BALANCING AGENT PERFORMANCE AND CUSTOMER SERVICE IN CONTACT CENTRES

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Contact centres have sometimes been called "21st century sweatshops", yet the South African government has made them a strategic target for job creation. This paper explores whether a balance can be achieved between the often conflicting goals contact centre management set for agent performance and customer service, examining this from the perspectives of both agents and their managers. Semi-structured interviews and questionnaires were used to gain an understanding of issues relating to agent performance metrics and customer service. Data came from seven call centre managers and 91 agents within different industry sectors in the Western Cape region of South Africa. All centres were found to have a range of suitable measures and activities, but some experienced difficulties in aligning metrics with contact centre objectives to provide superior customer service. Overall, the centres studied were found to possess management approaches that predominantly favoured agent empowerment as opposed to a production line process. While both utopian and dystopian elements were present, the environment was different from that of the publicized "call centre sweatshop", providing agents with the flexibility to be customer-centric.

Key phrases: Contact centre, call centre, customer service, agent empowerment, centre management, performance metrics

1   INTRODUCTION

Contact centres were seen initially as a way of reducing company costs, but more attention has since been paid to customer service and satisfaction (Batt & Moynihan 2002:15-18; Hart, Fichtner, Fjalestad & Langley 2006:18). The original telephone-based call centre has often become a contact centre, with specialised technology and the ability to service other channels of communication. It has also become known as a customer care centre (Kantsperger & Kunz 2005:135). Contact centre employees, known as agents, are in almost continuous contact with customers, either making or receiving calls and following up on information requirements (Richardson & Howcroft 2006:57).

There are approximately 80 000 employees in the South African contact centre industry, with a forecast growth rate of between 15%-20% (Benner 2006:1026). The then South African President Thabo Mbeki, in his State of the Nation Address, stated that contact centres were one of the important areas of South African economic growth (Stones 2006:1). The growth of this industry in South Africa has not been as rapid as in countries like India and the Philippines (Benner 2006:1026). However, South Africa has the potential to compete strongly in the international contact centre market (Benner 2006:1032-9; Derakhshani 2006:30-34), and the South African government and local development agencies have conducted extensive campaigns to attract foreign contact centre business.

Kantsperger and Kunz (2005:136) concluded that interdependencies among contact centre management, employees and customers contributed to the overall management of service quality in contact centres. Richardson and Howcroft (2006:56-81) suggested that contact centres were often fraught with contradictions: despite the shift in focus from a cost reduction strategy to a customer interface strategy, more emphasis has been placed on agent performance than on the quality of the interactions between agents and customers. Furthermore, the availability of quantitative statistics has played a large part in determining performance targets for contact centre agents (Robinson & Morley 2006:285). Agents have been placed in a situation where they are caught between the need to deliver quality customer service and maintain a predetermined level of productivity (Deery & Kinnie 2002:4-9), and the operational bias of management towards efficiency fails to provide a customer focus, which often leads to dysfunctional consequences (Marr & Parry 2004:57-8). An example of this is found in one of the key performance indicators of the contact centre industry, First Call Resolution (FCR). It has different definitions, and can be affected by a wide range of factors, including integration of systems, availability of information to the agent, agent training and soft skills, authority levels, reward programmes, and balance between agent specialisation and generalisation (Hart *et al* 2006:18-19).

The purpose of this research is to determine whether a balance can be achieved between the conflicting goals of agent performance and service quality, by examining contact centres from the perspectives of both managers and agents. A short literature review of some related material is first given, followed by research objectives and questions. The research methodology is outlined, and results of quantitative and qualitative research are given. Following a discussion, conclusions are drawn.

2 LITERATURE REVIEW

2.1 Background

The contact centre industry has been identified by the South African government as a key growth area for business process outsourcing (Khuzwayo 2007:1). South African contact centres face stiff competition from other key players in the contact centre industry, such as India, the Philippines, Mexico and Malaysia (Benner 2006:1027). Research by the Department of Trade and Industry (DTI) has shown that this sector is comparable in size to those found in European countries (Khuzwayo 2007:1). According to the 2007 Key Indicator Report, South Africa is being viewed as a viable alternative to India and the Philippines as an outsourcer and offshore location as it

holds an advantage in certain respects such as customer relationships and service (Deloitte & CallingTheCape 2007). In the Western Cape alone, contact centre staff numbers have grown from 10,004 in 2004 to 27,819 in the 2007/2008 survey of Deloitte & CallingTheCape (2008).

2.2 Managerial perspective

Management's goals include maximizing contact centre productivity and performance as well as customer service, through efficient and effective management of the processes involved. Improvements in customer experience lead to higher levels of customer satisfaction as customer expectations are met (Payne & Frow 2004:532). Houlihan (2000:229-30) noted that the implementation of automatic call distribution (ACD) systems had resulted in the close monitoring of statistics and reports pertaining to measurable contact centre activities. However, contact centre management has gone beyond counting the countable, and has moved towards assessing overall contact centre performance, using measures such as the balanced scorecard. Marr & Parry (2004:56) believed that contact centre managers often mistook operational measures such as call duration and average time to answer as indicators of customer satisfaction. Houlihan (2000:232) similarly stated:

"call centres are rooted in contradictory tensions and structural paradoxes, and confront a number of trade-offs on that basis. These set a context for attitudes towards the organisation and can impose conflicting role requirements on agents. A core example is that of the pressure for quantity versus the aspiration for quality, the guiding logic of which is the conundrum of trying to get closer to the customer while routinising, centralising, reducing costs and prescribing standards."

2.3 Utopian and dystopian contact centre environments

Richardson and Howcroft (2006:60-61) offered two different views of the contact centre environment, namely utopian and dystopian. The utopian image is a positive one, in which the workplace is described as knowledge-intensive, where agents are enthusiastic and co-operative and conduct themselves in a relaxed and professional manner. The utopian working environment was described as being more flexible than the dystopian working environment, which described contact centres as 21st century sweatshops. Dystopian contact centres feature constant monitoring, surveillance and controls, with staffing problems, high labour turnover, de-motivated staff, ever-increasing production targets and overall stressful environments (Richardson & Howcroft 2006:61).

2.4   Production-line and empowerment management approaches

Gilmore (2001:153) identified two approaches to managing contact centres: the production-line approach and the empowerment approach. In contact centres where the empowerment approach was adopted, employees possess the discretion to make decisions to satisfy immediate customer needs. The emphasis in these contact centres is placed on measuring intangible dimensions of contact centre service delivery. In contrast, contact centres that adopted the production-line approach to management focus strongly on control and leave nothing to the discretion of the employee. Strong emphasis is placed on the measurements of tangible dimensions such as the number of calls answered, speed of response, and length of calls in these contact centres.

According to Gilmore (2001:153-4), the prevalence in the literature of the production-line approach far exceeded that of the empowerment approach. Her study showed that agents were not content with the service quality and methods of assessment under the production-line management approach, and further suggested that a combined approach was needed, in which tangible and intangible aspects of service delivery could be integrated in order to develop contact centre staff.

2.5   The role of contact centre agents

The agent is the first point of contact encountered by a company's customers when making an enquiry (Richardson & Howcroft 2006:59). Agents serve as representatives of the company to the customers and are often the only means of communication between the company and its customers. To provide good service, the agent needs to be knowledgeable enough to resolve customer queries. Gilmore (2001:157) argued that restrictive management approaches such as the production-line approach restrained and frustrated contact centre agents, and that the standard measurements used in such environments worked against satisfying customer queries. Agents lacked the expertise to answer complex problems, and limited support and guidance was encountered. Agents therefore found themselves torn between trying to help the customers and abiding by the company's rules.

2.6   Customer experiences and expectations

The customer's experience with the company is determined by the interaction between the customer and the contact centre agent (Payne & Frow 2004:532), by the manner in which the agent handles the call, the efficiency of resolving queries and the level of professionalism in dealing with the call. In order to obtain a positive experience and therefore customer satisfaction, customer expectations need to be

aligned with the outcome of the experience. It is therefore imperative that companies form a customer-centric view so as to maximize the relationships with their customers (Bose 2002:89-90).

2.7   Customer information

Richardson and Howcroft (2006:59) view relationships with customers as long term relationships. In order to maintain these relationships companies therefore require means of storing and managing information relating to their customers. CRM (customer relationship management) systems facilitate this by assembling customer information and creating customer knowledge (Zablah, Bellenger & Johnston 2004:279-81). These systems, or customer databases, need to be integrated effectively across all channels within a company so as to increase contact centre performance and customer service through improved processes (Payne & Frow 2004:528-9). If systems are inflexible agents may be prevented from responding appropriately to non-routine customer needs and providing efficient and individualized customer care. A study of 34 South African organisations by Hart (2006) found that many did not have well integrated customer information, and that their CRM implementations were limited and not generally well aligned with their business objectives.

A case study conducted by Marr & Parry (2004:58-61) demonstrated how Fujitsu Services were able to escape the "efficiency trap" of using traditional performance management metrics. These created increasing customer dissatisfaction levels, stopping the company from differentiating itself from its competitors in an aggressive marketplace. In redesigning their performance management approach to focus on their customers' needs and intangible drivers for value creation, Fujitsu Services were able to increase their levels of customer and employee satisfaction, decrease staff attrition rates and increase financial profitability.

3   RESEARCH OBJECTIVES AND QUESTIONS

It is clear from the previous section that the managerial approaches adopted within contact centres may strongly affect the customer service they offer, and it is important that South African centres follow an appropriate format, particularly if the initiative to grow outsourced centres and job creation is to bear fruit. Companies outsourcing and offshoring their contact centres require productive, efficient operations, but also expect their customers to obtain good service and a positive "customer experience". Kantsperger and Kunz (2005:136) pointed out that little research had been done on customer care centres and contact centres in general.

The main focus of this research was therefore to determine whether a balance between contact centre performance and productivity and the quality of customer service could be achieved, by analysing information obtained from contact centre managers and agents. At the same time the research would examine the kinds of measures used. It would also assess whether present management tendencies in local contact centres were toward production line or empowerment approaches, and whether the environment was broadly utopian or dystopian.

Research questions were therefore:

1   What types of metrics do local contact centre managers have in place to measure service quality, agent performance and overall contact centre performance?

2   How do agents perceive their roles and management's expectations of them?

3   Do local contact centres tend to have a utopian or dystopian environment?

4   Do contact centre management tend to follow a production-line or empowerment approach?

5   Do the abovementioned factors contribute towards a balance between the level of customer service and agent performance and productivity?

4   RESEARCH METHODOLOGY

Marr and Parry (2004:57) stated that contact centres were using many measures of performance, but that there was insufficient evidence in literature about these measures. A decision was taken to carry out exploratory cross-sectional research on local contact centres under a positivistic research paradigm, with a combination of qualitative and quantitative research being conducted on contact centre managers and contact centre agents. The aim was to gain insight into how contact centre agents perceived their work environment, and how their levels of performance were evaluated. A comparison was also made between agents' views and management's views regarding these issues.

In order to gain a representative set of opinions, data came from seven Cape Town contact centres. Based on a sector breakdown in the most recent local industry survey (Deloitte & CallingTheCape 2008), three centres were chosen from the Financial Services sector, two from Telecommunications and 2 from "Other" industry sectors (Airlines and one covering different industries). Five of these were classified as "captive", and two as "outsourced". Questionnaires were administered to both agents and their managers, and semi-structured interviews were conducted with

contact centre managers to obtain information on each contact centre's culture and strategy, technology used, customer service and agent performance metrics. In order to gain a multi-perspective analysis of agent performance and customer service, questions were based on the research of Gilmore (2001:153-9) and Marr and Parry (2004:56-7).

Fifteen agent questionnaires were distributed to a random selection of agents within each contact centre that participated in the study. To maintain confidentiality and anonymity of all data collected, each manager was required to sign a consent form detailing the nature of this research, and no names or contact details were requested from agents. The use of a survey method of data collection with anonymous questionnaires was felt to be the most effective and reliable way of obtaining agents' views, as it reduced possible fear of their being identified should they disagree with management.

As an exploratory study this was subject to several limitations. Firstly, the key stakeholder group of customers was not questioned. Secondly, although broadly representative, the sample size is not adequate to draw statistically significant conclusions about, for example, sector differences in response patterns, or between captive and outsourced centres. Care should also be taken in extrapolating results to regions outside the Western Cape.

4.1   Research Instruments

Each manager was also asked to complete a short questionnaire on the importance of agent performance and customer service metrics to their contact centre. Management and agent questions used a 5 point Likert Scale where a value of 1 equated to "Strongly Disagree" and 5 to "Strongly Agree".

The agent questionnaire grouped questions into three categories covering the following areas:

A. The usefulness of a customer database or CRM system in assisting them to perform their jobs efficiently and effectively (and their level of training) (questions AQ1 to AQ10). (Due to space limitations there is not scope to cover this aspect in this paper).

B. Agents' views of management expectations of their operational behaviour (AQ11 to AQ17).

C. Agents' views of their work environment and requirements (AQ18 to AQ25).

Management questionnaires were categorised into 2 main sections:

A. Agent performance and service quality metrics which might be measured in their contact centre. (MQ1 to MQ12)

B. Reasons for periodical reviews of recorded calls taken by the agents (MQ13 to MQ18).

5   RESULTS

In this section the results from questionnaires will first be summarised, then relevant points from interviews with managers will be covered.

5.1   Response Rate and Sample Demographics

Of the 91 agent questionnaires returned (a response rate of 86.7%), all Likert scale questions were fully answered, but some had incomplete responses in the demographics section of the questionnaire. It was deemed suitable to use all 91 questionnaires. Interviews were recorded using tape recorders and later transcribed into Microsoft Word 2007. Results from manager and agent questionnaires were entered into Microsoft Excel spreadsheets for initial analysis. (Due to space limitations, further analysis with Statistica is not shown here). The demographic composition of the agent sample is shown in Table 1. This indicates that agents are predominantly in their 20's, but have a wide range of experience. Ages of agents ranged from 18 to 52. Older, more experienced agents tend to serve areas requiring strong knowledge of relatively complex transactions or operations.

Table 1:   Agent Sample Demographics

Industry	Respondents	%	Gender	Respondents	%
Fin. Services	37	41%	Male	38	42%
Telecomms	27	30%	Female	49	54%
Other	27	30%	blank	4	4%
	91			91	

Age	Respondents	%	Experience in Months	Respondents	%
<20	1	1%	<12	22	24%
20-24	32	35%	12-23	9	10%
25-29	26	29%	24-35	5	5%
30-39	15	16%	36-59	22	24%
40-49	4	4%	60-119	11	12%
50-59	2	2%	120+	4	4%
blank	11	12%	blank	18	20%
	91			91	

5.2 General Points on Questionnaire Results

It soon became apparent from interviews with managers that it was not easy to separate issues of agent performance cleanly from those of customer service. One manager noted "*They are so closely linked together that you can't put them into two different categories.*" He further elaborated:

"The reason is that if you are driving performance and only performance and not customer experience, the customer experience will be lacking because customers are going to keep calling in because they're not getting the right information from the agents.

This will negatively impact performance. So if you only focus on the one, you'll get to a point where customers are phoning in continuously because they aren't getting the right response. In the same sense, if you only focus on customer experience, the agents will take longer times to deal with those queries which at the end of the day is going to lower customer experience because you'll be waiting longer to speak to an agent. You need a balance of both."

Consequently this paper will first give an overview of results for all questions, and then comment on various aspects of the performance and service issues. In Table 2 relevant sections of the agents' questionnaire are initially summarised in descending order of the means for each question (with "strongly disagree" scoring 1, and "strongly agree" scoring 5). Percentages of the 91 agents responding "strongly agree" and "agree" are also shown. Questionnaire results from the seven managers are later summarised in terms of the consensus or otherwise on issues. These are later augmented with information from the interviews held with the managers.

Table 2: Agents' Results (n=91, Sorted by Descending Mean Score)

Ques-tion	As a Contact Centre Agent, My Manager Expects Me To:	Mean	Std. Dev.	% Strong Agree	% Agree / Strong Agree
AQ17	Ensure that the interaction between myself and the customer is pleasant	4.66	0.60	71%	96%
AQ16	See the problem through to completion	4.19	0.86	43%	80%
AQ15	Follow up on previous queries to ensure that past problems have been resolved	3.98	1.02	34%	77%
AQ11	Resolve the problem within the first phone call	3.87	0.90	25%	70%
AQ12	Spend a certain number of minutes on the phone with each customer	3.76	1.11	31%	65%
AQ14	Answer a certain number of calls per hour/day	3.33	1.19	18%	51%
AQ13	Answer questions according to a specified script/within a particular format	3.14	1.27	20%	41%

	As a Contact Centre Agent, I am:	Mean	Std. Dev.	% Strong Agree	% Agree / Strong Agree
AQ22	Monitored according to the manner in which I conduct myself over the phone	4.43	0.70	53%	92%
AQ18	Well trained to answer customer queries	4.35	0.75	47%	91%
AQ21	Monitored according to the service level that I provide	4.27	0.73	41%	90%
AQ24	Required to continuously update my knowledge regarding the customers' needs	4.21	0.82	43%	80%
AQ25	Answering the customers' query is more important to me than fulfilling my quota	4.15	0.94	45%	77%
AQ23	Encouraged to build and maintain good relationships with customers	4.14	0.85	40%	78%
AQ19	Free to answer the customers' queries in any way I wish in order to solve the problem	3.16	1.18	13%	43%
AQ20	Monitored according to the number of queries/problems that I solve	3.16	1.12	9%	46%

5.3 Summary Results from Agent Questionnaires

In the comments that follow on questions AQ11 to AQ25 in Table 2, agreement will be taken to mean either "agree" or "strongly agree". It can be seen that very few of these questions can be classified as being purely performance-related, or reflecting a production line – many combine aspects of performance with customer service. Half (51%) agree (only 18% strongly) that they are expected to answer a certain number of calls per hour or per day. There are questions relating to control of process and format (AQ12 – 65% agree; AQ13 – 41% agree). But customer service issues find much stronger agreement. Problem resolution can be seen as a combination of performance and customer service, with agent agreement of 80% (AQ16), 77% (AQ15), 70% (AQ11) and 46% (AQ20).

Questions gaining some of the highest measures of agreement relate to the "customer experience". These include ensuring a pleasant interaction (AQ17 – 96%), monitoring of the manner they conduct themselves (AQ22 – 92%) and the service level they provide (AQ21 – 90%), and good customer relationships (AQ23 – 78%). Training for customer queries (AQ18 – 91%) and updating customer knowledge (AQ24 – 80%) are also seen to be very important.

AQ25 can be seen as a summary question regarding the balance between performance and service: here 77% of agents agree (45% strongly) that answering the customer's query is more important to them than fulfilling their quota.

5.4 Manager Questionnaires

The measures used and the activities conducted to assess and improve customer-agent interaction varied to some extent from centre to centre, due partly to

requirements, products and services relevant to the industry or whether the centre was outsourced or captive. As a whole the managers showed a stronger consensus on use of measures of customer service and experience than of agent performance and quotas. In their questionnaires at least five of the seven managers agreed that they monitored the following:

- Whether or not an agent has a customised/personalised style of answering

- The level of service provided during the conversation

- The length of time it takes an agent to respond to a problem

- Whether or not the agent follows up to check that the problem has been resolved

- Whether or not an agent tailors the solution to each individual customer's needs

- Whether or not the problem is eventually resolved

- Whether or not the problem is resolved during the first call

Fewer of the managers agreed that they monitored:

- The number of calls an agent answers in a given time period

- The length of time the agent spends on each call

- Whether or not it takes the agent more than one call to resolve the problem

Six of the seven managers stated that recorded calls were periodically reviewed to:

- Ensure that agents have a consistent approach in addressing issues

- Ensure that agents conduct themselves in a professional manner

- Ensure that agents are empathetic / courteous during their conversations

- Ensure that quality information is conveyed through the conversations

5.5 Manager Interviews

From the interviews, the managers' tendency to target quality customer service through the use of metrics was reinforced. Attainment of certain objectives was mentioned, such as:

- Reduction of customer holding times.

- Elimination of recurring calls or queries.

- Pre-defined targets set by the primary clients (for outsourced centres)

- Specific targets and coaching scores: each agent must meet a minimal required standard.

Managers noted that evaluations and assessments of agent-customer interactions were carried out in many different ways, inside and outside the centres.

- Reports (often daily) compiled for each agent, covering a number of quantitative measures, such as number of calls per agent, number "closed", and the length of time spent on each call - these are reviewed by management.

- Evaluation of call patterns using historical data

- Management (and supervisors) listen in on conversations by "walking the floor".

- Management reviews of information captured by agents during calls.

- Telephone quality assurance: a number of calls per agent per time period are assessed by management.

- Recorded calls for regular evaluation by management.

Contact centres typically had quality assurance consultants, quality assessors or a quality team that assessed call recordings. In one case seven calls are randomly selected per agent per month for evaluation (of these seven, agents can nominate three which they feel were well performed). In another, assessors evaluate four calls per agent per month against specific criteria – compliance, how agents handled objections, how queries were resolved and alternative routes taken if they were not. One centre notes that their quality assessors are able to determine whether the agent is performing "bad" calls or whether the training has resulted in poorly performing agents. One centre which services a British client base monitors the quality of calls for adherence to the UK Data Protection Act.

In addition there were various external ways of assessing the agent-client interface:

- Market research conducted by an external company.

- Assessment by primary clients – information from agent calls is provided by the contact centre, and feedback from primary clients is given following the assessment.

- Customer satisfaction surveys: conducted on customers as soon as agents have completed the call with them.

- Mystery calls by external individuals. An unknown source acting as a customer calls in to the contact centre and assesses the agent based on that call.

- Other external agencies, where the contact centre must adhere to the standards of a governing or industry body.

Efforts to remedy problems and improve quality included:

- Ad-hoc training on empathy and relating to customers.

- Coaching: a coach is assigned to a certain number of agents and plans are developed for each agent who is not performing well.

- Guidelines to ensure that certain things do not happen during a call (called a preventative strategy).

5.6 Some Other Relevant Points from Managers

The complexity of queries varied from centre to centre, requiring different approaches and skills levels. In one financial services centre agents were typically financial graduates, generally responsible for answering the customer's query without escalation. In both centres operating in the telecommunications industry, agents were required to answer customer queries of a specified level of difficulty, with more complicated calls being escalated to a specialist.

Although all managers agreed that the information required to address customer queries was available to agents, they agreed that improvements could be made to their current systems. Better unification of information, consolidation of systems and additional search functions were needed to improve ease of use, and enable agents to process customer requests faster.

Each manager agreed that agents received adequate training in use of the customer information databases or CRM systems prior to agent-customer interaction. If agents in the telecommunication and financial contact centres achieved low scores on performance reviews or call evaluations, they were immediately offered the chance to undergo ad hoc training so as to equip them with the skills needed.

5.7 Issues affecting the balance between agent performance and customer service

All contact centres experienced some degree of difficulty in balancing these two aspects, and some issues changed over time. One manager's comment was:

"I think client experience or expectation is probably the biggest single thing that you have to manage. We found that this year we were understaffed for quite a few months and our normal waiting times were longer and our resolution time in sending out a quota for clients would often be when a call is finished. I would think that its that gap between what your client expects and what you are able to deliver and how you manage that gap in order to make sure that your client's expectations are managed."

Another said: *"Not enough consultants so customers are unhappy because they can't get through to us"*.

A further comment: *"It's a structured environment and people have generally had bad experiences with call centres"*.

Other factors that presented themselves in the responses included:

- Structuring the work environment so as to facilitate the process of finding the balance.

- Managing both agent performance and service quality effectively through sufficient staffing, engagement of agents by having measures in place for agent satisfaction and ensuring that there are alternative routes to answering customer queries when agents are unable to.

6   DISCUSSION

6.1   Effects of Organisational Strategy and Culture

Since the agents are the first point of contact for customers (Richardson & Howcroft 2006:59) they should be in tune with the organisational culture. They need to create and maintain long term customer relationships. Aligning the agents' job descriptions with contact centre objectives is an important first step in meeting the overall objective of providing quality service. A customer-centric view, as a part of the organisational culture, is key (Bose 2002:90).

In the centres studied, significant emphasis was placed on the organizational culture, both during training and in their recruitment process. One manager noted that *"the culture of an organisation governs the way in which the client or customer must be serviced"*. Many prefer to refer to their agents as 'consultants' or 'advisors', particularly in the financial services sector where customer queries are more complex and therefore require 'consultants' with specialised knowledge.

One outsourced contact centre stressed the importance of brand and reputation to them and their customers. In another case, the strategic direction of a centre was to differentiate their company from their competitors through the level of service provided. The main point made by the majority of managers was that providing quality service to customers was of utmost importance to the contact centre. They felt that this is best achieved by agents providing quality information to customers by relating to and communicating well with them, and being patient and empathetic while doing so.

6.2 External Measures of Customer Satisfaction

Although some had not yet adopted use of customer satisfaction surveys, management felt that this would be the optimal way of determining the quality of service to customers. Payne and Frow (2004:532) suggested that in order to manage customer satisfaction effectively, the interaction between customer and agent needed to be of a pleasant nature. Although there were a number of measures in place across the various centres to monitor the customer experience, they could be more widely used.

6.3 Internal Activities Affecting Customer Satisfaction

The three key actions that surfaced amongst all contact centres were quality assurance of calls, call evaluations by management and re-training of agents who were not performing well. The aim for all the centres is to ensure compliance to specified standards set by management, primary clients or external bodies. Although the aim was to attend to customers speedily, the contact centre managers also encouraged their agents to spend longer times on calls with customers where necessary, so as to respond to their queries efficiently and effectively.

Gilmore (2001:157-8) made the point that standard measurements being used in contact centres often worked against satisfying customer queries. If contact centres wanted to increase their levels of customer satisfaction, they needed to take the necessary steps to improve customer experience. However, from the responses to the interview questions relating to this topic, it was found that the local contact centres did take the necessary steps to ensure that customer satisfaction is of a high level. Actions ranged from coaching plans to ad hoc training which, for many, proved to be beneficial for the agent and the contact centre in general. Therefore, the point made by Gilmore (2001:157-8) is not supported in this case: the combined production-line and empowerment approach appears to have now taken root.

6.4 The Contact Centre Environment

Formulating and maintaining customer relationships was one of the key issues stressed by managers. However, for managers to ensure that agents were creating these 'relationships' managers needed to constantly monitor agent performance and customer satisfaction and ensure that a visible balance between the two exists.

Richardson and Howcroft (2006:60-61) identified the two types of work environments existent in the contact centre industry – utopian and dystopian. The dystopian work environment is characterised by managers listening in on conversations, fear of not

meeting pre-defined targets and insufficient staffing, some of which was observed in the contact centres. Various quantitative metrics were used on agent calls. This however does not classify centres as being dystopian: there were positive and negative aspects to contact centres in general. There was a higher than 70% agreement from agents about the importance of pleasant interactions, being well trained for customer queries, updating knowledge about customers, maintaining good customer relations, and the importance of answering customers' queries rather than fulfilling quotas. This was confirmed by responses from their managers. Contact centres observed have therefore shown characteristics of being both utopian and dystopian in nature by the agent performance and service quality measures that they use.

The questions posed to agents and managers also assisted in determining which of the two management approaches posed by Gilmore (2006:153) were being used in the contact centres. Contact centres are commonly known for being very stressful environments in which to work - characteristic of the production line approach described by Gilmore (2006:157). The evidence however showed that all centres displayed an overall tendency towards the adoption of the empowerment approach as opposed to the production line approach. Gilmore (2006:157) also mentioned that lack of support and guidance in the contact centre could be a cause for concern, but the data collected from the managers disproved this as a number of the contact centres already had strategies in place to ensure that agents were well supported, coached and trained.

In order not to fall into the "efficiency trap" managers need to pay more attention to ensuring agent satisfaction in addition to agent performance (Marr & Parry 2004:56-58). They need to be knowledgeable about the characteristics that could potentially classify their approach as production line. The managers interviewed seemed to be well aware of these issues, and had already implemented agent satisfaction measures in their contact centres. To "bridge the gap" between focussing on agent performance and customer service, customer expectations have to be met by improving the customer experience. By doing so, higher levels of customer satisfaction can be achieved as customer expectations are met (Payne & Frow 2004:532).

Most contact centre managers interviewed expressed difficulties in always finding the balance between agent performance and customer service, and it is clear that this can not be achieved in one step. Although all seven contact centres had a wide range of measures in place, the challenge of balancing the two types of metrics remains.

It should also be noted that the centres surveyed were most focussed on inbound customer calls. Contact centres concentrating mainly or totally on making outbound calls for sales purposes can be expected to be more in the production-line and dystopian mode. Research on the contact centre environment should clearly distinguish between these two modes of operation.

7   CONCLUSION

The empowerment approach to management was predominant in all contact centres surveyed (although one of the outsourced centres displayed more aspects of a production-line management approach than the others). This does not support Gilmore's (2001:156) findings of the production-line approach preference of managers. It would appear that contact centre managers in the Western Cape have acknowledged the link between employee satisfaction, service quality, customer satisfaction and profitability. Certain measures such as reviewing of recorded calls to gauge the levels of customer satisfaction are currently in place at most of the sampled contact centres. However, most managers would like to implement additional measures targeted at increasing the customers' experience with the contact centre agents, possibly through the use of more customer satisfaction surveys conducted internally or by external parties.

Managers have recognised that agent performance is a key driver to customer satisfaction, and that service quality measures and agent performance measures need to be aligned. In a sense agent performance has been redefined by the managers as: "the level of service provided by the agent to the customer". This research thus supports the research conducted by Richardson and Howcroft (2006), Payne and Frow (2004) and Bose (2002), all of whom found that a balance between conflicting tangible and intangible contact centre metrics was needed. It also shows that, in the centres surveyed, sound moves have been made from a production-line management approach to a more empowered one, and that the general environment tends to be more utopian than dystopian. This is encouraging in terms of the customer experience that needs to be provided if South Africa is to gain a greater share of the international outsourced and offshored contact centre market.

This was preliminary research which did not explore customer views, and further studies could include a detailed analysis of this key group of contact centre stakeholders in order to provide a truly comprehensive "multi-perspective" analysis. This study could possibly be extended to more outsourced and offshored contact centres across the country, in view of their importance to South Africa, and more detailed quantitative analysis could be carried out on a wider sample.

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