Assignment 2: Solutions & Evaluation Plan

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**Context and Performance Problem**

 Super Century Insurance Company administers a wide array of insurance policies ranging from life insurance to annuities. The company’s customer service department is responsible for reviewing customer requests to process changes on the policies, such as premium applications, beneficiary changes and coverage adjustments. Like many other corporations in the United States who face competition from other companies in terms of operating costs, these processes are primarily handled offshore by a department in New Delhi, India.

 One process in particular is customer correspondence, where specific policy inquiries are made via regular letter and email by customers that require specific answers. For instance, a customer will inquire on who their current policy beneficiary may be, or send a request to take a loan against a policy's cash value. These are among some of the more common questions that are received where canned letters with appropriate responses have been prepared within the company's letter writing administration system. However, some inquiries are received that require a tailored response and a canned letter will not satisfy the customer. In this case, a free form letter is prepared by an associate in India. English is a second language to the representatives in India, and this presents a capacity-based performance issue since the problem in this case can be attributed to the personal limitations (Stolovitch & Keeps, 2004) of the associate's primary language being Hindi. Because of this, many free form letters have poor grammar and spelling issues that can potentially cause the customer to misinterpret the overall message of the letter. Grammatical determiners such as words like "the" and "a" (Determiner, n.d.) are often missing from letters. Hindi and other North Indian languages, also include "selective marking of past tense in oral narratives (Tickoo, 2005),” and many problems observed in free form letters are based in syntax as well. For example, in a grammatically incorrect statement based on being caught in the rain, the offshore processor may say "*my all clothes become wet*," or "*I have not taken* the umbrella" (p. 371). The current solution relies on having these letter proofread by several members of the onshore customer service support team. This is problematic as it diverts the domestic team's attention from their primary responsibilities of handling escalated cases, and research cases for the legal department. The quality department does not correct letters with errors, since the letter is considered complete by the time they review it. Instead, these letters are referred back to the original processor to be reworked causing delayed processing. Furthermore, the letters that include incorrect grammar and spelling that are not audited, are sent out unnoticed and may cause complaints reflecting poorly on the quality of Super Century's customer service. Management has requested that an intervention be developed that can dramatically reduce the grammatical errors in the free form letters sent to customers. While it is understood that the offshore processors have participated in a core training course to write letters and respond to common inquiries, additional “advanced training will have a low probability of success if the basic program didn't work" (Stolovitch & Keeps, 2004, p. 95).

 The vendor management team, that is responsible for overseeing the offshore vendor's processing and inventory trends, reviews their workflow on a daily basis. The work itself is provided through a work distribution system that tracks the work type (premium application, beneficiary change requests, correspondence, etc.), the processor who receives and completes the work, as well as how long the work item remained in their personal work queue. Work is assigned through this system as it is received from customers and routed to the appropriate processor based on their assigned work group. The customer service support team relies on a formula of how much work must be processed in order to maintain a manageable inventory based on inventory forecasts and other trends including economic factors. For instance, the support team may anticipate a higher volume of loan requests during times of poor economic growth. Upper management has also set a service level agreement (SLA) based on industry standards and compliance requirements that at any given time, there should be no more than 100 customer correspondence inquiries pending completion on a daily basis. Additionally, all inbound requests must be acknowledged for processing within 2 days of receipt of work into the distribution system. Currently there are over 250 responses pending completion daily and inbound requests are not acknowledged until at least 5 days after receipt of work. SLA metrics are included in the vendor’s current instructions and procedures, however they have no specific incentive to meet these goals, and as long as they complete a designated amount of work items based on their assigned work type, they are considered to have met their quota. The root cause for this was identified as being a motivation-based performance issue as the offshore processors currently have no incentive to meet SLA. Management is very concerned that the specifics of SLA standards are not at the forefront of the priorities of the offshore processors or their supervisors, and is demanding improvement in this area, and to move within optimal SLA standards as soon as possible.

 In many cases, offshore processors are unable to address certain questions based on their lack of knowledge on specific policy benefits among so many different policy types. Similar to the case where letters were proofread by the domestic customer support team, these specific questions are referred via email directly to a question mailbox where they are reviewed and answered accordingly. This diverts the domestic team's attention away from their primary responsibilities. The available online resource providing this information is very general, and is in the form of a quick reference guide that provides only basic policy traits by policy line of business (i.e. life, health, annuity, etc.). The resource lacks the specific details needed for specific inquiries and often does not identify policy features the offshore processors receive inquiries about. The policy documents themselves are stored and scanned in an electronic archive that is difficult to search without knowing how the specific policy was filed. Additionally, the policies in the archive are not categorized based on their coverage details making it difficult for offshore processors to locate this information. The offshore processors spend a great amount of time searching for this information, and when they feel that they cannot provide it, they refer it to the question email box where it awaits an answer from the onshore team. This is a resource-based performance issue, and management is hoping to determine if supplemental material could be provided, whether it be a computer application with quick access to policy information or a standardized quick reference guide.

**Interventions**

**Environmental Interventions**

 The grammatical and spelling errors included in the letters written by offshore processors in response to specific customer inquiries is not likely to be solved by additional training. This is due in part to the fact that this is a capacity-based performance problem of the offshore processors individual limitations of the English language. This indicates that the free form letter must be proofread by an individual whose primary language is English or has well established and demonstrated experience in writing free form letters in English. Therefore, I would recommend a selection-based intervention involving recruitment of individuals who are competent in grammar and writing American-based English. These individuals do not necessarily need to be domestic associates either. Offshore processors who have had experience at large corporations in cities such as New York and Chicago, are quite capable of writing response letters in customer correspondence to an American customer base. Targeting recruitment based on these factors will assist in locating appropriate candidates (Stolovitch & Keeps, 2004).

 In order to preserve the accuracy of quality, the original version of the letter content that included errors would be pushed to the quality team for auditing, but would not be sent out as the final product. The associate responsible for proofreading would make the appropriate corrections to the grammar and spelling and send the final product out to the customer. This intervention serves as elimination of task interference as it relieves the onshore customer support team of having to make these trivial corrections and refers the responsibility to the individual most capable of performing them (Stolovitch & Keeps, 2004). This action also is a redesign of the work environment as the action reduces bottleneck steps of referring work back to representatives before they can be completed (p. 124). This new workflow will ensure well written correspondence is sent out without stifling productivity, and offshore processors still receive feedback on their errors.

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| Intervention  | Intervention Justification | Description of Intervention |
| Environmental Interventions: |
| Selection | By designating an appropriate individual to proofread letters, fewer grammatical errors will be sent out than if no filter between the offshore processors and the correspondence output existed at all.  | Individuals who possess demonstrated capability to write letters with proper grammar to an American customer base are recruited to proofread the letters initially written by the offshore processors, thus reducing the amount of letters that are sent out with grammatical and spelling errors. |
| Elimination of Task Interference | With specific individuals reviewing outgoing correspondence, the burden placed on the customer support team to review the letters is removed. | The responsibility of proofreading the letters would be assigned to specified associates who would make corrections to the letters instead of routing them to the onshore support team. |
| Re-design of the Work Environment | By allowing the letters to proceed to be sent out after being proofread, delays in output are reduced. | The designated individual would make corrections to the letter as needed and send them out. The original work goes to quality for auditing. The auditor would then send the processor the necessary feedback.  |

**Emotional Interventions**

 Regular inventory reports are reviewed by the onshore vendor management team that oversees the daily productivity of the associates in India. Offshore assistant managers primarily encourage their representatives to meet their daily production quotas based on work type, however if incoming inventory exceeds the amount of inventory processed overall, inventory increases thus effecting the Service Level Agreements (SLA) of designated work types. The offshore processors must be motivated to work towards decreasing inventory, thus sometimes requiring them to exceed their regular quotas. The offshore processors have responded well to positive reinforcement in the past, as they value what they do from an operational standpoint (Stolovitch & Keeps, 2004). Therefore it is recommended that motivation to reduce inventory to a specified metric goal be introduced. An appropriate time to present this motivation is during the weekly conference call between the vendor management team and the offshore assistant managers. Direct vocal encouragement has been observed to be more appreciated and with better reciprocation than text via email. To support this motivation, a provision of incentives will be introduced as well. It's important to note that offshore processors respond well to positive comments in absence of monetary reward, according to prior experiences observed by the vendor management team. This is critical to recognize as the contract with the vendor does not authorize the company to implement incentives such as bonuses or time off. However, incentives such as positive reports and individual recognition in internally published reports visible to the rest of the associates can be implemented.

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|  Intervention  | Intervention Justification | Description of Intervention |
| Emotional Interventions: |
| Enhancement of motivation | By providing positive reinforcement to offshore processors, they recognize the company values what they do and are "challenged by it and believe that with reasonable effort they can achieve success (Stolovitch & Keeps, 2004, p. 129)." | During the weekly conference call, the vendor's assistant managers are presented with a goal of reducing inventory to under 100 customer correspondence inquiries pending on the final day within a two week window. Likewise, no inventory item should remain unacknowledged beyond 2 days of receipt. The inventory count on the day the goal is introduced will be compared to the number on the goal date. This will be done to gauge processing capabilities in order to determine if a more aggressive challenge may be used in the future. |
| Provision of Incentives | By presenting "clear, meaningful, equitable rewards for performance,” (Stolovitch & Keeps, 2004, p. 129) associates will be able to recognize that they may be rewarded as an individual. | Beginning with the first proposed 2 week window, the vendor's assistant manager will be presented with the prospect of individual recognition visible to the rest of the company if the goal is achieved by the designated time period. Additionally, the individual associate who processes the most items within the manager's team will also be recognized. |

**Performance Aid Interventions**

 As offshore processors receive incoming work, they look up the policy in a query database which provides the policy's current status and premium requirements. This information is numerically based, such as in dollar amounts and dates. The individuals associated with the policy, such as the primary insured and beneficiary, are also available in this database. Inquiries received regarding this general information can be answered using the already existing canned letters the company has available. The processor need only to enter the general values and dates into the appropriate letter variables and send out the letter.

 In order to answer specific questions however, the offshore processor must search the policy archives. The archives are categorized via an alphanumeric code system, where each form code corresponds with an individual policy specimen (the original policy coverage details). The codes correspond to a number, known as a plan code, in the general policy information screen of the query database that the offshore processors already used to answer general questions. It is suggested that creating a job aid linking the plan code in the query database with the corresponding alphanumeric form code would greatly assist the offshore processors in searching for scanned policies in the archives to locate policy specific information much faster.

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|  Intervention  | Intervention Justification | Description of Intervention |
| Performance Aid Interventions: |
| Job aid | By creating a directory worksheet that links the plan code in the policy query database to the alphanumeric form code, searches for policy information can be conducted quickly. | Create an online worksheet that includes two columns; one on the left that includes the policy query code and one on the right corresponding with the policy form code. The offshore processor then can identify the form code and immediately run a search in the policy specimen archive to retrieve policy specific information. |

**Intervention Development**

**Environmental Intervention:**

 **Re-design of the Work Environment -** All inventory processing is conducted via a work distribution system. Each work item is designated with a work type, policy number and queue status. As work is entered into the system by front end scanning and categorizing, the work is then distributed to the appropriate offshore processor assigned to work the particular work type for which the item was categorized. In the case of a correspondence work item that includes inquiries requiring a free form letter response, the item would be worked and a letter drafted answering the individual’s specific query. Upon completion of the letter, the offshore processor would then change the queue status of the work item to processed and place the letter draft on a hold status within the company correspondence letter writing system. With this intervention, work items go to a review status before going to quality. The associate who proofreads the letter would review the letter on hold for any spelling and grammatical errors. If any are observed, the original wording text of the draft would be copied and pasted from the correspondence writing system into the comments section of the work item to record the original draft's content. The associate would then make the corrections and send the letter to the customer. The work item queue status would then be changed to complete, where the workflow is designated to automatically send the item to quality for auditing. The auditor would note any incorrect grammar and spelling from the comments and complete their audit. The auditor would then export the audit score and feedback from the work distribution system and into email format where a copy of the audit would be sent to the offshore processor and their respective manager.

**Emotional Intervention:**

 **Provision of Incentives -** During the weekly conference call between the offshore assistant managers and the vendor management team, the specific inventory reduction goal will be presented to the offshore team. It would also be proposed that if that goal is met, visible recognition of the manager's achievement of the goal will be included in the company status report that is published bi-monthly. The offshore manager will also relay this information to their staff as the individual who processes the most items, thus being the most influential on inventory reduction, will also be recognized in the same fashion.

**Performance Aid Intervention:**

 **Job Aid -** Every policy specimen has an alphanumeric form code and the policy archive is sorted based on these form codes. Each policy also has a corresponding plan code that is linked to the policy form code. As policies are added into the administration system, the plan code is what was entered and not the form code. Therefore, the offshore representatives cannot conduct a policy specimen search based on the plan code alone. The specimen itself contains both the plan code and the form code. Initiating an effort to retrieve and record both codes from each specimen in the archive, would allow both codes to be placed in a long form worksheet with two columns: the plan code on the left and the form code on the right. The worksheet would then be setup online within the company's intranet with an integrated search tool that works as a find option for the plan code. While conducting research on the specific policy question that requires the original policy specimen, the offshore representative would access the plan code worksheet and enter the plan code provided in the general policy information screen in a search box (see Appendix). The search would then bring them to the plan code and corresponding form code, ultimately allowing the offshore processor to search the policy archive, locate the specimen and retrieve the specific information requested by the customer.

**Evaluation of interventions**

 The interventions proposed in this performance improvement program are evaluated in the following chart based on levels developed by Kirkpatrick & Kirkpatrick (2006). NOTE: Level 2 is not present as no learning based interventions were included.

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| Kirkpatrick Level | Environmental Intervention | Emotional Intervention | Performance Aid Intervention |
| 1. Reaction | A single reaction sheet will be provided to offshore processors to evaluate the reaction of the proposed interventions. At least three questions will be included for each intervention in an effort to determine if the offshore processors are more confident in one intervention over another. The questions will be presented via a "smile" sheet (Kirkpatrick & Kirkpatrick, 2006, p. 33). The offshore processors must complete the survey before the first day of implementation in an effort to ensure 100 percent response (p.49). |
| 3. Behavior | Surveys will be distributed to the offshore representatives to be completed bi-monthly during the first six months after the implementation of interventions. Interviews will be conducted for the associates responsible for proofreading via conference call and/or in person. This will help identify the most common grammatical errors as well. Observations of inventory measurements will also be conducted to evaluate behavior. | Because the incentive based interventions will specifically affect individual performance due to recognition incentives, it is important to the factor of subjective judgment and reduce it ("Donald Kirkpatrick's Learning evaluation Theory," n.d.). Survey questionnaires will include questions specifically directed towards personal motivation to complete work based on the offered incentive. If this could be carefully conducted both before and after the implementation of the incentive (Kirkpatrick & Kirkpatrick, 2006), this could help determine the influence the incentive may have had on the offshore processors performance. The second evaluation survey should not be attempted until after the offshore processors have had time to use the new behaviors based on the new incentive (p. 54).  | Surveys will be distributed to the offshore representatives to determine how often the plan code job aid is used. It would be desirable to question the offshore processors as to whether or not they would find a search tool useful, before the intervention is implemented. |
| 4. Results  | The vendor management team, in cooperation with upper management, can evaluate results of the proofreading intervention based on inventory reduction and having minimal outstanding work items within SLA. Additionally, upper management can review the productivity of the associates responsible for review and if the newly created position resulted in wastage ("Donald Kirkpatrick's Learning Evaluation Theory," n.d.).  | Results in this category may be more difficult to determine as the motivation of the offshore processors does not provide direct measureable numbers based on incentives alone. This would more likely be a "preponderance of evidence" (Kirkpatrick & Kirkpatrick, 2006). For instance, one could assume that the main reason for the increase of productivity is due to the motivation of incentives, because a single assistant manager emphasized this point. However, top management has stated that it does not need to know "beyond a reasonable doubt," if the incentive is what caused the reduction when other factors provide more tangible information, such as inventory numbers (p. 68). | The original problem in this case was that work was not being completed in a timely manner because of inaccessibility to essential policy coverage information. With this obstacle no longer present due to the introduction of the job aid, measuring the difference in the time to resolution and SLA both before and after the presence of the job aid, could yield a clear result.  |

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**Appendix**

