

Call Centres: from an Essentialist to a Contextualist Approach

Abstract

Some portray call centres as “the new sweatshops”; others argue that employee resistance makes managerial control far from perfect. However, both are essentialist positions which attribute outcomes to innate features of call centres *per se*. We argue against this in favour of a contextualist position which recognizes different types of call centres and different types of “outcomes” due to the interactive effect of call centre features and their context. We found that ING Direct call centre operators recognize monitoring of their work but overwhelmingly describe their work as ‘fun’. We analyse the contextual elements which contribute to this position including the limited financial products, the inbound nature of calls and the wider culture, hr and reward systems which prevail.

Key Words: Call centres, essentialist, contextualist, ING Direct

Preferred Stream: General Management

INTRODUCTION

The call centre has been one of the rapidly expanding organizational phenomena of the last decade and as such has been the focus of considerable attention by academic researchers and commentators. In this paper we review key themes in the literature on call centres and report the findings of a recent study of the two call centres of ING Direct. We conclude by discussing the implications of these findings for our understanding of the nature of call centres.

CHARACTERISATIONS OF CALL CENTRES

Call centres have been commonly portrayed within the management/organizations literature as “the new sweatshops” where call centre management have ‘panoptic’ control over call centre operators (see, eg, Fernie and Metcalf, 1998). As such, call centres are characterised as operating very much in the tradition of Taylorism with management exercising close control over the design of tasks and the workplace activities of employees.

In response to this characterisation of call centres, some researchers have argued that employee resistance makes managerial control far from perfect. For example, Bain & Taylor

(2000) argue that high turnover and high absenteeism are just two examples of how employees resist strict supervision. Similarly, Knights and McCabe (1998), based on a study of a business re-engineering project in a financial services company, found that employees, through daily use of the technology, uncovered limitations in the system that provided space for their resistance. Examples included call centre operators 'mouthing words' instead of actually taking calls and cutting off customer calls if the call was taking too long and was likely to affect their performance statistics. None-the-less, despite the focus on resistance, the view of the call centre as a "technology for control" is still central to the approach of those who contest the achievement of "perfect control."

In a break from the view that control is the essence of call centres, Houlihan (2000; 2001) argues that call centre operations are in fact underpinned by contradictory notions. Key tensions include a focus on quantity whilst desiring quality, allowing for flexibility whilst enforcing structure and control, and employing human resource practices to develop organisational commitment whilst seeking a low-skilled disposable workforce (Houlihan, 2000). Consistent with this approach, Kinnie et al (2000), based on a study of two call centres, identified how the introduction of short term incentives, teamwork and training and development, have been used to encourage commitment whilst not limiting control mechanisms such as statistical monitoring and strict scheduling. Similarly, Mulholland (2002) identified how traditional notions of teamwork that include job rotation and multi-tasking, not generally possible in a call centre environment, have been readapted to emphasise staff flexibility and knowledge sharing while Armistead et al (2002) argue that human resource challenges in call centres include motivating and making the work environment 'fun' whilst maintaining close monitoring and stringent use of technologies.

Recently, the treatment of call centres within the literature has also begun to emphasise that the term "call centre" is a generic one and that within this "genus" are to be found a diverse range of "species". Taylor and Bain (2001) argue that call centres vary in

regard to size, industrial sector, market, complexity of calls, call cycle time, the nature of operations (including whether they take inbound or make outbound calls), the nature of technological integration, the degree of union representation and management style and priorities. For example, in terms of complexity, call centres can be characterised along a spectrum from the quantity extreme, where calls are simple and there is strict call handling times and statistical measurement, to the quality extreme, where calls are more complex, call times are relaxed and the emphasis is on quality of customer service (Taylor and Bain, 2001).

The existence of various species of call centres raises questions as to the appropriateness of “tarring all with the same brush”. Perhaps we should be cautious in attributing a particular essence to call centres, that is, to assume that the generic characteristics prevail over those that are specific to particular call centres. It was in this context that we undertook the study of the call centres reported in the following sections of this paper.

METHODOLOGY

ING Direct is a global retail banking initiative with a mission of establishing significant banking services in mature markets. It does not provide full-scale banking, instead it has focused business on two key banking products – mortgages that are sold through third party intermediaries and a high interest savings account, the Savings Maximiser. ING Direct, unlike traditional banks, does not have branches. Customers access the bank either through a third party such as a mortgage broker, or through the Internet or call centres.

The call centre operations, which support retail mortgage products, the Savings Maximizer product, and managed investment products, have over 150 staff (one quarter of the total ING Direct workforce). There are two call centre locations – one at Head Office in the Sydney Central Business District and one in Tuggerah on the Central Coast, an hour and half

north of Sydney. In the Sydney call centre there are currently eight teams, consisting of a Team Leader and nine to twelve Direct Associates (DAs). One of the teams consists of Senior Direct Associates (SDAs) who field more technically difficult calls and provide ongoing support to the DAs. Two of the teams operate in the evenings only. In the Tuggerah call centre there are currently four teams consisting of a Team Leader and nine to twelve DAs. There are no SDAs located at Tuggerah. The Tuggerah call centre is currently undergoing expansion, with another two teams currently being added.

The data for the study come from 22 interviews, each with an ING call centre employee, and from archival sources (both internal and external documents).¹ To avoid any concerns about possible selection bias, the interviewees were selected using random sampling. Each call centre employee was assigned a number and random number tables were used to select those to be interviewed. A semi-structured interview schedule was used in each interview. The schedule of questions covered the interviewee's work history (including prior call centre experience), the procedures and practices within which they worked, management-staff relations and relations between the call centre and the rest of ING Direct.

This paper provides the preliminary findings of the results of this research. The reporting of the data is based on the key themes to emerge from the interviews as determined by inter-subjective agreement between the three researchers.

THE CALL CENTRES IN ING DIRECT²

The Task

ING Direct call centres are in-bound call centres in that operators respond to customer enquiries. There is no out-bound, cold-selling or cross-selling sales component to the call centre roles. This is due in large part to legislative restrictions that disallow the 'selling' of bank products. The call centre operates under strict call standards and

expectations. These include speaking in a positive and friendly tone, and providing only factual information. Despite these apparently constraining conditions, along with constant monitoring and strict scheduling, ING Direct call centre operators, most of whom refer to the rather repetitive nature of their work still overwhelmingly describe their work as “fun”. As will be referred to below, there is a range of reasons for this.

One reason why they have this reaction seems to be the limited range of financial products with which they need to be familiar. As a result of this they can speak as experts rather than having to try to deal with diverse queries about multiple products with which they could have only a modest level of familiarity. This sense of command over the key details that customers want explained provides the operators with a sense that they are providing valued service to the callers. It also develops a confidence by the operators in what they are doing which leads to them being more confident to personalise the way they deal with individual queries.

Customer Service

The call centre operators are told that the bank seeks to provide a positive experience to all customers who contact them. One form in which they experience this is that while call times are monitored by management, they are not set as objectives to DAs by their team leaders. As such, and unlike many other call centres, the focus for ING’s DAs is on providing quality service to customers to ensure that their queries are answered thoroughly and accurately, rather than an overt focus on the average handling time (AHT) of calls. This seems to have a very significant impact on the employees’ feeling about their work. Although there is a lot of routine in their work, this is mediated by the fact that they feel that they are empowered to take the time to do a good job of handling customers’ queries. A further significant factor referred to by several of the employees was that the interaction with the customer was based on facilitating the customer being able to achieve a desirable outcome (opening an account) rather than involving the handling of complaints.

Results Focus

A large part of ING Direct's culture is a strong focus on performance. Call centre staff are aware of what is expected of them regarding performance and they are rewarded based on performance. The incentive scheme is clearly laid out and quarterly incentives are directly related to performance. With all calls being possible inclusions for quality assessment, DAs must be performance-oriented when handling every call. All calls are recorded and twenty calls are chosen randomly for assessment over a three-month period. Over a four-week period, Direct Associates receive three feedback sessions of 15-20 minutes and one coaching session of an hour duration. Staff are paid a base salary and have access to an incentive scheme with bonuses paid quarterly based on performance. There are three elements to performance – a team measure of Savings Maximiser sales conversion rates and two individual measures of adherence and quality assurance. However, the focus of the performance scheme changes over time as required to meet changing business needs. As noted above, a key aim of the call centre is to focus on quality interactions with customers rather than on average handling times.

Performance Development

Across ING Direct there is a performance management system whereby performance discussions take place between staff and management twice yearly. There is also an emphasis within the culture of learning from your mistakes. Employees are also encouraged to undertake further training, either at educational institutions or by undertaking a number of certificate courses run in-house. The focus of this ongoing learning is to develop organisational learning but to also allow employees access to future career opportunities either within or outside of the organisation. The organisation pays for 75% of education fees.

This focus on performance development is also a characteristic of the call centre. Although call centre operators are heavily monitored, there is an emphasis on using the call

standards and expectations regime as a means of coaching and development. Direct Associates are provided with feedback on their performance and in the event of less than perfect performance, coaching is provided. Mistakes, unless constant and serious, are treated as opportunities for development. There is also a strong emphasis on training and development. Direct Associates were recently surveyed on their training needs and as a result technical training is being supplemented with more customer-focused training. Call centre staff also have access to the same education opportunities as other staff and discussions about future career paths also form part of the performance review system.

Recognition

There is a culture of recognising performance at ING Direct. Recognition occurs on many levels. There is a bonus system across the organisation that occurs on a yearly basis. As mentioned earlier, in the call centre, the incentive scheme is geared towards more constant reinforcement, with quarterly reviews. All members of the organisation also take part in organisational celebrations. These include the Christmas party, where the CEO plays guitar with the staff band, Christmas presents and WOW nights – where staff from different parts of the organisation join in an off-site social event. The most recent WOW night involved barefoot bowling with celebrities and dinner at a top Sydney restaurant. Call centre staff are fully integrated into such activities. Recognition also occurs on a more subtle level. Vaughn Richter, the CEO, is a regular visitor to the call centres, where he greets staff by name and chats about topics other than work. That a CEO would make this effort and address each individual by name seems to have had a deep and positive impact on the staff.

Opportunities

Another feature of ING Direct's organisational culture is the sense of being part of a growing enterprise which provides development opportunities for staff and career paths for future advancement. Promotion from within is an organisation-wide practice. In the call centres, the majority of Team Leaders were once Direct Associates. Although it is

acknowledged that there are limited opportunities for advancement within the call centres, due to the high ratio of DAs to SDAs or Team Leaders, staff see that there are opportunities within the wider organisation. As a result, many DAs see their positions as the first step in a career either within the company or indeed within the finance industry.

Teamwork

Teams are a feature not only of the call centre but are present across the organisation. Teams are viewed as an essential part of the way the organisation works, despite the fact that there is not a strong link between team performance and the bonus system. The emphasis on teamwork, therefore, both in the call centre and elsewhere is focused on camaraderie, knowledge sharing, and team spirit. In the call centre, teams have names such as Shaken & Disturbed, Vipers and Slayers. Although there is a team component to the incentive scheme, there is limited competition between teams. Rather, team members cross team boundaries in order to seek and offer assistance and to engage in conversation.

Environment

The culture of the organisation is reinforced through the aesthetics of the work environment. On all floors of the Head Office building and at the Tuggerah call centre there are bright colours, strong imagery and positive slogans. The layout of the office is open plan, with everyone, even the CEO, positioned at workstations. The environment reinforces the youth and dynamism of the company and supports a sense of the boundaryless organisation where managers are approachable and opportunities for advancement are real. Social activities also contribute to a sense of fun and celebration within the company. At Christmas, Melbourne Cup Day and Australia Day, call centre teams decorate their work areas with themes related to that day of celebration.

Innovation

Across the organisation employees are encouraged to be innovative and to suggest ways of improving processes and systems. The call centre is no exception. Staff are encouraged to contribute their ideas. Staff believe that their suggestions are taken seriously and that where appropriate changes are made. In the event that a suggestion is not taken up, staff are provided with feedback on why their ideas did not lead to change.

CONCLUSION

The call centre operates as the frontline service point for ING Direct customers. It is often the only personal contact customers will have with the company as ING Direct does not have a branch network. As a result, the call centre is integral to ING Direct's way of operating. Its centrality to successful implementation of ING Direct's strategy is no doubt a significant factor in the way in which it has been managed. Call centre operators feel a part of the wider organisation and see potential beyond their current roles. The culture of the organisation goes a large part to explaining the reactions of call centre staff – its focus on quality, performance, recognition and development of staff, the sense of being a team, the accessibility of senior management, the style of the CEO, and the positive feelings associated with working for a company that is experienced as young, dynamic and growing.

This case study, based upon a preliminary analysis, demonstrates how the organizational context in which the call centre operates can be fundamental to the way work in a call centre is experienced by staff. This allows for a deeper understanding of the nature of call centres as it offers a means to progress beyond the essentialist position that has dominated the early literature on call centres. An essentialist position attributes outcomes to some supposed innate features of a practice; a contextualist position - one suggested by the results of this study - sees outcomes as due to the interactive effect of features and context. It is to be hoped that further studies in this vein will be undertaken both to give us a more detailed understanding of

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call centres as a phenomenon and to give us more empirical¹ material to contribute to our understanding of the merits of essentialist and contextualist positions.

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¹ The call centre study took place as part of a larger study of ING Direct. The full study involved 48 interviews of staff across the full range of ING Direct's operations. The results of the larger study are currently being prepared for publication.

² The overwhelming pattern in the data was for commonality of response between the two locations and two shifts. This paper focuses on those commonalities. The differences, which do not change the main thrust of our argument will be dealt with in later, more extensive, publications.

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