

# Boosting contact-center performance through employee engagement

Companies that can keep service agents on the job longer not only reduce operating costs but also improve customer satisfaction. Actions in four areas can have a profound impact—and they are within every contact center’s reach.

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The nature of customer care is changing. Customers are becoming increasingly comfortable with online self-service tools. The remaining live calls to contact centers are often more complicated to resolve, so providing consistent high-quality customer service depends on experienced, knowledgeable agents with proper training and support. Failure to retain these talented employees can have significant repercussions: employee attrition can erode customer satisfaction while increasing operating costs. Each new agent hire is estimated to cost the contact center \$10,000 to \$20,000 in training, direct recruiting costs, and lost productivity during ramp up.

Since longer-tenured agents have more expertise and institutional knowledge to bring to customer interactions, improving employee retention also has a direct impact on the quality of customer care. New McKinsey research suggests a need for companies to go back to the basics when interacting with their contact-center employees by focusing on engagement and finding ways to increase workplace comfort and happiness. The impact can be striking: satisfied call-center employees are significantly more likely to stay and to refer their workplace to a friend. Those expecting to remain at their company a year from now are nearly twice as satisfied. In addition, satisfied employees are more than three times as likely as dissatisfied colleagues to feel empowered to solve customer issues. These factors have a direct bearing on the quality of customer service and the operational cost to deliver it.

So how can companies ensure they are creating a supportive workplace for agents that also helps to reduce attrition? Our research found that a handful of factors—and not just wages or job-related stress—have the greatest influence on employee satisfaction and retention. Accordingly, companies should focus on improving the factors within their control to make employees feel empowered. Several activities such as the frequency and effectiveness of huddles, the duration of training (or nesting), the opportunities for socializing, and intentional supervision have proved effective. Collectively, these activities can be potent tools to foster a sense of belonging among agents and improve agent retention.

#### **Employee satisfaction and retention are intertwined**

Employee satisfaction and retention are naturally intertwined. In all, 38 percent of contact-center agents are extremely satisfied with their job, and another 43 percent are more satisfied than not (Exhibit 1). The levels of satisfaction varied across industries: for example, banking, securities, and financial services had the highest proportion of respondents who reported being extremely satisfied at 52 percent, followed by travel, transport, and logistics at 44 percent and nonhealthcare insurance at 35 percent (which also had the lowest overall percentage of dissatisfied employees). Meanwhile, telecommunications and technology earned the lowest marks, with just 25 percent indicating that they are extremely satisfied.

Engaged and satisfied call-center employees are. . .  
**8.5x more likely to stay than leave within a year**  
4x more likely to stay than dissatisfied colleagues  
16x more likely to refer friends to their company  
3.3x more likely to feel extremely empowered to resolve customer issues

## About the research

To understand the factors that influence employee engagement, satisfaction, and attrition in the contact center, McKinsey surveyed 320 contact-center employees in the United States through an electronic survey. Industries with the greatest number of respondents included financial services; telecommunications and technology; nonhealthcare insurance; travel, transport, and logistics; and healthcare insurance. The survey sought to assess current contact-center performance on a number of metrics, determine which factors matter most for overall contact-center employee satisfaction, and pinpoint certain activities that influence an agent or supervisor's likelihood to remain at their job. Agents accounted for about three-quarters of respondents and supervisors the remaining one-quarter. The sample also included respondents at contact centers with at least 50 employees with a range of tenures, from just three months to more than four years, and who worked on teams of varying sizes.

The survey highlighted the impact of employee satisfaction on retention. According to the survey, 61 percent of all respondents expect to be working with their company a year from now, while 19 percent indicated that they were likely to leave their current job within this time period.<sup>1</sup> Among those likely to stay, nearly 60 percent are extremely satisfied with their job and company. For respondents who expect to change jobs, 62 percent are notably dissatisfied with their current situation. When it comes to the likelihood of retention, healthcare insurance; travel, transportation, and logistics; and nonhealthcare insurance have the highest expected retention rates. The survey identified five factors that had the greatest influence on retention as well as the top drivers of satisfaction (Exhibit 2).

The top factor, wages and job security, is largely determined by industry and market dynamics, so executives are limited in their ability to differentiate salaries from the competition. Still, contact-center leaders should ensure that agents are aware of and eligible for financial incentives. However, frontline leaders may find it best to train their sights on the four factors they can fully control.

## Promotion opportunities

The survey analysis found that promotional opportunities account for 14 percent of an employee's satisfaction. Care agents who feel trapped in their current role are more likely to pursue jobs elsewhere: the survey revealed that nearly half of agents likely to leave their job have no desire to move into a supervisor role or believe they will not have the opportunity to do so. A lack of interest in promotion could mean agents don't think they have the skills to be promoted or don't believe they will be considered for promotion. Since agents who are not interested in promotion opportunities are more likely to leave their job, companies need to focus on this group and help them see a clear career path, become interested in promotion opportunities, and feel their career path is feasible. Employees that move up the ladder will earn higher wages, demonstrating that management can have some impact on wages for high performers.

Management should also strive to understand how the effect of motivating factors may differ for specific agent segments. For example, a recent university graduate who views her job as a career stepping-stone may be much more likely to leave than a more senior employee who has enjoyed a long career and is still working mainly for the sense of community.

## Nature and mission

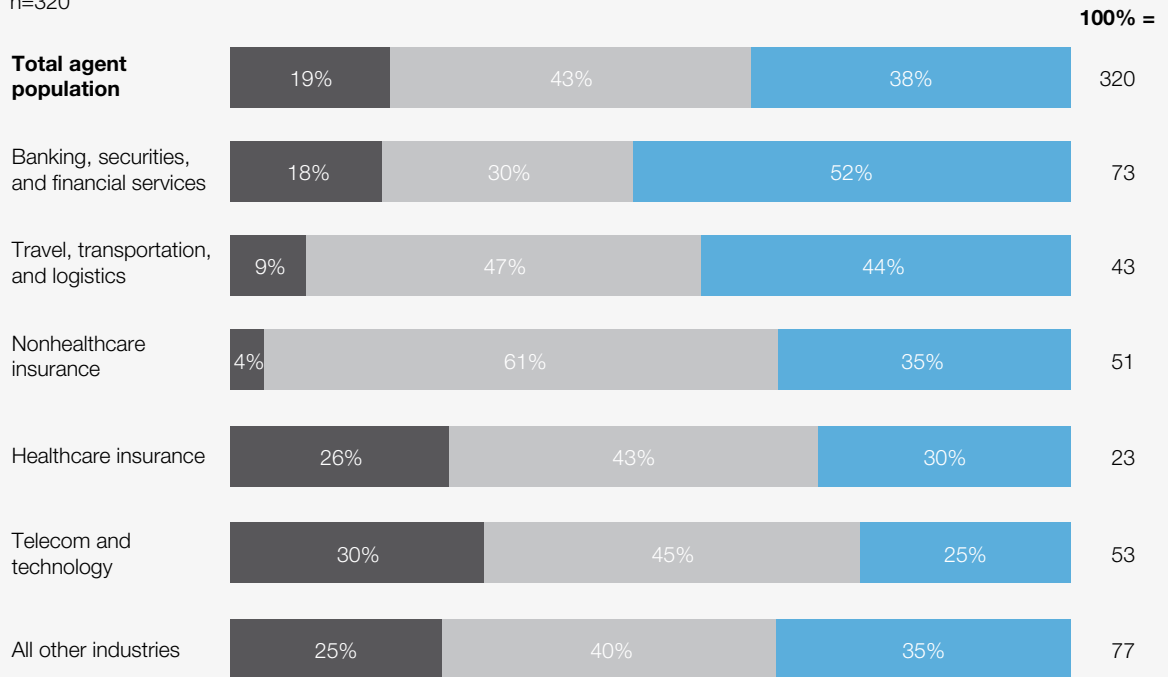
The degree of connection that contact-center agents have with a company's business strategy and guiding principles are an important factor in retention. About 70 percent of respondents who said they are likely to stay at their position indicated that they strongly support their organization's mission and enjoy the nature of the work. By comparison, just 25 percent of respondents who reported they are likely to leave felt similarly. Given the importance of this factor, contact centers should seek to promote and reinforce their company's mission in a customer-centric way on a consistent basis. Leading contact centers are beginning to incorporate meaningful customer reflections at the start of

**Exhibit 1 Finding your happy place: Employee satisfaction by industry**

■ Dissatisfied   ■ Somewhat satisfied   ■ Extremely satisfied

**Overall satisfaction by industry, % of respondents**

n=320



Source: McKinsey Employee Engagement Contact Center Survey

meetings across all levels of the company, from top management and leadership to agent huddles.

**Friends and community**

At many jobs, a sense of belonging serves as the glue for employees, and contact centers are no different. Respondents pointed to having friends to talk with during breaks and in-office social events as the biggest contributors to an overall sense of community. Those expecting to stay at their current job are three times more satisfied with their workplace friends and community, on average, than those who expect to leave. The facility and common areas—for example, clean break stations that are

relaxing and enjoyable—can contribute to a sense of community and influence overall satisfaction. Our research indicates agents need to enjoy their working environments and feel the atmosphere reflects their value as employees.

**Stress**

Although interactions with unhappy customers can be trying, call complexity and performance scrutiny also contribute to overall stress for agents. Respondents who feel that their supervisor has them under a constant microscope are more likely to leave. Similarly, agents who do not receive recognition for their work and are required to use scripts or

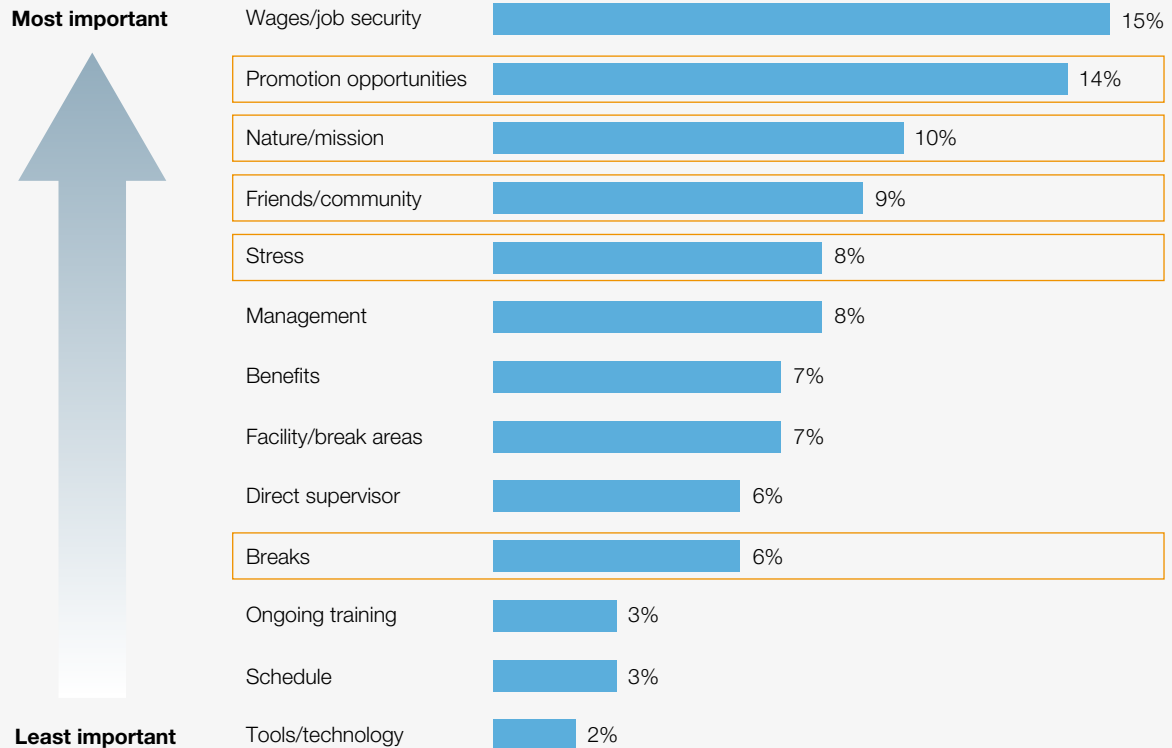
## Exhibit 2 Employee retention: More than just the money

□ Top 5 satisfaction drivers

### Derived importance of factor on agent's likelihood to stay<sup>1</sup>

% of respondents

n=320



<sup>1</sup> Based on Johnson-relative-weight analysis, which is computationally efficient and shares the merits of variance decomposition approaches; JRW serves as the derived importance techniques; excludes respondents not allowed to return to work due to medical reasons (1) and/or leaving their company due to retirement (4).

Source: McKinsey Employee Engagement Contact Center Survey

disclaimers during calls exhibit higher stress levels and are more likely to leave their jobs. These findings suggest that agents may interpret performance scrutiny more positively if feedback is paired with constructive conversations about professional development and performance recognition.

These four factors apply to all companies, but some industries are inherently more appealing due to the nature of work and mission of the organization.

Agents working in healthcare insurance, for example, may derive additional gratification by helping customers through a challenging time, and their interactions may be more positive and tie directly to their company's stated mission. Where an industry lacks an inspiring or fulfilling mission and work, companies will need to reinforce the job's importance in other ways. Friends and a sense of community is one of the top two most important factors in both banking and

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When asked why colleagues had left the company, one respondent cited “unrealistic expectations of employees and not feeling valued” as the main reasons.

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nonhealthcare insurance, suggesting the work relationships that agents form could compensate for the job’s other shortcomings.

### **What companies can do to improve retention**

Companies have a number of management approaches within their reach to improve the work environment and staff cohesion—and by extension employee retention. Despite the widely recognized impact of these levers, the survey found that in many organizations today they are not implemented frequently. Four areas hold particular promise.

#### **Effective team huddles**

Huddles are moments set aside during the workday to encourage frequent peer-to-peer discussions among contact-center agents and supervisors. These regular interactions can effectively promote certain frontline behaviors, reinforce key messages, and increase agent engagement. Although executives are broadly aware of huddles and their strategic value, managers often view them as a waste of time and the first thing to cancel if call volumes are higher than expected. Indeed, 70 percent of survey respondents reported that they experience huddles only once a week or less; 14 percent said they have no regular huddles or meetings whatsoever (Exhibit 3). As with other practices, the average frequency of huddles differs by industry: 49 percent of nonhealthcare insurance respondents participate in huddles more than once per week, and this frequency may contribute to the high satisfaction levels among agents. The next closest industry is banking, securities, and financial services with 31 percent.

Effective huddles allow for time to facilitate sharing of best practices, clarify and reinforce employee expectations, set fun team goals, celebrate peer performance, and emphasize the critical roles that agents play. If structured properly and held consistently, huddles typically improve both agent happiness and performance significantly (especially among lower-performing employees), which in turn can enhance customer experience.

Frequency of huddles is one part of the equation. But they should also be well-structured, targeted, and thoughtfully facilitated to maximize the return on time invested. Many organizations hold huddles regularly but do little to coach and support managers to run these meetings effectively—a missed opportunity since huddles can have a direct impact on performance. Companies can follow a few guidelines to run effective huddles.

*Keep it simple.* Focus each huddle on one to two priorities or messages, with one actionable takeaway. Employees should be clear on what insights or coaching to apply to their next call.

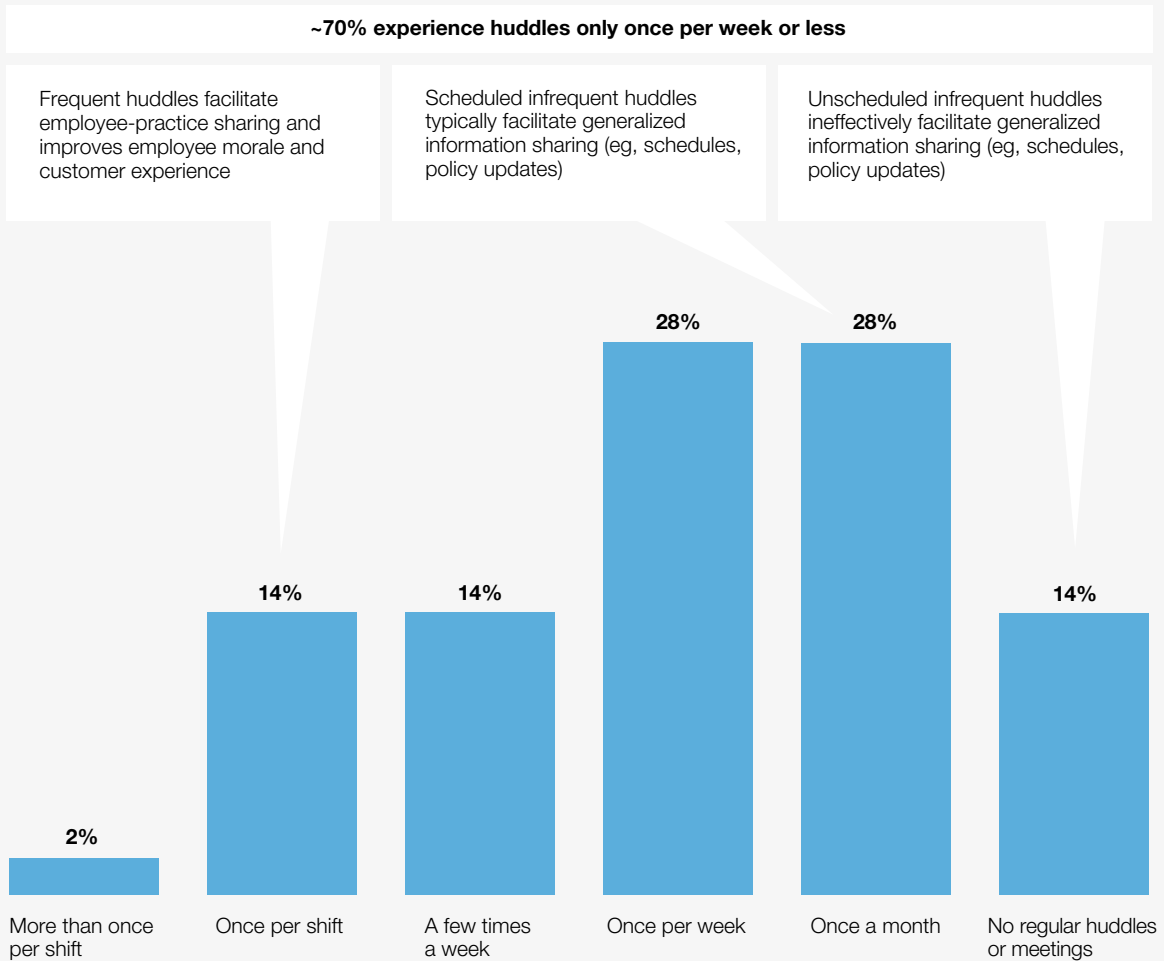
#### *Maintain clear, consistent, and actionable KPIs.*

Huddles are a perfect opportunity to celebrate high performers and employee improvement. Key performance indicators (KPIs) such as average handle time and quality must be aligned with organizational goals. In addition, agents must feel that metrics are truly under their control; if agents are held to a standard they believe they cannot affect, morale and overall engagement will decline rapidly.

### Exhibit 3 No-huddle offense: Frequency runs the gamut

Huddle frequency across all industries, % of respondents

n=320



Source: McKinsey Global Employee Engagement Contact Center Survey, September 2017

**Coach the coaches.** Many managers have never experienced an effective huddle. By helping them identify the components of a successful huddle and demonstrating how to be effective facilitators, companies can significantly increase huddle efficacy.

**Change the focus regularly.** Huddles can become monotonous and active participation can drop if nothing ever changes (much like going to the gym). Shifting the focus—either daily or weekly—and challenging agents to achieve short-term goals can

help keep the experience fresh. Another method involves managers occasionally asking high-performing agents to lead a huddle, simultaneously recognizing these high performers while mixing things up for the broader group.

**Encourage comradery.** Managers should always recognize success and improvement to create a fun huddle dynamic that both celebrates and motivates employees.

Huddles can serve as a potent engagement tool to reinforce work importance and organizational mission. At one company, the use of frequent and focused huddles produced a sustainable 50 percent increase in revenue along with higher employee satisfaction. Huddles also operate as avenues to build a sense of community and actively address challenges in the work environment. In turn, this interaction leads to greater employee satisfaction, better performance, and improved customer experience.

### Nesting

The period of time that new contact-center agents spend fielding customer requests with the support of supervisors, referred to as nesting, is an important development stage that helps prepare them for the many issues they will encounter. The length of time that agents spend nesting before transitioning to interactions with less direct supervision varies significantly. However, there is a trade-off between the level of preparation and getting agents to the floor quickly. The most common nesting period was one to two weeks, reported by 28 percent of respondents; 11 percent spent more than two months in a nesting environment before joining the ranks of experienced contact-center agents (Exhibit 4).

During the nesting phase, the size of the cohort plays an important role in overall employee satisfaction. Most agents completed the nesting period with a cohort of their colleagues—although the size of cohort ranged from fewer than 5 (32 percent of respondents) to more than 20 (16 percent). But 40 percent of dissatisfied agents had a nesting cohort of 5 or fewer colleagues, suggesting that larger cohorts may lead to increased team cohesion and support.

Companies seeking to recalibrate their approach to nesting to maximize the benefit should keep a few points in mind. Targeted and thoughtfully conducted check-ins held over the course of the first few months of an agent's tenure can reduce stress even with a shorter nesting period. However,

short nesting periods can mean that the sense of community and support so crucial for less experienced agents can fail to take hold. Ensuring nesting cohorts have at least six agents can create this organic support system of peers for new hires.

### Socializing

The traditional contact-center emphasis on utilization, efficiency, and performance often does not leave agents with sufficient time to socialize, and this lack of interaction can undermine the shared community and mission among employees. One challenge is that the call-center environment often isn't conducive to socializing. Breaks are traditionally staggered to ensure adequate coverage for call volumes, and agents are tied to their desks even between calls (in case a call comes in). As a result, activities such as group lunches and flexible break times—common outlets for socializing in other functions—are typically experienced less frequently in the contact center. Therefore, companies must make a deliberate effort to encourage a sense of community.

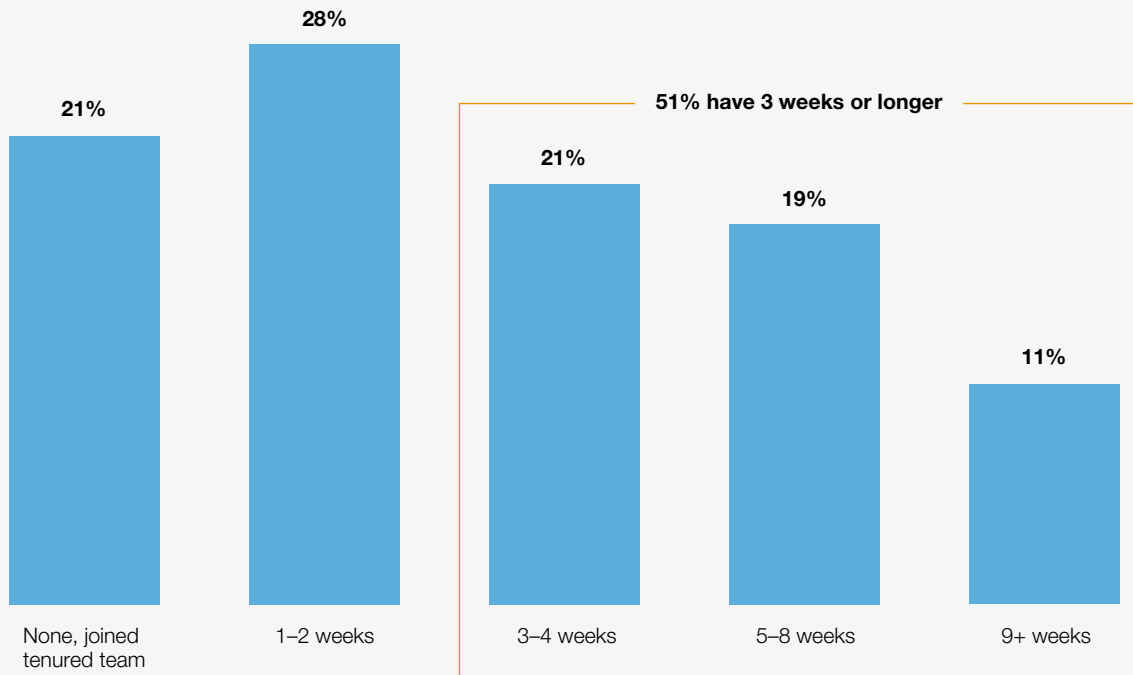
Social activities can still fit into the broader contact-center performance agenda. The research suggests that efforts to facilitate and promote socializing can significantly increase agent satisfaction. While 66 percent of respondents have at least one opportunity per shift to socialize with coworkers, 16 percent of respondents reported no opportunities at all. Agents who are able to socialize more than once per shift are about two times more likely to be extremely satisfied. Respondents who said they had few opportunities to socialize—once per month or not at all—are three times more likely to be dissatisfied than extremely satisfied (Exhibit 5).

Companies can support socialization by seeking to free agents from time-consuming obligations that do not add significant value. For example, contact-center managers could reevaluate compulsory meetings and periodically replace them with more engaging opportunities (for example, social



#### Exhibit 4 Leaving the nest: Training duration varies

% of respondents  
n=320



Source: McKinsey Global Employee Engagement Contact Center Survey, September 2017

events such as in-office tournaments) where agents could build comradery. Other tactics geared to performance, such as peer-to-peer coaching where a top-quartile performer is paired with a lower performer, not only serve to increase lower-quartile performance but also instill a sense of community and promote socialization. This rapport allows agents to observe specific behavior (such as time-saving shortcuts) and get answers to questions they may be embarrassed to ask their supervisor.

#### Supervision

The availability and engagement of supervisors contributes to agent engagement and performance by making them feel supported by a network of more experienced employees. Fifty-seven percent of

respondents who reported being able to reach their supervisor within a couple minutes were extremely satisfied compared with just 9 percent who were not. The longer it took agents to reach supervisors, the greater their dissatisfaction. When the times exceeded 15 minutes, just 14 percent of respondents reported being satisfied.

Supervisor presence is important across the board, but it goes far beyond physical coverage. (See sidebar, “Promoting inclusivity in the contact center.”) The real impact comes from supervisors who take the time to provide meaningful coaching, give recognition, and consistently act as a role model. An example of this gesture might include supervisors who occasionally drop off a doughnut or other small

# Promoting inclusivity in the contact center

Organizations are increasingly taking steps to create an inclusive workplace. As part of this development, the contact center has seen a higher volume of employees with disabilities, from those who use wheelchairs for mobility to workers with visual impairment. When organizations ensure the workplace is inclusive and accessible, agents with disabilities have demonstrated equal performance and similar improvement rates.

Contact-center managers have the opportunity to model inclusive leadership through simple adjustments to learning programs while safeguarding accessibility for all employees. This practice improves the knowledge of participants by making training programs more inclusive and reinforcing a positive sense of community.

McKinsey has identified the following set of best practices to ensure inclusiveness in learning programs and huddles:

**1. Empower employees** by focusing on all agents' abilities, not their disabilities.

**2. Adapt facilitation techniques** to be inclusive and mindful of employees with disabilities.

**3. Ensure all physical exercises are inclusive** and learning or huddle environments are set up to accommodate agents with disabilities.

**4. Convert visual materials** into accessible formats; this step can be as easy as printing a braille or large-font format.

**5. Showcase examples** that are inclusive of all employee abilities, as employees with disabilities may use slightly different processes.

**6. Encourage awareness** and be mindful to avoid unintentionally isolating agents or highlighting their differences.

An inclusive environment is critical—and not just for agent morale, individual respect, and a more positive learning environment. All agents must be equipped with the same level of expertise to provide a consistent customer experience.

reward at an agent's desk to recognize a good call or specific positive behavior. This gratitude reminds agents that their hard work is appreciated and their supervisor is listening. Further, the presence of supervisors, particularly those who worked their way up from entry-level positions, can offer interested agents a powerful example of the path to advancement.



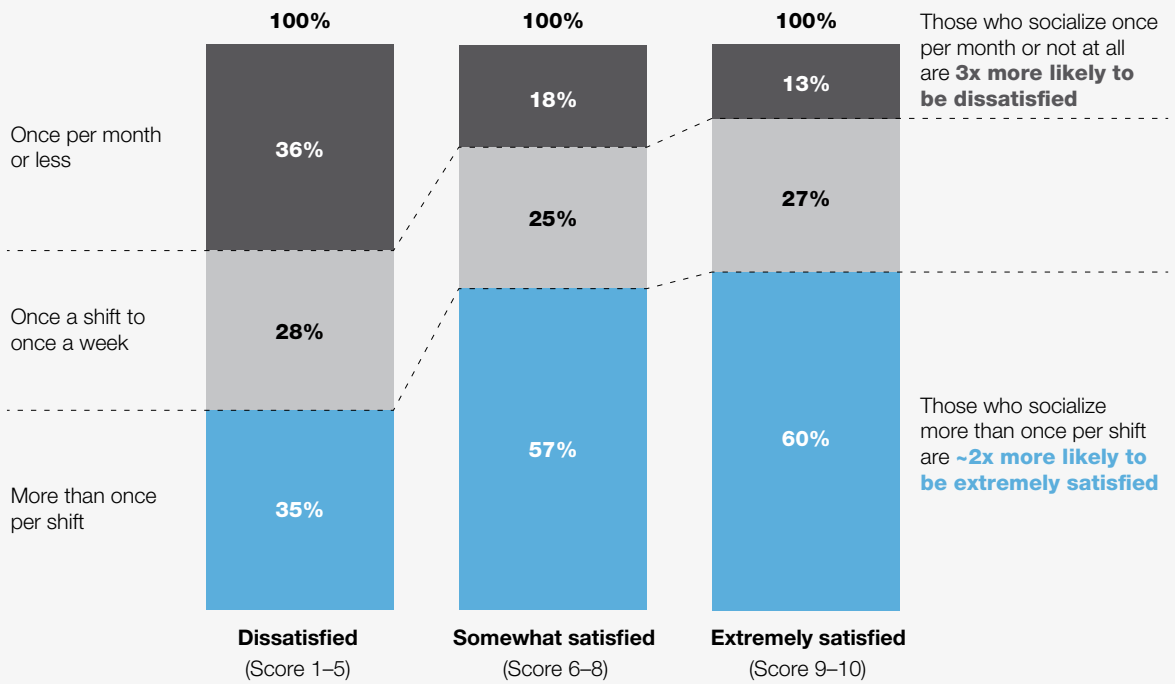
Calls to the contact center will only become more complex in the coming years, meaning the expertise of longer-tenured service agents will be needed more than ever to provide an excellent customer experience. The stress inherent in the contact center will always take a toll on efforts to retain high performers; that aspect of the job is unlikely to change. However, companies that strive to create a workplace where employees feel a strong sense of community and have the time to connect with peers and supervisors will be rewarded with

**Exhibit 5 Give me a break: Socializing's impact on satisfaction**

**How frequently do you have opportunity to socialize with coworkers throughout the day?**

% of respondents

n=320



Note: Organic socializing is traditionally harder in call-center environments due to purposely staggered breaks, being tied to a desk, and/or varied break areas.

Source: McKinsey Global Employee Engagement Contact Center Survey, September 2017

engaged employees who want to stay around longer. Success in this area will translate directly to better service and happier customers. The best part is that companies already have the tools to boost employee satisfaction—they just need to commit to using them. ■

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<sup>1</sup> Many contact centers have high attrition rates. Since all survey respondents had spent at least three months on the job, they may have a better understanding of their job and workplace, leading to increased optimism about the future.

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