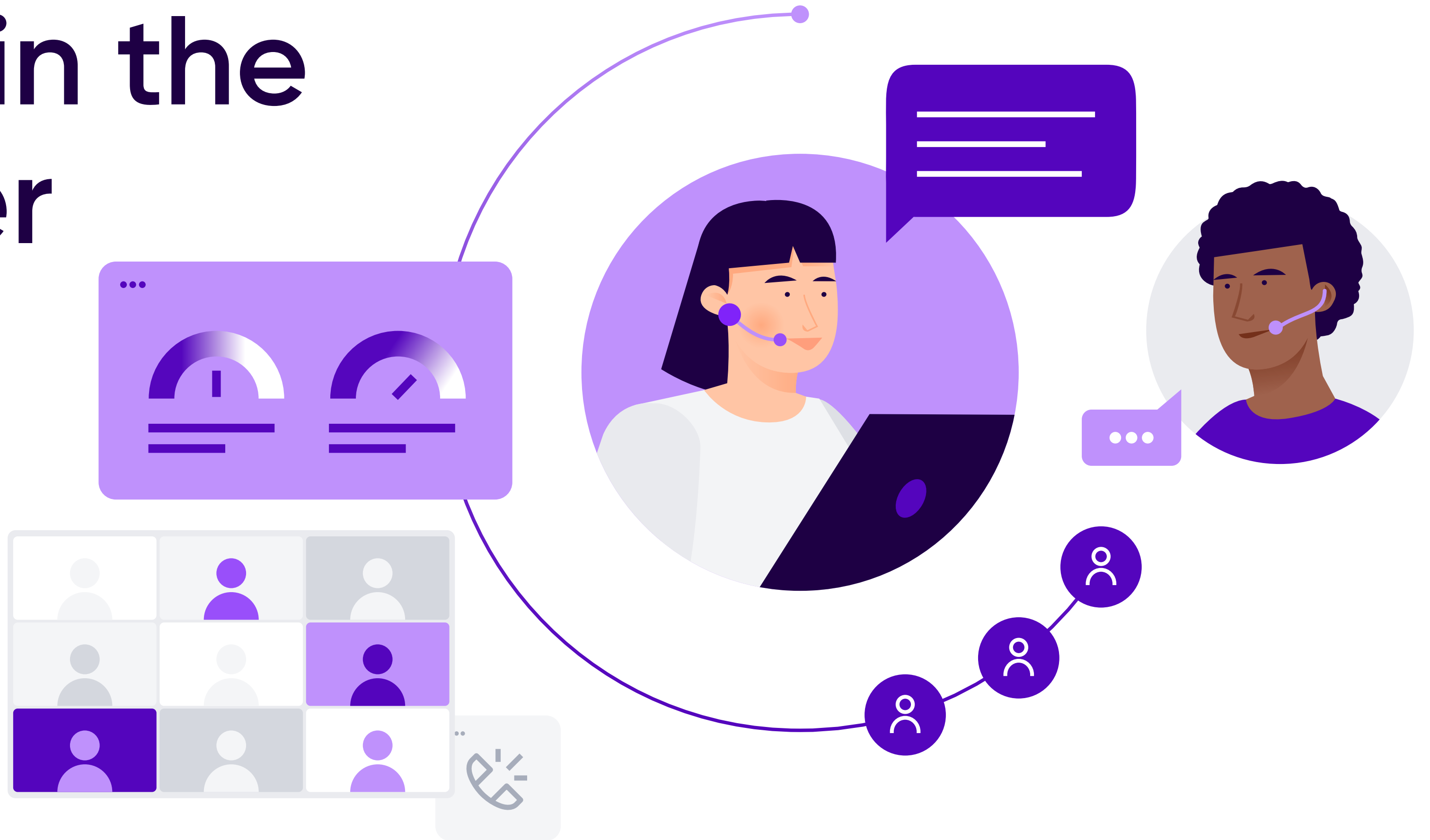


The future of workforce engagement in the contact center



About this report: Methodology



Our quantitative online survey research was conducted in July 2021 among qualified customer experience professionals across 10 different global markets including: U.S. and Canada (North America); Australia and Singapore (Asia-Pacific); France, Germany, Italy, Spain, and the U.K. (Europe); and Brazil (Latin America).

- 650 global interviews were collected among CX professionals employed by organizations with more than 200 full-time employees, spanning all major industries including Healthcare, Financial Services and Insurance, Retail, and eCommerce.

- CX professionals include leadership and management for customer service, customer experience, CX operations, and contact center agents.
- The margin of error for this quantitative study has been calculated at +/- 3.8% using a 95% confidence interval.

Foreword

This year, as employers and employees jointly navigate a work environment that is anything but “business as usual,” leaders in virtually every function and industry continue to encounter more questions than clear answers. And the contact center is no exception. With a “return to the office” still up in the air, today’s CX leaders are clamoring for stability in an increasingly complex and dynamic global environment. One thing that has become abundantly clear, however, is that employees have little interest in returning to traditional ways of working, even when a return to the office is safe.

Indeed, what may have been an uncomfortably abrupt shift to remote work in 2020 soon became a profound realization for many: remote working is not only productive, it is also growing in preference among employees. Now, as economic recovery comes into view, employers must decide what shape their workforce will take in a post-pandemic world.

For many leaders, this decision is as delicate as it is difficult, marked by significant considerations—and even larger consequences. A recent Gallup

survey revealed that (48%) of America’s working population is actively job searching or watching for opportunities¹. One of the main drivers of this mass exodus? The prospect of returning to the office.

Based on Talkdesk Research, a hybrid workforce model, which involves both on-site and remote work arrangements, appears to be the “best fit” for a majority (61%) of contact centers. Further, 45% of contact centers plan to implement flexible shifts, through which employees may work varying hours and days each week. While these flex options help to satisfy employees’ desire for autonomy and work-life balance, they also call for technology solutions that foster collaboration and communication across both remote and in-office environments.

Another force driving workforce turnover en masse is waning employee engagement. With engagement declining and job seeking on the rise, it has never been more critical for organizations to offer a workplace that inspires, nurtures and motivates employees. It comes as no surprise then, that 78% of organizations are prioritizing investments in

workforce engagement management (WEM) tools for the contact center.

The ability to collaborate across departments and teams is central to employee engagement in a remote or hybrid environment. This collaboration also benefits customers by enabling a faster, simpler customer journey and shorter resolution time. Organizations recognize this, and are prioritizing team collaboration tools and technologies as a key investment area between now and 2025.

While many uncertainties remain in determining the future of workforce engagement, it is safe to expect that those organizations prioritizing employee experience have much to gain, both in bottom-line results and an enhanced customer experience.



MARGI DEINLEIN
Customer Insights Manager
Talkdesk

¹ Robison, Vipula Gandhi and Jennifer. “The ‘Great Resignation’ Is Really the ‘Great Discontent.’” Gallup. 2021. www.gallup.com/workplace/351545/great-resignation-really-great-discontent.aspx.

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Key predictions about the future of workforce engagement in the contact center:

Prediction 1: The hybrid workforce will rise in the post-pandemic world.

One of the most crucial questions organizations must answer is, what shape will the workforce take once a return to office is deemed safe? The rapid and sweeping shifts to remote work in 2020 forced a reality that was once considered only a possibility: working from home is not only viable, but in many cases, preferable.

As a “return to normal” comes into view, organizations and employees alike are left to determine what exactly “normal” is today. While a fully remote workforce is unlikely for most organizations, the hybrid model represents an option that blends the flexibility and balance demanded by employees with the visibility and structure

desired by leaders. The hybrid work arrangement, which presents its own unique opportunities and challenges, appears the likely new standard for work in a post-pandemic world.

- **61%** of organizations plan to use a hybrid working model in the contact center when a return to the office is deemed safe.
- Only **4%** of organizations intend to leverage a fully remote workplace post-pandemic.

Prediction 2: Employee engagement will improve, but attrition will remain high.

As organizations continue to explore new ways to engage a remote or hybrid workforce in the contact center, they must determine how success will be measured. Today, organizations primarily look to productivity and output-oriented metrics in the contact center as a proxy for employee engagement.

Overall, employee engagement is estimated to be high in organizations of all sizes, and CX leaders appear to be relatively attuned to the major drivers of agent engagement. Though an overwhelming majority of organizations report that agent retention is a priority, expected levels of attrition over the next three years remain relatively high in the contact center.

- **53%** of organizations report that contact center employees are “highly engaged” today.
- **54%** of CX professionals expect average levels of agent attrition over the next three years to be 20% or higher.

Prediction 3: Organizations will invest more in Workforce Engagement Management (WEM) tools.

Investment in Workforce Engagement Management (WEM) tools will remain a priority for organizations

over the next three years (through 2025).

Organizations prioritizing these tools will do so with the intent to achieve greater efficiency, profit, and improved customer satisfaction via the contact center. Gamification will also play a larger role in the contact center and is linked with expected gains in employee satisfaction over the next three years.

- 78% of CX professionals report that investing in WEM tools is a priority for their organization.
- 73% of CX professionals report an expected increase in their use of gamification in the contact center over the next three years.

Prediction 4: Organizations will continue to pursue better methods of communication and collaboration to foster employee and customer satisfaction.

Collaboration tools are the most widely prioritized area of investment relative to employee engagement

in the contact center. Though CX leaders cite concerns about integrating and consolidating collaboration tools and processes in their organizations today, they are motivated to do so by the potential benefits for both employees and customers.

- 80% of organizations expecting an increase in Employee Satisfaction scores over the next three years are prioritizing team collaboration tools / technologies for investment.

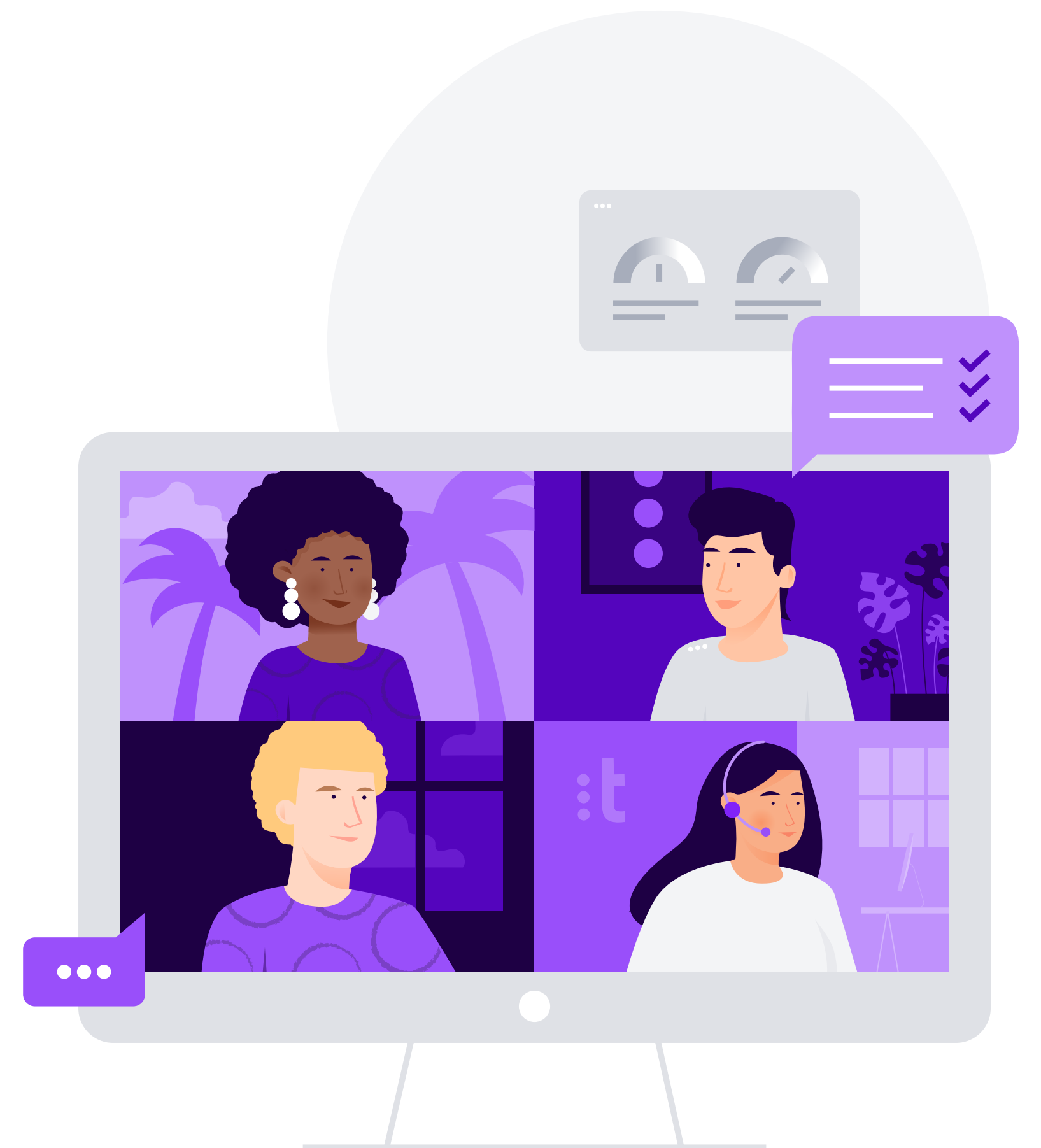


I. The hybrid workforce will rise in the post-pandemic world.

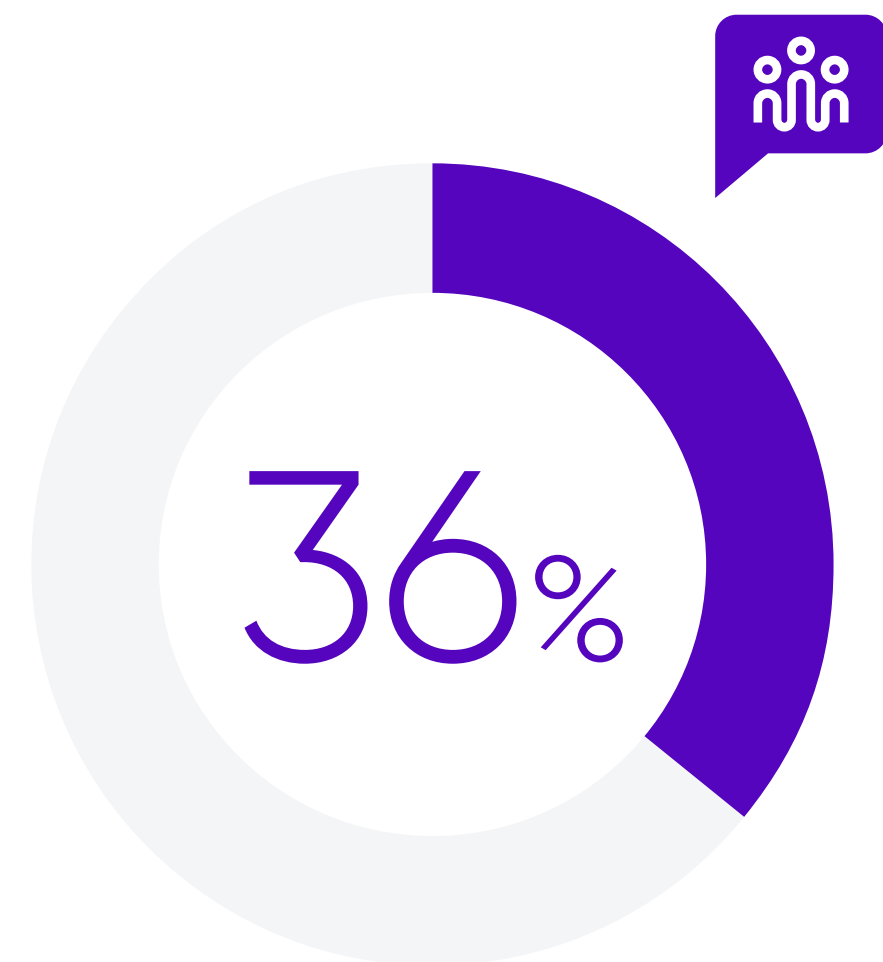
The immediate and critical shifts to remote work that followed the onset of the COVID-19 pandemic in 2020 left many organizations scrambling to not only maintain daily operations, but also to engage, develop and retain employees in a virtual world. Now, as they evaluate plans to return to the office, leaders across the globe are left to reckon with a completely new set of employee expectations and preferences about how, where, and when they work.

One of the greatest tensions between organizations and their employees today has no doubt centered on a return to the office, which, for many, comes more than one year after employees were sent home to perform their jobs remotely.

What is the “right” workforce model for the contact center today? While each organization will have its own set of considerations in making this choice, one thing is abundantly clear: remote work is here to stay—inside and outside of the contact center.

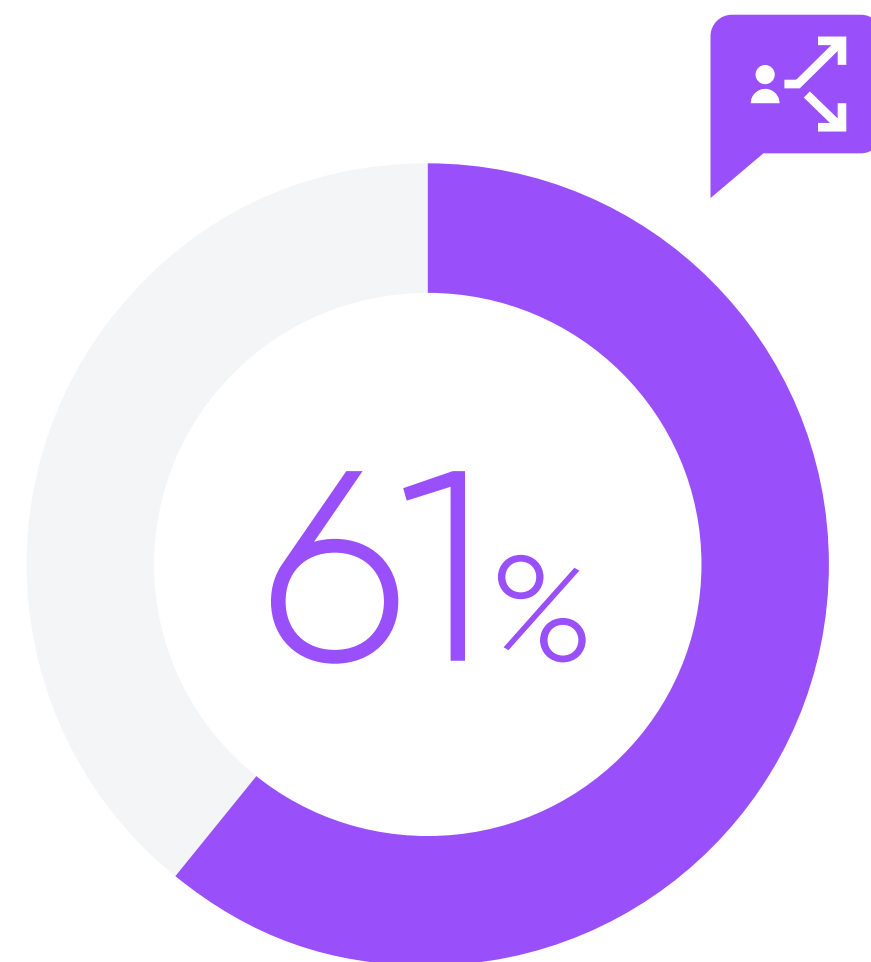


When your company deems a return to the office safe, which workforce model does your company plan to use for its contact center employees?



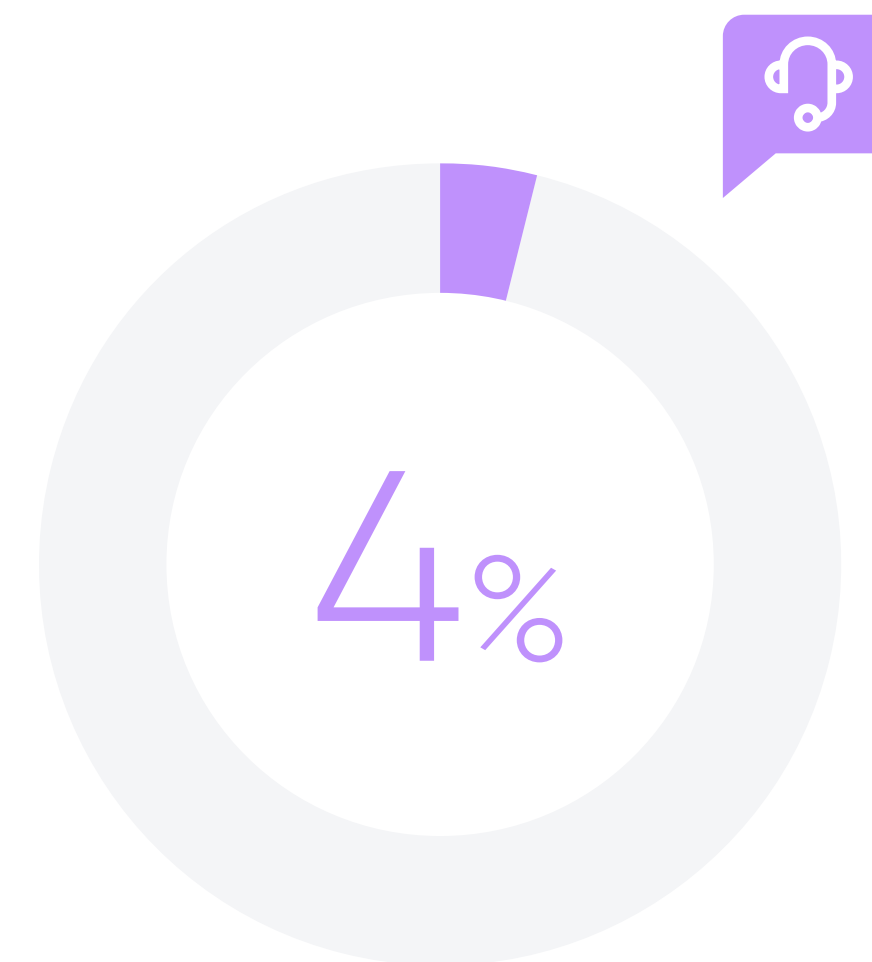
Fully on-site

(centrally located in an office or facility)



Hybrid

(a blend of remote and on-site employees)



Fully remote

(no centrally located / on-site employees)

A majority (61%) of organizations intend to use a hybrid workforce model when a return to office is deemed safe.

Only 4% of organizations report an intent to leverage a fully remote workforce post-COVID.

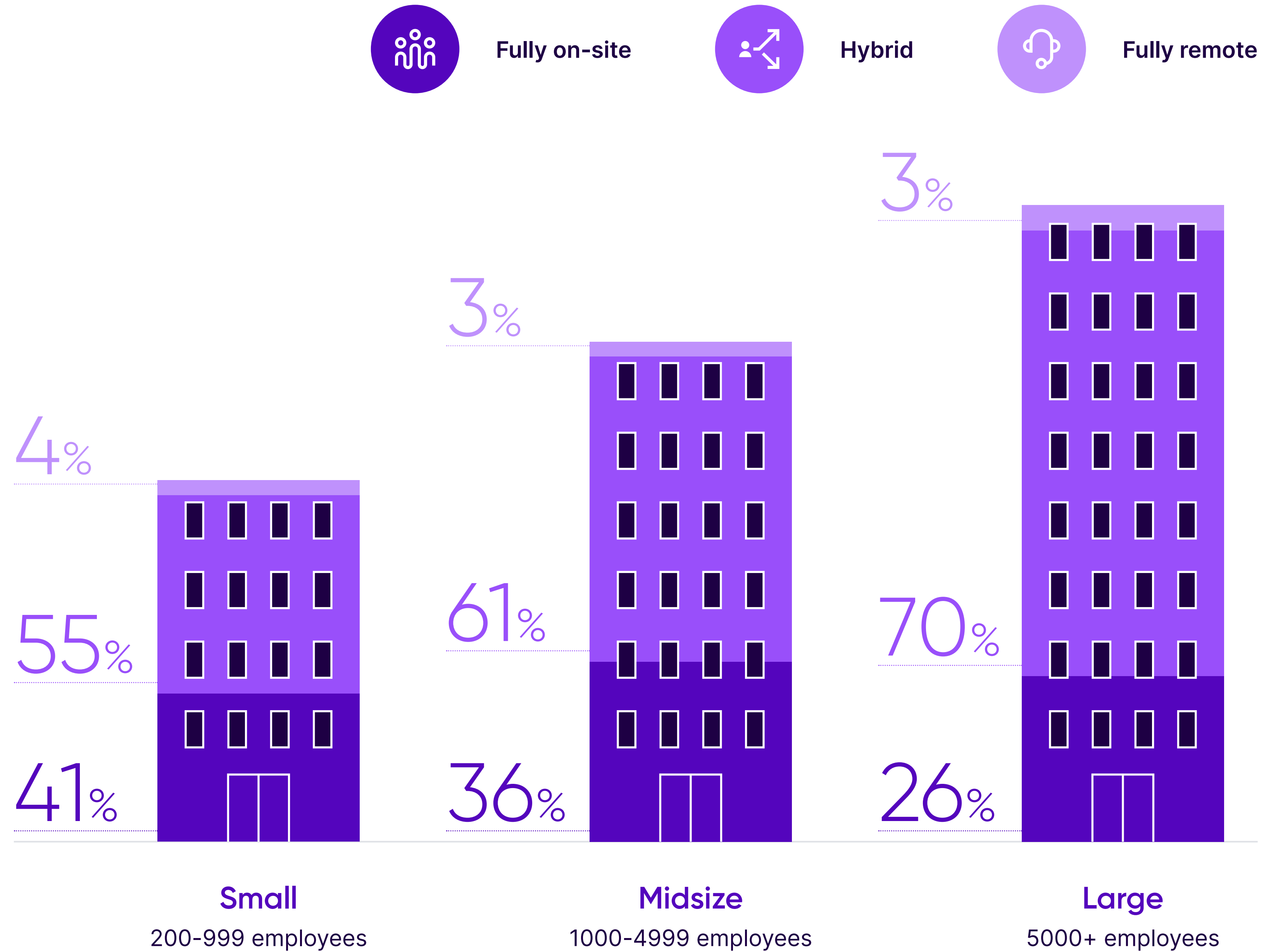


For organizations using a hybrid workforce model, an average of

45%

of the workforce is expected to be working remotely on a given day.

The popularity of the hybrid workforce model increases with the size of organizations, as 70% of large businesses (5,000+ employees) report a plan to use this approach, relative to 55% of small organizations (200-999 employees). In contrast, the percentage of organizations planning to resume fully on-site employee operations declines as firm size increases. Organizations of all sizes, however, appear reluctant to maintain a fully remote workforce once a return to the office is deemed safe.



Contact center scheduling will become more flexible.

While the rise of hybrid working models signals growing flexibility on where employees work, organizations also anticipate greater fluidity as it relates to *when* employees work—and how these decisions are made.

Flexible shifts (through which employees work varying days and hours every week) will dominate the post-pandemic workplace. This suggests that organizations are taking employee demands for flexibility seriously—not only with respect to remote work opportunities, but also in the form of flexible scheduling options for contact center employees.

It should be noted, however, that more traditional, “fixed shifts” are still expected to account for a significant portion (39%) of contact center employee schedules. What may be of importance to the effectiveness of any particular scheduling approach is the degree to which it resonates with employees, without compromising the customer experience.

Share of organizations planning to use each shift type when a return to the contact center is deemed safe.

Flexible shifts

(varying days and hours every week)



Fixed shifts

(same days and hours every week)



Rotating shifts

(rotating day / night shifts)



Shift bidding

(employees express interest in a specific shift window)

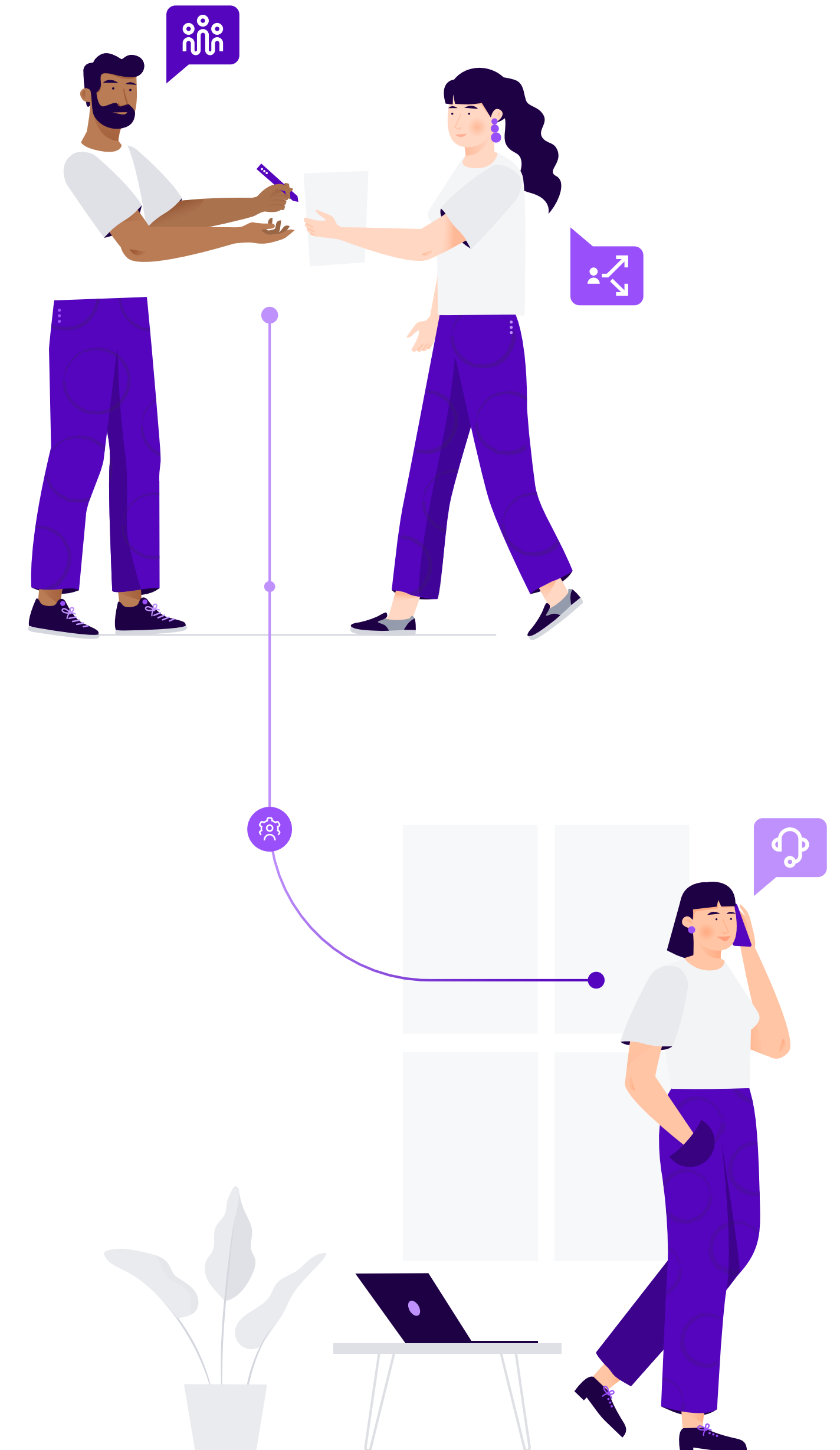


Each workforce model presents unique benefits and challenges.

As with most complex business decisions, a “perfect” solution will likely evade leaders in choosing a long-term workforce model. Instead, the anticipated benefits of each model will be weighed against the potential challenges to best fit the organization’s goals, resources, and unique circumstances.

Despite on-going stops and starts related to office re-entry planning, what remains clear is that the stakes are high for leaders to arrive at an optimal workforce solution: one that accounts for employee flexibility while ensuring continued productivity in the face of ever-evolving circumstances.

- **A fully on-site model** is most associated with the benefit of increased data / information security, yet also most commonly presents the challenge of increased operational costs.
- **A hybrid model** is most closely associated with the benefit of improved work-life balance and the obstacle of technological challenges.
- **A fully remote workforce model** is most associated with reduced operational costs and decreased absenteeism, but also presents a primary challenge of communication / collaboration among employees.





Top benefits expected from each workforce model.

% of organizations expecting each benefit.

Fully on-site

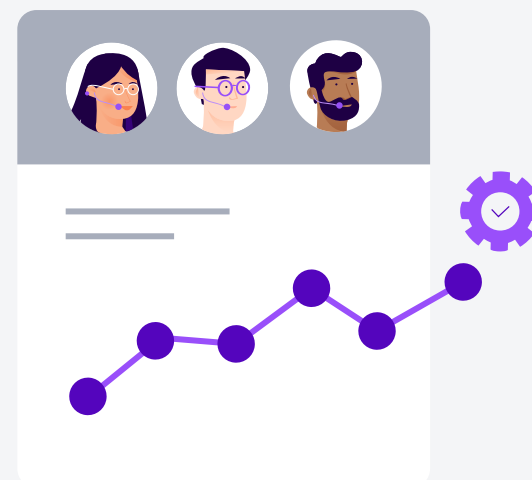
1. Increased data / information security (36%)



2. Improvement in quality of customer service / customer experience (33%)

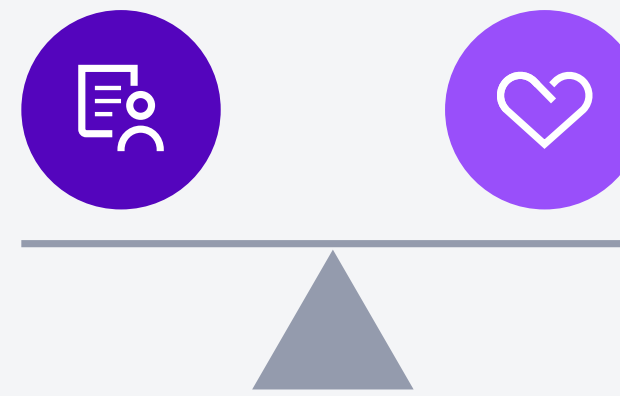


3. Improvement in performance assessment and management (31%)



Hybrid

1. Improvement in work-life balance (45%)



2. Reduced operational / contact center costs (37%)



3. Increased levels of employee engagement or satisfaction (33%)



Fully remote

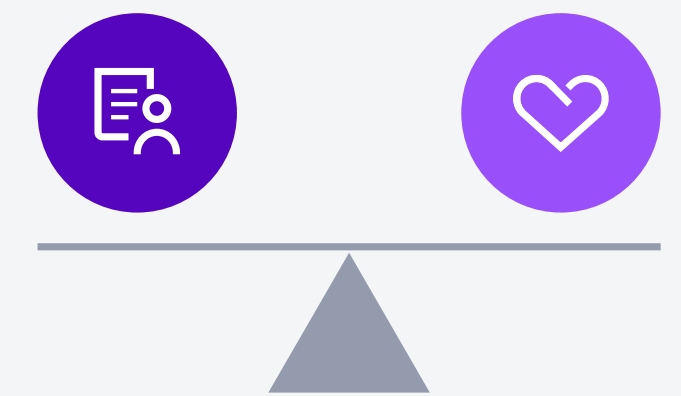
1. Reduced operational / contact center costs + decreased absenteeism (48%)



2. Increased productivity (43%)



3. Improvement in work-life balance (39%)





Top challenges expected from each workforce model.

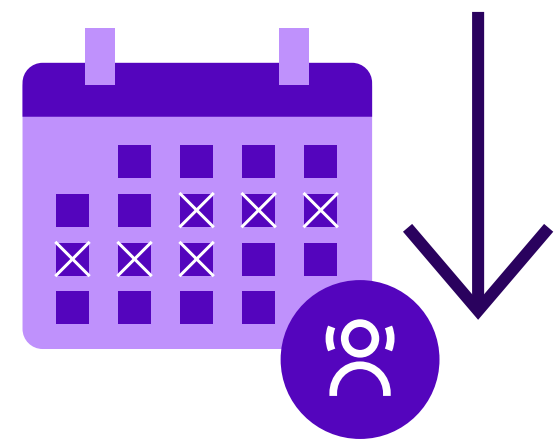
% of organizations expecting each challenge.

Fully on-site

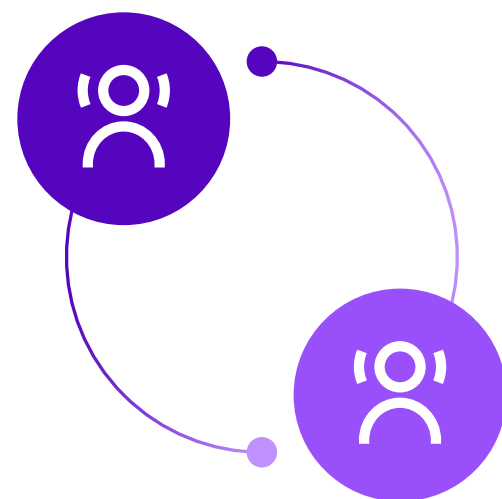
1. Increased operational / contact center costs (27%)



2. Increased absenteeism / difficulty recruiting and hiring new employees (25%)



3. Increased turnover / difficulty retaining employees (24%)



Hybrid

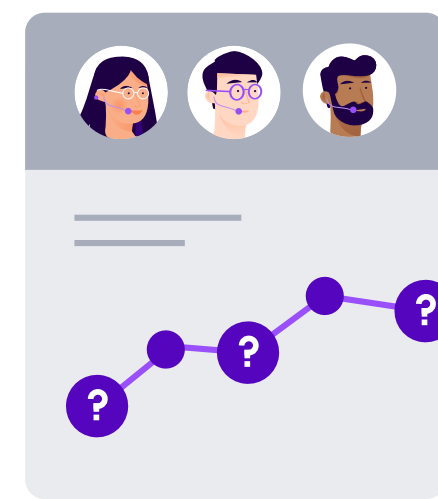
1. Technological challenges (40%)



2. Communication or collaboration challenges (32%)



3. Greater difficulty in performance assessment and management / difficulty training or onboarding new employees (30%)



Fully remote

1. Communication or collaboration challenges / greater difficulty in performance assessment and management (39%)



2. Reduced data / information security (35%)



3. Technological challenges (30%)



II. Employee engagement will improve, but attrition will remain high.

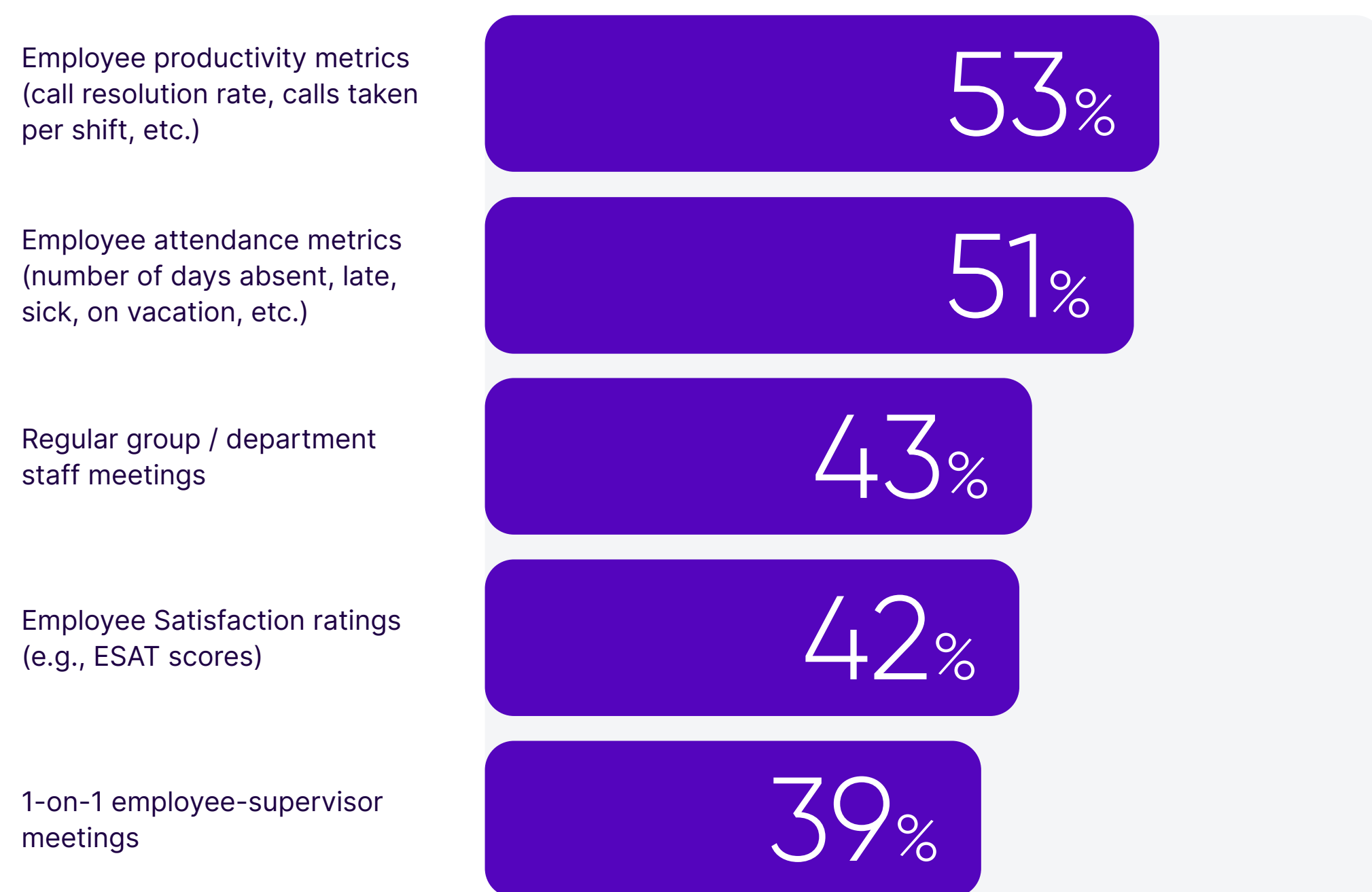
Effectively determining which metrics to use in assessing employee engagement may be as essential as the numbers themselves. A majority of organizations today primarily rely on output measures (i.e. productivity) to track engagement in the contact center.

Though it's true that engaged employees tend to perform better over time, an over-emphasis on performance-related metrics may cause leaders to overlook employee sentiment, which is a critical component of engagement, and one that may actually be more predictive of long-term performance and retention.



Measures of engagement offer insight into the perceived value of employee experience.

How does your company currently measure or track employee engagement among employees in its call/contact center?



The most frequent measure of engagement in the contact center is employee productivity (53%), followed by attendance metrics (51%). While perhaps unsurprising, this data reflects a more traditional, performance-based view of engagement in general. In fact, less than half (42%) of organizations currently track Employee Satisfaction (ESAT) scores in the contact center.

It's widely observed that enhanced productivity is a key outcome of employee engagement; however, CX leaders may be prioritizing these transactional metrics above more immediate—and more “human-centric”—measures that drive engagement, such as Employee Satisfaction (ESAT) scores.

And leaders would be wise to heed the importance of employee engagement in driving business outcomes. Gallup's State of the Global Workplace: 2021 Report cites an employee engagement rate of just 20%-34% in the U.S. and Canada, which it estimates costs employers approximately 18% of annual employee salaries².

As they fight to retain employees amid the “Great Resignation” this year and beyond, CX leaders may stand to benefit from a fresh look at the role of employee satisfaction in driving long-term, sustainable productivity and business growth. An over-emphasis on performance metrics alone may have a negative impact on employee engagement and retention over time.

² Robison, Vipula Gandhi and Jennifer. “The ‘Great Resignation’ Is Really the ‘Great Discontent.’” Gallup. 2021. www.gallup.com/workplace/351545/great-resignation-really-great-discontent.aspx.

Contact center engagement appears strong today.

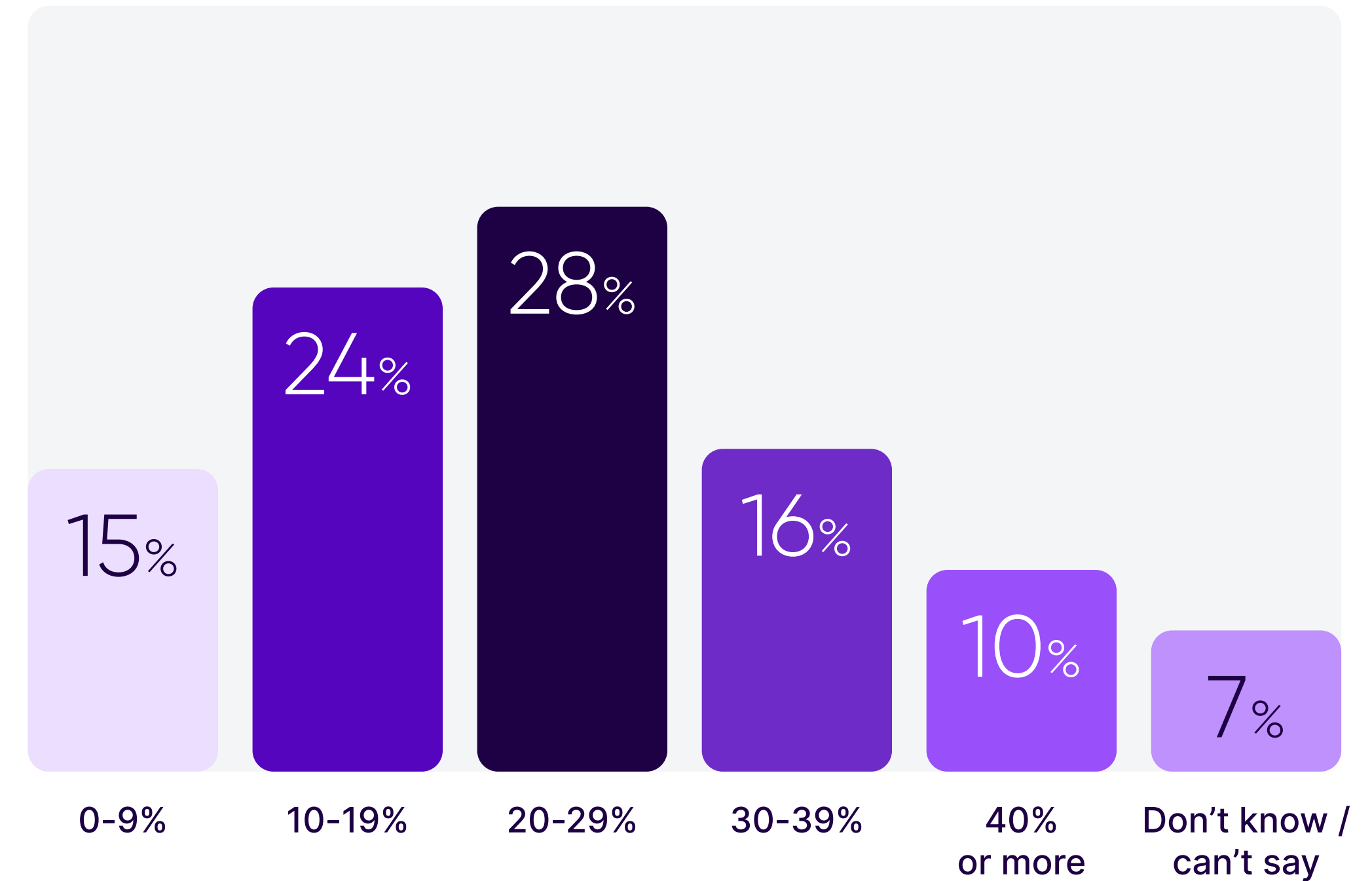
The data paints an optimistic picture of engagement today, with more than half (53%) of organizations reporting employees are “highly engaged” in the contact center. These high levels of engagement are reasonably consistent across organizations of varying size, and across both agents and CX leaders.

Overall, how engaged are your company’s call/contact center employees in their work?

Engagement level	TOTAL	CC AGENT	CC LEADER
Highly engaged	53%	53%	56%
Somewhat engaged	40%	40%	39%
Neutral	6%	4%	5%
Somewhat disengaged	1%	3%	0%
Very disengaged	0%	0%	0%

Yet, high levels of engagement may not translate to employee retention in the contact center, as **54% of CX professionals expect average levels of agent attrition over the next three years to be 20% or more.**

What do you estimate your company’s call/contact center agent attrition rate will be, on average, over the next 3 years (2022-2025)?



Despite these high rates of expected turnover,

90%

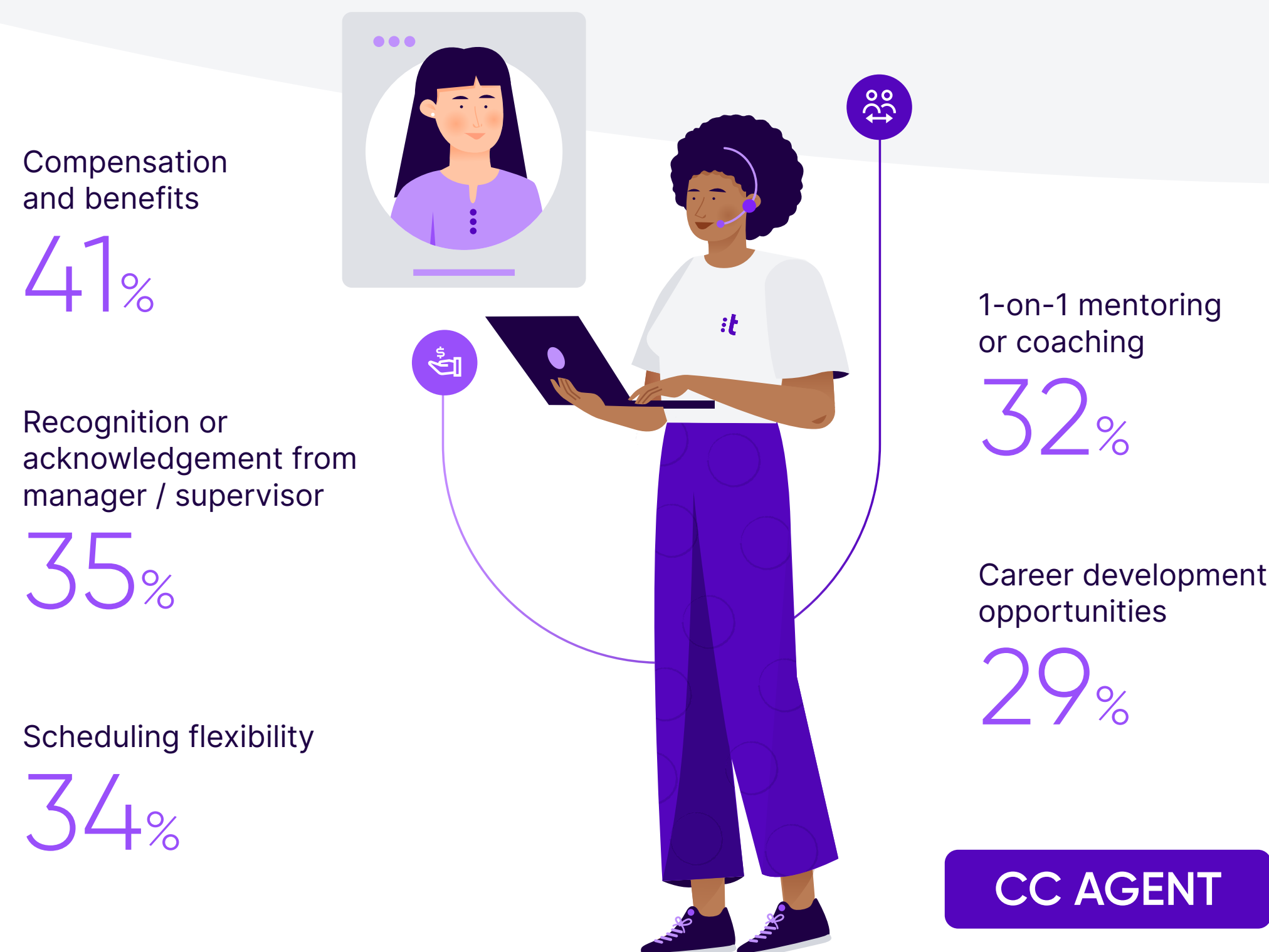
of organizations report that contact center agent retention is a top priority.

Top drivers of employee engagement in the contact center.

There is a broad consensus on the top drivers of engagement in the contact center; however, some disconnects between agents and supervisors can be observed.

Both agents and supervisors agree that manager recognition is a key driver of engagement in the contact center. This element can be more difficult to achieve in a remote or hybrid work environment, yet it may be even more critical to the individual employee.

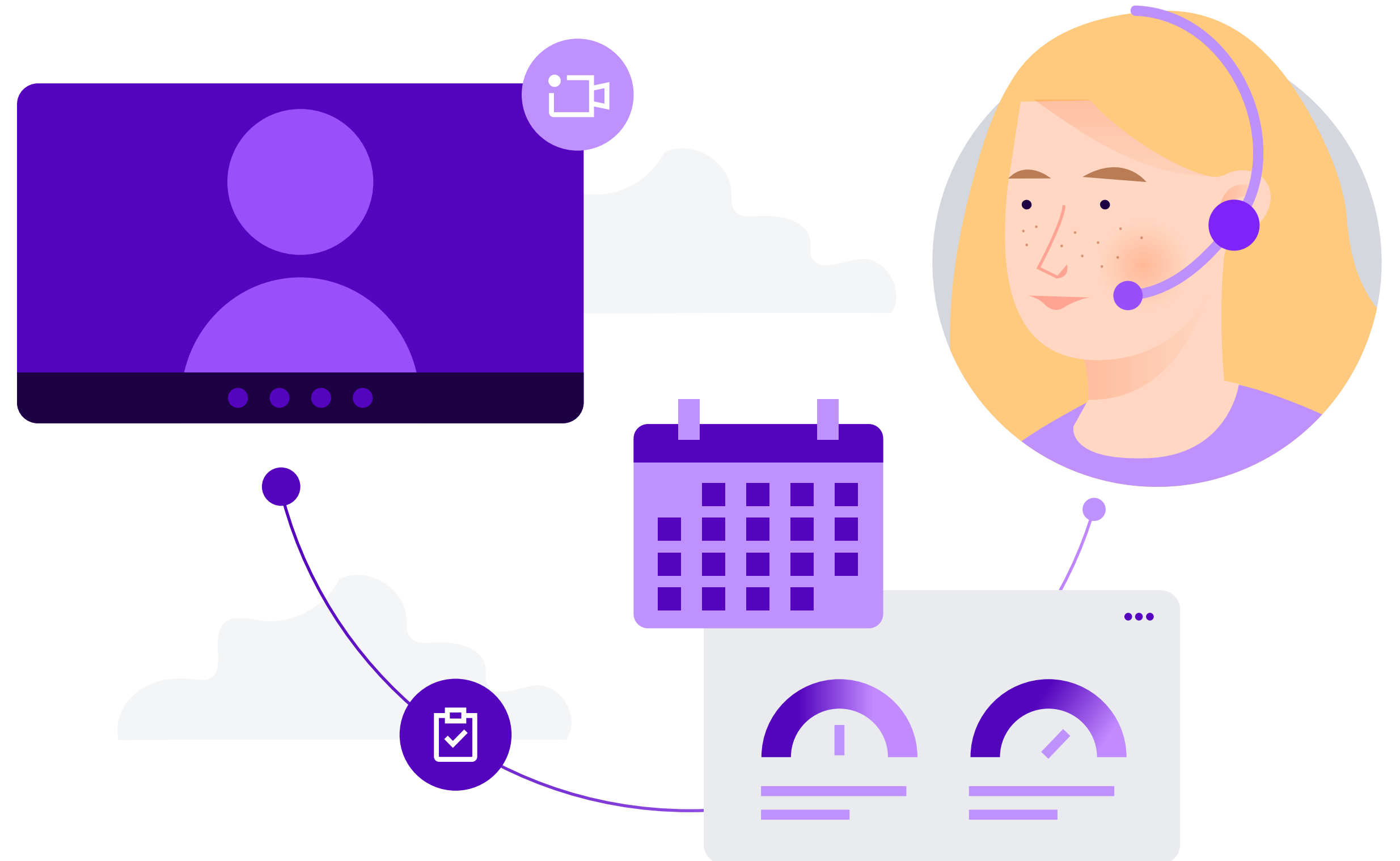
Contact center supervisors significantly overestimate the importance of career development opportunities (44% rank it as a top engagement driver vs. 29% of agents), training and development opportunities, and public recognition or acknowledgment. Leaders also underestimate scheduling flexibility and 1-on-1 coaching / mentoring as key drivers of employee engagement.



III. All organizations will invest more in Workforce Engagement Management (WEM) tools.

Workforce Engagement Management (WEM) solutions, which include quality & performance management tools, call and screen recording tools, staffing tools, etc. are of particular value in managing a remote or hybrid workforce. Yet, even organizations with plans to operate fully on-site are prioritizing investments in WEM tools.

These tools offer benefits to employees and supervisors alike as they serve to streamline tedious processes (e.g. scheduling, compensation, etc.) and foster friendly competition (e.g. through gamification) in the workplace.



CX professionals will opt for WEM tools that streamline collaboration, benefits and compensation, and the agent experience.

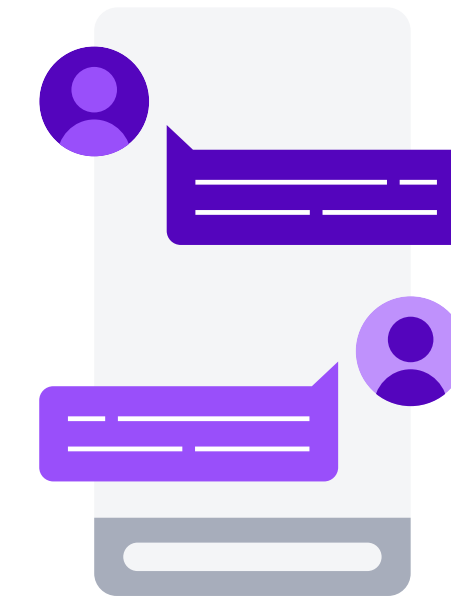
While each workforce model presents its own unique benefits, challenges, and priorities, one thing they appear to share is an emphasis on workforce engagement management.

78%

of CX professionals report that investing in WEM tools is a priority for their organization.

Collaboration tools are a top investment priority across organizations, regardless of which workforce model they plan to implement post-pandemic. This is no surprise, given the heightened role that these tools have played in maintaining operations over the last year, as well as their capacity to positively impact both the agent and customer experience.

Between now and 2025, which areas related to your call / contact center is your organization most likely to prioritize / invest in?



43%

Team collaboration tools / technologies

41%

Compensation and benefits



41%

Agent enablement tools / technologies



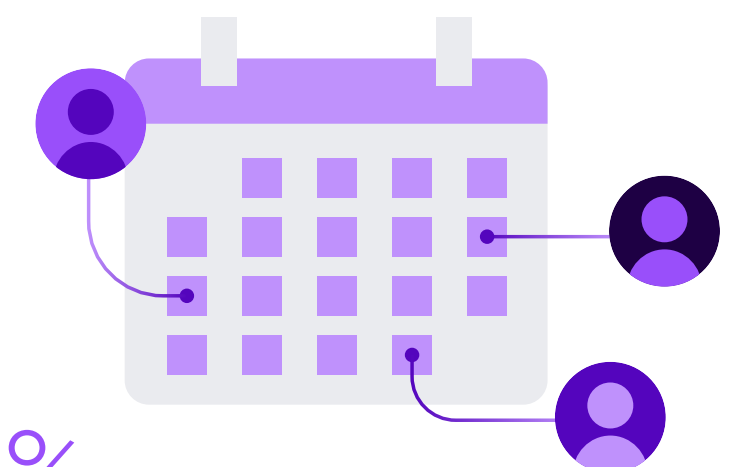
40%

Career development opportunities



37%

Scheduling flexibility for agents



Productivity and customer satisfaction lead expected outcomes from WEM investment.

What are the primary outcomes you expect to see from your organization's investments in WEM tools?



57% Greater efficiency or productivity in our contact center



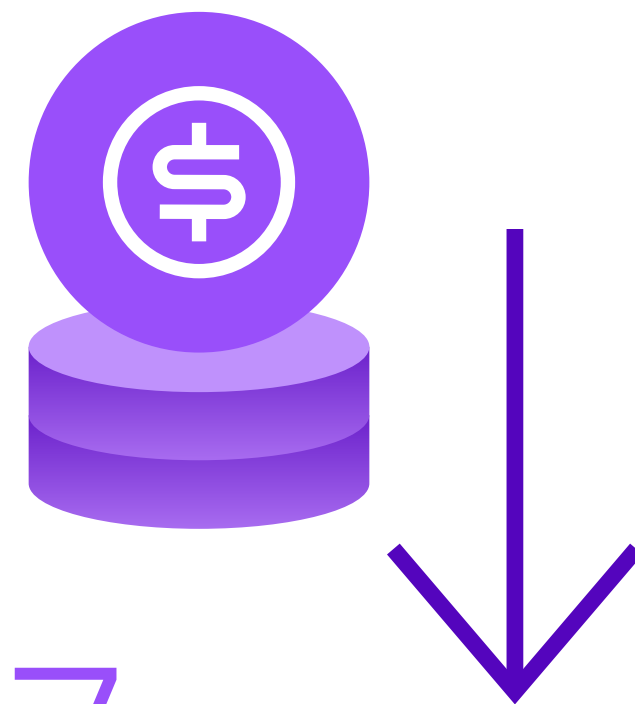
48% Higher CSAT scores or customer satisfaction levels



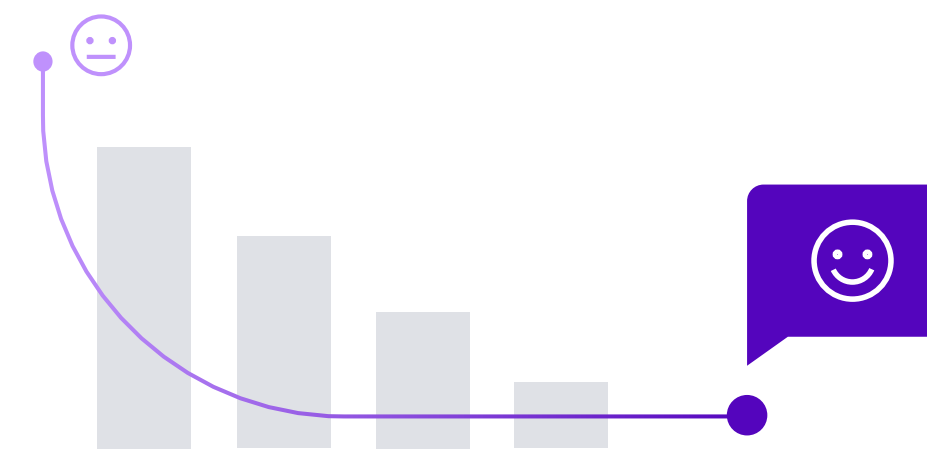
46% Increased profit



43% Higher ESAT scores / agent engagement levels



37% Reduced cost



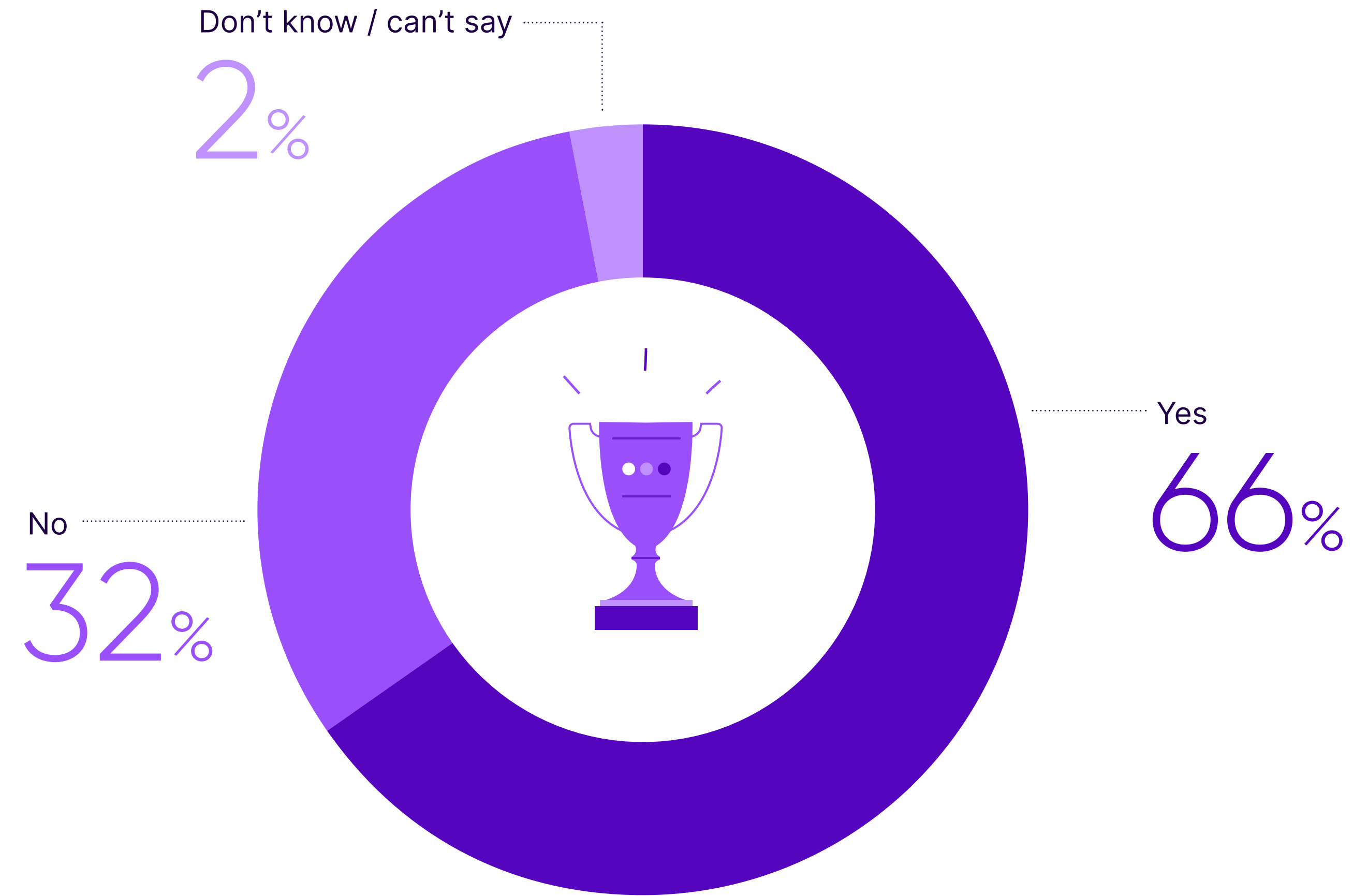
30% Decreased agent attrition

The most frequent benefits expected from WEM tools are tied to key business outcomes, including efficiency and productivity (57%), higher rates of customer satisfaction (48%), and increased profit. While these expected outcomes seem to suggest a connection between agent engagement and business performance, notably they do not focus directly on the agent / employee experience.

Gamification will play a larger role in employee engagement.

A powerful component of workforce engagement management is the use of gamification (e.g. leaderboards, competitions, prizes, etc.) to incentivize and motivate employees through friendly competition. So, how does gamification factor into the contact center today?

Use of gamification (e.g., leaderboards, competitions, prizes) in performance management for agents today.



Gamification is already being widely used in the contact center to drive engagement, and its use is only expected to grow in the coming years.

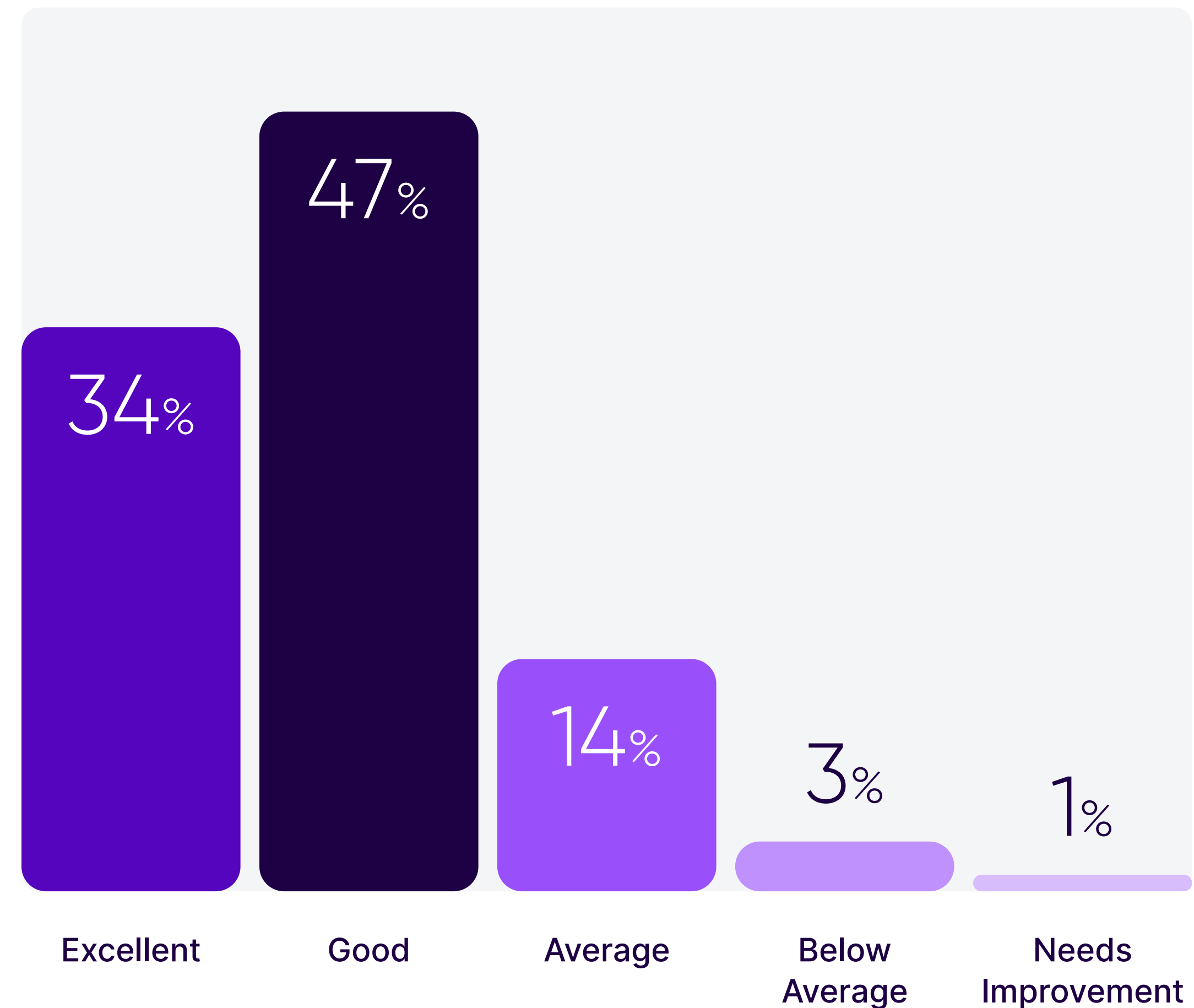
73%

of CX professionals report an expected increase in their use of gamification in the contact center over the next three years.

What is particularly interesting to note is the correlation between planned use of gamification and expected Employee Satisfaction (ESAT) rates in the contact center. **Among organizations that plan to increase their use of gamification over the next three years, 79% expect a rise in ESAT scores over the same period.**

Another way that organizations frequently seek to improve the performance of contact center agents is via training and coaching. This is an area where there appears to be opportunity for improvement, as just 34% of CX professionals consider their organization's training / coaching program as 'excellent.'

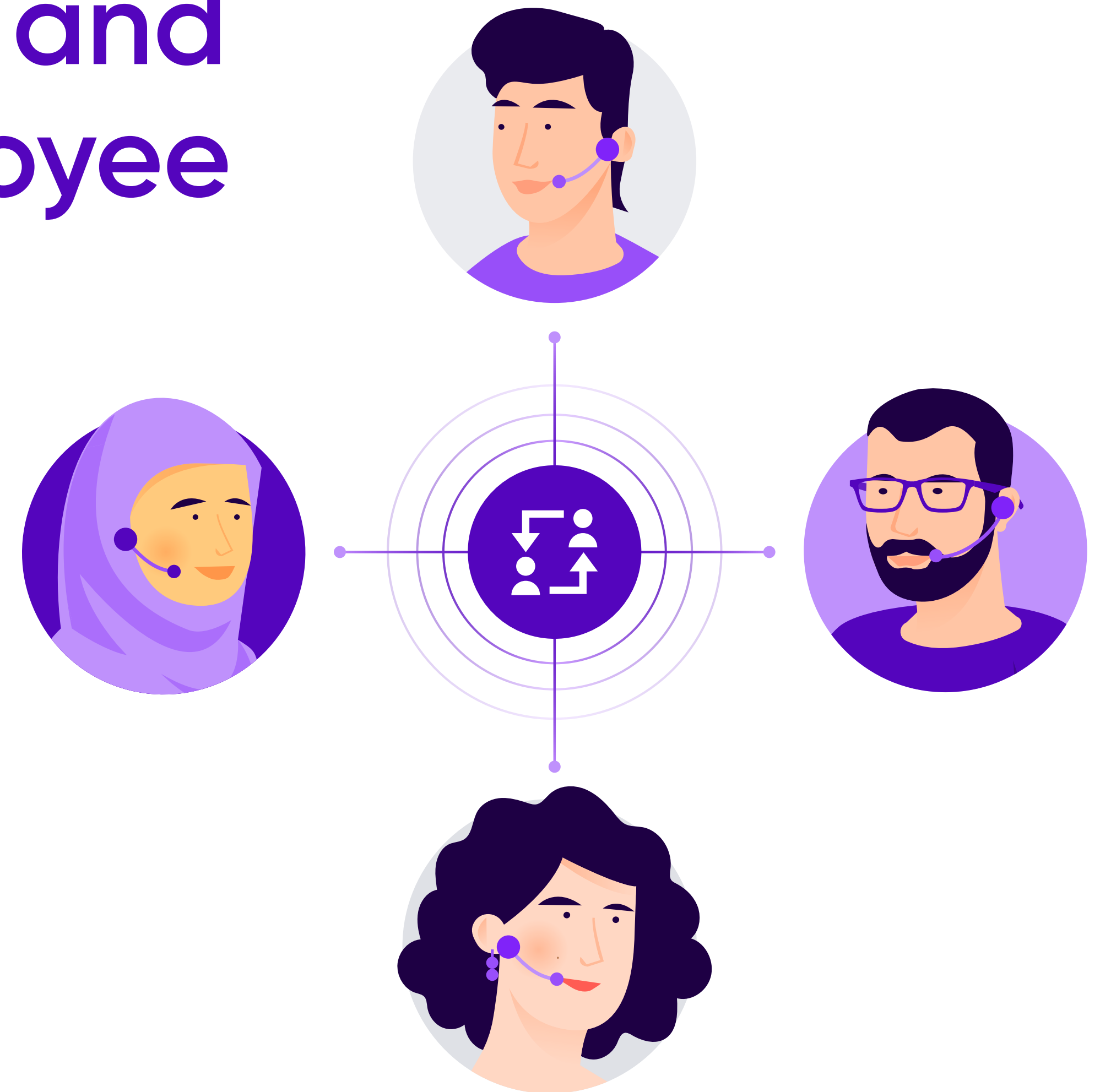
How would you rate your organization's call/contact center agent training / coaching program?



IV. Organizations will pursue better methods of communication and collaboration to build employee and customer satisfaction.

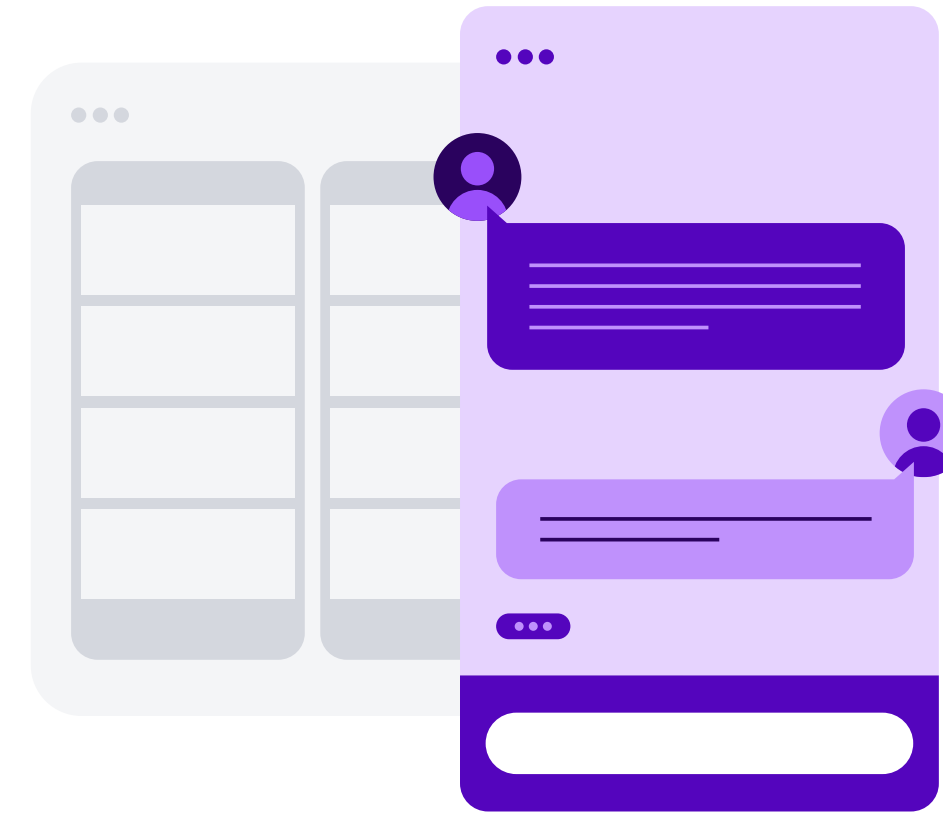
Among the first and most essential challenges organizations faced in 2020 was how to facilitate employee collaboration and communication without an office, meeting rooms, or desk phones to assist. Now, as several organizations have charted more than a year of remote work, the collaboration equation is still a challenge and opportunity for many.

Regardless of which workforce model an organization intends to use, the role of collaboration technologies in facilitating the employee and customer experience will be critical for organizations of all types in the coming years.



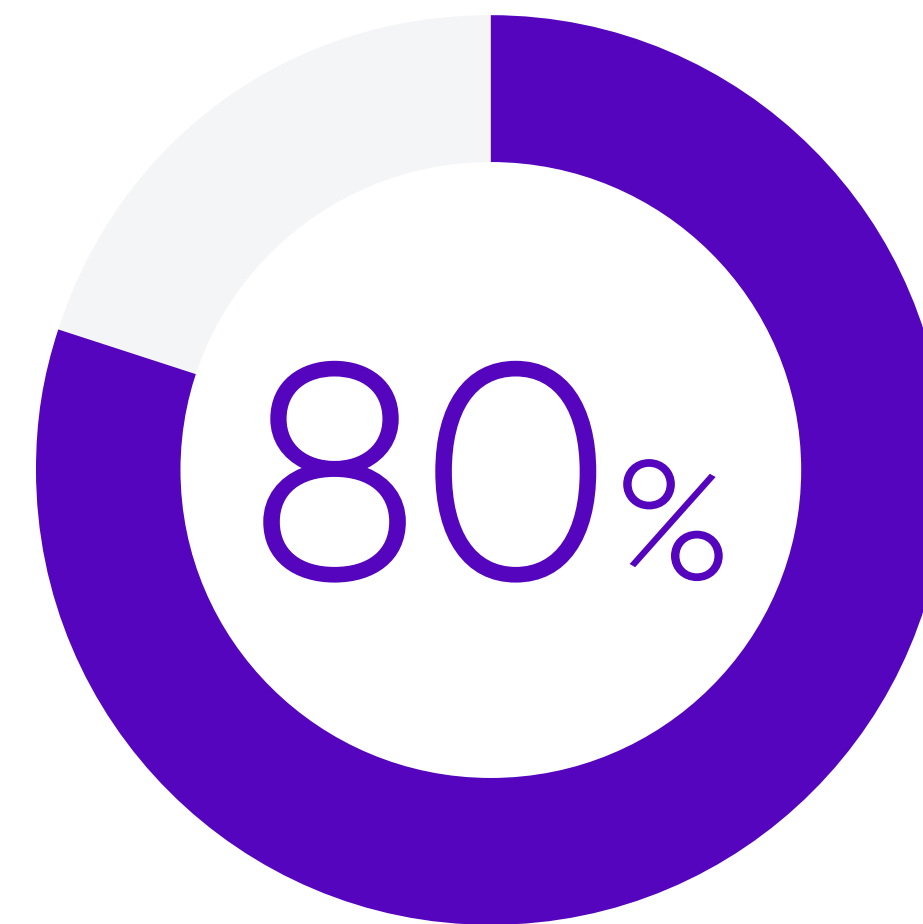
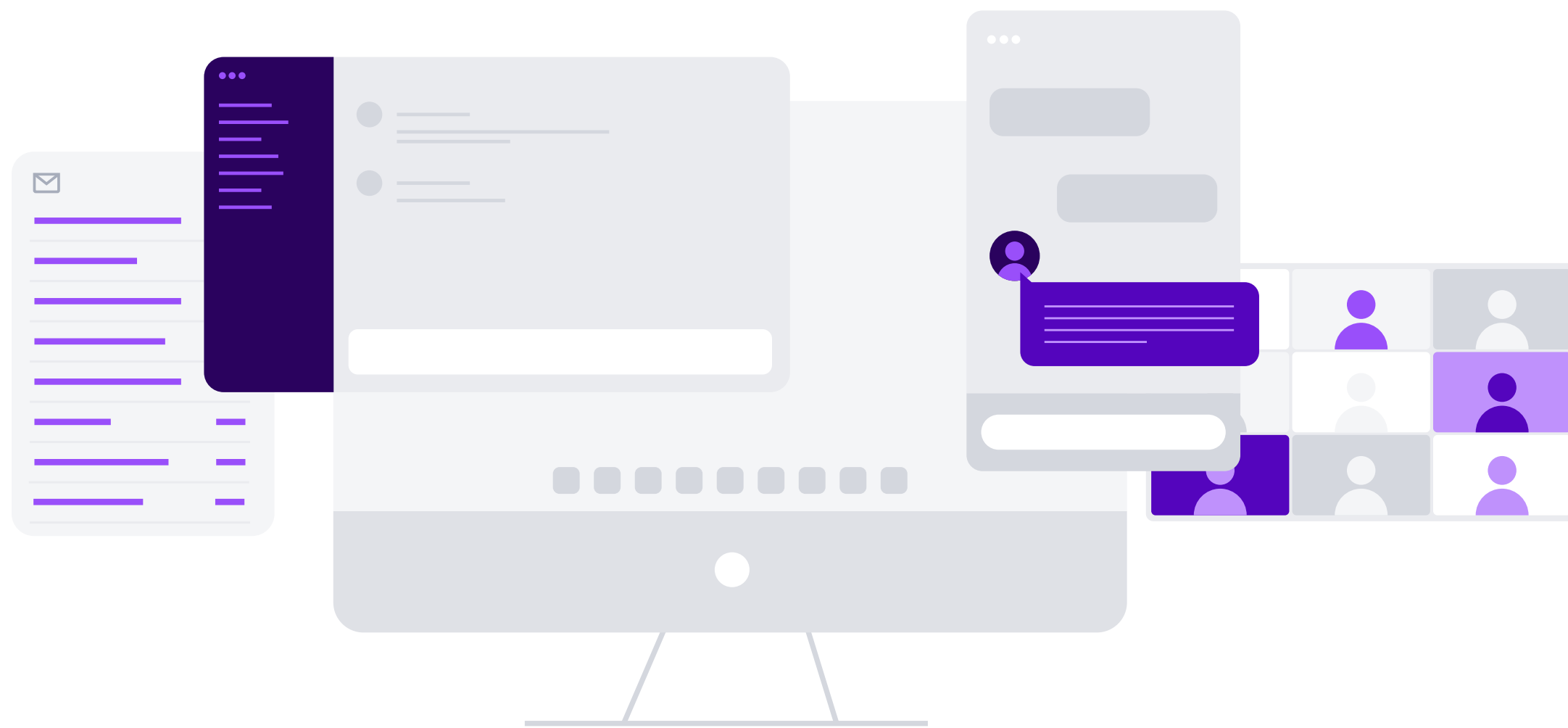
One of the most fundamental elements for success in a remote / hybrid work environment is the ability to foster effective employee communication and collaboration. It may come as no surprise, then, that communication / collaboration challenges ranked among the top two challenges expected by organizations planning to use a hybrid or remote workforce model.

And though collaboration tools are particularly essential in a remote work environment, the level of interest in these tools is in fact highest among organizations that plan to resume fully on-site operations when a return to office is deemed safe.



#1

Team collaboration tools / technologies are the #1 most prioritized area of investment for improving engagement in the contact center between now and 2025.



of organizations expecting an increase in ESAT scores over the next three years are prioritizing team collaboration tools / technologies for investment.

In June of 2021, Talkdesk conducted a series of focus groups with CX and IT professionals on the topic of employee collaboration in the contact center. The findings of this research indicate that while collaboration is viewed as essential to a strong employee and customer experience, it is also a consistent point of pain for organizations, who struggle to unify collaboration tools and processes across departments, including the contact center.

Nevertheless, leaders have a strong incentive to crack the collaboration code. Effective collaboration between the contact center and other departments enriches the agent experience by offering enhanced support in solving customer issues. This cross-functional collaboration in turn contributes to a smoother customer experience, which will drive loyalty over time.

“Everybody uses their own set of tools, and they’ve embraced some of those tools at varying stages over the course of time, and nobody’s willing to back down...in a bit of tragic irony, we can’t collaborate on collaboration tools.”

— HEAD OF DIGITAL FOR COMMERCIAL BANKING, REGIONAL U.S. COMMERCIAL BANK

Given the stakes, and potential payoff, CX leaders are likely to remain invested in improving collaboration in the contact center and beyond.

“If you are collaborating, your customers are loyal, which will lead to increased revenues and ultimately generate business value.”

— SVP, BUSINESS & DIGITAL TRANSFORMATION, MULTINATIONAL INSURANCE CORPORATION

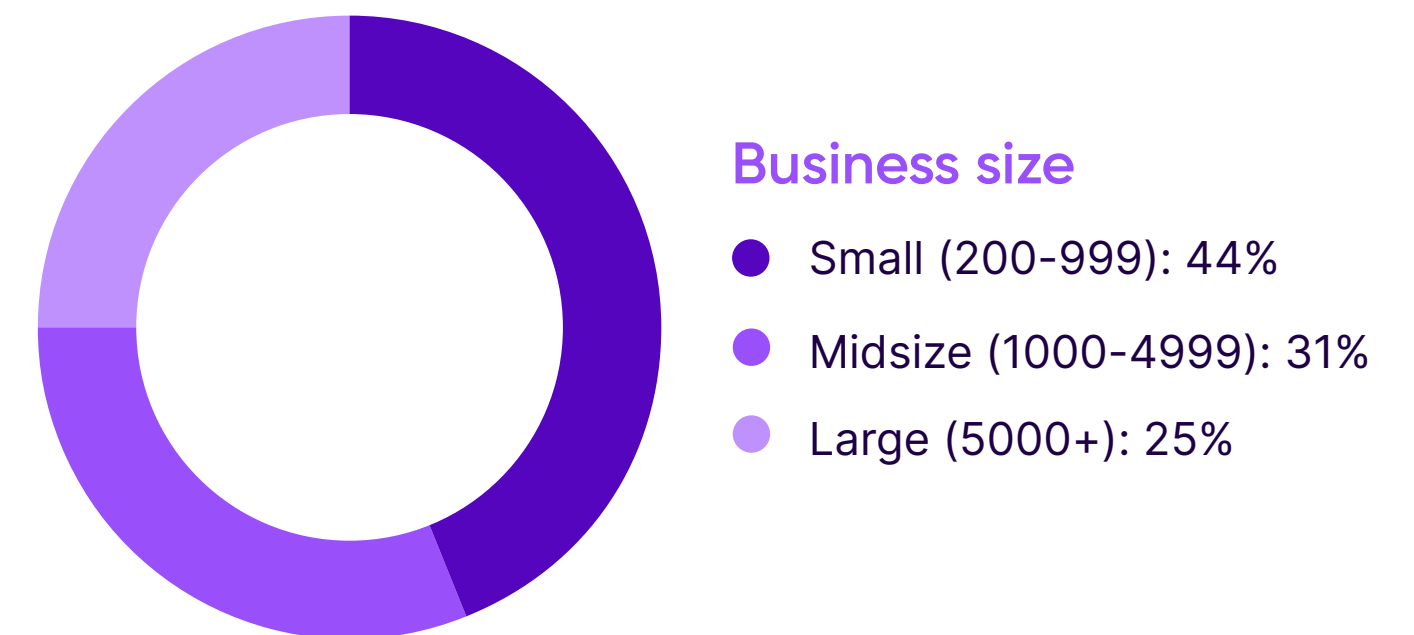
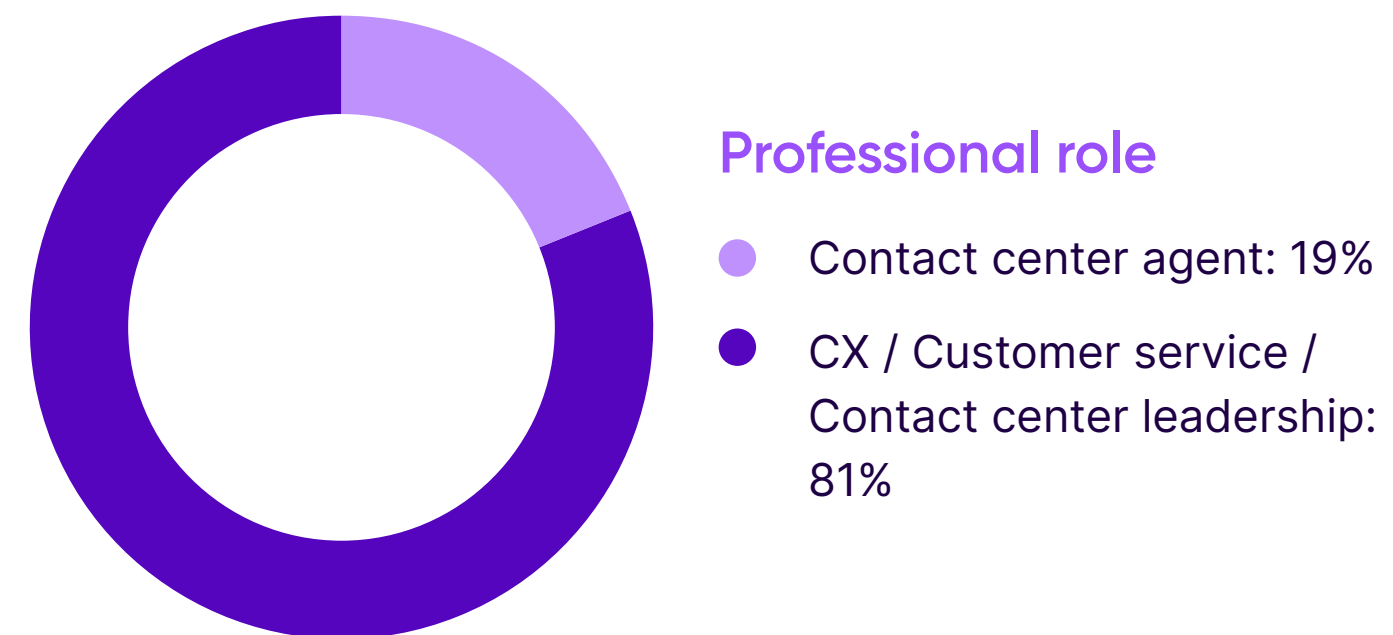
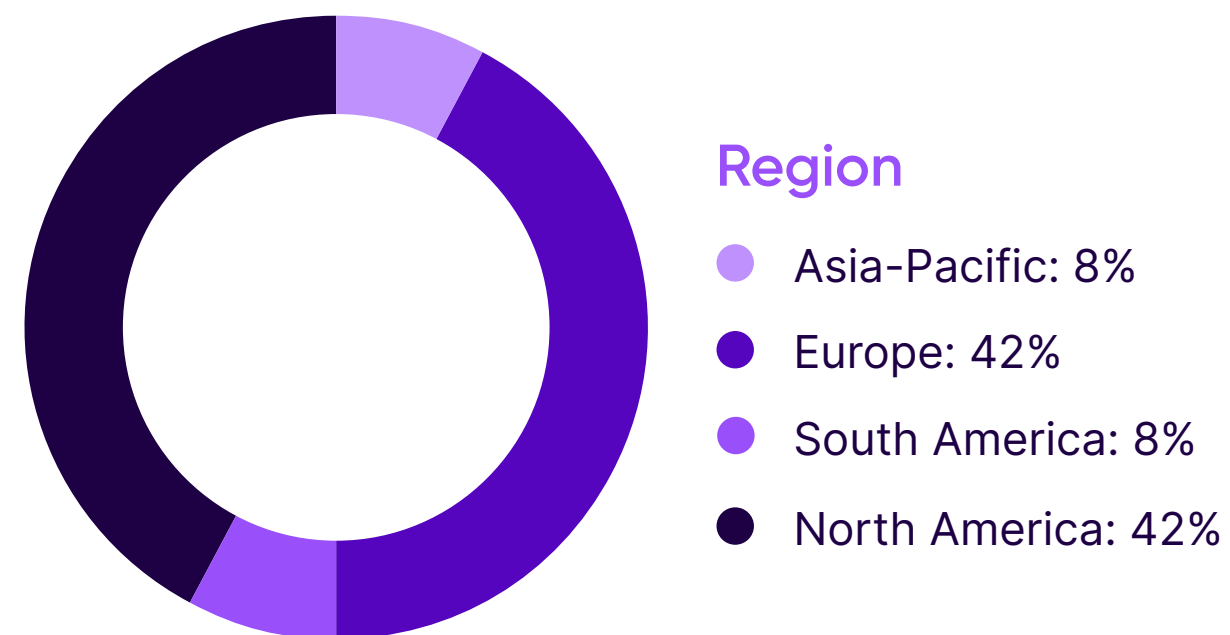
In fact,

90%

of CX professionals say that contact center agent engagement is a major driver of customer loyalty for the business.

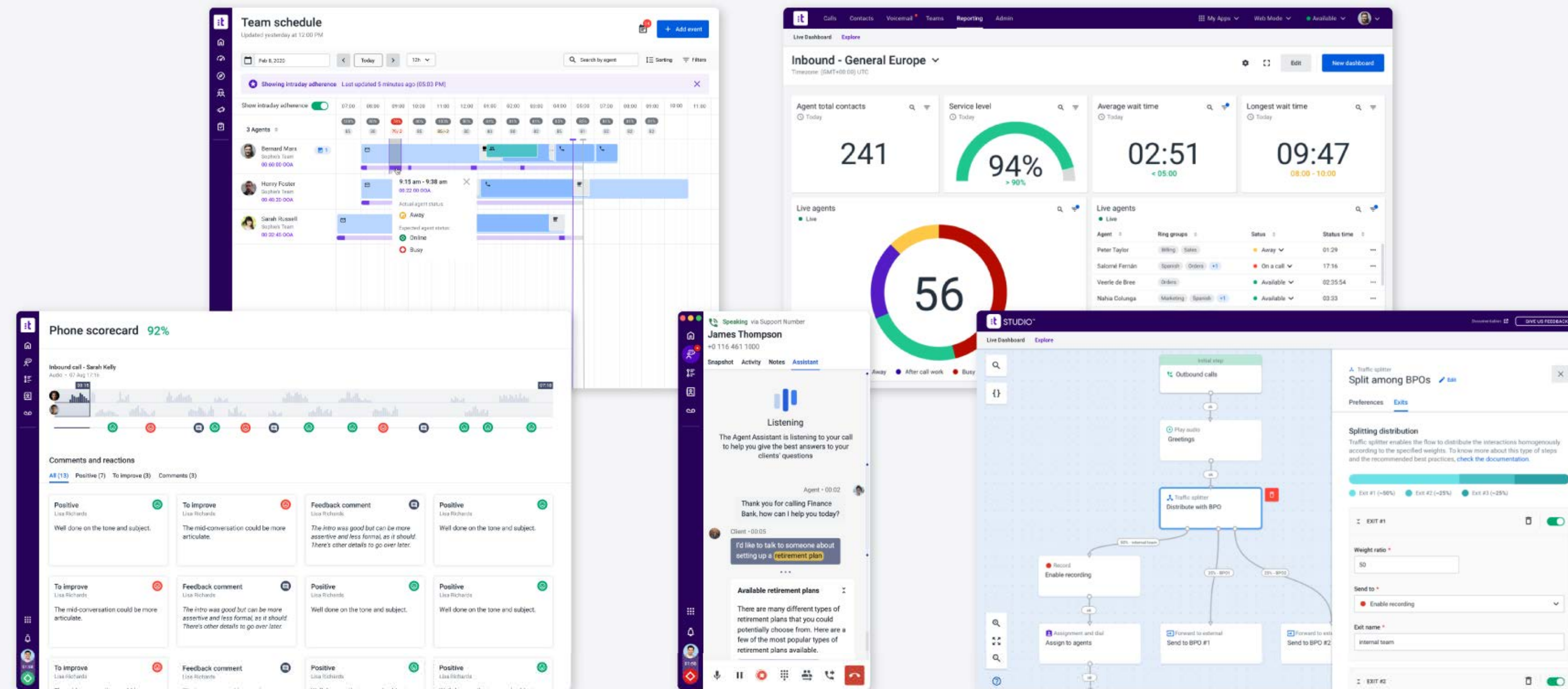
Survey demographics

CX professionals



Note: Percentages may not sum to 100% due to rounding.

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