

INTRODUCTION

One of the best places to start improving both customer and employee satisfaction or to ensure that customer satisfaction is taking place is to actually use employee feedback. Top performing customer and employee satisfaction call centers use employee feedback at all levels as one of their primary tools to ensure customer satisfaction is taking place and to make customer and employee satisfaction improvements. Customer representatives are in an excellent position to judge whether the people, processes and technology are working properly to provide quality service. It is also SQM's viewpoint that customers should be the judge for determining their level of satisfaction with the way the call was handled and if their call was resolved. However, in order to make meaningful people, process and technology improvements and to make the call center experience better for the customers who call and for the employees who handle the calls... ***let your customer representatives be a judge.***

This white paper will provide findings in the following areas:

- A.** Customer Representatives' Overall Satisfaction Working in a Call Center
- B.** Customer Representatives Importance Ranking of Call Center Attributes
- C.** Customer Representative Satisfaction Ranking of Call Center Attributes
- D.** Customer Representative Turnover Impact on Customer Satisfaction
- E.** Call Center Improvement Attributes
- F.** Customers and Customer Representatives Differences on What Attributes are Most Important When Handling a Call
- G.** Management and Customer Representatives Differences on What is Important on Performance Measures
- H.** Using Customer Representative Feedback for Improving FCR and Customer Satisfaction
- I.** How to Let Your Customer Representative be a Judge

As most managers know, it is important to get feedback at all levels from the customer representative to the vice president of the call center. However, there are always big differences between how the customer representatives and the call center management view things. For example, when SQM asks or surveys call center management on how well they are performing on their customer satisfaction improvement initiatives, they tend to provide very positive feedback and survey ratings. Specifically, through call center management survey ratings and direct feedback, SQM will get positive information about management's efforts for improving their customer satisfaction and first call resolution (FCR) performance. This will happen even when their customers rate their call center customer satisfaction the same or worse after the call center implemented the improvement initiatives. Call center management sincerely believe they have chosen the correct initiatives to improve customer satisfaction and have properly implemented them.

Conversely, in most cases, when SQM surveys customer representatives about the call center's customer satisfaction improvement efforts, customer representatives' survey ratings and direct feedback can be very negative. Specifically, customer representatives tell us their call center managers say that customer satisfaction is important but their actions don't match their words. They point out that management's attention and emphasis is really on the importance of average handle time, adherence to standards, call monitoring and selling. Customer representatives also tell us that management seldom communicates to them their customer satisfaction and FCR performance or provide coaching in these two areas.

The main reason for the big gap between call center management and customer representatives' viewpoint is that customer representatives are seldom asked for their opinion on how well call center management has implemented the improvement initiatives or how well customer satisfaction of FCR is managed. Also, most call center managers want to be the judge about how they have implemented improvement initiatives or how they are doing on customer satisfaction and FCR. In most cases call center management does not want customer representatives to be a judge and or does not realize the value of having customer representatives be a judge. The goal of this white paper is to encourage call center management to use employee feedback to make the call center experience better for the customers who call and for the customer representatives who handle the calls.

STUDY METHODOLOGY

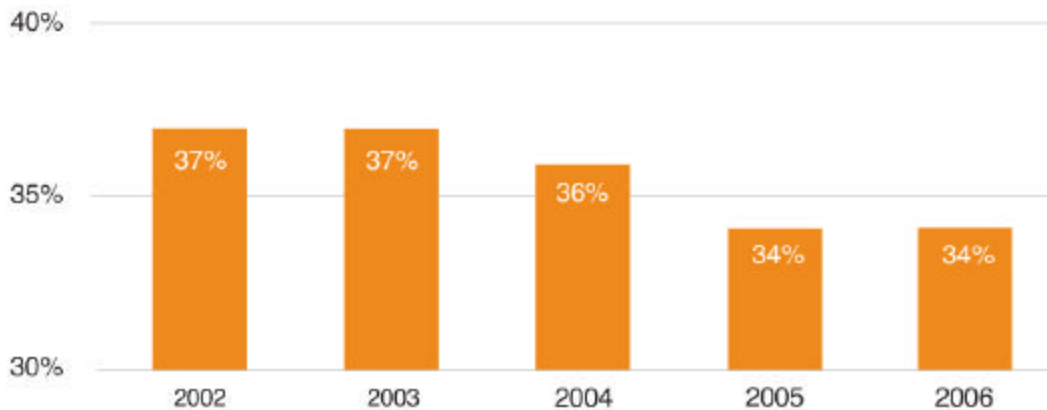
This white paper was commissioned by Manpower and is based on SQM's study of Letting Your Call Center Customer Representatives be a Judge. Employee survey data was collected from Nov 1, 2005 to July 31, 2006. Employee survey data is based on 17,658 online surveys of employees (customer representatives) who work in a call center. Customer data is based on 241,142 telephone surveys of customers who phoned a call center. Telephone surveys were conducted within 1-3 days of their call. 250 leading call centers in North America participated in SQM's benchmarking study including Marriott, Sears, Canadian Tire, TD Bank, Scotiabank, Royal Bank, GMAC, MBNA, Citifinancial, Discover Financial, Sun Life, Liberty Mutual, Rogers, Sprint, Bell, Purolator, etc. The average number of employees working in a call center is 405 with 265 being full time and 140 being part time, 22% are unionized and 78% are non-unionized call centers.

KEY FINDINGS

A. Customer Representatives' Overall Satisfaction Working in a Call Center

Customer representatives' overall satisfaction (top box very satisfied rating) for working in a call center has been declining since 2002. It is SQM's experience that getting feedback from customer representatives about what drives their overall satisfaction and dissatisfaction for working in the call center is critical to improving turnover, cost per call resolution, FCR, employee and customer satisfaction performance. Furthermore, SQM research shows that calls are becoming more complex resulting in substantial increases in call average handle time and that simple calls are being handled through automated self service contact channels. Also, SQM's research shows that the number one factor for FCR performance declining is higher than normal employee turnover.

Chart 1. Customer Representatives' Overall Satisfaction Working in a Call Center



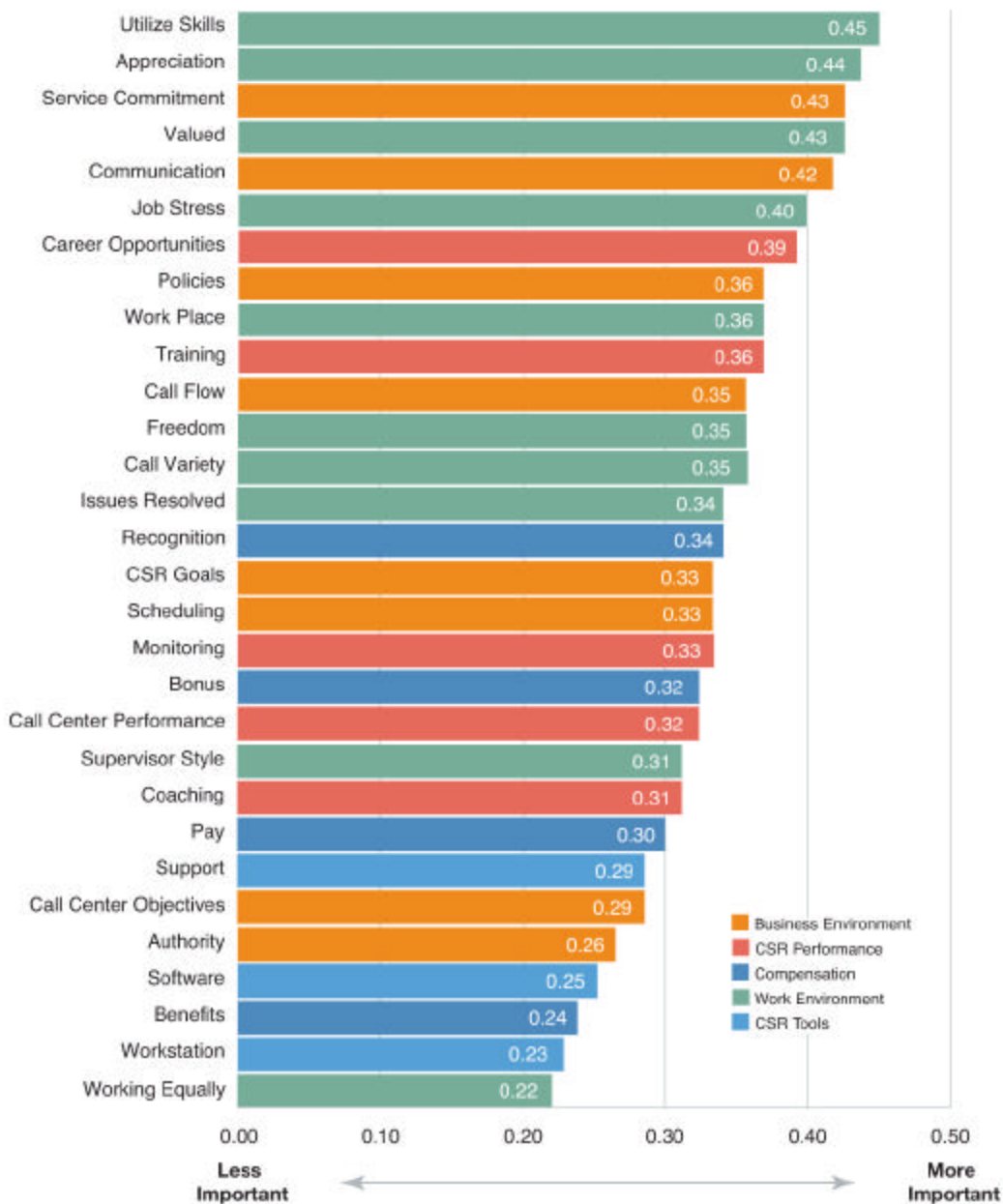
Main Findings / Implications:

- *Customer representatives' overall satisfaction for working in a call center has been declining since 2002*
- *Calls are becoming more complex resulting in substantial increases in call average handle time and simple calls are being handled through automated self service contact channels, resulting in customer representatives having to deal with tougher calls*

B. Customer Representatives Importance Ranking of Call Center Attributes

Chart 2 key findings shows the attributes that are most important to customer representatives working in a call center. Specific attributes that are most important to customer representatives are attributes that we categorize as the working environment such as utilize skills, appreciation, valued, job stress, work pace, freedom, call variety, and issues resolved. Attributes SQM categorizes as compensation such as bonus, pay, benefits and the CSR tools category such as online support, software desktop applications, workstation attributes are less important to customer representatives.

Chart 2. Customer Representatives Importance Ranking of Call Center Attributes



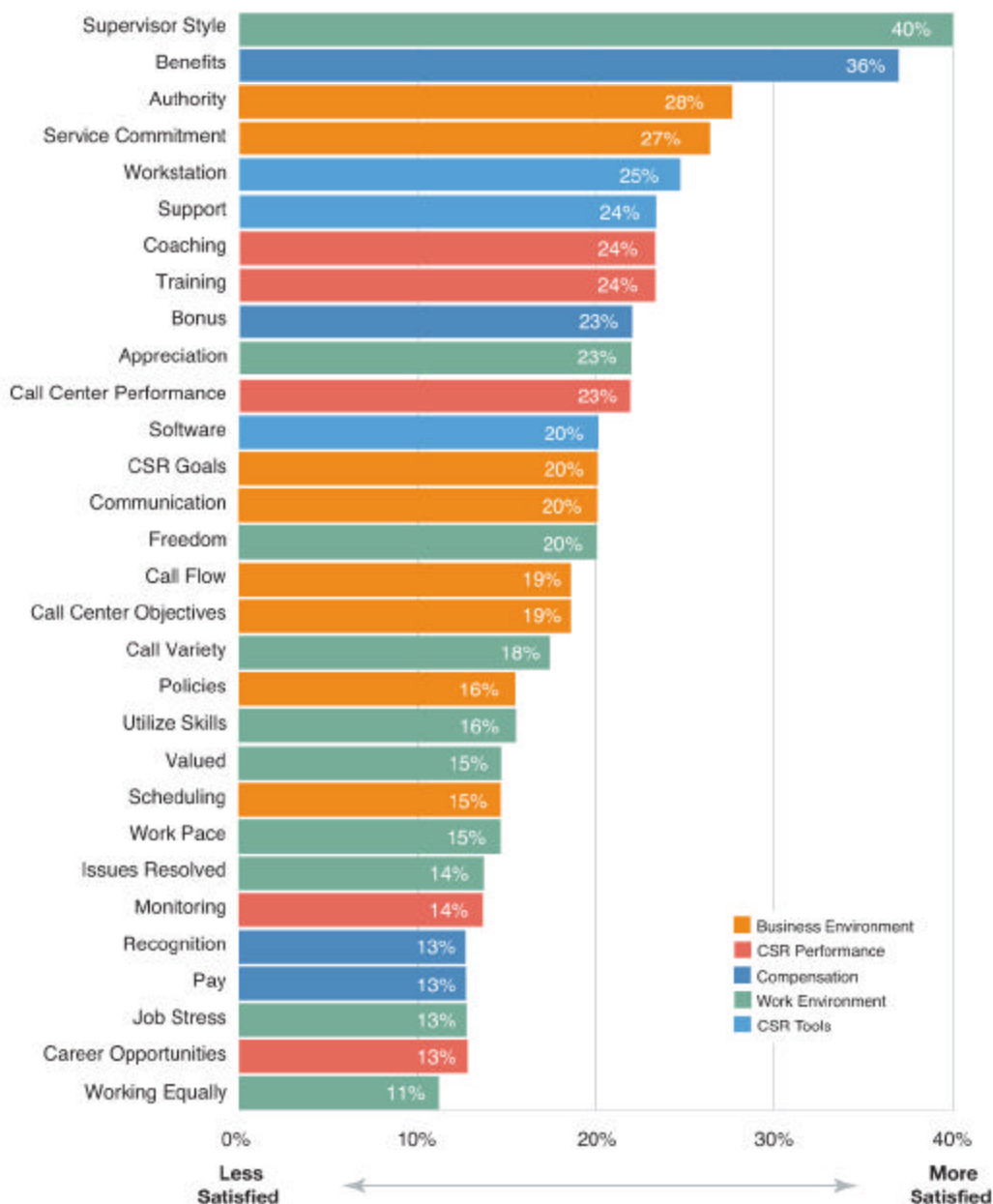
Main Findings / Implications:

- *Working and business environment categories have the biggest impact on customer representative satisfaction because they consist of attributes that are most important to customer representatives*
- *SQM's research shows that there is a clear correlation between employee and customer satisfaction, especially in complex call centers*

C. Customer Representative Satisfaction Ranking of Call Center Attributes

Chart 3 key findings shows the same attributes as chart 2. However, in this chart we show how very satisfied (top box) customer representatives are with each call center attribute and its ranking. Specific attributes that have the lowest levels of customer representative satisfaction are attributes that SQM categorizes as the working environment such as utilize skills, valued, job stress, work pace, freedom, call variety, and issues resolved. Attributes SQM categorizes as compensation such as pay, recognition, rewards and the CSR performance category such as career opportunities based on performance and call monitoring also have low levels of customer representative satisfaction.

Chart 3. Customer Representatives Satisfaction Ranking of Call Center Attributes



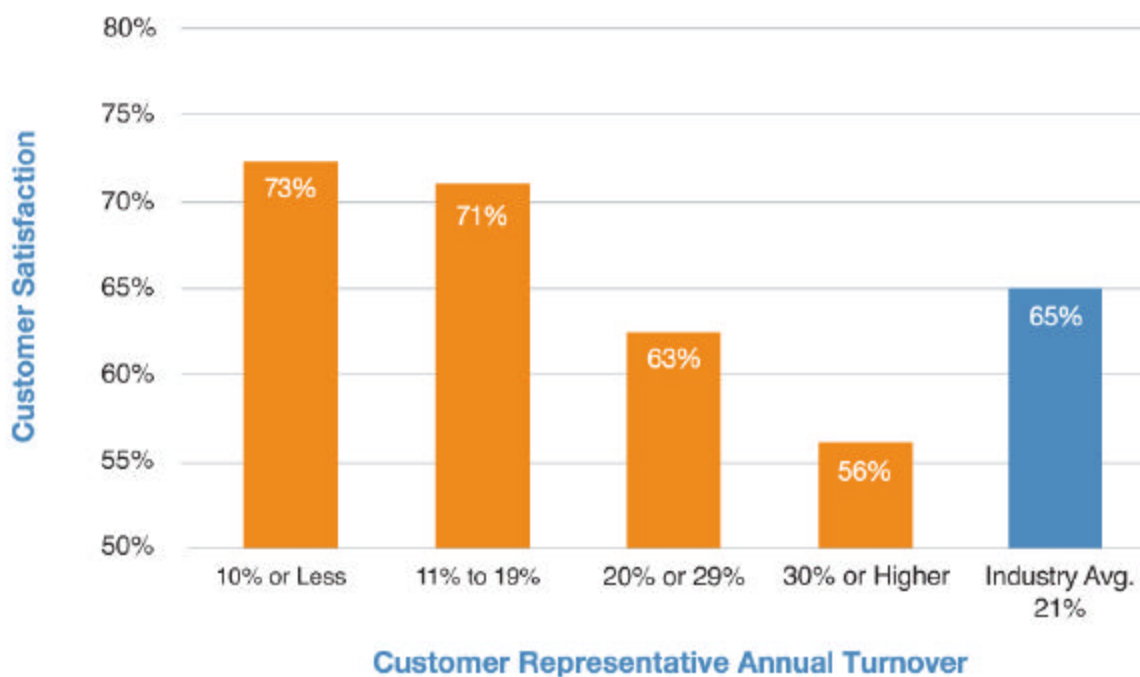
Main Findings / Implications:

- *Majority of call center employee attributes have 28% or lower very satisfied ratings, resulting in an overall low satisfaction for working in a call center*
- *SQM's research also shows that the average customer representative works in a call center environment for only 3 years and the longer they stay the more dissatisfied they become with the above attributes*

D. Customer Representative Turnover Impact on Customer Satisfaction

Chart 4 key findings shows customer representative turnover impact on customer satisfaction. SQM's research shows that areas that cause employee dissatisfaction (chart 3) are the same areas that cause employee turnover. Based on over ten years of SQM call center customer and employee satisfaction benchmarking studies, we discovered that high customer representative turnover is the number one factor for why call centers have low FCR and customer satisfaction performance, especially in moderate to high complexity call centers. As you can see from the chart below, for call centers with 10% or less customer representative annual turnover, customer satisfaction average is 73%. Conversely, for call centers with customer representative annual turnover of 30% or higher, the customer satisfaction average is 56%.

Chart 4. Customer Representative Turnover Impact on Customer Satisfaction



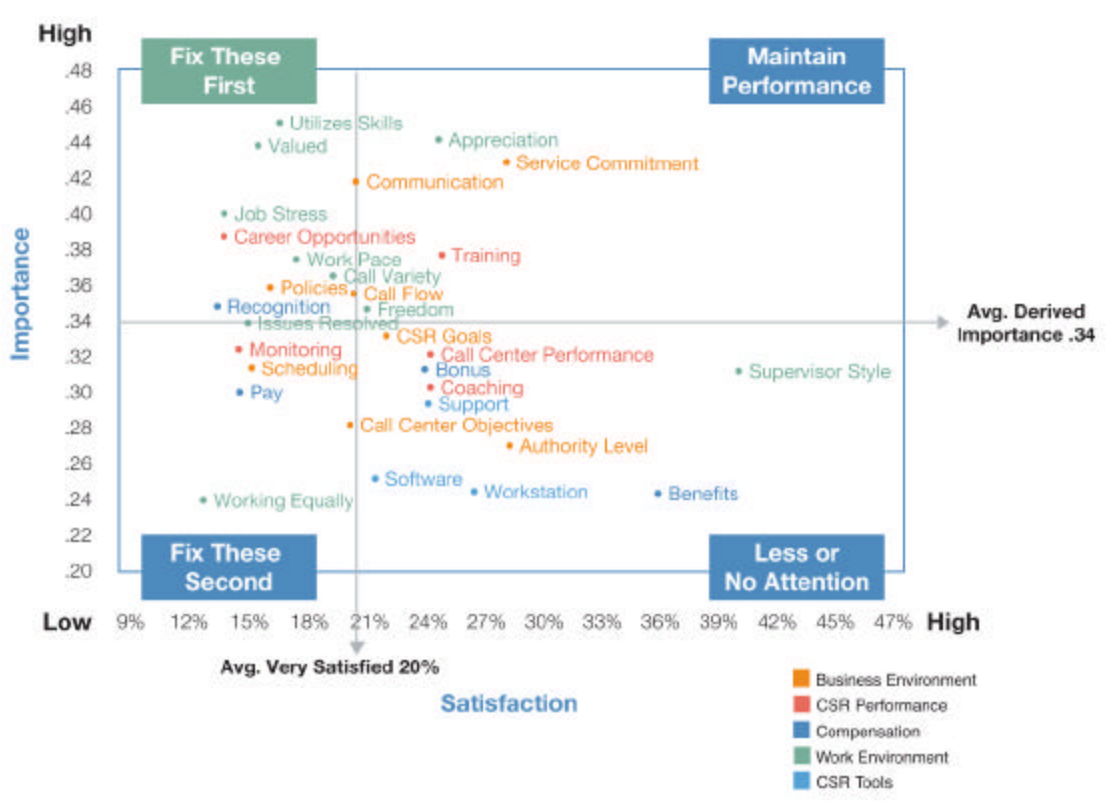
Main Findings / Implications:

- *The higher the customer representative turnover, the lower the customer satisfaction*
- *SQM's research shows that areas that cause employee dissatisfaction are the same areas that cause employee turnover*
- *For customer representative turnover of 30% or higher, our studies show that the average number of calls required to resolve the customer's inquiry is 2.1 versus the industry average of 1.5*
- *Average call center cost for one new hire customer representative is \$7,400. The higher the turnover, the higher your call center operating cost*

E. Call Center Improvement Attributes

Chart 5 key findings shows targeted opportunities for improving customer representative satisfaction for working in a call center. Attributes that are in the “fix these first” quadrant met the criteria of higher than average importance and lower than average customer representative satisfaction. As you were shown in charts 2 and 3 the category of working environment and the specific attributes of this category such as utilize skills, valued, job stress, work pace, freedom, call variety, and issues resolved show up as “fix these first” targeted opportunities for improvement. Therefore, improving the working environment area is critical to improving both employee satisfaction and turnover. Again, SQM’s research shows that areas that cause employee dissatisfaction are the same areas that cause employee turnover. When call complexity is moderate to high (call length is 5 minutes or longer) the correlation between employee satisfaction and customer satisfaction is very high. Therefore, in moderate to high call complexity call centers it is imperative to improve customer representative satisfaction.

Chart 5. Call Center Improvement Attributes



Main Findings / Implications:

- The working environment category is the most important to customer representatives and also the category with the lowest satisfaction ratings. Attributes in the working environment category need to be prioritized for improvement
- Compensation category, while low in satisfaction ratings is not high in importance for driving customer representative satisfaction. For this reason for most call centers it is not a priority for improvement
- Improving customer representative satisfaction in moderate to high call complexity call centers improves customer representative turnover cost, customer satisfaction and cost per call resolution

F. Customers and Customer Representatives Differences on What Attributes are Most Important When Handling a Call

Chart 6 key findings shows what customers feel are the most important attributes when they call versus what attributes customer representatives feel are most important when handling a call. There are major differences between what attributes customers and customer representatives feel are most important for handling a call. The attributes with the biggest gaps are authority, summarizing and polite. Both the customers and customer representatives feel that call resolution is the most important attribute for handling a call.

Chart 6. Customers and CSRs Handling of a Call Attributes Importance Ranking

Attributes	Customer Ranking	Employee Ranking	Gap
Call Resolution	1	1	0
Authority	2	12	-10
Helpfulness	3	5	-2
Valued	4	8	-4
Caring	5	6	-1
Knowledge	6	2	4
Listening	7	3	4
Summarizing	8	14	-6
Confident	9	10	-1
Call Length	10	13	-3
Polite	11	4	7
Wait Time	12	7	5
Greeting	13	11	2
Voice Menu	14	9	5

Main Findings / Implications:

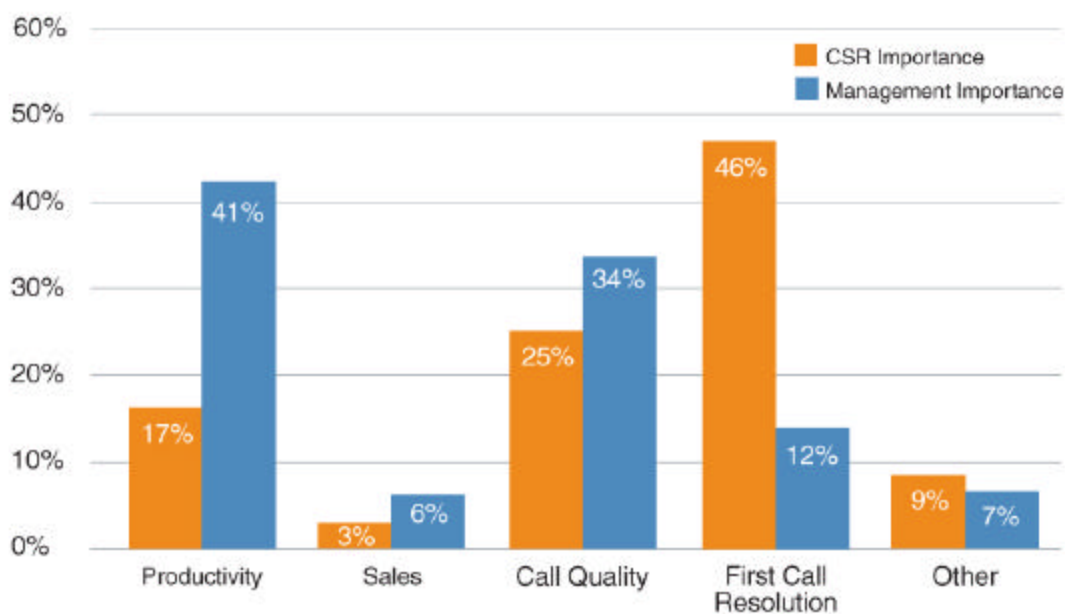
- *The first biggest importance gap is the authority attribute. The main reason this gap exists is that from a customer representative’s point of view if they don’t have the proper authority level they can transfer the call. From a customer’s point of view, they want the first customer representative they speak with to have the proper authority level to resolve their call*
- *The second biggest importance gap is the politeness attribute. Customer representatives are measured through call monitoring on their politeness and therefore believe that politeness will improve their customer satisfaction. In fact, politeness is a customer expectation and at best it will give you only a “C” on the customer report card. However, if CSRs are not polite, customers will give you a “D or F” on your report card*
- *The third biggest importance gap is summarizing the call. Most call monitoring practices do not use a summarizing the call metric on their call monitoring form. Hence, customer representatives do not summarize the key aspects of the call. Yet, customers want customer representatives to summarize the key aspects of the call or the next steps required to resolve the call, especially when the call is complex*



G. Management and Customer Representatives Differences on What is Important on Performance Measures

Chart 7 key findings shows what management conveys are the most important areas for measuring performance versus what customer representatives feel are the most important areas for measuring performance. Customer representatives feel that management conveys with their words and actions that productivity measures are the most important. However, customer representatives feel that FCR is most important. As you can see from the below chart there are big differences between management and customer representatives' view point on what are the most important areas for measuring performance.

Chart 7. Management and Customer Representatives Differences



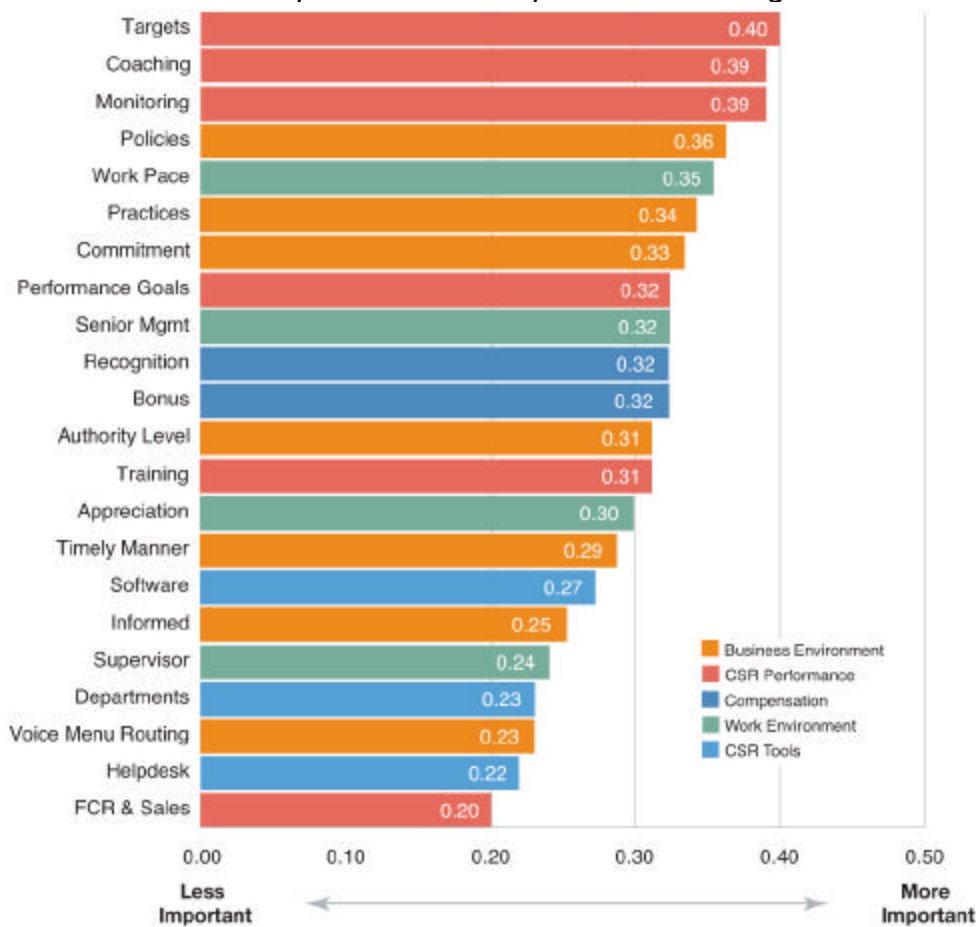
Main Findings / Implications:

- *There are big differences between management and customer representatives' view point on what are the most important areas for measuring customer representative's performance*
- *When there are disconnections on measuring performance such as when management says that FCR is important and then places all the emphasis on productivity, they lose credibility. In addition, customer representatives eventually lose motivation to improve their FCR performance because they realize that it is not really important to management*
- *If management really wants to make the gap smaller on what is important for measuring customer representative performance, the call center support structure (i.e. call monitoring, call flow, recognition, performance appraisal, recruitment, career opportunities, pay, financial incentives, employee surveys and training) must be aligned to customer satisfaction and call resolution metrics*
- *SQM's FCR / customer satisfaction world class performing call centers have close alignment on what management and customer representatives view as most important. World class performing call centers have their call center support structure closely aligned to FCR / customer satisfaction efforts*

H. Using Customer Representative Feedback for Improving FCR and Customer Satisfaction

Chart 8 key findings shows the attributes that are most important to customer representatives for providing FCR to customers who phone the call center. It is important to mention that SQM's research clearly shows achieving FCR as the key ingredient to having high customer satisfaction. Specific attributes that are most important to customer representatives for improving FCR performance are attributes that we categorize as CSR performance such as setting FCR targets, FCR coaching and call monitoring. The next category that has high impact on FCR performance is the business environment such as policies, business practices and management commitment to improving FCR performance.

Chart 8. Customer Representatives Importance Ranking of FCR Attributes



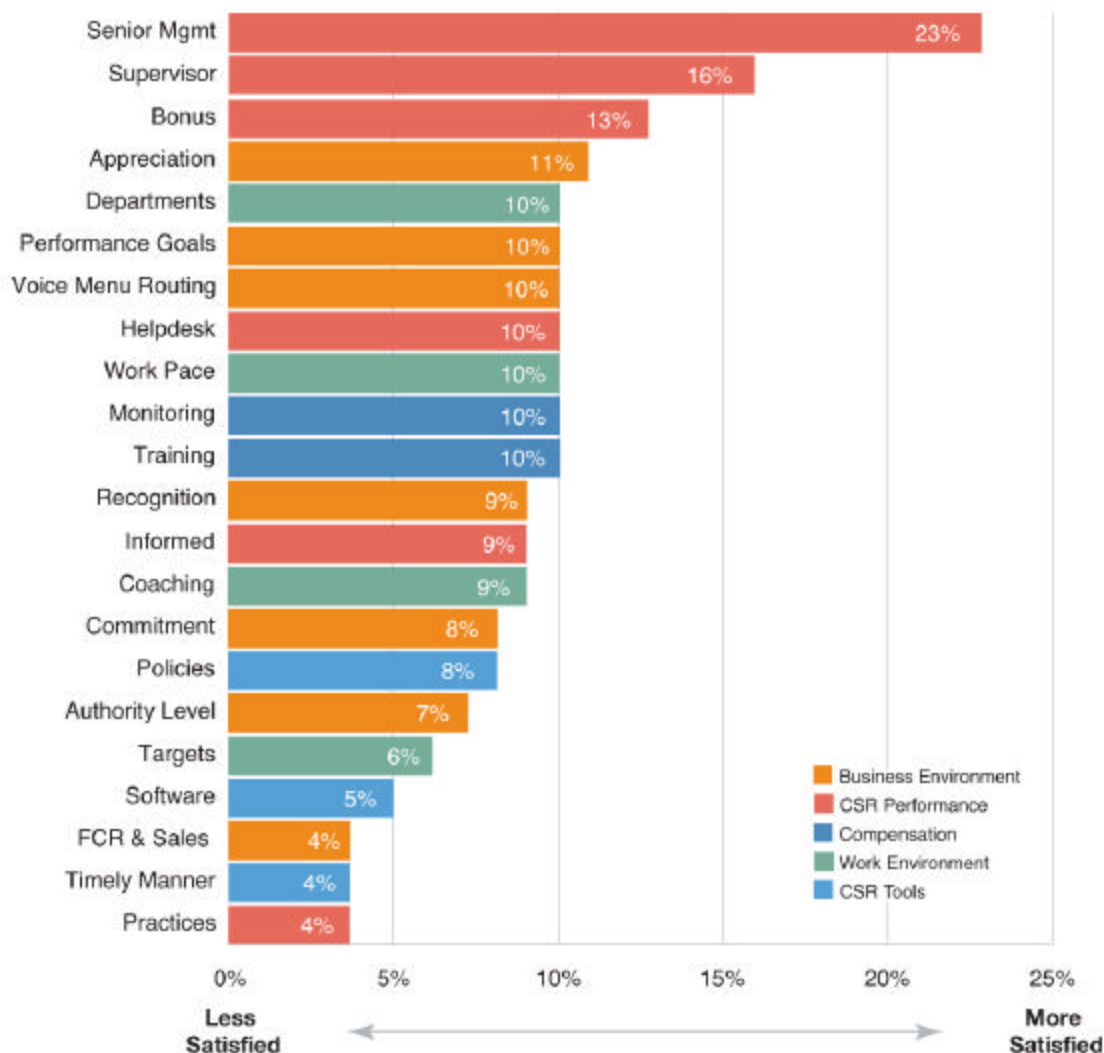
Main Findings / Implications:

- CSR performance and business environment categories have the biggest impact on FCR because they consist of attributes that are most important to customer representatives for achieving FCR
- SQM's research shows that call centers do not align their business environment and customer representative performance to achieving FCR

H. Continued...

Chart 9 key findings shows the same attributes as chart 8. However, in this chart we show how very satisfied (top box) customer representatives are with each attribute and the ranking for helping them provide FCR to customers who phone the call center. In general, customer representative satisfaction with FCR attributes is extremely low. Specific attributes that have the lowest levels of customer representative FCR satisfaction are attributes that SQM categorizes as the business environment such as business practices, timely communication, authority level, policies and management commitment. The next category that has low customer representative FCR satisfaction is CSR performance which includes balanced FCR & sales focus, targets, training, coaching and monitoring attributes.

Chart 9. Customer Representatives Satisfaction Ranking of FCR Attributes



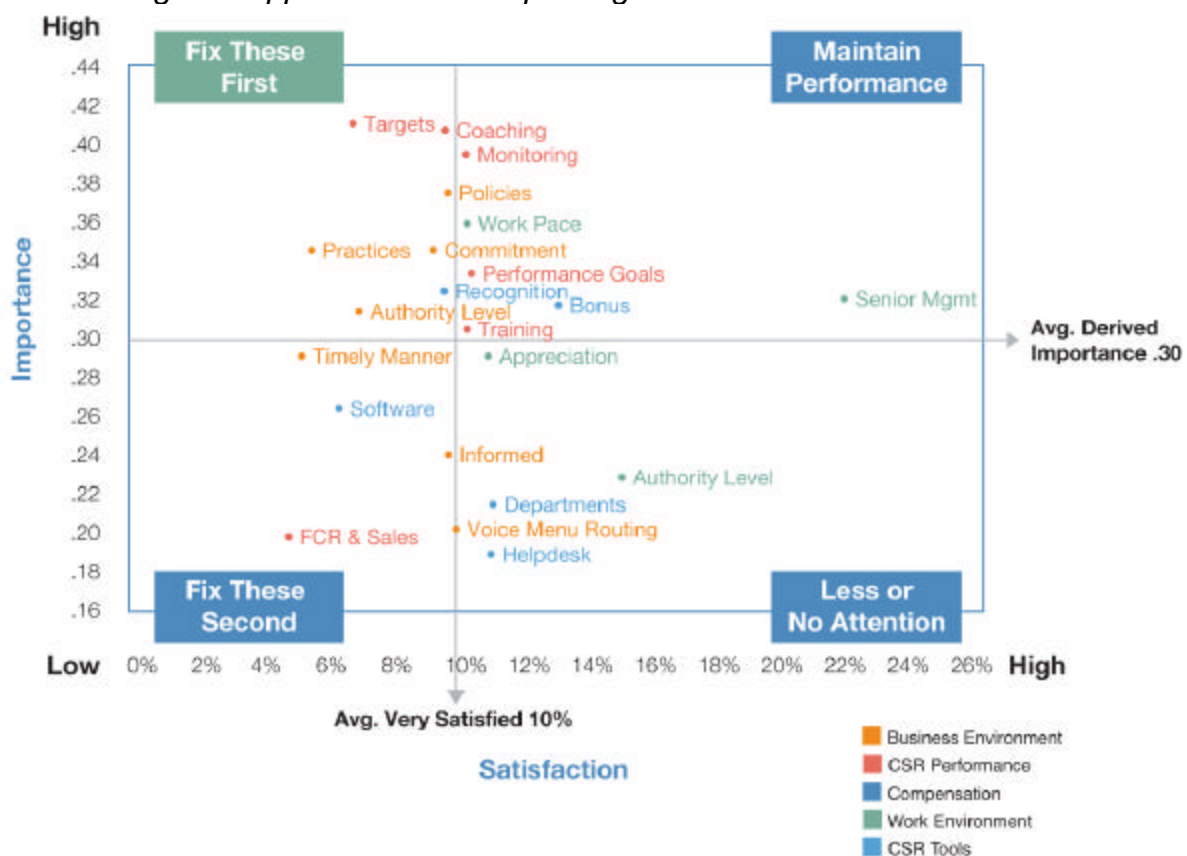
Main Findings / Implications:

- Majority of FCR attributes have 16% or lower very satisfied ratings, resulting in an overall low FCR performance
- SQM's research shows that only 5% of the 250 call centers that we benchmarked had 80% or higher FCR performance

H. Continued...

Chart 10 key findings shows targeted opportunities for improving FCR attributes from a customer representative point of view. Attributes that are in the “fix these first” quadrant met the criteria of higher than average importance and lower than average customer representative FCR satisfaction. As you were shown in charts 8 and 9 the category of business environment with attributes such as business practices, timely communication, authority level, policies and management commitment show up in the quadrant “fix these first”. The next category that shows up in the “fix these first” quadrant is CSR performance which includes FCR targets, performance goals, coaching and call monitoring attributes. Call centers that achieve high levels of FCR performance have very few attributes in the “fix these first” quadrant and have substantially higher customer representative FCR attributes satisfaction.

Chart 10. Targeted Opportunities for Improving FCR Attributes



Main Findings / Implications:

- CSR performance and business environment categories are the most important to customer representatives and are also the categories with the lowest satisfaction ratings. Attributes in the CSR performance and business environment categories need to be prioritized for improvement
- Call centers that achieve high levels of FCR performance have very few attributes in the “fix these first” quadrant and have substantially higher customer representative FCR attributes satisfaction

I. How to Let Your Customer Representative be a Judge

Again, it is SQM's viewpoint that customer representatives should be a judge of whether your call centers' people, processes and technology are working properly to provide high levels of customer satisfaction and FCR. Quality service and FCR customer representative surveys are substantially different than the typical organizational employee survey because it focuses on quality service and FCR from a customer representative point of view. It is also helpful to conduct customer representative quality service surveys after the call center implemented a major quality service initiative such as a change to call monitoring, call flow, policy, CRM, etc. In order to improve FCR and customer and employee satisfaction the following points are strongly recommended...

- Focus the survey on your call center's quality service and FCR execution from a people, process and technology point of view
- Conduct customer representative surveys at least twice a year
- Survey each individual customer representative at least once a year
- Customer representative surveys must be conducted in a confidential manner preferably by an independent 3rd party
- Most employee surveys are conducted through the internet, which is the quickest and most economical approach to conducting employee surveys
- Employee surveys should be a combination of ratings and qualitative feedback in order to get the scorecard and the story behind the scorecard
- Customer representative quality service / FCR surveys should also include stratification data such as length of service in the call center, call types handled, educational background, call center location, manager to whom they report and work status
- Use a 3rd party that can correctly interpret your customer representative quality service / FCR surveys
- Use a 3rd party that can help you implement your customer representative quality service / FCR surveys improvement

SUMMARY OF KEY FINDINGS

Customer representatives are in an excellent position to judge whether the people, processes and technology are working properly to provide quality service and FCR. In order to make meaningful people, process and technology improvements and to make the call center experience better for the customers who call and for the employees who handle the calls... ***let your customer representatives be a judge.***

Main Points...

- Customer representatives' overall satisfaction (top box very satisfied rating) for working in a call center has been declining since 2002
- Attributes that are most important to customer representatives working in a call center are attributes that we categorize as the working environment such as utilize skills, appreciation, valued, job stress, work pace, freedom, call variety, and issues resolved
- Attributes that have the lowest levels of customer representative satisfaction are attributes that SQM categorizes as the working environment such as utilize skills, valued, job stress, work pace, freedom, call variety and issues resolved
- SQM's research shows that areas that cause employee dissatisfaction are the same areas that cause employee turnover
- For customer representative turnover of 30% or higher, our studies show that the average number of calls required to resolve the customer's inquiry is 2.1 versus the industry average of 1.5
- The working environment category is the most important to customer representatives and also the category with the lowest satisfaction ratings. Attributes in the working environment category need to be prioritized for improvement
- There are major differences between what attributes customers and customer representatives feel are most important for handling a call. The attributes with the biggest gaps are authority, summarizing and polite
- There are big differences between management and customer representatives' view point on what are the most important areas for measuring customer representative's performance
- Specific attributes that are most important to customer representatives for improving FCR performance are attributes that we categorize as CSR performance such as setting FCR targets, FCR coaching and call monitoring
- Specific attributes that have the lowest levels of customer representative FCR satisfaction are attributes that SQM categorizes as the business environment such as business practices, timely communication, authority level, policies and management commitment
- CSR performance and business environment categories are the most important to customer representatives and are also the categories with the lowest satisfaction ratings. Attributes in the CSR performance and business environment categories need to be prioritized for improvement

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