The Call Center:
Absence, Lost Productivity, and Seven Solutions
Introduction

In 2003, the US Bureau of Labor Statistics released surprising new figures about annual lost workdays and their impact on American companies:

"Of all the expenses related to absence, unscheduled time off has the biggest impact on productivity, profitability, and morale. Companies lose approximately 2.8 million workdays each year because of employees’ injuries and illnesses.”

Disability, unscheduled incidental absences, intermittent Family Medical Leave, presenteeism (i.e., present but not productive), and turnover are several of the key destabilizing forces that impact the management and productivity of virtually any workforce. However, MetLife’s experience in disability and absence management reveals that call centers are particularly vulnerable to these staffing challenges. Two leading factors cause workforce management challenges and hinder sales growth and service excellence in call centers:

• The continually changing work environment and the inherent stress that results, and
• The demographic profile of the call center workers.

The Study Methodology

This study includes industry research about call centers, MetLife’s short term disability data from companies with call center operations, and absenteeism and workforce management in today’s environment. It addresses the unique challenges employers face (most notably, staffing issues, absenteeism, and disability incidence) and presents recommendations and solutions. The analysis focuses on the following industries:

• Financial, consisting of companies that provide a portfolio of income management products and services
• Telecommunications, consisting of companies that provide similar services and maturity, yet vary in size and point of integration from recent mergers and acquisitions
• Wireless, consisting of young businesses that vary in size and market share and are comprised of employees who are both bargained and non-bargained
• Travel, consisting of companies that provide air transportation and vacation planning

Many of the call centers within these industries are multifunctional, but the three main types include:

• Internal company support
• Inbound service and information, and
• Outbound service with a primary sales or service function.

Data for this study was taken from MetLife short term disability (STD) claims received during 2001-2003 in order to determine the top five conditions that most frequently result in call center absenteeism (excluding pregnancy-related claims).
Call Center Observations, Facts, & Statistics

Call Center Work Environment:
- Large, open space
- Minimal windows to avoid distractions
- Fluorescent lighting
- Idential cubicles, monitors, and workstations
- Supervisory presence on the floor with direct reports
- Ambient noise (Note: Some call centers provide piped in white noise—a low humming overhead sound that filters this noise. Agents may also have headsets that filter noise and allow them to better focus on calls.)

The Job: Training, Employer Expectations, Standard Operating Procedures, and Employee Characteristics
- Average operator training is 15 days, which is 5 days below the world’s best practice level of 20 days.
- Most call center representatives work in a cubicle with a computer, monitor, and headset.
- Incoming calls are automatically routed to them.
- Agents typically perform the following tasks simultaneously:
  - Validate any and all information
  - Search and read any prior history
  - Enter and document current information
  - Actively listen, solve problems, and sell a product or service in eight minutes or less.
- From a management perspective, staff performance objectives include the ability to:
  - Provide end-to-end solutions with service excellence above industry standards (sometimes 7 days per week, 24 hours per day).
  - Be experienced in multi-channel communication systems including the Web, email, interactive voice response systems, and the traditional telephone.
  - Provide service with precision-like performance standards measured in seconds, manage high call volume, work mandatory overtime, and endure high stress levels.
  - Communicate effectively, problem solve, adapt well to change and provide strong customer service.
  - The representative is provided two 15-minute breaks and a lunch break during which is usually a 10-hour shift.
  - The industry standard is to answer 80% of incoming calls in 30 seconds or less.iii
  - Women represent more than 70% of call center employees.iv
  - Call center representatives within the wireless industries are young, ranging in age from 23-32. More mature representatives, ages 40-55, are employed more often in traditional telecommunications centers and have worked there for at least 12 years.vi

Difficulties Attracting, Hiring, and Retaining a Healthy, Productive Workforce
A significant hiring challenge in the call center industry is the propensity of those in the labor pool to embody characteristics that put them at a high risk of developing stress.

Additionally, MetLife data and industry research confirm that people with a high degree of exposure to psychosocial stressors are prone to more accidents, workplace injuries, and musculoskeletal and psychiatric disabilities. More detail will be presented in the next section of this study.

In areas considered call center hubs—that is, locations where there are numerous call centers vying for the same labor pool—the challenge to attract and maintain a thriving workforce is even greater. Salaries are higher, retention is lower, and loyalty is almost non-existent. Employers have come to expect that employees will resign almost as quickly as they are hired.

Absenteism
Research has revealed that the main reasons for unplanned absences are:
- Family: childcare, family illness
- Personal illness
- Work conditions and stress
- A sense of entitlement

Problems That Impact Call Center Productivity
All the call centers studied experience the following workforce management challenges:
- Difficulties attracting, hiring, and retaining a healthy, productive workforce
- Absenteeism
- Presenteeism
- High employee turnover
- Family and Medical Leave (FML) absences
- High disability incidence

DIFFICULTIES ATTRACTING, HIRING, AND RETAINING A HEALTHY, PROACTIVE WORKFORCE

Moreover, employees’ disability claims whether or not they are eligible for paid benefits or family and medical leave. This may suggest that they take unpaid time off from work to deal with personal or family issues. Many employers utilize a paid time off (PTO) plan to attract and maintain employees. Unfortunately, this type of attendance tracking system often falls short of its objective, while at the same time helping to enable a work culture that tends to manipulate the system. Employers who are aware of these company policies know that they can remain out of work for up to five business days for an “illness” before being required to report a disability claim, so they often return to work before the sixth day. Meanwhile, the call center has to cope with absent workers for five to seven business days, which adds to the burden of those who are at work. This in turn increases their stress level and decreases their morale and productivity.

Presenteeism
“Presenteeism” is a term used to describe workers who are “present” at work, but not productive. They are the “working wounded” and can negatively impact the company’s bottom line as much as, if not more than, those who are absent or out on disability. In fact, the impact of presenteeism is only just beginning to be studied and measured. Additionally, since managers must spend a significant amount of time tracking those individuals who are absent, they are left with less time to supervise those who fail to produce at optimal levels.

Properly designed to be more productive, the call center is both a key source of revenue and an integral part of the customer service experience. To transform that source of productivity into a thriving workforce is even greater.
High Employee Turnover
MetLife data shows that employee turnover rates are staggering among the call center workforce. The following statistics indicate the turnover rates troubling the industry (as cited by Mercer, Inc.):

\[ \begin{align*}
\text{• 187\% for outbound selling centers} \\
\text{• 97\% for inbound/outbound centers} \\
\text{• 78\% for team/group managers} \\
\text{• 73\% for entry level representatives}
\end{align*} \]

The most critical factor impacting high turnover is the inability of the current workforce to "fit" the demands of the job. If employees don't have the skills required to perform a job successfully, they inevitably will leave, develop physical and emotional symptoms of stress, or ultimately file for Family and Medical Leave or a disability claim.

Employee turnover has a significant effect on a company’s profitability because it impacts the call center’s ability to "keep current customers, acquire new ones, increase productivity and quality, and pursue growth opportunities."ix One of the top reasons why customers cannot be retained is due to poor or inadequate service. High employee turnover is a main factor described below.

The lowest turnover rates exist when the agents have little or no personal control over the demands placed upon them. They are also expected to minimize the time spent per call, thereby causing the representatives to feel they have little or no personal control over the demands placed upon them.

The centers characterized by the most stress, short term disability claims, FML absences, and high turnover are among the telecommunications sector because calls come in rapidly and usually involve programming a phone, canceling/adding service, or a billing inquiry. This work is repetitive and labor intensive. Performance is often measured by the number of calls answered and not by the quality of the interaction with the customer. They are also expected to minimize the time spent per call, thereby causing the representatives to feel they have little or no personal control over the demands placed upon them.

Centers that provide full-service consultative solutions exhibit the lowest amount of stress and turnover. At these centers, representatives interact with callers based on knowledge and information exchange rather than defensiveness, poor personal hygiene, and isolation from others.

Family and Medical Leave (FML) Absences and High Disability Incidence

Rates of FML Absences
The following statistics indicate that FML incidence rates are high:

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\text{• MetLife data shows that the incidence rates for FML stand alone claims (i.e., FML claims that do not overlap with disability claims) among call center operations are three times higher than MetLife’s book of business for FML in non-call centers.} \\
\text{• The incidence rates are 60-70\% of the total FML usage for total covered lives.} \\
\text{• Intermittent claims occur 59-68\% more often than continuous claims, and they account for 18-54\% of the total FML usage for total covered lives.}
\end{align*} \]

Key Drivers of FML Absence Claims
The majority of FML absence claims are driven by the factors described below:

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\text{• Claims are driven 33-60\% by the employee’s own self-reported illness.} \\
\text{• Stress in the workplace and family and personal illnesses drive FML absence claims.} \\
\text{• Provider communities are often misinformed about the definition of a “serious health condition” and are sometimes too willing to complete the certification form.} \\
\text{• Rigid time and attendance policies, inadequate vacation time, and the lack of an available flexible work schedule can contribute to employees turning to FML as a way to protect their jobs and meet personal obligations.}
\end{align*} \]

Disability
Short term disability claims and intermittent leaves of absence filed by call center workers are complex to manage due to the psychosocial components underlying them. A review of closed STD claims found that the leading disability conditions consistent among the call centers studied were:

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\text{• Digestive illnesses} \\
\text{• Musculoskeletal conditions} \\
\text{• Psychiatric illnesses} \\
\text{• Neoplasms} \\
\text{• Respiratory illnesses}
\end{align*} \]

The chart below illustrates this.

Stress related to work, family and personal issues is the single most common contributing factor to the musculoskeletal, digestive, respiratory, and psychiatric claims we reviewed. Furthermore, workplace stress emerged as a common complaint and contributing factor causing absences among all call centers reviewed. (However, it is important to note that stress at work is common across all industries and occupations.) Work stress that results in an absence occurs because job demands have crossed an employee’s individual coping threshold. Common sources of work stress include increasing job demands, inefficient information technology (IT) systems, relationship issues between managers and employees, and constantly changing work conditions.

The chart below illustrates this.
Targeted employee utilization of an EAP should be 8-12%. Low utilization is 2-3% and may indicate that either the workforce views the EAP as having little value or lacks awareness of the services available. Utilization higher than 15% may be a sign of a larger organizational problem; an EAP may be able to help employers find solutions.

The best ROI should be a company’s benchmark. What does the company value and what does it hope to accomplish? For example, the goal could be to:

- Lower healthcare costs
- Decrease absenteeism
- Increase turnover
- Increase productivity
- Increase morale

Health and Wellness Programs

Wellness programs are designed to improve employee awareness of factors that can affect health and longevity. Programs focus on motivating employees to assume responsibility for their own health behaviors, which in turn can reduce employers’ overall healthcare costs. Costs related to unscheduled absences may be reduced through wellness programs, disability management, and flexible time-off options. Wellness programs that target common costly medical conditions, such as diabetes and heart disease, are popular approaches to curbing sick days and reducing disability expenses because they address the needs of high-risk employees before they require medical care.

An assessment of any given employee population can be determined by asking targeted questions. For example, what percentage of employees are obese, i.e., with a Body Mass Index (BMI) of 40 or higher? How many employees are 35 years old and pregnant for the first time? How many workers are absent due to allergies or asthma or because their children have asthma? How many in the workforce are over the age of 45 with aging parents? Based on the answers to these questions, companies can develop wellness programs that are tailored to fit the needs of the employee population. Here are some program suggestions:

- Weight Management
- Stress Management
- Menopause Education
- Elder Care and Retirement Planning
- Smoking Cessation
- Diabetes Education
- Cardiac Health Awareness
- Healthy Baby/Mother
- Substance Abuse/Alcoholism Education

Another way a company can gain insight into the needs of its employees is to compare STD data with group health and pharmacy data. Consider this: Those 10% of employees who are out on STD during the course of a year are the very same employees who are consuming more than 50% of an employer’s healthcare dollars. An employer’s unique STD claims pattern can be benchmarked against industry averages to determine what types of disabilities most often impact its workforce and what types of solutions might have the greatest return on investment.

The goal for every wellness initiative is to improve employees’ emotional and physical health while positively impacting the business by reducing costs; healthy employees are better able to be productive employees.

Disease Management

Currently, the most common chronic conditions addressed through many disease management programs are asthma, diabetes, heart disease, hypertension, and depression. Each of these illnesses can be incorporated into EAP and health and wellness programs. They are also consistent with the conditions frequently cited in disability claims.

Disease management is important because employees who work while ill can have a negative impact on productivity. Thomson Medstat conducted a research study that gives insight into this. The analysis accounted for presenteeism during a typical eight-hour work day by medical condition. The chart below represents the average number of "unproductive hours" reported by employees with these conditions while at work.

This type of research data from the industry, as well as aggregate data from disability, healthcare, pharmaceutical, EAP, and behavioral health carriers, can help identify where to target disease management programs. These carriers can be proactive in identifying an ideal disease management initiative aimed toward a long-term plan of optimizing employee health.

The potential ROI benefits include:

• Lower healthcare costs
• Decreased absenteeism
• Decreased turnover
• Increased productivity
• Increased employee awareness of habitual health behaviors and the personal costs

EAPs may include on-site consultative services in its annual costs. This could be a valuable, hidden asset. The managed health care provider can run an aggregate report on healthcare utilization in certain locations. This information may indicate areas to target for further analysis. For example, high endocrinology or cardiology office visits may signal an opportunity for stress management training, obesity training, and smoking cessation programs.
Seven Solutions:
1. Screen potential employees for skill sets
2. Involve the union
3. Take advantage of technology
4. Communicate the company's vision
5. Involve everyone in health and wellness
6. Assess the work environment
7. Educate employees

SEVEN SOLUTIONS TO HELP POSITIVELY IMPACT PRODUCTIVITY

Employers need to take proactive measures to decrease absenteeism, increase employee retention, and improve the hiring process to attract the right candidates.

Solution 1: Screen Potential Employees for Skill Sets
A company’s success is contingent upon an efficient workforce. Employers should utilize pre-screening tools before hiring potential candidates to ensure they are skilled and willing to accept responsibility for this role. They should identify the core attributes of top performers and use these attributes as benchmarks for hiring.

Then, new employees should be provided with a comprehensive training program and a defined career path, so they can grow their careers with the company. When employees can see that an investment is being made to train and retain them, they are more likely to stay and be loyal to the company.

In this instance, the return on investment for the employer should be less employee turnover and fewer stress-related disability claims, which will result in greater savings for the business.

Solution 2: Involve the Union
Companies that employ a bargained workforce can partner strategically with the union more frequently than just contract negotiation time. The employer and union can work together to identify worthwhile programs, such as breast cancer and prostate prevention or on-site or subsidized childcare programs.

Solution 3: Take Advantage of Technology
Employers should look for new ways to leverage technology in order to conduct business by identifying management techniques and innovative uses to meet business goals and objectives. A world-class call center works faster and more efficiently by developing processes that will yield long-term results and not small, incremental gains. Employees can provide valuable input here, as they usually have an insight on cost-effective efficiencies that can make their jobs easier.

Solution 4: Communicate the Company’s Vision
A company’s success is contingent upon an efficient workforce. Employers should utilize pre-screening tools before hiring potential candidates to ensure they are skilled and willing to accept responsibility for this role. They should identify the core attributes of top performers and use these attributes as benchmarks for hiring.

In this instance, the return on investment for the employer should be less employee turnover and fewer stress-related disability claims, which will result in greater savings for the business.

Solution 5: Involve Everyone in Health and Wellness
All employees, from leaders to front-line workers, should be involved in the operation of the health and wellness program. Health care carriers, EAP providers, and disability carriers can collaborate in developing opportunities to help create sustained improvements in the health of the workforce.

Solution 6: Assess the Work Environment
Critical Environmental Considerations:
- Ultraviolet lighting, which can produce headaches, eyestrain, fatigue, and lethargy, should be reduced.
- Ergonomic work stations and chairs can enhance work performance and reduce Repetitive Strain Injuries and back pain.
- Computer monitors should be large enough to reduce eyestrain and support having all the necessary applications open to promote task efficiency.
- The call center’s color scheme should be selected to positively affect mood and impact the perception of being in an open environment. For example, a soft shade of green is inviting, soothing, and calming.
- On-site employee wellness support programs can help prevent illnesses and absence.
- Basketball courts and walking routes help promote exercise for a healthy lifestyle.
- On-site cafeterias should serve healthy food options.
- Plants in the workspace provide a healthy balance of oxygen and contribute to an aesthetically pleasant atmosphere.

Solution 7: Educate Employees
- The staff should become familiar with the company’s policies and procedures, including instructions on how to seek assistance when needed for FMLA, STD, eligibility, timeframes, and who to contact within the company.
- Regularly updated forms, policies, and procedures should be easily available online at companies that maintain Intranet sites.
Call centers face a significant challenge in maintaining a healthy, productive workforce. Absenteeism, presenteeism, short term disability and turnover, along with a decreased pool of candidates, impact their ability to consistently meet business objectives, deliver service excellence, and develop into corporate profit centers of the future.

Increased FML use and intermittent absences have resulted in 30-40% absenteeism on any given day. Disability claims filed from call center employees who represent only about a quarter of a company’s total full-time workforce account for more than 60% of its disability and absence.  

The first step in gaining control over call center absenteeism is to conduct an internal assessment of the center. Workplace stress is a common complaint and contributing factor to absence among all call centers studied. These stressors must be identified and analyzed in order to gather the information necessary to create a strategic plan. Work stress can result from many factors: pressure to perform faster, high management expectations, lack of communication, high call volume, inexperience, low morale, a new product launch, improperly functioning IT systems, etc. Senior management must be willing to not only undertake a cause and effect analysis, but to invest in implementing appropriate measures to produce positive changes. If employees are included in the process and are able to see that leadership is invested in making positive changes, their behaviors will also change.

Additionally, stress management training is a very helpful tool. However, helping individuals manage their stress will not help them manage an organization that is stressed. Organizational change must be concurrent with individual change or neither will be sustainable. An effective change strategy should position a company ahead of its competition as a whole system and deliver an end-to-end solution that will ensure service excellence.

BEST PRACTICE EXAMPLE

MetLife places emphasis on recruiting the right person for the right job and developing him or her through a defined career path.

Core Competencies Required for Representatives:
- Customer focus and results orientation
- Teamwork
- Continuous improvement and innovation
- Accountability and ownership

A Defined Evaluation Process (about eight weeks):
- The Human Resources Department conducts testing. Candidates who achieve a high enough score are contacted for a telephone interview.
- Candidates who pass the telephone interview process move on to a face-to-face interview.
- Prior to the face-to-face interview, the candidate sits with an existing representative to observe the customer service process.
- The face-to-face interview is conducted by a trained supervisor who uses behavioral interviewing techniques. Once the candidate has passed each phase and has received positive feedback from the call center observation process, a job offer is extended.

Training Program:
- Customer service representatives train anywhere from 3 to 12 weeks, depending on the knowledge required for each product MetLife offers.
- They also receive an intensive, structured course designed to teach the representatives customer service skills and the techniques required to handle various types of telephone calls successfully.

Career Path:
1) Entry Level-Dependent
2) Enhanced Skills-Independent
3) Mastery-Leveraging their contributions and taking initiative to recommend change
4) Leadership-Mentoring, Coaching, Quality Development, Resource, Supervisory
MetLife Group Disability offers your company these solutions:

**Cost Management.** Surging health care costs are a primary concern for employers. In any given year, 10% of employees will be out on disability and those employees account for 50% of its medical costs. MetLife can help you make the most of your benefit investment.

**Best-in-Class Service Model.** Talented workers are hard to find and retain, and employee absences can seriously affect productivity, profitability, and morale. MetLife’s best-in-class service model can help give them what they need when they’re out and get them back to work sooner.

**Financial Strength & Stability.** Your employees depend on your disability benefit to be there in a crisis. More than 10,000 companies depend on the financial strength of MetLife.

MetLife is a leading provider of disability insurance to individual and institutional customers and has more than 147,000 Individual Disability Income policies in force, with total in force annualized premium of $177.8 million. Ranked 5th in both new sales premium and in force², MetLife is at the forefront of providing employers with innovative disability and absence management solutions through an integrated portfolio of products and services, such as:

- Group short term disability (STD), including state-mandated plans, Administrative Services Only/Advice-to-Pay, and California Voluntary Disability Plan Administration
- Group long term disability insurance (LTD), including LTD Reserve Buy-outs
- Family Medical Leave Act (FMLA) administration
- Synchrony® - integrated absence management service for workers’ compensation, group disability (STD/LTD), and FMLA administration (www.synchrony.com)

MetLife, a subsidiary of MetLife, Inc. (NYSE: MET), is a leading provider of insurance and other financial services to individual and institutional customers. The MetLife companies serve individuals in approximately 13 million households in the U.S. and provide benefits to 37 million employees and family members through their plan sponsors. Outside the U.S., the MetLife companies serve approximately 8 million customers through direct insurance operations in Argentina, Brazil, Chile, China, Hong Kong, India, Indonesia, Mexico, South Korea, Taiwan and Uruguay. For more information about MetLife, please visit the company's Web site at www.metlife.com.