

MEASURE PRODUCTIVITY WITHOUT SACRIFICING QUALITY OR MORALE

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CREATING THE UNCOMMON CALL CENTER

Measure Productivity without Sacrificing Quality or Morale

Abstract

How do you measure productivity without sacrificing quality or employee morale? All of us must learn the fine balance of delivering excellence within the parameters of cost efficiency.

This article will teach you how to optimize your contact center's performance by constructing a balanced measurement system. You will read about the attributes that make some metrics better than others and the guiding principles for productivity measures. You will learn how to tailor performance standards to drive desired levels of performance and motivate desired behaviors. Adopt this team approach to performance measurement and watch your performance soar!

The process of designing, implementing, and managing balanced performance measurement systems may not be a science, but it definitely requires skill and know-how. Consider this article your first step in becoming an expert on the subject!



Measure Productivity without Sacrificing Quality or Morale

Kathryn E. Jackson Ph.D.

How many of you reading this article have been told by your manager, “I want you to pursue the highest quality available for this contact center. Don’t worry about costs. Do whatever it takes?”

If you are like most contact center managers, this is not what happens in real life. In fact, even if it did, it would not be a fiscally responsible decision to pursue. The truth is, all of us have had to learn the fine balance of delivering excellence within the parameters of cost efficiency.

Many people speak of quality measurement and excellence in the contact center. However, few attack the topic of productivity measurement. Even fewer people want to discuss how to measure an agent’s productivity. I’ll admit, it can be a dangerous road to travel – a road full of potholes. But, as this article reveals, maneuvering this road with excellence is simply a matter of balance and optimization.

Balance and Optimization

I’ve heard agents say, “If you want me to provide higher quality, I’ll have to talk longer with my customers.” However, did you know that quality does not necessarily get any better with longer talk time? In all of our research, we’ve never been able to prove any significant correlation between talk time and quality.

You can easily see this lack of correlation in your own contact center by plotting average talk time against quality monitoring scores. Plot the numbers on a grid for your entire team (label the horizontal axis quality and the vertical axis talk time). Once they are fully graphed, look at the two quadrants representing high talk time. What do you see? Some agents with high talk time also have high quality while others have low quality. Now look at the two quadrants of low talk time. Again, some agents have low quality but some agents have high quality. These agents with lower talk time and higher quality have gained the skills required to provide a high quality interaction with the most optimum talk time (notice I did not say “lowest” talk time). These optimization skills are the ones you want other agents to acquire.

In certain instances, you might want to plan for an increase in your average talk time. What if you were able to reduce the number of repeat calls or decrease the overall cost to service accounts (due to fewer calls per account)? These results, even though created by a longer talk time, would ultimately save your company money.

This doesn’t mean you walk into the contact center one day and say, “Okay, I want everyone to talk 30 seconds longer on each call.” What I would recommend is that you first analyze what agents could do during the call that might increase first call resolution. Consider all the options and then pick one you would like to test. Test your solution with a control group of agents so you can assess the impact of this new call flow. Be sure to look at the impact on talk time, first call resolution, rework etc. In this way you can prove if your investment in longer talk time is worth it.

Agents should be taught how to balance high quality with cost efficiency. It’s not okay for an agent to consistently get 95 percent on their call monitoring scores while at the same time only handling one call per hour (while other agents on the same team are averaging 12 calls per hour with comparable quality scores). By learning the optimization skills, agents can balance quality with cost efficiency.



Measurement Overview

Before we delve straight into how to develop a balanced and optimized productivity measurement for agents, let's review the characteristics of all good metrics:

System-focused	Performance measures should assess the progress toward achieving the strategic goal and objectives for the entire corporation. There should be a clear line of site from the first level measure to the corporate objectives.
Limited	The number of performance measures is limited to focus on the most important indicators of success and to avoid diluting the influence of individual measures.
Understandable	Performance measures are as simple, straightforward and as easy to understand as possible.
Avoid unintended consequences	To the extent possible, performance measures avoid unintended consequences.
Cost-effective	Performance measures justify the cost of collecting and retaining the data.
Efficient	Performance measures are streamlined to utilize existing data sources, reduce data collection burdens, and avoid asking for information that can be obtained from another source.
Reliable	Performance measures are reliable so that when the same measure is used in the same circumstances, it will obtain the same results.
Valid	Performance measures are valid so that they actually measure what they are supposed to be measuring rather than something else.
Informative to managers	Performance measures provide information to managers in a timely manner and emphasize aspects of performance that are under management control.
Informative to decision-makers	Performance measures inform evaluative, planning and policy decisions.
Clear	Employees are able to see a clear link between what they do and how performance is measured.
Valuable	Everyone is able to understand why each element of data is collected and see the value of sharing that information.
Promote continuous improvement	Performance measures promote continuous improvement.



Measuring Productivity

When putting together an employee performance measurement system for the first time, we have found that productivity is often the first metric managers want to implement. Response Design recommends you save it for last!

We have found that agents respond much more positively to a quality measure than they do to a productivity measure. By implementing quality first, the agents have a chance to experience what it's like to be held accountable. They understand that the measure is used to help them learn and grow (rather than being used as a hammer). They begin to trust the measurement system. These quality measurement milestones help to ensure the successful introduction of a productivity measure.

Another caution, don't have productivity as your only metric. Keep it balanced with other metrics (for example, quality and time utilization) to ensure you are not motivating undesired behaviors.

Research has proven:

- When quality practices are implemented, productivity performance also increases.
- Companies that institute a measurement and feedback system can increase productivity by 43 percent.
- Companies that institute a measurement, feedback, and incentive system can increase productivity by 64 percent.
- If productivity is over emphasized there can be detrimental effects.

Detrimental effects

Response Design knows of a contact center that told agents they had to take 120 calls in each 8-hour shift. All the agents ever heard from management was the 120-call standard. Some agents, in order to meet the standard, figured out they could pick up calls and immediately disconnect them to add calls quickly to their call count. Others adopted call-handling techniques that shortened their talk time (hence able to take more calls) but these techniques were not necessarily customer friendly and often caused rework.

I'm sure most of you have experienced this phenomenon. You've called a company with multiple questions. But the agent was so rushed that you started to hurry through the call. By the end of the call you were so flustered that you disconnected without asking getting half of your answers. So what do you do? You turn right around and call back (or else you decide to go to a competitor).

Lesson? That the overemphasis on productivity in a contact center never achieves quality results.

Principles for Productivity Measures

The first thing your team needs to do when sitting down to create an agent productivity metric is agree in principle about what this is all about. Following are four principles we believe will make your journey on the road to productivity a safer one.

Principle Number One: *A productivity metric needs to reflect a leader's understanding of what impacts productivity.*

We are all responsible for how we use our time. Performance measures should be designed to encourage people to take that responsibility. The measure (along with the rest of the performance management infrastructure)



should be constructed to indicate that management understands that there are events in every job that people cannot control.

The metrics should indicate to the agents that you know they can control how they use their time. But you also want them to know that you understand there are certain things that happen throughout the day that they cannot control.

For example, agents can control, to a certain extent, how much time they spend in after call work. The agents' skill level contributes to the length of after call work – those more skilled can complete the tasks faster. However, the complexity of the call can also determine the amount of time spent in after call work time. The more complex calls typically take longer. And, let's suppose an agent needs to regain his composure after a particularly trying call. That agent can choose to take a few extra seconds in after call work time to regroup before taking the next call.

Agents are not in control of the time they spend waiting for a next call. This is determined by call volume, staffing levels, and the workforce management team.

The productivity metric needs to reflect a leader's understanding of all these subtle time utilization possibilities.

Principle Number Two: The same measurement for everyone doing the same job.

For ease of measurement and setting consistent expectations, your productivity measurement should be the same for all people doing the same type of work. The metric should allow you to compare any agent to any other agent no matter what time of day he or she is working. This makes it easier to roll the metric into a center-wide performance metric. The goal of all good measurement systems is to have the metrics in one part of the organization relate to the metrics throughout the organization.

Let's say you are using "calls per hour" as your productivity metric. If you calculate productivity by simply taking the number of calls offered and divide it by the number of hours worked, then your night shift can never reach the same standard as your day shift. The night shift agent usually has fewer calls offered per person than the day shift (thus leading to lower calls per hour).

Your job is to determine how to accommodate any such inequity and still utilize the same measurement and standard for all.

Principle Number Three: One metric – different standards.

There are times when you'll need to have different performance standards. Let's pretend you have two agent groups, one of which handles a call type with a much longer average handled time. You can still use the same measure for productivity. However, you can adapt the metric to this longer talk time by setting up a different performance standard. So, if your productivity measurement were "calls per hour" then the group with the longer handled time would have a lower performance standard. By definition, this group cannot complete as many calls in the same number of hours (since the handled time is longer).

Principle Number Four: Fairness

The most important principle is fairness. There are many things that can happen throughout the week that can affect an agent's ability to produce. What if you introduce a new process that is quite complex? It may take the agent a while to get up to speed. Or, in an outbound telemarketing environment, the list quality and campaign requirements can cause a varying degree of productivity. The management team must always be on the lookout for factors of system variability and adjust the standard for fairness. (Remember, Dr. Deming's famous finding – the system in which people work usually impacts people's performance even more than their skill and knowledge.)



Productivity Measurement Guide

The following eight discussion topics should serve as a guide to help you start developing a productivity measurement tailored to your organization. Form a small task team to work through the following ideas. Have team members read through the entire guide prior to the session and ask them to record their own thoughts and ideas.

Once the team meets, be sure to assign a skilled facilitator to help map the road to productivity. Have members discuss the ways of thinking. These ideas should be used to help your team springboard to a tailored solution for your contact center.

Discussion Topic One: Performance measurement values

Values help your team stay on track and are critical when communicating to the agents why you have a productivity metric. Some ways of thinking are:

- Agents must believe in the measurement system.
- Agents are adults and should be given the opportunity and freedom to choose what's right for them. Performance measures and standards should be constructed to help them choose.
- Agents should retain control of their performance.
- Agents need to know what is expected of them, how they are doing in relation to those expectations, and how they can learn and grow.
- The focus of a performance management system should be on making good business decisions by balancing the needs of the customer, company, and employee.
- Indicator metrics (or macro-level metrics) are used as a signpost to tell a coach if a person is struggling with his or her skill and knowledge. Once the coach knows about the struggle, the diagnostic (or micro/detailed) metrics help the coach diagnose with which specific skill and knowledge the agent is struggling. Using metrics in this way - divided into indicator and diagnostic – allows the coach to spend the majority of his time investing in an agent's improved performance through coaching. The coach does not have to waste his time looking at all the micro-data every day on every agent.
- Micro management (i.e., living in the details) is a luxury contact center managers cannot afford.
- Agents should be partners in designing their performance management infrastructure.
- Agents should be partners in making decisions impacting their job whenever possible.
- Every management decision or action sends a message. It is the responsibility of the management team to consider the messages about the performance measurement and their impact before implementing.

Discussion Topic Two: What is the purpose of measuring productivity?

Your team needs to define why you want to measure productivity. If it doesn't have a purpose – don't measure it. Some ways of thinking are:

- The productivity of the contact center must be balanced with quality. Without productivity measures we could be over-spending in our delivery of quality.
- Productivity is also one of several performance indicators that tell a coach if a person is struggling with the skill or knowledge required to be an expert. Productivity reflects the agent's ability to achieve excellence by contributing to the company's bottom line objectives.

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Discussion Topic Three: How do we define productivity?

The definition of productivity is the first step in knowing how to calculate it. A way of thinking is:

- Productivity is a measurement of the amount of work accomplished during a specified time frame (sometimes called output or efficiency). In the contact center environment we typically think of number of customers serviced. The number of customers serviced for a specified time frame is averaged over an entire reporting cycle to smooth typical system variation. Again, Dr. Deming's famous insight says that performance variation is caused more often by the system in which people work than by the people themselves. We have to give our measurement enough time to smooth out the system variation.

Discussion Topic Four: What methodology should we use to develop the metric for productivity?

Metrics can be developed in a myriad of ways. The method you choose should be consistent with your defined performance measurement values. A way of thinking is:

- The front-line employees (through facilitated meetings) can help design their metric. The question is posed to them: "What is a fair way to measure the number of customers serviced?" After listing all the different productivity units available, ask them to evaluate the validity of each unit. For example, when you look at average talk time ask, "Can someone have a good average talk time and still not be productive?" (The answer is yes because someone could have great talk time and horrible after call work time.) Once you have narrowed the list, ask the front-line to develop a calculation that allows the team to measure productivity across any shift, that is fair to all agents and one which agents cannot artificially inflate (thereby undermining the belief in the performance management process).

Discussion Topic Five: How do we calculate productivity?

Once you have the measurement then it is important that everyone understands how it is to be calculated.

Without an agreed upon calculation you can never truly trust the numbers. (It's like the old joke – "What's one plus one equal?" Answer: "What do you want it to be?") Without a defined and agreed upon calculation, we can make the numbers be and mean anything. Some ways of thinking are:

- There are many ways to measure productivity. One way is: $\text{Number of customers serviced in a reporting period} \div (\text{the number of hours signed on to the phone system minus the number of hours spent in available.})$
- Inbound calls, outbound calls, transferred calls, e-mails, etc. can represent the number of customers serviced. Each contact center has to determine what to count for each agent group.
- The number of hours in "available" are those hours where the agent was logged on to the phone system sitting in the available work state ready to take the next call.
- The above definition subtracts "available hours" for several reasons. First, it is predominantly out of the control of the agent. Also, it is one of the factors that when subtracted, allows you to compare "apples to apples." This means you do not have to set a different performance standard for agents with comparable job functions. This allows each agent to work toward the same standard of excellence. Also, by subtracting available we are constructing a win for all. The employee wins because if he chooses to go into available more, his productivity number will be higher. This means the customers have greater access and the company can handle more call volume with fewer people.
- The above definition is a very rough calculation that must be tailored to each specific contact center. There are plenty of other metrics to consider as well (e.g., in the sales environment – conversion rate, dollars per sale, etc.). This tailoring involves work state definition from the phone equipment, analysis of the type of work being performed by the agent (inbound, outbound, sales, service, transfers, etc.) and determining how activities are logged that don't contribute to productivity - training, projects, etc.



Discussion Topic Six: How many productivity measurements should we have?

The goal is to have a vital few metrics that help you see the big picture without swamping you with unnecessary detail. Some ways of thinking are:

- The contact center industry is notorious for being data dependent and for micro managing. The purpose of performance indicators is to tell the coach when he has to focus on more detail. If the indicators tell a coach that someone is struggling with skill or knowledge, then the coach can dig further to determine the specifics. However, if the key indicators tell the coach that the person has mastered the skills and knowledge required, then the coach does not have to look at any of the detailed data.
- One or two productivity measurements keep people focused while reducing data overload and report generation requirements.

Discussion Topic Seven: How should we determine the standard for productivity?

It has been said that excellence is a race without a finish line. Each contact center has to define its current definition of excellence (your goal) and have a definite methodology to get there (performance standards and shaping). A way of thinking is:

- Using your new productivity metric, baseline the current performance of those agents considered to have been in the job long enough to be comfortable performing the required tasks. From this baseline determine the goal. What's the best productivity for the current skill and knowledge level of our agents combined with the current efficiency of our processes and technology? If there is a performance gap between the baseline and goal, apply a principle called "shaping." This means you take successive approximations toward the goal. Research has indicated that high achievers set moderate goals, that asking for quantum leaps only discourages people, and that achievements that are celebrated are records waiting to be broken. So set an interim performance standard that will "stair step" you to your goal. Set the standard high enough that people have to work to get there, yet low enough that it is attainable. When you reach the performance standard celebrate and then raise the bar.

Discussion Topic Eight: What messages are conveyed to agents by our calculation of productivity?

Your people are one of your most important assets. Every move you make, every word you utter, sends a message of how your company views its employees. As managers we have to be on guard constantly to ensure we are sending the right message with everything we say and do. A way of thinking is:

- If we use the measure of calls per hour averaged over a month balanced with other metrics and we shape the data with the goal of defining a performance standard, we are sending the agents a message that says:
 - The focus is on optimizing the number of customers serviced.
 - We want to balance productivity with high quality.
 - We trust the agent to make smart business decisions when determining the optimum handle time required to satisfy each customer.
 - We are not focused on nor have we defined an optimum talk time or after call work time.
 - Control is internal not external. The agents are responsible to control their efficiency. Therefore, any lack of efficiency (e.g., low calls per hour) is directly attributable to their decisions or lack of skill and knowledge.
 - We are not interested in micro managing. We are interested in focusing on skill and knowledge improvement.
 - We want them to do what it takes to handle the customer's need right the first time.

Productivity Metrics Listing

Following are sample productivity metrics. The methodology chosen should be consistent with your defined performance measurement values. Further, the calculation should be fair to all agents and should be one that agents cannot artificially inflate. This list is to stimulate ideas, not provide “the answer” for your organization. Some of the productivity indicators are not common in all customer contact centers, however; they may lead your team to creative ideas for your organization. This is not an all-inclusive list.

- Calls per hour
- Revenue per call
- Total units sold
- Total gross profit
- Average talk time
- Average after-call work
- Average handle time
- Percentage auxiliary time
- Percentage agent utilization
- Percentage agent occupancy
- Percentage schedule adherence
- Average calls handled per hour
- Percentage calls reworked
- Average rework time
- Percentage sales conversion
- Averages sales per agent
- Forms processed
- Loans approved
- Appointments scheduled
- Applications processed
- Number of cases processed
- Number of new accounts opened
- Processing time
- Percentage of calls logged
- Error rates
- Percentage rework
- Number of shortages
- Number of work product defects
- Time card corrections
- Percent of tasks completed properly
- Absenteeism
- Tardiness
- Number of contacts made to right party
- Number of communication breakdowns
- Excessive breaks
- Number of suggestions implemented
- Number of orders processed
- Percentage of calls resolved on the first contact

Conclusion

The road to productivity measurement is littered with failure. Some contact centers are afraid to start. Others do not balance productivity with other critical success factors.

By investing the time required to lead your team through this activity you can implement a tailored solution. You **can** successfully navigate the road to productivity. Give it a chance. The destination is worth it!



Kathryn Jackson, co-founder of Response Design Corporation (RDC) and call center expert helps professionals get more from their call center. Response Design is the how-to source for integrating the call center into the customer relationship. Its independent consultants use call center web seminars, contact center consulting, call center tutorials, call center benchmarking, world class customer service articles, and best-in-class customer service practices to ensure you get the most from your call center investment.

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