

ccPlanning

ccplanning.net

WORKFORCE PLANNING MASTERCLASS

The Attrition Tax

What losing people really costs a contact centre — and the business case to stop it

John Casey

Workforce Planning Expert · ccPlanning

A masterclass in the ccPlanning white-paper series · read the rest at ccplanning.net

Contents

- 1. Attrition is a planning problem..... 3
- 2. The fully-loaded cost of one leaver..... 3
- 3. Why it compounds in the plan..... 4
- 4. The hidden service and quality cost..... 5
- 5. Building the business case to fix it..... 5

1. Attrition is a planning problem

Attrition is usually owned by HR and costed by finance. But its sharpest effects land on the workforce plan — on capacity, service and quality — which makes it the planner’s problem too.

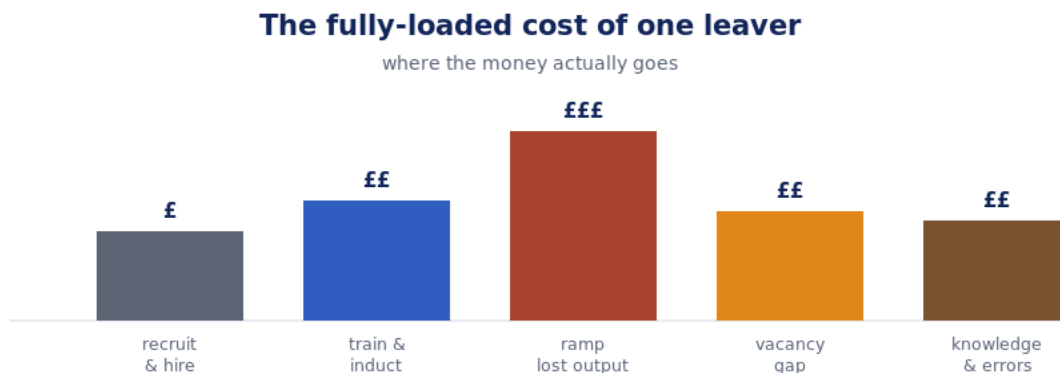
A leaver is not just a recruitment cost; it is a hole in the capacity plan that opens slowly and closes even more slowly. The headline attrition rate — say “28% annualised” — tells you the size of the churn but almost nothing about its bite: which skills left, how experienced they were, and how long the seat stays effectively empty while a replacement ramps. Treat attrition as a single HR percentage and you will consistently under-plan, because the number hides everything that makes it expensive.

The planner’s instinct should be to translate the rate into capacity. Every leaver is a future gap that must be forecast, recruited against with lead time, and bridged while the new starter is unproductive. Attrition that is “within target” on the HR report can still be quietly wrecking your ability to hit service, because the plan is carrying empty and half-effective seats that the percentage never shows.

A vacancy is not an absence of cost. It is a cost that doesn’t appear on any invoice — which is exactly why it gets ignored.

2. The fully-loaded cost of one leaver

Ask what a leaver costs and most people name the advert and the agency fee. Those are real, but they are the small, visible tip. The fully-loaded cost adds the recruiter and manager time to hire, the classroom and trainer cost to induct, the weeks of reduced output while the new starter ramps, the productivity lost in the vacant seat before they even start, and the slower, error-prone handling and lost knowledge around the change.



Most of the bill is the slow ramp and the empty seat, not the advert. The visible cost is the small part.

The fully-loaded cost of a leaver is mostly ramp and vacancy — capacity costs that never reach the finance number.

Add those up and the cost of losing one agent typically runs to many thousands of pounds — and the largest single component is usually the **ramp**: the long tail of below-full output

while a new starter learns the job. The advert is a rounding error next to it. This matters for the planner because the ramp and the vacancy gap are *capacity* costs, not cash costs, so they never appear in the finance number that justifies the retention spend — and so the business case is routinely built on a fraction of the real bill.

The discipline is to cost attrition the way you cost staffing: in productive agent-hours lost, then converted to money. Do that and the figure is large enough to change decisions — which is the whole point of measuring it honestly.

3. Why it compounds in the plan

Attrition hurts more than its rate suggests because three effects stack. First, the **vacancy gap**: the seat is empty from the day someone leaves until a replacement is hired, and recruitment lead times mean that gap is often weeks or months of lost capacity you must cover with overtime or degraded service.

Second, the **ramp curve**: a new starter is not a full agent on day one. They handle fewer contacts, more slowly, with more support, for weeks or months, so a replaced head is a fraction of a head for a long time. Model new starters as full FTE and you will over-state capacity and miss service exactly when you thought you were covered. Third, attrition is rarely random: the people most able to leave are often your **most experienced**, so churn quietly trades fast, accurate, low-rework agents for slow, supported new ones — a quality and efficiency loss the headcount line cannot see.

Stack those three and a “modest” attrition rate can consume a surprising slice of your effective capacity all year. The plan that ignores them is always chasing a gap that opened weeks earlier.

4. The hidden service and quality cost

Who you lose matters as much as how many

The experienced agent

Fast, accurate, low rework, mentors others. Replacing one costs months of ramp and a dip in team quality.

The headcount line

A vacancy is a number on a report. It hides which skills, which tenure and which team actually walked out the door.

Attrition rate alone is a blunt instrument; the mix underneath it is where the real cost sits.

The rate tells you how many left; the mix tells you what it cost. Losing the experienced is the expensive kind.

The capacity hole is only half the tax. The other half is service and quality. While seats sit vacant and new starters ramp, the experienced agents left behind absorb the overflow — higher occupancy, less recovery time, more pressure — which is itself a driver of *more* attrition. Left unbroken, that is a spiral: people leave, the remaining team is stretched, service slips, and the stretch pushes the next people out.

Quality takes a parallel hit. New starters make more mistakes, generate more rework and repeat contacts, and score lower on quality and customer satisfaction while they learn. So attrition doesn't just cost you the heads; it raises handle time, inflates repeat demand, and dents the experience — all of which feed back into the forecast as extra workload. The planner who connects attrition to AHT and repeat-contact rates is measuring the tax the dashboard hides.

5. Building the business case to fix it

Retention initiatives compete for budget against everything else, and they lose when the case is built on the advert-and-agency number. They win when the case is built on the fully-loaded, capacity-based cost. The move is to price a single point of attrition: take the fully-loaded cost per leaver, multiply by the leavers a point of attrition represents for your headcount, and you have the annual value of shaving one point off the rate — usually a strikingly large number.

From there the case writes itself: here is what a point is worth, here is the initiative, here is its cost, here is the payback. Frame it in the language finance funds — pounds, payback, ROI — not the language of engagement surveys. And be honest that some attrition is healthy: the goal is not zero, it is to stop the *avoidable* churn that the exit interviews keep pointing at. Price the tax properly, target the avoidable part, and retention stops being a soft HR ask and becomes one of the highest-return investments the operation can make.

Cost attrition in lost capacity, price a single point of it, and the business case for retention stops being a feeling and becomes arithmetic.

About the author

John Casey has spent more than 30 years in contact-centre workforce planning, including roles as a workforce-planning manager and operations director, and now writes and teaches at ccplanning.net. The views in this paper are his own. It represents general professional experience and is not affiliated with, nor does it represent, any current or former employer.

ccplanning.net · Free guides, calculators and the rest of the white-paper series.