Customer experience and the future of work

Preface

"Customer experience and the future of work" is an MIT Technology Review Insights report sponsored by Genesys. To produce the report, MIT Technology Review Insights conducted a global survey of 800 senior executives to find out how organizations have reassessed their customer experience (CX) workforce and processes in the post-pandemic era. The respondents are distributed across 20 countries in North America, Europe, Asia, and Latin America, and most have direct responsibility over CX functions in their organization. The research also included a series of interviews with business executives and academics on customer experience and the future of work. Ross O'Brien was the author of the report, Francesca Fanshawe was the editor, and Nicola Crepaldi and Natasha Conteh were the producers. The research is editorially independent, and the views expressed are those of MIT Technology Review Insights.

The survey
In June and July of 2022, MIT Technology Review Insights surveyed 800 senior business leaders, of whom 27% are chief customer experience officers or other C-level executives, and another 23% are sales and marketing leaders. Of the total respondents, 50% are from companies with over $1 billion in revenue.

Survey respondents are based in nearly two dozen countries throughout the Asia-Pacific region, Europe, and North and South America. Respondents were drawn equally from nine distinct industry clusters: consumer goods and retail; financial services; insurance; information technology and communications; pharmaceuticals; health care; hospitality, travel, and leisure; professional services; and government.

Interviews
We would like to thank the following experts for contributing their time and insights toward this research program:

Ben Armstrong, Research Scientist and Executive Director, MIT Work of the Future Initiative (United States)

Rosane Giovis, Global Intelligent Service and Transformation Leader, IBM (Canada)

Steven Hatfield, Global Leader for Future of Work, Deloitte (United States)

Andrew Hume, CEO, Probe CX (Australia)

David Hung, Director, Global Command Operations, AT&T (United States)

Conny Kalcher, Group Chief Customer Officer, Zurich Insurance (Switzerland)

Megan Neale, Co-founder and Chief Operating Officer, Limitless Technology (United Kingdom)

Shannon Patterson, Senior Vice President, Customer Engagement Centers, Marriott International (United States)

Caio Poli, International Customer Experience Executive Director, Didi/99 (Brazil)

Foreword

It's time to rethink the CX employee experience

We're approaching a stall point in our ability to improve the customer experience. Over the last three years, organizations have responded to covid-19 with agility, digitalizing customer processes and focusing on data and technology to drive personalization and empathy. While we've gained ground in becoming more customer-centric, we've largely failed to make progress on employee centricity—particularly for staff at the front line of customer interactions: contact center agents, supervisors, and other specialists.

The CX stall point
An outdated paradigm exists regarding contact center employees. Across industries, CX leaders still too often accept high attrition and the associated costs as inevitable. Employees have been considered temporary and replaceable, with continuous recruiting and onboarding being just the price of doing business.

But the "great resignation" (which PWC predicts will continue through 2023[i]), tight labor markets, and rising recruitment costs leave transactional staffing models no longer sustainable. It's simply too expensive to lose employees and investments made in their recruitment, onboarding, and training.

To thrive in today's experience economy, where 70% of consumers say a company is only as good as its service,[ii] organizations need highly trained and engaged staff—motivated to solve customer problems, upsell and grow the business, and interact with empathy and understanding. Not having the right people in place to deliver those experiences represents an even greater risk than rising costs. A disengaged CX workforce means lower customer satisfaction and missed opportunities for innovation, new product and service development, and process efficiency. Ultimately, your brand is at stake.

Future-proof your workforce
To secure their futures, organizations need to rethink the employee experience just as intently as they've redesigned the customer experience. This will require empathetic modes of employment, aligned with resourcing needs and employees' preferences. It will require learning and development and career paths that create value for employees—every day.

Hybrid working, one of the themes explored in this report, is alleviating some of the pressure on staffing. But it's not enough.

Employers must leverage strategy, culture, and technology to reshape the workforce and work itself. In the future, employee experiences will be orchestrated in parallel with customer experiences—increasing customer satisfaction, operational efficiency, and your team's ability to win in every interaction.

Genesys partnered with MIT Technology Review Insights to understand how CX organizations can grow in the experience economy by putting people first: from implementing new approaches to resourcing, to providing a supportive infrastructure of tools and technology, to delivering employee experiences based on what staff value most. We hope you and your organization will benefit from this timely research.
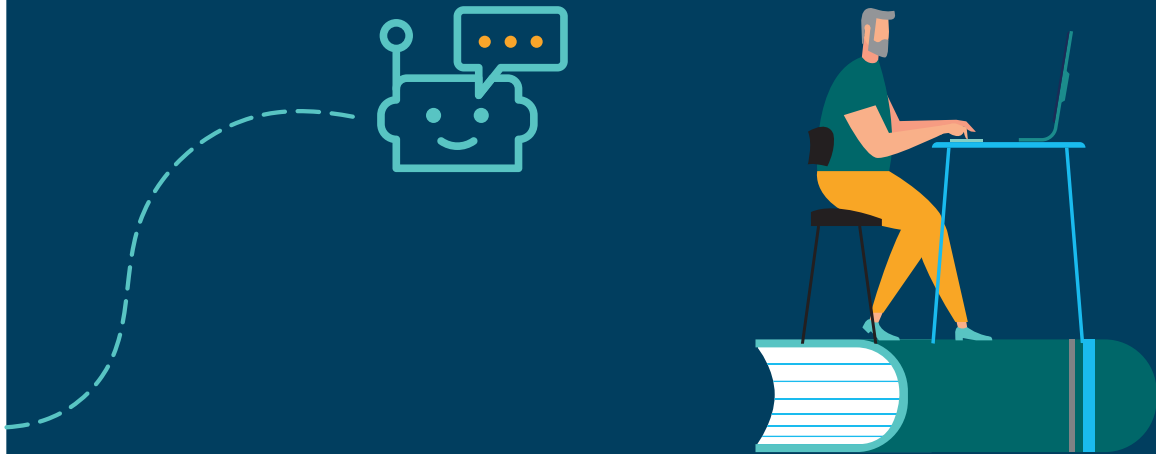
Merijn te Booij
General Manager, Workforce Engagement Management
Genesys

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i. "Survey of over 52,000 workers indicates the Great Resignation is set to continue as pressure on pay mounts" (press release), PwC, May 24, 2022, https://www.pwc.com/gx/en/news-room/press-releases/2022/global-workforce-hopes-and-fears-survey-2022.html.

ii. "The Connected Customer Experience," Genesys, 2021, https://www.genesys.com/report/the-connected-customer-experience.

CONTENTS

01 Executive summary

Major trends such as the impact of covid-19 on accelerating digital commerce, remote and hybrid working, and changing employee expectations driving the "great resignation" are having profound effects on workforce strategies in contact centers worldwide. Indeed, as an industry that requires a high volume of employees, often in hourly paid positions, and with roles becoming increasingly enabled by technology, it is arguable that CX is a bellwether for understanding many of the disruptive trends globally affecting the workforce.

This report, "Customer experience and the future of work," examines how organizations worldwide are reassessing their CX workforce and processes in the post-pandemic era. Based on a survey of 800 executives and a series of expert interviews, the report includes the following key findings:

• **There is a "people paradox" in relation to CX staff**. Of the survey respondents, 87% identify CX as a strategic differentiator of their brand. However, this research finds contradictory views about the employees who interact with customers on a daily basis: employers are more concerned with the challenge of finding new employees than retaining those they already have. While 96% of respondents consider hiring new employees to be challenging and 62% struggle with increasing recruitment costs, just one-third identify high staff turnover as a problem.

Experts interviewed for this report describe driving a new culture in the CX team centered around flexibility, learning, and career development.

• **Covid-19 has catalyzed a long-term shift toward flexible working for contact center employees**. This report finds that the remote and hybrid working models rapidly deployed during the pandemic are here to stay, as workers value flexibility and organizations benefit from wider access to talent. According to the survey, fully remote working for contact center employees is expected to grow to 40% by 2024, and by that time, a further 23% will be operating a hybrid model.

• **Working remotely has numerous benefits, but productivity and culture concerns remain**. Some 84% of survey respondents say hybrid or remote work options allow them to better retain staff by offering flexible schedules: 60% say it lowers staff stress levels and improves their mental health, and 57% find it offers access to brand advocates or those with deeper knowledge. However, many CX leaders also have specific concerns about the negative effects of remote work on the quality of service they offer. Over half of respondents believe working from home has the potential to lower productivity or provide inconsistent customer service, and over 40% believe it can have a negative impact on culture and collaboration. These concerns have propelled many CX executives to invest in online tools and remote management practices to reinforce organizational values and promote teamwork.

• **CX work will require a more specialized and technical skill set as well as shifts in workforce strategy**. Some 69% of survey respondents expect CX work to become more specialized in the coming one to two years. The skills employees will need include data and analytics, customer journey optimization, specialized product knowledge, and emotional intelligence. To develop these high-value skills, organizations predict expanding the number of full-time CX employees, from 44% of the CX workforce in 2022 to 49% of the workforce in 2024. CX leaders are also interested in exploring "gig work" models — 89% of respondents expect to be using on-demand CX "gig employees" by 2024.

• **Learning and development is a strategic focus area for improving the CX employee value proposition**. Seventy-one percent of survey respondents identify learning and development as an area of the CX employee lifecycle most in need of improvement, and nearly half consider insufficient learning and development opportunities to be one of their employees' greatest daily frustrations. In response, 41% of CX leaders expect to grow the number of learning and development specialists in their departments. Additionally, the survey finds that artificial intelligence (AI)-based coaching and training recommendations will be one of the most widely used technologies for supporting employees in the contact center by 2024.

Major trends such as the impact of covid-19 on accelerating digital commerce, remote and hybrid working, and changing employee expectations driving the "great resignation" are having profound effects on workforce strategies in contact centers worldwide.

02 From great resignation to great reorganization

CX is integral to how consumers and business buyers perceive a brand. Eighty-seven percent of the business leaders surveyed consider CX to be a strategic differentiator for their organization. And as organizations have digitized to offer a wider range of online access points, customers increasingly expect an instant and seamless service in their channel of choice. In the world of digital transactions, contact center agents might provide the only human touchpoint a customer may have, effectively becoming the face – or voice – of an organization.

Yet for decades, CX work has been organized for scale, with contact center employees and team leaders closely managed to meet productivity and efficiency targets. Organizations accepted a relatively short tenure among CX employees and focused their resources on recruitment rather than retention.

The effects of covid-19 catalyzed several shifts. First, for the majority of organizations, work-from-home or hybrid models were outside the norm prior to the pandemic. Then, in the same way that employees across all industries experienced stress and burnout from juggling home and work priorities, turnover was higher than average in contact center settings.

CX leaders surveyed for this report don't necessarily see the high turnover – typically averaging 40% according to research – as a particular problem[1]. Just 32% of surveyed executives say turnover in the contact center is challenging. However, they say that replacing these staff is becoming "extremely challenging," reporting that recruiting new employees is the most significant workforce-related challenge in the contact center today (see Figure 1, next page).

This paradoxical view on retention versus recruitment is borne out in other ways as well. CX executives claim that it is not difficult to meet employee workplace expectations or develop solid career paths for them, but at the same time, three-quarters feel that low employee morale is a problem and 62% are struggling with the increasing cost of employee turnover. It's time for a rethink.

These are all symptoms of the fact that "the traditional CX work model is broken," argues Megan Neale, co-founder and chief operating officer of Limitless Technology, a digital platform that allows organizations to engage freelance customer care agents. She points to a model based on slim margins and low hourly wages that has resulted in "massive attrition in the contact center landscape."

"The traditional CX work model is broken...slim margins and low hourly wages have resulted in massive attrition in the contact center landscape."

Megan Neale, Co-founder and Chief Operating Officer, Limitless Technology

Figure 1: The most challenging issues for CX organizations

How challenging are the following issues for your organization? (% respondents)

Recruiting new CX employees

| 54% | 42% |

Defining new hybrid home/office working models

| 48% | 36% |

Increasingly difficult customers/high expectations

| 49% | 29% |

Low morale/engagement among CX staff

| 58% | 18% |

Increasing costs due to employee turnover

| 49% | 13% |

Developing quality career paths for CX talent

| 25% | 10% |

Meeting employee expectations on working environment and remuneration

| 24% | 10% |

High turnover among CX employees

| 24% | 8% |

■ Challenging   ■ Extremely challenging

Source: MIT Technology Review Insights survey, 2022

Other executives interviewed for this report agree. Shannon Patterson, senior vice president of customer engagement centers for Marriott International, says that the hotel chain's pivot to largely remote work has opened up the company's thinking around CX work. She says that hybrid models can be leveraged to provide fresh approaches to designing teams and workflow to make CX work more engaging and fulfilling. "We've used a mix of cultural norms and technology capabilities to pilot new hiring practices," Patterson explains, citing a pilot in Mexico where Marriott used call centers to onboard team members in an immersive program before sending them to work at home.

"We can now use these programs to augment our aggressive hiring practices globally and service those team members differently in each location, using digital channels to both access talent pools and keep talent employed and engaged remotely," Patterson says.

The rise of virtual contact centers

One of the most significant and long-term effects of the pandemic has been the shift toward remote or hybrid work models. Jobs that were location-dependent are now available to a wider pool of candidates, and workers enjoy the freedom of choosing if and when to come to the office.

"The evidence around working from home suggests that work life has been really transformed," says Ben Armstrong, research scientist and executive director of MIT's Work of the Future Initiative. "There are a lot more knowledge professionals who expect flexibility; there is now an opportunity for them to improve the quality of work, instead of just the compensation."

Contact center employees are no different, and this survey finds that organizations have accepted — and benefit from — a new, more flexible approach. As of 2022, 38% of respondents expect their CX teams to work fully

on-premises (covid restrictions permitting) and they predict this proportion will remain the same by 2024. Fully remote working for contact center employees is expected to grow from 21% in 2022 to 39% by 2024. About a quarter of survey respondents (23%) expect their organizations will be operating a hybrid model in 2024 (see Figure 2).

The survey finds that hybrid or remote work offers significant benefits to CX functions. Some 84% of respondents find it allows them to better retain staff by offering flexible schedules; 60% say it lowers staff stress levels and improves their mental health; and 57% find it offers access to brand advocates or those with deeper knowledge. A lower carbon footprint is also a top benefit for 39% of the respondents (see Figure 3, next page).

David Hung, director of global command operations at AT&T, says that remote working has allowed the company to greatly expand its human resource pool. "We are looking at virtual contact centers. Instead of looking at hiring in a specific city, we can expand our geographic footprint so we can hire quality agents without them having to drive a hundred miles to get to
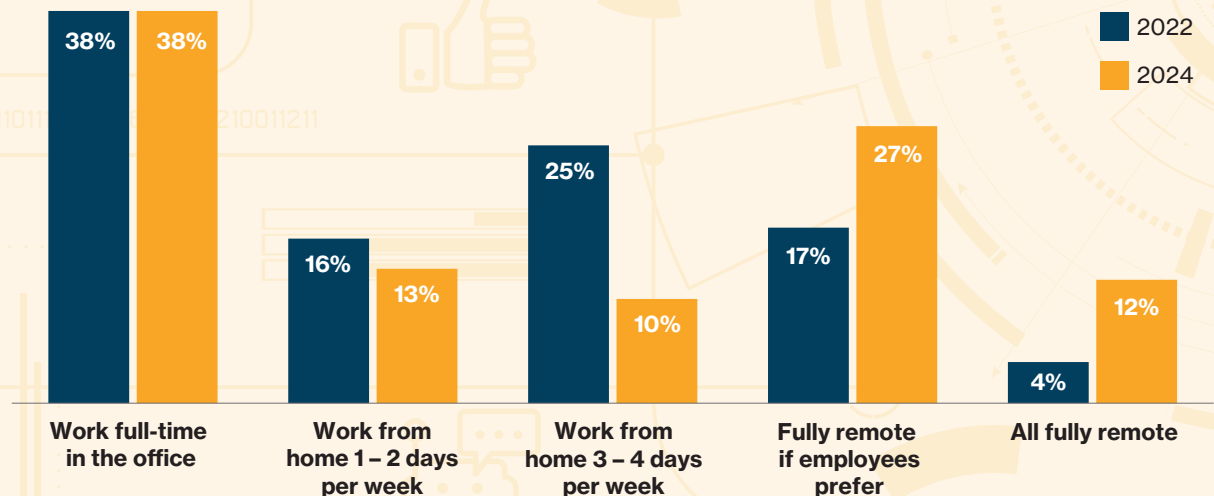
work," he says. AT&T has also implemented new scheduling programs, "not to the point where everyone can pick their hours, but that's ultimately where we want to get to," says Hung.

"In the UK, we kicked off a flexible working initiative in 2019 and have seen a 66% rise in applications since its launch," says Conny Kalcher, group chief customer officer at Zurich Insurance in Switzerland. "It speaks to the fact that people, especially upcoming generations, are increasingly looking for opportunities that let them reassess what we know as the 'nine-to-five.' To progress in your career, you shouldn't have to work five days in the week, always in the office. This initiative has helped us remove barriers for those who need flexibility."

The survey finds just a quarter of respondents consider reduced real estate costs to be a key benefit of hybrid working. Indeed, many still have plans for physical office spaces. Six in 10 respondents (61%) are exploring the option of providing access to coworking spaces, and more than half (56%) are looking at new office locations either closer to emerging talent hubs or in lower cost locations.

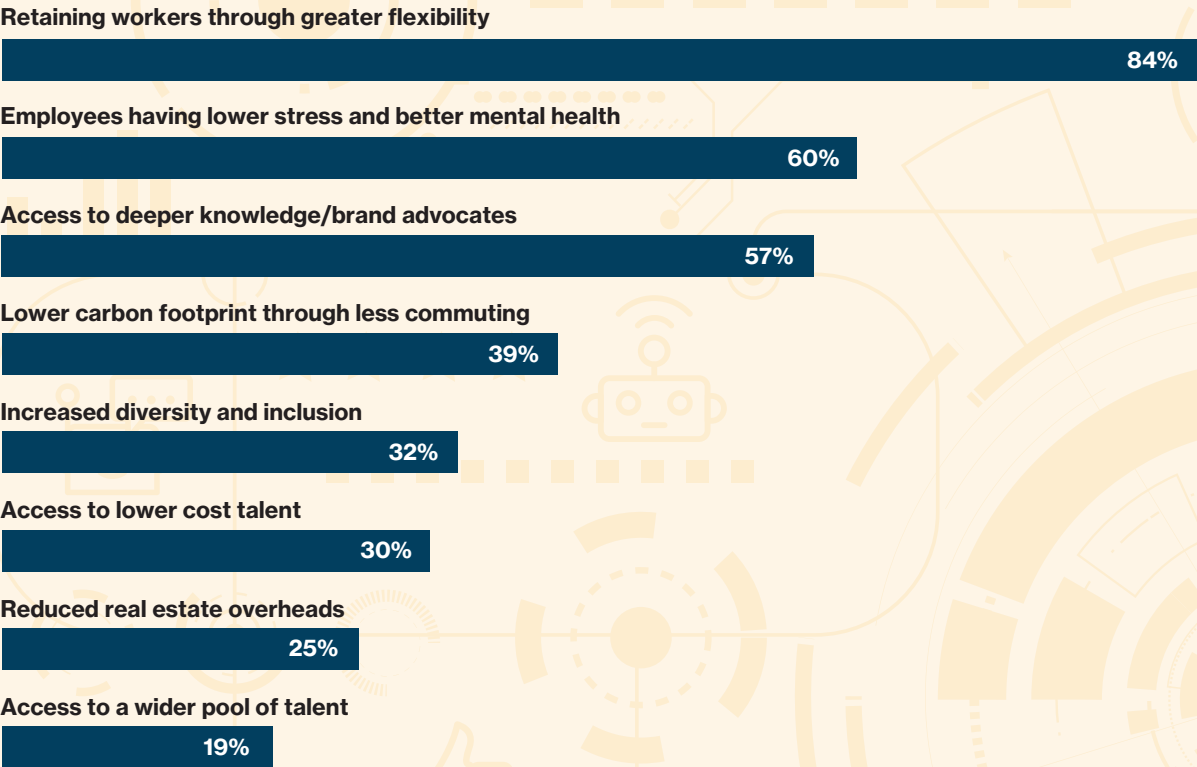**Figure 2: Workplace policies for remote work in 2022 and expected in 2024**

Which of the following statements best describes your organization's policy towards working from home for full-time CX employees, today and in two years' time? (% respondents)

Legend: 2022, 2024

	Work full-time in the office	Work from home 1 – 2 days per week	Work from home 3 – 4 days per week	Fully remote if employees prefer	All fully remote
2022	38%	16%	25%	17%	4%
2024	38%	13%	10%	27%	12%

Source: MIT Technology Review Insights survey, 2022

Figure 3: Greatest perceived benefits of a hybrid of fully remote workforce

What are the greatest benefits of a hybrid or fully remote workforce compared to working on-site full time?
(% respondents)

Retaining workers through greater flexibility

84%

Employees having lower stress and better mental health

60%

Access to deeper knowledge/brand advocates

57%

Lower carbon footprint through less commuting

39%

Increased diversity and inclusion

32%

Access to lower cost talent

30%

Reduced real estate overheads

25%

Access to a wider pool of talent

19%

Source: MIT Technology Review Insights survey, 2022

Managing the shift to remote working

Having CX employees work from home presents challenges for contact center leaders. About one in three survey respondents (36%) say that defining remote or hybrid working models is "extremely challenging," and one in five (21%) say their management and reporting structures are not set up for hybrid or remote work.

Specific concerns about the impact of remote work include lower productivity and worse or inconsistent customer service (51% of respondents), followed by a negative impact on culture and teamwork (42%), and reduced collaboration around ways to optimize the customer experience (41%) (see Figure 4).

It is clear that making the successful shift to virtual contact centers is still a work in progress for many organizations. While remote working is popular with
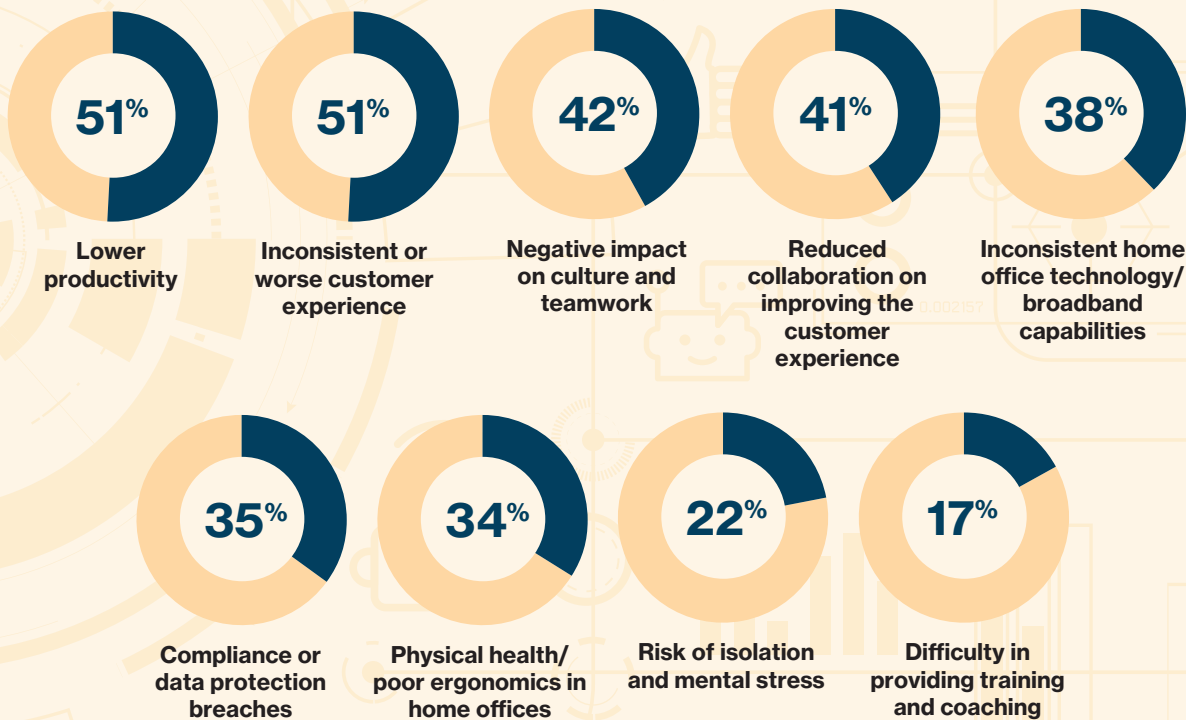
employees, six in 10 (61%) CX leaders expect they'll require staff to spend at least one day per week in the office in 2024.

To provide employees with greater flexibility while also managing the risks of remote working, organizations need to rethink their overall staffing model, explore the skills and competencies necessary to succeed in the future, and innovate with new tools and technologies around workforce management and performance.

On balance, CX leaders are positive about the cultural transformation enabled by remote working and the value proposition it offers employees. "It's no surprise employees want to feel valued and heard, to do meaningful work, and have flexibility," says Hung at AT&T. "As a result, we've had to become more in tune with prospective employee expectations and intensify our focus on holistic agent performance."

Figure 4: Greatest perceived risks or challenges of a hybrid or fully remote workforce

What are the greatest risks or challenges of a hybrid or remote workforce compared to working on-site full time? (% respondents)

51%
Lower productivity

51%
Inconsistent or worse customer experience

42%
Negative impact on culture and teamwork

41%
Reduced collaboration on improving the customer experience

38%
Inconsistent home office technology/ broadband capabilities

35%
Compliance or data protection breaches

34%
Physical health/ poor ergonomics in home offices

22%
Risk of isolation and mental stress

17%
Difficulty in providing training and coaching

Source: MIT Technology Review Insights survey, 2022

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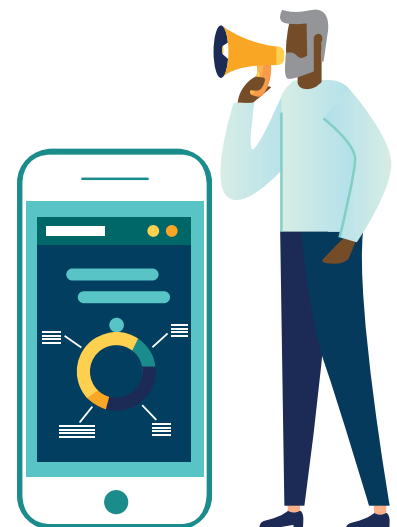
Key takeaways

1. **The people paradox**. This survey finds conflicting perceptions toward contact center talent. On the one hand, managers recognize the value of CX as a strategic differentiator and find recruiting new staff "extremely challenging." On the other hand, they don't necessarily acknowledge that the high employee turnover they're accustomed to is particularly a problem. Progressive organizations are beginning to think more strategically about CX staff, transforming their work environment and culture to promote retention and career development. These are the organizations that will win the war for talent in the long term.

2. **Flexibility is not optional. Having worked remotely for most of the covid-19 pandemic, employees are reluctant to return to fixed office hours and locations**. To retain staff and offer an environment that is appealing to new applicants, organizations must continue to be flexible. There are numerous benefits to hybrid and remote working models, including better mental health and lower stress for staff, greater access to brand advocates or other specialists, and a lower carbon footprint.

3. **Managing remote CX staff is a work in progress**. While policies and technologies have changed dramatically over the past two years, survey respondents still have concerns about the effectiveness and efficiency of CX teams working remotely. A third of survey respondents find defining these new models extremely challenging, and a fifth feel their management and reporting structures are not well-suited for managing CX employees in more flexible models.

03 Staffing models for the future

Customer experience organizations include full-time and part-time employees, contractors employed by outsourced service providers, and freelance staff hired through gig work platforms. More than 90% of surveyed organizations also bring staff from other departments into the customer service call queue during peak times.
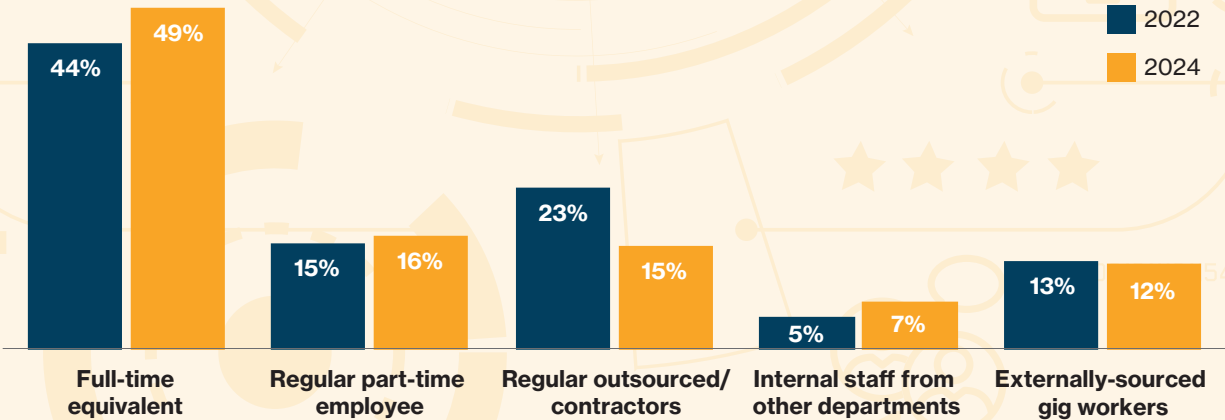
According to the survey, in 2022 organizations have, on average, 44% of their CX workforce hired as full-time equivalents (FTEs), and a further 15% as part-time employees. Almost a quarter (23%) of respondents' CX employees are supplied by outsourcers, and another 12% are freelancers hired on a "gig" basis (see Figure 5).

By 2024, survey respondents estimate that nearly half of all CX team members will be FTEs, and part-time employees will also increase slightly, while personnel from outsourced customer service firms will comprise about 15% of their workforce. The proportion of gig workers is expected to remain the same in 2024 compared to 2022, at about 12%. That said, the use of independent brand ambassadors, social media influencers, and even other customers to help evaluate products and services is being used by a widening variety of organizations.

Figure 5: Composition of the contact center workforce in 2022 and 2024

What is the percentage composition of your contact center workforce today? How will this be different in two years' time? (% respondents)

	2022	2024
Full-time equivalent	44%	49%
Regular part-time employee	15%	16%
Regular outsourced/contractors	23%	15%
Internal staff from other departments	5%	7%
Externally-sourced gig workers	13%	12%

Source: MIT Technology Review Insights survey, 2022

The CX workforce: Roles and skills

The goal to increase the relative proportion of FTEs in CX roles points to the importance of experience for an organization's reputation and customer loyalty (87% of respondents say CX is a strategic differentiator for their brand). Over 70% of respondents plan to hire more customer-facing employees (agents and supervisors) by 2024, and over half (54%) expect to recruit additional voice-of-the-customer specialists in the same period. Other in-demand skill sets are IT and learning and development (see Figure 6).

As technology becomes increasingly pervasive, especially with the rise of cloud platforms and artificial intelligence tools, survey respondents note that CX operations staff and business process specialists will be less numerous in the next one to two years. Any employees who are displaced by technology will be retrained into higher value roles, according to 76% of survey respondents.
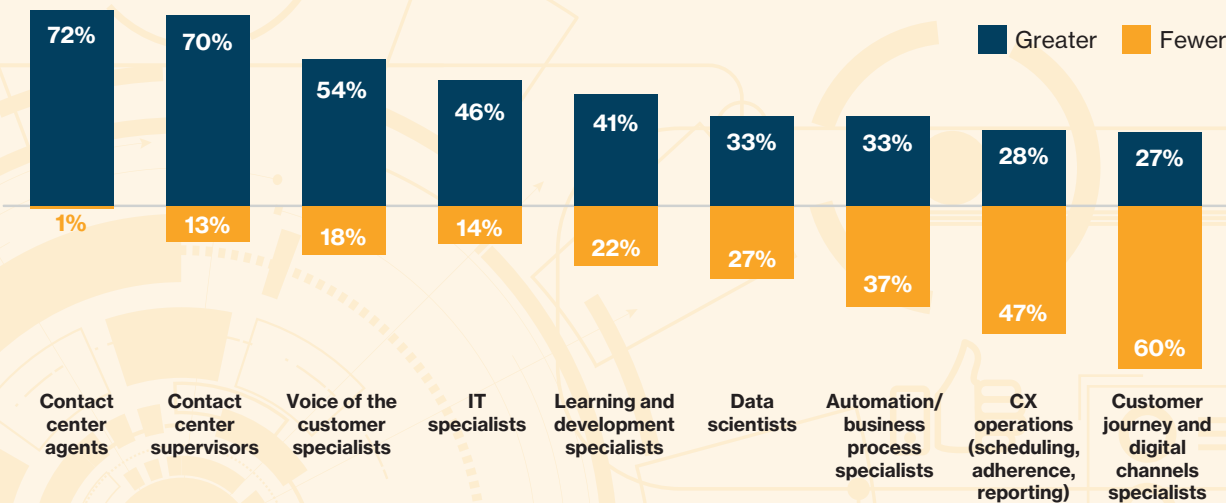
For customer-facing agents and supervisors, there will be a significant move away from simply concluding transactions toward deeply engaging with customers through personalized, empathetic, and proactive interactions. Nearly a quarter of respondents do not believe there will be a significant shift in the skills they will need in the contact center, but these are in the minority. Largely, respondents expect CX work to become more specialized (69% of respondents).

More than nine out of 10 respondents say they will need CX employees to possess more data and analytics skills, customer process mapping and journey optimization capabilities, specialized product knowledge, and emotional intelligence (see Figure 7, next page).

Figure 6: CX job roles likely to increase or decrease

Which job roles do you think will become greater in number or fewer in number over the next one to two years? (% respondents)

Legend: Greater (dark blue), Fewer (orange)

Job role	Greater	Fewer
Contact center agents	72%	1%
Contact center supervisors	70%	13%
Voice of the customer specialists	54%	18%
IT specialists	46%	14%
Learning and development specialists	41%	22%
Data scientists	33%	27%
Automation/business process specialists	33%	37%
CX operations (scheduling, adherence, reporting)	28%	47%
Customer journey and digital channels specialists	27%	60%

Source: MIT Technology Review Insights survey, 2022

For customer-facing agents and supervisors, there will be a significant move away from simply concluding transactions toward deeply engaging with customers through personalized, empathetic, and proactive interactions.

Figure 7: CX skills likely to increase in value

What skills do you think will become more valuable for your contact center workforce in the next one to two years? (% respondents)

Data and analytics
98%

Customer process mapping and journey optimization
94%

Brand advocacy, specialized product knowledge
94%

Listening, emotional intelligence, interpersonal skills
94%

Coaching and people development
30%

Upselling and cross-selling
28%

Speed and efficiency
21%

Source: MIT Technology Review Insights survey, 2022

New skill sets and greater coordination across teams create broader and more varied CX roles, rather than new positions or job titles. At rideshare company Didi/99, international customer experience executive director Caio Poli explains that the shift to remote work has increased cross-team and culture collaboration. "This reinforces opportunities for team members to work across different markets for those who are interested in building an international career," Poli says. "Given the multi-market teams, connecting our employees to our customers through a structured process became even more critical. We are strengthening our 'voice of the customer' teams, using the capability to bring client information into business development processes."

Rosane Giovis, global intelligent service and transformation leader at IBM, also cites the need for organizations to employ CX talent flexibly in order to champion the company's products and activate the customer journey. "Organizations now need CX people to think both strategically about what needs to get done today, but also about tomorrow — about how important the customer journey is, and how to actually execute and fulfil it, leveraging the company's assets. What they're looking for, in short, are product owners, who try to own a solution and understand how it needs to be fulfilled end-to-end," Giovis says.

New employment models

While organizations are looking to have a greater proportion of CX staff as either full or part-timers, securing specific specializations from outsourcing companies and freelance experts will also play a vital role. Neale at Limitless Technology believes that engaging CX talent beyond the immediate work pool can help organizations identify sources of more detailed product knowledge and customer insight, including from customers themselves.

"Who knows more about a client's products than people who are actually using them?" asks Neale. Mixing talent in this way, she says, offers a way to address two challenges at the same time: "Strategies to meet the needs of both customers and CX employees go hand in hand." The survey finds that almost 90% of organizations will be employing freelance gig workers in the customer experience by 2024.
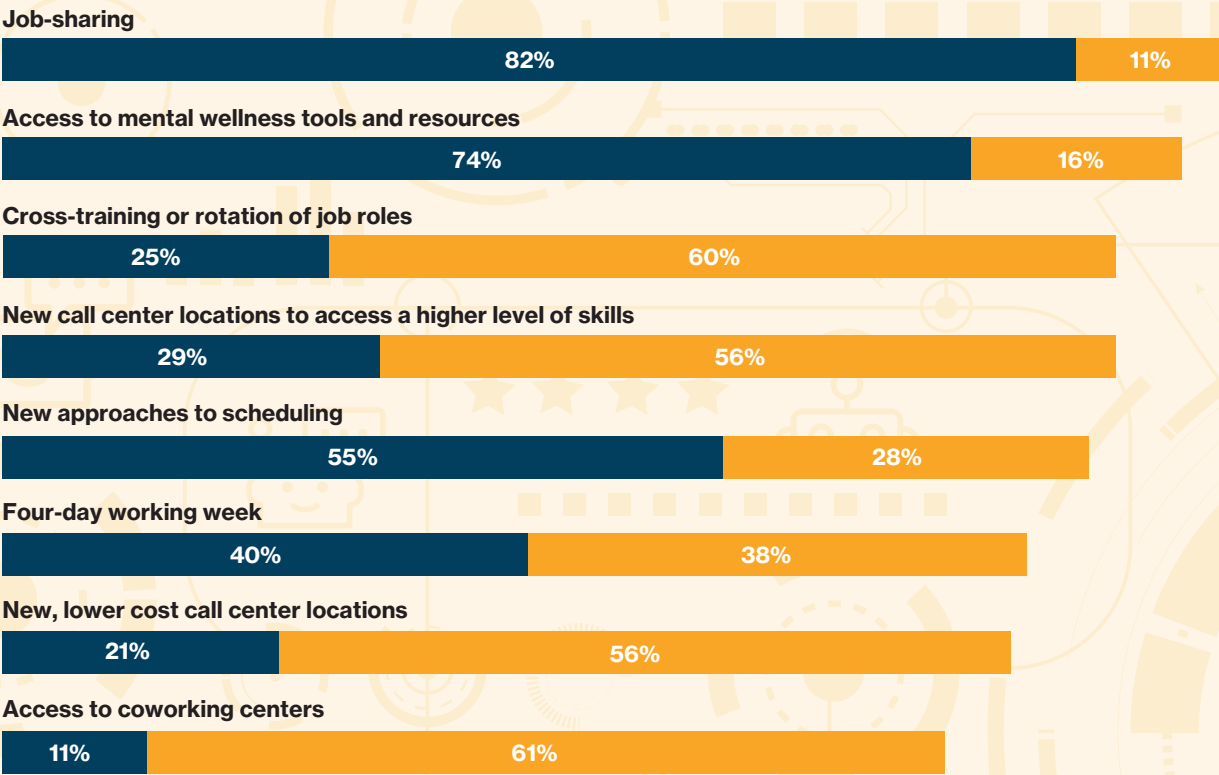
Other flexible employment practices will also become more popular. By 2024, more than nine out of 10 survey respondents (93%) expect to allow job-sharing between team members. Organizations are also increasingly allocating staff from other departments to manage customer interactions (see Figure 8).

Many organizations (particularly retailers or businesses with closed physical premises) redeployed staff to manage high customer interaction volumes and spikes during the pandemic. One of Neale's clients, a cosmetics retailer, shifted store assistants and beauty advisors to hybrid roles where 50% of their time was spent in virtual customer engagement. This uncovered a powerful resource for improving the customer experience.

"There is always unproductive time in everyone's roles," Neale says. "And there is always a need to provide more customer support. Cross-functional engagement within an organization can harness this and can also significantly reduce spend."

Figure 8: Workforce strategies CX leaders are using or plan to use

Which employment-related practices are you already using or considering for the future? (% respondents)

Job-sharing
82%	11%

Access to mental wellness tools and resources
74%	16%

Cross-training or rotation of job roles
25%	60%

New call center locations to access a higher level of skills
29%	56%

New approaches to scheduling
55%	28%

Four-day working week
40%	38%

New, lower cost call center locations
21%	56%

Access to coworking centers
11%	61%

■ Currently using   ■ Plan to use within 1-2 years

Source: MIT Technology Review Insights survey, 2022

Kalcher from Zurich Insurance says that, since the pandemic, the company has fully embraced the changing ways of working, and that regional business units have been actively exploring ways to accommodate greater flexibility. In the UK, every CX role at Zurich can be filled on a full-time, part-time, or job-sharing basis. "We have opened ourselves to many different models for hiring people and believe the flexibility we are offering in our UK operations will percolate through our entire company," Kalcher says.

With flexibility now at the heart of CX workforce strategy, the next step for many is to innovate with tools and technologies for maintaining and improving performance as well as increasing happiness and engagement at work.

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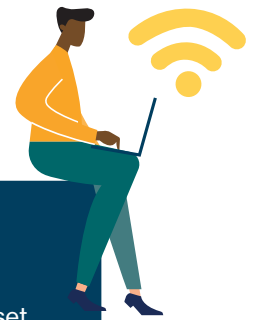
Key takeaways

1. **Rethink the resource stack**. CX leaders are balancing multiple imperatives: accelerate digitization, meet continually rising expectations of customers and employees, and provide seamless and personalized experiences without growing costs. To manage these factors, they are rethinking their CX workforce strategy — identifying which capabilities they want greater control over and where to rely on specialist partners or individuals.

2. **Recruit and develop specialist expertise**. This research finds that managers expect data and analytics and customer journey optimization to be in-demand CX skills. Developing these capabilities and working effectively across departments to drive change requires employees to build up tenure. Organizations must support this by offering holistic learning and development

and encouraging a career growth mindset among staff. Survey respondents also report needing brand advocates and product/service specialists — enabled by remote working flexibility and freelance gig staff.

3. **Architect for flexibility**. CX organizations need to engage freelance brand ambassadors on demand or to shift customer calls to different facilities around the world to accommodate time zone or skills differences. This will enable them to resource nimbly and allow more independent agents to connect in real time. By 2024, more than nine out of 10 survey respondents expect they will allow job-sharing between team members. Organizations are also increasingly allocating staff from other departments to manage customer interactions.

04 Tools and technologies transforming CX work
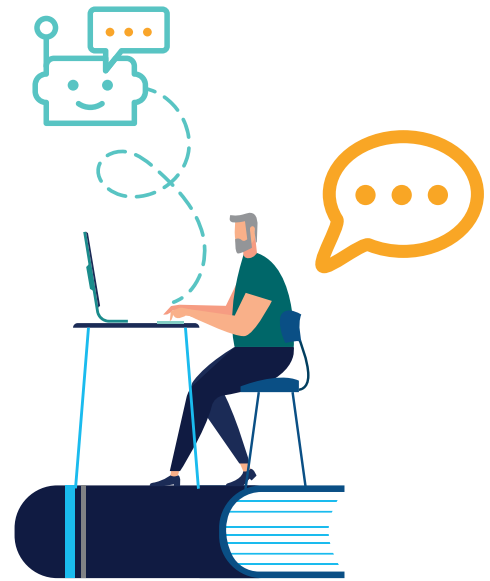
Organizations have made significant progress in using tools and technology to improve contact center efficiency and performance. Over half of respondents are already using agent-assist technology and AI-enabled chatbots. Over 40% of respondents have similarly invested in process automation, predictive routing (matching customers to employees based on the likely intent of their interaction), and gamification applications.

As executives look to the future, their plan is to surround contact center employees with tools and technologies that will elevate their ability to succeed. The data shows they are also intent on tackling employees' greatest daily challenges, which include a lack of information for assisting customers in the moment, dealing with frustrated customers, and a lack of learning and development opportunities (see Figure 9, next page).

By 2024, 90% of survey respondents expect to be using AI-enabled chatbots for customer self-service. These bots will also intelligently gather intent so that if a customer does end up speaking to a human at the contact center, that agent will be armed with the right information to assist and won't need the customer to repeat themselves.

To support live conversations, organizations are further rolling out agent-assist technology (83% expect to be using it by 2024) and sentiment analysis (86% say they expect to use it by 2024), so employees can better course-correct if customers are becoming frustrated. Sentiment analysis will also provide greater insight into the overall customer experience, allowing organizations to be less dependent on feedback surveys. To support employees on an ongoing basis, organizations are launching AI-enabled training, which will identify learning needs and surface the right content.

By 2024, 90% of survey respondents expect to be using AI-enabled chatbots for customer self-service. These bots will also intelligently gather intent so that if a customer does end up speaking to a human at the contact center, that agent will be armed with the right information.

Figure 9: CX employees' greatest frustrations

What would you expect CX employees' greatest daily frustrations to be? (% respondents)

Insufficient information to assist customers in the moment

78%

Dealing with frustrated customers

51%

Insufficient learning and development opportunities

46%

Platform downtime or outages

33%

Lack of autonomy over their schedule

29%

Lack of face-to-face time with colleagues

25%

Inconsistent metrics and expectations

24%

Lack of career advancement opportunities

24%

Repetitive work and high stress

23%

Having multiple screens and platforms

22%

Insufficient remuneration

18%

Source: MIT Technology Review Insights survey, 2022

Single-screen platforms are a new area of investment. Currently, 90% of survey respondents still require employees to toggle between different views as they assist customers. Some 73% of respondents say consolidating this to provide a single screen is an investment priority by 2024. Other areas of future interest include AI-based performance monitoring and "intent mining" or predictive interaction tools (see Figure 10, next page).

Toolkits for remote collaboration

One of the key concerns for CX leaders about the rise of remote work is a perceived lack of opportunity for collaboration – potentially missing opportunities to improve the customer experience. Steven Hatfield, global leader for future of work at Deloitte, says that while research reveals it makes sense for teams to be together at times, "there is not enough recognition that many leaders in large organizations have actually been managing virtual teams for a long time

Figure 10: Tools or technologies to improve employee and customer experience

What tools and technologies are you using now or considering using in the future to improve the employee and customer experience? (% respondents)

AI-based coaching and training recommendations
23% | 70%
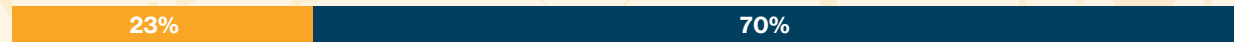
AI-based performance monitoring and evaluation
33% | 59%

AI-based chatbots and voicebots
57% | 33%

Real-time sentiment analysis
23% | 63%

Single screen and single platform
10% | 73%

Agent-assist technology
58% | 25%

Intent mining and predictive engagement
24% | 59%

Robotic Process Automation for routine tasks
42% | 35%

Intelligent forecasting and scheduling
23% | 48%

Gamification
46% | 22%

Predictive routing to match customer with employee
24% | 33%

■ Currently using   ■ Plan to use within 1-2 years

Source: MIT Technology Review Insights survey, 2022

AI tools are now able to dynamically assess and redesign workflows and schedules and give behavioral nudges to team members to encourage wellness breaks or communication with other colleagues.

now, and have already been working to effectively manage them with empathy and authenticity to achieve better team performance."

It is also an area where technology can help. "When it comes to tasks such as prioritizing ideas, the right digital toolkits are very beneficial to help teams collect and analyze customer data and make more effective decisions based on it," says Hatfield. "AI tools can scrape [interaction] data and marry it with context generated from real-time customer interactions, providing agents with the right nudge to more fulfilling outcomes."

In terms of managing work, AI tools are now able to dynamically assess and redesign workflows and schedules and give behavioral nudges to team members to encourage wellness breaks or communication with other colleagues. "The ability to understand work, break it down, and structure teams based on the actual workflow still holds in the hybrid world, maybe even more so than in the past," he says.

Similarly, online collaboration and video meetings create "a lot of digital exhaust — passive data — which creates interesting and useful insight," Hatfield says. "Teams may not be able to meet at the coffee bar to share serendipitously, but AI tools can analyze an organization's meeting data and encourage teams to connect with each other if it senses something cool. Or it can connect one team member searching for information or assistance with the team member who has it," Hatfield adds.

Engagement and well-being

Three-quarters (76%) of survey respondents say low morale is a challenge among their CX workforce, and health and wellness is cited as the third-highest priority area for improvement across the employee lifecycle. Respondents also consider lower employee stress and better mental health to be the second greatest benefit of hybrid working.

Flexibility, learning and development, and accelerated career pathing are at the heart of CX leaders' plans to focus on employee engagement. Shannon Patterson of Marriott International explains that the hotel group began reconfiguring career development for CX teams well before the pandemic, but the pivot to remote and flexible work accelerated those efforts. "We were building a new integrated loyalty program where 'suit-and-tie' agents would spend six months in front-line sales and service and then move up into the loyalty world," Patterson says.

The pandemic forced Marriott to furlough many US workers and shift 75% to 80% of positions to remote work. Initially, Marriott used its global call center network to help fill gaps in coverage: routing US customer calls to facilities in Asia, Mexico, or Ireland. This flexible coverage model then became a tool the company could leverage to attract talent. "If we are giving team members three to four hours a day back to them, we are rewarded with their loyalty," Patterson says.

"AI tools can scrape interaction data and marry it with context generated from real-time customer interactions, providing agents with the right nudge to more fulfilling outcomes."

Steven Hatfield, Global Leader for Future of Work, Deloitte

Figure 11: Career pathing practices CX leaders are using or plan to use

Which employment-related practices are you already using or considering for the future? (% respondents)

Increased career pathing for advancement within the contact center

23% — 50% — 27%
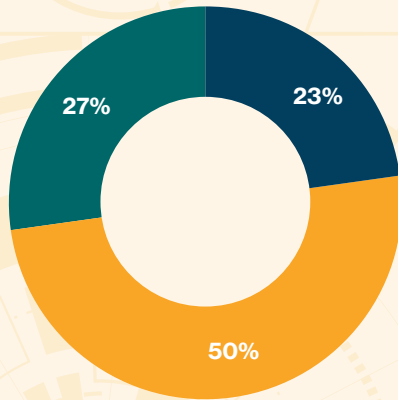
Increased career pathing toward roles outside the contact center
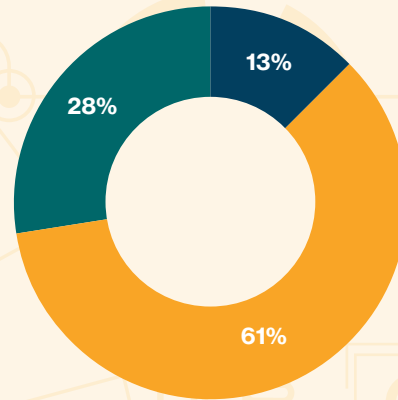
13% — 61% — 28%

■ Currently using   ■ Plan to use within 1-2 years   ■ No plans

Source: MIT Technology Review Insights survey, 2022

The company's traditional career paths expected employees to spend one to two years in a traditional office environment, and then move up systematically as a cohort. "Now, with team members in more varied employment environments, we don't have those structures, but we are desperate to have people move up faster into higher-touch jobs," Patterson says. "We are using our more flexible hiring practices to let us take more risks on people, promoting faster and providing different and more complex customer care roles to provide opportunities to move up the organization."

Half of surveyed organizations are working on increasing career pathing opportunities within the contact center, and 62% are working on increasing career pathing for CX staff toward other non-contact center roles by 2024 (see Figure 11).

Lack of learning and development was identified by surveyed executives as a key area of concern for CX employees, and they cite learning and development as the part of the employee lifecycle most in need of improvement over the next one to two years.

More formalized training and development will also be essential for moving employees into more specialized positions and for retraining those potentially displaced by technology (see Figure 12, next page).

At Zurich Insurance, the CX leadership team has been developing a new approach to learning and development programs. "We recently launched our Zurich Customer Mastery Program, including a bespoke CX Mastery Program, which allows our people to seek out learning and upskilling programs on demand, and access various coaching and mentoring programs," Kalcher says.

"We are using our more flexible hiring practices to let us take more risks on people, promoting faster and providing different and more complex customer care roles."

Shannon Patterson, Senior Vice President, Customer Engagement Centers, Marriott International

Andrew Hume, CEO of Australia-headquartered customer care service provider Probe CX, explains that his organization has revamped training and coaching resources since the pandemic to "create a sustainable remote workforce at scale that can deliver quality."

"Among the new resources is an application on every team member's phone that gives them instant messaging access to professional support for mental health, financial counseling, or other wellness needs. Client-facing team members handle complex and challenging tasks to help clients, and they also need help themselves," Hume says.

When it comes to learning and development, Probe has launched a series of online, on-demand coaching and training modules that allow the company to develop staff efficiently and with customized programs. Using these kinds of learning and development initiatives, Hume says, allows CX teams "to embrace an individual's complex requirements and take them through an array of skills that are linked to progressive remuneration, so they are earning more as they work through and evolve with their skills."

Figure 12: Opportunities for improvement in the CX employee lifecycle

In which areas of the CX employee lifecycle do you see the greatest opportunities for improvement in the next one to two years? (% respondents)

Learning and development programs
71%

Recruitment and talent attraction
53%

Health and wellness tools and programs
43%

Employee performance metrics and measurement
42%

Remuneration packages
37%

Long-term career paths
31%

Creating purpose and meaning in daily work
28%

Management skills of supervisors and team leaders
28%

Flexible working practices
20%

Onboarding and training
15%

Source: MIT Technology Review Insights survey, 2022

For Marriott, the focus on learning, development, and career pathing is also shaping the company's real estate strategy. Patterson says they are working to reposition call center locations into employee "experience centers."

"We have fully embraced the new hybrid model," she says, "and it allows us to leverage global talent to fulfill job needs more dynamically. But to really avoid 'churn and burn,' you have to create a cohesive culture, and to do this you do need physical spaces."

"This is what we are trying to solve: how to rework the call center into a training, collaboration, and community facility where employees can occasionally connect with team members they usually only see online," Patterson adds.

"CX employees need technology and processes that provide them with insight into what's happening ahead of them and beside them, and support what's happening behind them."

Andrew Hume, CEO, Probe CX

Key takeaways

1. **Support agents from every angle**. CX employees need technology and processes that provide them with insight into "what's happening ahead of them and beside them, and support what's happening behind them," says Hume from Probe. These technologies include AI-enabled natural language tools and biometric recognition that augment employee decision-making in every customer interaction. "Intelligent steering removes duplication from the conversation and leads to more fulfilling resolutions," Hume says.

2. **Develop career paths inside and outside the contact center**. The new breed of CX employees — highly analytical, technology savvy, and with deep knowledge of customer journeys, processes, and channels — can be a talent factory for inside and outside the CX function. Leaders must develop career paths that allow CX staff to reach their full potential and provide the resources and support that enable employees to make that progress.

3. **Make learning a part of the culture**. There is no shortage of training in modern contact centers, yet meaningful learning and development has remained relatively elusive. CX leaders should develop programs that go beyond tactical tips for improving productivity to create immersive and ongoing learning platforms that tie into employees' personal and professional goals. Reimagined real estate can become "experience centers" for collaboration, coaching, and professional development. Technology can also be highly effective as AI surfaces learning needs and supports employees with targeted solutions in the moment.

05 Conclusion
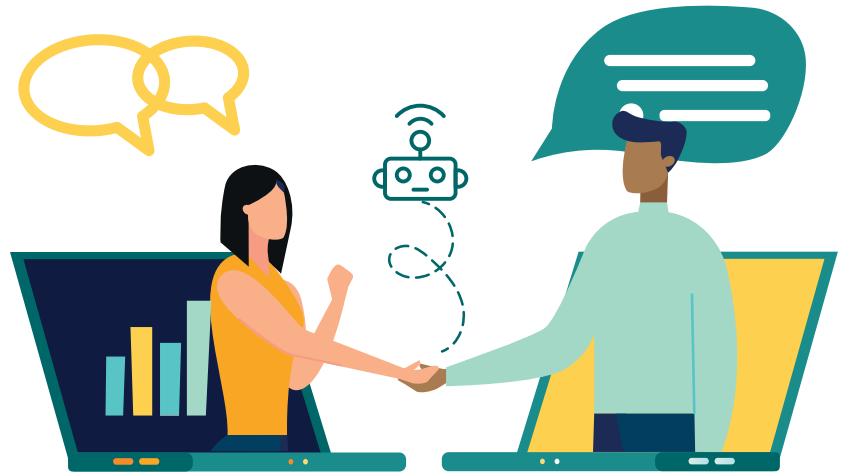
In the future, successful CX organizations will be transformed by technology and have a culture of empathy for both customers and employees. Employees in these successful organizations will work in a hybrid world, sometimes in the office where they'll collaborate on improving processes, mapping customer journeys, improving tools and technology, and exploring insights around the customer or employee experience. They will receive real-time coaching as well as long-term career development, whether that's when they're working remotely, at co-working locations, or on company premises at sites that are also operating as immersive experience centers.

For the successful CX organization, customer experience will be better integrated with other parts of the business, providing vital voice-of-the-customer insights that allow different departments to improve their processes. CX employees in these organizations will gain a better understanding of how the business operates and what career paths are available to them. In short, work will become much more strategic, engaging, meaningful, and marketable.

Yet this vision of the future is not being embraced by all organizations today. This research shows that the people paradox still exists: CX leaders are more concerned about the challenge of bringing in new people than they are about the number of people leaving. But that approach to employees needs to change. Organizations that don't start thinking differently will continue to lose people, and the customer experience will suffer. Employee satisfaction and customer satisfaction can be either a virtuous or a vicious cycle.

Committing to major change across the employee experience is not without challenges, according to survey respondents. They cite a lack of understanding about the return on investment for employee-related initiatives, followed by a lack of assigned budget. Additionally, 36% report that employees themselves are resistant to change (see Figure 13, next page).

If leaders are committed to improving the customer experience, these hurdles need to be overcome. "[CX] is not simply a service function, it is an integral part of how we work and develop new propositions," says Kalcher from Zurich Insurance. "The demand for customer insight growing from everywhere in our company is imparting more value to CX work, which gives more satisfaction to CX team members who can see the impact of what we do."

In the future, successful CX organizations will be transformed by technology and have a culture of empathy for both customers and employees.

Figure 13: Greatest barriers for improvement

What are the greatest barriers to improving the contact center employee experience in your organization?
(% respondents)

Challenge of understanding ROI and building a business case

61%

Lack of budget for major initiatives in employee experience

58%

Staff are resistant to business process change

36%

Lack of implementation and change management capacity

34%

Too many other priorities and time pressures

29%

Lack of executive buy-in

28%

Unsure of what new tools or features are available

27%

Legacy platform with limited capabilities

26%

Source: MIT Technology Review Insights survey, 2022

"CX is not simply a service function, it is an integral part of how we work and develop new propositions."

Conny Kalcher, Group Chief Customer Officer, Zurich Insurance

06 Appendix: Methodology

To understand the shifts in workforce strategy and how this will continue to evolve in the future, MIT Technology Review Insights surveyed 800 senior executives in 20 countries across Europe, Asia, North America, and Latin America, most with direct responsibility over CX functions.

The survey respondents manage CX facilities of various sizes: nearly 40% oversee operations of under 250 people, while another 35% have call center operations of over 1,000 staff. Respondents are roughly evenly represented across nine industries,

including banking, insurance, health care, retail, hospitality, and government.

Some 25% of respondents work for organizations with over $5 billion in annual revenue, and another quarter for organizations sized between $1 billion and $5 billion in yearly earnings. Almost a third (29%) of respondent employers have less than $100 million in revenue.

The survey's findings were then complemented by 9 in-depth interviews with senior executives in the CX industry, heads of CX operations, and thought leaders on the future of work and organizational behavior.

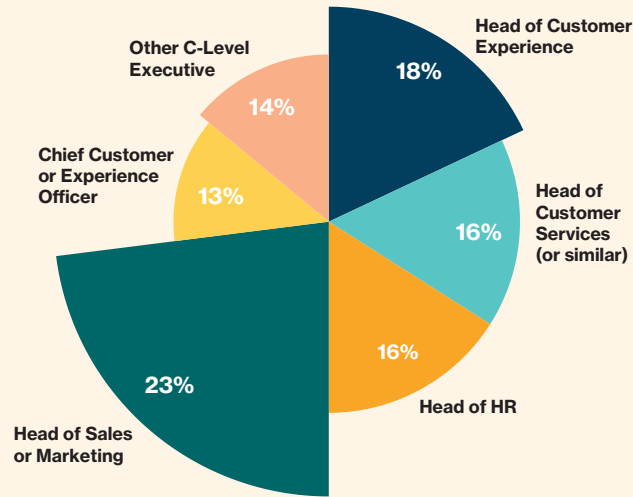## Figure 14: Number of call center seats

How many contact center agents (sales, service and tech support) does your organization employ in total, including full-time and contract workers? (% respondents)
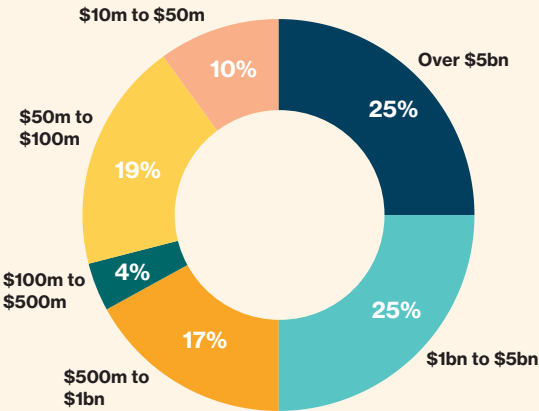
Less than 250	39%
250-500	14%
501-1000	11%
1001-3,000	24%
More than 3000	12%
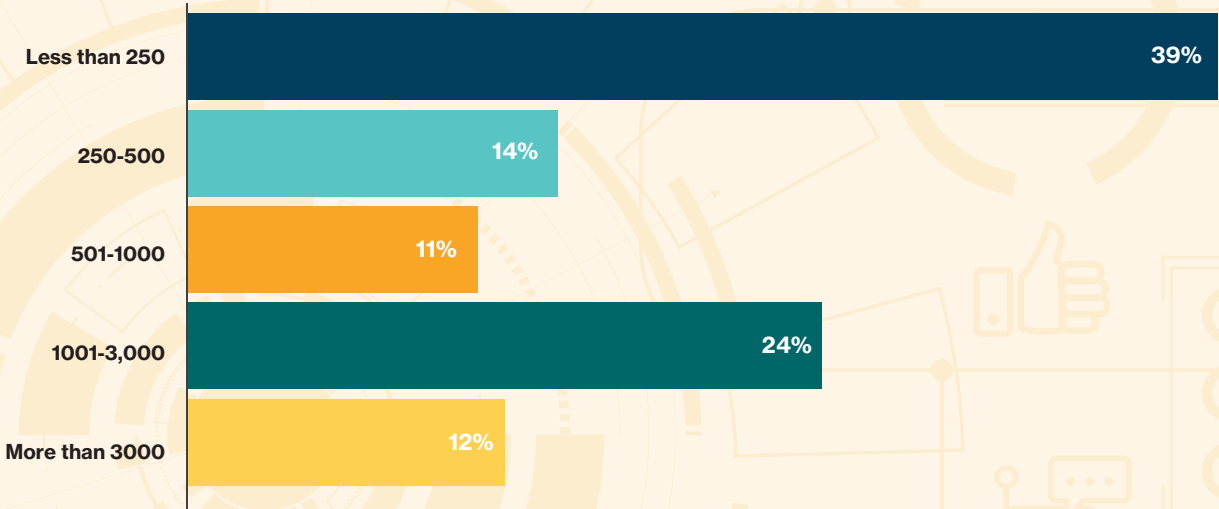
Source: MIT Technology Review Insights survey, 2022

Figure 15: Survey respondents

What title best describes your position?
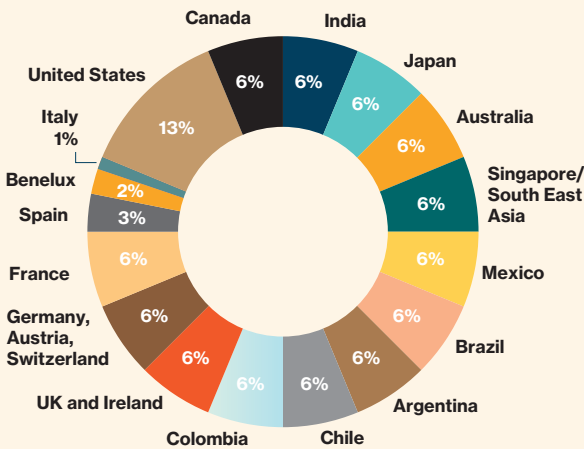(% respondents)

- Head of Customer Experience — 18%
- Head of Customer Services (or similar) — 16%
- Head of HR — 16%
- Head of Sales or Marketing — 23%
- Chief Customer or Experience Officer — 13%
- Other C-Level Executive — 14%

What is your company's size?
(% respondents)

- Over $5bn — 25%
- $1bn to $5bn — 25%
- $500m to $1bn — 17%
- $100m to $500m — 4%
- $50m to $100m — 19%
- $10m to $50m — 10%

What is your primary industry?
(% respondents)

- Consumer goods, Retail — 13%
- Banking — 13%
- Insurance — 13%
- Hospitality, travel, and leisure — 9%
- IT, telco — 9%
- Pharmaceuticals — 9%
- Healthcare — 13%
- Professional services — 9%
- Government — 13%
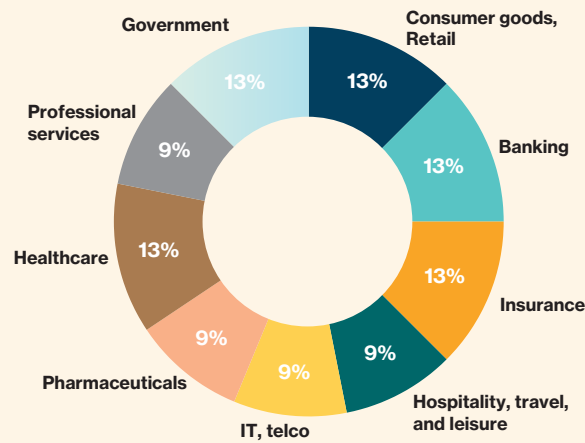
Where is your company's operations based?
(% respondents)

- Canada — 6%
- India — 6%
- Japan — 6%
- Australia — 6%
- Singapore/South East Asia — 6%
- Mexico — 6%
- Brazil — 6%
- Argentina — 6%
- Chile — 6%
- Colombia — 6%
- UK and Ireland — 6%
- Germany, Austria, Switzerland — 6%
- France — 6%
- Spain — 3%
- Benelux — 2%
- Italy — 1%
- United States — 13%

Source: MIT Technology Review Insights survey, 2022

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Footnote

1. "ASAPP Report Reveals Contact Centre Agent Challenges," CX Today, September 13, 2021, https://www.cxtoday.com/contact-centre/asapp-report-reveals-contact-centre-agent-challenges/.

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