

# Improving agent performance while maintaining high levels of motivation

# Introduction: The challenge of improving performance continuously

The press has been reporting two different stories regarding of contact center human resources. On one hand, some analysts such as DataMonitor and Gartner Research preview an increasing number of full and part-time positions in the next four years. On the other hand, the working conditions in contact centers are considered to produce low morale, which in turn results in high employee turnover rates (about 80%).

Modern contact centers strive to provide customers with specialized service, regardless of how the customers communicate with the company. Traditionally, the primary communication channel customers used to reach the contact center was the telephone. However, with the arrival of the Internet, the number of contact channels between the customer and the company has grown substantially due to the use of the new channels, such as email, Web collaboration and Web chat, Voice over IP, and fax.

The transition from call centers to multimedia contact centers provided an answer to challenges arising from an increasingly competitive market place. How were organizations to reduce costs, enhance customer service, and join powerful new communication technologies? The perfect answer was the emergence of the contact center. This solution, however, brought new challenges, such as the human resources issues associated with a significant number of people working at the same location and doing the same kind of work.

The increasing interest in CRM applications among corporate executives is empowering contact centers to add a tremendous value to the company. In the new dynamic contact center environment, integrating different communication channels and customer relationship management strategies is essential for the company, but few contact centers have considered the impact of agent performance. Since agents represent the highest cost in the contact center, corporate executives are seeking for new approaches to harness the power of agents to improve productivity and profitability.

Although the customer experience in contacting the company may be enhanced by effective and well-designed technological implementation, it is the interaction with the agent, be it good, bad, or indifferent that creates the difference. The company must acknowledge that the contact center agents communicate with customers and their attitudes may affect customer perceptions. Therefore, it is essential to keep the agents informed and to help them to keep a positive attitude in order to create and maintain customer satisfaction, as well as retaining customers. Few, if any, contact centers have been able to achieve their ultimate CRM objectives, satisfied customers, without ensuring agent satisfaction first.

# The real challenges of the contact center

Although the contact center industry has been plagued with high agent turnover rates and poor morale since the beginning, the new millennium trends are forcing businesses to pay closer attention to the improvement of agent performance while maintaining agent motivation.

Some contact center managers, as well as corporate executives, are questioning themselves about the following:

1. What will be the effect of reducing staff turnover by 2% on the Return on Investment?
2. What will be the effect of lifting productivity by 2% through increased motivation?

The critical challenge for contact center managers is how to optimize the performance of agents to improve productivity and reduce costs without compromising customer satisfaction. In spite of the high dynamism that characterizes the contact center industry, the following major challenges remain unchanged:

- Cost control
  - The contact center is a labor-intensive environment where costs with staff represent more than 60% of operational budgets, due not only to salaries but also to training, turnover, and productivity.
- Revenue generation
  - Most organizations are shifting their contact centers from cost to profit centers. An average agent handles more than 1400 customer contacts per month, which makes agents the most important source of revenue for the companies.
- Customer retention
  - The performance of the agent during the contact with the customer is a critical component for customer retention. Thus, the level of delivered service plays a significant role in customer satisfaction and retention.

# Maximize the productivity of the contact center

Companies are looking for new technologies that will help to save money. As the use of multiple channels of communication, such as phone, fax, email, and Web is getting out of control, businesses are requesting solutions to integrate the different communication channels.

In the new economic environment, the main goals of an integrated communication platform are to deliver faster response times, allow agents to be more productive, budget time more effectively, improve customer service, and break through barriers of communication that result in a foreseeable return on investment. As a result of this integration, companies increase customer satisfaction, promote agent productivity, and eventually generate greater revenue.

## Empowering Agents

Companies can achieve dramatic results if they promote some empowerment activities that engage employees in every aspect of the business. The benefits of empowering the agents include improved customer service, enhanced organizational learning and sharing of ideas, and happier employees.

The empowerment of agents has become necessary due to the increasing complexity of their jobs. Agents now handle customer interactions using different communication channels. Given that agent costs account for about 60 percent of contact center costs, keeping attrition down enables contact centers to maintain costs at a constant level.

Some of the measures that contact centers could use to keep low attrition are to focus on customer service rather than in pure performance metrics, incorporate satisfaction metrics (using surveys) and create compensation plans in an individual and in a group basis, and give time to the agents to handle personal issues. Some possible measures to explore are:

- Agents can be redeployed to answer other communication channels, such as email messages or Web chat and Web collaboration requests.
- Since agents represent the front line with the customers they are fully aware of customer needs and desires. Thus, agents can act inside the company as customer advocates providing customer-centric feedback.
- Senior agents can provide training to junior staff or can obtain training themselves. Training keeps agents up-to-date and well prepared to handle customer interactions.

## Agent motivation => Agent retention => Direct effect on the Return on Investment (ROI)

Attracting and retaining agents is one of the greatest challenges that companies are facing. In addition, the transition from a single communication channel call center to a multichannel contact center is also a problem.

Agent motivational factors should be considered. Certainly, one of the most important factors is the payment. Recent studies reveal that job aspects such as payment can be short-term motivators and are unlikely to create real commitment. There are, however, two other key drivers for staff working in contact centers. The first is related to the opportunity to gain personal satisfaction and achievement from daily work. The second is related with the contact center management. The relation between the contact center supervisor and manager and the way agents are treated at work are also closely linked with the morale and motivation of agents. Payment and working conditions can be addressed but will, of course, be a cost to the business. These key drivers may be less expensive but may be more difficult to achieve.

Recent studies reveal that a short reduction (about 5%) in staff can result in a profit increase of nearly 55%. But these are only the headline costs associated with an unmotivated agent. More difficult to quantify are the costs associated with lost business and unsatisfied customers. In addition, there is increased absenteeism, slowness, and so on. Contact centers should implement strategies to have highly motivated agents.

One of the most important aspects of managing a contact center is the creation of incentive programs and the definition of compensations (reward and recognition programs). The incentive programs should drive the behavior of the agents to be aligned with the company business goals and should reward both individual and team performance. Below are a few incentives:

- Small gifts
- Special lunches/dinners
- Special awards given by executives
- Some days off
- Cash

Contact center managers must understand the impact of employee retention. The average cost to deploy a full-time contact center agent is approximately \$6,400. This price includes the estimated costs of advertising, recruiting, screening, interviewing, selecting, and training.

Unquestionably, well-trained, motivated, and tenured employees deliver better customer service. The message is clear and tells contact center managers not to ignore the effect of agent retention on cost-effectiveness and quality of service delivery.

The table below enables the analysis of two distinct scenarios that demonstrate the effect of agent retention in a contact center with 150 agents. The displayed values represent a conclusion based on the data of several analysts.

	Scenario I (80% retention)	Scenario II (95% retention)
Number of agents	150	150
Average hourly wage	\$18	\$18
Average deploying cost	\$6.400	\$6.400
Monthly retention	80%	95%
Monthly labor cost	\$475.200	\$475.200
Monthly turnover cost	\$192.000	\$48.000
Total Monthly Cost	\$667.200	\$523.200

Through the rewards and recognition given to agents, companies are able to:

- Ensure that agents can understand their performance levels and relate them to the business as a whole
- Stabilize hours of operation
- Reduce annual turnover
- Determine the value of tasks and interactions and invest as needed
- Standardize recruiting, screening, training, monitoring, and coaching practices
- Involve frontline staff in CRM projects
- Create a team of collections professionals that:
  - Understand products, customers, and the differences between customers
  - Understand exactly what is expected of them
  - Work in an environment that recognizes and reinforces productivity and performance

#### Tactical Guidelines

- Understand the retention drivers
- Screen candidates properly and provide feedback
- Define agent goals according to business objectives
- Offer strong initial and ongoing training (team and management)
- Implement regular rewards and encourage recognition for outstanding agents

## Outbound Dialing Strategies

Contact centers that run outbound dialers face several important issues, regardless of their size. First, contact centers must maintain high levels of productivity in the campaign team. Second, contact centers must maintain high levels of customer satisfaction. Both issues are crucial to provide a return on the investment using “dialers” technology. The achievement of high levels of efficiency in outbound dialing campaigns while retaining high levels of customer satisfaction is very hard to obtain.

Outbound campaigns can be deployed according to manual, preview, power, and predictive dialing. Each dialing method can achieve a certain level of efficiency, with manual dialing being the least efficient and predictive dialing being the most efficient. Although predictive dialing is the most efficient, customer satisfaction may decrease. In most contact centers, where there is not an effective campaign management solution, satisfaction could become the inverse of productivity.

**Manual dialing** is the most basic and least effective method. Agents dial numbers manually from a list of target numbers and much time is wasted waiting for calls to be answered, busy tones, and so on. It is considered common for agents to only complete 10-12 minutes of effective talk time per hour using the manual dialing.

**Preview dialing** is used when the agent must know the customer profile before talking to the customer. Preview dialing is slightly more efficient than manual dialing because agents are presented with customer details on-screen and the call is dialed only when the agent is ready. Preview dialing saves “finger time” to dial phone numbers and can increase the effectiveness of list management. However, overall agent talk times would typically be about 18-20 minutes per hour.

**Power dialing** dials numbers automatically, but ensures that an agent is always available to talk to the customer. Using power dialing, agents lose some time in the calling process due to the dialing, ringing, and unsuccessful tones. Power dialing drastically improves the productivity. Agent talk time per hour increases to 32-35 minutes.

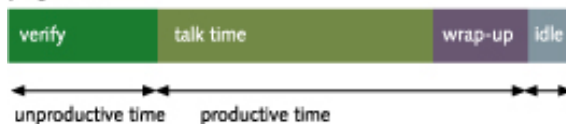
**Predictive dialing** is a state-of-the-art pacing mode used to contact a large volume of customers in a short period of time. Using predictive dialing, agents only handle successful calls. The highest level of efficiency is achieved with predictive dialing. Predictive dialing uses sophisticated techniques that predict that a percentage of calls are unanswered and when agents will complete calls in progress. Predictive dialing dials phone numbers expecting some calls to fail. Using predictive dialing, agent talk time per hour is about of 40-45 minutes.

## Comparing Outbound Agent Activity

### manual / preview



### progressive



### predictive



## Quality Monitoring

Contact centers are often portrayed as very tough places to work. This reputation has been earned by the treatment given to agents over the past few years. Usually, agents were tied to their desk and monitored all the time. A large percentage of the agents do not say that they work in a contact center out of embarrassment for what they do.

Contact center managers and supervisors are finally realizing that they have to continuously monitor the agents, but the company should train, motivate, coach, and empower the agents to improve their performance, commitment, and satisfaction. Contact center productivity programs that drive agents to handle a large volume of calls have a negative impact on the quality of service, decreasing customer satisfaction and increasing staff attrition. Therefore, productivity measurements must be balanced with quality.

When too much emphasis is placed on the quantitative measures, agents will be forced to sacrifice the quality for speed of service. Agents will then take shortcuts to rush the time spent interacting with customers. Most shortcuts will result in dissatisfied customers and also in unhappy agents. This fact will result in higher staff burnout and attrition because most agents would prefer to provide quality service.

Although the quantitative measures are important for managing a contact center, they say nothing about the quality of customer interactions or the satisfaction level of customers — the two most important aspects of customer service.

Quality assurance (QA) programs evaluate the quality of customer interactions. The best QA programs are set up for live call monitoring which includes the ability to see what agents are doing in the servicing system. Monitoring calls is essential to evaluate and improve call quality and customer satisfaction. The information collected from the QA program should be used in a positive and proactive manner to improve the performance of the agents.

#### QA Benefits

- Improve the overall service offered to customers.
- Reduce the overall cost of doing business by reducing customer churn and increasing customer satisfaction (reduce the number of call-backs)
- Support remote assistance to monitor the progress of agents

## Blending agents

One of the greatest ironies of contact center management is that to have a tight control over service levels, agents will be idle most of the time. If agents are not idle, customers are probably waiting for service. Therefore, unless the talk times are very short, service levels will suffer.

Blending calls combines inbound and outbound campaigns. Agents that work in blended campaigns can handle any kind of interaction. Blending technology will have a dramatic impact on costs because it allows idle agents to handle inbound interactions and perform a productive activity. Blending also decreases your staff by pooling your resources between inbound and outbound interactions, leveraging agent time.

Contact center daily operations experience some variations in customer interaction volume that cause a significant amount of idle time, which in turn increase the costs of contact center operations. Take as an example a contact center with 150 agents, where each agent costs an average of \$18 per hour. The daily cost of this contact center is about \$21,600. Assuming that the average idle time is 45% when not blending campaigns, almost \$9,720 is paid for daily non-productive agent time. If the contact center operates 5 days a week and 50 weeks a year, the contact center is paying an approximate cost of \$2,430,000 annually for agent idle time.

## Training agents

While quality monitoring is designed to track behavior, training is designed to shape behavior. There are several different approaches to this complex task and it is essential to find the most suitable method to train agents. Although every contact center has its own reality, studies have demonstrated

that accompanying agents from the beginning of the learning process and providing training that builds skill in addition to transferring knowledge is the key to success.

Considering that, on average, staffing accounts for about 60% of a contact center operation it is crucial to establish an effective contact center staff at all levels. The most important aspects of a good contact center agent are excellent communications skills, flexibility to use the necessary equipment, and in-depth knowledge of the products being sold. One way to maintain such an expertise is to hire professional contact center agents with previous agent-based education or to provide internal training.

Usually training is perceived to be very expensive, but it is the largest and quickest payback of any contact center investment. Although some of the training benefits are hard to quantify, they are still extremely beneficial to a company since it is a great staff motivator, improves morale, and reduces attrition.

## About Altitude Software

The Altitude uCI solution is an out-of-the-box, infrastructure independent solution with full blended support for voice (inbound and outbound), IVR, email, Web collaboration and chat. The Altitude uCI manages and improves customer relationships for each new interaction in a wide range of contact centers, from small and medium enterprises to huge multisite organizations.

The Altitude uCI is a cost-efficient management tool conceived to improve the overall productivity of the contact center. Since the Altitude uCI was engineered to easily integrate with legacy, front-end, and back-end systems the Altitude uCI delivers significant cost benefits, revenue benefits, and intangible benefits even with a small up-front investment. Therefore, the Altitude uCI allows the customer to achieve return on investment in a limited time frame.

### The value of the Altitude uCI Platform

- Unified view of the customer
- Consistent media blending
- Increased service levels
- Improved efficiency and optimized use of resources
- Maximized cross- and up-selling opportunities
- Reduced development time
- Highly effective management application

Altitude Software ([www.altitude.com](http://www.altitude.com)) is a privately owned independent company with several investors, such as e-millennium 1, Intel, Insight Capital Partners, Nesbitt, BNP Paribas, and Hicks Muse. Altitude Software is a global technology leader in contact center solutions with the Unified Customer Interaction™ (uCI) product line. Altitude Software was founded in 1995 and serves over 570 customers of all sizes worldwide, either directly or through a wide network of partners. Altitude Software has 13 offices in 11 countries around the world.