2022 CHALLENGES AND PRIORITIES SURVEY: A TRIPLE WHAMMY OF CHALLENGES!

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Workload increasing?
High attrition?
You are not alone!

Contact Center pipeline

SPECIAL REPORT

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Welcome to the seventh annual challenges and priorities survey results. Last year was "a year like no other;" we couldn't envision the next 12 months. Well, this year brings fascinating developments as some of last year's challenges get tackled while others evolve, and both challenges and priorities show a strong bent toward the tactical. When you confront the triple whammy of recruiting and hiring difficulties, increasing workload (volume and/or handle time increases), and high attrition—well, you are pretty much forced to fight the brush fires rather than contemplate the far horizons.

For the newcomer to our survey, here's the background. We ask two simple questions of contact center professionals: What are your biggest challenges today? What are your top priorities for the new year? We've been throwing in a bonus question the last few years, and this year we probed a topic we know is front of mind for many: agent location today and a year from now.

As always, we explore the results by center size and vertical market.

Our participation this year reflects the high interest in what centers are dealing with and planning for. We had a 33% bump in participants to 348! Each participant could share up to three challenges and three priorities. We keep the lists *mostly* consistent for year-to-year comparisons, but we always make a few tweaks. From our project work and industry conversations, we knew hiring has become a bugaboo. We called that out as a specific item, and our participants *really* confirmed that was prudent. We kept last year's items on home agents, and the responses hint at some good progress on that front.

We've got this work-from-home thing down… now if we could only find some people to hire!

Table 1: Movers and Shakers

CHALLENGES		
THEMES:	**MOVEMENT UP THE LIST**	**MOVEMENT DOWN THE LIST**
Last year's #1, not enough staff, was usurped by the new choice to highlight recruiting/hiring issues—a more specific subset of a broader problem Work-from-home has been in place long enough to be less of a challenge for many The triple whammy is hitting KPIs—internal perspective (e.g., service level) and customer experience metrics	(Excluding our new item...) Poor performance on customer experience KPIs High attrition Inability to achieve service level or ASA (a repeat mover!) Inadequate training	Not enough staff to handle workload/no budget for additional staff (huge drop—replaced by recruiting/hiring issues!) Difficulty supporting home agents Lack of and/or bad self-service Poor cross-departmental collaboration
PRIORITIES		
THEMES:	**MOVEMENT UP THE LIST**	**MOVEMENT DOWN THE LIST**
The three big movers up the list (especially the focus on recruiting!) stole votes from many other priorities The two items dropping the most may reflect some good progress in these areas—desktop and home agents Other than these three big up/down movers, priorities from last year did not change significantly	Implement changes to attract desirable recruits (update to "Improve recruiting and hiring practices") Improve employee engagement and empowerment Staff properly to match workload	Implement/improve desktop Implement better home agent support, tools, and processes Implement/improve performance tools

Top Challenges, Priorities, and Changes

Figures 1 and 2 show the main results of our survey. I always look for the messages these results are sending, and here is what I can glean this year:

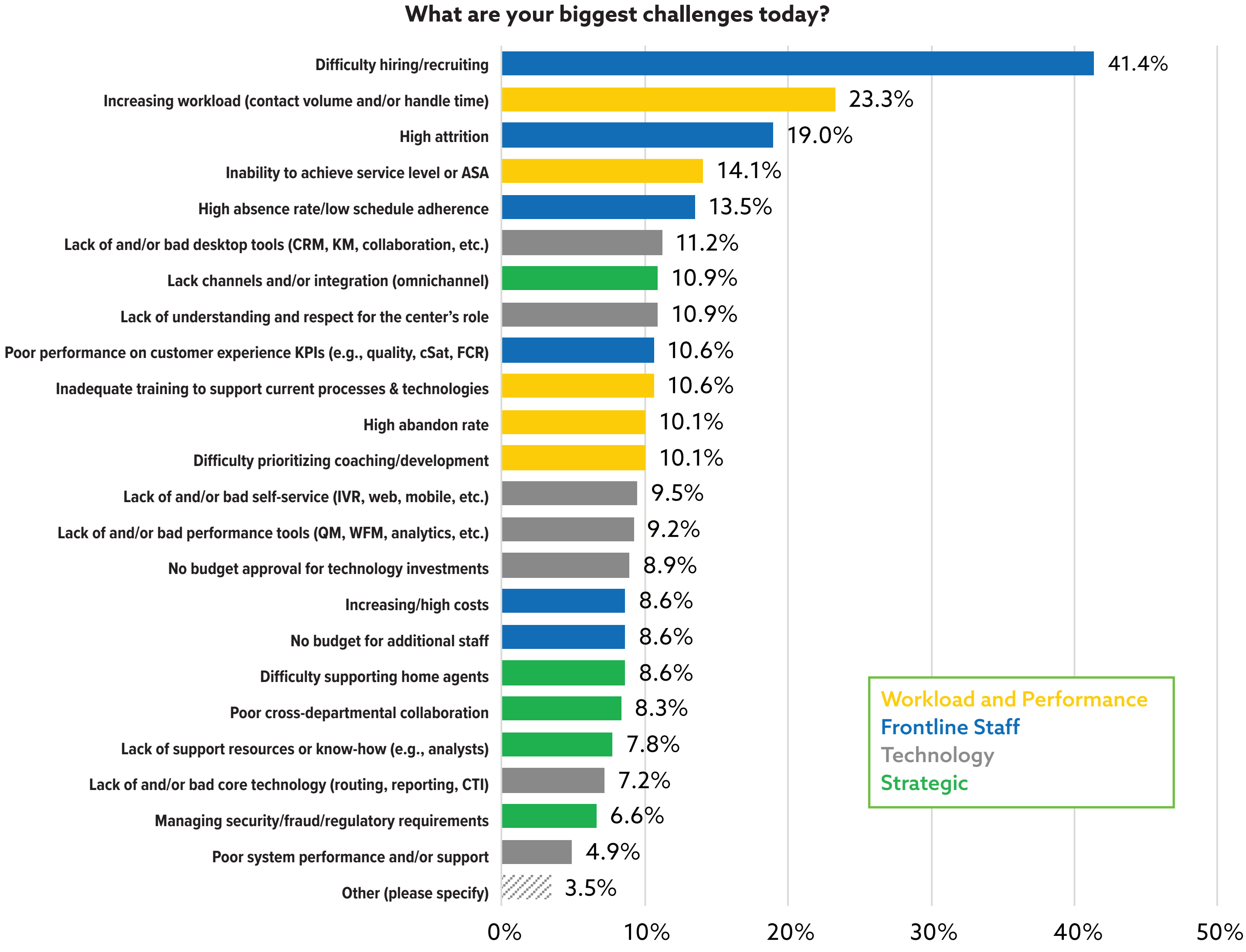
CHALLENGES:

- We've never had a stronger #1 challenge than this year. Over 40% of participants indicated *hiring and recruiting* is high on their problem list! *No budget for additional staff* got bumped down the list significantly (our biggest mover by far), indicating the problem is more often unfilled job requisitions than insufficient allocated headcount.
- **Figure 1** shows how much the #1 challenge overshadows the rest. Beyond the first few challenges, there is strong parity on the other challenges, with the strategic items generally lower on people's radars.
- We combined the increase in volume and handle time into a single challenge this year *(increasing workload)*, and it had a strong #2 showing at over 23%. The good news is this is down from 2021 if we compare the sum of these two factors in workload increase, perhaps reflecting some stabilization after the initial impact of the COVID-19 pandemic. However, it's a bad combination with our first and third challenges.
- *High attrition* is a perennial top three except for last year. With all the talk of the "great resignation," I guess we can be thankful this is not a top pain point for more centers. Yet, combined with the first two, it truly is a "triple whammy" for contact centers.
- The impact of those big challenges also comes out in the movement up the list by poor performance, impacting customer experience and agent engagement.
- Last year, the *difficulty supporting home agents* was very high (#2). This year's results imply people have figured that out as it dropped significantly. There is still significant work-from-home (WFH) going on, as the bonus question shows.

PRIORITIES:

- Our top priority is a common top three choice, the need to *improve employee engagement and empowerment*. It is not a big leader though, as a repeat from last year, *redesign/improve/automate processes* and another perennial top three, *implement/improve self-service*, follow closely behind. A counter to our top three challenges, *staff properly to match workload*, is tied for third.
- **Figure 2** reveals an interesting distribution of the category of challenges based on our color codes—frontline staff items in the top tier, strategic items at the bottom, technology scattered throughout.
- The biggest mover, a top 5 priority, counters the recruiting/hiring issue with the need to *make changes to improve recruiting*.
- *Implement/improve the desktop* is the biggest mover down

Figure 1: Biggest Challenges



the list, raising the question of whether that is because of improvements (we hope!). We've seen lots of companies implementing CRM and other tools.

- In line with the change in challenges, *improve support for home agents* also moved down.

ALIGNMENT:

We always like to assess whether challenges and priorities align.

- Less than half as many prioritized *making changes to attract desirable recruits* as indicated that recruiting/hiring is a challenge; more prioritized gaining budget approval for additional staff, perhaps focusing on the increasing workload, or some optimism that the hiring landscape will improve.
- *Improving employee engagement and empowerment* can hopefully help tackle that high attrition and perhaps lead to referrals—often the best source of hiring and recruiting.
- *Staff properly to workload* had a top priority showing that aligned well with the top three challenges.
- The high priority on *process improvement* and *self-service* can also help address the increasing workload and inability to achieve service level or ASA.

See **Table 1** for a summary of our "movers and shakers," based on the percentage point changes from 2021. We show more items in the Challenges section as we saw much greater volatility there, particularly with choices moving down the list in the wake of a strong #1. Priorities had more stability from last year, with a few exceptions.

Top Contact Center Challenges

The hiring/recruiting challenge is making a very loud statement, and it's no surprise. If you read articles in your local paper or major media outlets, you will find plenty of evidence this issue

Figure 2: Top Priorities

What are your top priorities to work on in 2022?

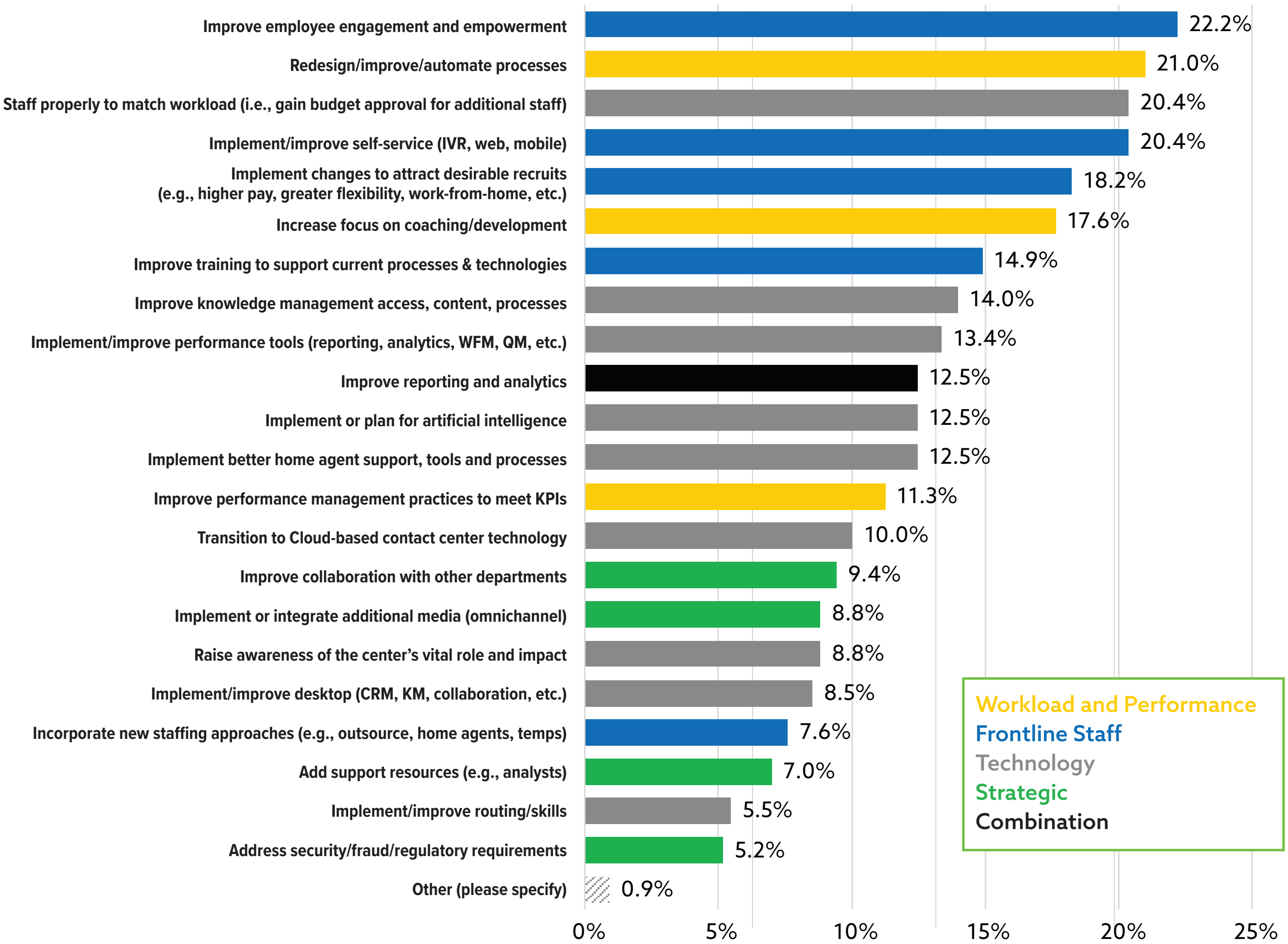


Table 2: Industrial Views

INDUSTRY	TOP CHALLENGE	TOP PRIORITY
Financial Services	Difficulty hiring/recruiting	Increase focus on coaching and development
Healthcare	Difficulty hiring/recruiting	Improve/automate processes Increase coaching and development
Consumer Products	Difficulty hiring/recruiting	Improve/automate processes
BPO/Outsourcing	Difficulty hiring/recruiting	Staff to workload
Insurance	Difficulty hiring/recruiting	Improve employee engagement
Utilities/Telecom	Difficulty hiring/recruiting	Improve/automate processes
Education/Nonprofit/Government	Increasing workload (volume and/or AHT)	Staff to workload Implement changes to attract recruits
Professional Services	Difficulty hiring/recruiting	Implement better home agent support

Where more than one challenge or priority is listed, there was a tie for the top item
Red indicates a repeat since 2021 (two years consistent)

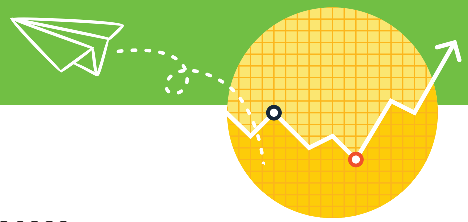


Table 3: Size Distribution

	CENTER SIZE (FTE)						
	<25	26-50	51-100	101-250	251-500	501-1,000	1,001+
CHALLENGES							
Attrition		⌘	⌘	⌘	⌘	⌘ ♦	□
Budget for staff	□ ♦	♦	♦	♦	□ ♦	♦	
Channels				□			⌘
Cross-departmental collaboration					♦		
Desktop tools		□	□				
Hiring/Recruiting	❖	❖	❖	❖	❖	❖	❖
Home agents						♦	♦
Increasing costs						□ ♦	
Self-service							
Understanding the CC's Value	⌘						
PRIORITIES							
Artificial intelligence							❖
Coaching/Development		⌘ ❖		□			♦
Collaboration						□	
Employee engagement	□ ⌘ ♦	□			□ ❖	⌘	
Hiring/Recruiting						⌘	
Home agents				♦			
Knowledge management				□			
Performance tools			□				♦
Processes		♦		⌘		□ ❖	⌘
Reporting and analytics							□
Self-service			⌘ ♦	❖	⌘ ♦	□ ♦ ❖	♦
Staff to match workload	❖		❖				
Training				□			

□ 2019 Challenge/Priority ⌘ 2020 Challenge/Priority ♦ 2021 Challenge/Priority ❖ 2022 Challenge/Priority
(More than one represents a tie)

is not limited to contact centers. It's interesting to see increasing workload is still a major pain point for nearly a fourth of participants, well into the COVID pandemic. High attrition snuck right back into the top three after a one year hiatus, and we know it has staying power.

Some of the write-in comments highlighted things we see in our projects and other surveys as well: long time to proficiency, too many systems, tough to onboard and train remote staff, and leadership challenges. The spotlight that COVID has shined on the center continues. Leaders need to be strong advocates for funding and changes in the year ahead.

CHALLENGES BY INDUSTRY

With that big #1 lead, hiring/recruiting is an issue that is pronounced across industries, taking the top spot for all but Education/Nonprofits/Government. It is particularly high in BPO/Outsourcing (60%), but over 43% for Utilities/Telecom, Insurance, Healthcare, and Financial Services. High attrition also stands out in several industries, with Healthcare the worst at 33%, followed by Insurance (26%) and Utilities/Telecom (24%). Increasing workload was highlighted by 33% of Education/Nonprofits/Government and 31% of Utilities/Telecom.

BPO/Outsourcing also has strong alignment on their #2 challenge, with high absence rate noted for 47%. We see strong alignment on the top four challenges for the Education/Nonprofits/Government vertical, with increasing workload (33%), hiring/recruiting, lack of understanding and respect for the center, and high attrition each being selected by over 20%. Insurance similarly shows strong alignment on their top challenges, with 20% or more selecting hiring/recruiting, attrition, self-service, and no budget approval for technology investments. Healthcare's strong alignment is reflected in recruiting, attrition, increasing workload, and difficulty supporting home agents.

You can see the top challenges by industry in **Table 2**. We normally color-code trends over the years but *there were no repeat top challenges in any industry*! The hiring challenge is prevalent across most industries.

CHALLENGES BY SIZE

With a strong winner for the top challenge, we see its pervasiveness across center sizes. In all size segments, over 28% selected the hiring/recruiting challenge with the 101-250 size band the highest (50%) and the larger center segments (over 250) the lowest (range 28-39%). It's no surprise that the increasing workload challenge is felt the most by smaller centers (up to 100), all with over 25% indicating this problem is a big one (and 32% of the smallest band). The 251-500 band also aligned on high attrition and omnichannel challenges. Beyond those items, we saw little pattern in the choices by size, with the largest (1001+) and smaller (up to 100) centers having the most divergent views.

Table 3 shows top challenges by size, with the previous three years included for comparison. The convergence on attrition in 2020, then budget for staff in 2021, and now hiring/recruiting in 2022 is an interesting history of the evolution of the contact center trials.

Top Contact Center Priorities

The top priorities can help staff, and by all accounts they need some assistance! If centers can find a way to pursue their top priorities, they will undoubtedly make a dent in the top challenges. As mentioned above, the prioritization on changes to attract desirable recruits does not show the strength its counterpart does, so these other priorities need to make a big dent in the workload and attrition challenges. The top tier shows the people, process, technology triumvirate is key to progress.

Self-service has had a long run as a top two priority, and I'm a bit excited to see it move down a notch, albeit a small one. I think that is a positive sign of the progress we see in online and mobile tools and their use, in putting IVR in its right place, and in leveraging bots for a variety of channels.

PRIORITIES BY INDUSTRY

BPOs lead the alignment in priorities, with eight items garnering over 20% of respondents' votes and staffing to workload as the top vote-getter at 33%. Healthcare and Insurance have six and five categories aligned respectively. Healthcare's top items are process improvement and coaching and development, each with 30%. Nearly 35% of Insurance participants indicated employee engagement is a top priority, and Utilities/Telecom aligned strongly on process improvement (35%).

BPOs, Consumer Products, Education/Nonprofits/Government, Healthcare, Insurance, and Utilities/Telecom are all showing a strong focus on self-service. Employee engagement (our #1 overall) got strong voting from BPOs, Consumer Products, Financial Services, Healthcare, and Insurance.

You can see the top priorities by industry in **Table 2**. Two industries had a repeat winner, and we don't see the cross-industry alignment we have with the challenges.

Survey Participant Demographics

Contact center management and executives are the majority of participants (45%), followed by corporate executives (15%), consultants (14%), and operations support managers/analysts (13%). The balance was team lead/supervisors (6%), and a variety of "Other" roles such as IT (including developers), HR, and training (8%). **Figures 3 and 4** show the industry representation and distribution of center sizes. The sizes are a fair depiction of what we see in the industry—many centers under 100 seats and few over 500 seats.

Figure 3: Industries Represented

31.6%	Financial Services
10.7%	Consumer Products/Retail
9.5%	Healthcare
9.2%	Utilities/Telecommunications/ Cable & Wireless
8.5%	Professional Services (including consulting)
7.6%	Education/Nonprofits/Government
7.3%	Insurance
4.7%	BPO/Outsourcing
11.0%	Other

Figure 4: Size Distribution

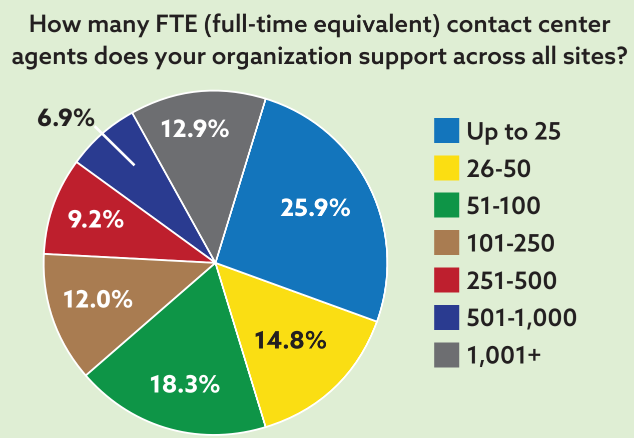


Figure 5: Agent Location Now and Future

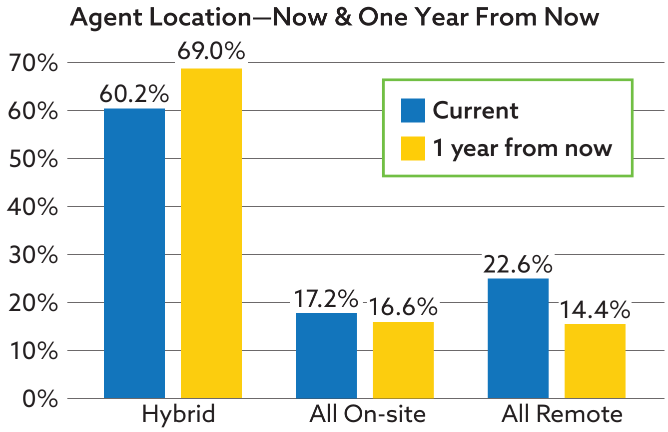
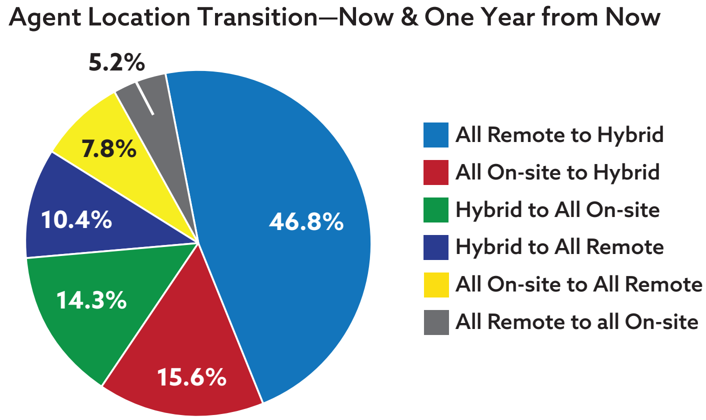


Figure 6: Agent Location Transition



PRIORITIES BY SIZE

Patterns are hard to come by in priorities by size. The strongest alignment was in the 251-500 band with 41% homing in on employee engagement. The next strongest alignment was 36% of the 26-50 band selecting coaching/development. The centers above 250 had a stronger focus on improving processes, and the smallest (50 or fewer agents) aligned on coaching and development and employee engagement. The mid-range bands (51-1000) all had over 27% voting for self-service.

Looking again at **Table 3** for the top priorities, it's clear the perspectives on which fires to fight vary by size! Most sizes show different priorities from past years as well, with 501-1000 reflecting an ongoing focus on self-service.

Bonus Question: Agent Location Now and Future

Our bonus question for the 2022 survey focused on a moving target many centers are wrestling with: Agent location, now and one year from now. As shown in **Figure 5**, Hybrid is the leader today and tomorrow, by a large and increasing margin. Hybrid is defined as some agents on-site, some remote/work-from-home. It can encompass a variety of models. For example, some centers have some staff that always work on-site, others that always work from home. Other centers will have agents in the office part of the time and at home part of the time.

Hybrid remains the most common model going forward, but for the minority expecting to change, there is a distinct longing to bring at least some agents that have been remote back on-site.

There are many variations on that theme, from a day here or there in office to 2-3 days each week, and from structured schedules to agent choice.

We learned a few things when analyzing the bonus question by industry and size:

- The larger centers (101 and up) are resoundingly hybrid today—with each size band showing over 60% hybrid. The smaller centers (100 and under) have more all on-site today (22%), and the largest centers have the least (less than 5%).
- The future shows no pattern by size, but all bands had at least 55% expecting hybrid (the lowest percentage band, 501-1000 agents, is the only one showing a decline). Among the largest centers (1,001+), 80% envision hybrid, and those indicating all on-site remains at 5%.
- All industries have at least 50% of participants indicating their model is hybrid today, and over 55% hybrid one year from now. Only Professional Services sees hybrid declining.
- BPOs have the most all on-site today (35%) and in the future (27%), and the biggest shift to hybrid.
- Financial Services has the fewest all remote (14%) and a strong shift to hybrid, as does Insurance and Education/Nonprofits/Government.
- Utilities/Telecom show the most hybrid now and in the future—76% and 83% respectively.
- Healthcare is one of the leaders in all remote today (along with Insurance—both over 28%) and grows this option in the future (31%).

It is also interesting to look at the degree and type of change that will occur. We found that 25% of those providing both current and future state indicated a change, with 62% of them transitioning to hybrid. Of those changing, the distribution is shown in **Figure 6**. All Remote to Hybrid is by far the most common transition. Combine that with the ones changing to All On-site and two-thirds of those making changes show movement towards on-site. However, with the balance moving toward more remote work, it is interesting to note that nearly a quarter of centers showing change intend to move away from the All On-site model, and more are showing a transition from All On-site to All Remote than the reverse.

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