



Talegent
Technology meets Psychology

Talegent Whitepaper | June 2014

Contact Centre Solution

Strategic Importance of
Contact Centres

The strategic importance of hiring quality contact centre staff

Contact centres are vital for ensuring effective customer service and driving sales. But their effectiveness at performing those roles is only as good as their contact centre representatives. They are often the first or only point of contact between a business and their existing or prospective customers. No surprise then that contact centre representative performance is the determining factor in retaining current customers and winning new business. It is therefore critical to find and retain contact centre representatives who have the intellectual capability, skills, drive and motivation to achieve sales targets and delight customers.



The challenges to hiring

Dealing with huge volumes of applicants and managing costs

Contact centre roles attract a huge volume of applicants of varying quality with most roles receiving well over 300 applicants (Fifth Quadrant Multi-Channel Contact Centre Market Report – Australia and New Zealand). In order to deal with this mass influx of applicants, many contact centre recruiters spend a great deal of staff-hours manually sifting through applicants to find the few high calibre applicants that might be suitable.

Accurately identifying candidates that will perform and stay on the job

It is a given that every contact centre recruiter strives to identify and hire those candidates who fit closely with the role and will deliver high performance on the job. But traditionally, this has been a challenge as is apparent by the 30 – 40% average rate of turnover for contact centre staff. (Fifth Quadrant Multi-Channel Contact Centre Market Report – Australia and New Zealand). And unsuccessful hires are expensive both in terms of the upfront investment cost invested for training as well as the opportunity cost for calls that could have been handled better.

Outline of the Study

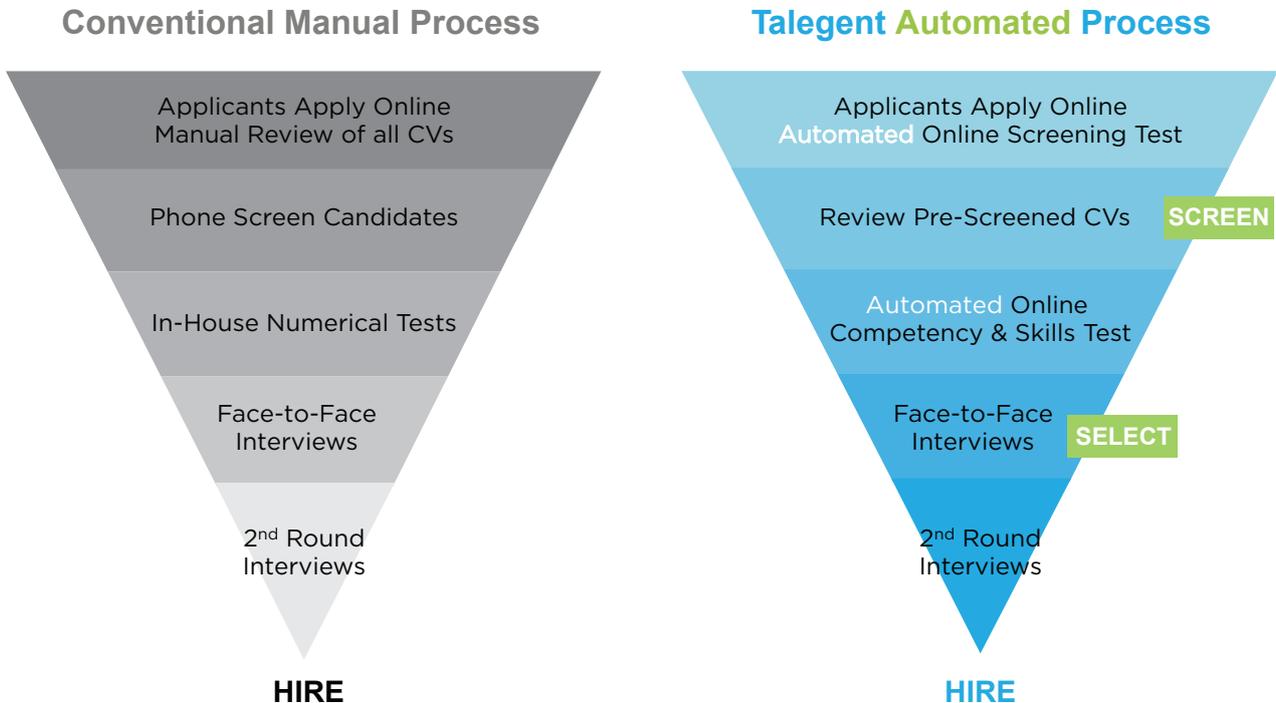
Talegent deployed its contact centre solution within a leading Australasian insurance company that routinely has a huge volume of applicants for customer service and sales contact centre positions. This solution 1) added a pre-screening assessment into the hiring process, and 2) ranked candidates based on their scores for a set of competencies that, based on leading academic and industry research, are considered as best able to predict candidate performance in a contact centre staff role.

Working in collaboration with this leading insurance company, Talegent was able to obtain data on how adding a pre-screen test changed the recruiting process. Further, Talegent empirically analysed the relationships between the assessment scores and employee performance. Current contact centre representatives completed the screening and selection assessments and their managers rated their work performance across six key areas including customer service, sales, motivation, and communication.

Talegent also investigated the business impact of using the solution by analysing the link between using the assessment and key contact centre business metrics including net conversion rate, average sales per contact, and service quality adherence.

Objectives:

1. To gauge the potential performance/efficiency improvements to be gained by employing a pre-screening process.



2. To validate the accuracy of competency measures used to predict employee performance, focused on 3 key areas:

a. Sales Performance

Increasing agent performance is a primary objective for 29% of contact centres over the next 12 months. (Fifth Quadrant Multi-Channel Contact Centre Market Report – Australia and New Zealand) While increasing recruitment efficacy has a huge impact on the cost to hire, it is also imperative that the contact centre solution enables recruiters to identify applicants who are likely to be top performing customer service and sales representatives.

b. Delighting Customers

Improving customer service is a primary focus for 38% of contact centres over the next 12 months. (Fifth Quadrant Multi-Channel Contact Centre Market Report – Australia and New Zealand). Contact centre representatives are often the first or only point of contact between a business and existing and prospective customers. Ensuring that existing customers are happy is vital for keeping customers and up selling them on further products and services.

c. Contact Centre Skills

Recently the contact centre role has become increasingly technical, and with upgrades to contact centre technology, it has become a major focus for 36% of contact centres over the next 12 months (Fifth Quadrant Multi-Channel Contact Centre Market Report – Australia and New Zealand) this trend is likely to continue. Ensuring that contact centre representatives have the skills needed to navigate these contact centre environments, find relevant information and answer customer questions quickly is imperative.

Competencies Measured

Drawing on leading-edge research, Talegent's contact centre solution assesses cognitive ability, contact centre skills (Navigation, Data entry speed and accuracy), and personality tendencies, to predict an applicant's performance in contact centre sales and customer service roles.

SCREENING ASSESSMENT COMPETENCIES

- **UNDERSTANDING INFORMATION**
The ability to make decisions based on written information.
- **PROBLEM SOLVING**
The ability to make effective decisions by utilising thorough analysis and logic.
- **CUSTOMER FOCUS**
The tendency to be motivated to meet or exceed customer expectations and achieve the best outcomes for customers.
- **SALES FOCUS**
The tendency to be energetic, persuasive, engaging, enthusiastic, driven and outcome focused in guiding customers towards sales.

SELECTION ASSESSMENT COMPETENCIES

- **NAVIGATION**
The ability to navigate through a contact centre environment to find information and answer customer questions.
- **TYPING SPEED AND ACCURACY**
The ability to understand callers and enter customer information into contact centre software quickly and accurately.
- **CUSTOMER ORIENTATION**
The ability to answer customer questions with appropriate language, tone and concern for their needs.
- **ACTIVE LISTENING**
The ability to pay full attention to what customers are saying, and ask relevant questions when necessary and appropriate.
- **SOCIAL DRIVE**
The tendency to enjoy social interaction, tailor behavior to suit customers and build rapport with people from diverse backgrounds and lifestyles.
- **FORTITUDE**
The tendency to remain calm and composed when interacting with customers, remain optimistic and self-confident when faced with setbacks and obstacles and adapt to changes in their priorities at work.
- **CONSCIENTIOUSNESS**
The tendency to be dependable, focus on work tasks be detailed oriented, comply with rules and regulations and be concerned with the finer details of their work.
- **DRIVE FOR RESULTS**
The tendency to be motivated by challenging goals, striving to achieve them, and persisting in the face of obstacles.

Results

1. Recruitment Process - Pre-Screening enhanced speed and efficiency.

Filtering candidates through a brief, automated online pre-screening test proved successful for improving recruitment efficiency and helping recruiters identify high potential applicants faster. A quote provided by the recruitment manager for the contact centre helped validate the solution's ability to improve efficiency.

“Within the first three months we have already noted recruitment efficiencies, the solution has sped up our time to hire as we are now finding the right people faster.”

This improvement in efficiency is reflected in the following metrics:

- Phone interviews: decrease of 20-50%
- Staff-hours: decrease of 20% recruitment efficiencies, the solution has sped up our time to hire as we are now finding the right people faster.”

2. Predictive Accuracy - Assessed competencies proved accurate for identifying high calibre applicants

a. Sales Performance

The characteristics of high performing sales representatives has been the focus of numerous research projects including the seminal review by Vinchur, Schippmann, Switzer and Roth (1998). They found that high performing sales representatives tended to have higher general mental ability (intelligence) as well as being more achievement focused, sociable and energetic.

The empirical relationship between the assessment scores and sales performance was investigated by correlating the assessment scores with manager ratings of performance and objective sales metrics.

Research conducted with a large Australasian telecommunications company investigating the personality characteristics related to sales performance in contact centre representatives found that high performing sales representatives tended to be more:

- Achievement focused
- Energetic
- Socially bold
- Independent
- Confident
- Competitive

Contact centre representative who had higher levels of these characteristics performed two times better than representatives who were low in these characteristics (Figure 1).

The results of the analysis found that representatives who score highly in the Sales Focus competency of the assessment are rated as more capable of building rapport with customers while asking appropriate questions to understand customer requirements and persuading customers by relating product/service features and benefits to those needs (Table 1).

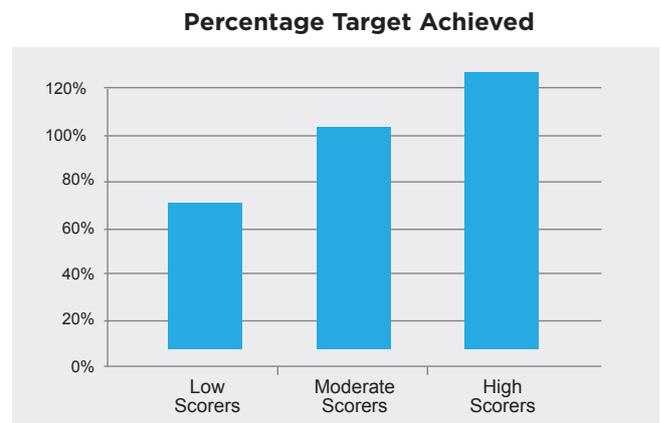


Figure 1 : Percentage target achieved for low, medium and high scoring contact centre representatives.

Manager rating of the employee's ability to	Sales Focus Assessment Score	
Build rapport with customer	r (84) = 0.20	p = 0.03
Ask appropriate questions to understand customer requirements	r (84) = 0.30	p = 0.003
Meet or exceeds targets	r (84) = 0.21	p = 0.03
Overcome obstacles to reach targets	r (84) = 0.29	p = 0.004
Persuade customers by relating product/service features and benefits to customer needs	r (84) = 0.30	p = 0.003
Advance within the organisation	r (84) = 0.20	p = 0.03

Table 1 : The Pearson correlations between the Sales Focus score and manager ratings of work performance.

High scoring representatives are also rated as more able to meet and exceed targets and overcome obstacles to reach targets (Table 1).

As well as predicting sales performance, representatives who score highly on the Sales Focus competency are also more likely to be viewed as able to progress within the company by their manager (Table 1).

Outbound sales representatives who score highly on the Sales Focus competency are **converting almost 1.5x more outbound calls to sales** than sales representatives who score in the low range (Figure 2).

Individually, the outbound sales representative who **scored highest in Sale Focus** also had the **highest sales per contact rate**. On the other hand, the two outbound sales representatives who had the **lowest sales per contact rates** also scored the **lowest on the Sales Focus competency** out of the outbound sales team.

Sales Focus was also important for inbound sales representative selling to existing clients. Representatives who score in the moderate and high ranges on the Sales Focus competency have between 10% and 20% higher net conversion rates than representatives who score in the low range.

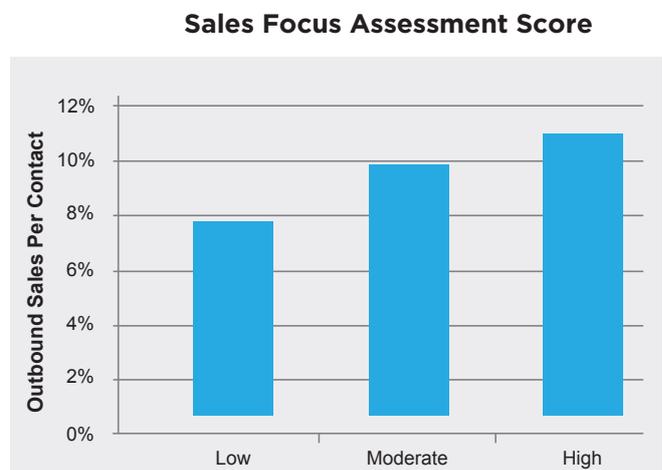


Figure 2 : Bar graph showing the outbound sales per contact rate for representatives who score in the low moderate, and high ranges for sales focus.

Customer Focus Assessment Score

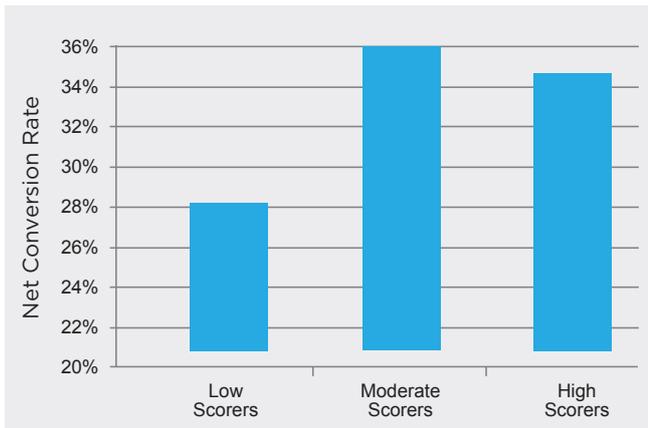


Figure 3 : Bar graph showing the average net conversion rates for contact centre representatives who score in the low, moderate and high ranges in the customer focus component of the assessment.

The Customer Focus score on the assessment successfully predicts inbound sales performance for existing client sales. Inbound sales representatives that score in the moderate and high range on the Customer Focus component have a **higher net conversion rate** than sales representatives that score in the low range (Figure 3).

Of the representatives who scored in the **low range** on the **Customer Focus** only **33% are meeting their net conversion rate target of 0.3** for existing client sales. Conversely, **89%** of the representatives who scored in the **moderate or high ranges** on the Customer Focus competency are **meeting their net conversion target on average**.

b. Customer Service Performance

Research into the characteristics of successful customer service agents has found that individuals who are friendly, pleasant and empathetic tended to be rated as having higher service performance (Frei & McDaniel; 1998). In addition to these interpersonal characteristics Tews, Michel and Lyons (2009) found that the big five domain of Conscientiousness (dependable, work focused, rule following and industrious) was significantly related to manager ratings of service performance.

The empirical relationship between the contact centre assessment scores and customer service performance was empirically investigated.

The analysis found that representatives who score highly in the Customer Focus competency of the assessment are rated as more customer oriented by their managers by being more able to build rapport with customers while handling difficult customers tactfully, staying cheerful while interacting with difficult customers and staying

calm and composed during stressful situations (Table 2). Higher scoring representatives are more likely to ask appropriate questions to understand customer requirements, communicate their concern for customer needs, and find the best solution for customers (Table 2).

As well as being more customer orientated high scoring representatives are also more likely to excel at relationship based sales by proactively identifying customer needs, adapting their approach to engage customers and persuade customers by relating product/service features and benefits to customer needs (Table 2).

Customer Focus significantly predicted their manager's belief in their potential to advance within the organization (Table 2).

Manager rating of the employee's ability to	Customer Focus Assessment Score	
Build rapport with customer	r(84) = 0.20	p = 0.03
Handle difficult customers tactfully	r(84) = 0.21	P = 0.03
Staying cheerful while interacting with difficult customers	r(84) = 0.18	p = 0.05
Asking appropriate questions to understand customer requirements	r(84) = 0.30	p = 0.003
Communicating their concern for customer needs	r(84) = 0.37	p < 0.001
Finding the best solution for customers	r(84) = 0.24	p = 0.01
Proactively identify customer needs	r(84) = 0.30	P = 0.003
Meet or exceed targets	r(84) = 0.21	p = 0.03
Adapt their approach to engage customers during their interactions	r(84) = 0.29	p = 0.004
Persuade customers by relating product/service features and benefits to customer needs	r(84) = 0.28	p = 0.006
Stay calm and composed during stressful situations	r(84) = 0.26	p = 0.008
Advance within the organisation	r(84) = 0.26	p = 0.008

Table 2 : The Pearson correlations between the Customer Focus score and manager ratings of work performance.

c. Contact centre skills

The relationship between these contact centre skills and workplace performance was investigated by correlating the representatives' scores on the Navigation competency of the assessment with manager ratings of work performance. This investigation found that scores on the Navigation competency are positively predicting their ability to communicate with customers and answer customer questions (Table 3). High scoring representatives are rated as better at understanding what customers are saying while understanding company policies fully and answering customer questions (Table 3). As well as understanding information and communicating more effectively high scoring representatives are also likely to be more customer service orientated by communicating their concern for customer needs (Table 3).

Manager rating of the employee's ability to	Customer Focus Assessment Score	
Understanding what customers were saying	r (84) = 0.18	p = 0.05
Answering customer questions	r (84) = 0.31	p = 0.002
Understanding company policies fully	r (84) = 0.31	p = 0.002
Communicating their concern for customer needs	r (84) = 0.18	p = 0.05
Being motivated by competing against others	r (84) = 0.28	p = 0.005
Striving to surpass the accomplishments of others	r (84) = 0.22	p = 0.02

Table 3: The Pearson correlations between the Navigation score and manager ratings of work performance.

Conclusion

The addition of a pre-screening assessment as provided by Talegent's contact centre solution was shown to provide a significant improvement to the efficiency of the recruiting process. In the case of the large Australasian insurance company studied, time for phone screening was reduced by 20-50% and a reduction of 20% in the staff-hours required for the recruitment process allowed for a reduction in HR staff and reduced overall time to hire.

In addition, the study empirically validated that the competencies measured in order to predict customer service and sales performance, did so accurately. Applicants who scored highly on the Talegent contact centre solution were proven likely to deliver higher sales conversion rates and higher customer satisfaction ratings than low scorers.



References

Fifth Quadrant Multi-Channel Contact Centre Market Report – Australia and New Zealand

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