

Chapter IV

Why First-Level Call Center Technicians Need Knowledge Management Tools

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ABSTRACT

This chapter argues that first-level call center technicians are the new knowledge workers of the 21st century. As such, these technicians are ideal candidates for knowledge management tools. The objective of the chapter is to introduce these technicians to the IT community and, by way of a case study, show how decision-tree-type help tools can increase technicians' productivity. The chapter ends with recommendations for IT practitioners who are interesting in implementing these tools in their call centers.

INTRODUCTION

The goal of this chapter is to introduce readers to first-level call center technicians who staff the phones for countless banks, financial institutions, credit card companies, and help desks around the world (Datamonitor, 2003). The intense knowledge demands required of first-level technicians make them ideal candidates for *knowledge management tools*. Knowledge management tools refer to communication technologies that index and structure

an organization's "corporate memory" (Walsh & Ungson, 1991; Yates & Orlikowsky, 2002).

This chapter is structured as follows. First, I provide a brief historical overview of the call center industry, including the outsourcing trend that began in the late 1990s. Next, I describe why first-level technicians must have knowledge tools to perform their jobs effectively. Then, I discuss two popular types of help interfaces that are used in call center environments. I conclude the chapter with my recommendations and by noting future trends that I see will affect the industry.

BACKGROUND

Until the late 1980s, most organizations handled their customer service and technical support functions in-house. First-level call center technicians who staffed the phones were often full-time employees who handled only a single product or service (Bagnara & Marti, 2001). However, organizations soon realized it was cheaper, and often more effective, to outsource these support functions to third-party call center providers. The global call center industry was born.

Call Centers: From the Help Desk to the Sales Center

Until recently, call center providers had distinct goals for their inbound and outbound operations. Inbound operations focused mainly on resolving customers' product or service issues. Conversely, organizations used their outbound (telemarketing) operations to attract new customers.

In the last five years, though, consumer hostility towards telemarketing practices has increased. According to a study commissioned by the American Teleservices Association (2002), about 40% of U.S. consumers subscribe to a caller ID service. Between 2003-2004, U.S. consumers also registered more than 64 million telephone numbers with the Federal Trade Commission's National Do Not Call Registry.

The negative public sentiment against telemarketers has led some providers to move away from their outbound call center operations. Instead, these organizations use their call centers to generate revenue from existing customers (Lieber, 2002; McDaniel, 2006). Turek (2002) reported that in certain financial sectors, approximately 70% of all upselling and reselling transactions in the United States now take place through one of these centers.

Reducing Labor Costs

Over the past 20 years, U.S.-based call center providers have struggled to reduce their growing labor costs and to curb the high employee turnover that plagues their industry. According to a study conducted by researchers from Purdue University's Center for Customer-Driven Quality, annual turnover in U.S. centers averages 26% for full-time technicians. Further, call centers incur one year's salary to replace each technician who leaves the company (Hillmer, Hillmer, & McRoberts, 2004).

OUTSOURCING CALL CENTER TECHNICIAN POSITIONS TO INDIA

In the late 1990s, call center providers addressed these rising labor costs by outsourcing part or all of their operations to India (McDaniel, 2006). India was a popular destination because of the country's highly educated workforce (Fairell, Kaka, & Stürze, 2005). Also, nearly three million English-speaking college students graduate from India's universities every year (Ebsco, 2005a).

Initially, organizations found that relocating their call center operations to India reduced their operating costs. However, these same multinational companies soon experienced problems attracting and retaining qualified technicians. Across India's call centers, employee turnover now approaches 50% a year (Clarke, 2006).

Privacy laws in India are less strict than in the United States (Ebsco, 2005a). This has resulted in a series of widely publicized public relations snafus involving India's outsourcing community. For instance, in March 2004, Capital One canceled its telemarketing contact with Wipro, one of India's largest call center providers, when an internal investigation found technicians had misled U.S. consumers by providing them unauthorized promotions to sign up for credit cards (Krebsbach, 2004).

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