WINNING STRATEGY

Retaining Top Talent Drives 6X ROI in Call Center Excellence

ALULA

TD Bank

INTRODUCTION

"Contact Us."

In retail services, these two words define a watershed moment in the customer experience. More than ever before, customers want to know—prior to making a purchase—that additional information and support is only a call or a click away. And they want it any time, all the time.

For those reasons, it's hardly surprising that in the last four years, both the value of the customer support sector and its total number of employees have rapidly increased. Customer expectations for on-demand, real-time, and personalized support have never been greater.

Yet, few industries present as many talent management challenges as customer support.

The industry typically bears a very high attrition rate, meaning customer support operations must spend enormous resources on recruiting, hiring, and onboarding. While these activities can impede productivity anywhere, they're especially troublesome in customer support, where even a few minutes of wasted time can result in significant additional costs.

THE CHALLENGE

TD Bank's Retail Card Services call centers are a critical link between retailers, the bank, and customers seeking to finance their retail purchases. Two of TD Bank's call centers—TD's Retail Card Service's call team and Customer Service—are particularly important for these transactions. To be effective, the call centers must ensure interactions are quick and seamless; delays can impact the brand of both the retailer and the financial institution.

To ensure they're meeting the needs of their customers, call centers use a broad array of metrics to measure things like First Call Resolution (ensuring the customer doesn't have to call back); Average Handle Time (the length of time on the call); and Average Speed of Answer (the total amount of time a customer waits on hold to talk to an agent). Performance against these metrics is then compared to Net Promoter Scores or Customer Retention Rates to establish best practices.

The principal threat to benchmarks and best practices is the customer support industry's traditionally high attrition rate. TD knew that to provide the best customer service, they needed to retain their top talent.

They wanted to make sure they were creating the best possible work environment for their team and giving their leaders the skills and training they needed.

TD Bank realized that, to reach the top percentile of industry benchmarks, it had to find a new strategy to retain its best agents. Very quickly, TD Bank concluded that it could not address attrition without first improving the performance of call center leaders.

Thomas Frosina, Head of Card Operations for TD Bank, said the Retail Card Services call centers—operations that together accounted for nearly 300 employees—were going through significant changes with the introduction of new managers at all levels.

As is often the case in the customer service industry, leaders usually work their way up from agents to managers. Given that professional development is not widely applied in this industry, managers typically have little access to leadership or coaching.
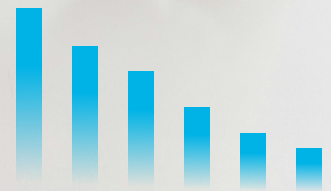
TD Retail Card Services were experiencing average call center industry attrition

"We wanted to give our leaders the opportunity for ongoing, multi-month, multi-engagement development to help give them everything they needed to be great coaches," Frosina explained. "This is not specific to TD; I've worked for many different organizations, and the best you can hope for is a one-day class where someone promises to teach you everything you need to be a good coach. That doesn't give people the opportunity for ongoing, multi-month, multi-engagement development that helps managers learn new behaviors."

The other major obstacle was the very nature of the job, Frosina noted. The pace of work in call centers is relentless, and administrative burdens on managers can be onerous.

"Call center managers are typically asked to do a lot of administrative things, like doing payroll or answering emails. But your job isn't really to answer emails, it's to manage your people, right? To get in front of them every week, every month, and work with them. Some of our managers were just sucked into this administrative stuff and they couldn't get out."

The end result was that managers had very little time to work with their agents to improve their performance. "Even when a problem was identified, there was no time to deal with it." Frosina said. "If an agent's handle time was too high, managers only had enough time to tell them to go faster."
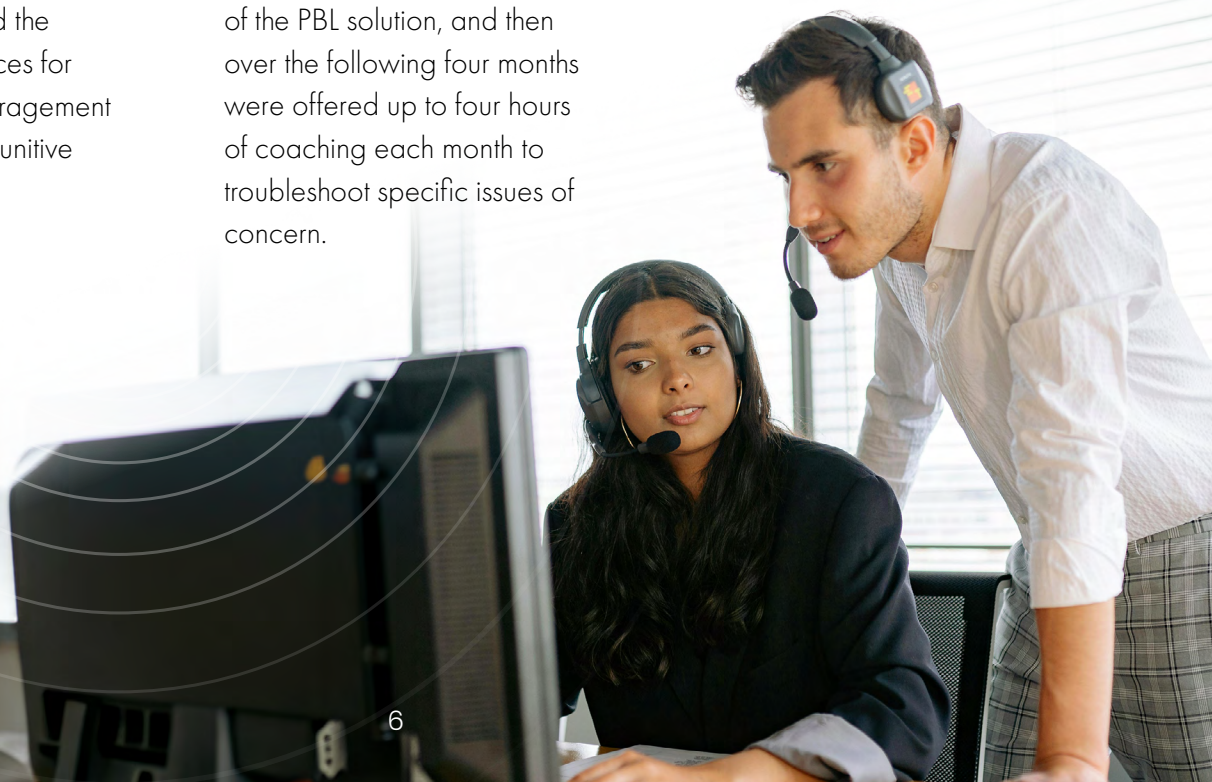
THE SOLUTION

Starting in August 2018, with a relaunch in 2021, TD Bank engaged ALULA to develop a Performance Based Leadership (PBL®) solution for managers in both Customer Service and TD's Retail Card Service's call teams. Following meetings with the organizational sponsor, ALULA convened working sessions with managers to build leadership behavior alignment maps and key metrics—both leading and lagging—to assess the impact of the solution.

These discussions resulted in the following solution:

- ALULA created a Behavior Change Plan focused on leadership skills and leveraged the power of consequences to create a more rewarding environment. This tipped the balance of consequences for leaders towards encouragement and away from more punitive results.

- Two models were employed: a feedback model for objective leader feedback, and a coaching model to both coach managers and train them in coaching skills. Managers were then encouraged to use what they learned in the conversations with their teams and to use tools such as MS Teams to increase the number of group and one-on-one interactions with their agents.

- Agents were encouraged to interact with each other to raise questions about day-to-day working experiences.

- In total, managers were provided with 16 hours of initial training in the core elements of the PBL solution, and then over the following four months were offered up to four hours of coaching each month to troubleshoot specific issues of concern.

In broad terms, Frosina emphasized how the PBL solution clarified the importance of managing and motivating people to drive results. Too often, call center managers have only enough time to cover their basic duties; interacting with individual agents seems like a luxury that schedules prohibit. TD Bank changed internal processes to alleviate administrative burdens for managers and, with the PBL solution in place, supported their progress and confidence in facilitating team conversations that were more meaningful.

THE RESULTS

The goal of the PBL solution was to give managers the tools and behaviors to become true people leaders, as well as provide ongoing support to sustain their learning. By all measurements, ALULA's PBL solution met or exceeded all expectations.

Frosina confirmed that the solution positively impacted all aspects of the employee experience. "It built cohesiveness across our team," he added. "This is a very tough environment, and that's typically why engagement and attrition suffer. But following the program, our employees were telling us they felt more supported, they were helping them to be better."

The ROI analysis was, not surprisingly, very encouraging.

Total Savings

Lower attrition, corresponding reductions in recruitment and hiring, as well as a 45-second decrease in AHT has resulted in a ROI of 600 percent.

6X ROI

Attrition

When work began with TD Bank, attrition rates at TD's Retail Card Services's call teams and Customer Service call centers were on par with the industry standard. In the years following the deployment of the PBL solution, TD Bank achieved a remarkable 70% reduction in attrition rates. This dramatic improvement positioned their attrition rate well below the industry norm, demonstrating the substantial impact of the implemented solution.

### 70% REDUCTION

Engagement

Prior to the PBL solution, the call centers typically scored 3.6 out of 5 on engagement surveys; in the years after the solution, engagement rates increased to their current level of 4.35, among the best results across all units of TD Bank

5
4
3
2
1

3.6

4.35

BEFORE   AFTER

Recruitment/Hiring Costs

With lower attrition, the amount of time and money spent hiring and onboarding new agents dropped significantly. Since the completion of the PBL solution, the "TD's Retail Card Service's call teams" and Customer Service Centers have hired considerably fewer replacement agents than the previous years.
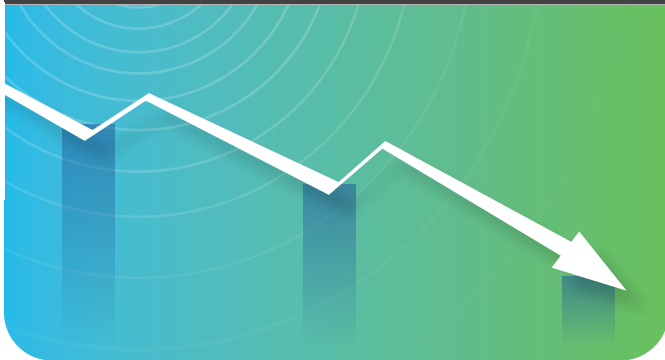
Performance Metrics

With more experienced agents being retained, the TD Bank call centers logged fewer minutes per call, and fewer calls for each client file. In the year following completion of the PBL, the two TD call centers had made significant strides in decreasing Average Handling Time (AHT).
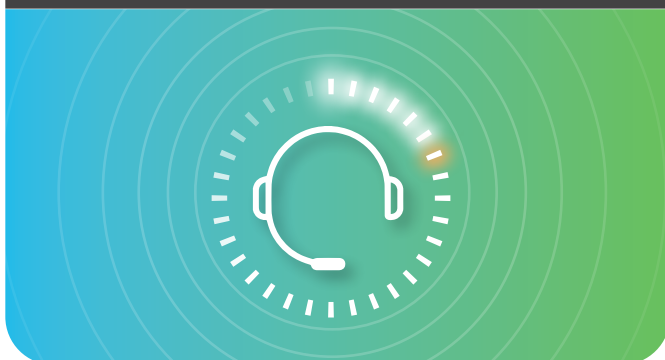
Overall, the metrics showed that the program was a win-win-win scenario: lower attrition; increased performance and overall engagement; lower recruitment/hiring costs.

As attrition decreased, there was a corresponding increase in performance. "Handle time went down because we had fewer new people coming in. When I have to replace staff, there's a cost to that, because when they come in the door, they're not as good as (an experienced) rep. They're good people, but they're maybe three quarters of an experienced rep until they get up to speed."

Frosina admitted that the solution also produced other benefits that were much harder to measure with leading or lagging metrics

For example, after completing the PBL solution, it was clear that several managers were not a fit for this role, and they were moved to areas where they could maximize their strengths.

Frosina pointed out that the retention of key staff also cultivated greater cohesiveness across the call center teams. Constant turnover meant that experienced agents were being asked to do more while new hires were brought up to speed. Less turnover, Frosina remarked, allowed teams to operate at peak efficiency.

The PBL solution also helped managers make informed hiring decisions. After fully absorbing the leadership behaviors and applying them to interactions with individual agents, Frosina saw managers beginning to understand how to match candidates for the demands of a call center.

"Call center work is all about finding the right people," Frosina stated. "It isn't for everyone, but when you find the right person, they excel. They love the engagement with customers, and they are a great fit for the job. The PBL solution helped our managers learn how to find the people who thrive in the role."

The managers themselves were energized by the PBL solution, which they said influenced all aspects of their role as people leaders. Many of the managers noted how working with coaches enabled them to find more time to observe their team members, which yielded insight into how some could improve their performance. Others felt that coaching helped them get much better at asking questions and listening to the people they were leading.

In some instances, the new behaviors and insights acquired by managers translated into instant improvement in agent performance.

"Checking in, and asking people how they are doing, letting them be heard, has turned around one of my agents. She went from being the worst performer on my team, to the best. I now share the same advice with my peers. Just spending some time asking people how they are doing and listening has been such a game changer."

ABOUT ALULA

ALULA is a management consultancy that helps organizations and the people that fuel them achieve their full potential by unlocking the right behaviors and uplifting performance.

We believe that the most important asset of any organization is its people. When people are engaged, motivated, and working towards common goals, they can achieve great things. But too often, organizations are held back by outdated behaviors and mindsets.

That's where ALULA comes in. We help organizations unlock the critical few behaviors that have the biggest impact on achieving results. We do this by working with leaders and teams to identify the behaviors that need to change, and then developing and implementing a plan to make those changes stick.

We believe that when people are working at their best, they can do amazing things. And we're here to help make that happen.