



Calling It Quits

Contact center agents are leaving in massive numbers -- attrition and absenteeism run rampant -- but there are ways to stem the tide.

By Christopher Musico - Posted Aug 1, 2008

Keeping employees motivated is important in any environment, whether it be in a roundtable discussion with executives, among battle-weary troops, or on the court with an underperforming basketball team. If you can't get your employees or coworkers excited about working for you or with you, many of those uninspired workers are going to leave to find happiness (and a paycheck) elsewhere.

Nowhere is this more evident than in the contact center industry, where there has been an absolute exodus of agents in the past decade. New research from Dimension Data compares results from the first and 10th years of its *Contact Center Benchmarking Report* -- and the results are staggering: The annual agent-attrition rate, which was just 14 percent in 1997, had catapulted by 2007 to a rate of 27 percent, marking a striking 93 percent increase. Even among the agents who aren't leaving, the absenteeism rate for them and their supervisors has also exploded over the past 10 years. In 1997, absenteeism hovered at 5 percent, while last year the rate was 11 percent -- a staggering 120 percent increase. These statistics prompt Stephen Loring, business development manager for Dimension Data Americas, to declare that "the most disconcerting statistics for contact centers revolve around agent attrition and absenteeism."

What's at stake for companies that claim to pride themselves on quality customer service but can't keep their own employees satisfied? Simple: losing customers made unhappy by a constant stream of inexperienced new agents. Happy employees are essential to creating a domino effect that spreads down to the customer, insists Darlene Harbeson, supervisor of network operations for reservation sales at Alaska Airlines. "You need to put your best customer service skills forward," she begins, adding that happy employees tend to behave happily during customer calls. "Investing your energies in happy and satisfied employees just radiates out to your customers."

Given just how critical those customer-facing interactions are, there's no sugarcoating the fact that agents have a difficult task. Ashu Roy, chief executive officer of eGain Communications, a provider of multichannel customer service and knowledge management software, stresses that "it's a very, very high pressure job that agents undertake." Motivating these agents can require a variety of tactics, but just throwing parties and instituting casual Fridays won't be enough, according to Paul Stockford, chief analyst at Saddletree Research. While it isn't an exact science, a healthy mix of empowerment, technology, and strong work relationships can help to stem this tide of contact center agents unplugging their headsets, leaving their seats, and walking out the door -- and out of your contact center forever.

KNOWLEDGE IS POWER

Most people dialing into a customer service contact center expect the person on the other end of the line to be capable of fixing the problem. New research suggests that this is simply not the case. According to the Customer Experience Management global benchmark study from the Strativity Group, a researching and consulting firm, only 29 percent of respondents indicated that their employees have the tools and authority to solve customer problems. To Lior Arussy, Strativity's president (and a **CRM** columnist), this is absolutely unacceptable. "We're talking about 71 percent of employees in customer service and sales showing up to the customer with nothing more than a smile on their faces," he laments.

Jerome Brown, solutions marketing manager for Verint Systems, a provider of workforce optimization solutions, agrees with Arussy. "Empowerment...can go all the way up to giving [agents] the power to

actually solve a customer's problem," he says. "this way, they're not just somebody taking a number and transferring [the call] to a manager." Brown suggests that providing targeted training to agents is an important way to boost their morale, because knowing what the problem is and getting input on how to correct it allows them to be more successful in their work.

Training can also boost call-handling confidence. "If the company can provide [agents] with training mechanisms -- relevant training that is directed at improving job skills in an area where they have proven deficiencies -- the center can accurately track and monitor [each] agent's skill set through interactions they have on a daily basis with customers," he says. "[Supervisors] can then make sure they have targeted, relevant training modules developed and provided to agents to help improve skills that they're truly showing a lack of."

eGain's Roy believes that a successful (and happy) agent needs to have the right tools to do the job. The two most important weapons, he says, are a unified agent desktop and a "usable" knowledge base. "A lot of companies say they have search on [their] intranet, but when you sit behind agents and watch them do their job, they completely ignore the knowledge-base tool," he laments. "After the agents enter in search terms, they receive 20 responses. With the caller on [the] line, you can't [take the time to] go through 20 articles." Agents armed with a truly usable knowledge base, he says, can avoid having to go through "an incessant amount of training and product configuration, because expecting them to remember everything will end up burning out agents." (See "CRM Searches for Search," page 39, for more on the ongoing hunt for useful information.)

Roy adds that it's also important to focus on the right functionality to provide to agents instead of completely emphasizing key performance indicators and other internal metrics. "Measurement helps highlight areas [for] improvement," he admits. "But what we find often is that measurement becomes the be-all/end-all in a lot of these environments. Instead of empowering agents with [the] right tools, the way contact center executives try to improve performance is by just whipping the agents based on a lot of measurements on every possible aspect of [their] performance."

That isn't to say that measurement has no place in the contact center. John Jennick, head of customer experience and action for Egg, a British online bank, says that his firm turned to Oslo, Norway-based Confront, a market research and enterprise feedback management software company, to better measure customer feedback -- but improvement in agent morale was an unexpected benefit. Because the bank has no unique account managers in its customer service department, Jennick says the new statistics the company was receiving on its customers allowed for agents to be more empowered, and as a result, more excited about their jobs. Having access to customer measurements, he says, "created much more ownership [by] our front-line staff."

ARMED WITH OPTIONS

Knowledge can help boost agent morale, but it doesn't end there -- agents also get a lift when they feel as though they have a say in their company's policies, their own hours, and even their workspace. "Empowerment can come from something as simple as giving them some power [over] their schedule, to input the different times that they want to work, or from different locations that they might want to work," Verint's Brown says.

People Metrics	1997	2007	Change
Share of agents moving to another role within the organization	10%	13%	30.0%
Annual agent-attrition rate	14%	27%	92.9%
Agent-absenteeism rate	5%	11%	120.0%
Supervisor-absenteeism rate	2%	4%	100.0%
Average annual number of training days per agent	13 days	13 days	none
Share of permanent full-time employees within the organization	87%	73%	-16.1%
Agent-to-supervisor ratio	1:12	1:12	none

SOURCE: DIMENSION DATA

Dan Hicks, senior vice president of home agent operations at outsourcing and consulting firm West, says that a flexible schedule is important in keeping agents -- especially virtual agents -- happy and wanting to work for his company. "An average home agent isn't going to want a set schedule working 8 a.m. to 5 p.m., Monday through Friday, every week consistently, because of things going on in [her] life," he explains. "that's why [she] worked from home in the first place."

Home agents aren't alone. Alaska Airlines' Harbeson says the airline had a very cumbersome way of setting schedules for its contact center agents, a process known as bidding. She says that, due to union rules, there were very specific guidelines and specifications regarding how long bidding could last, and what days or times the bidding could take place. Because there was no automated system in place, everything was done in person and on paper, leading to agent complaints about having to come in at a special hour just to set the schedule. "they had been asking for an online bidding tool for years because it was so cumbersome," she recalls. Eventually, she says, the company turned to eSchedule Planner from Aspect Software, which made agents feel the company cared about their well-being and concerns.

Another boost to agent morale at Alaska Airlines came through its home-agent program. While Harbeson insists that the company will not require all of its agents to work from home, 60 reps from each of its three contact center locations (Boise, Idaho; Phoenix, Ariz.; and Seattle) have the option to work remotely. "the home-agent program is really improving agent morale," she reports. "I talked to several of my coworkers that work from home, and they are just so undistracted and working very efficiently."

Beyond empowering agents to have an authoritative say in their own scheduling and work location, another important way to improve agents' morale is by letting them tell you exactly what they think of their work environment -- not through an antiquated suggestion box, but with an automated survey system sent to each agent at the end of a shift. West is one of the firms relying on such a system, and Hicks says it's proved to be a tremendous success among his company's home-agent force. "Feedback matters," he declares. "In our virtual world, it's more important they know they have a voice to change customer process and know that what they're seeing and feeling makes a difference."

Still, just sending out end-of-shift surveys isn't enough -- even though Hicks says an average of 73 percent of his home agents complete them. As with customer surveys, you need to make sure agents know that their feedback is actually being put to use. At West, general feedback on the survey results is sent to all home agents weekly. Feedback that's more complex, Hicks says, gets specific, one-on-one follow-up.

QUALITY RELATIONSHIPS

All the tools and perks in the world won't stop workers from leaving their place of employment if the relationship they have with their boss is poor. This could have special significance in the contact center, according to Ronald Hildebrandt, founder of performance management software provider Enkata. "At the end of the day, what we know from the research and our experience is that it's really about the employee-and-supervisor relationship," he says. "the whole adage of 'People join companies and leave bosses' is true even for call center agents. Addressing the people side of the equation is most critical."

However, this is easier said than done -- especially in the contact center. Hildebrandt explains that, in most cases, contact center supervisors are former agents who performed well and were promoted without getting the basic people-management training. Great performers do not automatically make good administrators --

just ask Michael Jordan. "McDonald's managers get more training than your typical contact center manager [gets]," he says. "Good management structure is better than spending \$50,000 upgrading a break room." Part of that structure should ensure that new supervisors know how essential it is to have a rapport with agents.

It's even more important that supervisors spend at least 70 percent of their time coaching their reps -- and "coaching" means something more than hourly screams of 'stop putting people on hold!' 'side-by-side coaching is essential," Hildebrandt says. "Not just sitting in on calls, but personal one-on-one time that comes when agents are off of the phone. That way, you're getting into the agent's head and understanding what they need to be successful. That's the most critical piece most people typically miss."

The results of the personalized coaching that Enkata pitches to clients are best seen in one of CRM magazine's 2008 Service Elite winners: By upping the coaching -- among other improvements in unification of agent metrics -- JPMorgan Chase's Chase Card Services boosted morale, decreased agent turnover, and saved \$2.5 million per year in the process. [See "Credit Where Due," April 2008, for more on the award-winning deployment.]

IS TECHNOLOGY A PANACEA?

There is one common thread among many of the possible methods of boosting agent morale: technology. But is technology really a cure-all for a problem that's become consistently worse in the last 10 years? Workforce management (WFM) solutions -- the umbrella under which e-learning, scheduling, performance management, and quality monitoring fall -- seem to have great promise. According to a recent study from DMG Consulting, the WFM market grew by 15 percent last year, and is primed to make its largest jump ever in 2008, with 20 percent growth.

However, Jim Rembach, senior vice president of Customer Relationship Metrics, a provider of customer experience research consulting and managed services, says that his firm's statistics suggest that the expected growth may not happen: Its 2008 Workforce Management Practices Study finds that dissatisfaction with the WFM process jumped to 47 percent this year, compared to 38 percent in 2006. Dissatisfaction with the WFM software itself also increased, albeit at a slower clip: 46 percent in 2008 compared to 41 percent in 2006. Coincidentally, agent turnover seems to be exacerbating the technology troubles: Employees are less experienced overall, including in the use of WFM software; 18.5 percent of respondents say they have had less than 10 hours of total training on the technology, compared to 13.3 percent in 2006.

Rembach maintains that even though the growth in dissatisfaction is not large, statistically speaking, the decrease in training time suggests the situation will not improve any time soon. "to me, [the results] are kind of an oxymoron," he says. "You have newer people and less training. How does that work?" Innovation, he adds, is actually making these solutions more complicated to use. So, if training continues to decline, dissatisfaction in WFM products will continue to increase.

Rembach believes that the onus is on companies to take the time to adequately train their people, so that unnecessary blame does not fall back on the vendors providing this technology. "I think we need to meet and address [this technological gap] head on," he says. "It's not just about buying the application. You have to train your people, and give them the proper support. Make sure people don't purchase a solution without the training and support to go along with it."

Barring a shift in perception, Rembach says, the vicious cycle will continue -- and will continue to damage the WFM market. "I think we're at a precipice," he says. "You can't keep driving toward the cliff. This is an opportunity to take a detour." He's not ready, however, to ring the death knell. "I see this as an opportunity, and hopefully it'll be seen that way," he adds.

Verint's Brown agrees. "It's not just about technology -- it's how you use it," he says. "We need to help customers in the journey toward adopting these new technologies so they can use them effectively. Quite frankly, I'd say it's an opportunity for us to work with our customers to continue to do better in this space."

The journey toward improving agent morale may have taken many detours -- especially in the last decade -- and perhaps complete satisfaction will always remain out of reach, but Brown says that's no reason to stop trying. "If we heard that everyone was completely satisfied, then that would be very gratifying, and maybe that's a spot we'll get to in a few years," he says. "But there's still plenty of work for us all to do."

SIDEBAR: Giving Yourself Over to a Hire Power

Much thought is given to how to keep contact center agents happy -- and morale high -- in the workplace, but often what gets lost in the mix is hiring the right people for the job in the first place. Paul Stockford, chief analyst for Saddletree Research, says that the contact center industry is still putting the cart before the horse. "I've tried getting people to think along those lines for years," he says. "The industry just doesn't seem ready for it."

To Stockford, the turnstile manner in which many contact center agents come and go from companies has simply been accepted as a fact of life. "The turnover problem has just become such an ingrained part of the call center industry culture that people just assume that it's the way it always has been, and it's the way it always will be," he explains. "So why even bother trying? We'll keep a steady flow of warm bodies coming through the door to replace all the people who leave."

Stockford argues that a supervisor's efforts to make agents happier won't matter if they already don't like their job. "I don't think there are enough pizza parties in the world to keep somebody in a job they don't like," he says. That's why it's extremely important, he says, to invest in hiring software to find the right employees for the job, right out of the starting gate.

While many companies sell hiring software, Stockford says that when they try to enter the contact center industry and pitch their wares they're not always met with open arms. "I've had experience personally with companies that have tried to get into [the] call center business -- and a year later they throw up their hands in frustration and say, 'Forget it, we're out of here,'" he recalls.

One business that has not given up is FurstPerson, which provides contact centers with employment screening software, outsourcing, and consulting. According to the company's president and CEO, Jeff Furst, a major hurdle his company initially faces with prospective clients stems from misperception -- both about the functionality and the financial value of the testing. All it takes, he says, is some education and hard data to sway hesitant prospects. "If you reduce attrition by 3 percent, you probably have tripled your investment on any type of testing," he says. "In our data, \$4,500 is the average variable cost of attrition for a front-line representative at a contact center -- and [that amount] covers a lot of tests."

Furst admits there's no single answer to be found in testing, but says that a mix of different testing forms can greatly improve the chances of hiring the right people. He adds that if you test a job candidate's personality, work ability, and work habits, and conduct a behavior- or competency-based interview, "the combination...makes for a nice, predictive process that should ultimately help clients reduce turnover and hire people who will perform better."

SIDEBAR: The (Service) Cultural Imperative

Workforce management tools? Flexible schedules? Working remotely? Not necessary. Not if you ask anyone who's traveled to Japan and observed its contact centers. Based out of New York, Diana Kyser is the vice president in charge of customers at TheLadders.com, a Web site that offers resources and content to job-seekers targeting salaries of more than \$100,000. She recently was one of 14 employees selected to make a pilgrimage to Japan in order to observe training practices and strategies at customer service centers there.

Kyser says that she was blown away by the radical difference in culture compared to her experiences in America. "In Japan there are no incentives," she says. "You don't tip people and [they] don't expect bonuses. I think it's a lot less entitlement-based than we are here in the States: We often have poor morale because people don't feel appreciated and get yelled at all day." This lack of appreciation melted once Kyser hit the Asian side of the Pacific Ocean. "Agent turnover and the outlook toward customer service are different [in Japan]," she says. "It's more of a venerable position. People in the call center we visited have been on the phones for 25 years."

Contact center agents must think deeply about the true purpose of their jobs, and that shift is the first step toward changing the negative perceptions of their work. "I think that we have lost our focus on how

important it is to serve other people," Kyser posits. "Especially with the Internet, everything's so impersonal [today]. [Agents] have to reintroduce the human element and make it something that's respected again."

Contact Editorial Assistant Christopher Musico at cmusico@destinationCRM.com.

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