

Call Centers Can Increase Customer Satisfaction Through Effective Conflict Management

New Study Finds That Call Reps' Preferred Conflict-Handling Styles Affect Customer Satisfaction



CASE STUDY AT A GLANCE

STUDY OVERVIEW

Study focuses on one call center in the Pacific Northwest, one of 10 inbound U.S. call centers operated by a major telecommunications provider. The company agreed to participate in a study undertaken as part of a doctoral dissertation to investigate the relationship between customer satisfaction and preferred conflict-handling styles.

CHALLENGE

Call center managers face many challenges, two of which are addressed by this study: meeting customer satisfaction targets and getting the most from training programs for call center reps. The company's average customer satisfaction rate was 80 percent across all its other call centers, but this unit was achieving only 77 percent. Previous research by Goetzmann and Mourtzidis, 2006, revealed that an increase in customer satisfaction through effective problem solving could result in a 3 to 6 percent increase in annual revenue.

SOLUTION

Used the *Thomas-Kilmann Conflict Mode Instrument* to assess conflict mode preferences for 97 inbound call center reps working in the unit and correlated those data with Customer Perception and Satisfaction (CPS) data for each representative. This correlation was used to determine whether there was a relationship between the reps' preferred conflict-handling mode and higher CPS ratings.

RESULTS

Correlating the call center reps' TKI results with their CPS ratings, the study found a strong association between higher customer satisfaction ratings and the paired conflict-handling styles of accommodating and collaborating. This finding suggested that providing training on effective conflict management—including how to choose the most effective conflict-handling styles using the TKI assessment—for newly hired and established call center reps could result in higher customer satisfaction rates.

Ask managers of inbound call centers what their key success measure is, and most will say *customer satisfaction*. In fact, customer satisfaction plays a vital role not just in keeping customers but also in attracting new customers through positive word-of-mouth referrals. For call centers, keeping customers satisfied means not only fielding orders, billing inquiries, and new account applications, but also resolving issues and complaints quickly and efficiently. Nearly three-quarters of customers say they will return if complaints are resolved quickly, according to a study by Stone, 1999.¹

Call centers spend millions of dollars on technical and soft skills training annually. They also face challenges in recruiting and retaining high-quality call center representatives in this highly competitive field. Over the past few years, the call center industry has grown dramatically. For many consumer-oriented businesses, it has become one of the primary channels for customer service activities. As a result, call center managers are always looking for new ways to increase rep effectiveness in order to meet customer satisfaction performance targets, while keeping reps satisfied in their job.

Randall Wade, business technology chair at Rogue Community College in Grants Pass, Oregon, recently examined the relationship between customer satisfaction and the conflict-handling styles of call center representatives as the subject of his doctoral dissertation at Capella University. For the study, Wade collaborated with a major telecommunications provider with 10 call centers located throughout the United States. He selected a call center in the Pacific Northwest that was experiencing a lower rate of customer satisfaction than the provider's other call centers. The company's average customer satisfaction rate was 80 percent across all its other call centers, but this unit was achieving only 77 percent.

Wade recognized the potential value in identifying critical factors affecting customer satisfaction ratings for call centers based on previous research by Goetzmann and Mourtzidis, 2006.² According to Wade, "While a 3 percent difference in satisfaction rates may not seem significant, prior studies indicated that an increase in customer satisfaction through effective problem resolution could result in a 3 to 6 percent rise in annual revenue—and that's significant for companies with millions of dollars in revenue.

1. Stone, F. (1999). *How to resolve conflicts at work*. New York: AMACOM.

2. Goetzmann, G., & Mourtzidis, T. (2006, March 28). *Toward a better (and better selling) call center*. *America Banker*, 171(59), 2.

MAKING THE CONFLICT HANDLING AND CUSTOMER SATISFACTION CONNECTION

For his study, Wade focused on a team of 97 inbound call reps—those handling calls received by the organization from customers who are primarily concerned with placing an order, billing inquiries, or new account applications. He used the *Thomas-Kilmann Conflict Mode Instrument* (TKI) published by CPP, Inc., to evaluate each rep's preferred conflict-handling style. The call center management gave Wade access to the Customer Perception and Satisfaction (CPS) rating for each rep, which he used together with the TKI data to test whether a relationship existed between the participant's preferred conflict management style and his or her customer satisfaction performance rating.

For more than 30 years, the TKI assessment has been the world's leading tool for understanding how different conflict-handling modes, or styles, affect interpersonal and group dynamics, and also for learning how to choose the most appropriate style for a given situation

For many companies, developing conflict literacy is a key element of effective conflict management. According to Kenneth W. Thomas, PhD, coauthor of the TKI assessment, "To manage conflict effectively, an organization needs to develop a common language that helps people think effectively and communicate clearly about conflict and how to manage it. The foundation of this language is a useful definition of conflict and a set of alternative ways of dealing with it."

The TKI assessment identifies five conflict-handling modes: competing, collaborating, compromising, avoiding, and accommodating. They can be defined as follows, according to Thomas: "*Competing* is assertive and uncooperative, a power-oriented mode. The intent is to win at all costs. *Collaborating* is both assertive and cooperative. It involves digging in to find a solution that fully satisfies the concerns of both individuals. *Compromising* is partially assertive and partially cooperative. The goal is to find an expedient, mutually acceptable solution that partially satisfies both parties. *Avoiding* is unassertive and uncooperative. Here there is an effort to diplomatically postpone or sidestep an issue rather than address it. *Accommodating* is unassertive and cooperative—the opposite of competing. The objective is to fully satisfy the concerns of the other individual without regard for one's own needs.

Using this framework, people can begin to think more clearly about the choices they have in dealing with conflict. Thomas adds, "It's possible to learn how to engage in a conflict situation using the most appropriate mode."

A DOUBLE WIN: SATISFYING THE CUSTOMER'S AND THE COMPANY'S INTERESTS

Wade mapped the results of the Thomas-Kilmann instrument and the results of the Customer Perception and Satisfaction ratings and used well-accepted statistical analysis techniques to determine whether a relationship existed between preferred conflict management styles of individual call center representatives and customer

satisfaction ratings. Interestingly, he found a strong association between higher customer satisfaction ratings and the paired conflict styles of accommodating and collaborating.

According to Wade, "Approximately two-thirds of the reps indicated that the accommodating conflict style was either their primary or secondary choice in handling conflict with customers." Wade says this makes sense intuitively because the accommodating conflict style puts the concerns of the other party above one's own interests. But he says what stood out was the finding that the average CPS rating was higher for reps with a primary conflict style of accommodating *and* a secondary conflict style of collaborating. Explains Wade, "Collaborators, by definition, seek a win-win solution to a problem. Call center reps who use a collaborating conflict style to quickly resolve customer problems serve the customer's interests *and* those of the company, providing a double benefit to the organization."

Wade's groundbreaking study of the value of effective conflict handling on employee–customer interactions offers critical insights for the call center industry and for any organization in which customer satisfaction is a key performance metric.

Based on these findings, Wade believes that training on effective conflict management, including how to choose the most effective conflict-handling styles using the TKI assessment, should be a standard part of the training agenda for newly hired call center reps. The result? Higher customer satisfaction rates.

Another benefit is lower turnover, because reps feel more successful in their work and are thus more likely to stay in their job. There is also an opportunity to create greater unit cohesion through peer mentoring. Says Wade, "Those reps who show a preference for the accommodating and collaborating conflict management styles could coach other reps who have not fully mastered those conflict styles and may have lower CPS ratings as a result."

Previous studies of the call center industry have focused on measures of efficiency, optimal staffing levels, technical expertise of reps, and job satisfaction. Wade's groundbreaking study of the value of effective conflict handling on employee–customer interactions offers critical insights for the call center industry and for any organization in which customer satisfaction is a key performance metric. Explains Wade, "Organizations that rely on face-to-face and telephone interaction to address customer concerns must take steps to ensure that their customer service

representatives have the right balance of technical skills and soft skills. Developing effective conflict management as a core competency can be accomplished easily with the *Thomas-Kilmann Conflict Mode Instrument* and can generate an immediate and measurable return on the investment.

ABOUT RANDALL WADE

Randall Wade, PhD, is business technology department chair and instructor of business at Rogue Community College. He has extensive academic, applied research, and teaching experience, and he has authored numerous industry articles and undertaken more than 25 applied research surveys and studies. Prior to his work at Rogue Community College, he held positions at Northwest Christian College, Southern Oregon University, Emporia State University, and Tarkio College. Wade has also held positions with Allen County Hospital and the Gates Rubber Company. Since 1980, he has worked as a marketing research consultant to a number of manufacturing, nonprofit, educational, and service firms across the United States.

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