



2015
REPORT

Agent Apathy: **The Root Cause of Poor Customer Service**



A 2015 Contact Center Research Report and Best Practices Guide

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Agent Apathy: The Root Cause of Poor Customer Service

Research Report and Best Practices Guide

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EXECUTIVE SUMMARY & KEY FINDINGS

What happens when you take the resource with the greatest impact on the customer experience, subtract the tools and resources required to get the job done, and add in leadership that stands idly aside? The answer is: A majority of contact centers today, as 92% of contact center leaders state that their agent applications could be more effective.

Despite declaring customer satisfaction as the de facto agent metric, contact center leaders demonstrated a reluctance and/or inability to effectively empower the front-line to provide the best customer experience possible. ICMI research conducted in late 2014 revealed 74% of contact center leaders acknowledge the fact that they prevent agents from providing the best experience possible. In this same study, the contact center agent was identified as owning the most important moment of the customer journey. On the back of these findings, we needed to learn more about agents and the true root-cause of their limited ability to deliver on organizational customer satisfaction objectives.

In early 2015, the International Customer Management Institute (ICMI) and Five9 launched the “The Modern Agent: Understanding Performance, Productivity, and Positive Results” survey to discover the real state of today’s contact center agent and what future steps must be taken to ensure that our organization’s most critical asset is setup for success.

This research, along with other current ICMI data, will provide contact center professionals with the data and case studies they need to optimize agent performance and productivity. Improvements at the agent level could yield significant gains for the greater organization in both customer satisfaction and employee morale and retention. As a result of improving the agent experience, the potential for a positive impact to both the direct and indirect costs associated with those key executive focus points is undeniable.

Key Findings:

- 92% of contact center leaders believe that their agent facing applications could be more effective.
- 87% acknowledged that their agents experience a moderate to high level of stress during their workday.
- 71% recognized system and tool inefficiencies and difficulties as the top contributor to the agent’s workday stress
- 59% of contact center supervisors were formerly agents in their current contact center.
- 48% of contact center agents support multiple channels today, but 75% of contact center leaders plan on increasing that number.
- 73% of respondents cite a noticeable increase in the complex nature of their customer-agent interactions. The complexity of customer contacts is increasing.
- Being equipped with necessary tools to effectively perform in the position has the greatest positive impact on agent performance.

Study Demographics

The ICMI community is represented by individuals at virtually every role and level in contact centers and customer service organizations. Such depth and breadth enables ICMI to provide a well-rounded and accurate perspective on the climate of customer journey management in today’s contact center. The 404 respondents to this survey were primarily executives and directors (30%), and managers (37%). The additional participants were an assortment of contact center trainers, analysts, agents, consultants, and workforce managers whom provided feedback and rounded out the insights.

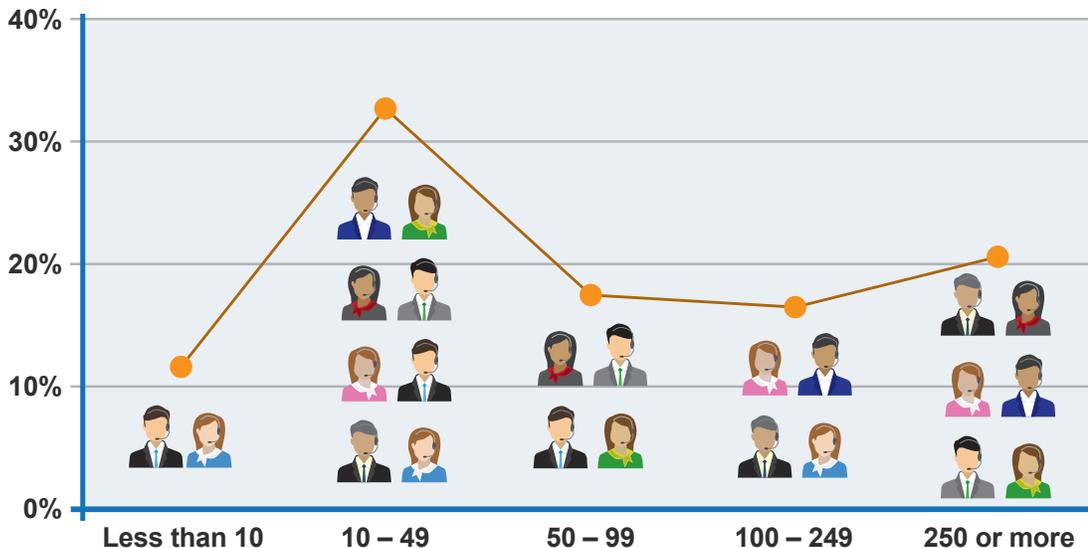
North America and the United States specifically accounted for the majority of respondents (91%), but individuals from Asia, Europe, South America, Australia, and Africa were among those from around the world whom contributed to this study.

Representation from all industries was present in this study with Financial Services (21%), Healthcare (10%), and Government (6%) accounting for the top verticals.

The majority of participating companies have end users in the business-to-consumer (B2C) space (64%), although 29% are business-to-business (B2B), and another 7% are supporting both B2B and B2C markets.

Contact centers of every size responded for an objective sample size, with those having 10-49 agents (45%) and 250 or more (20%), representing the majority.

How many agents work in your contact center(s)?



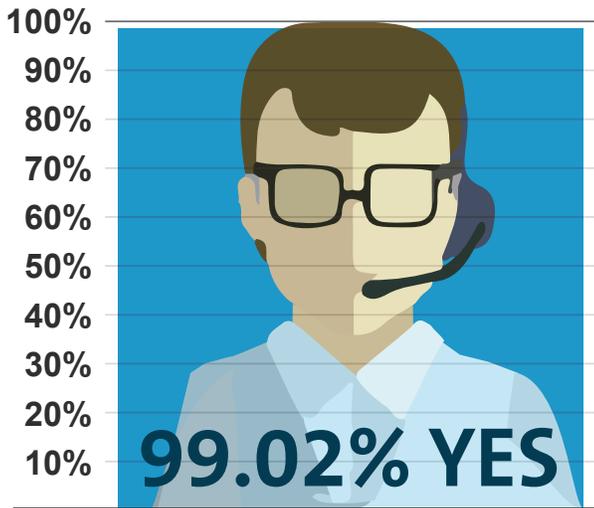
As anticipated, over half (54%) report customer service as their primary function, with another 30% offering a blend of sales and service. 15% are technical support, while 1% are telesales.

THE AGENT EXPERIENCE = THE CUSTOMER EXPERIENCE

In an environment that is experiencing a period of significant change, there is one thing that hasn't appeared to change: the perception that contact center agents are at the bottom of the ladder in a majority of organizations. As awareness of this trend grows, one question is rising to the forefront of customer service conversations: Has this traditional agent methodology run its course and are organizations primed for a change? One could assume yes, as a majority of organizations cite that the customer experience is a key focus and that they place a critical emphasis on ensuring customer satisfaction. From the customer's perspective, there is a deep craving for agents who are empowered, informed, and interested in helping them resolve their concerns. They expect to reach the right person for their specific need on their first contact in whatever channel they prefer.

Despite 100% of recent research survey respondents stating that they believe agent morale & satisfaction directly affects the customer experience and over 99% recognizing the correlation between high agent engagement and improved job performance, the truth remains that a majority of them are preventing the frontline from providing the best experience possible.

Do you believe that a high level of agent engagement correlates with improved agent performance?



Do you believe that agent morale/satisfaction directly affects the customer experience?



Why is this happening and, perhaps more importantly, how has it become commonplace for a majority of contact centers? Does customer satisfaction really matter and, if so, are organizations willing to be realistic about what it will require of them? ICMI's research would indicate that most organizations have yet to see the picture customer experience opportunity and face an uncertain future if they are resistant to change. Before we uncover why, let's gain a better understanding of who these agents are today.

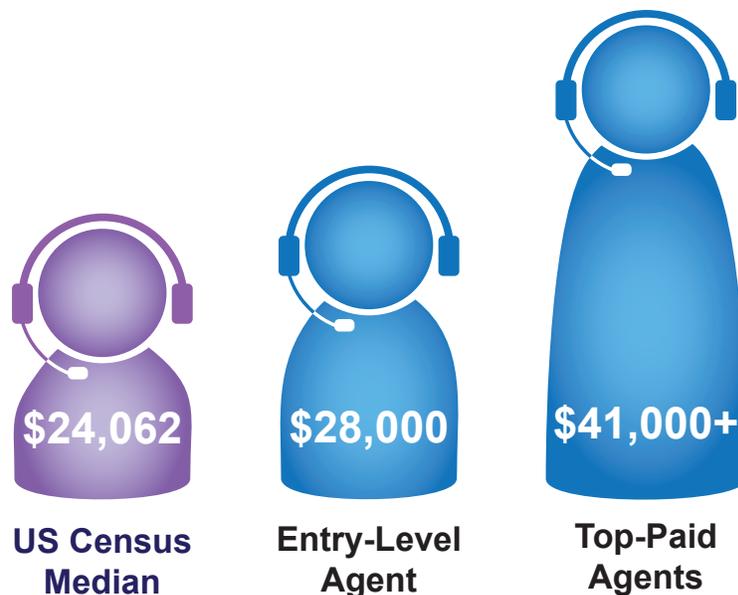
A Profile of the Average Agent

In order to best make decisions about the frontline, it's important to understand the DNA of the work they do, how they are compensated, motivated, stressed, and affected by decisions. One of the most common discussion points concerning agents is their rate of compensation. While, we've discovered that this can vary greatly depending on a variety of factors including the types of contacts handled, channels utilized, time in position, and geographic location, we were able to uncover some industry averages.

The average entry-level agent is earning around \$13.50 per hour, or \$28,000+ annually. Top paid agents, however, are earning in excess of \$20 per hour, or \$41,000+ annually. Considering that the median personal income for individuals over the age of 18 is approximately \$24,000 it would seem as though career agents aren't doing as poorly financially as it is sometimes perceived.

This is positive news, as the average agent is also 31 years old and seeking financial stability. That said, they are also pursuing growth opportunities and do not see their career stalling at the role of agent. For those that are interested and able, advancement within the contact center becomes a lucrative option for additional responsibility, authority, and compensation. Contact centers have a notorious reputation for promoting within and this was evidenced in our research findings. 59% of contact center supervisors represented in our research study were formerly promoted from the role of agent. For the agents that don't find internal opportunities for growth, however, they are quick to pursue alternative careers.

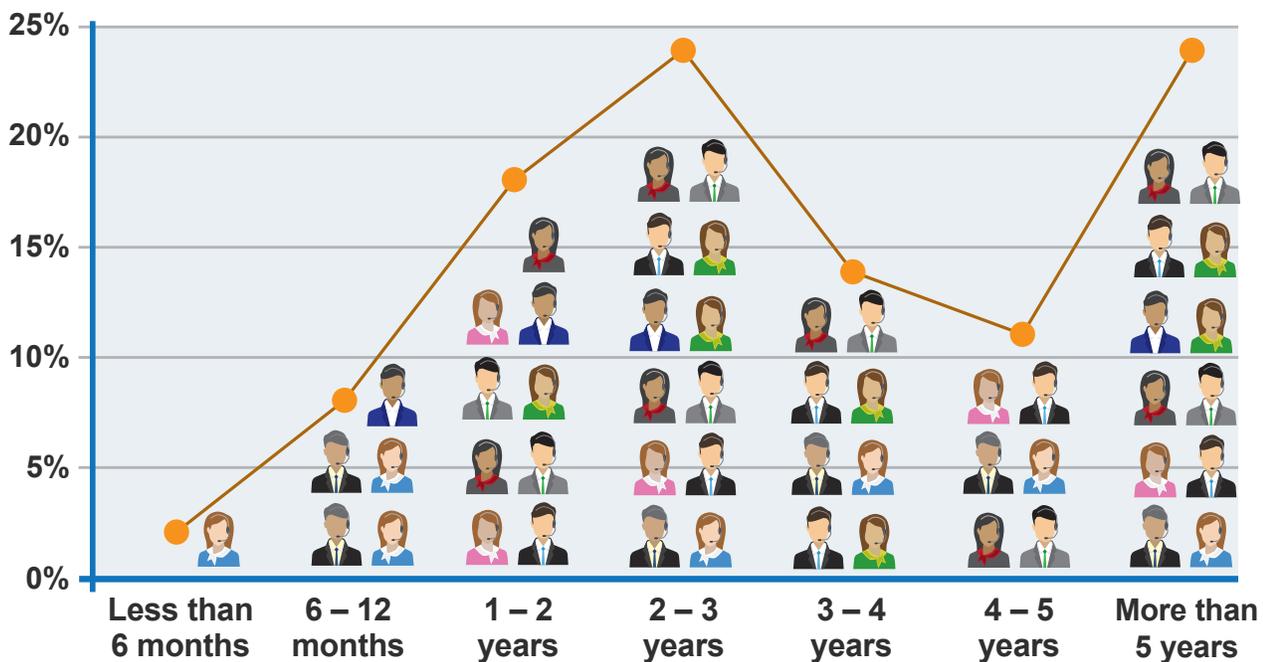
Average Income



The Reality of Agent Engagement

Being a contact center agent is not entirely glamorous and, for many, the position is utilized as a gateway into an organization, an opportunity to hone critical customer service skills, or to understand more about an organization's products and services from a foundational level. For a majority of agents, it is a position that is not meant to last as over 52% of agents stay in the role for less than three years. Another 25% stay 3-5 years, and just 24% stay beyond the five year mark.

What is the average tenure of agents in your contact center?



Not all turnover is bad and for some organizations, the contact center is a vital proving ground for future talent. Approximately one-third of agent turnover is to internal positions within the same organization. While it may be discouraging to see the statistics behind contact center turnover, it is important to acknowledge the centers value in exposing employees to an organizations most critical asset: its customers.

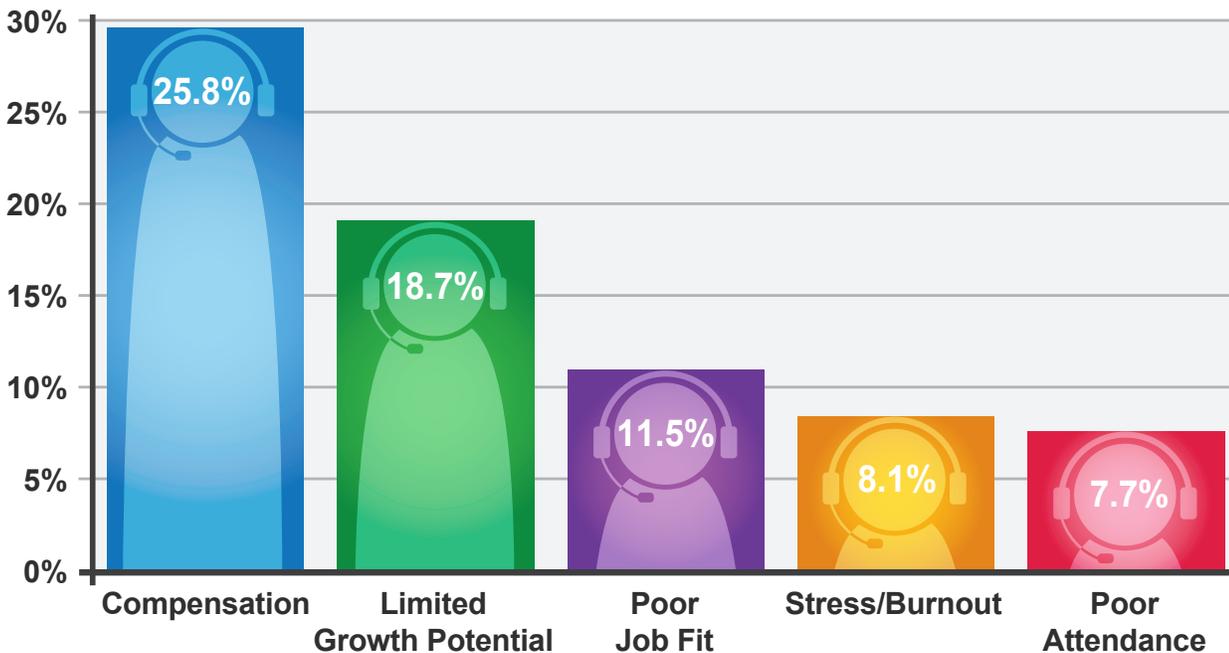
What happens to the agents who aren't promoted in the contact center and don't advance within the organization? Understanding the driving factors of external turnover is an important component to articulating the contact center's strategic value, as well as recognizing the impact of turnover on the customer experience and satisfaction ratings.

Understanding Agent Turnover

Best Practice: Turnover can and should be tracked across four categories: Internal Voluntary, Internal Involuntary, External Voluntary, and External Involuntary. In addition, you can run trending by start date, supervisor, and a variety of other factors. Calculations can be run monthly and annually based on actuals, as well as averages.

While a litany of reasons for turnover were described during ICMI’s research survey, four key categories emerged as the top causes of employees leaving their role as a contact center agent. They were Compensation (26%), Limited Growth Potential (19%), Job Fit (12%), and Stress/Burnout (8%). Despite these findings indicating that compensation is the primary reason for leaving, we at ICMI are inclined to believe that it is merely a scapegoat for other reasons as a majority of the centers surveyed pay a fair and competitive wage for their market. Based on the additional findings of our research, it is our estimation that stress and burnout have a much greater impact on agent engagement, satisfaction and turnover than is indicated by respondents.

If known, what is the most common cause of your external agent turnover?



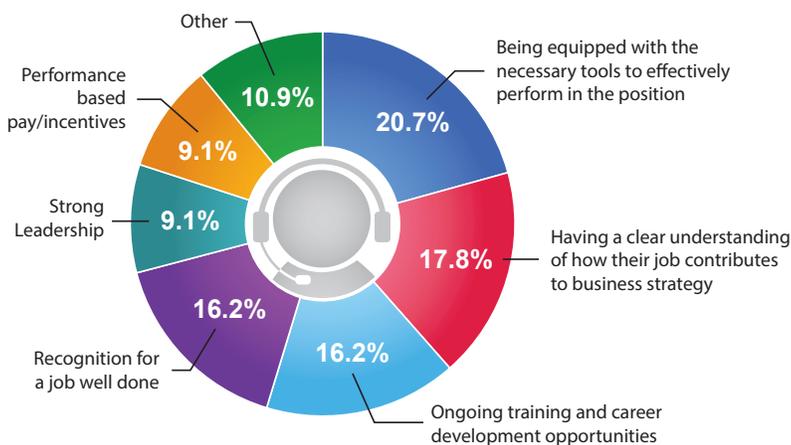
Being a contact center agent is stressful. In fact, ICMI’s research indicates that 87% of agents experience a moderate to high level of stress during their workday. The discouraging part of this statistic is that the top contributor to an agent’s workday stress is system and tool inefficiencies/difficulties (71%). Additional top stressors include job demands and complexity (65%) and high contact volumes (63%). As if handling difficult and complex interactions was not enough, contact center leaders are actively compounding the issue by neglecting to provide the appropriate tools and resources.

Agent Tools and Resources

The tools and resources available to an agent are a critical component to their success and providing inefficient or difficult to use tools causes' damage far beyond agent stress. When asked about what has the greatest positive and negative impact on agent performance, being equipped with the necessary tools to effectively perform in the position rose to the top for greatest positive impact and was second to only poor leadership for greatest negative impact.

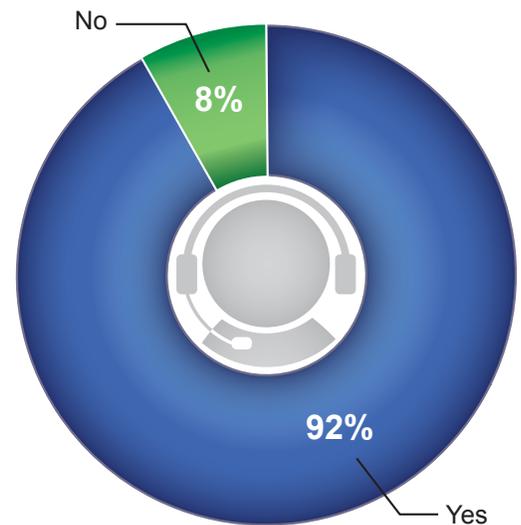
According to the findings in our research, lacking the necessary tools and resources to effectively perform in the position decreases agent performance, which directly affects and decreases agent engagement. As their performance and engagement falls, there is a direct blow to the customer experience. In other words, **poor customer service happens when agents use ineffective tools and resources.**

Which of the following do you think has the greatest positive impact on agent performance?

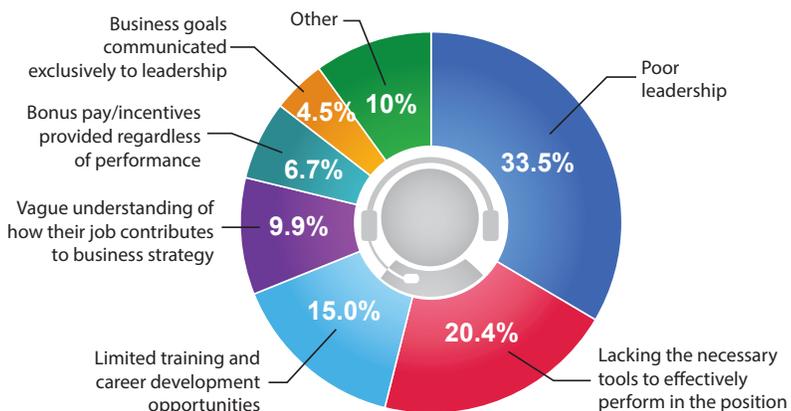


The terrifying reality is that this lack of effective tools and resources exists in more organizations than you may realize. The majority of contact center leaders (92%) recognize that their agent facing applications could be more effective.

Do you believe that your agent facing applications could be more effective than how they exist today?"



Which of the following do you think has the greatest negative impact on agent performance?



Expert Spotlight: Your Agents Have Become Über Important to Your Brand by Brad Cleveland

2009 marked a crossover, a sea change. That was the year search engines surpassed dialing 800 (toll free) numbers as the most common entry point into service. In the years since, mobile-broadband subscriptions (i.e., smart phones and tablets) have grown globally from 807 million to today's 2.3 billion. We carry all the capabilities of our desktop computers and phones in our pockets. We're armed and ready.

What does this mean for contact centers? As customers, we tend to use search, apps, social sites, self-serve—anything that might help quickly resolve the issue or enable us to accomplish what we're after—before we reach out for agent assistance. By the time many contacts reach the center, they are already filtered and escalated.

The services contact center agents provide are as diverse as the verticals they are part of—finance, healthcare, utilities, software, manufacturing, et al.—yet they share common challenges. Customers are increasingly diverse in needs and wants, and expect services on demand. Agents must be proficient in a wide range of systems internally, and be able to help customers with the channels and technologies they use. Products, content and policies change continually. And when all is said and done, customers share how well things went through ratings, social channels and various surveys (much of this input is readily available and commonly used by other customers and prospects).

Easy jobs? No way. Important to customers and the organization? More than ever! It's no surprise that a strong majority (73%) of respondents in this study cite a noticeable increase in the complexity of interactions.

Add to that the stakes for our business. Harris Interactive has been tracking consumers who quit doing business with a company because of a bad customer experience; it stood at 59% in 2007 and increased to 86% in 2015. And I'm fascinated by Watermark Consulting's study of stock price changes over the past seven years; the S&P 500 Index grew by 51.5% during that time, while customer experience leaders enjoyed a 77.7% increase, and customer experience laggards saw a 2.5% decline.

In short, contact center agents are more important than ever, and they operated in an environment that is more demanding than ever. As leaders and managers, it's smart strategy to make sure you have the right agents, and that they have the skills, knowledge, tools and empowerment they need for an increasingly demanding environment.

Let me mention three areas that are getting enormous attention from today's service leaders:

1. Upgrade recruiting, hiring and training practices. (Okay, that's already three, but I'm determined to keep this list short!). Rethink everything you've been doing. Many of these jobs are completely different than they were even a few years ago; the hiring and training practices of the past just don't cut it. Think multi-channel, multi-system, brand-impacting complexity.

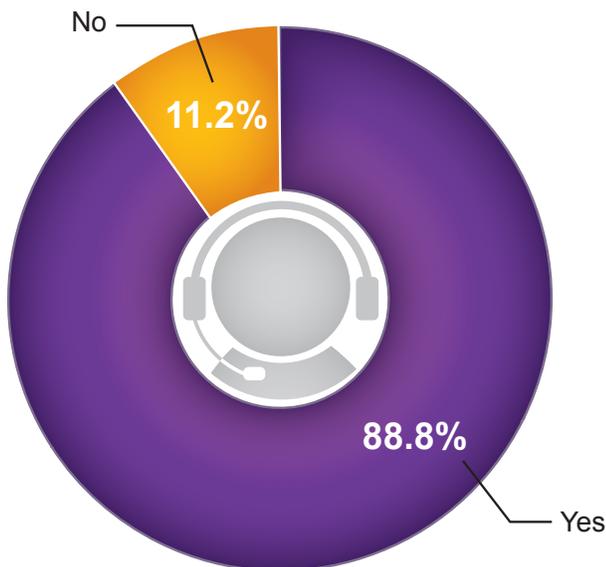
2. Give agents the tools and empowerment they need. Ensure that all employees understand your brand promise and how they impact customer experience. Put the right information at their fingertips, and build systems and an organization that supports them. (Every department head needs to routinely spend time in the contact center, sitting with agents, to understand what’s required to deliver service on the fly.)
3. Focus on the right objectives. Quality, first contact resolution (FCR), employee engagement, and (at a higher level) net promoter scores or (my favorite) customer effort scores, are good candidates for the KPI short list. And remember the contact center’s greatest potential—capturing, sharing and using customer intelligence across the organization, to improve products, services, processes, and R&D. With focus on the right things, every interaction becomes better leveraged and more powerful.

The job of contact center agent is more important, more challenging, and (in the right environment) more rewarding than ever. These are jobs to cultivate, respect and celebrate!

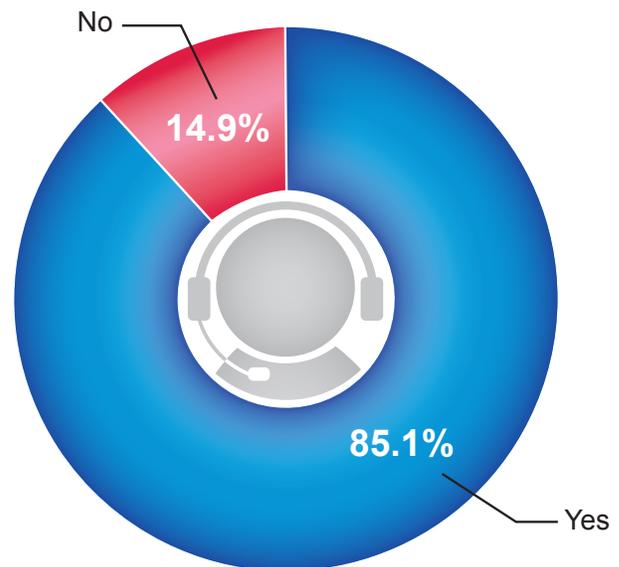
UNINTENDED CONSEQUENCES

Most organizational leaders know that the customer experience is important and that their employees play a critical role in ensuring that positive customer experiences happen. Because they’ve made the connection between an employee’s engagement and the type of customer experience that they provide, employee engagement is an important priority.

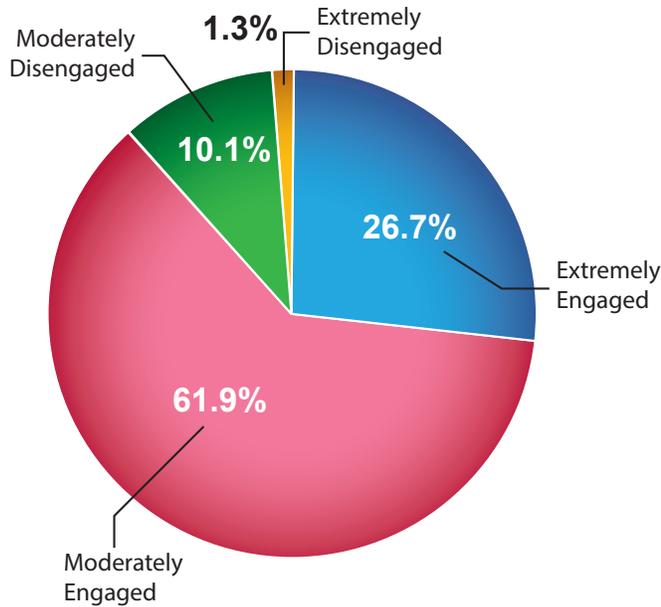
Is employee engagement an important priority in your organization?



Is contact center agent loyalty an important priority in your organization?



How engaged do you consider your contact center agents to be with your company?



When asked about the importance of contact center agent loyalty it also received high importance albeit slightly beyond overall employee engagement.

Despite the importance of employee engagement and agent loyalty, there is certainly opportunity for improvement. Our research previously revealed that 52% of agents leave within the first three years of employment, but we also discovered the perceived state of agent engagement.

A View of the Disengaged

With just 26.7% of contact center leaders believing that they have extremely engaged employees, the opportunity for improvement is evident. The largest percentages of agents fall within the moderately engaged category, which puts them on the fence to disengagement. Considering our findings around the lack of effective technology in over 90% of contact centers and its impact on engagement, this alone should be a call to action for contact center leaders.

In taking a deeper look at the respondents from this research survey who stated that they have disengaged agents, a few interesting trends came to light.

In verbatim responses, an overwhelming majority cited poor communication as the primary cause of their agent disengagement. Ranging from managers who contradict each other, to decisions being made without the frontline’s awareness, to no time available for coaching and development conversations, there was an obvious disconnection between the agents and their leadership.

Unsurprisingly, the organizations with disengaged employees cited employee engagement as less important to their organizations. In fact, 1/3 of the contact centers with disengaged employees stated that engagement is not an important priority and 40% said that neither is contact center agent loyalty. These were the same organizations who said that they have unanimously identified the link between agent engagement and customer experience. Are these organizations admitting to not caring about their customers? Of course not, but their actions and decisions are telling another story entirely!

Our Decisions Show Our Priorities

Among all survey respondents a clear divide existed between their thoughts and actions when it comes to what they consider most important. This contradiction exposes an underlying truth as to why most organizations fail to achieve the best customer experience possible.

When asked about their most utilized metrics and what they considered to be important, there was a clear front runner. Customer service was ranked at the top when asked what was most important to contact center leaders, agents, and customers alike.

Top 5 Agent Metrics	% of Centers Measuring	Most Important to Leaders	Most Important to Agents	Most Important to Customers
Quality	74%	CSAT: 34%	CSAT: 26%	CSAT: 40%
Average Handle Time	73%	Quality: 22%	Agent Satisfaction: 17%	FCR: 29%
Customer Satisfaction	58%	FCR: 10%	Quality: 16%	Quality: 15%
Adherence to Schedule	58%	Agent Engagement: 7%	Agent Engagement: 8%	AHT: 4%
First Contact Resolution	43%	AHT: 6%	AHT: 7%	Agent Engagement: 2%

Despite customer satisfaction being cited as an organizational priority and being the most important metric to contact center leaders, agents, and customers, it is measured by just over half of contact centers. More concerning is that Average Handle Time (AHT) is at the bottom of the list of metrics considered as important but is measured by significantly more contact centers. While AHT is an important measure in forecasting contact center volume, it is concerning to see such a large percentage of centers not measuring customer satisfaction.

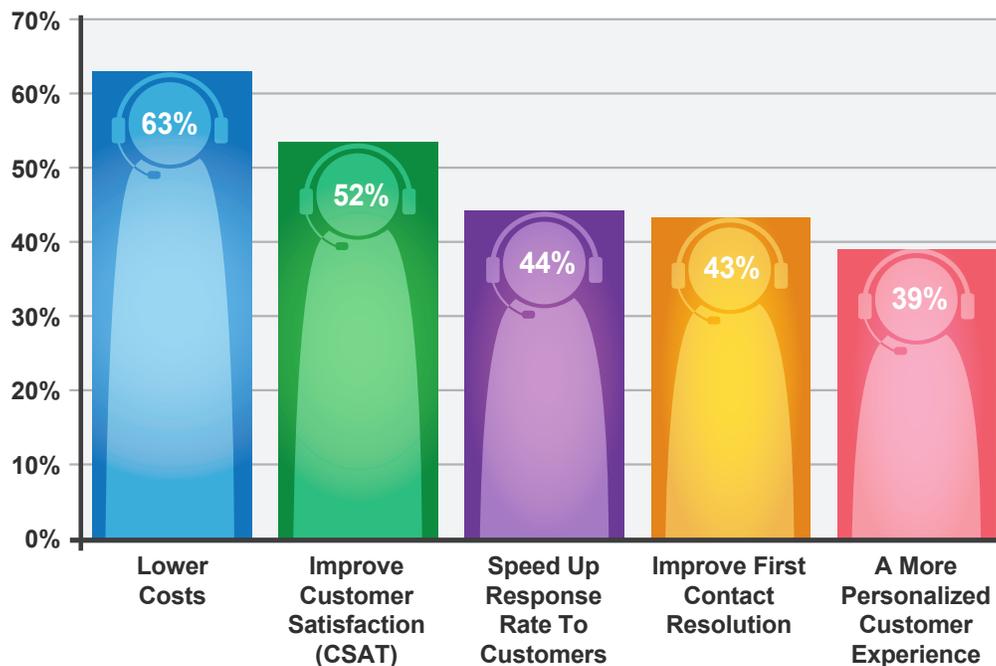
In addition to the opportunities that exist for contact centers to better obtain and leverage customer satisfaction data, the inefficiencies of agent facing applications present a tremendous opportunity to not only affect agent engagement, stress levels, and overall satisfaction, but also drive improvements in customer satisfaction. Considering the fact that so many organizations considering their current applications ineffective to some degree, we sought to understand what would drive their decision to invest in a new agent facing application.

Agent Apathy: The Root Cause of Poor Customer Service

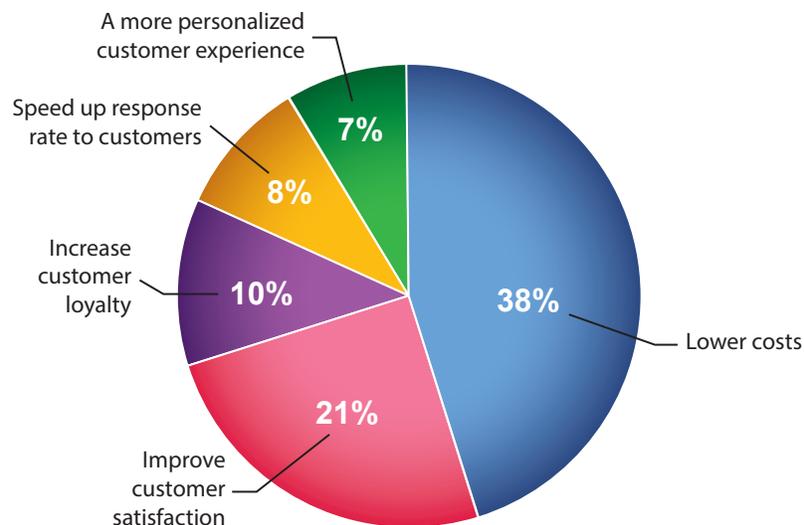
A 2015 Contact Center Research Report and Best Practices Guide

Despite a majority of organizations (85%) saying that agent loyalty is an important priority to them, their actions tend to be a bit contrary. While an overwhelming percentage find their systems inefficient, and acknowledge that it's preventing the agent from providing the best customer experience, it doesn't seem to be reflected in what would actually motivate them to invest in a new agent facing application. The primary motivator there? Lowered costs. It would seem that agent loyalty and customer satisfaction is only a priority for the right price.

What would motivate your company to invest in a new agent facing application?"



What would most motivate your company to invest in a new agent facing application?



WITHOUT ACTION, A DISMAL FUTURE AWAITS

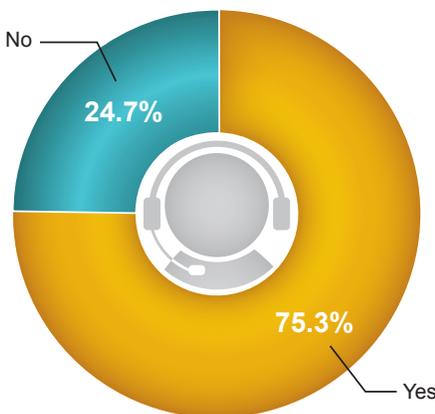
If contact centers operated in a vacuum, it might be possible to ignore the challenges faced by organizations in providing the tools and resources necessary for agents to provide the best customer experience possible. The reality, as we all know, is that isn't the case. The customer landscape is shifting in ways like never before seen and with the rise of customer expectations, the rise of agent significance is inevitable.

Contact Centers Are More Complicated Today

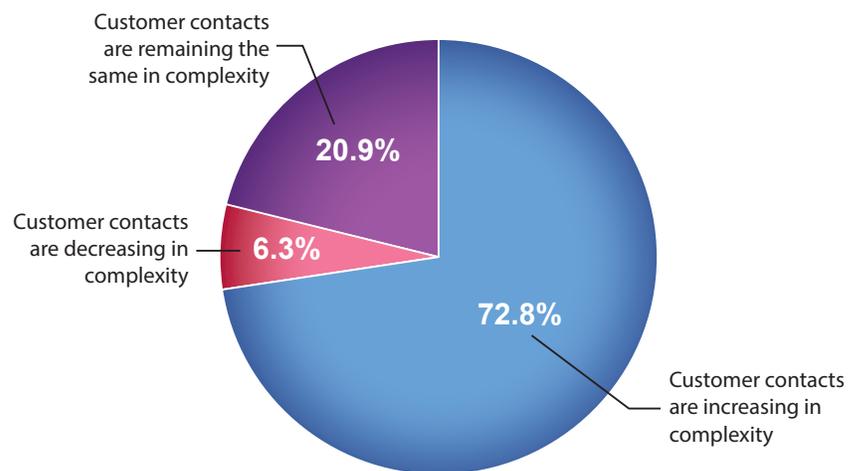
As if rising customer expectations wasn't enough, the evolutions in technology and channel variety have painted a clear picture of what contact centers face today and what can be expected in the coming years.

While 48% of contact center agents today support multiple channels, this number is expected to increase exponentially. 75% of contact center leaders plan to increase their total number of agents that support multiple channels.

In the future, do you plan on increasing the number of agents that support multiple channels?



Based on your experience, is the complexity of customer contacts increasing, decreasing, or remaining the same?"



On top of the additional channel work, it would appear as though the actual complexity of the contacts coming into the contact center is increasing. While a variety of factors are driving this change, most significantly are the percentage of customers who have interacted with more than one channel of service, the limited visibility an agent has into the customer experience, and the excessive number of applications that an agent is required to navigate in the fulfillment of their duties. These systems and technologies are so complicated that the average agent receives approximately 90 hours' worth of training that is specifically focused on the tools and technologies that they need to do their job.

If the tools and resources that agents have today don't allow them to effectively do their job, what is going to happen as the environment only continues to increase in complexity?

CONCLUSION

The reality of ICMI's research findings is that the contact center is not going to get any less complicated and that the role of the agent is only going to increase in importance as technology, service channels, and customer expectations evolve. While traditional approaches to contact center metrics, agent performance, and customer expectations have been sufficient for organizations to date, they are increasingly becoming a detriment to providing the best customer experience possible.

The agent is the most important touch point of the customer journey and it is simply not sustainable for a majority of organizations to actively prevent them providing the best customer experience possible. At the root of this organizational obstruction to serve is a lack of tools and resources necessary to perform in the position of agent. The focus on direct costs of technological investments and lack of consideration to employee engagement, job performance, and customer satisfaction is slowly, but surely costing the organizations far more than the "savings" that they assume by neglecting to invest in effective tools and resources.

This apathetic approach to operating a contact center is destroying agent engagement, disrupting customer satisfaction, and detrimentally affecting costs by those adopting it and they may discover that they've passed the point of redemption. Is it worth the risk, or are you willing to do what it takes to become a true front-runner in a customer-centric world?

About This Report

This research report was made possible by the underwriting support of Five9 (www.five9.com). ICMI research sponsors do not have access to research participant information, including individual survey responses.

About ICMI

The International Customer Management Institute (ICMI) is the leading global provider of comprehensive resources for customer management professionals -- from frontline agents to executives -- who wish to improve customer experiences and increase efficiencies at every level of the contact center. Since 1985, ICMI has helped more than 50,000 organizations in 167 countries through training, events, consulting, and informational resources. ICMI's experienced and dedicated team of industry insiders, trainers, and consultants are committed to helping you raise the strategic value of your contact center, optimize your operations and improve your customer service. ICMI is a part of UBM plc (www.ubm.com), a global events-led marketing services and communications company.

About Five9

Five9 is a leading provider of cloud contact center software, bringing the power of the cloud to thousands of customers and facilitating more than three billion customer interactions annually. Since 2001, Five9 has led the cloud revolution in contact centers, helping organizations of every size transition from premise-based solutions to the cloud. Five9 provides businesses secure, reliable, scalable cloud contact center software to create exceptional customer experiences, increase agent productivity and deliver tangible business results. For more information visit www.five9.com.