Love to engage

Harnessing the power of data to improve agent performance

A CCA Research Institute© project in partnership with

CAPITA

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Executive Summary

Outline of research

The old adage of happy employees equals happy customers still rings true. But in a digital age how do we keep technologically-savvy, millennial agents engaged and motivated to deliver time and again for customers? And specifically, how can performance information be adapted and tailored most effectively to their digital mind-set?

For some businesses the adoption of gamification strategies appears to be having a positive impact on customer satisfaction and loyalty, as a result of measureable improvements in agent engagement, motivation performance and retention.

Gamification is the concept which applies game-like thinking and strategy in everyday settings for companies to engage and motivate employees using a different approach. Research from Gartner Inc has predicted gamification will be used in 25% of redesigned business processes in 2015 and that this will grow to more than a $2.8 billion business by 2016[1]. The idea is catching on because the method evokes friendly competition, achievement and status by the user who starts to see their daily task as more of a game than a responsibility.

By drawing on the key facets of a 'gameful' experience, these strategies are argued[2] to offer opportunities for introducing an empathy-based approach which creates value for the players themselves and other stakeholders.

Key findings

The research identified a number of important findings relating to the role of agent performance within contact centres:

- **Room for improvement in agent performance measurement:**
  - 100% of survey respondents thought that the performance data currently used by their organisation could be improved
  - 98% of survey respondents thought that better information on performance data was important or very important to motivate front-line agents

- **A number of key obstacles to agent motivation were identified:**
  - The number of systems required by agents to answer an enquiry (identified as a key issue by 75% of respondents)
  - Outdated technology systems (also identified as a key issue by 75% of respondents)

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[1] HBR 'How Deloitte Made Learning a Game', available at https://hbr.org/2013/01/how-deloitte-made-learning-a-g
[2] 6 Ways that Gamification Helps us Learn - http://www.quarsh.com/blog/our-opinion/6-ways-that-gamification-helps-us-learn/; Narayanan, A (2014) Gamification for Employee Engagement, e-book available at https://itunes.apple.com/at/book/gamification-for-employee/id955001344?l=en&mt=11; Cognizant whitepaper (2013) Gamifying Business to Drive Employee Engagement and Performance, **available at** http://www.cognizant.com/InsightsWhitepapers/Gamifying-Business-to-Drive-Employee-Engagement-and-Performance.pdf

- **A struggle to measure agent performance in an omni-channel way:**
  - o Telephone was the most measured channel of contact (close monitoring of agent performance reported by 100% of respondents)
  - o Conversely there was a far lower monitoring of social media (close monitoring of agent performance reported by 32%) and webchat (29%)

- **A multiplicity of metrics were being used to assess agent performance:**
  - o Customer Satisfaction Scores (used by 77% of survey respondents)
  - o Average Handling Time (used by 74% of survey respondents)
  - o Time to Answer (used by 68% of survey respondents)
  - o Abandoned Rates (used by 58% of survey respondents)
  - o Call Waiting Times (used by 58% of survey respondents)

- **The measures considered most important for assessing agent performance were largely customer focused:**
  - o The top measure was Customer Satisfaction Scores (identified in the top 3 by 41% of respondents)
  - o The third most important measure was First Contact Resolution (identified in the top 3 by 30% of respondents)

- **But there was still a focus on hard, efficiency focused measures:**
  - o The second most important measure identified by respondents was Average Handling Time (identified as top 3 by 35% of respondents)

- **The majority of respondents recognised the benefits of securing feedback mechanisms, and the advantages were clearly articulated in the survey. The most important reasons for feeding back performance data were reported to be:**
  - o To encourage and motivate (41%)
  - o Achieving targets (25%)
  - o Identifying areas for improvement (20%)

- **In terms of the dominant forms of performance data currently available to agents:**
  - o The majority related to KPIs and metrics collected (fed back by 93% of the organisations surveyed)
  - o Manager feedback (74%)
  - o Customer complaints (60%)
  - o Customer compliments (50%)

- **In terms of comparative performance:**
  - o 53% of the organisations fed back information regarding the effectiveness of other agents
  - o Only a small proportion (19%) had peer-to-peer mechanisms enacted

- **Commonly, information around agent performance was reported to be accessed:**
  - o During one-to-one sessions with their team leaders (reported by 73% of respondents) or reviews with the team leader (62%)
  - o Only 23% of organisations reported having either dedicated reporting tools or agent-facing toolkits

- o In terms of the frequency of receiving this data the majority of organisations reported that this was provided on a daily (53%) or weekly (27%) basis
- o Very few organisations (just 9%) reported that their agents had instant access to information about their performance

- **In terms of key agent performance incentives:**
  - o High performance was the attribute most commonly rewarded (rewarded in 85% of organisations)
  - o Internal recognition was the most common reward (reported by 87% of organisations)

- **Take-up of gamification:**
  - o Interestingly, only 41% of the organisations surveyed were familiar with the concept of gamification
  - o But of those who had applied these techniques, key advantages were reported including: encouraging competition; improving engagement; improving individual performance; and improving team performance
  - o Positively, there was clearly an appetite from respondents for thinking about engaging with these techniques in future as 96% of the organisations surveyed saw that there would be a benefit in using gamification in their operation

The Research

Methods

The research comprised several phases:

- Member Survey: CCA conducted an online survey of member organisations to determine their current agent performance measurement techniques and feedback mechanisms as well as their appetite for innovation through gamification. Responses were received from 73 organisations. They included organisations in both private and public sectors, including outsourcing organisations as well as in-house contact centres, responsible for different-sized operations.

- The survey findings were analysed and interpreted in a desk research phase alongside contextual information from other sources including CCA's research archive.

Confidence in results

Survey respondents drawn from organisations of varying sizes: 24% with 101-500 contact centre agents, 30% with between 501-1500 and 10% with more than 5,000. See Figure 1 for more details.

The results represent organisations from a wide variety of industry sectors including financial services (27%), public sector (local and central 21%), retail (14%), outsourcing/BPO (11%), and utilities (10%). See Figure 2 for more details.
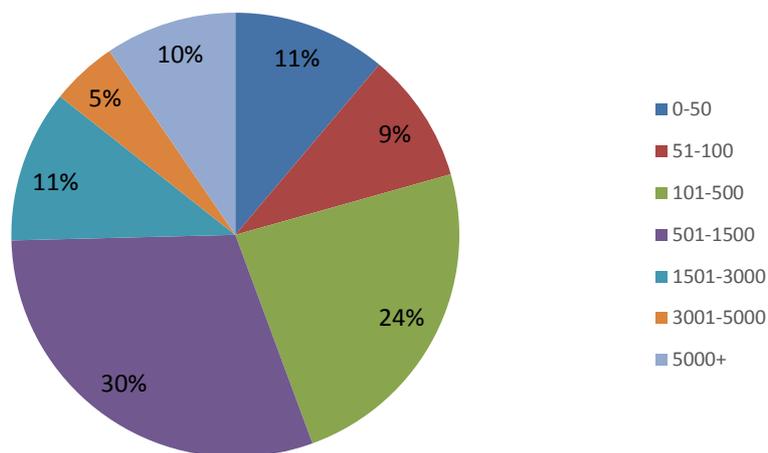

Figure 1- How many contact centre agents (FTE) does your organisation employ? (Based on a CCA member survey of 73 contact centre professionals, February 2015)
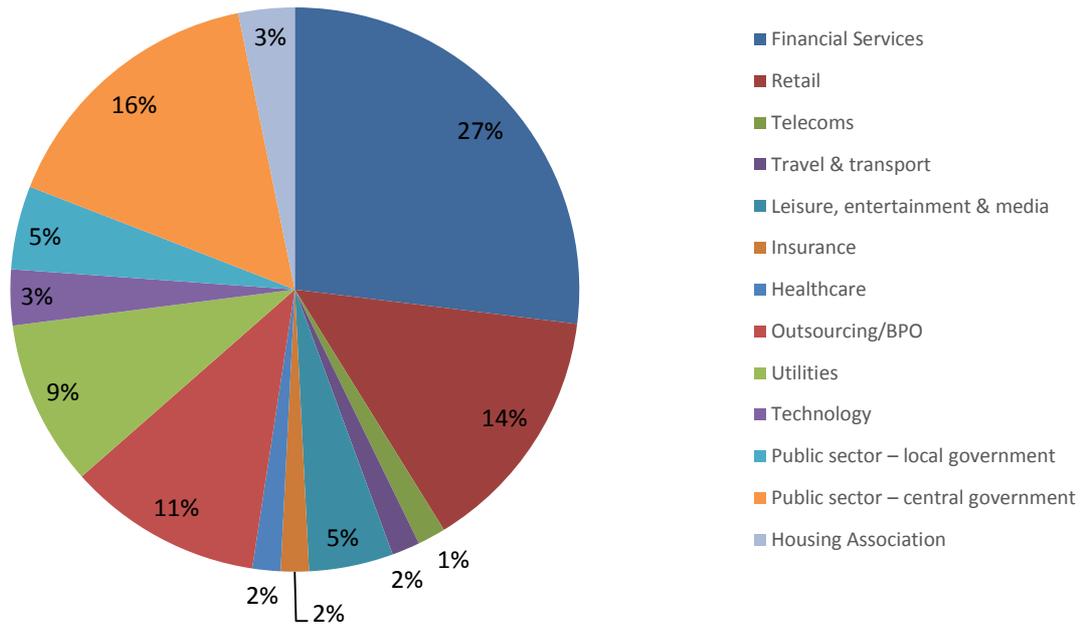
Figure 2- Which business sector best describes your organisation? (Based on a CCA member survey of 73 contact centre professionals, February 2015)

A demand for better performance measurement

The purpose of performance measurement

Effective performance management is critical to business and organisational success. It does, however, require a considerable investment of time and resource so adopting the most effective approach as well as, where possible, ensuring a return on any investment is important. Using performance management tools in a positive way can also offer strong preventative solutions by promoting transparency and accountability. By identifying potential barriers to excellent customer experience, issues can be tackled in a forward looking way rather than fire fighting after a problem has arisen. Incorrect implementation can be extremely damaging to employee engagement and, as a corollary, customer experience.

The contact centre professionals surveyed in the research very clearly recognised a demand for an improvement in both performance data measurement within their organisations and the ways in which it is leveraged to achieve greater productivity, efficiency and effectiveness.

100% of survey respondents thought that the performance data currently used by their organisation could be improved

Based on a CCA member survey of 73 contact centre professionals, February 2015

Crucially they also identified a clear desire from their staff to be better informed about their performance in order to engage, motivate and drive better performance.

98% of survey respondents thought that better information on performance data was important or very important to motivate front-line agents

Based on a CCA member survey of 73 contact centre professionals, February 2015

Barriers to agent motivation and effective measurement

The two key problems identified by the contact centre professionals surveyed in preventing agent motivation were:

1. The number of systems required by agents to answer customer enquiries (identified as a key issue by 75% of respondents); and
2. Outdated technology systems (also identified as a key issue by 75% of respondents)

The implications of these findings can be illuminated further with reference to recent CCA research into understanding the view of the customer journey and the effort needed to successfully complete it from the perspective of the agent[3]. This research found that despite

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[3] CCA (November 2014), Agent Effort: The benefits of making it easier for your agents to do business with your customers

senior contact centre professionals surveyed reporting that their agents and frontline staff were highly motivated; there were a number of key issues which acted as barriers to their motivation and engagement which may explain some of the historical issues contact centres face in staff retention.

In relation to the problem of systems overload, previous CCA research[4] found that the number of systems agents are required to have knowledge of in order to effectively carry out their roles is often very high. For example, 51% of agents needed to know how to use more than six applications to effectively deal with customer enquiries and 7% of organisations reported that agents required the knowledge of more than 15 applications in order to effectively answer customer service enquiries. Unsurprisingly, 78% of the contact centre professionals who responded thought that the number of applications required to be used by their agents hinders their performance.

This issue links to the second barrier identified in this study by respondents regarding outdated technology. In part, the proliferation of multiple systems and applications is a result of the layering of legacy systems and a lack of investment in joined-up processes. New technology can also reduce barriers by, for example, automating more transactional contact and encouraging self-service freeing up agents to concentrate their efforts on more complex interactions. Nonetheless, in recent years with considerable pressures on organisations to cut costs in the context of the global economic recession, it has been challenging to get significant investment into the contact centre.

Before reviewing more closely the importance of robust feedback mechanisms for agent performance and the potential for new approaches like gamification for leveraging greater engagement, the next section explores some of the key metrics being utilised within the contact centres being surveyed.
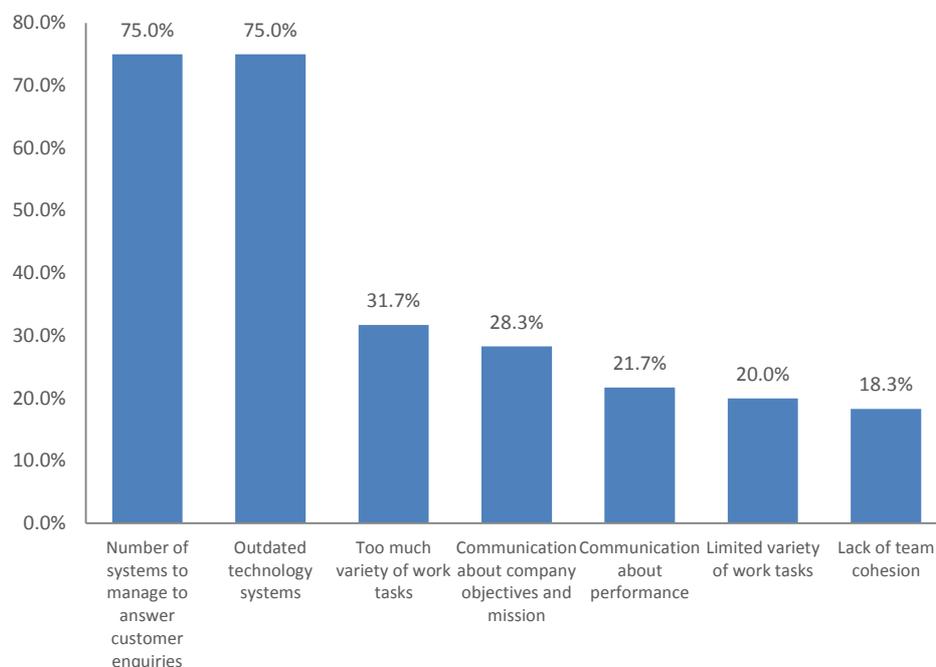

Figure 3 - What obstacles do you think exist in your organisation that prevents agent motivation? (please select all that apply). (Based on a CCA member survey of 73 contact centre professionals, February 2015)

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[4] CCA (November 2014), Agent Effort: The benefits of making it easier for your agents to do business with your customers

Measuring Agent Performance

As all contact centre professionals would agree, measurement is a crucial and necessary tool for helping drive a high level of performance, as well as better understanding the nature and cause of any pain points within organisational operations for customers and staff alike. However, as they would also agree it is not an exact science and metrics and tools need constant re-evaluation and re-invention to capture performance in new and more sophisticated ways.

Channels monitored

The organisations surveyed monitored agent performance on the majority of their channels although telephone was by far and away the most measured channel of contact with 100% of respondents reporting close monitoring of agent performance (see Figure 4). Email was similarly high with 77% of organisations monitoring agents. Conversely there was a far lower monitoring of social media (32%), webchat (29%) and SMS (3%) suggesting perhaps that organisations were struggling to identify the best metrics for these newer channels of contact. Interestingly, this confirms findings from previous CCA research studies that show that organisations are struggling to become truly omni-channel as they are still failing to monitor customer journeys across all channels of contact.
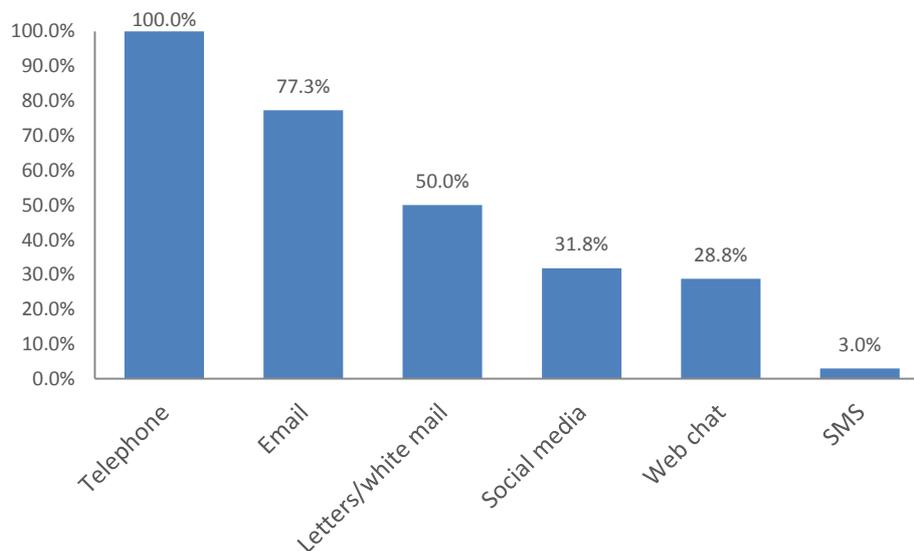

Figure 4 - On the channels you offer customer service, on which ones do you monitor agent performance? (Please select all that apply) (Based on a CCA member survey of 73 contact centre professionals, February 2015)

Current key measures

A key tenet of good performance management is setting specific goals and expectations with each staff member and communicating them clearly. Employees must be clear of the expectations to which they are being held accountable in order that they consistently meet them. One of the key challenges for contact centre professionals is the sheer choice of possible indicators and metrics, which can be used to measure agent performance. This data overload can lead to opaque, confusing and ultimately self-defeating forms of measurement.

The surveyed contact centre professional reported that their organisations currently used a multiplicity of metrics to assess agent performance. Commonly used metrics and KPIs for measuring agent performance included: Customer Satisfaction Scores (used by 77% of survey respondents); Average Handling Time (used by 74% of survey respondents); Time to Answer (used by 68% of survey respondents); Abandoned Rates (used by 58% of survey respondents); and Call Waiting Times (used by 58% of survey respondents). Please see Figure 5.

Although several of these measures are customer-focused and holistic measures, a number remain very efficiency-driven, such as AHT. Whilst it may be challenging to move away from these metrics, there is a danger that such an approach may be supplying a mixed message to agents around the primacy of customer experience, as delivering and successfully resolving a customer's issue may be at odds with a short average handle time. Simple metrics such as AHT and Net Promoter Score (NPS) have a role to play, however CCA research[5] has long argued for the need to go beyond quantitative methods, to using more qualitative analytical measures. In doing so, organisations can acquire a more in-depth understanding of consumer and employee behaviour and use this to drive relevant, targeted change. It is further argued that success comes when organisations avoid 'measuring everything that moves' and instead 'measure what matters most'[6].

The most effective strategy is to tailor KPIs closely to the organisational and business objectives to ensure consistency. In the realm of frontline staff, this will include a strong focus on measures of customer experience. The suite of performance data measures employed should complement and not conflict each other in order to achieve a successful level of service. Many organisations have most success by adopting a balanced scorecard approach, first introduced by Kaplan and Norton in the 1990s[7], which integrates business aspirations into a measurement regime. They drew on the sentiment of British scientist Lord Kelvin that: "If you cannot measure it, you cannot improve it".
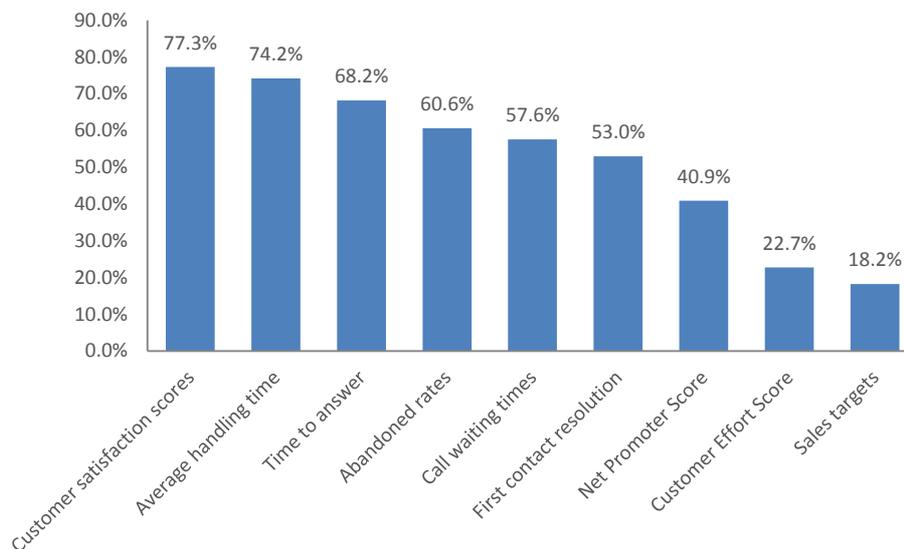

Figure 5 - What metrics/KPIs are used by your organisation to measure agent performance? (Please select all that apply). (Based on a CCA member survey of 73 contact centre professionals, February 2015)

[5] CCA (2011) From Measurement to Insight - Evolving the contact centre beyond simple metrics, to mine a rich seam of customer insight gold

[6] Levin , G (2013) http://www.newvoicemedia.com/blog/five-metrics-of-the-most-customer-centric-contact-centres/
[7] Kaplan (2010) Harvard Business Review *Conceptual Foundations of the Balanced Scorecard*
http://www.hbs.edu/faculty/Publication%20Files/10-074.pdf

When drilling down further, there were several key metrics, which were considered the most essential for measuring agent performance. The most commonly occurring metrics/KPIs identified as within top 3 were:

1. Customer Satisfaction Scores (identified in the top 3 by 41% of respondents);
2. Average Handling Time AHT (identified in the top 3 by 35% of respondents); and
3. First Contact Resolution (identified in the top 3 by 30% of respondents)

Please see Figure 6 for the full results. Two of the three top measures are very customer-focused which suggests that great agent performance is being more closely linked to happy customers. As previously mentioned, the appearance of AHT within the top three measures does suggest that some organisations are struggling to make this leap or that some are using these measures together despite them being potentially contradictory.
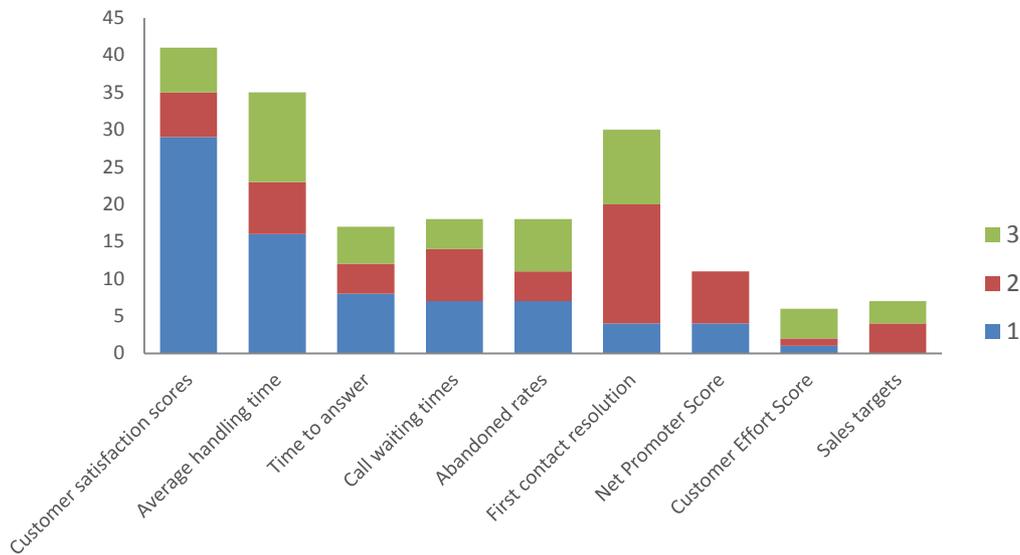

Figure 6 - Please select the TOP 3 metrics/KPIs used by your organisation to measure agent performance? (Based on a CCA member survey of 73 contact centre professionals, February 2015)

Securing the feedback loop

Transparent and constructive feedback is critical for taking the measures collected and turning them into actionable improvements for employees. People need to know in a timely way what's working and what's not. Whilst some elements, (like pay) have a role in attracting staff, the quality of the work experience overall will determine the ability of organisations to retain their employees. The benefits of having a highly motivated workforce have been proven. For example, in an analysis of 50 global companies, there were striking differences at the organisational level in average operating margin relative to sustainable engagement levels. Those companies with low traditional engagement had an average operating margin just under 10%. Among those with high sustainable engagement, average one-year operating margin was close to three times higher, at just over 27%[8].

Encouragingly the majority of respondents recognised the benefits of securing this feedback mechanism, and the advantages were clearly articulated in the survey. 41% of respondents saw the most important reason for feeding back performance data as being to encourage and motivate. Following this, achieving targets (25%) and identifying areas for improvement (20%) were also regarded as important. For the full results, please see Figure 7.
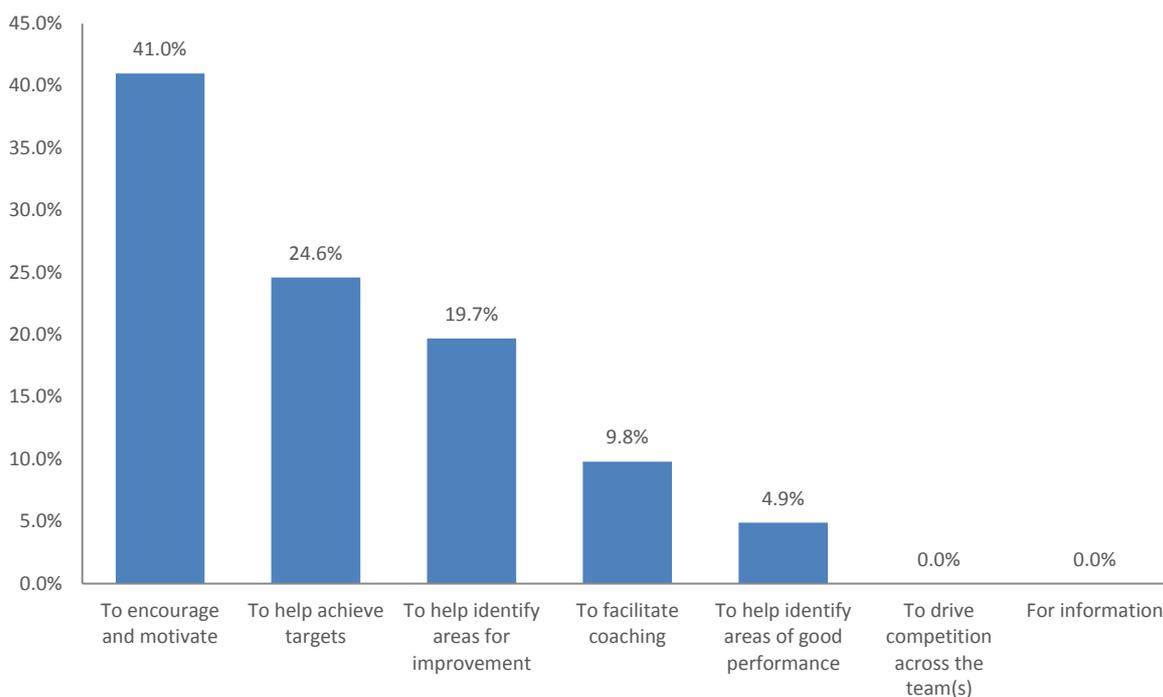

Figure 7 - In your opinion, what is the most important reason to provide this data to agents? (Based on a CCA member survey of 73 contact centre professionals, February 2015)

Available data for agents

The dominant performance data currently available to agents focused on their KPIs and metrics collected, which were fed back by 93% of the organisations surveyed (Figure 8). A further 74% also provided manager feedback. 60% of the organisations surveyed allowed employees to access data around customer complaints and 50% around customer compliments.

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[8] Towers Watson (2012) Global *Workforce* Study available at http://www.towerswatson.com/assets/pdf/2012-Towers-Watson-Global-Workforce-Study.pdf

In terms of comparative performance, 53% of the organisations fed back information regarding the effectiveness of other agents. Information was provided regarding performance across the entire organisation (50%) and against other teams (43%) in some instances. Only a small proportion (19%) had peer-to-peer mechanisms enacted. In terms of the nature and frequency of the data which is fed back to agents, there will be variation depending on the exact activities of the organisation.

As with all measurement regimes, avoiding the tendency to feedback metrics on everything which is measureable is crucially important as too much information will obscure the focus on the most important indicators driving success.
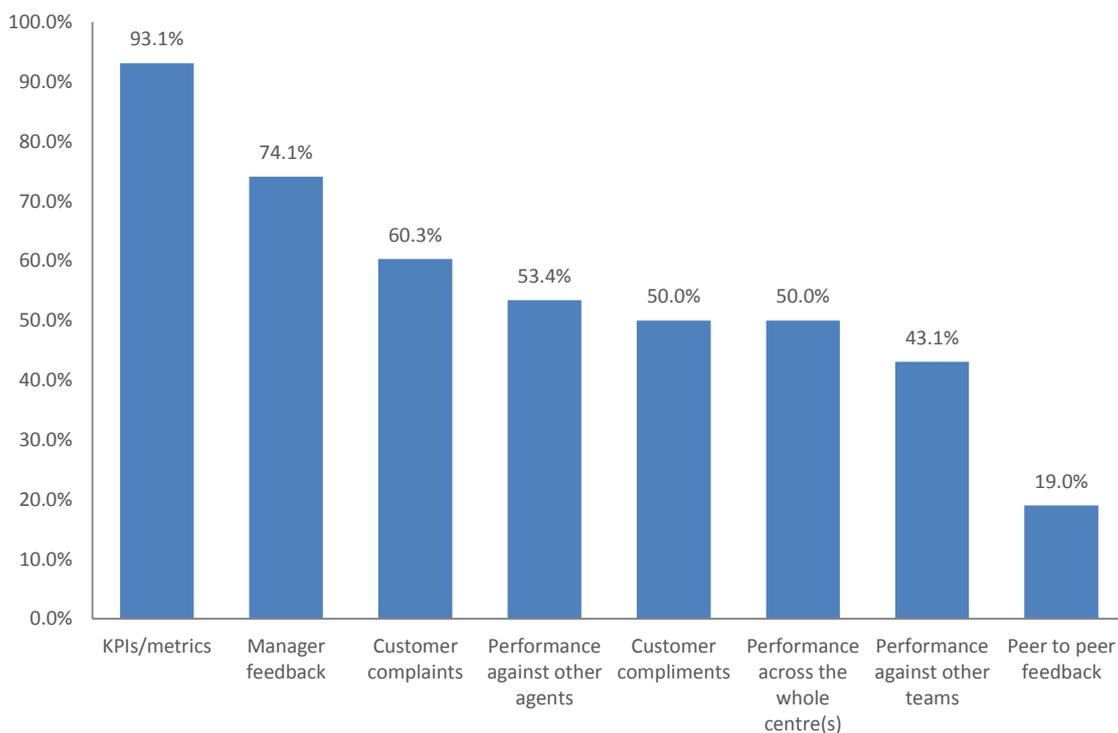

Figure 8 - What performance data can your agents currently access? (Based on a CCA member survey of 73 contact centre professionals, February 2015)

The most common way for agents to access information around their performance was reported to be one-to-one sessions with their team leaders (reported by 73% of respondents). Following this, reviews with the team leader were another frequent source of performance data (reported by 62% of organisations). Agents also received data via spread sheets and software systems (42% and 40% respectively). Only 23% of organisations reported having either dedicated reporting tools or agent-facing toolkits. See Figure 9 for more information. Again, whilst it is likely that a combination of different mechanisms to feeding back information will be important as capabilities and preferences are likely to vary amongst different employees. Drawing together information in a toolkit, scorecard or other dedicated reporting tool has clear advantages. Again the focus should be on transparency and clarity, allowing business objectives to be communicated directly to the frontline.

In terms of the frequency of receiving this data, the majority of organisations reported that this was provided on a daily (53%) or weekly (27%) basis (see Figure 10 for more details). There was

an extremely low uptake of mechanisms providing realtime access to information regarding performance with just 9% of organisations reporting that their staff had instant access to this kind of data.

Systems which allow agents access to real-time performance, as well as historical KPIs, have been proven to have a dramatic effect on performance[9]. By providing insights as quickly as possible, employees are given the opportunity to self-correct when they can see a problem arise. Realtime performance management can help ensure a consistent level of customer service by alerting employees to issues as they arise and proactively tackling any problems. It can also help identify any issues with particular agents as it provides objective and consistent scoring on every contact and delivers fast, efficient performance feedback to agents during the call. It can also help ensure compliance by monitoring language via speech analytics.
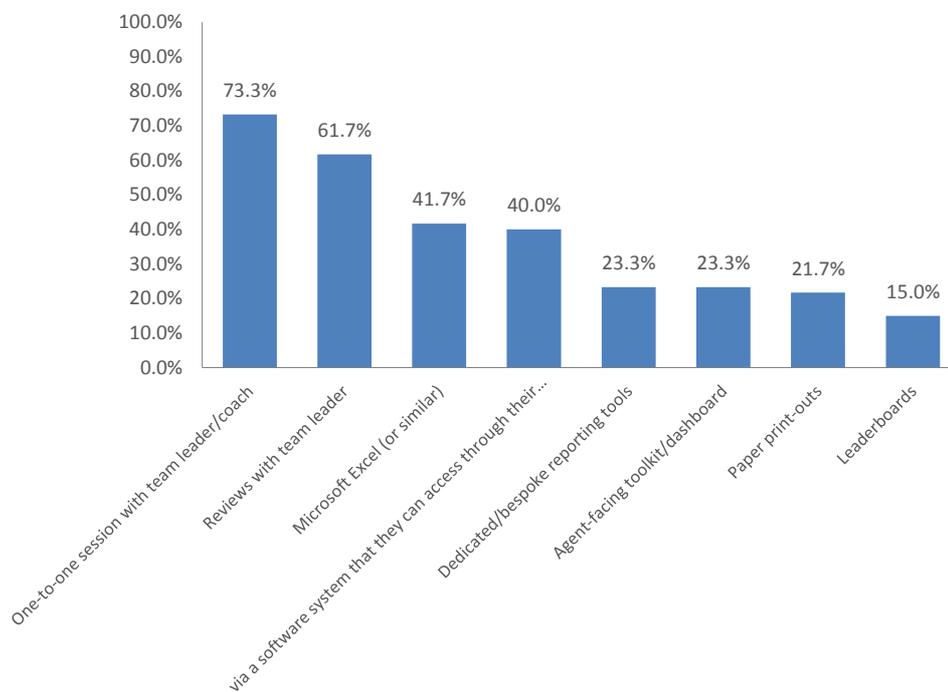

Figure 9 - How do your agents currently access their KPI data? (Based on a CCA member survey of 73 contact centre professionals, February 2015)

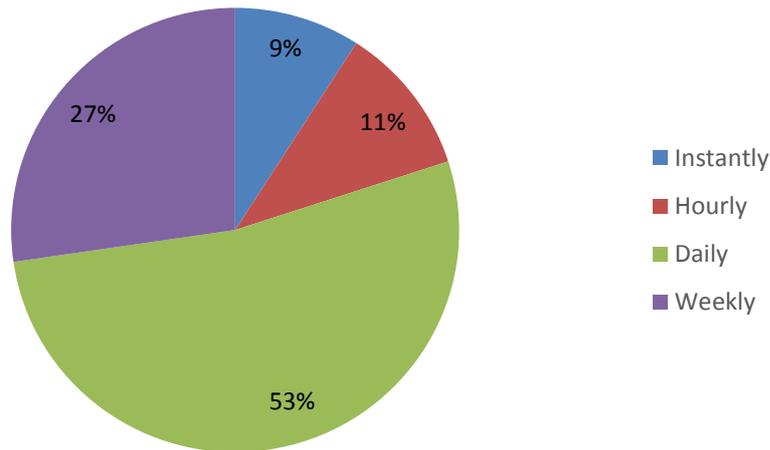[9] CCA report - Dispelling old myths and looking at challenges with future solutions

Figure 10 - How often is the data/information updated? (Based on a CCA member survey of 73 contact centre professionals, February 2015)

Positively a large majority (77%) of organisations surveyed gave their agents the option to feedback on the data/information presented to them.

Rewarding great performance

In terms of the key behaviours for which employees were rewarded, the most common response was high performance (rewarded in 85% of organisations). Following that, achieving KPIs (79%); taking initiative (61%); being proactive (59%) and teamwork (56%) were also seen as key reward inducing behaviours (see Figure 11). CCA's future scenarios of 2014[10] identified the development of a 'martini agent' as a key emerging trend. The fixed employment structures and career ladders which currently prevail in contact centres are likely to give way more fluid and flexible patterns of work. Within these new working practices, high quality agents, whose skills and knowledge are rated in a publicly-available way, would be recruited on skills such as problem solving and empathy. Key KPIs which are able to score characteristics like proactivity and taking initiative are absolutely crucial.

In terms of the nature of the incentive or reward, internal recognition was the most common reward (87%). Financial rewards including bonus structures linked to KPIs and other financial rewards were utilised in around half of the organisations (51% and 46% respectively). Please see Figure 12 for more detail. Recognition, non-financial reward and support and feedback have been found to be both highly motivating and increasingly desired by employees[11]. Managers who are able to understand and utilise these tools effectively will be able to get the best out of their workforce.

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[10] CCA (2014) Scenario 3 - Martini Agents more information available at http://cca-global.com/gsx/content/intouch/?contentid=196
[11] Institute of leadership and management (2013) Beyond the bonus: Driving employee performance, https://www.i-l-m.com/~/media/ILM%20Website/Downloads/Insight/Reports_from_ILM_website/ILM-BeyondTheBonus-Oct13.ashx
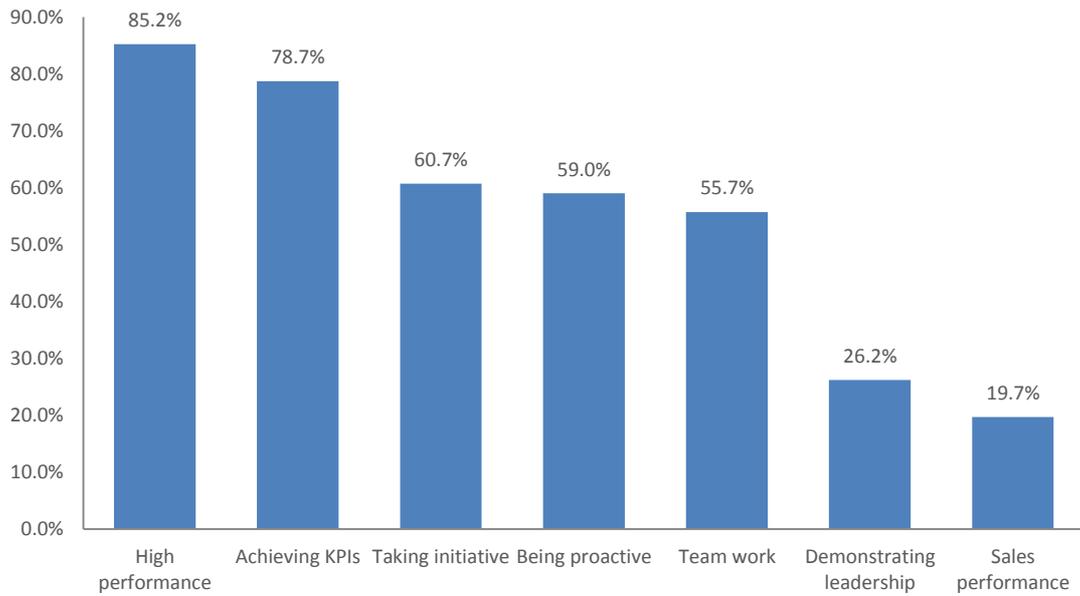
Figure 11 - What behaviours are agents rewarded for? (please select all that apply) (Based on a CCA member survey of 73 contact centre professionals, February 2015)
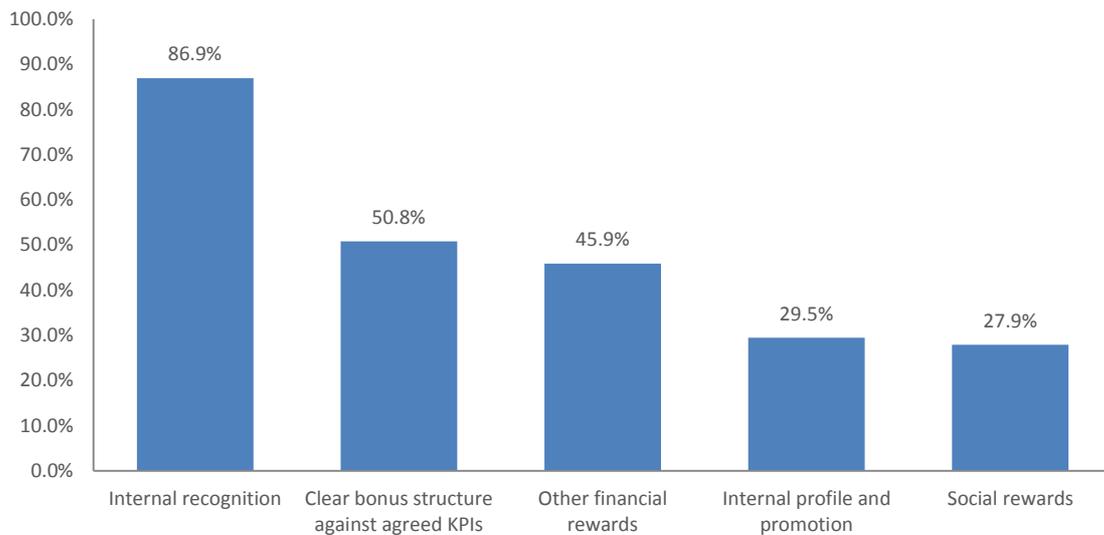

Figure 12 - How, do you recognise individual performance? (Please select all that apply) (Based on a CCA member survey of 73 contact centre professionals, February 2015)

Driving agent performance through gamification

Gamificaton is a relatively new innovation in business which takes the concept of digital games design techniques to help boost performance. By applying the mechanics of game-playing to business tools and processes, it is argued that greater efficiency and productivity can be gained from employees. It is suggested that these activities can motivate staff in the same way that games engage individuals: through competition, cooperation, achievement, status and reward (Arum and Cap Gemini, 2013).

Gamificaton is argued to tap into intrinsic motivators which are thought to provide employees with increased autonomy, mastery, purpose, progress and social interaction. Satisfying these key motivators has been found to make work more productive and ultimately more enjoyable[12]. If these motivating factors can also be successfully linked to organisational improvements then performance, both individually and organisationally, should increase across the board. The data derived from gamificaton interventions can be used to give a 360-degree view of employees, essential in a multi-channel world. Several high profile organisations have derived huge benefits from engagement, for example Deloitte's training programme now takes 50% less time to complete. Companies such as Spotify and Living Social have replaced annual reviews with mobile and gamified alternatives which has led to more than 90% of employees participating on a voluntary basis[13].

Despite some high profile applications by leading organisations of these techniques, only 41% of the organisations surveyed were familiar with the concept of gamification.

Of those who had applied these techniques, the key advantages (which all scored 64%) were seen to be:

- Encouraging competition;

- Improving engagement;

- Improving individual performance; and

- Improving team performance

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[12] http://www.bunchball.com/blog/post/1608/why-gamification-will-revolutionize-workplace-2015
[13] http://p2pengagement.blogspot.co.uk/2013/12/90-gamification-success-stories-to.html
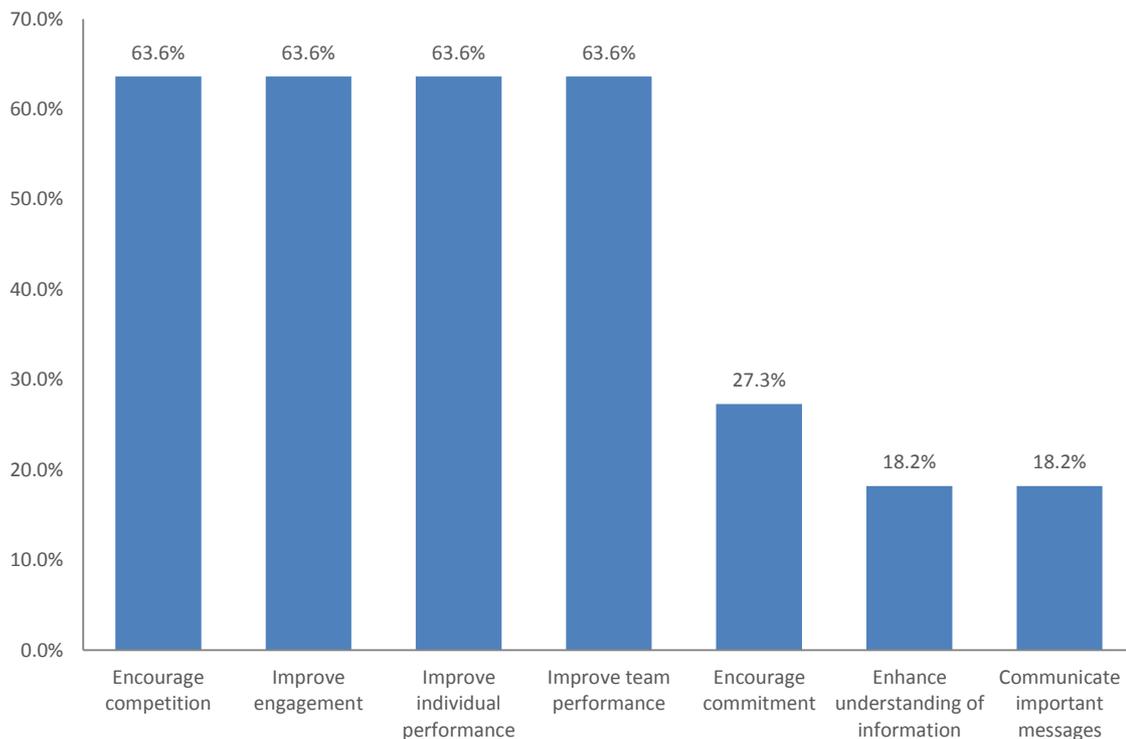
Figure 13 - Do you use gamification in your organisation in any way? (please select all that apply) Based on a CCA member survey of 73 contact centre professionals, February 2015)

There was clearly an appetite from respondents for thinking about engaging with these techniques in future as 96% of the organisations surveyed saw that there would be a benefit for using gamification in their operation.

Gamification at Capita

Capita has been successfully utilising gamification for a number of years to drive agent performance. Their Data Liberation approach, and specifically a customer satisfaction dashboard, augments feedback data from multiple sources and channels, in near-real time, and presents it directly to agents in an engaging, informative manner.

To date, this has been rolled out to 6,500 FTE operating in multiple sectors and the results have consistently delivered at >10% customer satisfaction improvement, with zero process re-engineering or additional training.

Through Data Liberation Capita are empowering front line agents to be more accountable for their performance by introducing gamification to the performance management framework.

Simon Hunt, Customer Experience & Insight Director at Capita notes, "We've been using gamification and sophisticated data visualisation techniques for some time now. By freely providing agent performance data, presenting it openly and in as near to real time as possible, we've been able to guarantee performance improvements and increased workforce engagement. This leads to customer satisfaction and ultimately, customer loyalty."

Conclusions and recommendations

Effective employee management and engagement is at the heart of providing outstanding customer experience. Performance measurement regimes can be a cornerstone of driving efficiency and productivity. In an environment which has traditionally been highly monitored and measured it can, however, be difficult for contact centre professionals to select the indicators and metrics which are most useful for evaluating agent performance. Moreover, these measures can become distanced and abstract rather than drawing a clear causal relationship between the actions of agents, good customer experience and business performance.

The research has demonstrated that there is an appetite for the improvement of agent performance measurement within contact centres and makes a number of recommendations for possible areas of attention:

- Contact centres should focus on holistic customer-centric measures where possible

- There should be an effort to move away from hard performance measures such as AHT which may be counter-productive as they give a contradictory message to agents except within the contexts to which they are suited (for example, workforce management purposes as well as identifying workflow and training issues)

- Where possible some of the barriers to agent motivation should be tackled such as the number of systems they must manage and the outdated technology

- Metrics should incorporate newer channels such as social media and webchat to ensure a consistent omni-channel customer experience

- Feeding back performance clearly and in a real-time way will help tackle issues as they arise, encouraging reflection

- Gamification techniques and strategies offer new and engaging ways of measuring employee performance and have significant benefits

About CCA

CCA is the leading independent authority on contact centre strategies and operations. Over 900 organisations currently subscribe to CCA services. This equates to a network of over 5,000 senior practitioners, employing between 35%-45% of the contact centre population in the UK. Around 20%-25% of people working in a contact centre in the UK are working in a centre accredited with CCA Global Standard©. For further information visit www.cca-global.com

About Capita

Capita Customer Management is the UK's largest customer management outsourcer. We are trusted by leading UK and global brands to transform their customer experiences. We partner organisations including O2, British Gas, BMW, William Hill, DWP and National Trust.

We deliver a range of services across the customer lifecycle including multi-channel customer service and support; sales and customer acquisition; debt collection; customer retentions and revenue growth; and technical support.

We are part of Capita plc, the UK's leading business process outsourcing (BPO) and professional services company.

For more information visit www.capitacustomermanagement.co.uk or contact: 0113 2073340.