Case Study:
APAC

Assessment Platform Greatly Reduces Turnover

Headquarters: Plano, TX

Industry: Customer Service

Founded in 1973, APAC Customer Services, Inc. (APAC) serves as a leading provider in customer care outsourcing solutions with global BPO services. APAC leverages deep-domain expertise to deliver a superior customer experience with every interaction. APAC's focus on industry-specific outsourcing solutions truly unites businesses with its customershealthcare, financial services, technology, communications, and travel and hospitality.

The Challenge

APAC supports 13,000 employees who operate call centers for large employers. Unfortunately, the organization was wasting millions of dollars hiring the wrong people. Each year, approximately 28,000 employees either quit within months or were fired due to poor performance – equating to roughly a 250% turnover rate. According to the Vice President of Operations Improvement (VPOI), recruiting costs alone totaled $1,200 per hire. Considering training and related costs, the total expense was estimated to be roughly $3,500.

She further stated "In the past, if you were a warm body and could read and write, you got hired. But they weren't the right fit so we kept rehiring. The tests pay for themselves because recruiting and training costs are so high, which come right out of our pocket."

Assessment Strategy

APAC implemented a work simulation, data entry simulation and structured interview to add more objectivity and effectiveness to the process. The impact of the new strategy was immediately evidenced by a decrease in turnover from 250% down to 70%. However, the organization was looking for even more of an improvement.

As an additional refinement in the assessment process, the Customer Service Fit Index (CSFI) was added to identify "High Turnover Risk" candidates. The CSFI is a web-delivered assessment designed specifically to identify a candidate's work style and ability to tolerate various job demands related to customer service work. People who are frustrated, aggravated or otherwise bothered by customer service job demands are significantly more likely to turnover.

APAC Customer Services, Inc.
An EGS Company

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>
> *– Vice President of Operations Improvement*

Candidates who were rated as “Lower Turnover Risk” or “Marginal Turnover Risk” on the assessment were directed to complete the work simulation, while those who were rated as “Higher Turnover Risk” were excused from the remainder of the assessment process. Candidates who failed the work simulation also were excused from further consideration.

Overall turnover for APAC was reduced from 250% to 70% by implementing simulations and structured interviews, and was reduced further to 35% by adding a work tolerance assessment.

That is a total turnover reduction of 86%!

Assessment Impact

The results demonstrated a significant impact for the assessment solution. Overall turnover was reduced by 86% (250% compared to 35%).

Return on Investment (ROI)

To estimate the gross return for APAC based on the implementation of the assessment solutions, we determined the reduction in new hires as well as the associated cost per person. With an 86% reduction in employee turnover for Customer Service positions, APAC hired 23,000 fewer people. It was conservatively estimated that the organization lost approximately $3,500 with each employee who quit as a result of their investment in recruitment, selection, training and onboarding. Based on the impact of the assessment solution for reducing turnover, it is estimated that APAC saved over eight million dollars as a result of better hiring.

The implementation of the system resulted in a signification reduction in employee turnover, and positive return on investment. According to the VPOI, APAC was always searching for assessments to determine if applicants were going to be at work and come on time. According to these results, it appears as though they have found it.

About Us

DeGarmo is a recruitment, assessment and consulting organization that has provided services globally for more than 20 years. DeGarmo helps organizations identify the best talent in less time through recruitment optimization, superior assessments, and predictive analytics. Our solutions provide the talent intelligence you need to make better selection decisions, support effective coaching, and drive the development of your people.

With talent insights from DeGarmo, you can more effectively build talent pipelines and support the long-term growth of your business.