Author:  Wagner, Kelly A.

Title:  Implementing Employee Performance Programs in a Contact Center

The accompanying research report is submitted to the University of Wisconsin-Stout, Graduate School in partial completion of the requirements for the

Graduate Degree/ Major:  MS Training and Human Resources Development

Research Advisor:  Dresdow, Sally DBA

Submission Term/Year:  Fall 2018

Number of Pages:  45


☒ I have adhered to the Graduate School Research Guide and have proofread my work.

☒ I understand that this research report must be officially approved by the Graduate School. Additionally, by signing and submitting this form, I (the author(s) or copyright owner) grant the University of Wisconsin-Stout the non-exclusive right to reproduce, translate, and/or distribute this submission (including abstract) worldwide in print and electronic format and in any medium, including but not limited to audio or video. If my research includes proprietary information, an agreement has been made between myself, the company, and the University to submit a thesis that meets course-specific learning outcomes and CAN be published. There will be no exceptions to this permission.

☒ I attest that the research report is my original work (that any copyrightable materials have been used with the permission of the original authors), and as such, it is automatically protected by the laws, rules, and regulations of the U.S. Copyright Office.

☒ My research advisor has approved the content and quality of this paper.

STUDENT:

NAME:  Kelly A. Wagner  DATE:  December 19, 2018

ADVISOR:  (Committee Chair if MS Plan A or EdS Thesis or Field Project/Problem):

NAME:  Dresdow, Sally DBA  DATE:  December 19, 2018

This section for MS Plan A Thesis or EdS Thesis/Field Project papers only

Committee members (other than your advisor who is listed in the section above)

1. CMTE MEMBER’S NAME:  DATE:  

2. CMTE MEMBER’S NAME:  DATE:  

3. CMTE MEMBER’S NAME:  DATE:  

This section to be completed by the Graduate School

This final research report has been approved by the Graduate School.

Director, Office of Graduate Studies:  DATE:
Wagner, Kelly A. *Implementing Employee Performance Programs in a Contact Center*

**Abstract**

As organizations look for ways to transform their culture and focus on performance, they may consider implementing employee performance management programs. Performance management programs allow organizations and employees to set goals and to monitor the performance against the established goals. This paper looks at the implementation of a performance program and the program’s impact on specific key performance indicators (KPIs) within a contact center. After the performance program was implemented, year-over-year employee performance data was analyzed to determine how the program impacted performance.
# Table of Contents

Abstract .......................................................................................................................... 2

List of Figures .................................................................................................................. 5

Chapter I: Introduction .................................................................................................... 6

   Statement of the Problem ............................................................................................... 8

   Purpose of the Study ....................................................................................................... 8

   Assumptions of the Study ............................................................................................. 9

   Definition of Terms ....................................................................................................... 9

   Limitations of the Study ............................................................................................... 9

   Methodology .................................................................................................................. 9

Chapter II: Literature Review .......................................................................................... 11

   High Performance Organizations .................................................................................. 11

   Performance Management ............................................................................................ 12

   Performance Monitoring and Management in Contact Centers .................................... 13

   Employee Motivation .................................................................................................... 15

   Employee Satisfaction and Organizational Performance ............................................... 17

   Implementing Performance Programs .......................................................................... 18

   Managing Change .......................................................................................................... 19

   Evaluating the Results of Change ................................................................................ 22

   Summary ....................................................................................................................... 23

Chapter III: Methodology ............................................................................................... 24

   Subject Selection and Description ................................................................................. 24

   Instrumentation .............................................................................................................. 24
List of Figures

Figure 1: December 2016- October 2018 Average Monthly Adherence.................................28
Figure 2: December 2016 - October 2018 Average Monthly Post Call Survey Scores ............29
Figure 3: 2017 vs 2018 B2C Average Monthly Post Call Survey Scores............................30
Figure 4: 2017 vs 2018 B2B Average Monthly Post Call Survey Scores............................30
Figure 5: December 2016- October 2018 Average Monthly Unanswered Calls....................31
Figure 6: December 2016- October 2018 Average Monthly Quality Assurance Scores.........31
Figure 7: Tenure and Importance of Place in Bidding Order .............................................32
Figure 8: Tenure and if Performance-Based Bidding Changed the Way They Did Their Work ..33
Chapter I: Introduction

Company XYZ manufactures recreational products and has a contact center that supports the dealers that sell and service their products as well as customers that purchase their products. The agents who work in the contact center are held accountable for four metrics or key performance indicators (KPIs). Each of the KPIs measures an element of the customer experience. The KPIs are adherence to their schedule, post call survey scores, quality scores, and number of missed calls.

Adherence is the percentage of time agents followed their assigned work schedule. A workforce management specialist uses software to develop the contact center schedule based on forecasted call volumes and available resources. For example, an agent will arrive at 9:00 am and take calls until 11:30, then take a lunch break from 11:30 until noon. The agent will take calls from noon until 1:00 and get a 15-minute break. The agent takes calls from 1:15 until 2:30 and then gets 30 minutes of time to research issues and make call-backs to customers. From 3:00 until 5:30 the agent takes calls again and then the work day ends. If agents follow their schedule and nothing unexpected happens, customer calls will be answered within 120 seconds.

Post call surveys are sent to customers to measure the customers’ perception of the interaction with the agent. Specific agent attributes, such as the agent’s desire to resolve the concern, are measured by the survey. The level of quality is measured by team leads listening to recorded calls and scoring the calls based on business requirements such as the proper documentation of the call. The fourth KPI measures the number of calls that ring to an agent’s phone, but do not get answered. This metric is referred to as ring on, no answer (RONA). If agents do not answer the phone when it rings, the customer’s call gets put back into a call queue which increases wait time.
There are minimum expectations for each of the four KPIs. The scores are calculated monthly. The minimum for adherence is 94%, post call survey minimum is four on a five-point scale, quality score minimum is 90%, and maximum number of RONAs is five. Approximately 10% of agents are high achievers and regularly exceed the minimum requirements and 80% of agents meet the minimum. Another 10% of agents do not meet the minimum, but Company XYZ’s accountability program allows agents to miss the minimum expectations for three out of 12 months without any consequences. The fourth occurrence impacts the agent financially and the fifth occurrence justifies termination. The Accountability program resets each December 1, and agents start over with a clean slate. The metrics are considered as part of the yearly performance evaluation for merit increase eligibility. Managers meet with all agents monthly for general coaching and feedback to reduce future occurrences of missing the metrics.

Company XYZ did not have a performance-based culture and was looking for a way to change that culture. In November 2017, focus group meetings were held to gather ideas and feedback on how to improve the vacation bidding process and increase the performance metrics. The contact center agents participated on a voluntary basis. Based on feedback from focus group sessions, almost all agents considered their place in the bidding process important and thus a motivator. The existing tenure-based process left the agents without any control over their place in the bidding process. In the focus group sessions, agents indicated that being able to influence their position in the bidding order would be considered a positive change. Increasing agent autonomy by providing a way to influence their order in the process could positively impact employee satisfaction and retention.

On December 1, 2017, Company XYZ’s contact center changed the agent vacation bidding process from a tenure-based process to performance-based process. In the past,
longest tenured agent selected vacation days first. Going forward, the agent with the highest scores on the KPIs would select vacation days first. The implementation of the performance-based vacation bidding process gave agents control over their position in the bidding order. The goal of the vacation bidding process change was to increase agent performance by offering an incentive that they value.

Statement of the Problem

Company XYZ implemented performance-based vacation bidding for contact center employees. It is important to evaluate the results of the implementation because Company XYZ does not currently have a performance-based culture and has no formal process in place to implement future employee performance programs. If the results are not evaluated, Company XYZ may not receive Human Resources approval to implement future performance programs.

Purpose of the Study

The purpose of this study was to evaluate the results of an employee performance program that was implemented at Company XYZ. Based on the results of the implementation of the new vacation bidding process, Company XYZ will decide if the company should implement additional performance programs.

The objectives of this study are to:

1. Compare 2017 to 2018 performance data to determine if performance has improved.
2. Analyze 2017 to 2018 customer satisfaction survey data and compare it to employee performance data to understand what the relationship is between employee performance and customer satisfaction.
3. Analyze individual agent performance data to determine if there was a relationship between tenure and performance.
4. Recommend a formal process to implement employee performance programs in the contact center at Company XYZ.

Assumptions of the Study

The study is based on the following assumptions:

1. The systems that measure the contact center metrics are in working order.
2. Customers answer survey questions honestly.
3. Contact center agents are not “gaming the system” to skew metrics. For example, agents are not removing customer email addresses from files to prevent post call surveys from being sent.

Definition of Terms

The terms that are being defined are specific to Company XYZ’s business.

Contact center. A coordinated system of people, processes, technologies, and strategies that provides access to organizational resources through appropriate channels of communication to enable interactions that create value for the customer, dealer, and company.

Performance year. Company XYZ runs their performance year from December 1 to November 30.

Limitations of the Study

The limitation of the study include is that customers may provide negative feedback on all aspects of the post call survey if they are unhappy with the answers they received, even if the agent provided excellent customer service.

Methodology

Performance data from contact center agents who were employed at Company XYZ in 2017 and 2018 was used in the research. Performance data was collected from four different
systems and compiled into Excel spreadsheets for analysis. Employee surveys were administered through Qualtrics.
Company XYZ would like to transform their contact center to a performance-based culture. To do this, they seek to understand how high-performance organizations handle performance management, motivate their employees, manage change, and successfully implement performance programs. The research shows that organizations, employees, and customers benefit when companies have a performance-based culture. The benefits include increased customer loyalty, employee engagement, and sales revenue.

High Performance Organizations

The American Management Association (AMA) (2007) found that high performance organizations (HPO) have consistent and clear strategies, strive to exceed customer expectations, have clear performance measures, provide employee training, and adhere to high ethical standards. Managers at these organizations set clear expectations and work to develop employees. Employees believe that these organizations are a good place to work in that they can exercise creativity and have a high level of autonomy (AMA, 2007). Continuous improvement is another element of an HPO. They are always looking for ways to improve and to be more effective. Continuous improvement can encompass processes, services, products, and business strategies (AMA, 2007).

Waal (2012) found that when an organization is high performing, the organization, their employees, and their customers benefit. HPOs outperform other organizations in financial and nonfinancial measures such as customer loyalty and product quality. In HPOs profitability is 14 to 44% higher than non-HPOs, revenue growth of 4 to 16% can be expected, and customer and employee satisfaction is higher (Waal, 2012).
HPOs foster a performance-based culture. “They [HPOs] set clear performance expectations, reward employees who have the best ability, and reward those employees who strive to meet customer needs” (AMA, 2007, p. 23). In HPOs, management holds employees responsible for results and maintains accountability for performance (Waal, 2007). To establish and monitor a performance-based culture, organizations must implement a performance management system. Performance management systems include processes where managers and employees work together to set goals that help the organization meet their strategic objectives.

**Performance Management**

Performance management systems allow organizations and employees to set goals and to monitor the performance against the established goals. Typically, employees and managers work together to set individual goals that align with company objectives then monitor performance to these goals on a yearly basis. Smith & Sharma (2002) found that performance systems are necessary to develop a culture where employees exercise personal responsibility and leadership, which they determined to be key traits of employees in successful organizations. According to Gallup (2017), only 21% of employees feel their organization manages their performance in a way that motivates them to do outstanding work.

Waal & van Der Heijden (2015) conducted a study on HPOs and performance management. The purpose of the study was to understand the role that performance management played in maintaining an HPO. The focus was on understanding if having a performance management system in place contributed to the development and sustainability of the HPO. Employees of two for-profit companies that were HPOs and had comparable performance management systems were surveyed. The employees of the companies were asked to rate 35 HPO characteristics and nine performance management analysis (PMA) characteristics (Waal &
van Der Heijden, 2015). The PMA characteristics included behavioral and structural dimensions. Accountability, communication, management style, and action orientation were considered behavioral dimensions. Content, responsibility structure, alignment, integrity, and manageability were considered structural dimensions. The researchers presented the survey to 2,024 people and had 468 respondents (Waal & van Der Heijden, 2015).

The employees ranked accountability highest of the nine PMA dimensions meaning that they considered accountability as having the strongest impact on creating and maintaining an HPO (Waal & van Der Heijden, 2015). Employees in an HPO are not only accountable for their own actions, but also hold others accountable. Communication was ranked second of the PMA dimensions. Both accountability and communication are behavioral dimensions and therefore demonstrate that certain behaviors facilitate a high-performance environment (Waal & van Der Heijden, 2015).

The evaluation of the survey data indicated that HPO characteristics are strengthened when organizations focus on strengthening PMA characteristics (Waal & van Der Heijden, 2015). “There are strong and significant correlations between all the PMA dimensions and all the HPO factors, indicating that a performance management system that fosters performance-driven behavior is indeed of critical importance to creating and sustaining a high-performance organization” (Waal & van Der Heijden, 2015, p. 6).

**Performance Monitoring and Management in Contact Centers**

All departments within HPOs have specific and clear expectations for employee performance (AMA, 2007). In contact centers, key performance indicators (KPI) or metrics are often a combination of call monitoring and other statistical data such as average call time or adherence to schedule. Call monitoring is typically followed up with coaching sessions that
should provide constructive feedback or accolades. Sehgal (2016) defines coaching as “…an interactive process that helps the other person improve, learn something new or take individual performance to the next level” (para. 4).

Holman, Chissick, and Totterdell (2002) conducted a study on performance monitoring in contact centers. In the contact center used for this study, performance management was primarily based on call monitoring. Call monitoring took place when team leads or managers listened to calls between the agent and the customer. In some cases, managers sat next to the agent and listened to a live call, some remotely listened to live calls, and some listened to recorded calls. The calls were scored based on specific guidelines and coaching or feedback was provided to the agent (Holman et al., 2002). The call monitoring scores accounted for 65% of the overall performance management plan for the agents. There were other performance measures in place that accounted for the other 35% of agent performance. The purpose of the study was to understand the relationship between performance monitoring and employee well-being. The objective of the study was to determine if performance monitoring was beneficial in increasing performance and employee development or if agent fear and sensitivity of performance monitoring negatively impacted well-being (Holman et al., 2002).

Holman et al. (2002) conducted this research on performance management in contact centers via a survey in two contact centers and received responses from 347 agents. These agents spent 80 to 90% of their time answering inbound calls. They spend the remainder of their time attending meetings or handling administrative tasks.

The research indicated that “when clear performance criteria are developed and when positive feedback is given regularly, the monitoring system will be associated with greater well-being” (Holman et al., 2002, p. 75). They specifically found that the variables of supervisor
support and job control were associated with higher levels of well-being. The intensity of the performance monitoring had a higher association with emotional exhaustion and anxiety (Holman et al., 2002). It is the responsibility of the contact center managers to provide specific and immediate feedback and effective coaching to the agents. In the coaching sessions, managers at HPOs help agents understand how their behaviors impact the success of the organization (AMA, 2007). This type of coaching helps agents to link their role to the mission of the organization. Based on the survey results, performance monitoring is part of a comprehensive performance management system that develops employees’ skills and performance (Holman et al., 2002). Performance monitoring is not an end in itself.

**Employee Motivation**

While studying motivation, Pink (2009) learned that offering external rewards such as money or awards is not the best way to motivate employees. He found that employees are more likely to perform if they have autonomy, can pursue mastery, and have a purpose. Pink (2009) describes autonomy as more than just being independent, but “acting with choice” and found autonomy to be linked with well-being and engagement. He also noted that people are most engaged on days they make progress toward mastery and when they are working to contribute to the greater good (Pink, 2009). Autonomy, the pursuit of mastery, and purpose are considered intrinsic motivators. “Intrinsic motivation involves doing a behaviour because the activity itself is interesting and spontaneously satisfying. When intrinsically motivated, people perform activities because of the positive feelings resulting from the activities themselves” (Deci & Ryan, 2008, p. 15). Deci & Ryan (2008) found that positive performance feedback can enhance intrinsic motivation and negative feedback can demotivate because it damages intrinsic motivation.
Deci & Ryan (1989) conducted a study on self-determination in the workplace that focused on the degree to which managers focused on employees’ autonomy. Their research was conducted over an 18-month period using feedback from field managers and technicians who worked for an office machine company. The company went through some changes and was attempting to provide more self-determination and increase intrinsic motivation. They used a variety of surveys and conducted a training intervention meant to build trust and develop the technicians (Deci & Ryan, 1989). The training included topics and activities that gave technicians opportunities to make their own choices, recognized technicians’ perspectives and feelings, and discussed how to provide performance feedback. The survey measured perceptions of trust, support, supervision, pressure, and general satisfaction. It also measured satisfaction with autonomy, variety, quality feedback, opportunity for inputs, security, pay and benefits, work atmosphere, and potential for advancements (Deci & Ryan, 1989).

The results showed that after the intervention, the managers and technicians were more closely aligned on how they felt about the variables that were measured (Deci & Ryan, 1989). Prior to the intervention, the technicians were more satisfied with extrinsic variables such as pay and security. After the intervention, satisfaction was more focused on trust and work atmosphere. They noted that a company must show evidence of concern for their employees and be committed to change for an intervention like the one in the study to be effective (Deci & Ryan, 1989). “…It seems reasonable to conclude that, with certain limitations, the experience of self-determination, promoted by managers’ being autonomy-supportive, has positive ramifications on people’s work lives” (Deci & Ryan, 1989, p. 589).
Employee Satisfaction and Organizational Performance

A benefit of having satisfied, motivated, and engaged employees is that it can positively impact customer satisfaction and organizational performance. Gallup (2017) found that “highly engaged business units achieve a 10% increase in customer metrics and a 20% increase in sales” (p.69). They also found that engaged employees become brand ambassadors and build relationships with customers which helps increase sales and profitability. On the other hand, disengaged employees are more likely to steal, be absent from work, negatively impact co-workers, and drive away customers (Gallup, 2017).

Achim, Dragolea, & Balam (2013) conducted a study on the impact of employee motivation on organizational performance. They surveyed employees at a company that was highly respected in its field. They distributed a 20-question psychological questionnaire with questions focused on the following areas: subsistence, relationship, motivation, support, and expertise.

The survey respondents felt that the organization did not have a motivational or recognition system and many were not satisfied with their organization (Achim et al., 2013). Although the researchers recommended some financial motivators be put into place, they also had recommendations related to autonomy, purpose, and mastery. They found that a performance management system should be put in place to set standards and allocate the financial rewards.

When a person has poor motivation, they only work up to 20 to 30% of their capacity (Cirnu as cited in Achim et al., 2013). When motivation is strong, 80 to 90% of that capacity is recovered. Understanding employee motivation and why employees choose high performance is
key to establishing an HPO. Waal (2112) suggests finding out what motivates and inspires employees and then working to create conditions that will increase their motivation.

**Implementing Performance Programs**

Once an organization makes a commitment to move to a performance-based culture, the first step is to work with the human resources (HR) department to review current processes and strategies to see if there are gaps or opportunities for improvement. Organizations must be confident that changes to the HR inputs will have a positive impact on job or organizational performance.

Ferguson and Reio (2010) conducted a study to evaluate how human resources inputs and processes contributed to the organizational outputs: job and firm performance. They surveyed 2,155 employees at a midwestern business and received 350 usable responses. They controlled for union status, firm size, and organizational type (Ferguson & Reio, 2010). The survey asked about HR inputs identified as, “knowledge, skills, and motivation of employees that enable a firm’s human resource management process to create and deliver products and services that are valued by customers” (Huselid and Lado & Wilson as cited in Ferguson & Reio, 2010, p. 480). The survey also asked about employee skill, motivation, and HR management processes. The organizational outputs of job and firm performance were used as the dependent variables in the study.

The study supported each of the three hypotheses that were proposed. First, Ferguson and Reio (2010) found that HR inputs were positively correlated with job and firm performance. Among other things, this finding indicates that organizations with “high levels of motivation inputs (e.g. frequency of non-monetary bonuses) are more likely to experience higher levels of job performance and increased levels of organizational and market performance” (Ferguson &
Reio, 2010, p. 484). Second, they found that human resource management practices impacted job performance. Performance evaluation, training, promotion, and employee selection was positively linked to job and firm performance meaning that organizations that implement these HR practices may experience more value from employees and increased financial performance or market value (Ferguson & Reio, 2010). Finally, they found that HR inputs, processes, and job performance significantly influence overall firm performance. The research suggested that implementation of HR inputs and practices in organizations positively impacts firm performance (Ferguson & Reio, 2010). An implication of this research is that designing and implementing improved motivational systems in organizations would significantly increase job and firm performance (Ferguson & Reio, 2010).

**Managing Change**

Employee satisfaction, engagement, and commitment can be affected by how any new programs or initiatives are implemented and how the change is managed. Judge and Thomas (2009) estimate that approximately 70% of change initiatives in organizations fail. Leaders should consider the readiness of the organization and how they plan to handle change management prior to implementing any new initiatives. Wilson (2014) suggests that leaders use the same focus and intent to communicate the strategy as they do to develop the strategy. A communication plan for a change project should include details on what change is coming, why the change is occurring, what benefits it will produce, who is affected, who is leading the change, timing, and details about communication (Wilson, 2014). Keeping the commitments that have been communicated is also important. When discussing employee loyalty, commitment, and relationships with management during major change initiatives, Strebel (2009) noted that, “…a
manager’s sensitivity to this dimension of his or her relationship with subordinates is crucial to gaining commitment to new goals and performance standards” (p. 144).

Morin et al. (2016) conducted a study on two theories, affective commitment to change (ACC) and psychological empowerment (PE) in conjunction with change readiness and self-determination theory. ACC was defined as an employee’s “desire to support the change based on its inherent benefits” (Hersocovitch & Meyer as cited in Morin et al., 2016, p. 843). PE describes the psychological factors that enable employees to feel a sense of control. These factors are meaning, competence, self-determination, and impact. Meaning is the factor that looks at how an employee’s job correlates to their values and beliefs. Competence looks at the employees’ belief that they can effectively perform their job. Self-determination involves having a sense of control. Impact looks at how much influence employees have over organizational outcomes (Morin et al., 2016).

The purpose of the study was to understand how ACC and PE would relate over time in an organization that was experiencing constant change (Morin et al., 2016). The study was conducted with employees who worked in the health care industry in Canada. The industry had been experiencing significant change for over a decade. Changes included mergers, downsizing, relocation, and projects to increase efficiency. Surveys were given to employees yearly for a three-year period with the number of respondents ranging from 409 to 485 which was a response rate of 43 to 50% (Morin et al., 2016). Respondents were asked questions that assessed how they felt about change necessity, change legitimacy, and adequacy of management support during the changes. Respondents were also asked to rate items in the dimensions of meaning, competence, self-determination, and impact (Morin et al., 2016).
Morin et al. (2016) found that ACC and PE were independent of one another over time. ACC was impacted more by perceived legitimacy and necessity of the change while PE was impacted more by perception of management support. They noted “…situations where a change appears necessary without also being seen as legitimate could undermine intrinsic motivation to change and result in more controlled forms of motivation” (Morin et al., 2016, p. 856). Employees may see the need for change, but not buy-in if they do not agree with the organization’s plan to fix the problem. Wright (2010) suggests developing an inclusive approach, involving everyone in the change process, and planning an evaluation strategy so that change is evaluated at one site prior to implementing it at another site.

When looking at beliefs about management support, Morin et al. (2016) found that there was a unique positive effect on PE. This suggests that providing support to help employees face new challenges and demands is more critical to maintenance and improvement of employees’ sense of control, motivation, and competence to meet work demands (including those resulting from change) than nurturing beliefs about the necessity or legitimacy of the changes themselves. (Morin et al., 2016, p. 857)

In addition to the recommendation of support, Morin et al. (2016) recommend providing training and development opportunities and hiring employees who are adept at coping and thriving during change. Walker, Armenakis, and Bernerth (2007) went as far as suggesting that organizations consider micro-level factors such as individual differences when developing a change model. Strebel (2009) stresses the importance of alignment between what the organization says and what management does when attempting to obtain employee commitment.
to change. How change is implemented and managed in organizations does impact the success of the change and the feelings and beliefs of employees.

**Evaluating the Results of Change**

To determine if a change has been successful, results must be measured. Rucci, Kirn, and Quinn (1998) suggest using a technique called causal pathway modeling that is “distinct from regression analysis, which examines data and observes correlations without establishing causation” (p. 90). This method involves gathering every type of data possible and using cluster and factor analysis to look at sub-groups and variability. Using this type of analysis, organizations can potentially find connections in the data that they may had never thought existed. This type of measurement works well when measuring and attempting to find correlations between things such as revenue growth, customer and employee satisfaction, employee attitudes, and turnover (Rucci et al., 1998).

Another way to measure the success of change is to use an organizational assessment survey (OSA) to measure employee perceptions. These assessment surveys should be conducted on a regular cadence beginning prior to the implementation of the change. Sometimes it can take years to see the results of change. Measuring is the first step in this process and it should be followed up by acting to make improvements. Muldrow, Buckley & Schay (2002) consider the OSA “a solid empirical foundation for effective action planning and change implementation” (p. 342). Muldrow et al. (2002) also noted that using an OSA helps understand an organization’s culture which is critical to understanding if they are achieving at a performance level and note that “comparisons across time are critical to tracking the effectiveness of change-management programs” (p. 346).
Summary

High performance organizations (HPO) not only set clear expectations, they hold employees accountable. In order to do this, they implement performance programs that allow managers and employees to work together to set goals that align with company strategies. A well-designed performance program can motivate and engage employees and improve business results.

When implementing new performance programs, organizations must carefully manage change so that they do not experience a negative impact on employee satisfaction or engagement. A new program or a change to an existing program has a higher potential for success if organizations get employees involved, help them understand the need for the change, and communicate regularly. To determine the success of a change, organizations must evaluate the results. This can be done by analyzing data and looking for correlations or surveying employees.
Chapter III: Methodology

Company XYZ implemented performance-based vacation bidding in their contact center on December 1, 2017. Prior to this implementation, Company XYZ had a tenure-based vacation bidding process. This research was conducted to understand how the implementation of a performance incentive program impacted employee performance.

Subject Selection and Description

Performance data from contact center agents who were employed at Company XYZ in 2017 and 2018 was used in the research. The performance data was from 39 full-time employees. Employee tenure ranged from 23 years to six months. Employees with less than six months tenure did not have enough performance data to include in the research. Contingent employees were not included in the research as they are not eligible for benefits such as vacation.

Instrumentation

Performance data was collected from four systems. Schedule adherence was calculated in and collected from a workforce management and scheduling system. Agents’ schedules were assigned in the system and they system measured their adherence to the schedules. Post call surveys were sent to customers by a third-party vendor via email and the results were retrieved from a database. Calls not answered was pulled from the phone software. Quality Assurance (QA) was completed by team leads in the call recording software tool and pulled out via the reporting function.

The post call survey questions and QA process and form are detailed in Appendix A and Appendix B. The purpose of the survey was to get the customer’s perspective on how the agent handled the call. The survey measured customer satisfaction. Post call survey data could be
influenced by a variety of outside factors including product recalls or other product quality issues.

**Data Collection Procedures**

The four data points measured for each agent were adherence to schedule, post call survey scores, calls not answered, and quality assurance. These performance measures are used to hold agents accountable and are part of an accountability program that has clearly stated expectations.

Adherence to schedule was measured by and retrieved from a workforce management computer software system. Agents were scheduled to take calls during certain times of the day and the scheduling software measured the percentage of time that agents adhered to their assigned schedule. If agents adhere to their schedule, 80% of customer calls are answered within either 60 or 120 seconds, depending on the team. If agents do not adhere to their schedules, customers experience longer wait times.

A third-party company administered and provided Company XYZ with results from post call surveys. Surveys were emailed to customers after they called the Company XYZ contact center. The post call survey measured the customers’ perception of the interaction with the contact center agent. Customers rated agent attributes using a Likert scale. Company XYZ has access to the scores via a website.

Call center phone software tracked calls that were distributed to agents. The software tallied the number of answered calls and the number of calls not answered. If agents do not answer the phone when it rings, customers are put back into a queue and their wait times increase.
All calls to the Company XYZ contact center were recorded. Each week, team leads listened to and scored calls using the Quality Assurance (QA) Form. The QA form was an electronic form embedded in the call recording software. The QA process measured how closely the agents met the business requirements for each call. Business requirements include proper documentation of the call, focus on the customer concern, adherence to the escalation process, efficient resolution, and providing appropriate information to the customer.

The data was extracted monthly from the four different systems via their reporting functions and compiled into Excel spreadsheets for analysis. The data was kept in a company eRoom. Company XYZ restricts the eRoom data to contact center employees. All contact center agents and managers had access to this specific employee performance data. Employees also had access to some the systems that the data is pulled from. For this study, employee names were truncated to protect their identity.

**Data Analysis**

The performance incentive program was announced to employees in November 2017 and was implemented on December 1, 2017. Employee performance data from the year prior to the change (December 2016- November 2017) was compared to the same data from after the change (December 2017-October 2018). This data was analyzed to determine if there was a change in individual and overall employee performance.

The survey results were compared to the performance results to understand if agents found their place in the vacation bidding order important and if they made any changes to the way they do their work based on the implementation of the new process.
The final piece of data analysis compared where agents would have been in the vacation bidding order based on tenure with where they were in the order based on performance. This provided information on what percentage of agents moved up or down in the order.

Summary

Quantitative data accessed from four different systems was used to evaluate the implementation of performance-based vacation bidding on employee performance at Company XYZ. The change was implemented in November 2017, so data from the 2017 performance year was compared to data from the 2018 performance year. Agents completed a survey on vacations bidding. In addition, the tenure-based order was compared to the performance-based order to understand what percentage of agents moved in the vacation bidding order.
Chapter IV: Results

The purpose of this study was to evaluate the results of an employee performance program that was implemented at Company XYZ. This data analysis was conducted by reviewing employee performance data prior to the implementation of the performance-based vacation bidding project and comparing it to the same measures post-implementation. In addition, a survey regarding the new process was sent to employees.

Demographic

The 39 Company XYZ employees whose performance was evaluated were 21 to 65 years of age. There were 19 males and 20 females. There were a variety of ethnicities and races.

Schedule Adherence

Figure 1 shows that prior to the implementation of the performance-based vacation bidding, adherence to schedule hovered close to the minimum required percentage of 94%. For the 2017 performance year, the average was 94.41%. The adherence average percentage jumped to 96.6% in the 2018 performance year. That is an increase of 2.32%. In 2017, the adherence average never reached 96%. For 8 months in 2018, the adherence average exceeded 96%.

Figure 1. December 2016- October 2018 average monthly adherence.
Post Call Survey

The post call survey measured customer satisfaction. Customers rated agents using a Likert scale. The scores were converted to percentages. Figure 2 shows that post call survey scores decreased from performance year 2017 to performance year 2018. The average score in 2017 was 91.25%. The average decreased by 2.3% to 89.18%.

Figure 2. December 2016 - October 2018 average monthly post call survey scores.

Figure 3 shows that the decrease in customer satisfaction came primarily from the business to customer (B2C) teams. When broken down by business to customer, the average scores decreased 3.45% from 86.95% to 83.5%. When broken down by business to business (B2B), the average score decreased less than half a percent from 97.4% to 97% as shown in Figure 4.
Figure 3. 2017 vs 2018 B2C average monthly post call survey scores.

Figure 4. 2017 vs 2018 B2B average monthly post call survey scores.

Calls Not Answered

Figure 5 shows that in the 2017 performance year, the average number of calls per agent per month that were not answered and had to be put back into a queue was 2.5. In the 2018 performance year, that average was reduced to 1.36. That is a reduction (improvement) of 45.6%.
Quality Assurance

Figure 6 illustrates that the Quality Assurance (QA) average score for the 2017 performance year was 95.43%. For the 2018 performance year, it increased to 96.25%. Both numbers are significantly higher than the required minimum score of 90%. The score improved year-over-year by .86%.

Figure 6. December 2016- October 2018 average monthly quality assurance scores.
Employee Survey

A survey was sent to 49 full-time contact center agents. There were 21 agents who responded to the survey. Employees were asked about their tenure, the importance of their place in the vacation bidding order, and if performance-based vacation bidding impacted the way they did their work. The results shown in Figure 7 indicate that the more tenured the employee, the more important their place in the vacation bidding order was.

![Figure 7. Tenure and importance of place in bidding order.](image)

The results shown in Figure 8 also showed that tenured employees were less likely to change the way they did their work based on the change in how vacation days were selected. Of those with six or more years of tenure, 22% said that they changed the way they worked. Of those with less than six years, 45% said they changed the way they worked. Less tenured agents were more likely to make a change to increase their performance.
Figure 8. Tenure and if performance-based bidding changed the way they did their work.

Tenure Vs. Performance Order

On the day that vacation bidding began, there were 39 full time employees in the contact center divided into five different teams based on specialty. When comparing where agents would have been in the order based on tenure, there was significant change. Of the 39 employees, 46% (18 agents) moved up in the bidding order and 46% (18 agents) moved down in the bidding order, and 8% (3 agents) remained in the same spot.

The most significant change on Team A was an agent low in tenure that moved up seven spots based on high performance. On Team B, the lowest tenured agent moved up six spots based on high performance. Team C had their most tenured agent moved down three spots when ranked by performance. The most significant change on Team D was that the most tenured agent moved to the last place in the order when ranked by performance. On Team E, the most tenured agent moved down nine spots when ranked by performance. Team E also had two less tenured agent move up eight spots and one more tenured agent move down eight spots.
The downward movement of tenured employees in the vacation bidding order was not because their performance decreased, but because agents with less tenure were higher performers. In fact, among agents with six or more years of tenure average performance increased from 96.59% in 2017 to 97.83% in 2018. This was an increase of 1.3% year over year. Of the 13 tenured agents, only one had a decrease in performance.

**Summary**

Three of the four performance metrics showed improvement after the implementation of performance-based vacation bidding. The metrics that showed improvement were schedule adherence, calls not answered and quality assurance. The metric that showed a small decline was post call survey.

Tenured agents indicated that their place in the vacation bidding order was important to them, but also said that they did not change the way they did their work based on the implementation of performance-based vacation bidding. The results showed that tenured agents moved down in the bidding order but did increase their performance over 2017. The reason this happened was that the less tenured agents were high-performers.
Chapter V: Discussion, Conclusion and Recommendation

Company XYZ implemented performance-based vacation bidding for contact center employees. It is important to evaluate the results of the implementation because Company XYZ does not currently have a performance-based culture and has no formal process in place to implement future employee performance programs. If the results are not evaluated, Company XYZ may not receive Human Resources approval to implement future performance programs. This research has shown that overall employee performance increased after Company XYZ implemented the performance-based vacation bidding program. Three of the four performance metrics showed improvement and one metric showed a small decline. Tenured employees performed lower than less tenured agents but were able to achieve a more significant performance increase year-over-year.

Discussion

The three metrics that showed improvement were schedule adherence, calls not answered and quality assurance. Calls not answered had the most significant change, decreasing (improving) by 45.6%. Schedule adherence had the next highest improvement with a 2.32% increase, followed by quality assurance with a .86% increase. There was a new phone system launched for contact center agents in February 2018. Due to the learning curve, that may have negatively impacted adherence and calls not answered scores.

The metric that showed a small decline in the post call survey. The year-over-year average score decreased 3.45% from 86.95% to 83.5%. Post call survey was the metric that agents had the least amount of control over. All agents were trained in customer service skills and if the skills were used, they had a level of control over the customer experience. Customers may not have received the answer that they wanted and rated the agent attributes low due to lack
of resolution. During the 2018 performance year, Company XYZ experienced two product
recalls that caused significant customer dissatisfaction. It is possible that customers rated agents
low because of product dissatisfaction. Another possibility is that the agents did not receive
enough support or talking points related to the recalls. This research was not able to verify any
relationship between employee performance and customer satisfaction due to the other variables
that were introduced during the year. While the overall average customer satisfaction score
dipped a little, it still exceeded the minimum expectation of 80%.

Although many of the tenured employees moved down in the bidding order, their
performance numbers increased. This indicates that despite what they indicated in the survey,
they may have changed the way they did their work. Year-over-year individual performance
data indicates that tenured (6+ years) agent performance increased by 1.3% and less tenured (< 6
years) agent performance increased by .7%. There may have been a level of complacency that
was causing tenured agents to fall behind newer agents. Prior to the implementation of
performance-based vacation bidding, exceeding the minimum requirements could positively
impact the annual merit increase. After implementation, there was a guaranteed reward for high
performance which likely motivated agents.

Conclusions

The results of this research show that employee performance was positively impacted by
implementing the performance-based vacation bidding program. All but one of the tenured
agents improved their performance, yet many of them moved down in the vacation bidding
order. This realization is likely to trigger more performance improvements in coming years.

Although performance improved, there are still opportunities for additional improvement.
Agents were able to see performance data, but not in a calculated and ranked format. Because of
this, agents never knew exactly where they fell in the bidding order until the end of the year. For the 62% agents who felt that their place in the order was extremely or very important, seeing the ranking could have encouraged them to make changes to increase their performance. Lack of communication on performance ranking may create a change management challenge with agents who had a significant move down in the vacation bidding order.

Despite the implementation of performance-based vacation bidding and agent training on customer service skills, the post call survey scores declined. This was likely related to product recalls, but there are steps that can be taken to improve the scores. Agents have access to listen to their recorded calls, but do not typically listen unless a team lead has received an escalation and asks the agent to review the call. If the agent receives a poor post call survey call, listening to the call and identifying opportunities to improve the customer experience for future calls should be a best practice. There are techniques that can be used to deliver bad news to a customer in a way that does not cause the customer to become upset.

**Recommendations**

Because newer agents outperformed tenured agents, Company XYZ should investigate at what point performance starts to decline and attempt to understand the reasons. The decline in performance could be due to complacency, burn-out, lack of engagement, or a need for re-training. The reason could be that the culture of the organization was not performance-based, and the agents never had a reason to exceed expectations.

Company XYZ should continue to monitor the performance data in 2019. Since the true implications of the change will be realized in December 2018 when agents see their place in the bidding order, Company XYZ may see another increase in performance in 2019. They may also see a significant increase in post call survey (customer satisfaction) scores if they do not have
any product recalls in 2019. If that is the case, they could analyze the data to see if there is any relationship between employee performance and customer satisfaction at that time.

Company XYZ shares basic raw performance data with employees on a monthly basis. They should consider sharing the performance data in a calculated format, so employees always know where they are in the vacation bidding order. Allowing them to see their rank compared to other employees may drive additional performance improvements.

Company XYZ exceeded their set minimum goal of 80% on customer satisfaction surveys and their scores were considered world class by the company that administers their surveys. Despite this, there was a decline in scores year-over-year and there is room for improvement. To improve post call survey scores, Company XYZ should require agents to listen to some of their recorded calls and then discuss the calls with their team lead during a coaching session. If agents identify one or two small changes that could be made on how they handle difficult customers or deliver bad news, they could make small incremental improvements on post call survey scores. Making this change would improve the customer experience, help the agent move improve their individual performance, and increase overall contact center performance.

Since the implementation of this project was successful, the final recommendation is that Company XYZ formalize the process followed for this project. They should include employee focus groups and surveys to ensure engagement and understanding. They should also follow through by analyzing the results to determine if the implementation was successful. Performance based shift bidding could be considered as a future project. This would allow agents with the highest performance to select their desired shifts before lower performing employees make shift selections.
Future Research

This research intended but was unable to verify any relationship between employee performance and customer satisfaction due to variables that were introduced during the research time period. The primary variables were two product recalls that negatively impacted customer satisfaction. Company XYZ would benefit from analyzing the same performance data for the 2019 performance year. If there are no product recalls, they will be able to analyze employee performance data and customer satisfaction data to see if there is a relationship. They hypothesis is that if employee performance increases, customer satisfaction should also increase.

There was a significant amount of turnover (30%) in the Company XYZ contact center in 2018. As described earlier, Company XYZ’s accountability program allows agents to miss the minimum expectations for three out of 12 months without any consequences. The fourth occurrence impacts the agent financially and the fifth occurrence justifies termination. The turnover stabilized toward the middle of 2018. The turnover likely had a positive impact on the performance data because newer employees tend to be higher performers and because some of the turnover was a result of low performing employees exiting the company through the accountability program. This turnover reduced the sample size for the part of the research that looked at changes in individual vacation bidding ranking. Company XYZ should continue to analyze employee performance data to better understand the impact of the turnover and at what point in an employee’s tenure their performance starts to decline. This decline may not be as significant in the future if Company XYZ effectively changes the culture to be performance-based.
References


Appendix A: Post Call Survey Questions

We would like you to think about the last customer service representative who assisted you on (Day/Month/Year). How would you rate that representative on?

Please select one response for each attribute.

A. Overall quality of service

B. Listening and understanding your question or concern

C. Desire to resolve your question or concern

D. Clear answers provided

5 Excellent ……4…………3………2……….1 Poor

Please think about the entire experience of the phone call you made to XYZ Company customer service on (Day/Month/Year). How would you rate the overall quality of service you received?

5 Excellent ……4…………3………2……….1 Poor
Appendix B: Quality Assurance Process and Form

**Process**

Team Leads review and score calls weekly for each agent. The calls are selected at random. The Quality Assurance (QA) metric goal is 90% overall per month.

- If an agent's scorecard equals or exceeds 95%, only one (1) QA is required for that agent that week;
- If an agent's scorecard is less than 95%, two (2) QAs are required for that agent that week;
- After agents begin taking calls, they:
  - will have two (2) QAs conducted each week until they have completed a 30-day training period in their role;
  - will not have their QAs reported for reporting purposes until their 30-day training period is completed

**Scoring**

Scoring is based on a 100-point scale.

**QA Form**

**Business Requirements**

1. Did the agent violate the Code of Conduct?
2. Did the agent demonstrate work/call avoidance issue?
3. Did the agent enter eCommerce order for the customer information and/or product(s) incorrectly?

**Maintaining Control of the Call**
1. Guided the call flow to stay focused on caller’s concern

2. Followed current hold, mute, and transfer procedures

**Critical to Business-Data Quality**

1. Business Partner Contact Information – Name, E-Mail Address, Phone Number, Address…etc.

2. Description field used appropriately

3. Service Request Creation or Updated

4. Service Request placed in proper status

5. VIN/Part #/ Mileage

6. Adequate Notes

7. Proper Linking (if applicable)

8. Categorization to the furthest possible level

9. Appropriate e-mail correspondence

**Policies/Procedures**

1. Did the agent refrain from speaking negatively about the company, products, employees, tools (Computer systems), other departments, or competitors?

2. Did the agent use the correct escalation process?

3. Provided Service Request #/Order #?

**Issue Resolution**

1. Customer focused resolution

2. Set customer expectations including next steps

3. Was appropriate level of information provided to the customer?

4. Were steps taken to resolve the issue in the most efficient manner?