presented By:

Convergys

Generational Kinetics
Introduction

Attrition is a huge problem facing companies from all types of industries both inside and outside the US.

Contact centers are not immune to this phenomenon and must find a way to improve retention rates, particularly among Millennials, or those currently between the ages of 22–39.

These employees, the largest generation in the workforce, are experiencing increased pressure to perform from both customers and employers. At the same time, advancements in customer inquiry automation have elevated their daily challenges. The result is that today’s agents are expected to handle a wider range of complex calls but with training and pay carried over from simpler times.

Convergys and The Center for Generational Kinetics have embarked on a national study to uncover the secret to attracting, motivating, and retaining Millennials in this new era of contact center careers.

The goal of the national study is to reveal Millennial preferences, perceptions, and drivers as job seekers. This includes uncovering a clear understanding of what captures their initial attention, their motivation for applying and accepting a job, and what key drivers will inspire them to stay at a career longer. Solving the retention issue for contact centers is a win for everyone because it doesn’t just improve job quality for agents; it also spills over onto customers who receive top customer care from engaged, motivated agents. Contact centers and their clients who are willing to address the attrition issue have the opportunity to completely shift an industry to operate at its top capacity.

Convergys and The Center for Generational Kinetics are pleased to partner on this groundbreaking national research.
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NEW CONTACT CENTER COMPLEXITIES and the Challenge of Attracting Millennial Talent
The world of contact centers is changing for both centers and agents.

Contact center agents face new and diverse challenges as technology advances and increased efficiency is paramount. For example, customer calls that make it through automation to a personal agent are now more complex, more difficult to handle well, and take more time. Companies struggle to sustain performance and cope with the challenges automated customer care systems have introduced.

AS CALLS BECOME MORE DIFFICULT, THEY TAKE LONGER TO RESOLVE.

OVER 1/3

of voice agents handle more than

5 DIFFERENT CALL TYPES

The number of tier two agents — those agents required to handle more complex calls —

HAS INCREASED BY

35% SINCE 2010
Past research findings indicate that customers have a 90% preference for self-service if that option is available and if it works.

This is especially true for issues that are transactional in nature such as balance checking, return information, and refund status. Customers go online first in an attempt to achieve resolution and turn to the voice channel only when these attempts fail or when their needs are beyond the capability of automation.

These conditions have changed the responsibilities and accountability of the modern contact center agent. Today’s agents are expected to handle a wider range of calls that are both longer and more complex.

**Bottom Line:**

To deal with the changing landscape of customer care, contact centers must recruit and retain a new type of higher caliber agents who possess an increased ability to handle high-level problem-solving. Additionally, today’s workforce is primarily Millennial, ages 22–39, who expect new things from employers. Contact centers must adjust to these growing expectations and needs as they train, manage, and retain new agents.
How does a company effectively recruit Millennials?

It helps if Millennials know the company’s name already. Brand recognition for employers is important to attracting the attention of potential candidates. It’s even better if a company has great online reviews.

The national study found that 35% of applicants are more likely to apply for jobs they otherwise wouldn’t if they recognize the company’s name. If the post describes company perks and benefits even before the job description itself, 25% of candidates would apply.

A COMPANY’S ONLINE REPUTATION MATTERS IMMENSELY TO MILLENNIALS!

74% of potential job seekers rate online employee reviews as being very important or somewhat important in helping them decide whether to apply for a specific job.

EMPLOYEE TESTIMONIALS AND REVIEWS are an attraction engine for a company, so it’s important to ensure those reviews are an accurate and strong reflection of the company’s brand.
Employers need to build strong brand recognition with job seekers and memorable company brands must be backed by great online reviews from employees. It’s important for companies to adapt to the changing way Millennials first experience a company’s brand; generally, through their cell phone screens.

Bottom Line:
Online reputation is crucial, but Millennials also want to work with their friends.

Millennials are much more likely to apply for a job if it is recommended by a friend or family member who works at the company. A whopping 72% of Millennials are likely to apply if they know someone who already works there!

However, the bottom line for accepting a job is still money.

69% of Millennials say that the starting salary is their top reason for applying for a job.

51% of Millennials report that benefits drive whether or not they will apply for a job.

But how much should an employer pay?

58% of Millennials will automatically apply for a job that pays $15 or more per hour.
But even pay and benefits are no longer a guarantee for attracting employees because Millennials now come standard with a phone. No exceptions.

When an employer hires a Millennial, it hires their phone with them. This is true enough that denying phones has the potential to drive away as many as 4 out of 10 qualified candidates. In fact, the national study discovered that **41% of people would not accept a job if they could not have their device with them during work hours.**

**Bottom Line:**

Friend and family referrals are a big deal to Millennial job seekers. Employers can capitalize on this by building a strong system of referrals within the company to encourage employees to refer friends and family for open positions. But, effective recruiting can also come from starting pay where application rates skyrocket with base pay starting at $15 per hour. And, while it won’t drive applicants to a company, policies prohibiting access to phones during the workday certainly have the potential to drive a large number of applicants away.
MOTIVATING MILLENNIAL EMPLOYEES:
Job Environment and Performance Evaluations
Once a company welcomes a qualified employee in the door and trains her to handle a wide variety of difficult and complex customer interactions—how does it motivate her to stay?

The cost of replacing a frontline employee is heavy, and includes not only the hard cost of recruiting, hiring, and onboarding, but also hidden costs associated with the loss of engagement and productivity, customer service errors, and negative cultural impact. These factors add tremendously to the true price of turnover.

Motivation is the antidote to turnover and directly affects the longevity of employee tenure. So, the national study sought to answer the question, “what important job factors motivate Millennial workers?”

Millennials in the US value co-workers as a key motivator for coming to work every day. Besides earning money, 26% of Millennials say working with people they like or enjoy is their top motivator. In addition, 16% of Millennials say working toward an advancement or promotion drives them to come to work every day.

Millennials also want frequent interactions with managers. The national study found a whopping 60% want multiple check-ins from their manager during the week. Of these, 40% want the interaction with their boss to be daily or several times each day.

This reinforces the prevailing narrative of Millennials’ need for constant feedback and reinforcement.

Constant monitoring by bosses holds little appeal for Millennials.

40% of Millennials say this type of supervision is not ideal and another 15% would quit immediately if micromanaged at this level.

On the other hand, daily quotas and goals could have a positive impact on Millennials’ success. Fifty-seven percent say goals would either motivate them or keep them on task and only 12% report that such performance systems would cause anxiety.
In order to motivate Millennial workers, a contact center must form a strong social network for employees and provide clear steps to help employees to advance their careers. Millennials want frequent check-ins by managers, but don’t want to feel micromanaged. Instead, gamifying the work cycle with daily goals and quotas could help them stay motivated and on task.

**Bottom Line:**
Millennials Want Them Pronto

In contrast to other generations who might expect to receive raises on an annual basis, Millennial employees have a different idea about when these should be given.

As the generation of immediate feedback, the idea of receiving a gold watch for 50 years of service (like their grandparents) is truly ancient history.

Instead, Millennials expect a pay increase in the first 6–12 months of employment. **A resounding 88% of US Millennials expect an increase for either performance and/or tenure within the first 6–12 months.** This means the annual review alone is a thing of the past. Millennials expect frequent feedback and performance review systems must be set up to respond to this expectation within the first six months of employment.

Besides a raise, Millennials also want advancement. Remember, 16% cited this as the top motivator for coming to work every day. But, like the raise, Millennials want it quickly and view the sweet spot for receiving career advancement as one year or less. **In fact, 20% of Millennials say advancement should happen as early as six months. Another 43% expect an advancement within a year. Altogether, 78% of Millennials expect to advance within a year or less.**

**88% of US Millennials expect an increase for either performance and/or tenure within the first 6–12 months.**
Contact centers looking to motivate talented Millennials must adapt from annual raises and performance reviews to a more rapid evaluation timeline. Millennials expect raises to happen within six months and advancement must occur on a similar cycle. This compressed raise and promotion cycle is seen across industries, but in the highly competitive world of contact center retention, it is an absolute must to keep talented Millennials engaged and prevent turnover.

Bottom Line:
RETAINING MILLENNIALS: Managers Matter — So Do Raises
There are a myriad of talent management challenges at contact centers.

The national study revealed actionable insights on attracting and motivating Millennial employees. But, once Millennials are on board, how do contact centers keep these talented, well-trained employees in their seats?

The national study sought to answer the question, “what are the most important factors that increase retention rates among Millennial workers?” and uncovered a key driver in retaining Millennials past the six-month mark.

The answer: Managers!

Positive manager relationships have a tremendous impact on tenure—making people stay even if they don’t enjoy the job itself. Millennials say that a good manager affects the entire job experience and a whopping 79% say positive manager relationships cause them to stay longer at a job.
Managers really matter when it comes to retention, often even mitigating the downsides of a job. Training new Millennial managers needs to be a top priority so they understand both the importance of their relationship with employees and how to foster such relationships.

Bottom Line:

Managers really matter when it comes to retention, often even mitigating the downsides of a job. Training new Millennial managers needs to be a top priority so they understand both the importance of their relationship with employees and how to foster such relationships.
Pay and “Must Have” Benefits

Earning a wage that is commensurate with the requirements of a job is critical to employee retention.

The national study found that... 53% of Millennials

WOULD QUIT IN THE FIRST SIX MONTHS IF PAY IS UNREASONABLE FOR THE JOB

In addition to salary, desirable benefits are an influential factor for Millennials choosing to stay at a job—39% cite this as powerful reason to stay. The national study found the right mix of benefits entices Millennials to stay significantly longer at a job, even two years or longer! The top benefits Millennials look for that inspire this increased retention are regular incremental pay increases (55%) and the ability to work remotely (51%).

Millennials also want to advance their careers. Clear, consistent programs for advancement encourage Millennial retention. The national study revealed that 26% of Millennials say the chance for advancement or promotion would make them stay at a job.

Variable compensation is desirable with this generation as well, with 54% of US Millennials expecting up to a 10% bonus opportunity.
Contact centers can move the needle on Millennial retention. Beginning with stronger starting hourly pay levels increases both application and retention rates. Other drivers to increase retention are benefits and advancement. The key is knowing what the ideal mix of benefits is for these employees and being willing to invest in them.

Bottom Line:
Contact centers need additional resources to adapt to the changing landscape of customer care.

A higher caliber of talent is required and a deeper level of training is needed to handle the higher frequency of complex customer calls.

In addition to the higher cost of attracting this talent, today’s workforce is made up primarily of Millennials, ages 22–39, who demand different work environments than previous generations. To address these growing complexities, contact centers must meet these expectations to successfully train, manage, and retain Millennial employees.
To attract Millennials, employers need to build strong brand recognition with job seekers. Millennials first experience a company’s brand digitally, often through their cell phone screens. Recommendations and online reviews are essential to develop an employer brand that attracts applicants.

In addition, applications increase when base pay starts at a minimum of $15/hour. Referrals from friends or family increase applications as well.

Once they are onboarded, motivating Millennial employees requires a different approach than in the past. Contact centers must prioritize building strong social networks since having friends as co-workers is important. Leadership must help employees advance their careers by providing opportunities to complete training milestones.

Raise cycles must also accelerate. Millennials expect raises to happen within six months (preferably sooner) and advancement is expected on a similar cycle or within a year.

Managers are a key factor in increasing retention. Millennials will stay at a job longer with good management. In addition to fair pay, a predictable schedule keeps Millennials working.

Contact centers that offer desirable benefits and a clear path for advancement will win Millennials’ loyalty. Investing in long term management training will pay for itself many times over in increased retention.
Here are three highlights from the study for success with attracting, motivating, and retaining the new Millennial workforce.

1. **Pay a fair wage for the job being demanded:**
   Companies need to consider the trade-off between costs and results when it comes to employee pay. Increased wages cost more, but provide the benefit of improved outcomes from better and more motivated employees.

2. **Create clear advancement pathways:**
   Millennials are motivated by attainable advancement opportunities. Contact centers must implement and widely message these opportunities to employees so they can perform to standards and take the steps necessary to advance their careers.

3. **Accelerate evaluation cycles:**
   Millennials require faster feedback loops than other generations. In a contact center context, management must build strong relationships with their workers and offer constructive feedback frequently, from daily to weekly, to help employees stay engaged. In addition, shortening formal evaluation cycles from annual reviews to monthly or quarterly reviews is needed due to the fact that Millennials expect to receive raises and/or be promoted within the first six months of employment.
About the Authors

Convergys

Convergys is the world leader in customer experience outsourcing. We infuse innovation, insights, and operational excellence to make every experience great for your customers and your business. For over 30 years, we have helped clients improve customer satisfaction and loyalty, reduce costs, and increase revenue.

Our extensive portfolio of support capabilities includes customer care, revenue generation, technical support, collections, and automation. Through our analytics practice, we offer a Customer Experience as a Service (CXaaS) model, data science, primary research, software engineering, speech and text automation and process optimization. We create powerful omnichannel journeys through our Customer Interaction Technologies, which offer channel and technology-agnostic solutions that fit seamlessly into client environments, regardless of infrastructure.

Convergys’ comprehensive and scalable solutions support your full range of voice and digital interactions with your customers. Learn more about Convergys at convergys.com.

The Center for Generational Kinetics

The Center for Generational Kinetics is the leading research, speaking, and solutions firm focused on Millennials, Generation Z, and solving generational challenges. The Center’s team of PhD researchers, strategists, and keynote speakers help leaders around the world solve tough generational challenges in areas ranging from employing multiple generations or recruiting Millennials, to selling and marketing to Millennials and across generations.

Each year, The Center works with over 150 clients around the world, from car manufacturers and global hoteliers to insurance companies, hospital chains, and international software firms. The Center’s team is frequently quoted in the media about the effect of generational differences on everything from shopping and parenting to work style and social media. Learn more about The Center at GenHQ.com.
Convergys and The Center for Generational Kinetics jointly led this research study. The survey was administered to 1,000 US adults between the ages of 18–39.

Millennials are defined as those born between 1977 and 1995, Gen X is defined as those born between 1965 and 1976, and Baby Boomers are defined as those born between 1946 and 1964. The sample was weighted to the current census data for age, gender, and region.

The survey was conducted online from January 25–30, 2017, and has a margin of error of +/-3.1 percentage points.
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