MetricNet®

Metric of the Month: Annual Agent Turnover

By Jeff Rumburg

Every month, in the Industry Insider, I highlight one key performance indicator (KPI) for the service desk or desktop support. I define the KPI, provide recent benchmarking data for the metric, and discuss key correlations and cause/effect relationships for the metric. The purpose of the column is to familiarize you with the KPIs that really matter to your support organization, and to provide actionable insight on how to leverage these KPIs to improve your performance.

Annual Agent Turnover

Annual agent turnover is the percentage of all agents that leave a support organization over the course of a year. Let's say, for example, that the average agent headcount for your service desk is fifteen, and that five agents leave and must be replaced during the year. Annual agent turnover would therefore be 33.3 percent (agents departed divided by total agent headcount). This metric is equally applicable to the service desk and desktop support, but the examples and illustrations we use in this month's article will be specific to the service desk.

Some organizations distinguish between good turnover and bad turnover. Bad turnover is when an agent leaves the company because of performance issues or to pursue other job opportunities. So-called good turnover, by contrast, is when an agent who is otherwise performing well is moved or promoted to a non-customer-facing position in the service desk, or accepts a position in the company that is outside of the service desk. Both types of turnover are included in the calculation of annual agent turnover because both types of turnover create a vacancy that must be filled.

Why It's Important

Agent turnover typically results in a seasoned agent being replaced by a less experienced agent, which can be detrimental to the service desk's operations and performance. When there is turnover, the agent leaving the service desk walks out the door with his or her knowledge and experience. For those who've worked in a service desk, you know how painful this can be! Industry estimates place the cost of replacing an agent at more than $10,000 in North America. This includes the direct costs associated with identifying, screening, recruiting, and training a new agent as well as the indirect cost of lower productivity when a new agent encounters the learning curve of a new job.

As we've seen in past Metric of the Month articles, one of the primary cause-and-effect relationships in the service desk is between agent job satisfaction and agent turnover: high job satisfaction is strongly correlated with low agent turnover rates, and vice versa. The reasons for this are fairly obvious. When agents are satisfied with their work life, they tend to stay put. When they're unhappy at work, they're more likely to leave. It's important to note, however, that turnover can be controlled by proactively managing agent job satisfaction. Effective career planning, training, and coaching can drive high levels of agent job satisfaction, reducing turnover.

Benchmarking Data for Annual Agent Turnover

It's common knowledge that technical service and support is a high-turnover industry. Some of this turnover is due to the high-stress nature of the job. While job stress may be a noncontrollable factor, certain other factors, as mentioned above, can be managed and controlled to reduce and minimize turnover.

As shown in Figure 1, the average turnover in the industry is nearly 40 percent per year. This means that the average service desk agent stays for just two and a half years before moving on.

Figure 1: Annual Agent Turnover

Average	38.3%
Maximum	100.1%
Minimum	4.2%
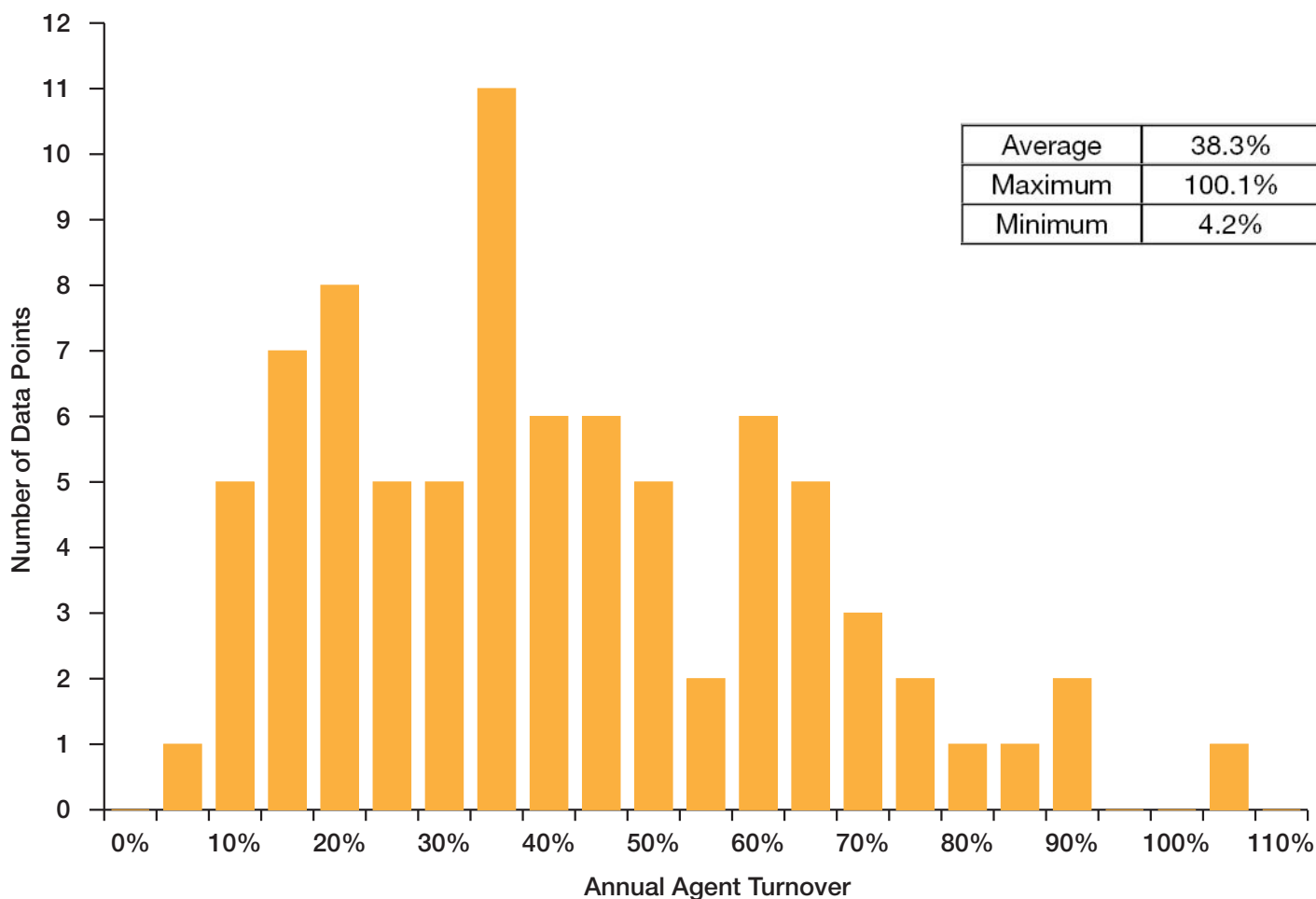
Figures 2 and 3 show how agent turnover affects some of the most important KPIs in the service desk. Since agent turnover is inversely related to agent experience levels, one can deduce from these benchmarks that less experienced agents have a negative impact on both first contact resolution rate and customer satisfaction. In general, the more experienced the agent pool, the higher the first contact resolution rate and customer satisfaction will be. So it turns out that agent turnover is not only costly, it also has an adverse impact on service desk performance!

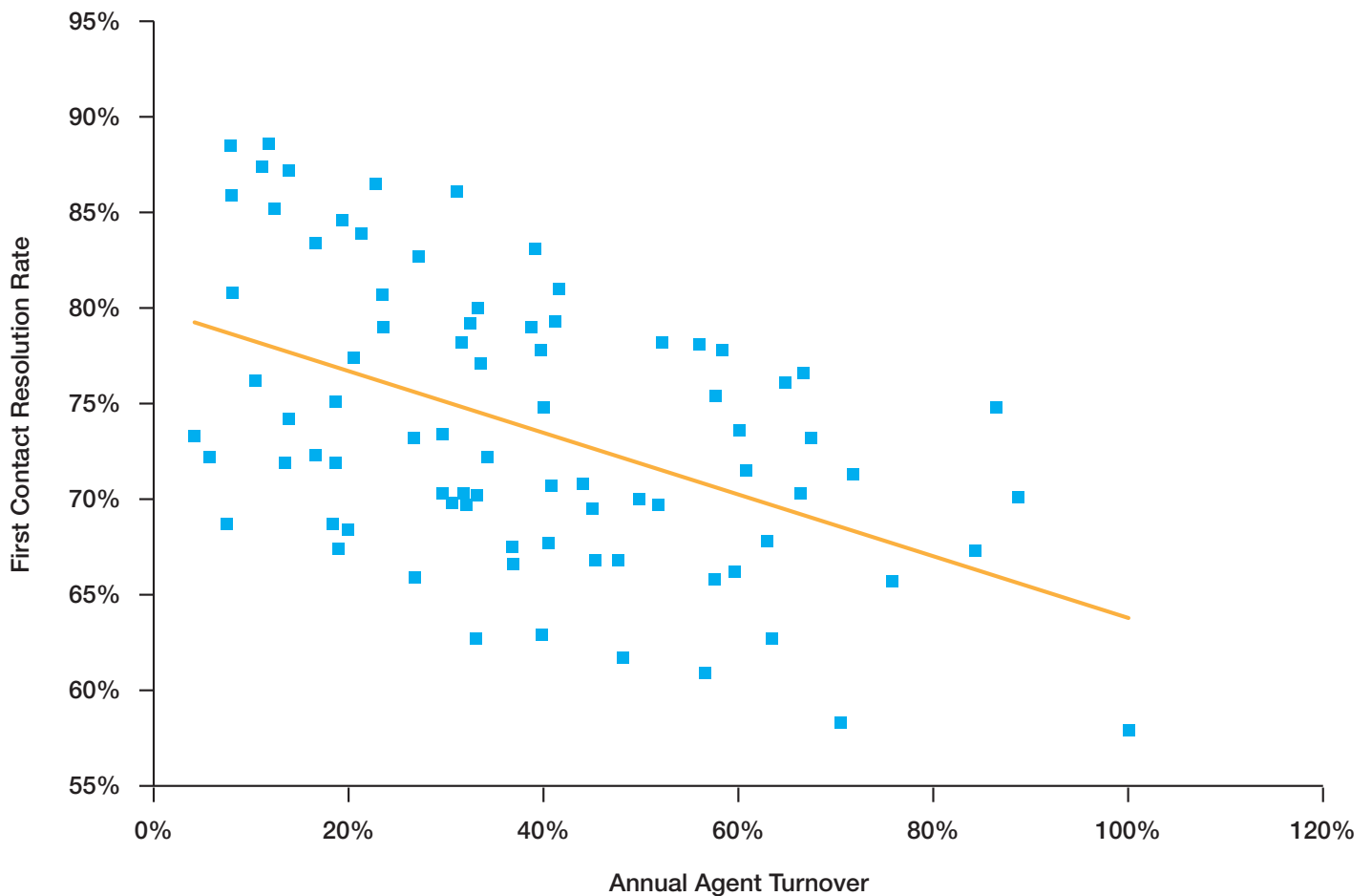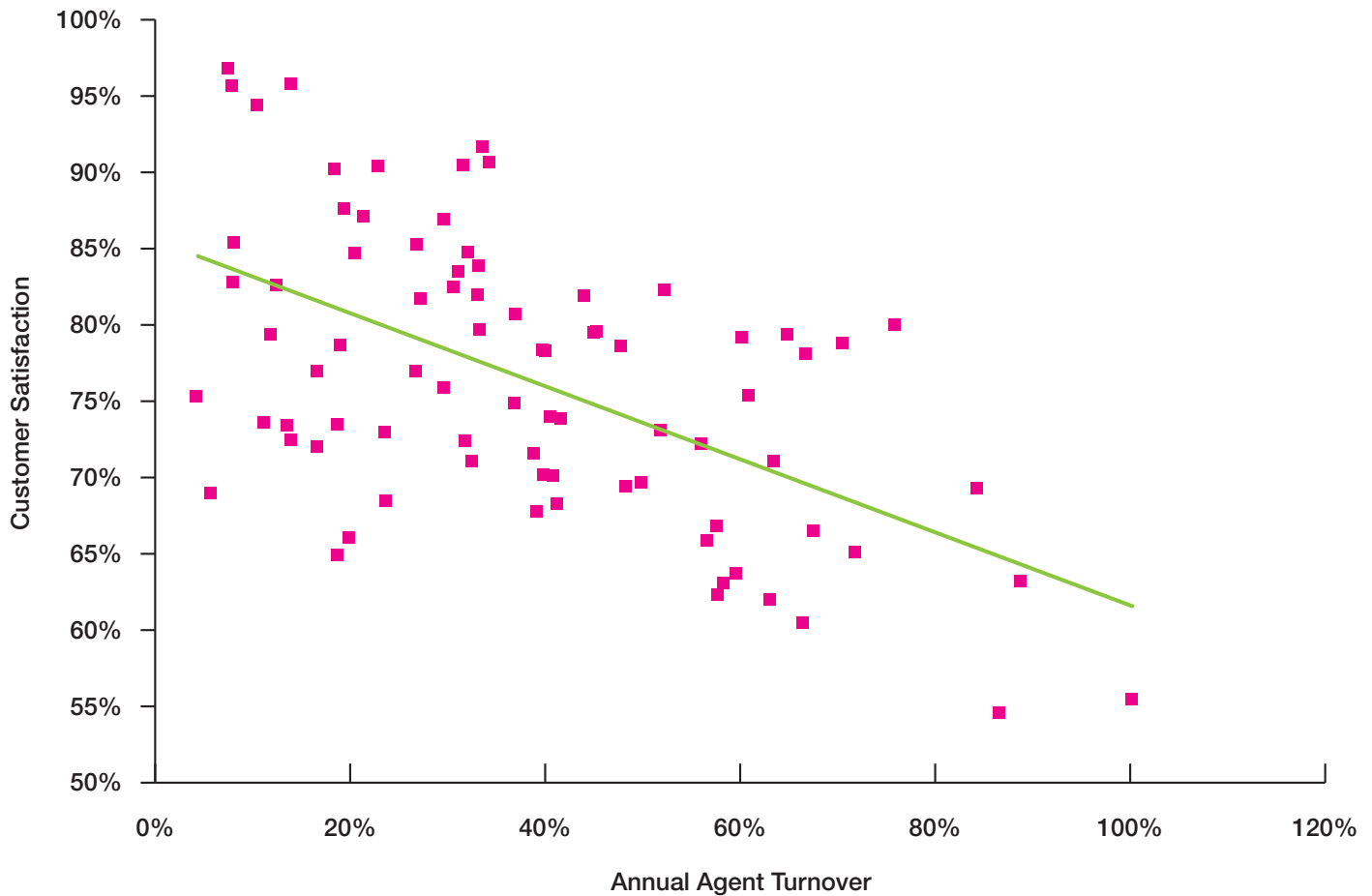**Figure 2: Annual Agent Turnover vs. First Contact Resolution Rate**

Figure 3: Annual Agent Turnover vs. Customer Satisfaction

Please join us for next month's Metric of the Month, **KPI correlations in desktop support**, where we will discuss the key cause-and-effect relationships between the most important desktop support KPIs.

Jeff Rumburg is a managing partner and cofounder of MetricNet, LLC, the leading source of service desk and desktop support benchmarks for IT service professionals worldwide.