Controller and Auditor-General
Tumuaki o te Mana Arotake

Performance audit report

Performance of the contact centre for Work and Income

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Performance of the contact centre for Work and Income

This is the report of a performance audit we carried out under section 16 of the Public Audit Act 2001.

December 2006

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Foreword

Work and Income, one of the main service delivery arms of the Ministry of Social Development, provides income support and work assistance to large numbers of New Zealanders. Its contact centre answers about 6 million calls a year. I undertook a performance audit to assess and report on the contact centre's management systems and the relationships between the contact centre and the rest of Work and Income.

Overall, I was pleased to find that the contact centre's management systems follow industry good practice, and the contact centre is well integrated with the rest of Work and Income.

I have recommended improvements in two areas: how the contact centre measures and reports on the service it provides to callers, and the need for the contact centre to have an annual business plan. The contact centre has agreed to these recommendations.

This performance audit involved many staff at the contact centre, in other parts of Work and Income, and in other areas of the Ministry of Social Development. I thank them all for their co-operation.

K B Brady
Controller and Auditor-General

4 December 2006

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Summary

Work and Income is one of the main service delivery arms of the Ministry of Social Development (the Ministry). The performance of the Work and Income contact centre (the contact centre) is critical to the efficient and effective delivery of income support and work assistance to large numbers of New Zealanders.

We assessed the performance of the contact centre against recognised good practice and against its own standards. Our examinations focused on its performance in delivering services to callers, and on its systems for managing staff, controlling quality, and supporting operations.

The work of the contact centre is evolving as it delivers a wider range of services. This makes it increasingly important that the contact centre and Work and Income's service centres (which deal with people face to face) work closely together and have a good understanding of what each group does and the environment each operates in. Contact centre business processes and practices must also be closely aligned to overall Work and Income policy.

To test how these relationships worked in practice, we examined how the contact centre prepared for its role in piloting Work and Income's New Service Model. We also looked at how the contact centre prepared to undertake outbound calling campaigns. Outbound calling campaigns are intended to help Work and Income be more proactive with its clients – people receiving state-funded income assistance (for example, a benefit or New Zealand Superannuation).

Our findings

The contact centre's management systems and processes are consistent with good practice. These systems encompass responsiveness to clients, staff recruitment, training, performance management, quality control, technology infrastructure and support, workforce scheduling, and providing guidance to staff. The contact centre has a number of projects underway to enhance its services and business processes.

Our examination of quality checks and client satisfaction surveys confirmed that the contact centre complies with business processes and call handling standards. Contact centre staff receive comprehensive training for the job and are well supported in their day-to-day work, with ready access to the guidance and information they need to answer a wide variety of calls.

The contact centre is effectively contributing to the delivery of Work and Income services. Strong governance, planning, and project management have prepared the contact centre for new roles in helping to deliver government policy.

We make recommendations about two aspects of the contact centre's operations. The first aspect of its operations is the contact centre's practice of measuring its service level performance against a monthly target. The contact centre receives more than 400,000 calls each month. Even when the contact centre meets its monthly service level target, the level of service can fluctuate markedly during the day, between days, and between weeks. This means that, on some days, callers wait a long time for their call to be answered.

For any contact centre, forecasting call volumes accurately over short periods can be difficult. Fluctuations in call volumes make it difficult to assign the correct number of staff to meet a specific target at a given time.

However, in our view, callers can expect to receive a reasonably consistent level of service whenever they ring the contact centre. We recommend that Work and Income set a daily target service level for the contact centre, and report its performance against that daily target in its formal monthly reporting to the Work and Income Executive. We also recommend that the contact centre identify all possible causes of current variations in service levels, and provide the Work and Income Executive with an analysis of options for addressing these.

Business planning is the second aspect of its operations where we make a recommendation. The contact centre does not have a business plan for the 2005/06 financial year. An annual business plan would bring together the contact centre's objectives, funding requirements, identification of risks and opportunities, and planned enhancements to services and business processes. It would also help the contact centre to communicate its vision and direction to staff, other parts of the Ministry, clients, and other stakeholders.

The contact centre told us that it is preparing a three-year strategy that will include an annual plan.

There are other areas where, in our view, the contact centre could strengthen or enhance its existing activities. We have listed these in Appendix 1.

Our recommendations

We recommend that:

1. in conjunction with existing monthly service level targets, Work and Income set a consistent daily service level target for the contact centre, expressed as a range;
2. performance against this daily target be included in the contact centre's formal monthly reporting to the Work and Income Executive. These reports should include explanations for any variation from the target range, together with a plan to address the underlying cause;
3. the contact centre's formal monthly reporting to the Work and Income Executive include its service level performance by 15-minute interval;
4. the contact centre identify all possible causes of current variations in daily service levels, and provide the Work and Income Executive with an analysis of options for addressing these; and
5. the contact centre prepare an annual business plan.

Part 1
Introduction

1.1 In this Part, we set out:

- why we undertook this performance audit;
- the objectives of our audit; and
- how we conducted our audit.

1.2 We also describe the purpose, work, and structure of the contact centre we audited.

Why we undertook this performance audit

1.3 Local authorities and central government agencies have been operating contact centres[1] for some time, and the range of services provided through contact centres is continuing to grow. We have looked at contact centre operations in the past, but only as part of wider performance audits.[2] It was timely to recognise the growing role of contact centres in the delivery of public services.

1.4 Within the Ministry of Social Development (the Ministry), the performance of the Work and Income contact centre (the contact centre) is critical to the efficient and effective delivery of income support and work assistance to large numbers of people. Its role is also evolving rapidly as it works alongside Work and Income service centres to implement government initiatives such as the Working for Families package and programmes to help job seekers. Its importance as part of Work and Income, and as part of the Ministry, led us to choose it for this performance audit.

Objectives of our audit

1.5 Our audit sought to assess and report on the contact centre's contribution to Work and Income's service delivery outcomes.

1.6 The three broad objectives of our performance audit were to assess:

- whether the contact centre follows recognised best practice;[3]
- the management systems used to support the contact centre; and
- the relationships between the contact centre and the rest of Work and Income.

1 Contact centres are also known as call centres.

2 *Towards Service Excellence: The Responsiveness of Government Agencies to their Clients*, September 1999; *Ministry of Justice: Performance of the Collections Unit in Collecting and Enforcing Fines*, July 2005.

3 For example, timely client access to phone services, accurate and consistent advice and processing, a high standard of phone service, controls on quality, and efficient use of resources.

How we conducted our audit

1.7 There is a large body of literature about contact centre practice,[4] including reports published by other audit offices. We assessed the performance of the contact centre against recognised good practice for contact centres and against its own standards. In planning the audit, we also talked to selected contact centre managers about best contact centre practice, and consulted Work and Income on our performance criteria.

1.8 We examined how the contact centre manages its relationship with clients – people who receive state-funded income assistance (for example, a benefit or New Zealand Superannuation). We also examined its systems for managing staff, controlling quality, and supporting operations. We interviewed a variety of Work and Income staff to find out how these systems worked and to confirm that they were followed in practice.

1.9 Work and Income employs about 475[5] customer service representatives (CSRs)[6], who work at five sites in Christchurch, Lower Hutt, Hamilton, Greenlane, and Waitakere. The five sites operate as a "virtual" contact centre. Incoming calls are directed to the next available CSR no matter where the call was made or where the CSR is located. Our fieldwork included visits to two contact centre sites – Lower Hutt and Waitakere – where we talked to CSRs and managers about their work. We also visited four Work and Income service centres to find out how they viewed their relationships with the contact centre.

1.10 The role of the contact centre is evolving in response to changes in the way Work and Income delivers its services. These changes have required the contact centre to amend its practices, and required careful planning. To assess how this planning was carried out, we looked at how the contact centre prepared to participate in two particular projects:

- the introduction of the New Service Model (assessing all clients for work readiness and supporting those who are able to enter the workforce); and
- outbound calling.[7]

1.11 We examined project documentation and talked to contact centre and other Work and Income staff about aspects of planning for these changes and their effect on the contact centre.

4 Two useful texts are *Call Center Management on Fast Forward* by Brad Cleveland and Julia Mayben, Call Center Press, Maryland US, 1997, ISBN 0-9659093-0-1, and *The Complete Guide to Call and Contact Centre Management* by Catriona Wallace and Johanna Hetherington, Pearson Education Australia, NSW Australia, 2003, ISBN 174009-724-6.

5 Average number of full-time equivalent CSRs throughout the year.

6 The Work and Income staff responsible for handling calls to the contact centre.

7 Outbound calling involves CSRs making rather than receiving calls.

1.12 We did not examine:

- the service individual clients receive from Work and Income; or
- Work and Income's policies or practices on benefits or employment assistance.

Work and Income and its contact centre

1.13 Work and Income's main tasks are to assist job seekers and beneficiaries, and pay income support on behalf of the Government.

1.14 Work and Income has a network of service centres where clients meet face to face with case managers. Work and Income also operates a contact centre that callers access by calling any one of a number of Work and Income 0800 (free for the caller) telephone numbers. The contact centre does not deal with e-mails or facsimile messages from clients, except for those received through the Deaf Link free facsimile line for the hearing impaired.

1.15 The contact centre deals with a wide range of enquiries about benefits and work. CSRs tell callers about the services administered by Work and Income, change client records, record verbal applications for benefits or other assistance, make appointments for clients at their local service centre, and arrange attendance at workshops for job seekers.

1.16 Receiving about 100,000 telephone calls every week, the contact centre is one of New Zealand's busiest. The number of calls handled by the contact centre has grown from about 4.3 million in 1997/98, its first full year of operation, to almost 6 million in 2005/06. The contact centre's operating budget for the 2005/06 financial year was $29.6 million.

1.17 More than 80% of calls to the contact centre come through Work and Income's General Enquiries telephone number. The contact centre also answers calls to several other 0800 numbers, such as one for calls about New Zealand Superannuation and one for employers looking for workers. There are also different telephone lines for 11 different languages. The contact centre operates Service Express, a telephone system where clients can advise Work and Income about changes of income and other details without speaking to a CSR.

1.18 Outbound calling is becoming an increasingly important part of the contact centre's work. Work and Income introduced outbound calling in October 2004 to inform the public about the Working for Families package. Since then, the contact centre has undertaken a number of other outbound calling campaigns directed at different groups of clients.

Roles and structure

1.19 Responsibility for managing the contact centre is divided between a small national operations team, based in a national office, and managers at the five sites. The contact centre as a whole is overseen by the General Manager Contact Centres, who is a member of the Work and Income Executive and reports to the Deputy Chief Executive Work and Income.

1.20 The national operations team also includes the Operations Manager, the Service Development Manager, and the Training and Communications Manager. These managers are supported by several advisors and analysts.

1.21 The national operations team oversees call volume forecasting, workforce scheduling, rostering, outbound campaigns, training, industrial relations, and quality control.

1.22 Figures 1 and 2 show the structure of the contact centre's national office and the structure of the contact centre sites.

Figure 1
The organisational structure of the contact centre's national office

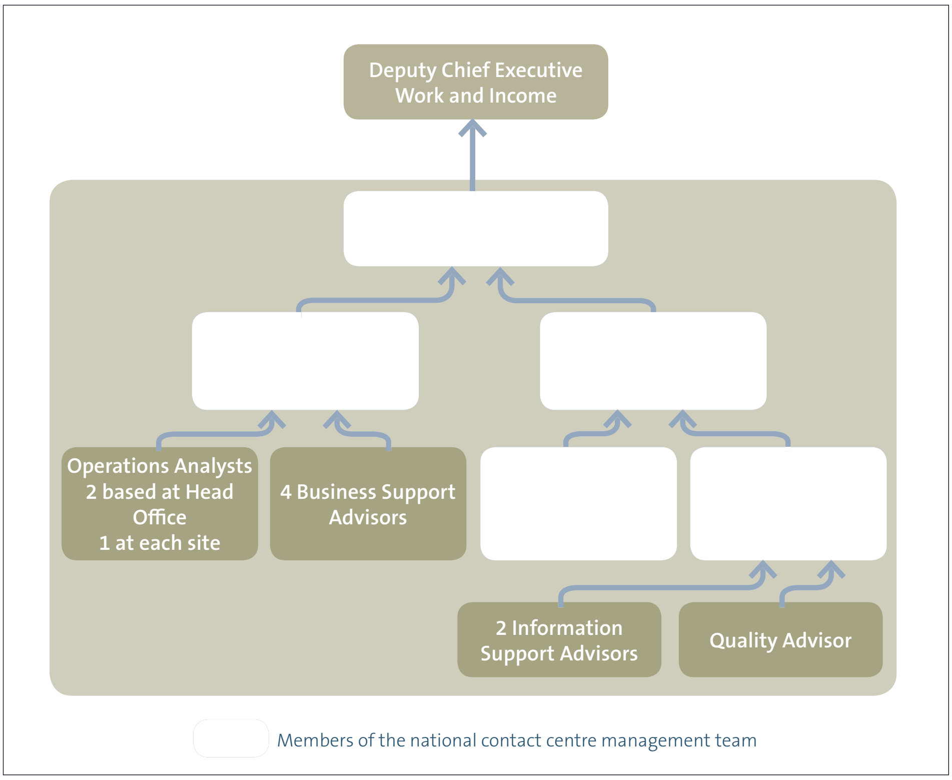
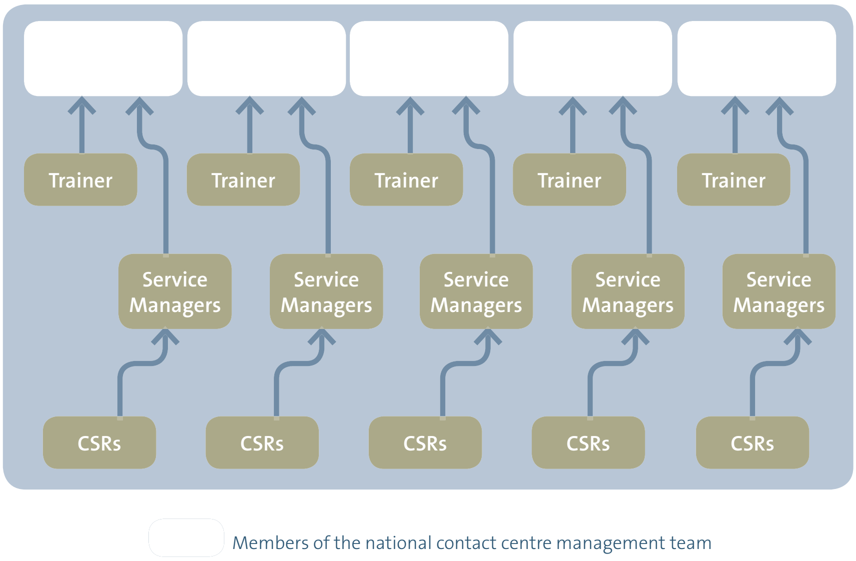


Figure 2
The organisational structure of the contact centre sites



1.23 Each contact centre site has a site manager, who reports to the General Manager Contact Centres. Each site manager is supported by a team of service managers, who are each responsible for a team of between 15 and 20 CSRs. Each site also has an operations analyst (who reports to the contact centre's Operations Manager) and a trainer. The manager of each site is a member of the contact centre management team, which meets each month.

1.24 The site managers are responsible for staffing each of the five sites (recruiting, training and coaching, reviewing performance, and maintaining quality).

1.25 The Ministry funds and manages most capital investment required by the contact centre, such as buildings and new technology. The Work and Income Executive directs policy changes and strategic development, such as introducing the New Service Model.

Part 2
The contact centre's relationship with callers

2.1 In this Part we:

- assess the contact centre's performance in providing callers with access to its services;
- discuss how the contact centre records and responds to the needs of clients; and
- discuss the automated self-service system, Service Express.

Access for callers

2.2 To evaluate access for callers, we:

- measured the contact centre's performance against its service level targets; and
- assessed the practical implications of our findings for callers.

2.3 We also evaluated the contact centre's service level targets and reporting to see whether:

- the contact centre's service level target is an appropriate indicator of the contact centre's call-answering performance; and
- the contact centre's performance against its service level target is measured and reported in the most appropriate way.

2.4 Our analysis used:

- monthly service levels for the 2003/04, 2004/05, and 2005/06 years; and
- detailed data on call answering times for the 12 weeks from 28 January to 22 April 2006.

Main findings

2.5 The contact centre met its monthly service level target[1] (answering a certain percentage of calls within a set period of time) and abandonment target (having no more than a set percentage of callers give up on waiting for their call to be answered) for six months of the 2005/06 year. The periods when the contact centre did not meet its targets coincided with the introduction of new processes and technology, which caused difficulties.

2.6 We found that, even in months when the contact centre met its monthly targets, there were fluctuations in weekly and daily service levels. The contact centre's practice of reporting to the Work and Income Executive on an average monthly service level means that these fluctuations are not explicitly visible.

1 A single service level target applies to almost all calls, except for a very small number of calls to the employer line.

Service levels

2.7 Answering every call immediately is not practical in most contact centres. An immediate answer for every caller would require some CSRs to be free and waiting to take calls at all times. This is not usually possible or desirable, given the resources that would be required to maintain this level of staffing.

2.8 Contact centres therefore define a target "service level" – that is, the percentage of calls that they aim to answer within a specified waiting time for the caller (expressed in seconds). For example, a target service level of 75/15 means that the contact centre aims to answer 75% of calls within 15 seconds.

2.9 Service level is a crucial measure of accessibility – how easy it is for callers to have their calls answered.

2.10 The pattern of incoming calls is commonly subject to random variations, making it difficult to forecast call volumes accurately or meet a service level target set for short periods. It is therefore realistic to accept that service levels will fluctuate, and sometimes be below the target service level. However, if the service level is below target for extended periods, many callers will experience longer waiting times, and will continue to experience those waiting times even if they abandon their telephone call and ring back later.

Work and Income's service level targets

2.11 The contact centre's monthly service level target is to answer 80% of incoming calls within 20 seconds (an 80/20 service level). However, while some callers will have to wait to be answered, no calls should receive a busy signal or be cut off.

2.12 The General Manager Contact Centres reports the monthly service level performance to the Work and Income Executive. The average service level for the year is reported to the Minister for Social Development and Employment in the Ministry's annual report.

2.13 The contact centre's target for abandonment – the percentage of callers who hang up before reaching a CSR – is to have no more than 5% of callers abandon their calls.

The contact centre's performance against its targets

2.14 We examined the contact centre's monthly service level for the years 2003/04, 2004/05, and 2005/06.

2.15 The contact centre's performance in meeting its monthly service level target has improved steadily in the last three years.

2.16 In the 2005/06 year, the contact centre met its monthly service level target in six out of 12 months (see Figure 3). This was a substantial improvement on previous years' results.

Figure 3
The contact centre's monthly service levels and abandonment rates for the 2005/06 year

	Service level: % of incoming calls answered within 20 seconds	Abandonment rate: % of callers who hung up before the call was answered
July 2005	55%	9%
August 2005	87%	2%
September 2005	94%	1%
October 2005	75%	5%
November 2005	91%	2%
December 2005	91%	1%
January 2006	77%	8%
February 2006	39%	16%
March 2006	59%	8%
April 2006	73%	7%
May 2006	86%	2%
June 2006	81%	4%
Yearly average	**76%**	**6%**

Source: Work and Income.

2.17 The contact centre did not meet or exceed its monthly service level target (of answering 80% of calls within 20 seconds, or 80/20) in July 2005, October 2005, and the four months January to April 2006.

2.18 These periods of low service levels coincided with the contact centre introducing new processes and technology. Contact centre management told us that introducing these new processes and technology caused the average call handling time (that is, the amount of time a CSR will take, on average, to handle a call, including time to complete work after the call) to rise. Because CSRs were taking longer with each call, the waiting times for other callers were longer.

2.19 Although we were unable to identify all possible contributing causes or assess their effect, our own examinations and discussions confirmed that performance was affected by special factors in these periods.

Abandonment

2.20 The number of abandoned calls is often linked to the service level – a high service level will usually result in fewer callers hanging up before their call is answered. However, many factors outside the control of the contact centre may also influence a caller's decision to abandon their call. Abandonment is of some value in assessing accessibility, but should not be used as a measure on its own.

2.21 In the 2005/06 financial year, the contact centre met its target abandonment rate (of lower than 5%) for six out of the 12 months. The abandonment rate was 5% or higher for the months that the contact centre did not achieve its target service level.

Assessing the relevance of the contact centre's service level target

2.22 To evaluate the contact centre's service level target and reporting, we wanted to answer two questions:

- Is the contact centre's service level target an appropriate indicator of its call-answering performance?
- Is the contact centre's performance against its service level measured and reported in the most appropriate way?

Measuring the percentage of calls answered within 20 seconds

2.23 To assess whether this measure is a good indicator of the contact centre's performance in answering calls, we looked at what was happening to the calls the contact centre did not answer within the 20-second target.

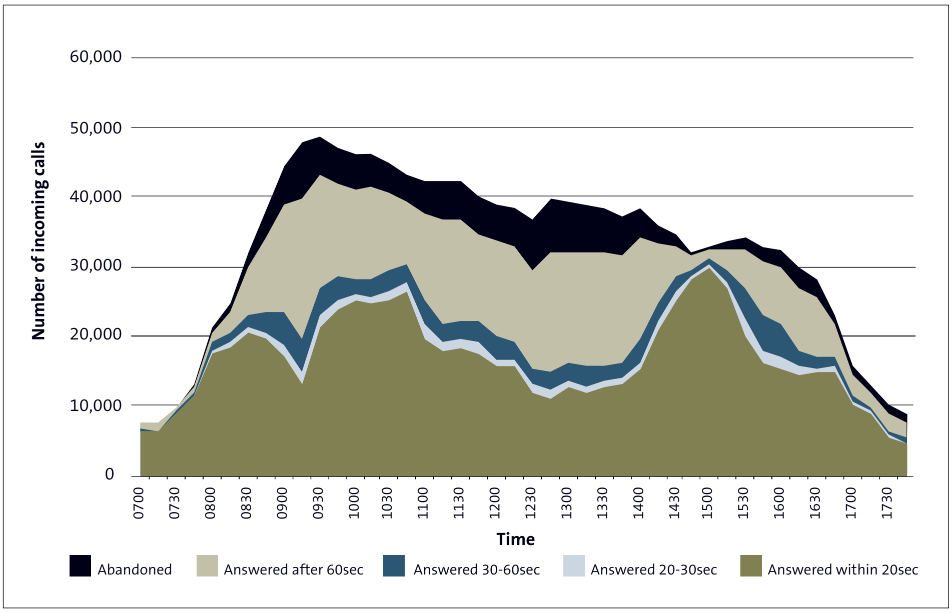
2.24 We analysed call answering times for the three months from 28 January to 22 April 2006.[2]

2.25 The contact centre provided data for this period that showed the number of calls answered within 20 seconds, within 30 seconds, and within 60 seconds.

2 As noted in paragraph 2.18, the contact centre's service level was affected by the introduction of new processes and technology during this period.

Figure 4

Call answer time distribution, 28 January to 22 April 2006



Source: Work and Income.

2.26 Figure 4 shows the number of calls answered within 20 seconds, between 20 and 30 seconds, between 30 and 60 seconds, and after 60 seconds, by the time of day. It also shows abandoned calls. For example, the section of the graph between 0700 and 0730 represents all the calls made in that half hour during the three-month period.

2.27 The darker green area on this graph represents calls answered within 20 seconds. The blue areas represent calls answered after 20 seconds but before 60 seconds. The pale green area shows the calls answered after 60 seconds. The black area shows abandoned calls.

2.28 Only a small percentage of calls were answered in the period between 20 and 60 seconds. Therefore, callers who were not answered within the target time of 20 seconds were likely to be waiting for longer than a minute. Other analysis we undertook showed that the abandonment rate was usually well over the 5% target in periods where many callers had to wait a minute or more.

2.29 Our analysis of call answering patterns indicates that measuring the percentage of calls answered within 20 seconds provides a good overall picture of the contact centre's performance in answering calls. We note that 80/20 is one of the standard service level targets in the contact centre industry.

Is the contact centre's service level performance measured and reported appropriately?

2.30 The contact centre's performance against its target service level of 80/20 is assessed and reported to the Work and Income Executive as a monthly average.

2.31 A service level averaged over a day, week, or month is likely to conceal fluctuations in the service level during the period. Assessing the service level using a monthly average does not necessarily reflect how easy or difficult it has been for individual callers to access the contact centre at different times during that month.

2.32 The contact centre forecasts daily and weekly service levels, based on forecast call volumes, forecast call handling times, available staff, and other relevant factors. The contact centre refers to this forecast as the "planned service level".

2.33 The actual daily service level is monitored throughout the day. If the service level for the day and for the week is likely to exceed 80/20, staff may be rostered off the telephones for coaching or other work.

2.34 Lower than planned service levels may prompt the contact centre to divert staff away from other work and on to answering calls.

2.35 However, planned service levels may be less than 80/20. The contact centre's performance targets for site managers accept that service levels may be below 80/20 for 75% of the weeks in a year.

2.36 Figure 5 shows planned and actual service levels for the period 3-8 April 2006. The figure also shows the number of calls made to the contact centre for each day in that period. The pattern of calls in Figure 5 is typical of the call pattern experienced by the contact centre. Calls volumes are generally heaviest on Mondays and there are fewer calls made towards the end of the week.

Figure 5

Planned and actual service levels for the period 3-8 April 2006, and the number of incoming telephone calls

Day	Planned service level: % of calls forecast to be answered within 20 seconds	Actual service level: % of calls that were answered within 20 seconds*	Number of calls made to the contact centre
Monday	0%**	23%	32,192
Tuesday	15%	79%	22,309
Wednesday	44%	94%	20,440
Thursday	48%	92%	18,083
Friday	72%	78%	16,596
Saturday	78%	90%	1,650
Average	**33%**	**69%**	

* Rounded to the nearest percent.

** The contact centre forecast that on this Monday none of its calls would be answered within 20 seconds.

Source: Work and Income.

2.37 The contact centre's overall service level for the month of April 2006 was 73% (that is, 73% of all calls were answered within 20 seconds). The variation in daily planned service levels was usually less extreme in months in which the contact centre achieved its monthly service level target.

2.38 We analysed the daily service levels for the 2005/06 year.

2.39 Our analysis showed that, even for those months in which the contact centre met its monthly target, there were significant variations in the daily service level. The contact centre regularly failed to meet the 80/20 service level on Mondays and Saturdays, and occasionally failed to meet it on other days of the week. However, there was not a sustained pattern of low daily service levels – service levels on other days of the week often exceeded 80/20 (meaning that more than 80% of calls were answered within 20 seconds).

2.40 For months in which the contact centre failed to meet its monthly service level target, we observed a sustained pattern of low daily service levels. However, even in these months, there were some days on which service levels met or were close to the 80/20 target.

2.41 We accept that it is not realistic for the contact centre to consistently meet its service level target. However, in practice, there is a pattern of marked variation in service levels from week to week and day to day.

2.42 Daily service levels well below 80/20 mean that many callers are likely to be waiting some minutes. Our analysis shows that more callers are likely to hang up when this occurs.

2.43 Daily service levels well above the target mean that, for that day, the contact centre had more staff answering telephones than was necessary. A contact centre that regularly exceeds its service level target may be operating inefficiently.

2.44 The contact centre's practice of averaging the service level for the month and setting lower service level targets for some days and weeks means that it accepts that callers will experience different waiting times depending on the day or week in which they call.

2.45 Advice we have taken suggests that contact centre best practice is to set a consistent daily service level target. However, this daily service level target is best set as a range – for example, the target could be to maintain daily service levels of between 75/20 and 85/20 for every day that the contact centre is open. Using a range recognises that there will be fluctuations in daily service levels because of factors outside the contact centre's control, but, nonetheless, requires the contact centre to strive to provide a defined level of service to callers each day.

2.46 Best practice also suggests that the service level by interval (for example, the service level for every 15 minutes) for the month be reported to senior management. We have included an example of the kind of graph that could be used for this reporting in Appendix 2. We note that the service level in the contact centre is measured in 15-minute intervals.

2.47 We accept that senior managers are aware that the contact centre does not provide a consistent level of service throughout the month. However, a daily service level target and more detailed reporting to the Work and Income Executive would encourage the contact centre to continue to improve its daily service levels as well as its monthly performance. More detailed reporting would also allow the Work and Income Executive to make better-informed decisions about resourcing and managing the contact centre, as interval and daily service level patterns will more accurately show the level of service experienced by callers during the month.

Recommendation 1

We recommend that, in conjunction with existing monthly service level targets, Work and Income set a consistent daily service level target for the contact centre, expressed as a range.

Recommendation 2

We recommend that performance against this daily target be included in the contact centre's formal monthly reporting to the Work and Income Executive. These reports should include explanations for any variation from the target range, together with a plan to address the underlying cause.

Recommendation 3

We recommend that the contact centre's formal monthly reporting to the Work and Income Executive include the service level performance by 15-minute interval.

Recommendation 4

We recommend that the contact centre identify all possible causes of current variations in daily service levels, and provide the Work and Income Executive with an analysis of options for addressing these.

How the contact centre records and responds to the needs of clients

2.48 The contact centre is an important point of contact between Work and Income and its clients. It is important that the contact centre is well informed about clients' needs, and responds effectively.

2.49 We examined how the contact centre communicates with clients, and contacted several groups for their views on the quality of the services delivered by the contact centre.

2.50 We also looked at how the contact centre assessed how satisfied clients were with the service the contact centre had provided, and how the contact centre handled complaints.

Main findings

2.51 Work and Income has established channels for communicating with client groups. Feedback is shared between the contact centre and other parts of Work and Income. This communication helps to ensure that the contact centre and other parts of Work and Income work together effectively in the interests of clients.

2.52 The groups that we contacted were generally positive about the quality of the contact centre's services, and their comments raised no new issues for this performance audit.

2.53 Regular surveys are carried out to assess client satisfaction, using a robust methodology. Survey results show consistently high levels of client satisfaction. However, the Ministry needs to consider increasing the sample size if it wishes to extract more detailed data from the survey.

2.54 An effective system is in place to deal with complaints. There are very few complaints, given the volume of calls handled by the contact centre.

Communicating with client groups

The role of national client managers

2.55 Client relations for the contact centre are managed through Work and Income's national client managers, who are responsible for specific client groups such as those receiving New Zealand Superannuation or people on working age benefits.

2.56 These managers meet regularly with client groups and pass on any issues raised at those meetings to the contact centre management team. They told us that the contact centre management team responds well to these suggestions and ideas for improving services.

2.57 The contact centre also passes relevant information to the national client managers. For example, the relevant national client manager would be advised if there was an increase in the number of calls from a particular group of clients.

2.58 National client managers sometimes also provide guidance to the contact centre on policy matters or on how to handle particular types of call.

Communication with beneficiary advocate groups

2.59 Work and Income holds quarterly meetings with beneficiary advocate groups at which the advocate groups raise any matters of concern. The General Manager Contact Centres attends these quarterly meetings if contact centre issues are on the agenda. On occasion, the contact centre has also used these meetings to inform groups of planned changes, and to explain the reasons for the changes and how they will affect clients.

2.60 We reviewed records of these meetings and found that the groups had raised few issues relating to the contact centre. Any such issues were passed on to the contact centre management team.

2.61 One group of advocates visited a local contact centre site, and then brought some questions about contact centre practices and processes to the next meeting. Such visits can be a useful way to show how the contact centre operates.

Our survey

2.62 A large number of non-government agencies deal with the contact centre, either directly or on behalf of clients. We asked a small selection of these about the quality of the contact centre's services. Our purpose was to identify common views, and to reveal any new issues we needed to examine as part of our performance audit.

2.63 We asked whether contact centre staff:

- answered the telephone promptly;
- were polite;
- were helpful; and
- were knowledgeable about Work and Income services.

2.64 Nine agencies responded. They were generally positive about the quality of contact centre services. The responses revealed no new issues for our audit.

The client satisfaction survey

2.65 The Ministry contracts an independent company to undertake continuous client satisfaction surveys. Clients who have recently rung the contact centre are contacted and asked about the quality of the service they received.

2.66 We examined the questionnaire used for the client satisfaction survey and sought assurances about the robustness of the sample selection, and about the design and relevance of the questionnaire.

2.67 Samples are randomly selected. We were told that the current sample size is large enough to have an acceptable margin of error for quarterly and annual reports. However, the monthly reports are indicative only, because the sample size is not large enough for the monthly data to be statistically reliable.

2.68 The questionnaire's design was robust and covered the main aspects of contact centre service. The questionnaire is reviewed annually.

Survey results

2.69 We examined the results of the client surveys for the year January to December 2005. Total overall satisfaction was consistently well above the contact centre's target of 85%.

2.70 Monthly results are reported to the contact centre's management team. Quarterly and annual results are included in the Ministry's output reporting.

2.71 The survey results are presented in various ways, including by site, client type, and relevant demographics. We were told that site managers monitor their site's results, and are asking for more detailed reporting than in the past. However, the current sample size is too small for the research company to provide assurance that these more detailed results are statistically reliable.

Recording and resolving complaints

2.72 CSRs enter the details of complaints they receive into a contact centre database.

2.73 The client's record shows which CSRs they have spoken with, so it is possible to assign all complaints related to the contact centre to one of the five sites.

2.74 Each site has a staff member responsible for assigning complaints to the appropriate person to resolve – usually a service manager. Complaints about service centre staff are referred to the relevant service centre.

2.75 After a set period of time, unresolved complaints are referred to a senior manager.

How complaints are resolved

2.76 We reviewed all complaints entered into the database in the year between 8 May 2005 and 8 May 2006. During this time, the contact centre received about 6 million calls.

2.77 We examined:

- how complaints were followed up;
- how quickly complaints were resolved; and
- what complaints were about.

2.78 During the 12-month period we reviewed, 369 complaints were recorded in the complaints database. Of these, 92% (340) were identified as resolved.

2.79 The most common follow-up action (83%) was telephone contact with complainants. Letters were sent to complainants in 12% of recorded complaints. No further action was considered necessary for the remaining 5% of recorded complaints.

2.80 Most of the resolved complaints (72%) were resolved within five working days. Only 9% of resolved complaints took more than 20 working days to resolve.

2.81 Most complaints were about the knowledge of CSRs. These made up nearly two-thirds of all recorded complaints. The next most common complaint type was about the behaviour of CSRs, which made up nearly one-quarter of complaints recorded during the year we reviewed.

2.82 Call recording aids the investigation of complaints about contact centre staff. The staff who investigate complaints often use call recordings to examine the nature and validity of complaints.

2.83 In our view, an effective system is in place to deal with complaints. There are very few complaints, given the volume of calls handled by the contact centre.

Service Express

2.84 Service Express is a self-service facility accessed through an 0800 telephone number.[3] It uses voice recognition[4] technology to link clients receiving benefits or New Zealand Superannuation from Work and Income to the Work and Income payments management database, giving clients access to personal information about their payments and debt balances. Clients can also report income directly without having to speak to a CSR. Callers can choose to leave Service Express and join the main queue of contact centre callers at any time during their call.

2.85 Service Express has been in operation since early 2002. There are about 50,000 calls to Service Express each month. The contact centre has an 0800 demonstration telephone number that callers can call to find out how Service Express works before using it.

2.86 Service Express has the potential to reduce the number of calls that need to be answered by CSRs. Fewer calls could lead to savings for the contact centre and shorter waiting times for callers.

2.87 CSRs are expected to promote Service Express in cases where this is appropriate for the particular client. CSRs have been provided with training and guidance to help with this.

2.88 However, the 2005 survey of case managers and CSRs found that some case managers were not actively encouraging clients to use Service Express. The survey also found that CSRs could more actively encourage clients to use this service. One group of CSRs we spoke to told us that Service Express was not well promoted and that clients did not yet trust the technology. Another group of CSRs confirmed that they mentioned it to clients who were likely to find it useful.

2.89 The contact centre has run an outbound calling campaign to make clients aware of this option for reporting income. We note that the contact centre is working on a marketing strategy to promote Service Express, to ensure that best use is made of it.

3 Calls made to Service Express are not included in service level measurement.

4 Voice recognition (otherwise known as "natural language recognition") technology interprets spoken words, enabling a caller to report their income or perform other transactions without the assistance of a CSR.

2.90 In our view, Service Express could be used more often, and by more clients, if Work and Income were to more actively promote this service.

2.91 Work and Income has investigated opportunities to expand the range of call types handled by Service Express or other automated contact channels. This could provide a more convenient service for many clients and enable CSRs to answer other calls or attend to other work. We encourage Work and Income to actively pursue these options.

Part 3
Managing people

3.1 In this Part, we examine the contact centre's systems for:

- recruiting CSRs;
- inducting CSRs;
- training CSRs;
- measuring the performance of CSRs and managers;
- managing contact with service centres; and
- measuring staff satisfaction.

3.2 We also look at the contact between service centres and the contact centre, and at the results of Work and Income's annual staff satisfaction survey.

3.3 We examined recruitment, training, and performance management documentation. We also talked to CSRs, their managers, and other contact centre personnel with staff management responsibilities about how these processes worked in practice.

Main findings

3.4 Recruitment is well planned. Applicants are made aware of the requirements for the CSR position. Relevant tests are carried out to help ensure that those who are selected have the right mix of skills and display appropriate behaviours. Turnover is consistent with the industry average, and the contact centre is able to fill vacant positions.

3.5 Induction is thorough and covers relevant areas. Trainees' skills are tested, and ongoing coaching and monitoring is in place.

3.6 The contact centre has a well-established capacity to design and review CSR training packages. The five sites work together on training issues and with the contact centre operations team. The contact centre has a variety of systems in place to identify and respond to individual staff training needs. Staff members in management roles receive appropriate training.

3.7 The contact centre has a system of regular performance assessment for all staff. Staff members are assessed against criteria that are relevant to their role.

3.8 There is not a strong focus on joint training with service centres. In our view, this would be helpful.

3.9 Results from the 2005 staff satisfaction survey were generally positive.

Recruiting customer service representatives

Planning

3.10 Staff turnover of CSRs in the contact centre was 24% across the five contact centre sites for the 12 months to April 2006. This is broadly consistent with the industry average.

3.11 With almost 600 staff, the contact centre needs to plan recruitment to maintain its workforce. Planning when, and how many, staff need to be recruited is carried out centrally, with input from the individual sites. Sites are responsible for carrying out the recruitment and induction.

The recruitment process

3.12 Recruitment in the two sites we visited was well organised and followed clear and comprehensive guidelines.

3.13 The job description for the CSR position places appropriate emphasis on relevant competencies such as personal behaviour, client focus, oral communication, managing time, meeting working standards, and teamwork. Applicants are invited to a recruitment seminar, where they are told about the requirements of the job.

3.14 The contact centre has well-defined selection criteria for new staff. Relevant skills and behaviours are tested during the application process. These include mathematical and comprehension skills and the candidate's telephone manner.

3.15 The criteria used to decide on a short list of candidates are relevant and the scoring system is clear. Interview questionnaires focus on relevant aspects of the CSR job, including a commitment to service, teamwork, and time management. Reference checks seek confirmation of an applicant's suitability.

3.16 We were told that there is demand for vacant positions, and the contact centre is generally able to recruit the staff it needs.

Inducting customer service representatives

3.17 The induction of new CSRs follows a standard, systematic process that is designed to equip new staff to undertake core CSR duties after 12 weeks.

3.18 Induction is comprehensive, and covers the work of the Ministry, the services delivered by Work and Income, the tools and technology used in the contact centre, call handling skills, and client service.

3.19 Induction involves various staff working together to teach trainees. The roles and responsibilities of these staff are well defined.

3.20 Appropriate emphasis is placed on the trainee becoming familiar with handling calls and achieving specified competencies, in conjunction with classroom learning. Progress in meeting these competencies is monitored and tested before the trainee progresses to the next level of responsibility.

3.21 Quality checks continue when the trainee joins a permanent team, with fewer quality checks required as the new CSR becomes more experienced.

Training customer service representatives

Creating training packages

3.22 The contact centre has a well-established capacity to design and review CSR training packages. This supports the contact centre's commitment to quality, and its evolving role in delivering an expanding range of Work and Income services.

3.23 The contact centre's operations team works with policy staff in Work and Income and the wider Ministry to design training packages for the delivery of new Work and Income services. Other training packages focus on strengthening the existing knowledge and skills of CSRs – for example, how to handle calls from specific client groups such as those receiving New Zealand Superannuation.

3.24 Site training managers are consulted on the design of training packages to ensure that the training packages are practical and relevant. Site training managers may create their own training packages where they see a need, or use aspects of the training packages of the other sites. The contact centre's operations team reviews training packages created by the sites and approves them for use nationally.

Training for individual CSRs

3.25 CSRs have various opportunities for training. These may be initiated by the CSR, the training manager, the service manager, or a quality coach.[1]

3.26 CSRs may submit requests for training at any time. The requests are considered by the CSR's manager, and scheduled when rosters allow.

3.27 Training managers, service managers, and quality coaches use quality monitoring, coaching, and performance reviews to identify the need for refresher training for individual CSRs, teams, or the site as a whole.

3.28 Training records for all CSRs are held on a database at each site. The training records we reviewed at one site showed that, in their time at the contact centre, CSRs had received a variety of training in Ministry policies, services, and business processes.

1 Quality coaches (also referred to as "technical experts") are experienced CSRs who spend a portion of their time monitoring and coaching other CSRs.

3.29 We were told that CSRs' sound understanding of Work and Income systems, processes, and services makes the contact centre a useful training ground for the rest of Work and Income.

3.30 Each CSR must also receive regular coaching. This coaching covers professionalism in the job, client management, and use of resources. For each CSR, there is a coaching record that sets out the agreed development strategies.

Training for managers

3.31 We sought evidence that training was provided for staff performing informal or formal management roles (for example, site managers, service managers, quality coaches, and buddies[2]).

3.32 Buddies and quality coaches are drawn from a pool of experienced and high-performing CSRs. They and service managers all receive some training when they take up their roles, although this may be provided informally.

3.33 Training records showed that service managers had received training in leadership development, management, coaching, and giving feedback. Service managers we interviewed confirmed that there were relevant training opportunities for them.

3.34 Senior managers in Work and Income can attend a Management Development Programme workshop. The programme contains modules relevant to the work of contact centre managers.

3.35 A draft Work and Income strategy identifies the need to build the capability of the contact centre, given the evolving scope of CSR work. The strategy also recognises the need to invest in a qualification for Work and Income CSRs. Growth in the size of the contact centre, service delivery changes, and the expanding scope of the work performed by the contact centre all make Work and Income's review of its training timely.

Measuring the performance of customer service representatives and managers

3.36 The performance expectations of CSRs and managers refer clearly to the main performance targets for the contact centre, and specify relevant competencies.

3.37 CSR performance is assessed for:

- professionalism;
- client management (including handling calls in an efficient and timely way);
- adhering to their roster (which the contact centre calls compliance);
- providing appropriate service;

2 Buddies are experienced CSRs who help trainee CSRs when the trainees begin to answer calls from clients.

- meeting quality and accuracy requirements;
- the use of tools and technology; and
- teamwork.

3.38 CSRs do not have a target number of calls to answer in a given period, although they may receive coaching if they have a higher than average call handling time. CSRs have a formal performance review every six months.

3.39 Service managers are responsible for managing the team of CSRs under their control. Their success factors focus on leadership, people development, technical and professional knowledge, relationship management, service quality/client focus, risk management, and use of resources. The performance of service managers is formally reviewed once a year.

3.40 Success factors for site managers reflect their strategic role in the site, and are concerned with leadership, people development, strategic and operational planning, relationship management, service quality/client focus, risk management, and compliance. The manager of each contact centre site is also accountable for keeping the site's expenditure within budget. The performance of site managers is formally reviewed once a year.

Contact with service centres

Reciprocal visits

3.41 The induction programme for trainee CSRs includes a visit to the nearest service centre. Case managers in the service centres receive a briefing on the work of the contact centre as part of their induction and may visit a contact centre site. However, not all case managers visit a contact centre, particularly if their service centre is some distance from the nearest contact centre site.

3.42 There are significant benefits for trainee CSRs in visiting service centres, especially as service centre and contact centre staff need to work more closely together under Work and Income's New Service Model.

3.43 CSRs may make a training request to visit a local service centre. However, whether this request is granted will depend on the time available.

3.44 A liaison guide that preceded the current *Seamless Service Standards* document[3] recommended that periodic reciprocal visits take place, suggesting that CSRs visit local service centre sites three times a year, and a remote site once a year. Case managers were to visit the contact centre within three months of beginning work. The *Seamless Service Standards* document does not include recommendations for reciprocal visits.

3 The *Seamless Service Standards* document sets out the standards service delivery staff are expected to meet when providing services to clients.

3.45 Although service centre staff do visit contact centre sites from time to time, not all case managers have visited a contact centre. Two told us they had never visited a contact centre, despite having been in their jobs for some years.

3.46 CSRs and service centre staff we talked to who had made such visits found them valuable. As we note later in this Part, the 2005 staff satisfaction survey identified reciprocal visits as one way to improve relationships between the two groups. Our findings support this view.

Joint training

3.47 Contact centre staff do not normally undertake joint training with service centre staff. The notable exception to this was the training for the introduction of the New Service Model pilot.[4] The Ministry's evaluation of the project found that staff viewed this joint training positively.

3.48 If service centres and the contact centre work more closely in the future, the benefits from a shared understanding of their respective roles will grow.

3.49 The 2005 survey of case manager and CSR satisfaction noted the benefits from consistent training and information for both teams, and suggested combined training to improve communications and promote consistent information. In our view, this was a sensible suggestion.

Measuring staff satisfaction

3.50 Each year the Ministry carries out a survey to assess staff satisfaction, and seek the perceptions of staff about its operations.

3.51 The survey asks staff:

- whether the contact centre provides accurate information;
- whether the contact centre provides a complete service to clients; and
- how well the service centres and the contact centre work together.

3.52 Results from the 2005 staff satisfaction survey were generally positive. Issues highlighted for improvement included communication between contact centre and service centre staff, and the differing views of the role of the contact centre held by contact centre and service centre staff. We discuss these points in our more detailed discussion of relationships between the contact centre and service centres in Part 6.

4 We discuss this training in more detail in Part 6.

Part 4
The contact centre's quality control programme

4.1 The requirements for an effective quality control programme are:

- a clear quality framework with clear objectives, well-defined staff roles and responsibilities, and specified resource requirements; and
- quality checks with explicit standards and clear and consistent checking procedures.

4.2 We looked for evidence that the contact centre's quality control programme met these requirements.

Main findings

4.3 The contact centre has a well-designed and comprehensive quality control programme, with clear objectives, roles and responsibilities, and assigned resources. Clear standards and assessment criteria support consistent procedures for checking quality.

4.4 Quality checks showed consistently high results.

The quality framework

4.5 The contact centre has a well-designed and documented quality framework with clear objectives. The quality framework has two parts: the induction process, which we discussed in Part 3, and the ongoing quality assurance programme, which we discuss in this Part.

4.6 Responsibility for carrying out the quality control programme is divided among a variety of staff in the contact centre operations team and at the five sites. All these roles are clearly defined at a national, site, and team level.

4.7 A national quality assurance manager co-ordinates and monitors the programme.

4.8 The site manager has overall management responsibility for quality at each site.

4.9 Quality is also a primary concern for service managers, who are responsible for the performance of CSRs in their teams. Quality checks of CSR calls are carried out by quality coaches in collaboration with service managers. Quality coaches also organise and deliver coaching and training.

4.10 A designated service manager at each site collates the results of quality checks and forwards those to the national quality assurance manager. A contact centre quality report summarises the results of quality checks for all sites. Results from this report are fed back to sites.

4.11 The designated service manager for each site monitors that site's performance against the contact centre's national targets. They also work with the operations analyst at the site to schedule time off the telephone for CSRs when quality checks show the need for coaching or training.

4.12 Resource requirements for induction are specified as part of the definition of staff roles.

4.13 Figure 6 shows a summary of the contact centre's quality checks.

Figure 6
Quality control procedures undertaken by the contact centre

Quality control	Frequency assessed	Assessment performed by
Call evaluation (listening to and scoring recorded calls)	5 calls a month for trainees	Quality coaches on site
	15 calls over 6 months for qualified CSRs	Quality coaches on site
SWIFTT checking (checking CSRs' actions in the Work and Income client and benefit database)	All actions checked for trainees	Quality coaches on site
	20 actions over 6 months checked for qualified CSRs	The Work and Income Central Processing Unit
Mystery shopping (a quality control person calls the contact centre in the role of a client and records the service they receive)	This programme is currently on hold	

Quality checks

4.14 We assessed whether there were clear objectives for the quality checks set out in Figure 6, and whether they were based on clear criteria. We also looked at checking procedures to see whether they were clear and well documented. Finally, we expected to see evidence that the results were analysed, and used for performance reporting and training.

Call evaluation

4.15 Call evaluations assess how well CSRs handle calls. Quality coaches on site, using a sample of recorded calls, carry out call evaluation. For qualified CSRs, 15 calls are evaluated in a six-month period. For trainee CSRs, five calls are evaluated every month. A consistent procedure is followed. CSRs are scored against each of the criteria, and any coaching needs are identified.

4.16 The criteria for the assessment of call quality are clearly documented and available online.[1] A user guide serves as a useful reference for quality coaches and CSRs in interpreting checking standards and ensuring that calls are evaluated consistently.

4.17 We were told that the contact centre is reviewing its call evaluation framework to take account of the different types of calls CSRs are now handling, such as outbound calls.

SWIFTT checking

4.18 SWIFTT is a Ministry database holding data about income support management and payment. SWIFTT checks assess whether a CSR's changes to that database are accurate, have been processed correctly, and are consistent with policy.

4.19 Procedures for SWIFTT checking are clear, consistent, and well documented.

4.20 A quality coach on site checks all SWIFTT actions performed by trainee CSRs. For qualified CSRs, the Central Processing Unit within Work and Income checks 20 actions in a six-month period.

4.21 Different types of action are checked, as is the quality of notes made by the CSR in the client's file.

4.22 Procedures for giving feedback and evaluating results are clear and consistent.

4.23 Results of the checking, any corrective action required (such as a change to the client's record), and any identified learning and development needs are sent to the relevant CSR for confirmation.

4.24 Errors that affect the client are classified as critical, while others are classified as learning and development issues. Critical errors may have a bearing on the assessment of the CSR's performance.

4.25 Policy changes or new initiatives pose a challenge for CSRs until they become familiar with new tasks and processes. In our view, the Central Processing Unit could more intensively monitor and report on the actions of CSRs when such changes occur. This would provide useful assurance about CSRs' skills and identify any need for better guidance or further training.

The results of quality checks

4.26 Call evaluation and SWIFTT checking data we examined showed consistently high results. Each site's results for both measures were close to the target of 95% of calls and SWIFTT actions meeting acceptable performance levels.

1 In this report, we use "online" to mean information that is readily available on CSRs' computers – a networked system of applications and databases that CSRs can access while talking on the telephone.

4.27 The results of call evaluations and SWIFTT checks are held on each site's database for coaching purposes and are also used for the six-monthly assessment of CSR performance.

4.28 Monthly quality reports are compiled for each site. These reports contain an overall percentage accuracy rating, identify areas of risk, list common errors and trends, and make recommendations for improvement. These reports are reviewed by the national contact centre operations team as well as site management.

Relationships between the contact centre and the Central Processing Unit

4.29 A good understanding of what a CSR does is important for the work of the Central Processing Unit. Central Processing Unit staff have visited contact centre sites to better understand the nature of CSR work, and the Central Processing Unit manager was planning to visit contact centre sites.

Mystery shopping

4.30 Mystery shopping involves a quality control person calling the contact centre in the role of a client and recording the service they receive. This is one of the quality control mechanisms identified in the contact centre's quality programme.

4.31 We were given a copy of what we were told was the last mystery shopping report, completed in November 2005. We understand that the contact centre intends to continue with mystery shopping, and that it was put on hold while a new appointee took over the role of national quality assurance manager. In our view, the mystery shopping programme would be a useful supplementary tool to test the contact centre's processes.

Part 5
Operations support

5.1 In this Part, we discuss the systems supporting the operations of the contact centre:

- technology infrastructure and support;
- call forecasting and workforce scheduling;
- guidance available for staff; and
- planning and reporting.

5.2 During our site visits, we discussed these systems and how they work with the contact centre operations team, with information technology (IT) personnel from the Ministry, and with CSRs and other staff.

5.3 We did not examine the disaster recovery capability of the Ministry or contingency planning.

Technology infrastructure and support

5.4 We sought evidence that contact centre technology (telephone technology and the associated software and hardware) was capable of:

- handling expected call volumes;
- holding callers in a queue and then directing them to waiting CSRs; and
- producing data about calls and the available resources.

5.5 We also looked at the reliability of this technology.

Main findings

5.6 From the information provided to us, we were satisfied that the technology supporting the contact centre has the necessary capacity to handle call volumes, effectively manage queues, direct calls to waiting CSRs, and produce data for monitoring and reporting.

5.7 A service level agreement between the contact centre and the Ministry's IT customer services group provides a framework for monitoring reliability, a system for dealing with faults, and a means to resolve longer-term problems.

5.8 While contact centre technology is generally stable and reliable, introducing the Internet Protocol Contact Centre[1] (IPCC) telephone system to the contact centre caused some problems, which affected the contact centre's services to callers. We understand that reliability issues have yet to be fully resolved.

1 Internet Protocol Contact Centre (IPCC) refers to a telephone system that uses Voice over Internet Protocol rather than traditional telephone lines.

Capacity, call distribution, and call data

5.9 The Ministry's IPCC telephone system has the capacity to handle up to 230,000 calls a day across the Ministry. The IT group in the Ministry confirmed that the line capacity was adequate for the contact centre. This means that, while callers trying to reach the contact centre may have to wait to be put through, they should never receive a busy signal nor have their call disconnected before reaching a CSR.

5.10 The IT group monitors line capacity, call volumes, database capacities, and network use. We were told the adequacy of the line capacity had been verified through external reviews. Plans are in place to introduce new lines to cope with potential increases in demand.

5.11 We identified no concerns about the distribution of calls to different sites or groups of CSRs, and no concerns were expressed to us.

5.12 The contact centre's telephone software collects comprehensive call data for monitoring the performance of individual CSRs, of sites, and of the contact centre as a whole. With this data, the contact centre's management is able to manage queues, monitor call answering times and abandonment rates for each telephone line, and measure productivity. We discuss this data and how it is used in more detail later in this Part.

Reliability and fixing faults

5.13 The contact centre's IT systems (its telephone lines and desktop applications) are managed by a customer services group within the Ministry's IT division. This group responds to requests from users and deals with incidents. The group has a service level agreement with the contact centre, against which reports are prepared monthly. The contact centre operations manager and the Ministry's IT customer services manager meet each month to discuss the monthly report.

5.14 Reports to March 2006 showed that the Ministry's IT applications were available to users for a high proportion of the time. However, the report for October 2005 showed the highest number of calls to the Ministry's IT customer services group in six months. This coincided with introducing the new IPCC telephone system. Incidents continued to be reported in 2006, with 37 IPCC-related faults reported during February.

5.15 The IT customer services group receives, on average, about 650 calls a month from the contact centre, almost all of which are defined as low priority. Most problems are fixed over the telephone, but system support analysts are also available to fix problems on site.

5.16 The IT customer services group has resolution targets that vary according to the priority assigned to different types of fault. Four-hour resolution targets apply to high priority or urgent business application faults, and to outages to corporate applications and telephone technology.

5.17 The process for recording requests for service and fixing faults is well defined. All requests, faults, and queries are logged and summarised in the monthly report. Incident reports are prepared for failures of systems that affect telephone users. We saw examples of these incident reports, and evidence that they were followed up to establish the cause and find a solution.

5.18 There was evidence of discussions between the Ministry's IT personnel and the contact centre operations manager on the causes and effects of faults, such as loss of calls and increases in call handling time.

5.19 An annual staff satisfaction survey asks Ministry staff for their views on the availability and performance of different applications. The latest survey report, published in October 2005, showed a decline in ratings for the newly introduced IPCC phones, reflecting a higher level of service requests in this period.

5.20 CSRs we spoke to considered the technology infrastructure of the contact centre to be mostly reliable. They were confident about the support available to help with any IT problems that might arise.

Call forecasting and workforce scheduling

5.21 Scheduling is about having the right people in the right place at the right time. In a busy contact centre, scheduling is complex and must take account of many factors. Some of these factors are:

- the number of calls coming into the contact centre at different times of the week and during each day;
- call handling time; and
- the target service level for the day or week.

5.22 Scheduling also needs to incorporate time for individual coaching, training, team meetings, and time for staff to bring themselves up to date with changes to policies or processes.

5.23 We sought evidence that Work and Income had a system for staff scheduling that took account of all relevant factors.

5.24 Unplanned events can mean that more or fewer staff are needed at a given time than forecast. We expected the contact centre to monitor service levels and have a plan to respond to changes at short notice.

Main findings

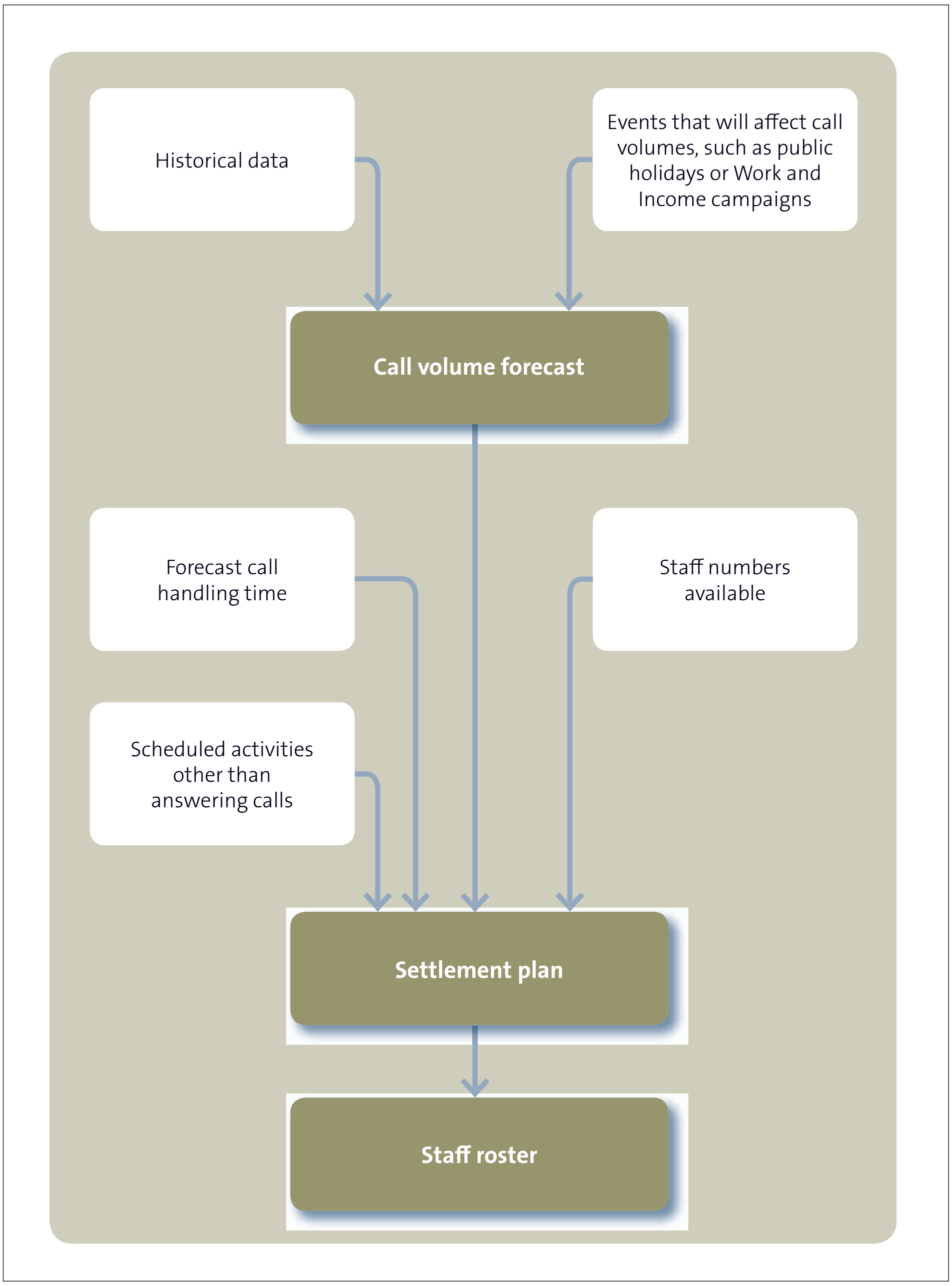
5.25 Scheduling follows a systematic process of forecasting required staff numbers and preparing rosters (see Figure 7). Communication between sites and the national contact centre team helps to ensure that different, and often competing, operational demands are met.

5.26 Access to detailed call management data and adjusted forecasts during each day gives the contact centre the flexibility to respond to unplanned events by reassigning staff.

Forecasting, creating the settlement plan, and rostering

5.27 Forecasting and preparing a national settlement plan (which shows scheduled activities for a two-week period for each site) is the responsibility of the contact centre operations manager and his team of business support advisors in Wellington.

Figure 7
Information incorporated in workforce scheduling



Forecasting

5.28 The contact centre uses software to calculate the number of staff required for a given day. It uses a number of variables such as call volumes, target service levels, and predicted call handling time.

5.29 Daily call volumes are forecast in 15-minute intervals. These forecasts are based on historical data. Future events likely to affect call volumes, such as advertising of Work and Income services, policy changes, or public holidays (after which call volumes are normally high), are included in the forecast.

5.30 The contact centre's forecasting takes account of other factors that may indirectly affect the service level, such as the introduction of new information technology or processing requirements that may increase call handling times.

The settlement plan

5.31 The product of forecasting is the national settlement plan. The national settlement plan shows scheduled activities over a two-week period for each site, and is published two months in advance. It is based on expected call volumes, call handling times, staff numbers, staff leave, and planned activities off the telephone (such as training and meetings).

5.32 The settlement plan is discussed in weekly conference calls between the contact centre operations manager and the five site managers. Each site manager is responsible for meeting the allocated telephone hours set out in the settlement plan.

Staff rosters

5.33 Staff rosters are prepared based on the settlement plan. CSRs are rostered within the hours of 7am to 8pm on Mondays to Fridays, and 8am to 1pm on Saturdays. CSRs know their rostered hours three weeks in advance.

5.34 The contact centre is planning to introduce a roster system that would allow CSRs to express their preferences for their hours of work.

Including special requirements in the settlement plan and roster

5.35 The contact centre's scheduling has the flexibility to roster specialist staff when required. For example, the annual general adjustment to benefits and New Zealand Superannuation from 1 April 2006 required complex calculations. The contact centre predicted the need to assign selected CSRs to this task, with time allocated through the settlement plan and staff rosters. This enabled the contact centre to process calls more efficiently and accurately.

Monitoring and responding to call patterns and service levels

5.36 Even with good forecasts and accurate schedules, any contact centre needs to constantly monitor call patterns and service levels, and respond with a well-defined escalation plan. The contact centre's system means it can monitor and respond to changes in service level at short notice.

5.37 Operations analysts have access to a variety of data that enables them to monitor factors critical to the contact centre meeting its planned service level. These include waiting times for callers, the number of callers in the queue, the number of abandoned calls, and how many CSRs are available to take calls.

5.38 The call management system constantly adjusts the daily service level forecast to reflect the current situation. Operations analysts monitor variations between planned and actual service levels that indicate a possible need to assign more staff to answering calls, or to release some staff for off-phone activities.

5.39 The contact centre has a set of procedures to deal with unplanned events affecting service levels. These procedures define the circumstances in which more staff will be assigned to answering calls at short notice. The procedures specify different responses depending on the nature of the event and the effect of that event on the service level.

5.40 In monitoring call performance and responding to unplanned events, the operations analyst can also allocate CSRs to answering only calls to particular 0800 telephone numbers. This enables the contact centre to reserve staff to maintain levels of service for priority services. For example, the contact centre uses this facility to reserve CSRs for the employer line through which employers inform Work and Income of job vacancies. The contact centre has a target of answering 95% of calls to this line within 20 seconds, reflecting Work and Income's emphasis on moving people into employment. (The employer line is not included in the monthly 80/20 target.)

5.41 One way to reduce the effect of unforeseen events on service levels is to play callers a message explaining that the contact centre is currently experiencing heavy call volumes. Such messages may encourage callers to call back later, reducing the number of calls waiting in the queue. The contact centre's technology has this capability, and we saw evidence of circumstances in which messages to callers had a marked effect on call volumes.

Monitoring CSR compliance

5.42 For the contact centre to meet its service level targets, CSRs must be logged into their telephones, taking calls or ready to take calls, during their rostered hours.

5.43 Compliance (the proportion of their rostered time that CSRs spend logged in to the telephone, taking a call or waiting to take a call) is monitored closely at sites. Compliance is included in the contact centre's monthly report to the Work and Income Executive.

5.44 Reported compliance rates to March 2006 were consistently high, reaching or exceeding the target of 92%.

5.45 Other productivity data available by site and for each individual CSR includes clerical time, call handling time, and the number of calls answered. CSRs may receive coaching if their productivity data is persistently out of line with average performance.

Guidance available for staff

5.46 CSRs have to be able to answer all queries quickly, and provide every caller with accurate information. They must also follow Work and Income's policies and procedures.

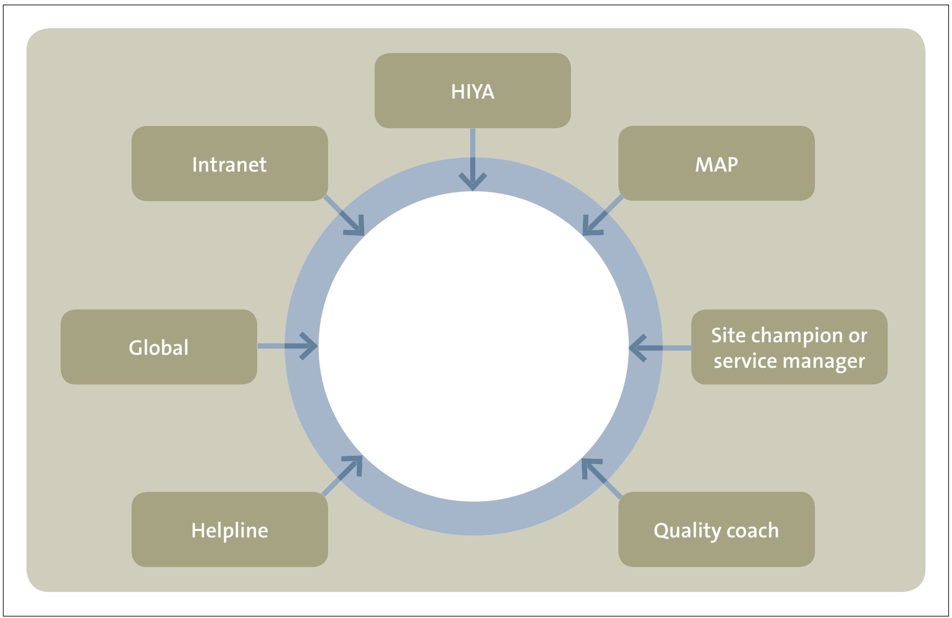
5.47 CSRs therefore need ready access to accurate, consistent, and easy-to-follow information and guidance. We looked at what information and guidance was available to CSRs and asked whether they found this easy to navigate, clear, and up to date.

Main findings

5.48 CSRs have access to a large body of guidance and information to help them answer callers' questions (see Figure 8). Information is kept up to date, is relevant, and is easy to search. CSRs also have ready access to client details.

Figure 8

Sources of guidance and information for customer service representatives



Online guidance

5.49 CSRs have online access to a variety of information sources to help them answer calls. The main sources are:

- HIYA ("Here is Your Answer"), an application specifically designed for Work and Income contact centre staff;
- MAP, an online policy and procedures manual;
- the Work and Income intranet; and
- Global, a directory of Work and Income staff's contact details.

HIYA

5.50 The main information source for CSRs is HIYA. HIYA contains information about the contact centre's work as well as about Work and Income more generally.

5.51 CSR are given 30 minutes each week to catch up on fresh information in HIYA. CSRs we interviewed considered this enough time, given that there were normally some additional opportunities between calls.

5.52 Training in using HIYA is part of induction. CSRs we spoke to considered HIYA easy to use.

5.53 HIYA is regularly updated and has an extensive search facility. It includes links to other information sources, such as MAP and Global, which helps CSRs find information during a call.

5.54 Pages in HIYA provide guidance on specific topics such as outbound calling, Working for Families, and New Zealand Superannuation. Guidance is in a readily accessible form, such as scripts,[2] decision trees,[3] and lists of frequently asked questions.

5.55 HIYA features weekly comments from the General Manager Contact Centres. CSRs can use HIYA to suggest improvements to services or business processes, note problems, or record complaints from clients. Staff also use HIYA to request leave and training.

MAP, the Work and Income intranet, and Global

5.56 MAP is Work and Income's online policy and procedures manual. It contains technical information about policies and services.

5.57 Work and Income's intranet contains easy-to-search corporate information.

5.58 Global is an online staff directory. It contains a list of staff and their portfolios. CSRs use it to find a client's nearest service centre.

Other sources of guidance

5.59 CSRs needing help during a call can also seek advice from a quality coach, or a "site champion". Site champions are CSRs or service managers with specialist knowledge of a particular subject.

5.60 The Helpline is also available to CSRs. The Helpline is a telephone service CSRs (and other Work and Income staff) can call for help with business processes and how to apply Work and Income policies. The Helpline also issues general advice in response to common queries from Work and Income staff. CSRs can place a caller on hold to access the Helpline.

Ease of use

5.61 We observed, and were told, that CSRs have ready online access to client details.

5.62 They are able to search for information they need, and can easily switch between screens and applications at their computers during a call.

2 A script is a set of directions, with suggested wording, to help guide a CSR through a call.

3 A decision tree is a flowchart that shows the information needed to reach a decision.

Updating information for CSRs

5.63 An information support advisor in the contact centre operations team is responsible for ensuring that contact centre staff have access to accurate, up-to-date, and easy-to-use information. This job includes:

- creating and maintaining information within HIYA; and
- providing guidance to CSRs.

5.64 The information support advisor acts as a link between the contact centre and policy units in Work and Income. They gather information from a variety of sources in Work and Income and the wider Ministry, and make it available to CSRs in an appropriate and accessible format.

Planning and reporting

5.65 We looked at how the contact centre:

- plans for the year ahead;
- sets its budget; and
- reports on its performance.

5.66 We discussed planning, budgeting, and reporting with relevant managers at the contact centre and in the wider Ministry. We examined examples of regular reports as well as other documents, such as business cases for new funding.

5.67 The Ministry funds and manages the contact centre's corporate overheads, such as building costs and technology. We did not examine the Ministry's management of this expenditure.

Main findings

5.68 The contact centre plans for the year ahead, but does not have an annual business plan. It has told us that it intends to prepare a three-year strategy, which will include an annual plan.

5.69 The budgeting process meets the needs of the contact centre, which receives assured funding. The contact centre is required to follow the discipline of compiling and seeking approval for a business case to obtain further resources.

5.70 The contact centre has a sophisticated system for collecting call data and produces a variety of reports on service level performance, resource use, call quality, client satisfaction, and productivity.

Business planning

5.71 We expected the contact centre to have an annual business plan setting out:

- its objectives and performance targets, with strategies to achieve these and an estimate of the funding needed;
- its risks and opportunities, including ways in which it will manage its relationships with, and reliance on, other parts of Work and Income and the Ministry; and
- ways in which it will seek to operate more effectively and at lower cost.

5.72 We also expected the contact centre to report regularly against its business plan, using relevant measures of performance.

5.73 The national contact centre management team holds an annual planning workshop where it discusses ways to operate more effectively and efficiently. These workshops result in a number of projects for the coming year, focused on business improvement and reducing costs. However, the contact centre did not have a business plan for the 2005/06 financial year.

5.74 The contact centre told us that it intends to prepare a three-year strategy, which would include an annual business plan.

5.75 A business plan would have significant benefits for the contact centre and for the Ministry. It would provide a means for the contact centre to:

- set its objectives and targets as a contact centre business and as a service delivery arm of Work and Income;
- determine the funding required to achieve its objectives;
- report on its performance against its objectives;
- identify risks and opportunities, including external dependencies and factors outside its control that it needs to recognise and manage;
- outline how it intends to operate more efficiently and improve its business processes; and
- communicate its vision and direction to its staff, other parts of the Ministry, clients, and other external stakeholders.

Recommendation 5

We recommend that the contact centre prepare an annual business plan.

Business improvement

5.76 The contact centre is involved in a wide range of projects to enhance its services and business processes. Some originate with the contact centre itself, and others with Work and Income or another part of the Ministry.

5.77 Although, with competing priorities, some projects proceed more quickly than others, documentation supplied to us indicated that projects are well planned and managed.

Budget

5.78 The major expenses in running a contact centre are salaries and other staff-related costs. The budget allocated each year to the contact centre covers these costs. The Ministry meets most other costs.

How the budget is set

5.79 The contact centre receives a core budget allocation each year. Extra funding has been allocated to the contact centre as it has expanded and taken on different types of work. More funding may be sought if the contact centre needs to handle a greater volume of calls (inbound or outbound), or if the average time taken to handle calls increases because of new processes or requirements.

5.80 Work and Income has a strategy for the contact centre to deliver more services where these can be delivered more efficiently over the telephone than in service centres. Bids for more funding are supported by business cases, which are presented to the Work and Income Executive for approval.

5.81 If the contact centre is required to take on significant new functions with major resource implications, the Ministry will seek funding from the Government. This was necessary with the introduction of the Working for Families package, for which added funding was obtained for the contact centre.

Allocation and reporting

5.82 The contact centre's budget is divided among the five sites, according to staffing costs. Salaries and other staff-related costs make up more than 90% of each site's budget.

5.83 The five site managers are responsible for monitoring the budgets allocated to them, and for monthly expenditure reporting to the rest of the contact centre's management team. The General Manager Contact Centres reports on expenditure to the Work and Income Executive, which she is a member of.

Reporting on contact centre performance

5.84 A summarised monthly performance report is tabled at the monthly Work and Income Executive meeting. The monthly performance report shows the number of calls received by each of the 0800 telephone numbers, and the number of outbound calls made by the contact centre, for the month and for the year to date. It also notes any major issues and outlines progress with projects.

5.85 The monthly performance report shows performance against targets for:

- client satisfaction;
- service level;
- call handling time;
- compliance;
- sick leave; and
- call quality.

5.86 The contact centre is responsible to Work and Income for meeting its targets. However, monthly performance reports to the Work and Income Executive do not highlight instances where the contact centre has failed to meet its targets. Nor do they contain a thorough analysis of either the causes of these difficulties or the implications for callers. We have discussed these matters in Part 2, with recommendations for more detailed analysis and reporting.

Reporting within the contact centre

5.87 The contact centre has a sophisticated performance reporting system, which shows performance within a given day, at the end of the day, for the week, and for the month.

5.88 Monitoring during the day is the responsibility of the duty operations analyst, who initiates a response (where necessary) to variances between planned and actual service levels and likely changes in call volumes. Call data is available by 15-minute interval.

5.89 End-of-day reports show:

- how long CSRs spend answering or waiting for calls;
- how much time they spend on clerical tasks; and
- how many calls are answered, and how many are abandoned.

5.90 This data is available for each of the five sites, for each CSR, and for each telephone line.

5.91 A further report shows performance for the week and comments on factors that have affected that performance. Each week the five contact centre site managers and the national operations manager discuss the weekly report, the settlement plan, service levels, and priorities for tasks other than answering calls. Each of the five site managers is responsible for explaining any variances between allocated hours off the telephones for their site and the actual hours used.

5.92 The national contact centre management team receives a monthly report, showing staff productivity, compliance, client satisfaction, attrition, the results of call quality checks, analysis of outbound call outcomes, and call volumes.

5.93 The national contact centre management team also receives a monthly operations report showing client satisfaction by site, service levels with inter-year comparisons, call quality results, call handling time, call volumes, and data showing efficiency and productivity (such as measures of compliance and CSR telephone time).

5.94 Members of the contact centre management team meet every four to five weeks. They consider the monthly performance report and operations report at these meetings. The management team also discuss a range of operational and strategic issues relevant to the contact centre and the wider Ministry, and the status of business improvement projects.

Part 6
How the contact centre works with other parts of Work and Income

6.1 In this Part, we discuss how the contact centre works with other parts of Work and Income. We consider the relationships between the contact centre and service centres, which are critical to the quality of services delivered to Work and Income clients.

6.2 We also look at:

- how Work and Income introduced the New Service Model at the contact centre; and
- planning for outbound calling.

6.3 Both services have brought changes to the way in which the contact centre operates and works with other parts of Work and Income.

Relationships between the contact centre and service centres

6.4 The contact centre and service centres need to work closely together to deliver a consistent and effective service for Work and Income clients.

6.5 Case managers are CSRs' main point of contact with service centres. We asked CSRs how they worked with case managers and about relationships with service centres more generally. We also visited four service centres to ask case managers and other staff about the services delivered by the contact centre.

6.6 We asked CSRs and case managers about:

- the framework they worked within;
- the case managers' understanding of what CSRs did; and
- the case managers' assessment of how well CSRs did their job, and the effect CSRs had on case managers' work.

Main findings

6.7 A service charter and standards govern working relationships between the contact centre and service centres. Designated liaison staff promote effective communications between the two parts of Work and Income. Service centre staff made positive comments about the work of CSRs.

6.8 However, in our view, Work and Income could do more to promote a common understanding of what each group does.

Framework for the working relationships between the contact centre and service centres

6.9 Work and Income has a service charter that tells clients what they can expect, about their rights as clients, and how they can help Work and Income provide a better service.

6.10 The standards to ensure that all Work and Income service delivery staff provide consistent services to clients are set out in a document known as the *Seamless Service Standards*. The document outlines procedures for making client appointments, transferring calls from clients, dealing with requests for assistance and benefit applications, how client information can be used, and other matters relating to communication between contact centre and service centre staff.

6.11 All staff have access to the standards. CSRs and case managers received training about the standards in 2005.

6.12 However, when asked about relationship documents, or protocols or understandings between the contact centre and service centres, not all staff referred to the *Seamless Service Standards*.

6.13 In our view, there would be better awareness of the intent of the standards, and the associated working procedures, if Work and Income periodically reminded its staff of the *Seamless Service Standards*.

Case managers' understanding of what CSRs do

6.14 Staff we spoke to at service centres were generally aware of the range of queries dealt with by CSRs. They were positive about the role performed by the contact centre and the work of CSRs. Staff commented that directing telephone calls to the contact centre had enabled service centre staff to focus on their core tasks.

6.15 Case managers also noted that the contact centre was open outside service centre hours, which extended client access to Work and Income services, particularly for clients who worked during the day.

6.16 However, our discussions with case managers revealed the need for them to better understand CSRs' jobs and the way the contact centre works. For example, case managers were not always aware of the busiest times for the contact centre. Knowing this would help them advise clients on the best time to telephone the contact centre.

6.17 Case managers were not aware of the performance targets for the contact centre (such as the target service level) nor of the performance measures for CSRs. In our view, knowing these targets would help case managers to understand the contact centre environment better.

6.18 In 2005, Work and Income commissioned a survey of case manager and CSR satisfaction. The survey also asked CSRs and case managers about whether they considered work processes and services could be improved, developed, or expanded.

6.19 The results revealed scope for improving the relationships between the contact centre and service centres. CSRs and case managers had very different understandings of what the contact centre does. To establish a common understanding, the survey report proposed a clear definition and articulation of the contact centre's main roles and functions. It also suggested that the relationships could be improved by providing opportunities for reciprocal visits, more communication, and enhanced awareness of the procedures followed by each site.

6.20 In our view, relationships between service centres and the contact centre could be improved if Work and Income implemented the recommendations of the staff survey report.

Communications between the contact centre and service centres

6.21 Effective communication is critical to the working relationships between the contact centre and service centres. Overall, service centre staff we spoke to were positive about communications between themselves and the contact centre.

6.22 Communications between contact centre staff and service centres are handled by a designated liaison person at the respective sites. Their tasks include arranging appointments for clients, dealing with complaints or other client feedback, and handling any other issues between the two groups.

6.23 There are also links between contact centre and service centre managers through forums and regional managers' meetings.

How well CSRs are seen to be doing their job

6.24 Work and Income clients commonly deal with both the contact centre and the service centre. Therefore, how each group relates to the client affects the other group.

6.25 We asked case managers and other service centre staff how well CSRs do their job.

6.26 From the perspective of case managers, it is particularly important that CSRs:

- record relevant changes to client circumstances and note any actions taken (CSRs enter notes into the appropriate computer application, while taking a call or after the call);
- give accurate advice and avoid making inappropriate commitments to callers; and
- make proper use of the appointment booking tool to schedule appointments with a case manager.

6.27 The CSRs and case managers we spoke to acknowledged the importance of a full and clear record of all client contacts. For CSRs, it is equally important that case managers record all contacts they have with clients, so that CSRs are fully informed if they then receive a call.

6.28 Service centre staff told us that the notes made by CSRs were usually clear and accurate. Case managers commented on the importance of using standard and generally understood abbreviations. Many notes follow a standard format set out on the computer systems.

6.29 Service centre staff felt that CSRs, on the whole, gave accurate information to clients. CSRs were also careful to avoid making commitments – for example, whether a caller might be entitled to a particular benefit – and would sometimes note this in their record of the call. In our view, this is a sensible practice.

6.30 The appointment booking tool enables a CSR to make an appointment for a client at the appropriate service centre. The tool is supported by a directory of service centres and their staff, which needs to be kept up to date so that appointments are made with the right Work and Income staff member.

6.31 While there had been early problems with the technology, staff we talked to told us the appointment booking tool was working well and that the prescribed procedures were usually followed.

6.32 CSRs can contact a liaison person in each service centre if the appointment system shows no vacant times and the appointment is urgent.

Introduction of the New Service Model

6.33 The New Service Model refers to Work and Income's new approach to clients. The model involves assessing all clients for work readiness and supporting those who are able to enter the workforce. The New Service Model is designed to support the proposed Single Core Benefit scheduled for introduction in 2007/08.

6.34 Before being implemented in all Work and Income offices in May 2006, the model was trialled in selected contact centre sites and service centres from June 2005. The contact centre sites involved in the trial were Hamilton and Waitakere. This process demanded careful project governance and operational planning.

6.35 To assess the quality of planning, we examined project documentation and talked to contact centre and service centre staff directly involved in the trial. We did not examine the planning processes leading up to full implementation throughout Work and Income.

Main findings

6.36 Project planning for the New Service Model trial was comprehensive. The contact centre was directly involved, ensuring that operational risks and implications were identified and addressed at the outset. Joint training supported the need for the contact centre and service centres to recognise their close working relationship. CSRs were provided with relevant and easy-to-use information and guidance.

The role of the contact centre

6.37 With the introduction of the New Service Model, the contact centre took on a fresh role. CSRs had to assess new clients' circumstances and identify their needs and work readiness before considering whether a benefit might be appropriate. Using this information, they determined what type of assistance was needed, with a focus (where possible) on helping the caller to find a job or prepare for employment. The New Service Model requires CSRs to spend longer talking to callers. CSRs are also more involved in deciding whether a client is ready for work or whether a caller is likely to be eligible for a benefit.

Involvement of the contact centre in project governance

6.38 The contact centre was closely involved in project governance. This helped to ensure that the implications for the contact centre were considered from the outset.

6.39 Project papers showed evidence of close collaboration between contact centre representatives and the national Work and Income project team. The General Manager Contact Centres was part of the project steering group responsible for designing the model. The contact centre project manager was directly involved in designing and trialling the model. Project meetings involved contact centre representatives, the Work and Income project team, and representatives from the service centres.

Planning for deployment in the contact centre

6.40 Contact centre involvement in designing and delivering the trial was well planned. A detailed deployment plan outlined the process and tasks necessary to prepare the contact centre for the trial.

6.41 A number of issues had to be addressed, including technology, business processes, and preparing contact centre staff. These were clearly identified. Teams from the two contact centre sites in the trial met to discuss and resolve these issues.

Managing the risks

6.42 Risk management was an important part of the project's governance. Risks for the contact centre (and for the project as a whole) were identified, and a risk register was prepared for trialling and implementing the new model.

6.43 There was close collaboration with the national Work and Income project team in managing these risks. A status report prepared by the project co-ordinator in the contact centre operations team kept track of the completion of tasks, such as training, communications, and liaison with the service centres in the trial.

Working together with Work and Income service centres

6.44 The success of the New Service Model relies on effective collaboration between the contact centre and service centres. Planning for the introduction and implementation of the model focused on a seamless process between the two parts of Work and Income.

6.45 Joint preparations were undertaken between the two contact centre sites involved in the trial, and between the contact centre and the service centres. CSRs joined staff from the service centres for joint training. This training gave case managers and CSRs a good understanding of each other's role, and an appreciation of how they needed to work together to make the New Service Model work. The working relationships between the two groups were supported by liaison arrangements between the service centres and designated staff at the two contact centre sites involved in the trial.

Selecting and training CSRs

6.46 Work and Income recognised that CSRs would need particular skills to handle this new type of call. Selected CSRs were trained in preparation for the trial.

6.47 Training followed a clear timetable, and the contact centre worked with the Ministry's policy staff to prepare a training package. Training included briefings for managers and CSRs. Selected staff were given special training to provide guidance to CSRs at the two contact centre sites involved in the trial.

6.48 Further training was provided for all CSRs before the New Service Model was implemented throughout Work and Income in May 2006.

Information and guidance for CSRs

6.49 During the trial of the New Service Model, CSRs had access to useful information and guidance. This was prepared in close consultation with the contact centre to ensure that it met CSRs' needs. Guidance material included a decision support tool to help CSRs decide how best to assist callers, scripts, and standard answers for frequently asked questions from callers.

Improvements from the trial

6.50 Trialling the model gave Work and Income the opportunity to evaluate and refine the New Service Model, and to use those lessons to prepare for implementing it nationally. Call reason codes were created to record call types and identify the kinds of questions raised by callers. CSRs also had the opportunity to give feedback about the usefulness of scripts and other tools, and about any other information they needed to handle the new type of calls.

Planning for outbound calling

6.51 Work and Income introduced outbound calling in October 2004 to inform the public about the Working for Families package. Since that time, the contact centre has completed a number of campaigns and made more than 500,000 telephone calls.

6.52 Outbound calling is a growing part of the contact centre's work. Campaigns need to be well planned and implemented to achieve their objectives without affecting the service level and quality of the contact centre's handling of incoming calls. We examined project documentation and talked to contact centre and Ministry staff to assess whether campaigns had been planned and carried out systematically and comprehensively, having proper regard to the operations of the contact centre.

6.53 We looked at whether:

- the campaigns had clear objectives and were well planned, with contact centre involvement; and
- training was provided, and CSRs provided with access to the necessary information and guidance.

Main findings

6.54 The outcomes sought from campaigns were clearly defined, and the contact centre was involved in planning. CSRs received training and had access to the necessary information and guidance material.

Campaign objectives, design, planning, and implementation

6.55 There were clear business outcomes for the outbound calling campaigns we examined. The groups of clients whom Work and Income wanted to target with outbound calling campaigns were well defined.

6.56 Project documentation showed close collaboration between the contact centre and the Work and Income campaign sponsor. For example, the contact centre worked closely with the national client manager in Work and Income to design a campaign targeted at clients receiving New Zealand Superannuation payments. The national client manager helped select CSRs to participate in the campaign, and briefed them on its objectives.

6.57 A predictive dialler automatically places outbound calls, using a list of telephone numbers chosen by client benefit type and kept in a separate database. When answered, calls are directed to an available agent. CSRs we spoke to expressed no concerns about the accuracy of the call list or the operation of the predictive dialling technology.

6.58 Staff are rostered for outbound calling campaigns, although possibly for only part of a day or week. The scheduling of outbound calling takes into account service levels and expected volumes of incoming calls. For each campaign, a specified number of calls needs to be made. Operations analysts can change the distribution of calls to ensure that enough CSRs are available to meet these targets.

6.59 CSRs record the outcome of outbound calls, using different codes for each campaign. These records are an important source of information about the success of outbound calling campaigns.

Training, information, and guidance

6.60 CSRs told us they had received the necessary training for outbound calling campaigns. This was confirmed by the training records we examined. CSRs we spoke to considered the training packages useful. The training and information packages we looked at were comprehensive.

6.61 To date, training has been restricted to selected CSRs. However, we were told that ongoing training in outbound calling is to become standard for all CSRs.

6.62 A variety of information and guidance has been prepared to guide CSRs in making outbound calls. This guidance includes scripts, flowcharts, and answers to frequently asked questions. Call scenarios explain how CSRs can best deal with a variety of responses from callers.

6.63 Expert colleagues, known as "site champions", are also available to help CSRs handle outbound calls.

Quality of outbound calls

6.64 Outbound calls are included in the sample selected to evaluate call quality, and for the contact centre's monthly survey of client satisfaction. The contact centre is considering amending its call evaluation framework to reflect the growing number of outbound calls made by CSRs.

6.65 The client satisfaction survey is designed for inbound calls. A different set of questions would need to be asked to accurately assess the views of clients on the quality of outbound calls. We were advised that this will be considered if the budget is available.

Extending outbound calling

6.66 The Christchurch and Lower Hutt contact centre sites make outbound telephone calls. The contact centre is moving to carry out this work from other sites as outbound calling becomes a core part of its business. It is also preparing a comprehensive set of training, quality control, and rostering procedures for outbound calling.

Appendix 1
Areas where the contact centre could strengthen or enhance its activities

As well as our recommendations, we have noted in this report three areas where, in our view, the contact centre could strengthen or enhance its existing activities by:

Service Express

- more actively promoting Service Express to ensure that best use is made of this service, and looking into the feasibility of other self-service options;

Quality control

- using the Central Processing Unit to more intensively monitor customer service representatives' actions when new tasks or processes are introduced;
- resuming its mystery shopping programme;

Relationships between the contact centre and the service centres

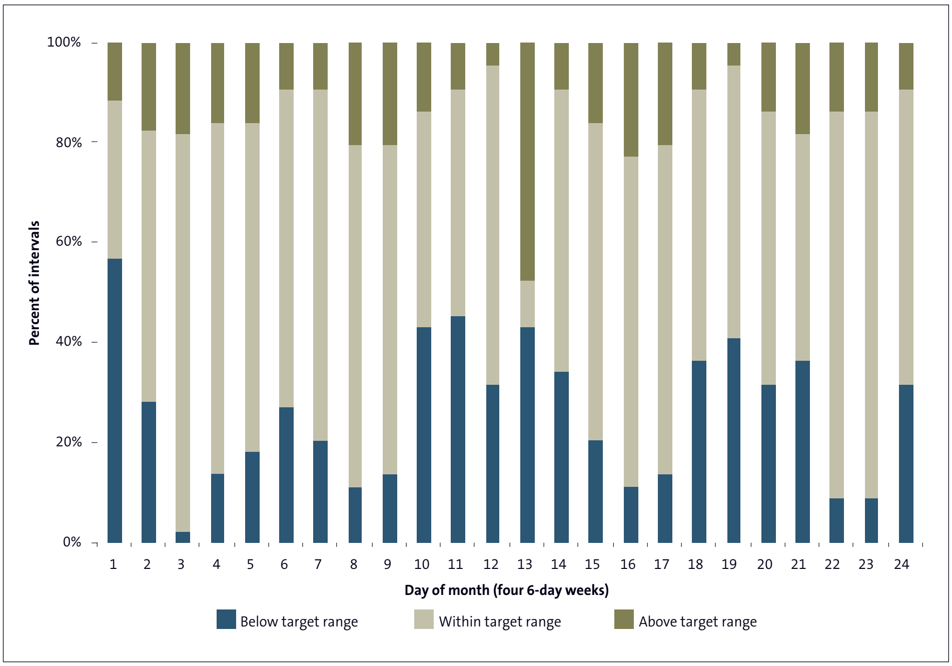
- encouraging periodic visits between staff at contact centres and service centres;
- delivering training jointly to contact centre and service centre staff, to promote a shared understanding of their roles;
- periodically reminding its staff of the *Seamless Service Standards*;
- making case managers more aware of the way customer service representatives work, and of the contact centre's main performance measures and targets; and
- implementing the recommendations from the staff survey report for improving relationships between service centres and the contact centre.

Appendix 2
Graphing service level performance

The graph below shows one way contact centres can report their service level performance, by interval, for a month.

The data used to generate the graph is for illustrative purposes only, and does not show the performance of Work and Income's contact centre.

Example graph showing service level performance by interval for a hypothetical month (24 days)



The graph is a stacked bar graph. Each bar represents 100% of the 15-minute intervals for one day the example contact centre was open.

The bottom portion of each bar shows the percentage of intervals in which the example contact centre's service level was below its target range. The middle portion of each bar shows the percentage of intervals in which the example contact centre's service level was within its target range. The top portion of the bar shows the percentage of intervals in which the contact centre's service level exceeded the target range. This graph does not show whether the daily service level was within the target range.

On day 1 of the month, the example contact centre's service level was below the target range for nearly 60% of the 15-minute intervals in the day. The service level was in the target range for around 30% of the intervals in the day. Just over 10% of the intervals in the day had a service level that exceeded the target range.

On day 23 of the month, the service level for nearly all the intervals in the day was within the target range. Fewer than 10% of intervals had a service level below the target range and just over 10% of intervals had a service level above the target range.

Day 13 shows a day in which, although the daily service level may well have fallen within the target range, there were a significant number of intervals in which the service level was above or below the target range. When the service level is below target, callers wait longer to be answered. A service level above target suggests that there are more staff answering the telephones than is necessary to provide the target service level. This may be inefficient.

A graph such as this clearly shows whether the daily target is being met by keeping the service level relatively consistent throughout the day, or whether there are significant periods in which the service level is higher or lower than the target.

Publications by the Auditor-General

Other publications issued by the Auditor-General recently have been:

- Residential rates postponement
- Allocation of the 2002-05 Health Funding Package
- Annual Report 2005-06 – B28
- Advertising expenditure incurred by the Parliamentary Service in the three months before the 2005 General Election
- Inland Revenue Department: Performance of taxpayer audit – follow-up audit
- Principles to underpin management by public entities of funding to non-government organisations
- Ministry of Education: Management of the school property portfolio
- Local authority codes of conduct
- Local government: Results of the 2004-05 audits – B.29[06b]
- Housing New Zealand Corporation: Effectiveness of programmes to buy and lease properties for state housing
- Inquiry into certain allegations made about Housing New Zealand Corporation
- Department of Conservation: Planning for and managing publicly owned land
- Ministry of Agriculture and Forestry: Managing biosecurity risks associated with high-risk sea containers
- Annual Plan 2006-07 – B.28AP(06)
- Foundation for Research, Science and Technology: Administration of grant programmes

Website

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