CALL CENTRES AND THE QUALITY OF WORK LIFE: A PUBLIC/PRIVATE SECTOR COMPARISON

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ABSTRACT

The quality of work life is a traditionally under-researched area where call centres (CC) are concerned. Similarly, much of the existing call centre research is based on the private sector despite the public sector emerging as a large user of CC operations. This paper is based on empirical research conducted in two Australian CC's to explore whether and how the quality of work life varies between the two sectors. Findings relating to three quality of work life elements are reported: job content, working hours & work-life balance, and managerial/supervisory style and strategies. Public sector call centre Govtcall emerges as being inferior in terms of all three measures of QWL despite stronger union presence, and the work being more complex and skill intensive. Salesplus on the other hand features a management model that is more akin to what would be expected in a call centre operating under a professional service model, despite the work content in being relatively simple, low skill and more routine to that of Govtcall. Findings challenge the assumptions that firstly, public sector status ensures better working conditions, and secondly, that employee-focused managerial styles are incompatible with efficient and productive call centre operations.

1 INTRODUCTION

The CC industry has grown exponentially throughout Australia, Europe and the United States over the past decade, more so than any other industry (the Union Research Centre for Organisation and Technology [URCOT] 2000). The proliferation and expansion of the industry can be associated with developments in information and communication technology which have enhanced the efficiency and cost effectiveness of managing customer relations, and have expanded the applicability of CC's to a wider variety of industries crossing across the public, private, and not-for-profit sectors (Burgess and Connell, 2004). In the midst of this growth have emerged quite diverse depictions of job quality in CC's and the implications these new forms of work organisation have for customer service operators (CSO’s). Whilst it is common for CC’s to be lumped together under one umbrella where the work is described as low skilled, low paid, monotonous and inducive of stress and burnout the reality is that job quality varies significantly given the amount of diversity that characterises the CC market (Paul and Huws, 2002). Factors such as CC sector, industry, services provided, size, structure, level of technology, location, and level of unionisation represent important variables that will influence the quality of work life (QWL) in any CC setting (Paul and Huws, 2002; URCOT, 2002).

This paper will focus on the first of these variables – sectoral location - to determine whether and how the quality of work life varies between the public and private sectors.
Although the original study consisted of a systematic examination of ten different elements of QWL in two CC’s, reporting on findings on all ten in a single paper is unfeasible. This paper will therefore report on findings relating to three key QWL elements: job content, working hours & work life balance, and managerial strategies. This paper will commence with a brief overview of the CC literature where QWL is concerned to highlight the key gaps that are addressed by this research. The comparative case study research methodology will then be outlined. Thirdly, findings from the two case studies will be presented according to these three elements, followed by a brief discussion on the key insights.

2 THE LITERATURE

The QWL is a traditionally under-researched area where call centres are concerned. The bulk of the call centre literature that touches on job quality has adopted a Marxist labour process approach, where critical analysis has focused on the manifestation of the logic of capitalism in work organisation; the inherent power struggle between employers and workers; and worker response in these respects (e.g. Knights and McCabe, 1998; Taylor and Bain, 1999). Furthermore, much of the existing call centre research has only focused on isolated aspects of call centre work including stress, burnout and emotional labour (Deery, Iverson & Walsh, 2002; Healy and Bramble, 2003), gender (Belt, 2002; Mulholland, 2002), monitoring and surveillance (Barnes, 2004) and team-work (Townsend, 2004). The findings in this paper however are derived from a systematic examination of the quality of work life. To minimise the scope of this paper, focus will be limited to comparatively examining the job content, working hours & work life balance, and managerial/supervisory style & strategies in the two call centres in terms of their impact on the quality of work life.

While job content –specifically, job variety and job autonomy have been touched on in various studies, these have mainly been examined in relation to variations in call centre management models. Generally, researchers have noted that those organisations that compete on service quality are more likely to design tasks to maximise employee discretion and individual autonomy, in order to allow more individualised service (Hutchinson, Purcell and Kinnie, 2000a; Deery and Kinnie, 2002). Alternatively, those organisations with the goal of minimising costs and maximising volume tend to emphasise service standardisation, hence, turning the work into a series of “repetitive, routinised and highly scripted tasks” (Deery and Kinnie, 2002: 4) leaving employees with limited job variety and little decision-making discretion (Paul and Huws, 2000; Houlihan, 2002). While the literature highlights the relationship between job content and the various management models used in call centres, there is little understanding of how job content impacts on QWL in these contexts. An exception is a British study conducted by Holman (2002) where higher levels of employee wellbeing were correlated with employees having greater control over work methods & procedures. The issue of job variety however remains unexplored, as does the issue of how call centre organisations approach and facilitate job control and variety. Comparative analysis of the two case studies will lend insight into these issues, as well as how approaches vary based on sectoral location.

The issues of working hours in call centres have also been touched on in the literature. In Australia, URCOT (2000) highlighted the long hours employees often spend on calls without breaks, as well as the high incidence of overtime and the absence of penalty rates. Paul and Huws (2002) looked into working hours in a large scale study on call centres in the European Union, particularly breaks, shift systems and overtime. Researchers have also drawn attention to the extended, unsocial working hours, and inflexible shifts systems and leave arrangements in these workplaces (see Richardson and Marshall, 1999; Richardson et al, 2000; Mulholland, 2002; Paul and Huws, 2002). Nevertheless, given that these issues did not form the focus of any of these studies, the depth of analysis in all instances could be described as superficial at best. Furthermore,
while the relationship between working hours and the QWL has been examined in many industry contexts, call centres are not one of them.

Managerial strategies in call centres have also made it onto the research agenda, again, particularly in relation to call centre management models. Wallace, Eagleson, and Waldensee (2000) have drawn attention to the ‘sacrificial human resources strategy’, a deliberate, frequent replacement of employees as they become stressed and burnt; the key motive being that there are always enthusiastic and motivated customer service staff in the front-line at low cost to the organisation. Houlihan (2002) introduces dialogue on different low discretion, high commitment managerial approaches, ranging from ‘alleviation’ where a coercive, task-focused approach is taken, alongside attempts to mitigate the effects; the ‘structured employee development’ approach where routinised work is accompanied with measures to support employees, such as team-working and supportive supervisory techniques, and finally, the ‘involvement’ approach which is most evident in highly professional call centres where work design is characterised by high levels of complexity and employees are given significant discretion. While it is clear that call centre managerial/supervisory styles & strategies vary depending on the management model used, the relationship between managerial/supervisory styles & strategies and the QWL is also yet to be explored in this context.

Another observation that can be made about the CC literature is the dominance of research on the private sector (Burgess, Connell and Hannif, 2004). This is despite over 20 percent of CC activities involving the provision of public services (ibid). Burgess et al (2004: 9) note that the relatively few studies that are available tend to highlight the parallels that can be drawn between public sector and private sector call centre operations, particularly in relation to issues such as “commitment turnover; control and surveillance; delivery costs versus service delivery; career opportunities; skill development and de-skilling; worker voice”. The QWL is yet to be examined in this context, particularly in terms of how it varies between the sectors in relation to job content, working hours and managerial/supervisory styles & strategies.

Comparative analysis is also important as there is evidence to indicate that working conditions and job quality varies between the two sectors. For instance, CSO’s in the public sector are expected to handle an average of 31 calls more per CSO per day than CSO’s in the industry as a whole (ACA Research, 2004). Furthermore, research conducted by URCOT (2000) found that while CSO’s in the private sector had a reasonably strong identity with their work, this was not true of CSO’s in the public sector. Given the constant legislative changes, the URCOT study found that training needs were higher in the public sector, and CSO’s felt these were often unmet. This is despite over half (54%) of public sector CC’s offering recognised CC qualifications to their CSO’s – compared to 39% of CC’s in the total market (ACA, 2004). On the positive side of things, CSO’s in the public sector are more likely to be unionised (43% of CSO’s are unionised compared to 16% of the total CC market). They also earn $2500.00 more per annum than their private sector counterparts, and experience less casualisation (ACA, 2004).

This paper is essentially exploratory in nature, and is driven by two underlying research questions: How do call centre management models differ between the public and private sector and how do these different management models impact on the quality of work life experiences of CSO’s in each setting. Given the findings in the extant literature, some differences are expected between the two sectors.

3 METHODOLOGY

In order to examine the QWL empirical research took place in two case study call centres, one public sector and one private sector: Govtcall and Salesplus. A qualitative case study methodology was considered the most appropriate for examining the QWL.
experiences of CSO’s as it caters for the multiplicity of ‘reality’ captured through subjective experiences, and allows for examination of the experiences of CSO’s in the context in which they occur (Marshall and Rossman 1995). This was critical given the comparative element underlying this study, and the need for analysis to occur at both the individual and organisational levels. Furthermore, these approaches are conducive to conducting research of an exploratory nature.

Face-to-face interviews were the primary data collection tool, given the flexibility and vast amounts of information that can be secured through their use (Nachmias and Nachmias, 1996). A semi-structured interview approach allowed the researcher to use general topics to give interviews some degree of direction, and at the same time, considerable flexibility and freedom to clarify questions, explore areas of interest and probe for more information when required (ibid). With minimum direction, the respondents had the opportunity to draw attention to issues significant to their experiences, allowing the most salient topics and concerns to emerge (Ackroyd and Hughes, 1981).

As Table 1 below indicates, semi-structured interviews were conducted on site or over the phone with CSO’s, Supervisors/ Team leaders, and Managers. The length of each interview varied depending on the amount of detail given by interviewees, but generally ranged from 30 to 80 minutes in length. All interviewees were volunteers. 50% from each setting had added their name to a list, while the remaining 50% were approached by the interviewer during their lunch breaks and interviewed over the phone at a subsequent date. Interviews were supplemented with workplace observations, archival analyses, and document reviews in order to improve reliability. It must be noted that this study does not aim to draw generalizations about management models or the quality of work life, but rather, to provide details on how quality of work is experienced in call centres. Therefore, the interviewees cannot be taken as being representative of each call centre.

Table 1: Number of interviews conducted in Govtcall and Salesplus

<table>
<thead>
<tr>
<th></th>
<th>GOVTCALL</th>
<th>SALESPLUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call Centre operators</td>
<td>18</td>
<td>26</td>
</tr>
<tr>
<td>Supervisory staff</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Managers</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

The profiles of the two case studies are presented in Table 2 below. In short, Salesplus is located in Melbourne, and operates as part of a network of outsourced CC’s. This CC has been in operation for 14 years, and with 1400 CC seats is a very large CC by industry standards. Salesplus has managed to maintain economies of scale whilst operating wholly as an outsourcer, providing a variety of fixed term and ongoing services to the 50 plus clients they service at any given time. This CC involves a balance of inbound and outbound calls. There is no union presence on site, which is typical of the majority of CC’s in the Australian market. Turnover in Salesplus is recorded at less than 10%, and is mostly associated with students pursuing overseas travel. Exit interviews indicate that CSO’s rarely turnover to join other CC’s.

With 226 seats, Govtcall is the largest CC in a network of customer service CC’s. Based in Newcastle, this particular CC has been operating for 13 years. In terms of CC type, Govtcall largely operates as an in-house CC dedicated to the servicing of 3 specific Government funded programs which operate as separate business lines. Some 98% of the work is inbound – customer service being the primary function. Around 49% of the CSO’s in Govtcall are members of the Community and Public Sector Union. In Govtcall, turnover relating to those employees leaving the organisation altogether is only 5%.
This figure rises to 10% when considering the number that move out of the CC and into other areas of the organisations network.

Table 2: Call Centre Type and Location

<table>
<thead>
<tr>
<th></th>
<th>GOVTCALL</th>
<th>SALESPLUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOCATION</td>
<td>Newcastle</td>
<td>Melbourne</td>
</tr>
<tr>
<td>SECTOR/ INDUSTRY</td>
<td>Public/ Government Services</td>
<td>Private/ Outsourcer</td>
</tr>
<tr>
<td>TYPE</td>
<td>In-house/capacity as outsourcer</td>
<td>Outsourcer</td>
</tr>
<tr>
<td>SIZE</td>
<td>226 seats</td>
<td>1400 seats</td>
</tr>
<tr>
<td>AGE</td>
<td>13 years</td>
<td>14 years</td>
</tr>
<tr>
<td>TYPES OF CALLS</td>
<td>Inbound &amp; Outbound</td>
<td>Inbound &amp; Outbound</td>
</tr>
<tr>
<td>UNION PRESENCE</td>
<td>CPSU – 49% unionised</td>
<td>No presence on site</td>
</tr>
<tr>
<td>TURNOVER</td>
<td>Under 10%</td>
<td>Under 10%</td>
</tr>
</tbody>
</table>

As stated earlier, this study is essentially exploratory in nature and is expected to provide some insight on quality of work as experienced in call centres as well as to raise important questions over assumptions about public/private sector differences.

4 FINDINGS

4.1.1 JOB CONTENT

The job content in Govtcall could be described as more technical than that in Salesplus. Before going on the phones full-time, CSO’s undergo five weeks of intensive training followed by 6 months of probation. CSO’s are required to not only be up to date and knowledgeable about the particular welfare products they are involved in, but also the legislations that regulate them. Three CSO’s identified the job content as one of the three things they liked least about their job. None of the campaigns within Salesplus required any knowledge of a technical nature. Generally, the work is simple customer service or sales, requiring straightforward product training. Within both CC’s, there was a 50/50 divide between the individuals who found the work boring and mundane, and those who referred to the experience as ‘ranging’. Overall, 75% of CSO’s from Salesplus and 33% of CSO’s from Govtcall identified the job content as one of the three things they liked least about their jobs. In both CC’s, the monotony was sometimes balanced out by the variety of ‘interesting’ clients CSO’s dealt with on a day-to-day basis.

In Govtcall, one of the three business lines involved phone work as well as internet processing of applications. Those involved in this business line were therefore exposed to job variety opportunities not available to CSO’s in the other two. Those CSO’s with high levels of variety in their work stated these opportunities were not openly offered – they had to be actively sought out. An employee representative on the management committee stated the lack of job variety was a significant issue for CSO’s, and a major cause of employee absenteeism. In Salesplus, although CSO’s spent the majority of time on the phone, most had been exposed to some variety including tasks such as floor walking (assisting other CSO’s with their calls), training of new CSO’s, and administrative duties. CSO’s also had the opportunity to change business lines if the work became too monotonous. In this organisation, job variety was something that was initiated jointly by Team Leaders/Managers and CSO’s. As one CSO noted:

“They actually seem to know when you get to the point when you just need time off the phones. They do keep an eye on things and if morale is dropping they try doing something about it. You don’t necessarily have to approach them”.

5
Clear links could be drawn between the amount of job variety and the quality of work life in both CC’s. Those with high levels of variety had more positive views on their working experiences as a whole, and were more likely to describe the work as satisfying, interesting and challenging. Similarly, the lack of job variety was seen to negatively impact on the quality of work life. All bar two CSO’s from the two CC’s stated the lack of job variety made them feel less positive about coming to work. Furthermore, all except three CSO’s stated greater job variety would improve their job satisfaction and strengthen their attachment to the job. Job variety was also positively correlated with feeling more valued and respected as an employee. None of the CSO’s interviewed from Govtcall felt they had any control over their work functions, apart from the style they used when interacting with customers. Even so, CSO’s are required to change their style if considered inappropriate. Work functions were described as being tightly scheduled, and scripted, and the work environment as being heavily regulated. Technically – CSO’s were bound by the tools they used, including scripts as well as the legislations surrounding the various welfare products.

Salesplus CSO’s stated that while scripting was used, they were given a certain amount of discretion in terms of how they explained products and elicited information from customers, and were able to use their common-sense when necessary. They were also able to forward any suggestions about the work functions on to managers, which were then passed on to clients as suggestions to improve the quality of service.

All the CSO’s interviewed with the exception of two from each CC stated greater control over work functions would improve their job satisfaction and the quality of their work lives. These CSO’s felt greater control would make them feel more valued as employees; would enable them to better assist customers; and would make them feel more accountable for their work.

4.1.2 WORKING HOURS/WORK LIFE BALANCE

CSO’s in Govtcall stated they felt they had no control over their working hours. While the organisation allowed CSO’s to put in their preferences, the final scheduling was done centrally. The organisational policy for scheduling stated that CSO’s have one week from the time the schedule is set to negotiate any changes (e.g. change the rostered day off, change start and/or finish times); however, there was a general consensus amongst CSO’s that these rosters were highly inflexible, and requests for changes were rarely met. Supervisors reconfirmed this stating schedulers were encouraged by managers to automatically reject any requests in the first instance as a strategy to “weed out” the most desperate cases. In other words, only the requests of those who returned to appeal for a second time were taken into consideration.

CSO’s stated that time off from work was also strictly monitored –requiring evidence to be produced before time off or leave is granted. Three CSO’s stated they had been refused time off for genuine reasons including caring for disabled siblings, caring for elderly parents, and attending a grandparents funeral given that they were not regarded as immediate family. Another CSO who had taken sick leave to recover from surgery stated they received a call from their team leader after a week asking “Where are you? Why aren’t you back at work?” This was despite the CSO having 30 days of un-used accrued sick leave. This lack of flexibility was cited by 22% CSO’s as a serious cause of stress, and by 88% of the CSO’s as having a negative impact on the quality of work life. CSO’s felt mistrusted, and found the process condescending. 55% of CSO’s also identified working hours and work life balance as one of the three things they liked least about their work. Managers and Team Leaders emphasised attendance as a priority issue in the CC, stating it affected their ability to meet customer needs. Team leaders were encouraged to closely monitor attendance as a means of minimising absenteeism,
and were aware of the inflexibilities surrounding their approach. These measures were considered necessary to meet business needs.

In Salesplus, CSO’s acknowledged that while they had little control over the hours that are actually rostered, there was flexibility in that all CSO’s were able to do shift swaps. Team leaders and project managers were also described as being very understanding of CSO needs and open to accommodating their needs if necessary. Furthermore, all CSO’s stated it was easy or relatively easy to get time off, the only condition being that sufficient notice be provided. The only issue associated with working hours that were raised by CSO’s was the inconvenience of late shifts. CSO’s stated these hours sometimes interfered with their non-work lives, and therefore, had a negative impact on the quality of their work lives.

4.1.3 MANAGERIAL/SUPERVISORY STYLES & STRATEGIES

When asked to rank the key priorities of managers and the organisation, all the CSO’s interviewed from Govtcall mentioned (ranked in order of the number of responses) performance (meeting KPI’s); cost management; answering to their contracts; and meeting government requirements/legislations. Similar responses were gained from supervisors and managers, although controlling absenteeism was also highlighted as a concern, and one team leader also drew attention to maintaining employee wellbeing. When asked about the amount of trust employees had in their team leaders and managers, fourteen of the CSO’s from Govtcall stated they had very little trust. Managers and team leaders were viewed as being controlling, and more focussed on performance and keeping ‘headquarters’ happy than on employees needs. 72% of the CSO’s interviewed also felt they did not receive adequate recognition from their superiors, stating that team leaders and managers were usually quicker to pick up on negative performance.

Within Salesplus on the other hand, CSO’s felt the organisations first priority was to ensure that all employees were happy and their needs were met. Other responses included ensuring CSO’s got along socially; ensuring CSO’s are aware of opportunities; performance (meeting KPI’s), and creating more business. These CSO’s had a great deal of trust in their team leaders and managers, and stated that they felt they largely acted in the best interests of CSO’s. Furthermore, All CSO’s with the exception of one felt they received adequate recognition from their superiors. Here recognition was in the form of CSO of the month awards, movie tickets, having extended lunch breaks, paid early finishes, and paid group outings for high performing work teams.

In Govtcall, the managerial style and relationships with team leaders and managers had the strong and negative influence on the QWL. 66% of CSO’s identified the managerial/supervisory styles & strategies as one of the three things that most negatively impacted on the quality of their work lives. 61% of the CSO’s from Govtcall indicated the managerial style used in the call centre was detrimental to CSO-Team leader/manager relations. In particular, the lack of support and encouragement from team leaders and managers negatively affected their morale, and their overall work experience. Six Govtcall CSO’s however, were positive about their relationships with Team Leader’s, stating their support made them feel more confident and made it easier to get through the day.

In Salesplus on the other hand, the supportive and nurturing managerial and supervisory approach was identified by six employees as one of the three things that impacted most positively on the quality of their working lives. While “relationships with coworkers” was identified as the number one contributor to the quality of work life by CSO’s overall, it was the presence of an encouraging and accommodating supervisory and managerial culture that facilitated the development of such relationships.
5 DISCUSSION

The ACTU (2002) suggests that because outsourced (or contract) CC’s are largely unregulated, they are a major force in driving down working conditions in the industry. Similarly, it is not uncommon to assume that working conditions in public sector CC’s would be superior to those in the private sector, given that these are more likely to be regulated, experience stronger union presence, and involve more complex and skill intensive services (van den Broek, 2003; ACTU, 2002; ACA, 2004). The findings from this study however challenge these perceptions. Despite satisfying all three of the above conditions, Govtcall emerged as being inferior in terms of all three measures of QWL.

In both these contexts, QWL significantly came down to the quality of management. Sectoral location was a key determinant in the approach used by Govtcall. Being a public call centre made this call centre accountable to multiple stakeholders including headquarters, the public and the government. Employee well being was therefore largely over-powered by performance demands and legislative requirements. Given its urban location and the ease with which labour could potentially be replaced, Salesplus could quite successfully practice a ‘sacrificial HR strategy’ – the strategy of choice for many call centres that are involved in similar activities (Wallace et al, 2002). This CC however opted for a highly employee-centred approach, where respect and empowerment were successfully used as antecedents to high performance and commitment. In these respects, this CC may be considered an atypical illustration of a CC management style, particularly where outsourcers are concerned.

Overall, the call centre management model used in each case study was the key determinant of QWL in each setting. For a relatively knowledge-intensive call centre – Govtcall operated under what would be described by Houlihan’s (2002) as a ‘containment’ model of low-discretion, high commitment (LDHC) management, which relies on control and compliance to achieve the overriding goals of productivity and efficiency. The outcome is very low levels of job satisfaction and employee morale. This however, was not reflected in turnover rates, which at under 10% is around the same as Salesplus, and compares favourably with the call centre industry as a whole. This however may be attributed to the regional location of the call centre. Indeed, CSO’s from this call centre noted that next to income, the second most important reason for continuing to work in this call centre was the lack of job opportunities in the region. Low exit rates in this context were therefore not correlated with better human resources practices or higher job satisfaction, but rather the lack of regional economic activity.

In comparison, despite the work content in Salesplus being relatively simpler, low skill and more routine to that of Govtcall, the management model is more akin to what would be expected in a call centre operating under a professional service model (Batt and Moynihan). To combat the monotony associated with the work tasks, CSO’s are provided job variety, have some autonomy over their work functions, and have control and flexibility in their working hours. The result is a happy and satisfied workforce, which is reflected in their low levels of turnover (significantly lower than the 30-40% turnover estimated for Melbourne by ACTU). There are also similarities with Houlihans (2002) ‘alleviation’ model of LDHC management, which is conducive to managing turnover and maintaining staff support in organisations orientated towards high volume, low cost production. Similar to this model, the effects of excessively routinised work are mitigated, and employee morale restored through considerable investment in commitment inducing initiatives (such facilitating a ‘fun’ culture in the workplace). However, unlike this model, the approach used is nurturing as opposed to coercive, and employees are also given some discretion.

While the findings from this study can by no means be generalised to the call centre market as a whole, there are some lessons that can be learnt. Firstly, sacrificial human
resource strategies are not the only alternative for organisations seeking to maximise production and efficiency. Similarly, productivity and employee-focus are not mutually exclusive phenomenon. Salesplus provides an example of a CC that achieves productivity through focusing first and foremost on employee needs. Secondly, union presence and public sector status does not guarantee better working conditions, and higher QWL. To the contrary, this study further supports the literature that suggests public sector call centres are very similar to those in the private sector where core labour issues are concerned (van den Broek, 2002; Townsend, 2004; Barnes, 2004; Rainnie and Drummond, 2006). Thirdly, managerial styles and strategies have an enormous impact on the QWL in the call centre context. This is further supported by the literature that suggests the lack of people management skills are increasingly pushing employees out of call centre-working environments (URCOT, 2000; Wallace et al, 2000; Houlihan, 2002). Nevertheless, more research on best practice call centres is necessary to identify the managerial and supervisory styles that are most conducive to high productivity and low turnover, and their applicability to different call centre models.

6 REFERENCES


