

Call Centers

Simply a Cost?



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INSTITUTE *for* HEALTH *and* HUMAN POTENTIAL



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Simply a Cost?

In one decade, 46% of companies identified as Fortune 500 firms dropped from the prestigious list - nearly half of these top-producers - because they didn't change with the times. Many are now on the endangered list. Also heading to extinction are call centers that cling to an archaic business model that sees customer service as a cost, and not as a key sales driver. The constant pressure to do more with less, to answer more calls with fewer people, and to decrease cost at any cost is hurting businesses big time.

WRONGHEADED THINKING

Example 1: In 1995, according to Niels Kjellerup, Pacific Bell claimed that if directory assistance reps said "hi" and "bye" rather than "good morning" and "good-bye," they could expect productivity gains of \$22 million a year. Hello? Does anyone believe this makes sense? If statistics, and this wretched rationale, are the only *raison d'être* of call centers, then let's pack them up.

Example two: While some call centers use decent psychometric tools to assess candidates, many don't. Why? Some believe that no such tools exist or can be validated. That's an ignorant view. Others (a majority?) think the tools are an "extra" not worth paying for. Ridiculous! If we don't properly [assess](#) a candidate for competencies that drive performance, then we deserve the turnover we get. High on the list of critical competencies is agent resiliency. Agents who handle rejection well, research tells us, won't give up. And they will stay positive and enthusiastic. Any business would like these qualities in their employees. In call centers, they're everything. What's more, motivated employees will stay with the business longer.

We at the Institute for Health & Human Potential (IHHP) use [SASQ](#), a Web-enabled application that tests a prospective agent's ability to handle rejection. We've used the software with over 400,000 people worldwide in numerous industries. We have 500 studies from more than 100 universities that validate the predictive validity of the instrument. Among the studies' conclusions: the software cuts turnover by up to 50%. (More on this topic in a future column.) In

today's business environment, your call center is at the hub of customers' experiences. If callers believe that you're trying to get them off the phone to save money, or that the agent isn't motivated, you've lost them. Sales and marketing is not a discrete event, nor just a department. Everyone in your organization - starting and ending with the call center agent - is responsible for selling and marketing. When you can tap into, and [intelligently manage](#), customers' emotions - their feelings, concerns, needs and wants - you've established a rapport.

Our brain is hardwired this way. Think of the brain in two parts: (1) the emotional center (amygdala); and (2) the rest (neocortex), where the IQ resides.

GETTING CONNECTED

Profound new [research](#) has conclusively determined that all information coming into our nervous system first goes to the amygdala, where it is checked for emotional content before being sent to the neocortex. Upshot: We feel before we think. This is important, because people make decisions based on this hardwiring. If they feel put off by someone in your call center, the impression will be embedded in their emotional center forever. "The key to [customer satisfaction](#) and repeat business is not quality, competition, pricing, competitive pricing and a service department," says Alex Broer, vice chancellor of Cambridge University and a former director of research at IBM. "They are requirements just to stay in the game. The key is an emotional link - a feeling of connection - not just to you but to the customer and everyone he/she comes in contact with at your company."

Without that feeling of connection, customers will look elsewhere to do business. And agents will search for more stimulating opportunities. Research by Bain and Co. found that major companies lose, and have to replace, half their customers in five years, half their employees in four years, and half their investors in less than one. Finding and replacing these people is much more difficult than retaining them. Among those hemorrhaging are call centers. Too many centers view sales as a discrete event and their



operations as a cost to be contained. That flies in the face of the latest research in human behavior. Such archaic thinking will diminish or destroy the loyalty of two groups you can't do without: your customers and your employees.

[Dr. J.P. Pawliw-Fry](#) lectures on [leadership](#) and performance. He is also the co-director of the Institute for Health & Human Potential. The organization develops and delivers training programs in [emotional intelligence](#). To book JP for your next conference or seminar contact your local speaker bureau or visit <http://www.ihhp.com> for further details.

ABOUT IHHP – WHAT WE DO

The Institute for Health and Human Potential is a research and learning organization that uses [Emotional Intelligence](#) to leverage performance and leadership. We do this based on a blended learning approach which includes [keynotes](#), [selection and development tools](#), [training programs](#), [coaching](#) and [e-learning](#) to create lasting behavior change. Our expertise is sought by Fortune 500 companies, the world's top business schools, professional athletes and Olympic medalists.

[Businesses around the world](#) look to IHHP and our programs on Emotional Intelligence to help them with a wide variety of issues: providing greater leadership and management skills, improving teamwork and individual relationships, retaining key employees and fostering an environment of greater motivation and inspiration. Our customers also find our [emotional intelligence programs](#) bring them greater fulfillment and a stronger sense of purpose and meaning to their lives.

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