



May 07, 2007

Agents as Employees - A Key Factor in Choosing the Right Partner

By [Christopher M. Carrington](#)
CEO, Alpine Access

Does your outsourcing partner hire agents as employees or contractors? If you are currently outsourcing or in the process of selecting an outsourced service provider, it's a critical question to ask.

Within the home-based agent industry, companies providing outsourced call center services typically hire agents either as employees or as contractors. While you may think this distinction doesn't impact you as the client, in actuality the level of service you and your customers receive is a direct result of how the agents are employed. Companies whose agents are hired as employees offer clients many additional benefits over those using contractors.

Superior Workforce Management

To put it simply, companies with agents as employees have an increased ability to control how work is performed. Employee agreements allow employers to directly manage their agents in a way that isn't available when working strictly with contractors. This additional control provides two distinct client advantages:

Dedicated Agents. Using the employee model, companies can require agents to commit to specific work schedules, allowing them to be assigned to individual client accounts and guaranteeing full coverage even during holidays. This is in direct contrast to contractors who are frequently routed calls based on call volume, which requires individuals to handle multiple accounts at the same time.

Having agents assigned to your account also guarantees that the customer service representatives handling your calls are not working for competitors. Employers can legally document that there are no conflicts of interest, so clients know their agents are not sharing proprietary, internal information.

Quality Assurance. With direct management of agents, employers have the ability to monitor the quality of calls. Coaches can listen to live calls at anytime and provide ongoing feedback to ensure every call is being answered with the highest level of professionalism and accuracy. In addition, employers are able to provide ongoing training as an employee benefit. This means that

agents consistently receive your most updated product and service information as well as best practices within the customer service industry.

Brand Integrity

Conveying the attributes of your brand and company values over the phone can only be accomplished when the agent handling your calls has intimate knowledge of your company culture. Unlike one-size-fits-all contractors, an employer has the ability to recruit and train specific agents according to criteria developed in conjunction with the client. This helps ensure that your assigned agents not only have great customer service skills, but also have experience in and knowledge of your particular industry. By matching agents with clients according to skills, interest and industry experience, you receive quality service that increases customer satisfaction and improves financial performance.

High-Performing Agents

In my experience, there are two types of people interested in becoming a home-based agent — those looking strictly for a work at home job and those looking for long-term, career opportunities that fit their unique circumstances. Agents who are interested in becoming employees of a call center organization want to dedicate themselves to a position and appreciate the rare flexibility of being a home-based agent. They have a passion for customer service and enjoy focusing on one particular account, especially after they are matched according to their interests. Unlike contractors, agents who are employees aren't required to pay for miscellaneous expenses such as background checks and they get paid during training. They also are a part of a community and can enjoy company functions that allow them to connect with other agents.

Hiring agents as employees is a more expensive option initially, but it offers a better way to care for the employee and creates loyalty towards the employer and the client. This translates into bottom line benefits for everyone involved including reduced attrition, higher sales made by more experienced agents and more satisfied customers.

Taxation and Insurance

While I am certainly not a taxation expert, there are very specific rules placed upon organizations using contractors that differentiate each contractor from an employee. The IRS has made available a “20 Factor Test” that delineates the differences between these two statuses. These include direct management of tasks (employee) versus acceptance of final project result (contractor) and setting specified schedules (employees) versus unspecified timing of work completion (contractor).

With regard to insurance, companies like Alpine Access that utilize employees are able to maintain umbrella insurance policies that cover agents as if they were part of a client's in-house staff. In both cases, make sure that your organization has a very specific understanding of the potential impact of taxation laws and insurance coverage in your outsourced contractor relationships.

Do the Research

Making the decision to hire employees or contractors is not new. In fact, companies in a wide variety of industries struggle everyday with the difficult balance of saving money versus

providing quality service. Outsourced call centers are no exception and face these tradeoffs everyday. So, when selecting a call center partner, remember to delve into the details and find out exactly how the agents who will be handling your calls are employed. Satisfied agents who enjoy their jobs and are passionate about your company will be more successful in taking orders or resolving issues. This will translate into happier and more loyal customers for you.