

HR data: which contact centre site should get the retention budget?

Teacher guidance and answers | Original TBS classroom practice

Use this lesson when teaching how to analyse human resource performance. Students calculate the four human resource measures for two sites of a contact centre, explain why the site with the higher labour turnover has the lower labour cost per call, add the hidden cost of replacing leavers and recommend which site should get a retention budget. The tasks are planned to take about 55 minutes and have not been trialled in a classroom. The minutes include brief answer checking but not handing out materials or a full plenary; allow about 65 minutes in the timetable. Best suited to Year 13 classes taking AQA 7132 exams in 2027; Year 12 classes starting in September 2026 follow the new 7138 specification.

Curriculum fit

AQA AS and A-level Business specification (covers 7131 and 7132; this lesson is for A-level 7132), Version 2.0, 14 June 2023, section 3.6.2 Analysing human resource performance (printed page 22): calculating and interpreting human resource data, where students should be able to calculate and interpret labour turnover, labour productivity, employee costs as percentage of turnover and labour cost per unit; and the use of data for human resource decision making and planning. The section names only these four measures, so the lesson uses no other HR measures; the specification does not print formulas, so the student pages state the ones used. Task 4 also touches the section 3.6 theme of market conditions, including the labour market (printed page 21). This lesson is NOT mapped to the new 7138 specification; check that specification before using it with a 7138 class. This is a TBS lesson, not an AQA resource; it is not endorsed by AQA and uses no AQA exam questions or mark schemes.

All details and numbers are fictional. The answers are indicative teaching guidance only, not an exam board mark scheme. There are no marks, grades or AO allocations for these tasks and no grade claim is made.

Lesson plan (about 55 minutes of tasks, estimated)

Stage	Minutes	What happens
Starter: which measure?	5	Match four questions to the four measures.
Task 1: calculate (pairs)	12	Each partner one site, then swap and check.
Task 2: interpret (pairs)	9	Turnover against cost per call; limits of productivity.
Task 3: hidden cost	9	Replacement costs and the scheme forecast.
Task 4: sort the arguments	6	Pairs sort six points.
Task 5: recommend	10	Written recommendation.
Exit ticket	4	Three quick questions.
Total	55	

45-minute version: starter 4, Task 1 10, Task 2 7, Task 3 7 (skip part e), Task 4 5, Task 5 8, exit ticket 4. Ask for about 60 words in Task 5. This timing has not been trialled. The 45 minutes are task time only, so in a real 45-minute period, with handing out and feedback, move the exit ticket to homework.

Answers: starter, Task 1 and Task 2

Indicative guidance for teachers. This is not an exam board mark scheme and carries no marks or grades.

Starter: (i) labour productivity; (ii) labour turnover; (iii) labour cost per unit; (iv) employee costs as percentage of turnover.

Task 1	Leeds	Plymouth
Labour turnover	$70 \div 200 \times 100 = 35.0\%$	$12 \div 120 \times 100 = 10.0\%$
Labour productivity	$1,800,000 \div 200 = 9,000$ calls per employee	$840,000 \div 120 = 7,000$ calls per employee
Employee costs as percentage of turnover	$5,040,000 \div 7,200,000 \times 100 = 70.0\%$	$3,360,000 \div 4,200,000 \times 100 = 80.0\%$
Labour cost per call	$5,040,000 \div 1,800,000 = £2.80$	$3,360,000 \div 840,000 = £4.00$

Common errors: confusing labour turnover with turnover (sales revenue); dividing employee costs by employees instead of calls; giving productivity in pounds. The chart on the Task 2 page and the tables on the Task 3 and Task 5 pages repeat these results so that a student who went wrong can still do the later tasks.

Task 2a, model answer (fits the 5 lines): Leeds staff handle more calls each (9,000 against 7,000) and cost less each (£25,200 against £28,000 a year), so each call costs less even though more staff leave.

Teacher note: employee costs per employee (pay plus National Insurance and pensions): Leeds $5,040,000 \div 200 = £25,200$; Plymouth $3,360,000 \div 120 = £28,000$. Labour cost per call leaves out the cost of replacing leavers (Task 3). Hand out the Task 2 page, which repeats the results in a chart, only after Task 1 has been checked.

Task 2b, model answer (fits the 5 lines): Calls handled include repeat calls, so Leeds may look productive because problems are not solved first time. Plymouth handles longer, complex billing complaints, so fewer calls each does not mean less effort.

Task 2c, model answer (fits the 4 lines): 80p of every £1 of turnover goes on staff, leaving 20p for all other costs and profit, against 30p at Leeds.

Answers: Task 3 and Task 4

Task 3	Leeds	Plymouth
a. Replacement cost	$70 \times \text{£}3,000 = \text{£}210,000$	$12 \times \text{£}3,000 = \text{£}36,000$
b. Labour cost per call including replacement costs	$(5,040,000 + 210,000) \div 1,800,000 = \text{£}2.9167 = \text{£}2.92$	$(3,360,000 + 36,000) \div 840,000 = \text{£}4.0429 = \text{£}4.04$
c. Labour turnover after the scheme	$45 \div 200 \times 100 = 22.5\%$	$8 \div 120 \times 100 = 6.7\%$
d. Saving in replacement costs	$(70 - 45) \times \text{£}3,000 = \text{£}75,000$	$(12 - 8) \times \text{£}3,000 = \text{£}12,000$

Task 3e (stretch), model answer (fits the 3 lines): $150,000 \div 3,000 = 50$ fewer leavers, so 20 leavers a year; $20 \div 200 \times 100 = 10.0\%$.

Teacher note (not part of the model answer): even at Leeds the direct saving (£75,000) covers only half of the £150,000, so the case also rests on benefits the data does not price, such as more experienced staff. Fewer repeat calls are a quality gain, but because the client pays per call they could also reduce revenue: a good discussion point.

Task 4a: 1 Leeds; 2 Leeds; 3 Leeds (more experienced staff should solve more problems first time); 4 Plymouth; 5 Leeds; 6 Plymouth (labour market pressure could raise Plymouth's turnover). Accept a reasoned alternative, for example that point 6 means a scheme at Plymouth may fail if the new employer pays more.

Task 4b, model answer (fits the 4 lines): Leeds: point 2, because £210,000 a year goes on replacing leavers and the scheme could save £75,000. Plymouth: point 6, because a new employer nearby could raise turnover. Accept other points with a clear reason.

Task 5: indicative guidance

A well supported answer recommends one site, uses at least three figures, gives one argument for the other site and says what the recommendation depends on. Example response (not a mark scheme): I recommend giving the retention budget to Leeds. Its labour turnover is 35.0%, against 10.0% at Plymouth, and replacing leavers costs £210,000 a year. The scheme could cut turnover to 22.5% and save £75,000, against only £12,000 at Plymouth. Keeping experienced staff should also cut repeat calls. Plymouth has a case: its complex billing work makes each leaver harder to replace, and a new employer nearby could raise its turnover. The savings alone do not cover the £150,000, so my choice depends on the HR director's forecast being right.

Students may choose Plymouth if they argue that its complex work makes each leaver costly and that the new employer is a growing threat; credit that if it uses figures and recognises that the forecast saving at Plymouth (£12,000) is much smaller. Look for correct figures, a clear weighing of the numbers against the other site's case, what the decision depends on and a justified conclusion. Do not award a grade or percentage from these tasks.

Answers: exit ticket

a. $6 \div 40 \times 100 = 15.0\%$. b. $£84,000 \div 120,000 = £0.70$ per loaf. c. Model answer (fits the 3 lines): Each leaver must be replaced, so the business pays recruitment and training costs again. Also accept: new employees are less productive while they learn, so labour cost per unit rises.

Sources and limits

Curriculum source: AQA AS and A-level Business specification (7131, 7132), Version 2.0, 14 June 2023, section 3.6.2 (printed page 22) and the section 3.6 introduction (printed page 21). The specification verifies the topic scope only. The case, figures, forecasts, timings and guidance are original TBS teaching design.