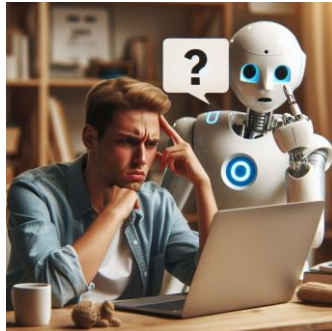# Do Chatbots and Agentic AI really deliver enhanced Customer Experience?

Abstract

This paper examines the accelerating deployment of Agentic AI and chatbots within IT Service Management (ITSM) platforms and juxtaposes this trend against substantial evidence of user dissatisfaction and even hatred of having to interact with these . Despite surveys indicating that up to 73% of users dislike interacting with chatbots, many organisations continue investing heavily in automated agents. Drawing on recent research and surveys, we argue that prioritising upskilling of IT support and help desk personnel, focusing on customer experience and value, yields superior results in user satisfaction and operational effectiveness. The article concludes with strategic recommendations for IT leaders and their teams

Introduction

The ITSM landscape is undergoing rapid transformation as platform vendors integrate Agentic AI and advanced chatbots, promising heightened efficiency, proactive issue resolution, and 24/7 availability. Indeed, industry analyses highlight the "Agentic AI race" in service management, with vendors emphasising autonomous decision-making and self-healing workflows (forrester.com, hcl-software.com). However, a growing body of research signals significant user frustration with automated interactions: a notable percentage of customers report negative experiences with chatbots, feeling misunderstood or encountering dead ends (forbes.com, linkedin.com). This tension raises critical questions: Are ITSM platforms over-relying on automation at the expense of human-centric support? Might investments in human upskilling deliver greater value? Let's take a stab at answering these questions.

The Rise of Agentic AI in ITSM

Recent vendor literature and analyst commentary underscore the transformational potential of Agentic AI in ITSM. Agentic AI is defined as autonomous, goal-driven AI capable of independent decision-making, continuous learning, and proactive action without constant human direction (sysaid.com, manageengine.com). Proponents argue that such agents can

monitor systems, predict incidents, initiate remediation steps, and even optimize configurations, thereby reducing manual workload and accelerating resolution times (hcl-software.com). For example, Forrester's blog **"Let The Service Management Agentic AI Race Begin"** emphasises efficiency gains and intelligence-driven operations (forrester.com). Vendors like ServiceNow, HCL, and SysAid showcase use cases where Agentic AI handles routine tickets, orchestrates multi-step processes, and engages in self-healing workflows (servicenow.com, hcl-software.com, sysaid.com).

While the technical allure is clear, real-world adoption must be tempered by user acceptance. ITSM leaders often hear internal pressure to **"innovate"** with AI agents, yet customers and end-users display notable resistance to automated interactions when they feel impersonal or inadequate. Understanding this dichotomy is critical for CxOs and IT leaders striving for balanced strategies.

Evidence of User Frustration with Chatbots

Multiple surveys reveal pervasive dissatisfaction with chatbots in customer service and IT support contexts:

- **High Frustration Rates:** A LinkedIn-sourced survey reported that 78% of consumers interacting with chatbots experienced increased frustration (linkedin.com). Similarly, Forbes highlights that a single negative chatbot experience can drive away 30% of customers (forbes.com).
- **Unfavourable Perceptions:** CivicScience data indicates 45% of U.S. adults find chatbots unfavourable, up from 43% in the prior year (civicscience.com). In the EMEA region, 60% of customers report disappointment when dealing with chatbots, often due to inaccurate or irrelevant responses (cxtoday.com).
- **Contextual Limitations:** Up to 80% of chatbot interactions increase user frustration, largely because chatbots fail to understand nuanced user requests or lack context sensitivity (linkedin.com). Around 38% of users find it annoying when live chatbots cannot understand context or escalate appropriately (botpress.com).
- **Preference for Humans:** Research from Ohio State University confirms that, in general, people prefer human customer service agents over bots, especially for complex inquiries or emotional support (news.osu.edu). Harvard Business Review experiments indicate that well-designed bots may perform adequately in simple tasks, but users still favour human interaction for nuanced issues (hbr.org).

Collectively, these findings suggest that while chatbots may handle straightforward queries, a significant majority of users remain dissatisfied, particularly when interactions become complex or when escalation is poorly managed. This dissatisfaction can erode trust in ITSM services and diminish overall user experience.

Why the 73% Figure Matters

Although exact percentages vary across studies, some industry reports cite dissatisfaction rates as high as 73% for automated interactions in service contexts. For instance, surveys aggregated by CX thought leaders indicate that more than two-thirds of users express negative sentiment toward chat-based bots when they feel misunderstood or when the bot fails to resolve issues promptly (tidio.com, botpress.com). Even if newer chatbot versions or

Agentic AI improve response accuracy, the underlying sentiment persists: users value empathy, context-awareness, and the ability to deviate from rigid scripts, qualities which are more inherent to human agents. Recognising the gap between technical capability and user perception is vital when planning ITSM strategies.

The Pitfalls of Over-Reliance on Automation

Over-dependence on chatbots and Agentic AI in ITSM can introduce several risks:

1. **Erosion of Trust:** Repeated unsatisfactory interactions breed mistrust. Users may bypass official channels, resorting to shadow IT or informal workaround discussions, which can undermine security and governance (cxtoday.com).
2. **Loss of Human Touch:** Automation may handle routine tasks, but when issues escalate, users often desire empathetic human engagement. If support agents are deprioritised or deskilled, organisations lose the ability to deliver personalised solutions.
3. **Escalation Bottlenecks:** Poorly configured escalation paths from bots to humans can frustrate users further. If chatbots cannot seamlessly transfer context to human agents, resolution times suffer.
4. **Hidden Costs:** While chatbots promise cost savings, high rates of failed interactions lead to indirect costs: increased repeat contacts, negative brand perception, and potential revenue loss from dissatisfied customers (forbes.com).
5. **Skill Atrophy:** Focusing solely on automation can lead to neglect of staff training. Over time, support teams may lose critical problem-solving skills and deep system knowledge, reducing organisational resilience.
6. **Equity and Accessibility Concerns:** Not all users are comfortable with or capable of interacting via chat interfaces. Overemphasis on bots may alienate demographic segments preferring phone or in-person support modalities.

These pitfalls underscore that automation should augment, and not replace, the human element in ITSM. Balanced approaches yield better outcomes than blanket automation strategies.

The Human Factor: Upskilling IT Support Staff

Investing in human capital remains a strategic imperative for ITSM:

- **Improved Customer Experience:** Forrester research links employee satisfaction directly to customer satisfaction: companies with engaged employees see 81% higher customer satisfaction and 50% lower turnover (westmonroe.com). Skilled, motivated support staff deliver superior experiences, handling complex queries with empathy and contextual judgment.
- **Retention and Morale:** Upskilling programs signal organisational commitment to employees' growth, boosting morale and reducing attrition costs. High turnover in support roles can lead to knowledge gaps and inconsistent service quality. Continuous training mitigates these risks (westmonroe.com).
- **Adaptability to Change:** As ITSM platforms evolve, staff trained in customer experience principles and emerging technologies can better integrate automation tools

and guide their appropriate use. They become effective supervisors of chatbots and AI agents, fine-tuning behaviours and ensuring seamless handovers.

- **Value-Oriented Mindset:** Training that emphasises business value, understanding the service's impact on revenue, user productivity, and organizational objectives, aligns IT support functions with corporate goals. This mindset shift is often absent when automation is pursued in isolation.
- **Enhanced Issue Resolution:** Human agents excel in diagnosing novel issues, interpreting ambiguous symptoms, and collaborating across teams—areas where chatbots struggle. Continuous learning programs (e.g., certifications, peer learning, and cross-functional rotations) deepen expertise.
- **Championing Automation:** Well-trained staff can identify where automation adds genuine value, such as routine, repetitive tasks, and where human involvement is essential. They can oversee the design, testing, and refinement of AI-driven agents, ensuring that automation addresses real pain points rather than being an end in itself.

Thus, upskilling complements automation: human experts refine, supervise, and augment AI capabilities, creating a symbiotic relationship rather than a competitive one.

Comparative Analysis: Automation vs. Human-Centric Support

To illustrate the relative merits, consider two hypothetical ITSM scenarios:

1. **Routine Password Reset vs. Complex Incident:** A chatbot can efficiently handle a standard password reset with clear steps. However, an incident involving intermittent system failures affecting multiple business units demands nuanced investigation, stakeholder communication, and cross-team coordination, tasks which, currently, are better suited to trained human agents.
2. **High-Volume Low-Impact Queries:** Automation excels at high-volume, low-complexity queries (e.g., "What is the URL for VPN access?"). Here, bots free up human agents for higher-value tasks. Yet if the bot's design is poor or fails often, it generates frustration and an increased volume of escalations, nullifying any efficiency gains.
3. **Proactive vs. Reactive Support:** Agentic AI can monitor system health and trigger alerts, but interpreting why metrics shift and communicating preventative measures to stakeholders often requires human judgment and relationship-building. Skilled support staff can collaborate with business units to translate technical alerts into actionable business decisions.

These scenarios underscore that a hybrid model—automation for straightforward tasks, humans for complex and relationship-driven tasks—yields optimized outcomes. Over-investing in chatbots without parallel investment in human skills risks suboptimal support.

Additional Reference Points

- **ServiceNow and Agentic AI:** ServiceNow promotes AI Agents to "unlock agent productivity," yet acknowledges that human oversight remains vital to refine workflows and maintain user trust (servicenow.com). Reports stress that AI Agents work best under human-guided governance.

- **HCL Software Findings:** HCL's discussions on Agentic AI in ITSM highlight benefits of autonomous actions but also caution about ethical considerations and the need for human-in-the-loop review for critical decisions (hcl-software.com).
- **Forrester Insights:** Forrester research indicates that organisations combining AI-driven automation with robust employee engagement programs see higher customer satisfaction and lower support costs than those relying primarily on automation (westmonroe.com).
- **Upskilling ROI:** West Monroe analysis and Forrester data confirm that investing in current employees' development reduces hiring costs and yields better customer outcomes compared to purely technology-driven strategies (westmonroe.com).
- **Customer Feedback Trends:** Zendesk and CX Today research show persistent disappointment with chatbots, particularly when escalation paths to humans are unclear or when bots provide inaccurate information (cxtoday.com). Organisations that supplement bots with easy access to skilled human agents report improved satisfaction metrics.

These findings consistently point toward a balanced approach: leverage automation where it demonstrably reduces manual effort and does not compromise user experience, while heavily investing in human expertise for contexts requiring empathy, complex reasoning, and relationship management.

Strategic Recommendations for IT Leaders

1. **Adopt a "Human-in-the-Loop" Paradigm:** Ensure AI agents and chatbots operate under human supervision. Define clear governance models where escalation to humans is seamless, preserving context and minimising user frustration (news.osu.edu).
2. **Design for Hybrid Journeys:** Map support workflows to identify tasks suitable for automation and those requiring human involvement. Use journey-mapping techniques to align touchpoints with user preferences. For example, implement chatbot entry points for simple tasks but prominently offer "speak to an expert" options.
3. **Invest in Continuous Upskilling:** Develop structured training programs covering technical proficiency, customer experience principles, communication skills, and AI/automation oversight. Regularly update curricula to include new ITSM platform features and best practices in conversational design.
4. **Measure Value-Centric Metrics:** Move beyond traditional IT metrics (ticket resolution time, SLA adherence) to measure business outcomes: user satisfaction scores, Net Promoter Score for support interactions, and impact on productivity or revenue when resolving incidents. Correlate human-agent interventions with these outcomes to justify upskilling investments (westmonroe.com).
5. **Iterate Chatbot Design with User Feedback:** When deploying chatbots, implement rigorous user feedback loops: post-interaction surveys, monitoring escalation patterns, and logging failure points. Use insights to refine bot dialogues and to identify training needs for human agents.
6. **Govern AI Ethically and Transparently:** For Agentic AI in ITSM, establish ethical guidelines: define boundaries for autonomy, ensure transparency about when users interact with bots vs. humans, and maintain accountability for decisions taken by AI agents (hcl-software.com).
7. **Promote Collaborative Culture:** Encourage IT support teams to collaborate with AI/automation teams. Host joint workshops where support staff contribute domain

knowledge to train AI agents, ensuring bots reflect real-world practices. This collaboration also fosters buy-in and reduces resistance to automation.

8. **Pilot and Scale Thoughtfully:** Begin with small-scale pilots, measuring both efficiency gains and user satisfaction. Only scale automation features that demonstrate net positive impact. Simultaneously, pilot upskilling interventions and evaluate their effect on resolution quality and user sentiment.

9. **Communicate Value Internally and Externally:** Share success stories where human-agent expertise resolved complex issues or where automation freed staff for strategic tasks. Use internal communications to build enthusiasm for upskilling. Externally, highlight your balanced approach as a differentiator in vendor and customer conversations.

10. **Budget for People and Technology:** Allocate budgets not solely for AI licenses but also for training platforms, certifications, and time for staff development. Treat upskilling as a strategic investment equal in importance to technology procurement.

Implementing these recommendations requires leadership commitment. CxOs must recognize that while automation is a powerful enabler, human expertise remains the cornerstone of exceptional IT support and service delivery.

Addressing the Counterarguments

- **"Automation Reduces Costs":** While chatbots can reduce headcount costs, research shows hidden costs from poor user experiences and increased escalation volumes. Upskilling may require investment, but yields long-term returns in customer loyalty and employee retention (westmonroe.com).
- **"Users Will Eventually Accept Bots":** Although AI capabilities improve, user sentiment evolves slowly. Trust is built through consistent, positive experiences; early mishaps can damage brand reputation. By coupling gradual automation with human oversight, organizations build trust incrementally.
- **"We Lack Staff for Increased Demand":** If volume of basic queries is overwhelming, targeted automation can alleviate pressure. However, recruiting and training specialised human staff remains essential for complex issues. Upskilling existing employees mitigates staffing shortages more sustainably than over-automating.
- **"AI Agents Are the Future":** Agentic AI indeed offers promise, but maturity levels vary. Early adopters often face integration challenges and governance concerns. A phased approach, piloting AI agents overseen by skilled personnel, balances innovation with risk management.

By acknowledging these counterarguments and responding with evidence-based strategies, IT leaders can craft nuanced roadmaps that leverage automation judiciously.

Implementation Framework

1. **Assessment Phase:**
   o Conduct an ITSM maturity and capability assessment, evaluating current chatbot use, AI agent pilots, and support team skills.
   o Gather user feedback on existing automated interactions via surveys and analytics.

  - o   Identify critical skill gaps in support staff relative to desired user experience standards.
2. **Design Phase:**
    - o   Define hybrid workflows: categorize support tasks by complexity and emotional load.
    - o   Collaborate with AI vendors to configure chatbots for straightforward tasks; ensure robust escalation triggers.
    - o   Develop upskilling curricula: blend technical training (new platform features, AI oversight) with soft skills (empathy, communication, business acumen).
3. **Pilot Phase:**
    - o   Launch small-scale chatbot enhancements in low-risk domains, monitored closely for user satisfaction metrics.
    - o   Begin targeted upskilling cohorts; measure impact via internal assessments and user feedback on support interactions.
    - o   Iterate bot dialogues and escalation handoffs based on pilot learnings.
4. **Scale Phase:**
    - o   Expand automation to additional routine tasks demonstrating positive pilot results.
    - o   Institutionalize continuous learning programs for support teams; integrate certifications and peer-learning forums.
    - o   Monitor long-term KPIs: customer satisfaction, incident resolution quality, employee engagement, cost metrics adjusted for value delivered.
5. **Governance and Continuous Improvement:**
    - o   Establish an AI & Service Quality Council comprising IT leaders, support managers, and user representatives to review automation performance and training outcomes.
    - o   Use data analytics to spot emerging issues: rising escalation rates, sentiment shifts, or new complexity patterns requiring human expertise.
    - o   Update training materials and bot configurations regularly, ensuring alignment with evolving business priorities.

Measuring Success

Key performance indicators should encompass both quantitative and qualitative measures:

- **Customer Satisfaction (CSAT) Scores:** Post-interaction surveys for both chatbot and human-supported interactions, tracking trends over time.
- **First Contact Resolution (FCR):** Percentage of issues resolved at first engagement, distinguishing between automated and human-handled cases.
- **Escalation Rates:** Proportion of chatbot-initiated interactions escalating to human agents; high rates may signal chatbot deficiency or poor design.
- **Resolution Time for Complex Incidents:** Time taken by human agents to resolve escalated cases, reflecting the impact of upskilling.
- **Employee Engagement Metrics:** Surveys assessing support staff confidence, sentiment about career progression, and perceptions of workload balance between routine and challenging tasks.
- **Cost-to-Serve Adjusted for Value:** Evaluate cost savings from automation against costs of training and potential revenue impact from user satisfaction improvements.

- **Adoption of AI Governance Practices:** Existence and effectiveness of human-in-the-loop reviews, ethical guidelines, and transparency measures.

Regularly reviewing these KPIs enables data-driven adjustments, ensuring that automation and upskilling investments deliver sustained business value.

Leadership and Cultural Considerations

Successful integration of automation and upskilling demands strong leadership and an adaptive culture:

- **Executive Sponsorship:** CxOs must visibly endorse balanced strategies, providing resources for both technological innovation and employee development.
- **Cross-Functional Collaboration:** Bridge siloes between IT operations, HR (for training), and business units to align support outcomes with organizational objectives.
- **Change Management Emphasis:** Communicate transparently about automation goals, addressing staff concerns about job displacement by emphasizing the evolution of roles rather than elimination.
- **Recognition and Rewards:** Acknowledge support staff contributions, especially when leveraging new skills to resolve complex incidents or improve processes. Celebrating successes fosters a growth mindset.
- **User-Centric Mindset:** Embed customer empathy into ITSM culture; use real user stories to shape training and bot design, ensuring technology serves actual needs rather than theoretical efficiency.
- **Continuous Feedback Loops:** Solicit feedback from both users and support staff on automation effectiveness and training relevance, adjusting initiatives accordingly.

By fostering a culture that values both technological advancement and human expertise, organizations can navigate the complexities of ITSM transformation effectively.

Future Outlook

Looking ahead, Agentic AI and advanced chatbots will continue evolving, with improved natural language understanding, contextual awareness, and integration capabilities. However, as AI capabilities expand, so will user expectations; subpar automated experiences may provoke even stronger backlash. Concurrently, as generative AI and agentic systems handle more routine tasks, human support roles will shift toward strategic advisory, complex problem-solving, and enhancing AI oversight. Organisations that proactively equip their workforce with these advanced skills will be better positioned to harness AI's potential while maintaining high-quality user experiences.

Additionally, emerging modalities, such as voice assistants, augmented reality support, and AI-driven predictive recommendations, will further blur lines between automation and human intervention. Planning for these evolutions requires institutional agility grounded in continuous learning frameworks.

Conclusion

The accelerating adoption of Agentic AI and chatbots within ITSM platforms reflects a broader industry push toward automation and efficiency. However, substantial evidence of user dissatisfaction, often exceeding 70% negative sentiment, signals a need for caution. Over-reliance on automation risks eroding trust, harming user experience, and neglecting the critical human dimension of IT support.

Conversely, investing in upskilling IT support and help desk personnel enhances customer satisfaction, employee engagement, and alignment with business value. A hybrid approach, deploying automation for straightforward tasks under human supervision while empowering skilled agents to handle complex, empathetic interactions, offers the most sustainable path forward.

IT leaders and CxOs should adopt a balanced strategy: pilot and govern Agentic AI thoughtfully, integrate robust escalation mechanisms, and commit resources to continuous human development. By doing so, organisations can realise the promise of AI-driven efficiency without sacrificing the human touch that underpins exceptional service.

Call to Action
IT executives and service management leaders are invited to:

1. Conduct immediate audits of current chatbot and Agentic AI deployments, measuring user satisfaction and escalation metrics.
2. Launch targeted upskilling initiatives for support staff, focusing on customer experience, business-value orientation, and AI oversight competencies.
3. Establish governance structures ensuring human-in-the-loop oversight of automated agents, with transparent escalation protocols.
4. Collaborate across functions - IT, HR, and business units - to align support strategies with organizational goals and user needs.
5. Monitor and iterate: treat automation and upskilling as complementary, data-driven investments, adjusting based on real-world feedback and evolving technology capabilities.

By prioritising human expertise alongside strategic automation, organisations can enhance ITSM effectiveness, foster user trust, and drive sustainable business value in the age of Agentic AI.

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