

## Engaging the Call Centre

### A Report by Gallup

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Customer service and financial performance should not be seen as mutually exclusive. Ground breaking work by Gallup, as published in the Harvard Business Review (ref. Manage Your Human Sigma by John H. Fleming, Curt Coffman, James K. Harter 1st July 2005) discusses the potential of employee and customer engagement as two of the most powerful lead indicators of business. The customer experience, if correctly valued and managed, can provide organisations with one of their greatest contributions to sustainable financial performance. Most executives have never had the opportunity to work in a contact centre - whether they have come up through the ranks in sales, or climbed the corporate ladder in marketing. Gallup has worked with call centres around the world and has also operated call centres in Europe and the US. As a transformational research based consulting firm that manages the human difference in enterprise; we are intimately familiar with the challenges of operating a customer-employee intensive business. Our recent scientific definition of HumanSigma™ weaves together a consistent method for assessing the correlation between employee engagement and customer engagement and provides a disciplined process for managing and improving upon it.

In the following case studies we look at the quality of the employee-customer encounter with its volatile human dimensions. Many of our clients operate contact centres and HumanSigma visualises the encounter faced on a daily basis. Case study 1 illustrates the urgent and very monetary relationship at the heart of the employee-customer encounter.

**Case Study 1:** Gallup's work with a leading call centre in the US, employing 8,500 operators and serving one million customers, powerfully demonstrates how customer service ratings influence customer attrition and how disengaged call centre operators cost organisations millions of dollars. In a customer engagement partnership with this call centre, customers were asked to rate their experiences. Where customers rated their experience as "much worse than expected", this equated to a loss of 15% of customers – equating to \$4,500,000 of business. Gallup then worked out how many calls the most disengaged customers had to make to resolve their query. Customers who rated the service as "much worse than expected" had to make three calls to resolve their query, while those who rated the service as "much better than expected" only made 1.3 calls. The average cost per call was worked out at \$10, which means that a disengaged operator costs the company an additional \$17 per disengaged customer.

How do you as a call centre operator begin to address this shortfall? HumanSigma found that the local manager is the single most important factor in local group performance. The best practices developed by the leading call centre managers in the world focus on local managers engaging their team members. Over time as the organisation adopts best practices local performance variability is reduced and overall performance increases bringing with it enhanced financial performance. Our clients employ a variety of best practices developed with Gallup to address the

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human difference in their enterprise at the local level. We recently organised a roundtable to share some of those best practices from call centres around the world. In the following example one of the leading credit card issuers in the United States describes how they are transforming the management culture of the organisation through strengths development of their local management team:

**Case Study 2:** The credit card division of one of the largest financial services companies in the United States operates four contact centres and employs 1500 agents. The centres exhibited a culture averse to change. Managers fix only what is broken; have a poor track record of executing change initiatives and need to overcome reactionary practices. The hard truth in managing contact centres is that many front-line managers are not a good fit. They sometimes struggle with the expectations for their role and miscast managers simply need to move on and good managers need to be developed faster. This company also found that managers did not spend enough time coaching or developing their agents. In addition, turnover amongst management was relatively low at 22%. Thus, to hire poorly implies that managers will be spending a long time in the wrong positions. To address the opportunity, the client appropriately focused on selection of call centre managers. To encourage change, the client created 30-minute voluntary Free Agency meetings one and a half years ago. Those willing to participate were given the opportunity to create change in the work place. The meetings were meant to disrupt routine and inspire change - the company wanted to facilitate symbolic and systemic actions in order to signal a new culture for their managers to operate within. These "free agents" are now embracing change. "They are crazy enough to think they can change the world. The programme helped the client to make distinction between managing people and leading people.

To manage a contact centre is to manage a world class service organisation. One of the three largest automakers in the world knows the most important aspect of a call centre is to choose service oriented employees and to manage for the future in order to achieve customer engagement.

**Case Study 3:** The call centre focuses on four simple principles (i) Once and Done Right! (ii) Retain the Customer (iii) Keep it Simple for the customer; and (iv) Build Loyalty. Managers hire people without prior contact centre experience in order to minimise bad habits or predetermined ideas of call centres. The client finds success by hiring from the service industries such as hotels, restaurants, and airlines. Management has relinquished day-to-day scheduling completely to a team of people, the Workforce Management group ("WM"). The WM utilises a scheduling programme and determines when people can be off the phone, when to have meetings and the length of the meetings so that service levels do not suffer. In order to plan for the future the client also has 21 people off the phones working on special projects that last from 6 months to a year. To compensate for absences the company hires interns to back fill and for contingency. These 21 individuals drive the process improvements that will be needed for long term results. The process has enabled management to focus and has not hurt the service levels which stand at 84% service level and a 98.7% answer rate. The company has also put in place a first rate communications system. Issues that come in through calls, such as a response to a vehicle recall that received major publicity, are communicated across the organisation. First, the supervisors are alerted and a mass communication is put out to all the contact centre employees. Then, the dealerships and employees in charge of quality are alerted. Across the

company, a high level of attention is given to what kinds of calls are coming in each day and workforce management has enabled management to listen to associates when they offer suggestions to make work better. They have great ideas and often small items have a big impact.

Why does any of this matter to our call centre clients? As outlined by John H. Fleming in “Manage Your Human Sigma” published in the July issue of the Harvard Business Review, Gallup has found that managing the variability of performance among work groups is correlated to the levels of customer satisfaction for an organisation. Every interaction a call centre employee has with a customer represents an opportunity to build that customer’s emotional connection or diminish it as evidenced in the first case study.

The second and third case studies also illustrate what we now know - management initiatives must be local. At Gallup we believe that you have to select great managers and put your best managers in the right positions. Great managers will empower and engage employees as the managers in case studies two and three. This will lead to fewer dropped calls, more calls per hour and a higher satisfaction rating among customers, thus yielding engaged customers and increased profits.

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#### **Sources:**

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  - Manage Your Human Sigma by John H. Fleming, Curt Coffman, James K. Harter 1st July 2005
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