

The Crisis in Contact Center Management

March 2024



A downward spiral in the employee and customer experience is causing “The Great Termination” of leaders.

5th Talent Research



9,800 Surveys
from Agents &
Frontline Managers



117 Interviews
with Contact Center
Leaders



12 Countries



9 Industries

Industry Research Sources

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What makes work meaningful - or
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100 Customer Experience Stats For 2023

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State of the Global Workplace
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Generative AI & Chatbots for Customer
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2023

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The Crisis in Contact Center Management

Executive Summary

A downward spiral in the employee and customer experience is causing “The Great Termination” of leaders. However, meaningful work can help contact center leaders dramatically increase employee and customer loyalty.



Section 1:

The Crisis in Contact Center Management



The Crisis in Contact Center Management

The customer experience is at a 17-year low, agent turnover remains high at 7-8% a month, and quiet quitting is at 59%. This crisis is severely impacting company profitability, leading to “The Great Termination” of leaders.



Customers Still Want Human Customer Service

Customers want access to human support when their issue has a high level of urgency, importance, complexity, or dissatisfaction. They desire agents to be their advocate with the company, where the human-to-human relationship supersedes the company-to-customer relationship.



Agents Love Their Job When They Can Authentically Help Customers

Agents want to authentically help customers, which leads to meaningful work. They also want grind to be low because it destroys their meaningful work by preventing them from serving customers. Grind is when you are driven to serve others in your work, yet you are held back from doing so in some way (large or small).



Executives Are Prioritizing Cost-Cutting and AI Over Service

Unfortunately, for contact center leaders, many executives don't believe customer service impacts customer retention. Therefore, executives focus on cost-cutting and are selling AI as the answer to the crisis, but employees and customers are not buying their approach.



Self-Service Needs to Improve

Customers will decide if and when they will use self-service and companies should not force them to use it. Self-service needs to improve dramatically, and AI can help. However, companies should not listen to tech delusionists who claim AI will replace humans for customer service.



What Humans Can Do That Artificial Intelligence (AI) Can't

AI benefits customers in transactional interactions with increased speed and 24 by 7 availability. However, AI can't authentically serve customers where the human-to-human relationship supersedes the company-to-customer relationship. It also can't connect on an emotional level to care, build trust, authentically apologize, show gratitude, and laugh. If customer service loses the human touch, companies will lose human loyalty.

Section 2:

The Crisis in Contact Center Outsourcing



There is a Crisis in Contact Center Outsourcing

Contact center outsourcers are experiencing even higher agent turnover and worse performance than internal centers. Outsourcers are losing clients at an abnormally high rate, putting them in financial distress. Also, AI is a concern for investors because of the fear it will dramatically reduce the need for outsourcing. Within the next five years, 50% of large to medium-sized contact center outsourcer brands could disappear because of consolidation.



Clients are Realizing the Contact Center Outsourcing Fallacy

Clients want outsourcers to be experts at improving the employee and customer experience, leading to increased performance and reduced costs. However, contact center outsourcer goals do not align with the client's goals, and outsourcers further dehumanize the agent-customer interaction by focusing on their own cost-cutting initiatives. Unfortunately, this leads to worse performance and higher customer churn, thereby offsetting the cost savings of outsourcing.



The Client Outsourcing Journey Needs to Improve

Most clients were led to believe their program would have lower employee turnover and better performance, and outsourcers are not fixing either issue. The sales team at outsourcers is responsible for selling and managing the client, while the operations team focuses on maximizing their own profitability. Unfortunately, the client's separation from outsourcing operations increases their desire to control the agent-customer interaction, furthering the downward spiral in the employee and customer experience.



Clients Not Buying the Employee Experience Claims or Value-Add

Outsourcers claim to offer great employee experiences. However, according to employee reviews, large-to-medium outsourcers have a very poor employee experience. In addition, outsourcers try selling themselves on value-added offerings like analytics and AI which are very low on the list of what clients want from them.

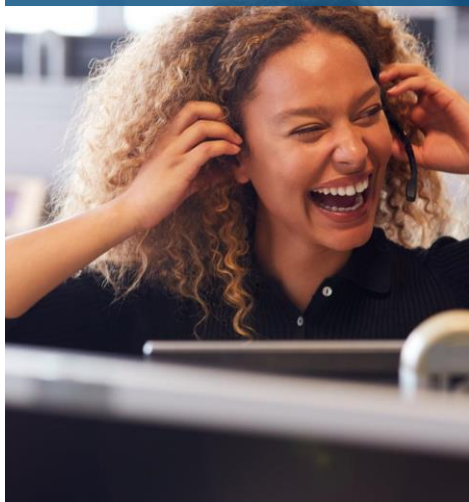


Most Clients are Upset with Outsourcers and are Making Changes

Dissatisfaction with contact center outsourcing has been growing since the pandemic, and outsourcers are now in a high-risk situation. Most clients are unhappy with at least one of their outsourcers and are considering replacing them, asking them to lower rates, or bringing the volume back into their internal centers.

Section 3:

Meaningful Work is The Answer



Agents Impact Emotional Customer Satisfaction and Loyalty

Emotions impact the customer's behavior even more powerfully than rationality does. Emotionally satisfied customers contribute far more to the bottom line than rationally satisfied customers. Research has shown that the customer's experience depends almost entirely on the employee. Every agent interaction with a customer represents an opportunity to build that customer's emotional connection or to diminish it.



Customers Want Agents to “Cross the Company Line”

Customers want employees to “cross the company line” to be their advocates where the human-to-human relationship supersedes the company-customer relationship. Fortunately, agents want to “cross the company line” to treat the customer according to their own value system and be the one who really makes a difference for that customer. This makes their job meaningful.



Meaningful Work is a Win-Win-Win for Contact Center Leaders

Meaningful work occurs when a person's work makes a difference in someone's life. The most important part of the employee experience is how they feel about their job, not compensation or the company they work for. If they find their work meaningful, it significantly reduces turnover (25-50%), increases engagement, and improves performance (10-25%). Meaningful work for leaders and managers comes from making a difference in their team members' lives, thereby making meaningful work infectious.



Meaningful Work is Personal and Can't Be Manufactured

The desire for meaningful work is universal and innately human. Meaning is personal; therefore, a company can't manufacture meaningful work through its company mission, corporate social responsibility (CSR), volunteering, or compensation. However, management can nurture an authentic environment where meaningful moments occur naturally.



Discover Meaningful Work In Your Own Contact Centers

For decades, we conducted focus groups with contact center agents. If you ask a group of agents what they like most about their job, the most common response is, “When I go above and beyond for a customer and make their day.” Conduct your own agent focus groups and ask your agents what they like most about their job.

Section 4:

Grind is Dehumanizing Customer Service



Grind Destroys Meaningful Work

Agents experience “grind” when management is out of alignment with the customer, and the agent is caught between them. Grind destroys meaningful work, and poor management is its leading cause. When employees feel management is preventing them from authentically serving the customers, the agent will disengage during interactions because engaging is too painful.



Mismanaging Good Innovation Leads to Grind and the Dehumanization of Customer Service

The contact center industry believes you need to control agent-customer interactions, and the human variable is the risk that needs to be mitigated. This mindset has led to the mismanagement of good Innovation that has dehumanized customer service.



Executives Are Highly Resistant to Change, and They Are the Top Cause of Grind For Contact Center Leaders

Many executives treat contact centers as cost centers. When leaders prioritize profitability over people, they actually decrease profitability because their approach reduces both employee and customer loyalty. Unfortunately, problems caused by leaders are rarely fixed by the leaders who cause them. Only 4% of executive leadership teams are expected to lead the change to improve the employee and customer experience. Contact center leaders need to experiment to show their leaders a better way before it is too late.



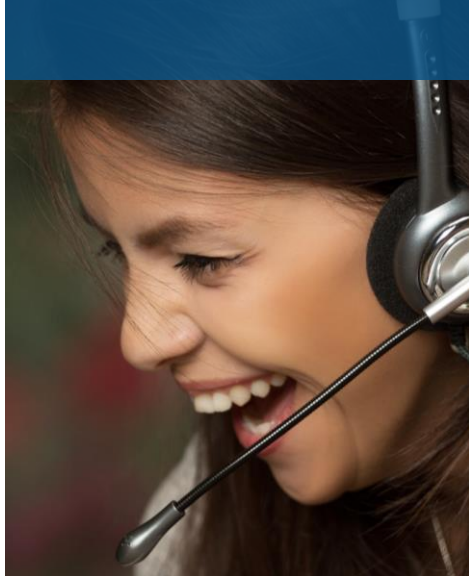
If Executives Were Managed Like Agents, They Would Understand Why it is Dehumanizing

Contact center leaders struggle with how executive leadership dehumanizes customer service. Most executives believe the agents are the problem, not the company. However, if you could treat executives like agents, they would see how the mismanagement of metrics, monitoring, and controlling processes is causing grind and dehumanizing agent-customer interaction.



Section 5:

Solving the Crisis in Contact Center Management



Measure Your Employees' Levels of Meaningful Work & Grind

Measure the levels of meaningful work and grind because they influence a person's intent to quit more than all other factors combined, like pay, benefits, career path, the company, co-workers, and life changes.



Implement a Meaningful Work Program

The principles of meaningful work and grind should revolutionize how we manage people. Create a vision for the type of meaningful work environment you want and improve the employee experience by improving how they are managed. 5th Talent developed a methodology to measure meaningful work and grind and then helps leaders develop a meaningful work environment. The program works with senior leaders, management, and employees to change their mindset from "providing a service" to "serving a person."



Experimenting is the Best Way to Get Buy-In From Executives

Because leadership is highly resistant to change, contact center leaders should experiment with a small group to implement a meaningful work proof of concept. Then, they can present the program's success to executive leadership, demonstrating a better way to improve profitability. The meaningful work program should eventually extend beyond the contact center. It is a universal approach that applies to everyone, regardless of their job level or department.



Experimenting is the Best Way to Get Buy-In From A Contact Center Leader's Own Team

An experiment also helps get buy-in from a contact center leader's team that is also highly resistant to change. Senior contact center leaders are under an immense amount of stress due to their high workload. Therefore, they are reluctant to take on additional responsibilities that may result in burnout. The experiment group needs to be removed from day-to-day operations because it needs the freedom to experiment, and day-to-day operations must remain focused on delivery.



Meaningful Work Brings Outsourcers in Alignment with Clients

Because outsourcing companies focus on their own profitability, they are out of alignment with executives, contact center leaders, agents, and customers. However, a meaningful work program benefits everyone, including outsourcers, by lowering their turnover costs, providing higher margins, enabling them to consistently meet contracted key performance indicators (KPIs), and increasing client retention.

Section 1:

The Crisis in Contact Center Management

Contact center leaders are experiencing a perfect storm of declining customer experience, high agent turnover (or quiet quitting), a poor self-service experience, and executives who increasingly see contact centers as burdensome cost centers.





The current state of employee and customer experiences has reached a critical level, significantly impacting companies' profitability. This has led to “The Great Termination” of leaders who fail to address the crisis.

Customer



The Customer Experience (CX) is in Crisis

17 year low for the customer experience, and 49% of customers had more bad customer service experiences in the past year compared to the year before.¹

41% of customers say customer service doesn't meet their expectations, and the same amount says they do not trust the brands they interact with.^{1 & 2}

Agent



The Employee Experience (EX) is in Crisis

7-8% monthly turnover for agents in internal centers worldwide.³ According to interviews with clients of outsourcers, agent turnover in outsourced centers is estimated to be significantly higher than in their internal centers.

59% of workers worldwide are “quiet quitting,” and 18% are “loud quitting.”⁴ The percentages are higher for agents, given their higher turnover rates.

Contact Center Leader

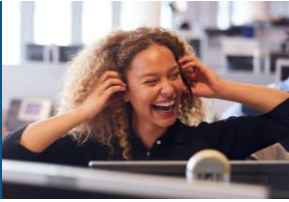


The Great Termination of Leaders

Many contact center leaders are already being terminated because of the crisis. The majority of medium to large contact center outsourcers are also terminating leaders.

50% of large to medium-sized contact center outsourcer brands could disappear in the next five years. There will be a “Great Consolidation” caused by the crisis.

Sources: 1. Forbes 2023 2. ACA 2023 3. Ryan Strategic Advisory 2023 4. Gallup 2023



Customers want employees to “cross the company line” to be their advocates which leads to meaningful work for agents. However, contact center leaders’ executives believe cost-cutting and AI are the best strategies.

Customer



What do Customers Want from Human Support?

- Customers want access to human support when their issue has a high level of urgency, importance, complexity, or dissatisfaction.
- They desire agents to be their advocate with the company, where the human-to-human relationship supersedes the company-to-customer relationship.¹
- Customers expect customer service that is helpful, friendly, knowledgeable, convenient, and fast.²
- A good customer experience leaves consumers feeling heard, seen, and appreciated.³

Agent



What Do Agents Want?

- Agents want to authentically help customers, which leads to **meaningful work**.
- They want **grind** to be low because it destroys their meaningful work by preventing agents from serving customers. Grind is when you are driven to serve others in your work, yet you are held back from doing so in some way (large or small).
- The levels of meaningful work and grind impact an agent’s intent to quit more than all other factors combined (like pay, benefits, career path, a great company to work for, co-workers, and life changes).

Executive Leadership



What Do Executives Want?

- Only 60%** of executives believe customer service impacts customer retention (compared to 98% of contact center leaders). Many executives treat contact centers as cost centers; therefore, cost-cutting becomes more important than the employee and customer experience.⁴
- #1** enabler of future CX and EX is AI, as voted on by executive leadership.⁵ Employees and customers aren't asking for it, which is concerning because losing the human touch means losing human loyalty.

Sources: 1. Ideal Dialogue 2007 2. ACA 2023 3. PWC 2018 4. Forbes 2023 5. NTT 2023

The Crisis | What Do Customers Want From Self-Service?



Customers will decide if and when they are going to use self-service. It needs to improve dramatically, and AI can help. However, companies should not listen to tech delusionists who claim AI will replace humans.

Customer



What do Customers Want from Self-Service?

59% of customers prefer self-service for simple questions.¹

69% of consumers try to solve issues on their own, but many will not.¹

69% of customers prefer a human over self-service.²

The Experience Needs to Improve

78% percent (of chatbot users) need to connect with a human agent anyway.³

60% of customers suffer from frequent disappointment when dealing with chatbots,⁴ and they have a 72-point lower NPS score.⁵

Tech Delusionists



What Tech Delusionists Are Saying?

75%-90% of customer queries will be resolved by chatbots in 2024.⁶ However, CX leaders explain that 66% of CX interactions will still require some form of human support.⁷

87% of consumers rate their typical chatbot experience as within the range of neutral to positive.⁸

41% of contact center leaders believe AI will be able to handle “human” tasks like demonstrating empathy during an interaction in the next 1-2 years.⁹

Executive Leadership



When Cost-Cutting Becomes More Important than Service

#1 frustration for customers is being forced to listen to long messages before you're permitted to speak to a representative.¹⁰

#2 frustration for customers is figuring out HOW or WHERE to contact the company.¹⁰

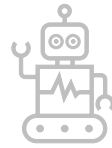
41% of consumers are already irritated when they contact customer service because of frustrations with self-service.¹¹ Customers do not like being forced into using self-service or being deceived by companies who try to pass off their AI as humans.

Sources: 1. Forbes 2023 2. ACA 2023 3. Zendesk 2023 4. CX Today 2022 5. Survey Monkey 2023 6. Reve Chat 2024 7. NTT 2023 8. Backlinko 2023 9. CCW, 2023 10. CCMC, 2023 11. CM.com, 2022



AI benefits customers in transactional interactions with increased speed and 24 by 7 availability. However, if contact center leaders want loyal customers, they need agents to authentically care for them. AI can't do that.

The Real Opportunity for Artificial Intelligence (AI)



Self-Service¹



Human²

Contact Reason	Transactional	Important - Relationship
Customer Benefits	Convenient, speed, & 24/7	Caring, problem-solving, and reassurance
Company Benefits	Decreased cost	Increased loyalty

What Humans Can Do That AI Can't

1. Authentically serve where the human-to-human relationship supersedes the company-to-customer relationship.
2. Connect on an emotional level to care, build trust, authentically apologize, show gratitude, and laugh.
3. Give a human perspective, like the experience of using a product.
4. Have an interaction where the customer feels connected with the agent because the agent also benefits from the experience.

The Real Opportunity for AI

Figure out how to eliminate the reasons why customers contact self-service or human support.

Improve self-service conversion of the large percentage of customers who choose to use it but still go to human support

AI should not try to control the interaction or replace human support. However, it can be used to aid the agent by quickly accessing quality information to better assist the customer.



Insight

Beware of AI Making Your Brand Transactional

Many companies believe AI will eliminate the need for human support. The first problem is that customers don't want that; second, a brand can become transactional. The brand will lack an emotional connection and will have very high customer churn.

Sources: 1. Journal of Retailing and Consumer Services, 2022 2. HBR, 2005

Section 2:

Crisis with the Contact Center Outsourcing

Contact center outsourcers are experiencing higher agent turnover and poorer performance than internal centers, leading to a loss of clients and financial distress. They are also concerned about AI reducing the demand for outsourcing.





Contact center outsourcers are experiencing even higher agent turnover and worse performance than internal centers. It is leading to the loss of many clients which is putting them in financial distress.



Contact Center Outsourcers are in Crisis

- Higher** agent turnover and disengagement than internal centers which continues their downward spiral on performance.
- Most** clients are unhappy with at least one of their outsourcers due to staffing and/or performance issues.
- High Churn** of clients for outsourcers is putting them in financial distress.
- Most** clients are under pressure to cut costs and are requesting lower rates or bringing volume back into their internal centers.
- AI** is a concern for investors because of the fear it will dramatically reduce the need for outsourcing.
- Most** large to medium-sized outsourcers are experiencing “The Great Termination” of leaders and are in severe cost-cutting mode. It is expected that 50% of these brands will no longer exist in the next 5 years.

Insight from 5th Talent

- **Outsourcing Increased the Practice of Trying to Control Interactions**
When an organization outsources, they lose control over the operation. Therefore, outsourcing increases the desire for companies to control the agent-customer interaction, which creates even more grind for the outsourced agents.
- **The Contact Center Outsourcing Fallacy**
Clients expect outsourcers to be experts at improving the employee and customer experience, leading to increased performance and reduced costs. However, contact center outsourcer goals do not align with the client's goals, and they further dehumanize the agent-customer interaction by focusing on their own cost-cutting initiatives.
- **Outsourcers are Probably Reducing Your Profitability**
The main driver for outsourcing is cost reduction, which usually leads to a worse employee and customer experience than internal centers. This results in increased customer churn, thereby offsetting the cost savings.
- **Clients Are Requiring Agents to Be Back in the Center**
Due to continued poor performance, clients are asking outsourcers to bring virtual and hybrid work-at-home agents back in the center. Bringing agents back to the center causes even higher attrition and lower engagement, leading to additional costs and performance issues for outsourcers.
- **Go Six Sigma Yourself**
Most clients don't want to pay for value-add. They think the outsourcer should use it to improve themselves. One time, when working for a BPO, we tried selling Six Sigma to the client, and they responded by telling us to “Go Six Sigma Yourself.” Clients want outsourcers who can consistently perform by improving the employee and customer experience. Interestingly, BPOs try selling themselves on their value add. However, according to Ryan Strategic Advisory in a 2023 report, value-added offerings like analytics and AI are not even in the top 20 things clients want from outsourcers.



Dissatisfaction with contact center outsourcing has been growing since the pandemic, and outsourcers are now in a high-risk situation.

Clients

Contact Center Outsourcers

2020

Pandemic Disruption & Work at Home Challenges

- Most managers and agents experienced work at home fatigue, and it impacted performance.
- The majority of leaders are in a holding pattern as employee turnover rises for them and their outsourcers.

Struggling with the Work at Home Model

- The traditional work at home model relied on hiring experienced agents who were self-learning and self-managing. During the pandemic, management was unprepared to lead the typical agent remotely.

2021

Desperate

- Higher demand for outsourcing since their internal centers were having turnover issues and struggling with the work at home model.
- Several clients felt an outsourcer exploited the “Great Resignation” to raise rates, and most clients experienced an outsourcer failing to deliver on staffing and performance.

False Prosperity

- Most outsourcers had significant revenue growth by raising rates and adding more employees with existing or new clients.
- The majority of outsourcers tried to grow while experiencing high employee turnover.

2022

Upset with Outsourcers

- Most clients were unhappy with at least one of their outsourcers and are considering replacing them.
- Many clients had a change in leadership with the person responsible for the outsourcing decision-making.

High-Risk Environment

- Many clients expect to switch out or eliminate at least one of their outsourcers.
- Most outsourcers continue to experience high employee turnover and are at high risk of losing clients.

2023 - 2024

Cost-Cutting & Artificial Intelligence (AI) Pressures

- Many clients are facing cost-cutting pressures and requesting vendors to provide lower rates.
- There is also growing pressure on clients to reduce call volume due to the industry promises of AI. However, the expectations have been unrealistic or challenging to meet.

Cost-Cutting & Artificial Intelligence (AI) Pressures

- Most outsourcers are having a reversal of fortune and suffering due to the loss of clients, rate pressures, and investor concerns over the impact of AI.
- The majority of outsourcers are enacting severe cost-cutting measures including leadership and support staff layoffs.

Crisis in Outsourcing | False Claims of a Great Employee Experience



Outsourcers claim to offer great employee experiences. However, according to employees, they are even worse to work for than internal contact centers.

According to Employee Reviews, Large to Medium Outsourcers Have a Poor Employee Experience

Rank	Outsourcer	Indeed (July 2023)				Glassdoor (July 2023)	
		Rating	Stress Free	Satisfaction	Energy	Rating	Recommend to a Friend
1	Anonymous	3.9	Low	Low	Low	3.6	68%
2	Anonymous	3.8	Below Average	Low	Low	3.5	62%
3	Anonymous	3.6	Average	Average	Below Average	3.7	72%
4	Anonymous	3.6	Below Average	Below Average	Below Average	3.6	65%
5	Anonymous	3.5	Low	Low	Low	4.2	83%
6	Anonymous	3.5	Below Average	Below Average	Below Average	3.7	70%
7	Anonymous	3.4	Low	Below Average	Average	4.1	82%
8	Anonymous	3.4	Low	Low	Below Average	3.6	69%
9	Anonymous	3.4	Below Average	low	Below Average	3.3	60%
10	Anonymous	3.2	Low	Low	Below Average	3.4	59%
11	Anonymous	3.2	Low	Low	Below Average	3.3	55%
12	Anonymous	3.2	Low	Low	Low	3.4	60%
13	Anonymous	3.1	Below Average	Low	Low	3.4	62%
14	Anonymous	3.0	Low	Low	Low	3.4	57%
15	Anonymous	2.9	Low	Low	Low	3.4	59%
16	Anonymous	2.9	Low	Low	Low	3.2	53%
17	Anonymous	2.7	Low	Low	Low	3.1	48%

Sources: A listing of 17 large to medium contact center outsourcers ranked by their employee reviews on 1. [Indeed](#), July 2023 2. [Glassdoor](#), July 2023

Crisis in Outsourcing | Most Clients are NOT Getting What They Were Promised



Most clients were led to believe their program would have lower employee turnover and better performance, and outsourcers are not fixing either issue.

There are Many Challenges with the Current Client Outsourcing Journey



	Invite	Proposal	Visit	Contract	Launch	Operate	Improve	Changes
Client Challenges	<ul style="list-style-type: none"> Size Expertise Locations Lack of differentiation 	<ul style="list-style-type: none"> Check the box Skewed information Lack of innovation 	<ul style="list-style-type: none"> A façade is presented Do not understand the client 	<ul style="list-style-type: none"> Price focused Risk avoidance Lack of clarity and alignment 	<ul style="list-style-type: none"> Tactical approach Not what was sold Lack of relationship with local operations 	<ul style="list-style-type: none"> Order takers Cost and margin focused Lack of transparency and trust 	<ul style="list-style-type: none"> Lack of Innovation and Insight Performance fluctuates Trying to sell value-add 	<ul style="list-style-type: none"> Resist change from client Lack of flexibility Rarely proactive
Outsourcer Challenges	<ul style="list-style-type: none"> Large investment in sales and marketing Lack of differentiation 	<ul style="list-style-type: none"> Led by sales and marketing, not operations Lack of innovation 	<ul style="list-style-type: none"> Do not understand the client Challenges customizing the visit to the client. 	<ul style="list-style-type: none"> Price focused Risk avoidance Lack of clarity and alignment 	<ul style="list-style-type: none"> Time pressures Resource constraints Lack of relationship with the client 	<ul style="list-style-type: none"> Metrics focused Cost and budget focused Lack of executive support 	<ul style="list-style-type: none"> Client close-minded Client doesn't provide support 	<ul style="list-style-type: none"> Client resists change from us They don't give us time to prepare Lack of flexibility



Insight

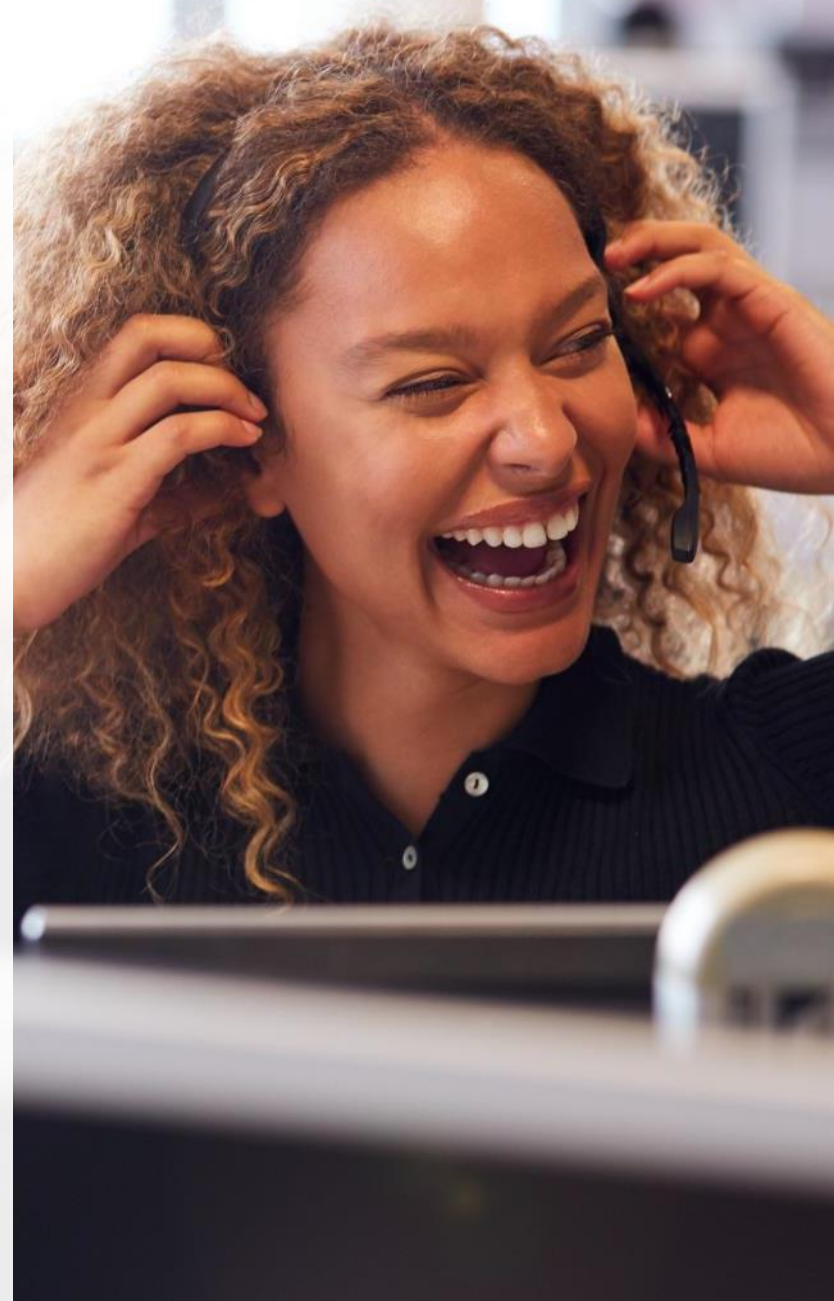
Because the Driver of Outsourcing is Cost-Cutting, it Leads to Additional Challenges for Clients and Outsourcers

The current outsourcing model is not aligned with the interests of clients. Outsourcers prioritize their own profitability over improving the experience of employees and customers. The sales team at outsourcers is responsible for selling and managing the client, while the operations team focuses on maximizing program profitability. Unfortunately, the client's separation from operations and need for cost-cutting increases their desire to control the agent-customer interaction.

Section 3:

Meaningful Work is The Answer

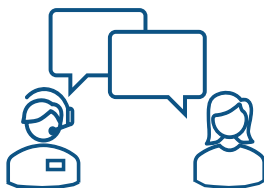
Customers want agents to be their advocates where the human-to-human relationship supersedes the company-customer relationship. This leads to emotional satisfaction for customers, meaningful work for employees, and significantly higher profitability for companies.





Emotions impact the employee's and the customer's behavior even more powerfully than rationality does.

When an Employee Interacts with a Customer, it Impacts Profitability



Employee behavior drives customer behavior, which drives company profitability.

Insight

A Company's Profitability Depends on an Interaction Between Two People They Can't Control.

It can be frustrating for companies to depend on an employee to manage the customer interaction because loyalty is at stake. Unfortunately, companies will often try to control the employees and manipulate the customers to produce the outcome they desire. However, this will have a negative impact on employee and customer loyalty. Instead, companies need to determine how they can best support both people to make the interaction positive for both.

Manage Your Human Sigma

by John H. Fleming, Curt Coffman, and Jim Harter,
Harvard Business Review, 2005

These studies provided incredible insights into the employee-customer interaction. Unfortunately, the contact center management industry has not leveraged their groundbreaking discoveries.



Emotions impact the employee's and the customer's behavior even more powerfully than rationality does.



Emotionally satisfied customers contribute far more to the bottom line than rationally satisfied customers. In fact, the behavior of **rationally satisfied customers looks no different from that of dissatisfied customers.**



Every employee interaction with a customer represents an opportunity to **build that customer's emotional connection**—or to diminish it.



It's **important not to think like an economist or an engineer** when assessing the employee-customer interaction (interactions can't be manufactured).



The customer's experience **depends almost entirely on the employee.**



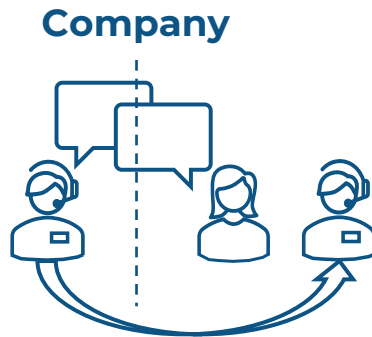
The employee-customer encounter must be measured and **managed locally** because there are enormous variations in quality at the work-group and individual levels.

[Read the Article](#)



Customers want employees to “cross the company line” to be their advocates which leads to emotional satisfaction for customers, meaningful work for employees, and significantly higher profitability for companies.

What Customers Want During Interactions



Customers want agents to “cross the company line” where the human-to-human relationship supersedes the company-customer relationship.

Insight

“Agent” is Not a Bad Word.

The word agent is a person who acts on behalf of another person or group. In customer service, an agent actually acts on the customer's behalf to help them with the company. Many people in the industry believe it is bad to call someone an agent. Therefore, they have changed what they call agents but have yet to improve how they are treated. We have talked to many agents, and they would rather have the reverse.

How Customers Define Engagement

#1. “I felt like the agent was sitting next to me, and we worked together.”

The human-to-human relationship supersedes the company-to-customer relationship. Humans have a value system on how to treat other humans, and it is human nature to help another human in need if they can. The customer wants the agent to “cross the company line” and be their advocate with the company. Grind prevents an agent from crossing the company line to authentically help the customer. When a company violates an agent's value system on how to treat people, it causes grind. Agent wants to keep their job, so they will do what the company wants but disengage from the customer because it is too painful.

#2. “I felt like the agent benefited from the interaction.”

When the agent can “cross the company line” and be what really makes the difference for the customer, this becomes a meaningful moment for the agent. When the agent routinely has meaningful moments, they find their work meaningful and worthwhile. However, if they are put in a situation where they routinely can't help the customer, that causes grind and destroys their meaningful work.

- Ideal Dialogue Customer Engagement Study, 2007

Meaningful Work | Meaningful Work is the Primary Driver of Employee Behavior



The most important part of the employee experience is their feelings about their job. If they find their work meaningful, it significantly reduces turnover, increases engagement, and improves performance.

Three Types of Meaning Involved in the Employee Experience



Meaning from Work (Compensation)



Meaning at Work (The Company)



Meaningful Work (The Job)

Description

Having a job is meaningful as a result of a predictable and steady paycheck.	Work provides a safe, friendly place that serves as emotional support.	Realization of moments with distinct purpose that arise from serving others and are beyond what an individual is compensated to produce.
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Examples


Pay, Incentives, Benefits, etc.	Fun Activities, Social Events, Volunteering, Amenities, CSR, Company Mission, etc.	Ability to Help People, Low Stress and Anxiety, Supportive Management, etc.
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Impact on Employee Behavior

• Reduce Turnover	Very Low	• Reduce Turnover	Low	• Reduce Turnover (25-50%)	Very High
• Increase Engagement	Very Low	• Increase Engagement	Low	• Increase Engagement	Very High
• Improve Performance	Very Low	• Improve Performance	Low	• Improve Performance (10-25%)	Very High

Company Focus

High	Very High	Very Low
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Work becomes meaningful when it makes a difference in someone's life. It is personal and can't be manufactured by a company.

What is Meaningful Work?

Description

According to research, the defining characteristic of meaningful work is when **a person's work makes a difference in someone's life.**

Value



Meaningful work leads to lower turnover and better performance.

“Researchers have shown meaningfulness to be more important to employees than any other aspect of work, including pay and rewards, promotion, or working conditions. Meaningful work can be **highly motivational, leading to improved performance, commitment, and satisfaction.**”

- Catherine Bailey and Adrian Madden, June 01, 2016

Characteristics



- The desire for meaningful work is **universal and innately human.**
- **Meaningful moments** lead to meaningful work.
- These moments occur when people **realize their impact on others.**
- Meaningful moments occur more frequently when **employees are allowed to be themselves and use their unique talent while serving others.**
- Meaning is personal; therefore, **a company can't manufacture meaningful moments.**
- **Management can nurture an authentic environment** where meaningful moments occur naturally.
- **Meaningful work for leaders and managers** comes from **making a difference in their team members' lives**, thereby making meaningful work infectious.

Misconceptions



- It is **not about making the job easy.** Instead, meaningful work is usually associated with giving more effort.
- It is **not about making the job fun**, so they are happy. Instead, meaningful work is often associated with difficult and emotional situations.
- It is **not about your company mission or goals.** Instead, meaningful work is usually negatively impacted when a company pushes it to be the source of personal meaning for its employees.
- It is **not about having meaning all the time** in everything an employee does. Instead, if meaningful moments occur often enough, it will lead to the feeling their job is meaningful.



Ask agents what they like most about their job. Overwhelmingly the common response is, “When I go above and beyond for a customer and make their day.”

Meaningful Work Research

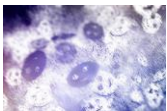
One of Our Favorite Researchers is Catherine Baily

When we started diving into meaningful work research, we found valuable insights from Catherine Baily. Below, you can further explore the concept of meaningful work with an article and a quick video from her.



VIDEO: What Makes Work Meaningful — Or Meaningless

Katie Bailey, Professor of Management, says giving employees a sense of self-worth can make all the difference



ARTICLE: What Makes Work Meaningful — Or Meaningless

New research offers insights into what gives work meaning — as well as into common management mistakes that can leave employees feeling that their work is meaningless.
June 01, 2016 - Catherine Bailey and Adrian Madden

“In fact, those moments when people found their work **meaningful** tended to be **far richer** and **more challenging** than times when they felt **simply motivated, engaged or happy.**”



Insight from 5th Talent

Our Discovery of Meaningful Work in the Contact Center Industry

For decades, we conducted focus groups with contact center agents. If you ask a group of agents what they like most about their job, overwhelmingly, the most common response is:

“When I go above and beyond for a customer and make their day.”

That is good for the employee, the customer, and the company, so the more it happens, the more it will be a win-win-win for all parties. We only recently discovered that we were tapping into this area of research called meaningful work. Our biggest discovery was finding out there was something destroying meaningful work, which we call grind.

ACTIVITY



Conduct Your Own Agent Focus Group

Ask your agents what they like most about their job.

Section 4:

Grind is Dehumanizing Customer Service

Grind destroys meaningful work by preventing agents from crossing the company line to authentically help customers. The top source of grind for agents is management and the top source of grind for contact center leaders is executive leadership.



Grind | Grind Destroys Meaningful Work for Agents



Agents experience “grind” when management is out of alignment with the customer, and the agent is caught between them. Grind destroys meaningful work, and poor management is its leading cause.

Grind Destroys Meaningful Work

Description



- Grind** is when you are driven to serve others, yet you are held back from doing so in some way (large or small).
- The employee experiences “grind” by being caught between the customer and management, which are out of alignment.
 - The employee will serve management over the customer because they want to keep their job.
 - If the employee feels they can’t authentically serve the customer, the agent will disengage during interactions because engaging is too painful.
 - Grind increases frustration, stress, and anxiety arising from work.

Top Causes of Grind

- Poor management
- Information and skill gaps
- Restrictive processes or policies
- Technology challenges

Poor management is at the top of the list of **meaning-destroyers**.
- Bailey, C. and Madden



Simon Sinek – Noah
A story about grind & meaningful work

Impact of Grind



Customer

- ↓ Buying
- ↓ Loyalty
- ↓ Referrals
- ↑ Contacts



Agent

- ↑ Turnover
- ↓ Engagement
- ↓ Performance







Executive Leadership

- ↓ Revenue
- ↑ Cost to Serve



Technology and process innovation in the industry has provided many benefits. However, the mismanagement of these innovations has led to high levels of grind and the dehumanization of customer service.

Mismanaging Good Innovation Leads to Grind and the Dehumanization of Customer Service



	Good	Bad	Dehumanizing
Call Center Metrics 	<p>It allows organizations to measure the quality and efficiency of contact center operations.</p>	<p>Managing many metrics at an agent level can be overwhelming, especially if they feel they do not have control over the metric (like overall NPS or cancelations).</p>	<p>When metrics become more important than people, high levels of grind occur, especially if managers only focus on what agents are doing wrong.</p>
Monitoring 	<p>Recording interactions helps managers understand how they can help each of their agents to better help customers, which will lead to more meaningful work.</p>	<p>The contact center agent is one of the most tracked positions in the world, which leads to increased stress and anxiety and a potential lack of engagement.</p>	<p>Management can become “Big Brother,” tracking everything, primarily for punitive reasons. It sends a message that agents can’t be trusted.</p>
QA & Scripting 	<p>Management provides guidelines and standards for coaching and enabling agents to improve the quality of interactions.</p>	<p>When it is used for compliance and risk mitigation instead of improving the customer experience, it causes agents to disengage, leading to poor customer experiences.</p>	<p>It can lead to a check-the-box mentality that negatively impacts the employee and customer experience. It can cause grind by preventing the agent from authentically helping the customer. It is most harmful when the agent does help the customer but fails the call.</p>
Six Sigma 	<p>It can be used to analyze and optimize processes effectively.</p>	<p>Six Sigma is not designed to be used to manage people. Agents should not be seen as just part of a process. They are the ones who make the difference with the customer.</p>	<p>When management tries to control interactions, they dehumanize customer service, especially if they are trying to just reduce the risk of human defects.</p>

Grind | Good Contact Center Innovation Leading to Bad Grind



Technology and process innovation in the industry has provided many benefits. However, the mismanagement of these innovations has led to high levels of grind and the dehumanization of customer service.

Mismanaging Good Innovation Leads to Grind and the Dehumanization of Customer Service

	Good	Bad	Dehumanizing
Gamification 	It can be effective in learning to ensure the accuracy and retention of the content.	If agents are asked to use it for tasks not involving customers, they may feel patronized.	Gamifying agent-customer interactions sends a message that the job is not worthwhile and that agents should be treated like mice running a maze for a small reward. It is not only dehumanizing; it is demeaning.
Customer Effort Score 	Identifying and reducing customer effort dramatically improves the customer experience and customer loyalty.	The effort score should not be the primary measure of the customer experience because customers want a helpful, friendly, and knowledgeable agent.	This customer effort movement convinced the executive leadership of many companies to "Stop Delighting Customers" because of the myth that it does not improve customer retention.

Stop Trying to Delight Your Customers

Harvard Business Review, 2010

This well-known article by these researchers provided excellent insight into the importance of reducing customer effort. However, it also created the myth that great customer service does not improve customer retention. As a result, executive leadership in many companies used their argument to treat contact centers as cost centers, continuing the dehumanizing customer service.

[Read the Article](#)

- **We Disagree with Their Definition of Delighting Customers**
Their definition of delighting customers is giving things away for free or providing refunds. According to the 2023 Rage Survey, non-monetary factors were more important than monetary factors when it came to impact on customer satisfaction.
- **They Contradict Themselves By Saying Customer Service Does Improve Loyalty**
They say, "Companies create loyal customers primarily by helping them solve their problems quickly." Although speed is the only factor they think is important; this statement contradicts their stance that customer service does not improve customer loyalty.
- **Is This the Message Companies Want to Send to Their Employees and Customers?**
How would agents react to an announcement saying we must "Stop Trying to Delight Customers?" This also does not make a very good commercial slogan for customers. However, this is what executives communicate when they treat contact centers as cost centers.



Executive leadership sees contact centers as cost centers, and they emphasize cost-cutting over the employee and customer experience. Unfortunately, when leadership is the problem, they almost never fix it.

Contact Center Leaders Must Battle the Four Horsemen of the Leadership Apocalypse

The Four Horsemen of the Leadership Apocalypse:

Contact center leaders face the difficulty of dealing with executive leadership that does not appreciate the value of contact center management and how it is a critical factor in driving customer behavior to buy, retain/repurchase, and refer others. Only 60% of executives say customer service improves customer retention, and only 64% of leaders say customer service positively impacts their company's growth.¹ It only takes a few leaders who don't value customer service to prevent a contact center leader from implementing their strategy to improve the customer and employee experience. It is frustrating when executives reward those who deliver large cost savings even when it significantly negatively impacts customer loyalty and revenue. To avoid the crisis in contact center management, contact center leaders must battle their top source of grind, The Four Horsemen of the Leadership Apocalypse.



1. The Leadership Paradox

When leaders prioritize profitability over people, they actually decrease profitability because their approach reduces both employee and customer loyalty.



2. The Leadership Conundrum

Problems caused by leaders are rarely fixed by the leaders who cause them.



3. The Leadership Challenge

Leadership does not know how to effectively take care of its employees and customers as people. If they don't, figure it out, it will lead to their own termination.



4. The Leadership Lemmings

Executive leadership follows the industry and is highly resistant to change. In addition, these leaders demand that others follow their lead, making it very difficult for contact center leaders to rehumanize customer service.

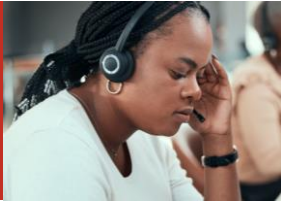


Insight

We Want to Encourage Executives, Not Just Point Out Their Challenges

Executives are under immense pressure to drive company profitability as part of their fiduciary responsibility. If they fail, they are terminated. This pressure, combined with traditionally accepted leadership practices, can result in executives prioritizing goals over people. We want to encourage executives to prioritize caring for their employees and customers as a means to dramatically improve profitability. We believe that pointing out the Four Horsemen of the Leadership Apocalypse can help them avoid these major pitfalls.

Grind | Executive Leadership is Highly Resistant to Change



Only 4% of executive leadership teams are expected to lead the change to improve the employee and customer experience. Contact center leaders need to experiment to show their leaders a better way before it is too late.

Executive Leadership Mindsets That Prevent Them From Changing

96% Have Mindsets Preventing Change

- Things will **go back** to the way they were.
- A **recession** will resolve the turnover issue.
- **Competitors** are in the same situation, so we are okay.
- Just **pay** people more; that's all they want.
- We are **too busy** right now to solve the issues.
- **More information is needed** before we do anything.
- Let's wait until we **have a consensus**.
- Our approach should be **company-wide**.
- Losing employees is good because **we want fewer employees** anyway.
- **Technology** will solve all our problems.
- **We have a great employee experience**.
- **Leadership can't be the cause** of the problem.

4% Have Mindsets Enabling Change

- **The workforce has changed** in what it needs and wants. We need to evolve to meet employees where they are.
- There is no going back, only forward. We need to pioneer **a new way** of working.
- Let's act now by **empowering people to experiment** with possible solutions.
- The key to thriving in our model is our **front-line management** team. We need to train, support, and develop them.
- Technology can be our ally, but rehumanization of the **employee experience** is what is needed most.



The Leadership Challenge
Based on 76 interviews with contact center leaders, only 4% of companies will change. Leaders are more willing to replicate a new approach if you experiment and show improvement.



Ford vs Ferrari (Video)
Innovation by committee doesn't work.



Simon Sinek: How to Influence Leadership (Video)
Leaders may actually come and learn from your success.

Grind | Company Executives Would Not Want to Be Treated Like Agents



Contact center leaders struggle with how executive leadership dehumanizes the job of the agent and then don't understand why agents leave. Executive leadership believes the agents are the problem, not the company. However, if you could treat executives like agents, they may start to see how dehumanizing the job has become.

If Executives Were Managed Like Agents, They Would Understand Why it is Dehumanizing



Metrics

Your performance as a leader is based on a scorecard. It will include your average response time, employee satisfaction, average handle time per employee, and first contact resolution rate. We will also be tracking the cost per minute of your performance. If you fail to meet the required metrics, you will be terminated.



Monitoring

We will be recording all your conversations for quality assurance purposes. Our team will analyze the recordings to identify any areas of improvement. Additionally, we will track the time you spend on tasks that don't involve interacting with people so that we can ensure that company time is not being wasted. We will also monitor you for fraud, so you don't steal from the company.



Quality Assurance and Scripting

Your meetings and interactions with people will include scripting and a checklist of things you need to do during an interaction. We will make sure you are complying.



Six Sigma

We will analyze your interactions to determine how you can continually improve. Then you must follow the process we create, even if you think you can do it better your way. Just follow the process or you will be terminated.



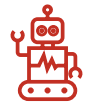
Gamification

Our new system will allow you to earn points for completing specific tasks assigned to you. These points can then be redeemed in our company store. Additionally, your performance will be ranked against that of your colleagues. If you outcompete your colleagues, you will get our recognition that you're the best at jumping through our hoops.



Customer Effort Score (CES)

Stop delighting your employees. Just give them quick and effortless interactions with you. We are going to track your employee effort score because that is what really drives employee loyalty.



Artificial Intelligence (AI)

Also, we believe AI is better with your employees. You will probably be replaced by AI because that will save us a ton of money. Plus, you don't always do as you are told. We will not have that problem with AI.

Section 5:

Solving the Crisis in Contact Center Management

Contact center leaders need to assess the current levels of grind and meaningful work of their agents. Then, they should experiment with a small group to implement a meaningful work program. This proof of concept will get the buy-in of executives and their own team.





Contact center leaders need to assess the current levels of grind and meaningful work experienced by their agents in their jobs. Then, they should create a small proof of concept group to develop a meaningful work program. The success of the program will get them the approval to expand it.

The 5th Talent Methodology for Developing a Successful Meaningful Work Environment



Understand your agents' current experience regarding their job.

Through surveys, focus groups, or other methods, understand your agents' current job experience regarding grind and meaningful work.



Experiment with a small group to implement a meaningful work program.

Create a group of nearly 100 agents and their managers to implement a meaningful work proof of concept. Be sure to measure its impact on improving the employee and customer experience, performance, and profitability.



Create a vision for the type of meaningful work environment you want.

Leadership must drive this initiative to ensure its success and its sustainability.



Identify the top causes of grind that is destroying meaningful work for agents.

Grind is destroying their meaningful work, so identify the top causes and a plan to reduce their grind.



Improve the employee experience by improving how they are managed.

Develop management to understand the concepts of meaningful work and grind. They should be able to reduce grind and encourage each team member to tap into the joy of serving.

Thank You!



Develop employees to be self-learning and self-managed.

Empower employees to engage with customers authentically and to use their unique talents to serve each person.



Gain approval from executive leadership to expand the meaningful work program.

Present the success of the program to executive leadership that demonstrates a better way to improve profitability. Get their approval to expand the program.



Roll out the program and continue to monitor and protect the new meaningful work environment.

It's important to expand your program in stages, validating each implementation and creating a method to monitor and protect your work environment. The program should also be rolled out to your contact center outsourcers.



The meaningful work program can be extended to the entire company.

Meaningful work should include more than contact center agents. It is a universal approach that applies to everyone, regardless of their job level or department. If the executive leadership team adopts the principles of grind and meaningful work, it can significantly improve an organization's culture and profitability.



Measure the levels of meaningful work and grind because they influence a person's intent to quit more than all other factors combined, like pay, benefits, career path, the company, co-workers, and life changes.

Insight from 5th Talent

The 5th Talent Meaningful Work Survey

We developed a methodology to measure **Meaningful Work** and **Grind** of employees in an organization and its impact on **Intent to Quit** and **Intent to Engage**.



Turnover

The levels of **Meaningful Work** and **Grind** influence a person's **Intent to Quit** more than all other factors combined, like pay, benefits, career path, the company, co-workers, and life changes. (Typically, a 0.52 correlation or higher)



Engagement

Intent to Engage is inversely correlated to **Intent to Quit**. In other words, a person who wants to quit does not want to engage with customers.

Measuring Meaningful Work & Grind Provides the Most Insight Into the Employee Experience

Employee satisfaction and engagement surveys provide value, but understanding the levels of meaningful work and grind directly correlates to how they feel about the worthwhileness of their job. That is the key to positively impacting employee behavior so they will stay longer, be more engaged, and perform better.

Meaningful Work Survey Dashboard



Meaningful Work

66



Net Job Worthwhileness

-2%



Grind

76



Employee Experience State

Disillusioned

33%

Frustrated

25%

11%

Uninspired

31%

Energized



Quit Intention

46



5th Talent developed a methodology to measure meaningful work and grind and then help leaders to develop a meaningful work environment. The program works with senior leaders, management, and employees to change their mindset from providing a service to serving a person.

The Principles of Meaningful Work and Grind Should Revolutionize How We Manage People

Assess and Monitor	Program		Results
<p>Meaningful Work & Grind Survey</p> <ul style="list-style-type: none"> Assess the employee experience with their job by measuring the current levels of meaningful work, grind, intent to quit, and intent to engage. Provides an essential insight for leadership and a baseline from which change is measured and monitored. 	<p>Meaningful Work Program</p>  <ul style="list-style-type: none"> Meaningful Work Visioning Workshop 8-hour workshop for leadership to build a unified vision based on concepts of meaningful work and grind. Developing Others 8-hour course for management to reduce grind and develop each team member to foster a meaningful work environment. Serving Others 8-hour course for employees to tap into the joy of serving and to develop their talents to help customers better. 		<p>25-50% Reduction in Employee Turnover</p> <p>10-25% Improvement in Customer Satisfaction</p>
	<p>Additional Modules</p> <ul style="list-style-type: none"> Onboarding Excellence Program <ul style="list-style-type: none"> A Developing an Onboarding Experience Workshop Guiding Others course for support staff Understanding the Customer course for employees Excelling at Home Program <ul style="list-style-type: none"> A Work at Home Leadership Workshop Leading Remote Teams course for management Excelling Remotely course for employees 		<p>Licensing</p> <p>We help you pilot the program and train your people to roll it out.</p>



The effective way contact center leaders can change their organization to a meaningful work environment is to experiment. A proof of concept shows executives a better way to increase profitability.

Key Challenges to Change



Contact Center Leaders Don't Know How to Create A Meaningful Work Environment.

The principles of meaningful work and grind are revolutionary and should fundamentally change how we manage people. Currently, the contact center industry has a manufacturing mentality. It believes you need to control agent-customer interactions, and the human variable is the risk that needs to be mitigated. In actuality, the human variable is what drives customers' emotional satisfaction and loyalty. The organization needs to shift its mindset from "providing a service" to "serving a person."



Meaningful Work Requires A Change in How Agents Are Managed.

Grind dehumanizes customer service and must be reduced to allow meaningful work to occur. Poor management is the leading cause of grind, and the key to success is developing managers who can reduce grind and support a meaningful work environment.



Executive Leadership is Resistant to Change.

Gaining the approval of top-level executives is challenging, particularly when their primary objective is to reduce costs and implement AI. They resist investing to improve the employee experience, and their view of contact centers as mere cost centers exacerbates the issue. Regrettably, when leadership is the root of the problem, they are unlikely to take action to resolve it.

Experimenting to Overcome Challenges



A Small Experiment Group Allows Contact Center Leaders to Understand the Best Approach Before Implementing it Across the Organization.

- Changing culture is difficult, and contact center management is highly complex. A contact center first needs a proof of concept to provide the blueprint for rolling out a program across its organization.
- The experiment group needs to be removed from day-to-day operations because it needs the freedom to experiment, and day-to-day operations must remain focused on delivery.



You Need a Safe Environment to Change Management Culture.

- A small group has the freedom to try out new management practices without disrupting the organization.
- An experiment group can avoid the pressures of daily operations, and the existing processes cause stress and grind, which prevent the new practices from taking hold.



A Proof of Concept is the Best Way to Influence Executive Leadership to Allow Change.

- By providing data that demonstrates how your proposed approach can increase profitability, you can make a strong business case for change. Improving the employee and customer experience is an added bonus.
- Breaking away from traditional methods can be risky for contact center leaders. That's why it's better to take that risk with an experiment rather than implementing changes across the entire organization all at once.



A contact center leader's team will resist change. Running a customer management organization is stressful and complex. Their team fears adding something they don't understand and increasing their workload.

Key Challenges to Change



A Contact Center Leader's Team is Resistant to Change.

- Senior contact center leaders are under an immense amount of stress due to their high workload and therefore, they are reluctant to take on additional responsibilities that may result in burnout.
- Cross-functional teams, including human resources, training, IT, marketing/sales, finance, product/service management, and legal, are also highly resistant to change.

Experimenting to Overcome Challenges



An Experiment Group Does Not Add to the Burden of a Contact Center Leader's Team.

- Plans have been put in place so that a contact center leader's team can achieve the outlined goals. The team will push back on a leader changing or adding to those plans.
- If a contact center leader creates a separate experiment group, it will not change or add to the plans for the team. However, the small group will continue to keep the team informed of the experiment and its success.
- An experiment group allows a contact center leader to address their top priorities while mitigating their biggest challenges.

Top Priorities for Contact Center Leaders¹

- ✓ 1st Creating a Frictionless CX
- ✓ 2nd Retaining Talent
- 3rd Managing Tech Transitions
- 4th Increasing Adoption of Self-Service
- ✓ 5th Reducing Agent Burnout
- 6th Hiring Talent
- ✓ 7th Upskilling Managers
- ✓ 8th Improving Contact Center Efficiency
- ✓ 9th Reducing Costs
- ✓ 10th Upskilling Agents

Biggest Challenges for Contact Center Leaders²

- ✓ 1st Not enough time in the day
- ✓ 2nd Organization and follow up
- ✓ 3rd Lack of budget
- ✓ 4th Prioritization
- ✓ 5th Lack of tools/wrong tools
- ✓ 6th Too many tools and process
- 7th Escalations
- ✓ 8th Reporting to upper management

Sources: 1. CMP Research 2023 2. Hubspot, 2022



Outsourcers are out of alignment with executives, contact center leaders, agents, and customers. However, meaningful work is a win for everyone.

The Contact Center Outsourcing Model is Out of Alignment, Except for Meaningful Work

Areas Not Aligned	Executive Leadership	Client (Contact Center Leader)	Outsourcer	Agents	Customers
Drivers	Cost Savings	Performance	Profitability	Worthwhile job	Great support
Price	↓	Value	↑	↑	NA
Number of Agents	↓	↓	↑	↑	↑
Average Handle Time	↓	↓ But resolution is the priority	↑	↓ But resolution is the priority	↓ But resolution is the priority
Call/Contact Volume	↓	↓	↑	↓	↓
Employee Turnover	Don't care, we Don't pay for turnover	↓	↓	↓	↓
Agent/Supervisor Ratio	↓	↓	↑	↓	↓
Continuous Improvement	↑	↑	↓	↑	↑
Value Add Services	↓	↓	↑	NA	NA
Changes	↑	↑	↓	↓	↓
Risk Mitigation	↑	↑	↑	↓	↓
Meaningful Work	↑	↑	↑	↑	↑
Win for the executive leadership, contact center leaders, outsourcers, agents, and customers.	Competitive price, increased customer loyalty with fewer customer contacts	Competitive price & consistently meet KPIs	Lower turnover, lower costs, higher margin, & consistently meet KPIs	Meaningful work with low grind & consistently meet KPIs	High-touch human support is effective at helping customers

Solving the Crisis | The Difference Between a Meaningful Work and Grind Culture



A meaningful work environment cares for people more than goals, which improves agent retention, engagement, and performance and leads to successful goal achievement. Grind is the opposite approach and result.

	Meaning Work	Grind
Goal	Help agents make the difference for customers.	Help the company achieve its goals, primarily profitability. Grind is high when agents feel the goals become more important than people.
Guidance	A personal value system and belief on how to treat people the right way guides agents' actions.	Company policies and processes provide guidance, but the grind is high when employees believe companies violate their personal value systems regarding how to treat them and their customers.
What is Valued	Each person has something unique to offer, and they make the difference for their customers.	The processes, analytics, and technology driven by leaders to control interactions make the difference. Employees are costly, difficult to control, and the cause of most failures.
Approach with People	Managers care for and develop each of their agents one-on-one, so they are successful in helping customers.	Managers have a command-and-control style, and the agents need to get on board and do what the leader and the company wants. The focus is more on correcting failures than valuing the success of agents helping customers.
Culture	Culture of caring tapping into intrinsic motivation and positive reinforcement.	Culture of fear based upon negative reinforcement.
Motivators	Focus on agents having a worthwhile job that they love doing, even though it is challenging. This taps into their intrinsic motivation to stay at the company, engage with customers, and be successful with them.	Because most companies do not focus on making sure the agent loves their job, they offer other incentives like compensation, fun activities, social events, amenities, CSR, the company mission, and recognition for achieving company goals. Unfortunately, these have little impact on agent turnover, engagement, or performance.
Results	Making a difference for customers leads to success and reinforces the motivation and purpose of agents. It leads to employee and customer loyalty and drives significantly higher profitability.	Driving company goals and preventing people from making the difference for customers leads to high agent and customer turnover and lower profitability. Unfortunately, the response is usually to determine a better way to manipulate the employee and customer to achieve company goals, and it makes things even worse.

Message From the Author | I Want to Encourage Contact Center Leaders

I Want to Encourage Contact Center Leaders

Unfortunately, I had to be straightforward in this report. Contact center leaders are currently facing a crisis. It is alarming that very few people are covering this issue. The crisis is getting worse by the day, and companies don't have an effective approach to turn things around. It's worth noting that many people think AI is the solution, but it is not.

Few people understand the immense challenges a contact center leader faces, so I want to encourage you. You are the change agent to bring organizations out of the crisis. Meaningful work is a viable solution that provides a win for employees, customers, and the company, but leading change is not easy.

We Cracked the Code on Contact Center Management, But Organizations are Highly Resistant to Change

The principles of meaningful work and grind are revolutionary and should fundamentally change the way we manage people. However, changing executives and a contact center leader's team is extremely difficult. Our methodology includes experimenting because people need to see it before they understand why they should change. The top comment we get is, "Once you see grind, you can't unsee it." The good news is that frontline managers and agents quickly embrace the change.

Everyone Deserves Meaningful Work, Especially You

More good news is that the desire for meaningful work is universal and innately human. It is important to remember that humans are more emotional than rational, which is good. Try to rationalize why you volunteer or raise a child. The answer sounds cold and a bit creepy. But when you explain using your heart, humans understand. Work is no different.


Meaningful work is tied to a meaningful life. Everyone deserves their work to be in alignment with what they find meaningful. However, grind creates an environment where your work goes against your personal value system on how humans should be treated.

Contact center leaders especially need their work to be meaningful because your work has an immense impact on the lives of so many people.

I Now Realize That Meaningful Work is a Revolution, and I Believe Contact Center Leaders Should Lead It.

Meaningful work is a revolution because it requires leaders to stop what they are doing and change their approach. Contact center leaders are uniquely positioned to lead this revolution. If you can implement a meaningful work approach in a contact center, it has a very high return on investment (ROI), and you have many metrics to prove its effectiveness. Then, meaningful work can spread to the entire organization because people will see it and want it.

I know most contact center leaders will continue to stay the course, but 5th Talent and I are here to support those who want to change to a meaningful work environment. Please reach out to us for support. I invite you also to join our network to connect with other contact center leaders embarking on the same journey. It is better to work together to change the contact center management industry.



Please join our free contact center leader network

Brian Kearney
SVP of Client Solutions & Co-Founder

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
Resources

A special thank you from 5th Talent to the following people:

- Catherine Bailey, for all your excellent research on meaningful work.
- Peter Ryan, for your outstanding coverage of the contact center Industry.
- John H. Fleming, Curt Coffman, and Jim Harter, for amazing insights into employee and customer behavior.
- Scott Broetzmann, for your outstanding customer research from the Rage Survey.
- The CMP Research Team for providing unbiased and insightful research for contact center leaders.



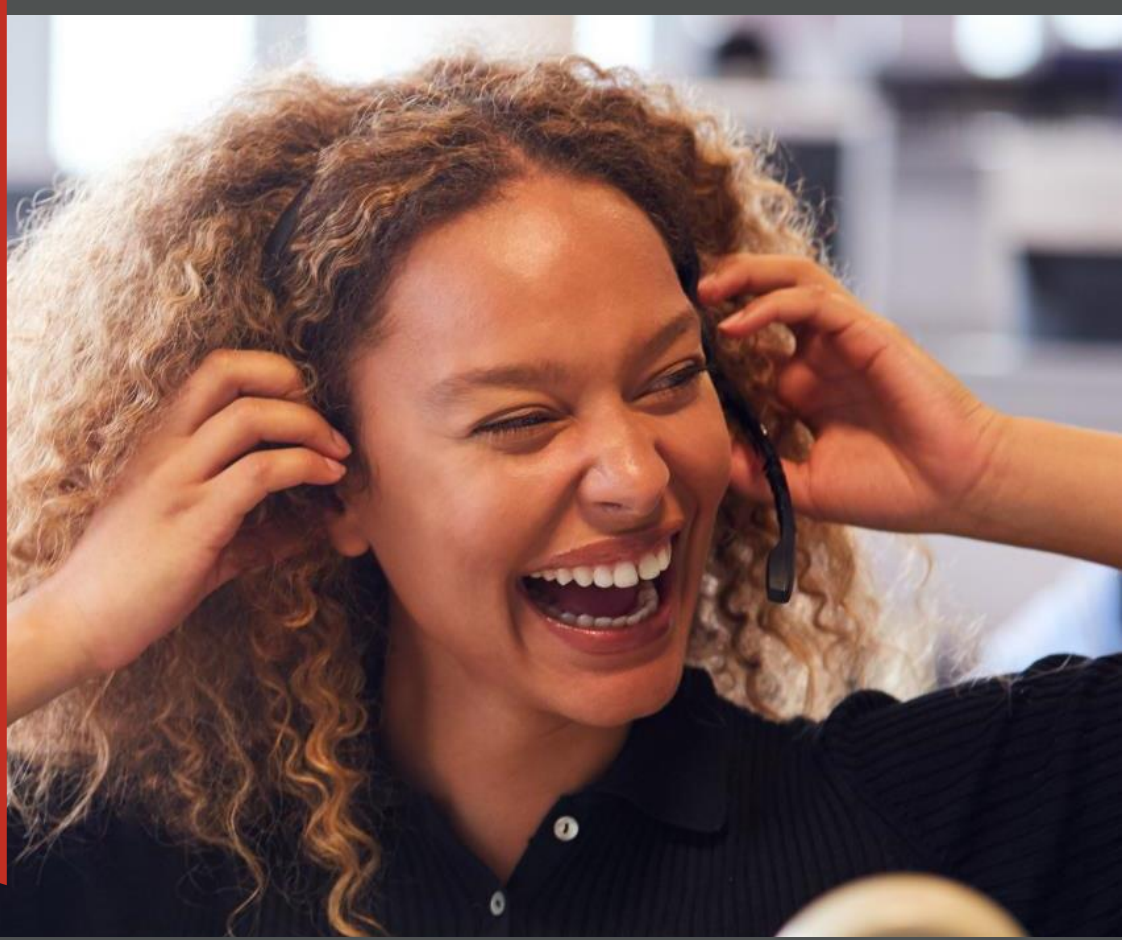
Resources | 3rd Party Resources Used in This Report

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5thtalent.com



contact-us@5thtalent.com



720-600-2724



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