AUSTRALIAN CALL CENTRES: TIME TO SEARCH FOR A NEW MANAGEMENT MODEL?

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Abstract

As businesses restructure their operations the number of call centres is growing through ICT developments. Indeed the ACTU (2002) have argued that call centres are well placed to represent an e-commerce gateway for many companies. The scale, nature, organization and operation of call centres is extremely diverse (Burgess and Connell, 2004) although they share the ability to be organized on a continuous operational basis, they are highly dependent upon ICT platforms and call centre work is capable of being subject to extensive control and surveillance. While research has generated many bleak stories of the work experience in call centres with reference to 20th century workhouses (Callaghan and Thompson, 2001), there are also examples of high levels of job satisfaction combined with job commitment (Kinnie et al, 2001). Kjellerup (2004) has referred to two types of call centre as being either ‘The Galley Slave Model’ or the ‘Coaching Culture Model’. We propose it is time to search for a new management model for call centres that is not at one or other end of the continuum but perhaps somewhere in the middle. For this paper the authors have focused on work in the context of two small-medium sized call centres – with between 50 and 150 seats. This is because much of the research to date has focused on large call centres, with several hundred operatives. As a result in our search for a different management model we intend to look beyond the most commonly examined locations.
The purpose of the paper is to first outline the nature and dimensions of the call centre industry in Australia before analysing the drivers of organizational and workplace change in the industry. Next, we consider the substantive job quality issues that surround call centre work. The paper then considers the findings from structured focus groups with operatives and team leaders in the featured Australian call centres in order to determine how the role of management may impact on employee’s perceptions of job quality, commitment and fairness given the drive to increase productivity in the current economic climate. We conclude by proposing a typology for call centre management.

Introduction

It has been said that if every call centre worker went on strike – business as we know it would grind to a halt. Such has been the growth of call centres throughout Australia, that they were acknowledged as the fastest growing industry throughout the 1990s, with continued expansion expected for the early part of the 21st Century. In 2004 findings from callcentres.net's Australian Call Centre Industry Benchmark Study suggest that as many as 1,545 companies operated 141,000 seats across approximately 4,635 call centre facilities. With industry experts placing growth projections in the vicinity of 20-25 percent annually, this suggests that call centres will continue to be one of the fastest growing workplaces for years to come (Connell and Hannif, 2005).

Beyond call centres national surveys of work and workplaces have tended to portray a story of Australian workers who are working harder and working longer (van Wanroy et al, 2008). This is manifested by longer full time working hours and difficulties in organising work life balance. Until 2009 the Australian economy had been on a long growth cycle of around 16 years, so in part the long economic boom has placed pressure on both organisations and workers to meet growing demand. At the same time the conditions of work have changed as a result of changes in industrial relations laws that enhanced managerial prerogatives and placed pressure on employment conditions (Peetze, 2006). In the absence of any
technological or organisational changes, increasing productivity can involve either or both, longer hours or increasing work intensity. In this case there is a clear trade off between job quality and productivity. This paper reports on the experience of workers in two call centres in different locations and in different industries in order to examine how the role of management may impact on employee’s perceptions of job quality, commitment and fairness given the drive to increase productivity in the current economic climate.

**Productivity and Fairness**

In the context of productivity increases the importance of fairness in the workplace assumes greater importance. While fairness is subjective it is a very real notion for many workers. The current debate and discussion over bonuses being paid to executives that have failed or where their organizations have received government support is highly pertinent to the concept of fairness. Fairness can also be perceived in relative terms, with regard to what workers receive relative to each other in the organization and relative to other workers in similar organizations. However, the criteria for evaluating the subjective fairness of an outcome from the viewpoint of an employee or a group of employees extends beyond relative wages to encompass working conditions, access to training and promotion, and access to non wage benefits, especially leave arrangements. Many of the discussions around work and family, and access to flexible employment arrangements in Australia, highlight the unequal access to benefits within organizations according to occupation, salary level, shift working arrangements and employment status (van Wanroy et al, 2008).

Hence, while the topic of fairness is subjective, it remains important for many workers and in turn this can have a potential impact on the workplace. Burchell et al (2002) suggest that excessive hours or work pressures may be counterproductive from an employer point of view in terms of the commitment, productivity or creativity of employees. The literature on employee participation has pointed out that involvement of employees in decisions is valuable to employers, and commitment can be engendered where employees
feel valued and treated fairly (Appelbaum et al 2000). Thus the role of management is important with regard to these issues.

The focus of this investigation is how improvements in productivity can be accommodated with notions of fairness in the workplaces examined. In particular we are interested in how the role of management may impact on employee’s perceptions of job quality, commitment and fairness given the drive to increase productivity in the current economic climate. Particularly given that pressures to increase productivity have also placed greater demands on employees in terms of working longer and more unsociable hours, performing more job tasks and working more intensively. One of the downsides of productivity improvement is a potential deterioration in job quality (Green, 2005). In order to address these issues focus group discussions were structured around the following topics and how these issues impact on job quality and commitment. The topics were the: Extent and Nature of Training; Degree of involvement in changes to technology, work processes and quality improvement; Management appreciation of employees; Assessment of the effectiveness of different levels of management in the workforce; Nature and value of training received; Changes in work responsibility and intensity; Length of Working Hours; Impact of Work on family.

Research Methodology

Each industry case study involves the application of a similar research methodology in order to facilitate cross industry analysis. There are several stages required for the analysis of participating organizations. The first stage involves establishing the context of the organization. This requires an examination of the industry and the nature of work in the industry, together with the drivers of change. These steps are then taken with respect to the individual organization that is being examined. The next step involved structured focus group discussions with employee groups and their managers at each workplace.

The focus group interviews were transcribed and then analysed according to the main themes identified as being potentially
influential in determining perceptions about fairness and job quality at the workplace (see Green, 2005). This research involved the integration of a number of key themes that encompass the impact of such conditions as technological change, work organization, working arrangements, employee voice and employment arrangements on job satisfaction, balancing work and non work arrangements and job commitment. The literature supports the examination of the links, with mediating variables such as trust and perceptions of fairness being important. Green in an analysis of the UK Workplace Employee Relations Survey 1998 found a strong association between the intensification of work effort and the introduction of new technology and work organisation. However, Appelbaum et al (2000) failed to find increased stress and work intensification in their US research on workplace change in the steel, clothing and medical equipment industries.

The Two Call Centres Examined

In this paper we report on the focus group findings from two call centres. We selected two small call centres operating in very different service environments. The two call centres are in different locations and they perform very different service functions. The number of focus group participants was in the range of six to ten people and since they were small call centres they represented approximately one fifth of employees. In the first study the focus group included operatives and team leaders together. In the second study there were separate focus groups for team leaders and operatives. The two call centres are described as follows.

High Tech Maintenance (HTM)

This call centre is located in suburban Melbourne. It is part of a large multinational organisation. The call centre handles customer inquiries and co ordinates between service maintenance teams and customers. It has been operating for 4 years from a Greenfield site. It is the service centre for Australia and the Pacific. The call centre operates on a continuous basis with 3 shifts and has 50 seats. The majority of the day shift is full time, permanent and female. The workplace is non unionised. The product being serviced is high tech
equipment in the health sector, each unit is costly and maintenance and service of the equipment are vital in terms of health care delivery. In this context the quality of the service is paramount. As such there is no scripting or time limits on calls, the purpose is to provide complete and timely service to customers. Employees have the opportunity for mobility within the larger organisation.

**Consumer Marketing (CM)**

This call centre is located in Sydney’s eastern suburbs. It deals with outbound and inbound calls linked to marketing a particular consumer product. The centre is privately owned and it operates seven days per week, for an average 10 hours per day. The flow of calls is much greater in this centre. There are more casuals and more extensive monitoring of calls. This call centre has 100 seats. Every one and half to two and half hours call centre operators (CSOs) have a ten minute break. Each team leader has approximately 25 CSOs reporting to them. They review calls twice a month – looking at the goals and strengths of each CSOs. One of the goals includes a 25 second call wait limit before a call is answered. This is also a non union workforce. Recent retrenchments within the workplace have had an impact on levels of trust and have increased job insecurity.

**The Findings from the Focus Groups**

**Call Centre 1: High Tech Service**

The focus group included 5 operatives and 2 team leaders. All were day shift employees. Only one of the participants worked part time. In this call centre there was a high degree of job satisfaction and a high degree of satisfaction with the employing organisation. All workers received extensive training in house. There was an emphasis on the quality of the service delivered. In the main the operatives liaise between customers and servicing engineers. The work flow was organised on a continuous basis with two day shifts of mainly full time workers being supported by a much smaller night shift of part time workers. The centre was organised into teams. Calls were not scripted nor were they continuously monitored. A performance management system was in place that involved
random audits of call that reviewed both the speed and quality of the call.

The workplace was non unionised and there were no reported industrial incidents. Grievances could be handled by team leaders, the call centre manager or the HR manager. In this workplace staff turnover was very low and staff reported that the nature of the work was both varied and interesting. Performing overtime was typical as the volume of work for the call centre was growing. Staff had access to bonus payments linked to the performance management system and there were half days off in lieu of overtime worked. There was the opportunity to negotiate over hours and to vary hours worked. The discussion group felt that there was flexibility over hours and variations could be negotiated within teams and with team leaders.

“They would have a look and accommodate you yes.”

“One person on our team who needed to have a day off a week, so we worked around that, she has Wednesdays off. We’ve got another one who needs to have a permanent shift because of children. She’s got an 8 o’clock start so she can work around her family”

There was the feeling that the volume of work had increased for the call centre as a whole and in the current economic climate staff felt secure in their jobs. There were opportunities for overtime available and most staff had some overtime hours.

“A lot of the staff do overtime, but it makes it easier for them to do overtime, because it means they have completed everything they are supposed to complete so it makes it easier for them. people do overtime, not because they feel like they have to but because they want to but because they want to help out the team. All the team’s a quota: they work together very well.”

Internal transfers and a career path within the organisation were available as job vacancies became available in other parts of the larger organisation. Work was largely driven by customer needs and
the call centre was evaluated on the effectiveness with which it serviced customers.

“Tasks are driven by the customers, so it’s determined by what their issues are, so it can be a myriad of different things whatever the customer has struck a problem with, its relocating it, repairing it, upgrading it, modifying it, it could be a host of things.”

There still remains evaluation of the time frames for calls depending upon the nature of the service delivered:

“Because it’s customer driven we have time frames we have some restrictions in being able to fit in with a particular time frame If we were marketing – you are expected to be able to do your entire spiel within a particular amount of time and close off the call.”

Overall the staff identified with the organization and were committed to their teams and to their customers. There was general satisfaction with the job and with the organization.

“Well our centre is not a typical call centre. I’ve worked in call centres where the call coming through and you are dispatching it immediately whereas this involves a lot of administration to get variety with your work and you are in charge of the call in most cases, so when you actually see something from start to finish you do get satisfaction and see it’s been completed.”

“This is my first time in a call centre and I have only been here a bit over 12 months. I have worked in all sorts of different in all sorts of companies and this company is definitely one of the more rewarding areas to work. There’s far more recognition here, I think a lot of it has got to do with management though and often that’s all it needs.”

“Being able to take responsibility for what you do, to take ownership of what you do, to take ownership and be able to manage it yourself - it is not all prescribed and by somebody else, you have to actually think it through. That is quite satisfying.”
Within the call centre there were high levels of team identity and trust of the immediate managers.

“People who really value customer service and who enjoy their job and want to do their job well. So we really are, and compared to other departments, this department is a real community. We all trust each other and work together and have good relationships with each other.”

“We would be, like, willing to help anyone else. As a team, we want to perform really well because, you know, there are results that we need to get and if one area fails it’s a reflection on the whole team. Even though we are not looking after that state, but we should be helping out where possible.”

The type of service provided by the centre together with the support of teams, a commitment to the products and organizational support resulted in the employees being committed to their jobs.

“Yes, I mean the environment, it’s really nice. All our equipment is state of the art, we don’t really want for much, and if we do want something we have only to put our hand up, and if it is reasonable it will be heard. We are respected and we respect our colleagues and our management. There’s almost no issues - no serious stuff, obviously some niggly stuff, but not major things.”

“You start to build a rapport with a lot of the customers, (agreement) because we actually deal with them through service contracts. Obviously there’s some that are tetchier than others but they are not strangers, you are not cold-calling people you have never spoken to, for the most part you are talking to people you have spoken to, and as I say, you have a rapport. “

**Call Centre 2: Consumer Marketing (CM)**

The team leaders in general monitor calls, engage in staff training and handle calls that have been escalated – those requiring resolution. They had to ensure that targets were met and that operatives were fully briefed and trained to handle calls.
“We might deal with complaints that have been escalated beyond CSOs perhaps one a day. It is quite rare for us to speak to customers. Our job is to get as much money in as we can. Ensure targets are met, training, coaching once or twice a day. They refer to ‘performance gaps coaching’, advise CSOs on their strengths and weaknesses, then follow up perhaps a couple of weeks later to check improvements and look for changes in stats. One TL has team of 16 another 30 – a lot of this is going off line with individuals and groups and training or being available on the floor for the hundreds of questions and issues that arise.”

“Call reviews are documented – there is a formal sheet where it is recorded and structured then followed up later. With my call coaching I tend focus on sales stats over time looking for overall improvements.”

There is continuous training within the teams and there are opportunities for participating in training programs outside of the call centre. However, there was the feeling that access to training was constrained by costs. There is an extensive monitoring process of calls within the centre. These are used for training and for performance management purposes. The number of calls handled is used as a KPI and through time these have been increasing.

“They have call reviews to measure their work. There are certain expectations of the role which are sales based. Some are calls per hour. All calls are taped and they are reviewed randomly. Have around 25 calls per hour. A TL will sit down and chat with them about a call review.”

“Measured by performance of the team and how our CSRs stats/calls per minute go on their KPIs. It is also behavioural – discussion can be around behaviours – there are set KPIs that we are hitting or not.”

In general there is no payment for exceeding targets. Bonuses were mentioned as a possibility but it seems that they are rare:
“I tend to assume that I am not going to get a bonus. In the 5 and half years I have been here we have had bonuses once or twice. So there is no carrot for you? No just a stick!”

In terms of job autonomy this can depend on the position and the nature of the service being provided. For team leaders ensuring that targets are achieved is the main objective. In this call centre the volume of calls, and dealing with the backlog can generate pressure and stress on the job.

“What freaks me out is that some of the team leaders get stressed and they are shouting take the calls, take the calls and when you are working on option 3 you get the problems, so are trying to deal with them. With the new team leader it is their stats that are being affected so they panic. It is not like we are sitting around doing nothing. What they are doing is passing the stress on to me and I am going to make a mistake when you are on the phone trying to talk to a customer the last thing you want is someone shouting.”

As with High Tech Services the workers felt that they usually had additional duties to perform.

“There are extra duties or functions because other depts are too busy to deal with it now we deal with releasing stock – a lot of our stock is locked away so if one of the sales guys is trying to sell it they will come to us to release it so that they can put it through the system. So when you get about ten an hour even though it doesn’t take long it adds up.”

In terms of the quality of the job and the views of management they were more negative at Consumer Marketing. There was a feeling in inequity (especially over bonuses), a lack of transparency and variable management quality.

“Would feel more motivated if bonuses were more regular and transparent – i.e. monthly.”
“Have had one or two really s..t managers – when I first started the manager who was here was rubbish that does happen. If you don’t have respect for the person who is deciding what goes on a day to day basis you have to find your own sense of meaning in the job that you are doing.”

In this call centre the teams are important and there is regular meeting and development within the teams.

“We have a huddle every day and a bigger meeting on Fridays (inbound TL)”

“Occasionally (we get together) – usually tls only – every six months or so.”

“Monthly sales targets so there are often dinners held or vouchers are given out if targets are met. It is a very sociable call centre anyway. But with cost cutting dinners have become drinks instead.”

Employment in the call centre is organized on a casual basis. This means that workers can vary their working hours but there are issues around job security and being available for rosters. Recent retrenchments have increased job insecurity.

“Sometimes you only get half the shifts you want although at Xmas you get more. There is also weekend work available which can work well with work and study. They like to retain employees so the best way of working is to tell them when you are available – be proactive in advance – then more likely to get the times you want.”

“Two people just got retrenched. One had been there 16 years. Very shocked and now feel insecure in our own jobs... ...We see it as a reflection of the business not caring about quality.”

There is no over time paid in this call centre and there is the expectation that TLs will work regular unpaid over time. This is in keeping with a view of work intensification and working longer, and increasing job stress.
“All do at least one hour overtime unpaid per day and new TL does two per day. Ten hours extra a week. Targets have become tougher, duties and functions greater for TLs. Asked to try new things, market to new audiences, here have been system changes. It is difficult to keep on top of things with all the new changes, reporting and staff training required.”

“Our stress is more about getting the numbers. More recently I have had to start taking steps to balance the work balance thing – I can’t come to work on Monday if I haven’t been detached during the weekend…”

Staff felt that there was limited consultation, especially from management.

“Sometimes find we are consulted retrospectively. For example sometimes find things have changed such as function keys, often these system changes do come from feedback though although suggestions can be slow to filter through.”

The level of trust in management has declined due to recent redundancies. Staff felt that these were poorly handled and demonstrated senior management who could not be trusted. This in turn had an adverse impact on commitment.

“If you had asked a couple of weeks ago I would have given a much more positive response but having had a bit of insight into the redundancy process and why the managers were retrenched I feel differently.”

“The retrenchment of two managers recently has made a very big impact”.

“I have had trouble trusting management for quite a while and this just confirmed it. It feels greedy what they have done, more cutthroat and dishonest, I trust less people now”.
Conclusions

In this study two small call centres have been compared and contrasted. They differ significantly in terms of the service provided, the positioning within the organisation, the terms and conditions of employment and the perceived quality of the job. In HTS the employees were largely dealing with in bound calls that, in general, were reviewed for the quality of the call. Most were employed on a full time and ongoing basis and there were opportunities for promotion within the larger organisation. There was also the possibility to vary and adjust hours for caring and family purposes. Employees were committed to the job, to the teams, to the product and to the organisation. There was reportedly a high level of trust in management and a high degree of job security. Training was largely supplied on the job and in the context of teams.

In CM staff were employed on a casual basis, there were more outbound calls and monitoring was more intensive and related to the speed of call answering. Employees were committed to the customers and to their team, but levels of trust in management beyond the level of team leader were low. There was the expectation that unpaid hours would be worked on a daily basis. Staff felt that it was a high pressure job and that exemplary performance was rarely matched by bonus payments. Training was provided on the job, largely through teams, with limited outside training available for Team Leaders. The findings in relation to the research questions are outlined below:

*Have the two call centres increased productivity and efficiency?* The interviews suggested that the volume of work had increased in both centres. In CM this was also reflected in an increase in KPIs. Over time was the norm in both centres, in HTS this was rewarded with rostered half days off.

*Has the pressure and intensity of work increased?* The scenario is one of increasing work volume in both call centres. At CM it is more acute with the speed of calls being important and the expectation that unpaid over time will be performed on a regular basis. At HTS there was more emphasis placed on the quality of the calls.
How important is technology? All call centres are ICT driven. In both call centres major technological changes or not being able to keep up with changes was not seen as an issue.

Is there sufficient training? In both call centres training centred on the job, in house and largely through teams. Being familiar with products and learning call protocols constituted an important part of the training at both call centres.

What is the role of teams in the call centres? Teams were vital to the effective operations of both call centres. Operatives identified closely with their teams and with team leaders. It was through teams that the bulk of training and mentoring was provided. Though teams it was possible to receive forms of informal support and develop flexibility in the work environment. Cross team rivalry was seen as a source of competition and KPIs were assigned to both individual and to team performance.

Do employees feel valued? At HTS this was definitely the case. At CM recent redundancies undermined the commitment to the organisation. However, respondents still retained a commitment to customers and to their teams (and their colleagues).

Are there high levels of trust in management? This was high at HTS and relatively low at CM. The redundancy issue and the lack of transparency over bonuses (and their infrequency) were important factors that undermined the trust in management.

As stated earlier these questions were asked in the context of determining whether increases in productivity were associated with any changes in employee perceptions of job quality, fairness or commitment. In the case of HTM there did not appear to be any reported changes in job quality, fairness or commitment despite the increased work intensity. It is suggested that this may well be due to the level of employee involvement, the autonomy to have input with regard to shift changes and perceptions of being valued in that workplace in common with Appelbaum et al (2000).
In the case of CM there was a definite reduction reported in employee commitment but this was closely linked to the recent redundancies rather than the increase in work intensity. Perceptions of unfairness were associated with the inability to attain bonuses even when KPIs were met and job quality was impacted by the sense of stress that was cascaded from team leaders to CSOs or from senior managers to team leaders. As reported by Green (2005) the downside of productivity improvement at CM was deterioration in job quality and perceptions of fairness and commitment given the redundancies and perceptions of management greed. There was also a sense that if those managers could be made redundant, current employees could be next.

In summary, while it would not be appropriate to refer to CM as a workplace full of ‘bleak work experiences’ (as per Callaghan and Thompson, 2001) employees are not encountering high levels of job satisfaction, perceptions of job quality, fairness and commitment reported by HTM focus group participants (as per Kinnie et al, 2001). Subsequently we propose a new typology for call centre management based on these findings as outlined in figure one. It seems apparent that when management adopt an ‘empowerment strategy’ that involves a people oriented approach with a focus on workplace quality there is also an evident association with career progression, broadening opportunities and reward and recognition practices. However, the converse is also true as illustrated below. Specifically, where statistical pressures are paramount and the management style is task focused on quantity, employees are closely monitored and tend to have tight deadlines on call times. In these cases employee perceptions are connected to lower perceptions of job quality, commitment and fairness. These findings also link with the task and people oriented styles of leadership where it is found that absenteeism, grievances, turnover and job dissatisfaction are higher among employees who work with supervisors who possess low levels of people-oriented behaviours. Conversely, job performance tends to lower amongst employees who work for supervisors with low levels of task-oriented leadership (Piccolo and Ilies, 2004). As task-oriented leadership involves planning work activities, clarifying roles and monitoring operations
and performance, it is suggested that perhaps a mid-way management style may be most effective for call centre operations in terms of enhancing employees’ perceptions of job quality, fairness and commitment in the workplace.

**Figure 1: Typology of Call Centre Management Approaches and Outcomes**

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