

Predicting High Performance for Customer Retention Agents at Two Call Centers

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Purpose

The purpose of this study was to explore which personality characteristics, behavior patterns, and skill competencies are associated with higher job performance among customer retention agents at two of the company's call centers run by independent vendors. This was accomplished by investigating the relationships between employee performance data provided by the company and ServiceKey® scale scores.

Before describing the study, it should be noted that there is a classic problem in predicting the success of any kind of customer service representatives known as “the dependent variable problem.” In research, the dependent variable is the variable that we are interested in predicting. It is usually a variable that is considered to best represent job performance. In some jobs, there is an obvious dependent variable that measures success. For example, in sales, the dependent variable is typically the amount or value of sales – that is, the bottom line. In customer service or customer retention, this is more difficult because of the nature of the job. Success as measured in customer retention agents is typically associated with “soft skills” and consequently measurements that are usually less objective than merely dollars and cents production, such as manager or customer evaluations. In this case, the retention of customers by conversion of the inbound call to a re-enrollment, or enrollment into additional products and services is the closest thing we have to an activity that directly results in the production of income or revenue. And, skills in these activities are becoming a larger part of how an agent will be rated as successful in this position in the future. However, success in this role is dependent upon other skills such as accurately presenting the product and options to the customer, adherence to the standards set for the position and rated by the internal quality assurance team, the length of the call, the adherence to legal guidelines and policies set by third party regulators, accuracy of entering data after processing the call, as well as ability to fully resolve the customer's issue and/or request on the first call, to name a few.

In the present study, the presumed ideal dependent variable was a variable called “Score” (varScore); however, although some personality characteristics, behavior patterns, and skill competencies as measured by ServiceKey® were found to be associated with this variable, it is limited as a strong dependent variable in several ways, primarily in that it is a composite of other variables whose interrelationships are unknown. Although approximately 50% of the varScore measure of performance is comprised of the ability to re-enroll into existing plans, and to enroll customers into new services, these additional skills and actions make the varScore measure less than ideal.

This study explored relationships between four different dependent variables -- varScore, Value Added Sales Conversion (VASConv), Customer Service (CS), and Retention Conversion (RevConv), which were recommended from among other variables by internal managers with knowledge of the company, the job, and the KSAOs (knowledge, skills, abilities, and other characteristics) necessary to perform the job.

Methods

Participants

Participants for the study consisted of 199 Vendor Call Center company employees from two companies each with one call center located in two different geographical locations, Call Center E ($n = 100$), located in the US, and Call Center G ($n = 99$), located in Mexico. The participants in each location were comprised of tier 1 and tier 2 customer retention agents who are assigned primarily to receive inbound calls for the procuring company, located in the US. The participants of these vendor companies are employees of company E and company G respectively. Participants were selected by the company, generally based on being tier 1 (entry level) and tier 2 retention agents with training and experience levels that are comparable.

Measures

The dependent variables were the employee data which was provided by the company. These data consisted of varScore, Internal Error, Customer Service, Value Added Sales Conversion, Retention Conversion Rate and other data such as Tenure, Quality Assurance metrics, Average Handle Time, and After Call Time.

ServiceKey® is a self-report measure of personality characteristics, behavior patterns, and skills that have been found to be associated with various dimensions of success in customer service positions. For ServiceKey® data, raw (“transformed”) scores (1-100) were used. ServiceKey® includes several reliability measures. Invalid profiles (profiles with a Validity Check score < 50 and/or a Consistency score < 50) were removed from all analyses. This procedure resulted in 69 cases being removed from the overall sample, leaving 130 total cases in the study, 65 from Branch E and Branch G respectively.

Most scales on the ServiceKey® assessment assumed a normal distribution with a few exceptions:

- Tenure¹
- Internal Error²
- Customer Service³
- Validity Check⁴

¹ (Kolmogorov-Smirnov $Z = 2.45, p = .00$)

² (Kolmogorov-Smirnov $Z = 4.99, p = .000$)

³ (Kolmogorov-Smirnov $Z = 3.14, p = .000$)

⁴ (Kolmogorov-Smirnov $Z = 1.94, p = .001$)

- Consistency⁵
- Computer Skills⁶
- Focus⁷
- Intentions⁸
- Up market⁹.

These distributions are consistent with expectations given the nature of the sample and results of previous studies. In subsequent analyses, normative transformations were performed on these variables as appropriate.

The ServiceKey® assessment was used primarily because it is a unique measure of behaviors and traits of customer service agents, but includes scales that measure the selling potential of customer service agents. Many companies understand the value of customer service agents who have the ability to offer and sell additional products and services, while maintaining their primary role as customer service agent. The ServiceKey® assessment is uniquely designed to measure and predict the agents who have this capability.

Results/Discussion

varScore

The varScore variable (which was made up of a variety of skills and measures by which the agents in the call center are ‘ranked’ in descending order of preferred performance by the company) was associated with the following ServiceKey® scale scores:

- Controlling ($r = .17, p = .05$)
- Performing ($r = .22, p = .01$)
- Goal ($r = .18, p = .05$)
- Sales Identity ($r = .18, p = .05$)
- Focus ($r = .18, p = .04$).

This indicates that individuals with higher varScore will tend to be more persuasive, more likely to invest their energy in a positive self-presentation, and more achievement-oriented. Successful agents are more comfortable with adopting the identity of a salesperson, and are less likely to believe in or agree with negative stereotypes of salespeople. They also know how to set priorities and stay focused on high pay-off activities. That is, they are able to stay focused on engaging in activities that pay off and drive results.

⁵ (Kolmogorov-Smirnov $Z = 1.40, p = .04$)

⁶ (Kolmogorov-Smirnov $Z = 2.73, p = .000$)

⁷ (Kolmogorov-Smirnov $Z = 1.41, p = .04$)

⁸ (Kolmogorov-Smirnov $Z = 2.70, p = .000$)

⁹ (Kolmogorov-Smirnov $Z = 2.11, p = .000$)

The fact that there is an association between varScore variable and Goal scale scores (and not Initiative or other similar scores) is consistent with customer service positions in which keeping up with incoming calls and paperwork is more critical than initiating new projects or activity unrelated to the inbound calls (measured by the Initiative scale).

varScore was also associated with other ServiceKey® scale scores but at a lower level of statistical significance (suggesting that these results should be interpreted with caution), and these included:

- Telephone ($r = .15, p = .10$)

The fact that Score was associated with telephone skills and comfort with using the telephone is consistent with expectations.

Customer Service (CS)

Three other metrics were considered. Customer Service, Retention Conversion, and Value Added Sales Conversion. As noted above, Retention Conversion rate, and Customer Service did not conform to a normal distribution. However, Customer Service was associated with Initiative ($r = .18, p = .03$). This is to be expected – individuals who are willing to take action to help customers resolve issues and even go beyond what is expected in response to customer calls achieve higher Customer Service scores.

Value Added Sales Conversion (VASConv)

But the more reliable metrics proved to be Value Added Sales Conversion (VASConv) and Retention Conversion. This finding could be due to the sales sensitivity of the ServiceKey® assessment that originated in predicting sales success, and is the only instrument used for assessing successful customer service performance that incorporates sales behavior measurements into its construction.

VASConv was associated with the following ServiceKey® scale scores:

- Confidence ($r = .19, p = .02$)
- Intentions ($r = .25, p = .002$)
- Analyzing ($r = .18, p = .03$)
- Controlling ($r = .20, p = .02$)
- Empathizing ($r = .21, p = .01$)
- Performing ($r = .23, p = .01$)
- Exceeding Expectations Index ($r = .16, p = .05$)
- Goal ($r = .18, p = .03$)
- Initiative ($r = .16, p = .05$)
- Sales Identity ($r = .18, p = .03$)
- Focus ($r = .18, p = .03$)

VASConv was also associated with other ServiceKey® scale scores but at a lower level of statistical significance (suggesting that these results should be interpreted with caution), and these included:

- Individual Readiness Index ($r = .16, p = .06$)
- Energy ($r = .13, p = .11$)
- Telephone ($r = .14, p = .09$), TM ($r = .14, p = .10$).

Retention agents who have high levels of confidence in themselves are more successful in selling additional products. In addition, the agents who have the ability to take actions that increase the chances the buyer will take action (high control), the ability build rapport and to listen and ask good questions in order to understand the customer's needs (high empathizing), the ability to exert energy to enhance their presence on the phone (high performing), and the ability to offer detailed product information (high analyzing) were also more effective when selling the additional products and services.

In addition, the agents who were more successful in selling scored higher on the 3 characteristics identified by ServiceKey® to predict sales ability – 1) Being more goal oriented (that is, driven to achieve results)(High Goal), 2) Having high regard for sales in general and being comfortable being identified as 'salespeople' (Sales Identity), as well as 3) Capable of taking the initiative to start conversations or change topics to introduce new opportunities that may not have been related in any way to the initial reason the customer called (Initiative).

One additional finding is that agents who can up-sell the products and services are better at staying focused on that goal and speaking about those offerings with more regularity and frequency.

These agents were also demonstrating the baseline characteristics of good general customer service agents (Level 1 scores as identified by Individual Readiness Index), as well as having high levels of physical energy which helps them sustain an upbeat presence on the phone for their entire shift, and general telephone skills.

Retention Conversion Rate (RetConv)

RetConv was associated with the following ServiceKey® scale scores at statistically significant correlations:

- Risk Sensitivity ($r = .248, p = .003$)
- Initiative ($r = .183, p = .03$)
- Sales Identity ($r = .208, p = .01$)

Other measurements were also associated with Retention Conversion Rate but at slightly lower levels of significance:

- Empathizing ($r = .150, p = .07$)
- Coachability ($r = .150, p = .07$)
- Focus ($r = .138, p = .1$)

The study found that re-enrolling existing customers into new plans was most likely accomplished by agents who were very careful about what they said to customers (Risk Sensitive) and were likely to closely adhere to exact wording and precise representation of new potential plans. They were also likely to take the initiative to bring up the possibility of renewals (Initiative), as well as confidently guiding the conversation in a new direction. These agents were also comfortable with being identified as salespeople, and carried positive associations to selling as a profession (Sales Identity).

They were also good listeners, able to understand the customer's current needs and situation to offer the best plans available (Empathizing), as well as being interested in self-improvement, being open to coaching and feedback in order to learn how to improve (Coachability), and staying focused on the priority of offering customers new plans (Focus).

The Ability of the ServiceKey® Assessment to Predict Successful Performance

A multiple regression analysis was completed on varScore. The model proved to be predictive¹⁰. Using the regression we would correctly predict productivity 68% of the time based on this sample. This ratio was calculated in a somewhat mechanical manner, using the mean score of 58 as a cut-off. In real life, people would make allowances for scores close to the median, but for purposes of this analysis, if a regression score was 58 or greater and their varScore was 58 or greater it was counted as a successful prediction (N=42) as was a regression score less than 58 and a varScore of less than 58 (N=38). A Hiring Mistake was a regression score of 58 or greater and a varScore lower than 58 (N=19). A Missed Opportunity was a regression score lower than 58 and a varScore greater than 58 (N=19), These are people who would not have made the cut but who went on to be above average producers.

¹⁰ $F(15,112) = 1.81, p < .05$

A chi square showed this distribution to be statistically very significant at $p=.0001$. The study confirms the ability of the ServiceKey® assessment to accurately predict successful candidates for the customer retention agent position. ServiceKey® should be considered as a pre-hire assessment as part of the selection process for determining who should operate as a retention agent.

Comparison of Vendor Call Centers

Another analysis was conducted that explored whether there were significant differences in the ServiceKey® scale scores obtained by the customer service representatives at the two Call Centers. Indeed, statistically significant differences in these locations were found:

- Individual Readiness Index¹¹
- Standards¹²
- Coachability¹³
- Computer Skills¹⁴
- Controlling¹⁵
- Performing¹⁶
- Sales Identity¹⁷.

Figure 1 summarizes these differences.

¹¹ $F(1, 128) = 5.32, p = .02$ ($G M = 71.55, E M = 75.14$)

¹² $F(1, 128) = 20.91, p = .000$ ($G M = 68.03, E M = 78.14$)

¹³ $F(1, 128) = 6.32, p = .01$ ($G M = 66.14, E M = 72.15$)

¹⁴ $F(1, 128) = 7.02, p = .01$ ($G M = 76.32, E M = 69.07$)

¹⁵ $F(1, 128) = 8.02, p = .01$ ($G M = 69.92, E M = 63.45$)

¹⁶ $F(1, 128) = 8.83, p = .004$ ($G M = 51.91, E M = 44.65$);

¹⁷ $F(1, 128) = 3.89, p = .05$ ($G M = 55.69, E M = 61.40$)

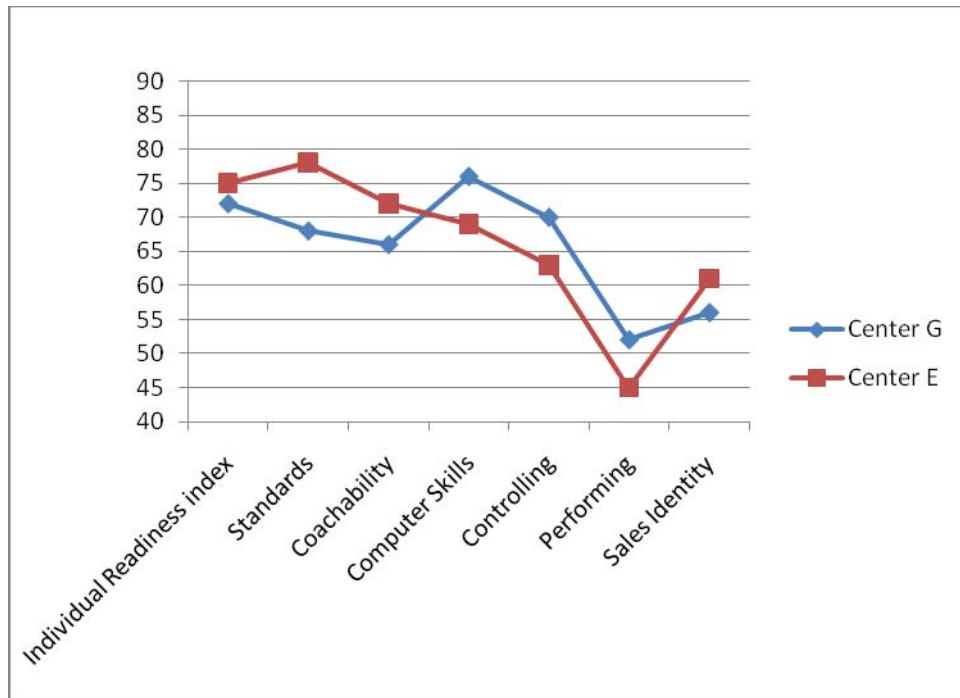


Figure 1

Other differences in ServiceKey® scale scores were found based on location but at a lower level of statistical significance (suggesting that these results should be interpreted with caution), and these included:

- Service Aptitude¹⁸
- Creativity¹⁹
- Intentions²⁰

These are summarized in Figure 2.

¹⁸ $F(1, 128) = 3.52, p = .06$ (G $M = 76.77$, E $M = 80.48$);

¹⁹ $F(1, 128) = 3.20, p = .08$ (G $M = 72.85$, E $M = 68.88$)

²⁰ $F(1, 128) = 3.19, p = .08$ (G $M = 72.29$, E $M = 79.75$)

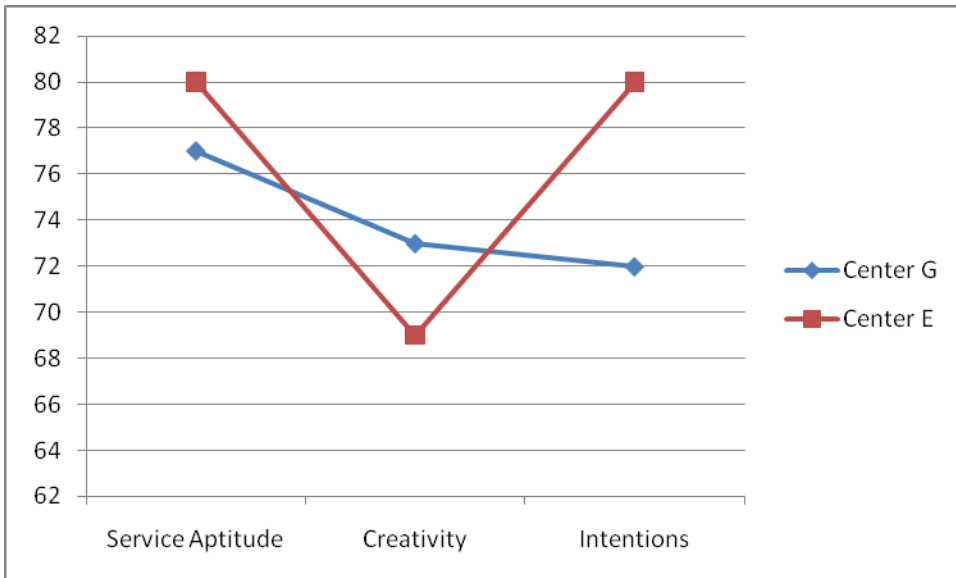


Figure 2

The most critical behaviors are those that comprise Individual Readiness (IND). Seven key behaviors make up this index including Energy, Telephone, and Service Aptitude (which have been seen in this study). These behaviors are considered basic requirements of successful agents and are difficult to train or instill. These behaviors are not cost-effective for companies to train and therefore most important to the selection of new agents. The E Call Center seems to be doing a significantly better job at recruiting people more likely to succeed than the G Center overall.

Summary:

Recruiters at both Centers should be assessing candidates around five specific behaviors. These are:

1. The ability to initiate the sales conversation, control the sales process and be persuasive (Controlling, Initiative)
2. The ability to continuously project an energized, enthusiastic, professional phone 'presence' (Performing).
3. The ability to set specific individual goals that have the ability to self-motivate to achieve higher levels of performance (Goal) and have the desire to upwardly influence their compensation, achieve incentives and rewards.
4. Possess a positive view of salespeople and the ability to accept the title and responsibilities of a salesperson (Sales Identity). That is, they do not carry negative pre-conceptions or negative ideas about salespeople.
5. The ability to manage one's time in order to stay focused on tasks that lead to results (i.e. offering opportunities to re-enroll or purchase additional products or services without becoming distracted by non-productive behaviors (Focus)).
6. The ability to use the phone comfortably for business purposes; that is, the absence of emotional barriers to using the telephone (Telephone).

To a lesser degree, but still significant:

7. Possess the ability to carefully offer plans accurately and with precision without over-stating, over-promising, or inaccurately or illegally representing plans and offerings (Risk Aversion).
8. Be willing to accept coaching, feedback, and possess a desire to continuously improve their performance (Coachability).

Comments about Call Centers

The G Call Center should investigate why more of its employees appear to be more likely to leave their current positions (Intentions) as well as acceptance of individuals who are less disciplined and more likely to stretch rules, overstate or inaccurately represent plans, or not adhere strictly to the stated parameters of how to offer plans and products (Standards).

The G call center appears to have agents who are more creative (Creativity), but also more likely to inaccurately or overstate offerings (Lower Risk Aversion). Their agents are less motivated to be coached, or may receive less coaching (Coachability). Their agents, however, are more likely to take control of calls (Control), get customers to make decisions, but perhaps in ways they cannot feel completely comfortable embracing or proud to engage (Sales Identity).

The E Call Center may need to evaluate its computer skills training as well as any possible bias against people with who may have a more entertaining, energetic phone 'presence' and have the ability to direct and control the call with the customers (Performing and Controlling).

The E call center appears to be able to pull from agents who are more naturally capable of doing the traditional customer service role (Individual Readiness Index).