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Engaged Agents Equal Happy Customers Equaling Good Business

Enhance overall contact center performance with a unified Workforce Optimization (WFO) solution that creates empowered, skilled, motivated and engaged agents

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This white paper discusses how a unified Workforce Optimization (WFO) solution can help create empowered, skilled, motivated and engaged agents who drive overall contact center performance. The paper explores the premise that engaged agents equal happy customers and happy customers in turn equal good business. This is not complicated. It is simply the application of time honored staff development methods combined with the latest Workforce Optimization toolset. The combination can deliver significant improvements in every area of your contact center.

Section 1: Workforce Optimization and Business Objectives

Let's start with fundamental business objectives. Nearly any contact center has one or more of the following key drivers:

• Customer Service – CSAT: Happy Customers

• Meet Service Level Agreements: Happy Customers

• Revenue Growth, Reduce Costs, Increase Margins: Good Business

• Deliver Compliance & Fight Fraud: Good Business

• Revenue Growth, Reduce Costs, Increase Margins: Good Business

• Improve Employee Satisfaction and Staff Retention: Engaged Agents

Although these objectives are well understood and extensively pursued, the last should perhaps receive the most focus. Improving employee satisfaction and ensuring agents are engaged are essential to securing happy customers and delivering good business results.

Contact centers traditionally look to optimize the needs of the customer with those of the business. It's a tricky balancing act, a constant struggle to meet increasing customer expectations against the need to stay cost competitive in a hyper-competitive world. This balancing act is critical, and the Avaya Workforce Optimization solution delivers upon this promise. But it's not enough. Unless you also focus on improving employee satisfaction and staff retention – elements of employee engagement – in the contact center, you will struggle to meet your other objectives.

Look at the issues contact centers face today. Fundamentally, customers are not happy with the service they receive. Seventy percent say they often know more about the problem than the agent does. As a result, 58% say they get better help from other consumers than from contact center agents.[1] Businesses have lost control! Even worse, this is very demotivating for agents. They know customers don't trust them and they may lack the skills to address customer issues. Consequently, top performers leave, a trend only accelerating with an increasingly mobile labor force. A 2006 survey found that 10% of top performers said they planned to leave their current employer within a year. In 2010, the same survey reported this had increased to 25%.[2]

Clearly, one goal must be to address the needs of the agent. How do you ensure that they become and stay engaged, giving you the "discretionary effort" that spells the difference between mediocrity and success? An important clue is to understand why agents leave. If you can identify what makes them unhappy and disengaged, you can change the equation.

Agent Attrition

For most contact centers, agent attrition is a major problem. Annual attrition in the contact center is estimated to be about 30 percent,[3] although some contact centers have yearly attrition rates of more than 100 percent.[4]

Research by InContact in 2012 showed agent attrition to be the number one obstacle to achieving contact center goals.[5] The InContact study highlights how important it is to solve the agent attrition challenge by examining the hidden cost. InContact found that the true cost includes not only the recruitment and new hire training expense, but also hidden costs from the time an agent starts training until they reach full proficiency. High attrition rates keep more agents in this window of semi-effectiveness. Even worse, the agents in this first 90-day window are not up to speed and cannot deliver the customer satisfaction rates businesses require. So the contact center that fails to address the issue of agent attrition incurs extra expense and poor service.

Reducing Agent Attrition

The InContact study identifies the most effective methods to combat and reduce agent attrition. The top three methods involve:

• Increasing training and communications to existing agents

• Increasing supervisor – agent coaching interactions

• Improving new hire training and nesting

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[1] Avaya/BT: "The Autonomous Customer: Customers' attitudes towards channels, communications, and customer relationships," February 2013, p. 9.
[2] Harvard Business Review May 2010
[3] "Working Successfully with Gen Y," Kevin Childs, Becky Thorne, and Kate Donovan, Manpower Group, Call Center Times.com, Jan. 1, 2013.
[4] "Contact Center Turnover is a Fact of Life that Must Be Tracked and Managed," blog of Kate Leggett, Forrester Research Inc., May 6, 2013.
[5] The True Cost of Attrition- InContact – 2012

Interestingly, increasing an agent's salary is the least effective method of retention. Research from ICMI/Avaya also confirms this.[6] If you want engaged agents, then you need to focus on agent development and coaching.

By implementing a Workforce Optimization solution that helps boost agent development and coaching opportunities, businesses can increase agent engagement while significantly reducing their attrition challenges. The solution should provide:

• Proactive and regular coaching sessions with timely, accurate and relevant contextual key performance indicators (KPIs), call evaluations, and preparatory learning

• Assessments and evaluator calibration to fairly measure agent performance

• Self-service options that allow agents to manage their requests for holidays, time off, and schedule preferences

• Tools for agents to monitor and manage their own performance

• Opportunities to identify competency gaps and receive role appropriate training, delivering the skills required to create knowledge workers

A Unified WFO solution

To better meet business goals and agent needs, organizations can benefit from a unified Workforce Optimization solution; one that brings together Quality Monitoring, Workforce Management, eLearning, Coaching, and Performance Management Scorecards. Although each application plays an important role in service delivery and agent engagement, workforce management plays a particularly important role.

Impact of Workforce Management on Agent Retention

Over the past few years, Workforce Management (WFM) solutions have evolved considerably, adding agent interaction functionality to applications that were previously focused almost exclusively on the scheduler/analyst. At first, the interaction was largely one-way, permitting agents to view their schedules using a standard web browser. Far from just a convenience, this was a necessity for management teams —increasingly pressured to control contact center labor costs — that engaged in intra-day reforecasting and rescheduling to accommodate agent breaks and lunches.

As Web technologies improved and agents became accustomed to viewing their schedules on the Intranet, more agent-facing functionality was added. Vacation and time-off planning were among the emerging capabilities. With this functionality, center management can examine historical transaction demand and decide how many vacation slots to make available each week. For centers that experience seasonal peak traffic, managers can sharply restrict or even eliminate vacation slots altogether during key periods. The process to

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[6] ICMI, "Driving Agent Attrition: The Affect (sic) of Salary, Attrition Goals and Satisfaction on Turnover," Avaya-Sponsored Research, 2012

request and gain approval for vacation time is made explicit, helping erase worries about favoritism and unfair practices. Agents trust the system, and front-line managers can focus on other matters. These self-service tools go a long way toward engaging your agents and are excellent examples of how technology can improve the work experience and benefit agents.

WFM: Facilitating Agent Self Service

More recently, WFM software has expanded agent-facing functionality to address another important agent concern — their assigned schedules. Although WFM scheduling engines have become more sophisticated and powerful, not all agents receive schedules that meet their preferences and desires. No scheduling engine could ever match demand with staffing while still granting each agent his or her work preferences. Therefore, it's a common occurrence in contact centers for some agents to receive a schedule that they would rather not, or simply cannot, work. For example, an agent may be assigned an 8 a.m. start time on Tuesday, but a personal commitment to accompany their parent that same day to an 8:30 a.m. appointment creates a conflict. The best WFM solutions can get very close to optimizing these needs. Best of breed WFM solutions allow agents to enter their preferences, indicating whether a day off or a particular start time is more important.

The best WFM solutions also provide shift-swapping capabilities, where agents use the tool to offer either one-way or two-way shift swaps. In a one-way swap, another agent agrees to work the Tuesday morning shift used in the example above. Alternatively, in a two-way swap, another agent takes the Tuesday morning shift while the agent with the conflict agrees to take the Tuesday afternoon shift originally assigned to the other agent. The software maintains a bulletin board of sorts that lists all the proffered shift swaps.

Organizations can establish business rules within the software to help ensure that shift swaps make good business sense. For example, the software would not permit an agent who speaks only English to swap shifts with a Spanish-speaking agent, or allow a shift swap that puts an agent into overtime pay hours. Adding shift-swapping capabilities to WFM software is a key component in pleasing agents. It allows agents to control their work schedules without encroaching on front-line management time. Agent empowerment and engagement is the result.

Accelerating Evolution - Performance Management for Motivated Agents

While the change in focus from WFM analyst to agent population is a positive development, WFO solutions are poised for an even bigger evolutionary jump, driven by the growing requirement for greater contact center effectiveness. The renewed emphasis on agent effectiveness and agent engagement is having a profound impact on what had been a purely efficiency-oriented solution.

Best practices from human behavioral science suggest that effective performance feedback should occur daily, be data-driven, private and also

provided within the larger context of what's expected and how they are performing in relation to their goals and peers. Feedback with these characteristics tends to confer greater ownership and responsibility for performance upon the employee.

The best WFO solutions now include performance feedback in the form of Performance Management Scorecards. Familiar ACD measures, such as average handle time and the number of incoming calls handled, are displayed to agents within their browser application. The Quality Monitoring application feeds in key agent performance data, while the WFM application can add adherence-to-schedule measures. At the most fundamental level, agents can see how they are doing in relation to these familiar measures. In advanced centers, agents also can see what performance goals have been established and learn how their peers are performing against those same goals.

This is a tremendous benefit to both agents and center management. Unambiguously knowing what is expected and how one is doing within the context of one's peers is truly empowering. To know, on a daily basis, the unvarnished truth about your performance separates agents into two groups: those who care about, are motivated by, and take ownership for their performance, and those that do not. Successful centers have more of the former and fewer of the latter. This is the very definition of employee engagement.

Development and Coaching Creates Engaged Agents

Given the new contact center environment, driving agent engagement will take more than simply adding performance feedback to WFO solutions. Agents need to be developed and coached.

To address their development, agents know they need more coaching time from their front-line managers. However, coaching time is already in short supply, and new demands for coaching may well go unmet. While elements of WFM functionality exist to help free managers from administrative and other low-payoff tasks, there is nothing inherent in WFM solutions that addresses agent development or increases the coaching output from supervisors.

Conventional WFM solutions have been all about efficiency, but they do not take into account agent effectiveness. Many center management teams find that their WFM solutions do a great job of efficiently scheduling agent teams that are decidedly mediocre, and, even worse, disengaged. Taking the next step in contact center evolution, WFO solutions are transforming to blend and include the eLearning, performance management, and quality monitoring capabilities that can drive agent development and coaching needs.

For example, performance management scorecards can inform agents about their performance, while apprising team leaders and supervisors about the skill gaps existing within their teams. With both agents and supervisors informed and motivated to improve performance, the success formula simplifies into filling the identified skill gaps.

Quality Monitoring (QM) is undergoing its own dramatic evolution. Good QM solutions now include strong calibration capabilities. Nothing can upset an agent more than the perception of unfair treatment. Good QM solutions include strong evaluator calibration functions to help ensure that all the assessors judge a transaction in the same way. QM solutions also frequently provide the functionality to transform a high-quality interaction recording into an eLearning "knowledge clip." This short learning session can be assigned to agents whose performance suggests they would benefit from it. Of course, the WFM schedules these knowledge clip assignments when they will have minimal impact on service delivery.

Aided by workforce optimization solutions, team leaders and supervisors can leverage and multiply their available coaching time to the benefit of their agents. Experience shows that certain subjects are successfully taught through electronic means, while other subjects require one-to-one coaching. eLearning is very well-suited for supplemental training on certain soft skills and aspects of product and service oriented transactions. On the other hand, one-to-one coaching is better suited for addressing issues such as attitude, phrasing and general behaviors. Instead of depending on scarce one-to-one coaching time for all agent improvement efforts, eLearning offers a way to expand, enrich and multiply the effective coaching time of the front-line management team. This combination is what agents need; focused, targeted and timely development.

Unified Workforce Optimization Creates Engaged Agents

Removing boundaries between applications and integrating software solutions with processes creates a synergy that can greatly benefit the contact center. To illustrate this, take the common contact center practice of reinforcing desired agent behaviors. Many centers engage in internal quality monitoring and produce a quality score for each agent over some time interval, such as bi-weekly or monthly. By rewarding high-quality agents, businesses can motivate their entire agent population to strive for better service delivery.

Centers with complete WFO solutions can develop an effective reward strategy that capitalizes on the value agents place on favorable work schedules. Most WFM solutions require analysts to use a rank-ordering scheme to grant agent work schedule preferences. A unified WFO solution uses quality monitoring scores to stack-rank agents, assigning the top-ranked agents to the schedule they desire.

Alternatively, users can choose KPIs that are available in the performance management solution and use them on scorecards, to drive schedule preferences, and trigger certain eLearning sessions. These are powerful ways interoperable systems can impact agent engagement, performance and behavior.

Performance feedback, workforce management, quality monitoring, coaching, and eLearning synergistically combine to provide a formidable array of tools and streamlined processes that helps improve both efficiency and effectiveness. Performance feedback informs both agents and team leaders of individual skill gaps. Quality monitoring processes capture examples of high-

quality interactions that can be transformed into gap-closing knowledge clips. Workforce management solutions identify the most opportune time to remove agents from servicing the queue, so they can complete eLearning assignments. Schedule adherence processes help ensure agents attend the scheduled lesson. And, in a closed loop fashion, performance feedback informs both the agent and the team leader about the beneficial impact of the learning clip content.

The overall result is a flexible and skilled workforce comprising engaged, motivated and skilled agents. Additionally, because these disparate processes are now tied together, management can focus on other tasks instead of serving as process linkage points or massaging data into actionable information. With less administrative overhead and more refined processes, center management and agents can reach the next level of economic value and maturity.

Section 2: The Benefit of Engaged Agents is Happy Customers

By creating engaged agents, you also bring benefits to your customers. Research by LiveOps has shown that 92% of consumers surveyed report that an agent's perceived "attitude" has a direct impact on their customer experience with the brand.[7] In 2012, ICMI researched the "top 50 call centers" and found that the top 10 had more engaged and satisfied agents than those firms that finished outside the top 10. [8]

Even more straightforward results from a 2005 Gartner report found that for every 1% increase in agent satisfaction, there was a corresponding increase of 0.53% in customer satisfaction.[9] According to Gartner, the role of a call center agent varies across industries, organizational divisions and business models. An organization may have numerous agent types to meet specific objectives, ranging from simple customer inquiry logging to sophisticated business-to-business technical support problem resolution. However, the effect those agents have on the customer experience and operational expenditure is common across all environments. Consequently, creating appropriately skilled, highly motivated, happy, rewarded agents (or "brand champions") is key to customer satisfaction.

Leaders in customer experience have more engaged employees. According to Temkin Group, 75% of employees in companies with above average customer experience are highly engaged. This compares to only 30% of highly engaged employees in customer experience laggards.[10]

[7] Happy Customer Service Agents Positively Impact Customer Experience and Brands' Bottom Lines- LiveOps - March 18, 2013
[8] ICMI, Call Center Benchmark Study, 2012
[9] The Gartner Group. Agent Esteem and Self-Actualization Are Key to Customer Satisfaction— 26 August 2005
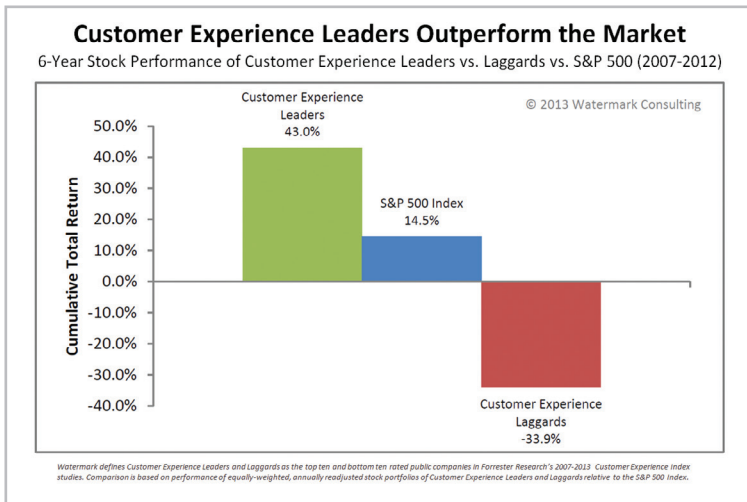[10] Temkin Group, Employee Engagement Benchmark Study, January 2013.

Section 3: Do Happy Customers Equal Good Business?

This paper has shown that engaged agents do equal happy customers, but the case has yet to be made that happy customers will then be good for business. Several leading analyst firms have done research on this concept, and delivered empirical evidence indicating happy customers will indeed buy more of your products and recommend them to others.

The Annual American Express Global Customer Service Barometer has consistently measured this over the years. It has found that 7 out of 10 consumers are willing to spend more money with a company that provides good customer service. Findings reveal the average additional spend is a significant 13% more. [11]

In January 2013, the Institute of Customer Service published the "UK Customer Satisfaction Index" reporting that companies with customer satisfaction results that were higher than the sector average showed average sales growth of 9% and market share growth of 0.02%. By comparison, companies with customer satisfaction lower than sector average had average sales growth of 4% and average market share *declines* of minus 0.05%. Showing the link to sales growth is one thing, but linking customer satisfaction to shareholder value is a very powerful finding.

Figure 1: Stock Portfolio Changes between Customer Experience Leaders and Laggards

Source: Watermark Consulting

In North America, Watermark Consulting found an even more striking correlation over a six year period. Watermark Consulting – a U.S.-based customer experience advisory firm – studied the impact of customer experience on a company's share price. They compared two portfolios – one holding stocks in companies that lead customer experience and another with customer experience laggards. This was measured for five years, and examined the total return of a portfolio that held the top 10 publicly traded companies in the CXi and the total return of the bottom 10 publicly traded in the index. The laggards fell by 33.9% in spite of a small market average rise of 14.5%. By comparison, the CXi leaders gained a remarkable 43.0%.[12]

The markets notice and award higher valuations to companies that deliver a truly great customer experience. You can't afford to ignore customer experience!

Claes Fornell, the creator of the American Customer Satisfaction Index, reiterated to Customer Magazine in July 2013 what he has said for a long time — that a company's stock price is directly related to the quality of its customer satisfaction. He pointed out that in a competitive marketplace, it's extremely important to satisfy your customers — otherwise they will likely go elsewhere and take that revenue with them.[13]

[11] American Express 2012 Global Customer Service Barometer - 2012
[12] Watermark Consulting, Inside Out, 2013, www.watermarkconsult.net
[13] Paula Bernier, "The Father of Customer Satisfaction: Claes Fornell Shares His Thoughts on the Customer Experience," Customer Magazine, July 2013

These findings are not isolated examples. For more on this topic, read the 2006 publication "Customer Metrics and Their Impact on Financial Performance" by Sunil Gupta and Valarie Zeithaml, which collates multiple studies in this field.[14]

Your contact center plays a vital role in this journey. Research has shown that 92% of consumers form an opinion about a company's image through their interaction with the contact center[15]. It's vital that you make the most of these interactions.

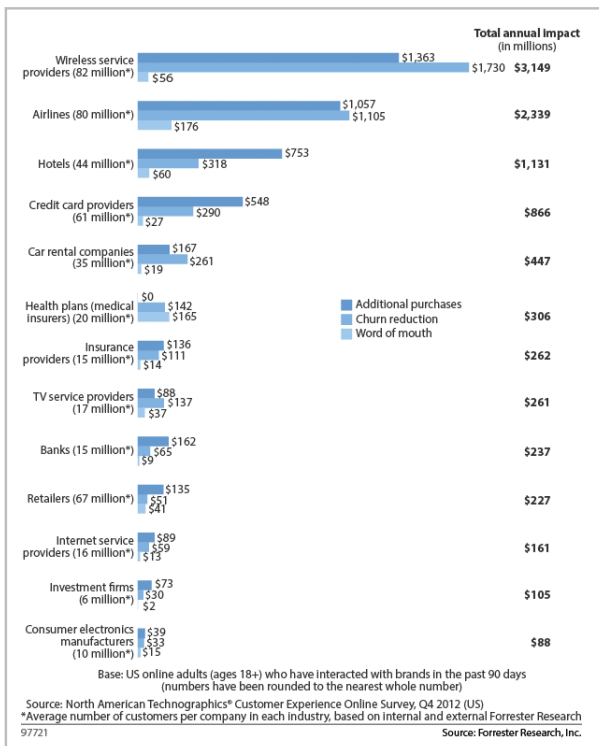## Section 4: Why do Happy Customers mean Good Business?

Figure 2: Positive Customer Experience Benefits by Industry

Although there's ample evidence that happy customers equal good business, the reasons for that equation remain unstated. The Forrester Group has done a great study on the topic[16], looking at the potential revenue benefit from the increased loyalty that is driven by improving experience. Forrester modeled three types of benefits:

• Incremental purchases

• Retained revenue as a result of reduced churn

• New sales driven by word of mouth referrals

For each of these reasons, Forrester attributed hard dollars in increased spending and reviewed the benefit in terms of customer lifetime value. The study showed that even small shifts in loyalty can translate into billions in incremental revenue. In addition, these benefits of customer lifetime value extended across all verticals. That's the difference providing an above average experience can make.

Higher revenues, greater wallet share, positive word of mouth and lower expenses are the result of happier customers.

Section 5: The Broader Impact of Engaged Agents

This white paper started by looking at how Workforce Optimization delivers five key benefits:

• Customer Service – CSAT: Happy Customers

• Meet Service Level Agreements: Happy Customers

• Revenue Growth, Reduce Costs, Increase Margins: Good Business

• Deliver Compliance & Fight Fraud: Good Business

• Revenue Growth, Reduce Costs, Increase Margins: Good Business

• Improve Employee Satisfaction and Staff Retention: Engaged Agents

[14] "Customer Metrics and Their Impact on Financial Performance" by Sunil Gupta & Valarie Zeithaml, 2006
[15] Benchmark Research
[16] Forrester Research, Inc., "The Business Impact Of Customer Experience, 2013", June 10, 2013, Maxie Schmidt-Subramanian with Harley Manning, Jason Knott, Molly Murphy.

Factors contributing to the creation of engaged agents have also been explored, such as improved employee satisfaction and staff retention, as well as the concept that engaged agents can drive customer satisfaction and, in turn, revenue growth and shareholder value. However, engaged agents also impact other key contact center drivers.

It is imperative that businesses have engaged, skilled and trained agents that can help meet regulatory compliance requirements and fight fraud. To meet stringent compliance requirement guidelines, agents must have the right WFO tools, as well as tools to quickly remedy occasional mishaps. If subjected to intimidation practices and denied access to the correct development tools, agents will quickly become disengaged. However, when the right tools are available, engaged and motivated agents will be in a much better position to understand and meet your compliance goals. The same applies when fighting fraud. Unfortunately, employees are involved in an increasing percentage of fraud.[17] Engaged agents are quite simply less likely to participate in fraudulent activities.[18] Whether fighting internal or external fraud, it is reasonable for businesses to nurture engaged and motivated agents that are more likely to spot and fight fraud in the contact center.

Reducing costs and increasing margins is a common goal in any contact center, and having engaged, skilled, empowered and motivated agents can help you reduce operational costs. In a study conducted by the Temkin group, engaged employees were found to be more productive.[19] Compared to their disengaged colleagues, engaged employees are almost six times more likely to be committed to helping the company succeed, and almost four times more likely to do something good for the company even when it's not expected of them.

When meeting service level agreements, the same principle applies. Better trained and engaged employees are more likely to help meet your goals. In addition, it is necessary to have a flexible workforce to weather the inevitable unexpected peaks and troughs in demand. It's here that a good WFO solution flourishes. Adding or cancelling overtime, rescheduling breaks and lunches, changing eLearning plans and schedules at short notice will all need to be done. Changes of this nature can cause an unmotivated workforce to become even more disengaged. In contrast, a well-managed and engaged agent workforce will take exceptional requests with flexibility, enabling you to meet your service level agreements.

Focusing on agent satisfaction and engagement can benefit every business objective of the contact center.

[17] CIFAS. "Staff Fraud Trends 2012"
[18] Hollinger Clarke, 1983
[19] Temkin Group, Employee Engagement Benchmark Study, January 2013.

Section 6: Next Steps - Bringing It All Together

Now that you understand the strategic benefit of a well-managed, motivated and skilled agent workforce that is equipped with the right tools, the next step is to take action. The specific actions necessary to achieve such a goal include:
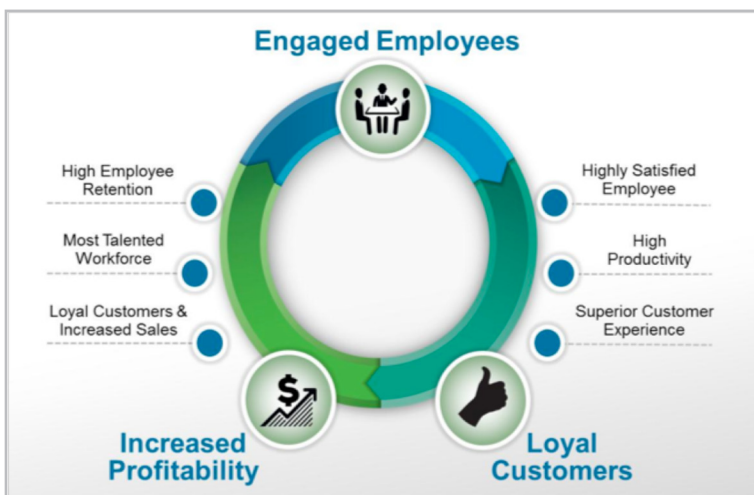
1. Invest in a Workforce Management solution that has the following web-based self-service capabilities that allow agents to:

   » Set their own preferences and availability including weighting the importance of days off vs. start time

   » View their own personal and team schedule

   » Swap shifts, offer shifts and see available shifts

   » Manage time off, holidays, and banked hours

   » Bid for shifts

   » View and then take their own eLearning assignments

   » View and review their own coaching sessions

2. Proactively and regularly conduct coaching sessions with accurate and focused data

3. Deliver role appropriate training in a timely and targeted way using appropriate coaching and eLearning tools to support these development efforts

4. Give agents the tools to monitor and manage their own performance with their own personal performance management scorecard

5. Use a QM solution that has superior calibration capabilities as well as integrated coaching and eLearning

6. Incorporate a WFO solution that integrates all the WFO components, providing agents with a single view of all their activities

Summary

The focus is shifting from simply creating efficient schedules to reaching new levels of efficiency and agent happiness and effectiveness. Unified WFO solutions now enable contact centers to refashion cumbersome processes, freeing front-line management to pursue high-payoff activities involving root cause analysis and one-to-one coaching. WFO solutions, coupled with streamlined processes, will help transform contact center cultures from tactically focused, white-collar factories into strategic operations in which employees are knowledgeable, motivated and understand what is expected, how they are doing, and how to improve their performance to achieve specific business goals.

The bottom line: an integrated and unified WFO solution is great for agents. It helps ensure they are

Engaged Employees

High Employee Retention

Most Talented Workforce

Loyal Customers & Increased Sales

Highly Satisfied Employee

High Productivity

Superior Customer Experience

Increased Profitability

Loyal Customers

About Avaya

Avaya is a global provider of business collaboration and communications solutions, providing unified communications, contact centers, networking and related services to companies of all sizes around the world. For more information please visit **www.avaya.com**.

treated fairly, development issues are spotted early, and coaching and eLearning are delivered in a targeted and timely way to empower, motivate and please agents. Do this and everyone wins - the agent, the company and its customers.

Learn More

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