Human Resource Management of Indian Call Centre Representatives

Professor Stephen Teo
New Zealand Work Research Institute
AUT Business School, AUT University, New Zealand
Email: Stephen.teo@aut.ac.nz

Dr Subra Ananthram
School of Management, Curtin University, Perth, Australia
Email: Subrananiam.ananthram@cbs.curtin.edu.au

Professor Julia Connell
Graduate Research School, University of Technology, Sydney, Australia
Email: julia.Connell@uts.edu.au

Dr Adelle Bish
School of Management, Queensland University of Technology, Brisbane, Australia
Email: a.bish@qut.edu.au
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ABSTRACT: This study examines how call centres adopt different types of human resource practices (involvement and control oriented) to manage frontline employees in Indian call centres. Data were collected from 250 call centre representatives to test the research hypotheses. The research model was analyzed using Mplus software. Findings showed that involvement and control oriented human resource practices resulted in more employee exhaustion and disengagement. Involvement oriented HRM had a positive impact on job satisfaction as well as, a positive relationship between employee exhaustion and disengagement. The findings suggest that, while involvement oriented HRM enhances job satisfaction, its implementation comes with a cost, that is, an increase in employee exhaustion and disengagement at work.

Keywords: India, Strategic HRM, Call centres, Burnout, Job satisfaction.

INTRODUCTION

Call centres have been the focus of a great deal of research attention over the past decade or so (Russell, 2008). Much of this research has been negatively associated with stressful call centre work environments which relate to the pressure to take calls while undergoing intensive monitoring. Other research indicates the importance of context. For example D’Cruz and Noronha (2012) argue that, although many studies advocate high commitment management (HCM) practices in call centres, due to the many benefits said to accrue from implementation, these practices have been associated with control in their research conducted in Indian call centres. This point was also supported by their earlier work where they found that HCM practices were advocated as a means to ensure union avoidance (Noronha and D’Cruz, 2009). In a similar vein, and contrary to much existing research on the topic, Ball and Margulís (2011) argue that surveillance may be viewed positively especially if the call centre’s surveillance is used for the goal of improving efficiency and further organisational performance. According to the authors, these would be beneficial for all employees (Sewell and Barker, 2008). Consequently, surveillance may be accepted as legitimate because it promises fairness and impartial administration within the context of an employment contract that ensures the distributive justice of effort and reward for all (Sewell and Barker, 2006).
These competing arguments highlight the need for further contextually situated research that is related to the issues at hand. Although call centres in India have received some attention in the research literature (such as Budhwar et al., 2009; D’Cruz and Noronha, 2011; Taylor and Bain, 2005) the majority to-date has focused on call centres situated elsewhere. Thite and Russell’s (2010) research on call centres in India, resulted in them arguing that the relationship between globalization and HR has mainly been considered in a linear fashion, with HR ‘best practices’ expanding outwards from the West to the rest of the world.

It is estimated that India controls 44 per cent of the global BPO business which is supported by call centres and information technology enabled services (NASSCOM, 2012). Despite competition from other countries, such as China and the Philippines, India remains the most important English-speaking country for offshore call centres (BPO) (Business Process Outsourcing) by aggregate value and employment (876,000) (NASSCOM, 2012). Apart from English language proficiency, India has a number of other strengths which include a well-educated workforce and lower employee costs. Typically accounting for 55-60% of total operating costs, manpower is available for up to 40% less in India (NASSCOM, 2012). Despite the advantages that India offers as a BPO destination, there are also a number of challenges. Thite and Russell (2010) point out that Indian call centres have the highest employee turnover of 40% against a global average of 20% and that almost 60% of employees have less than one year of tenure and the highest rate of employee absenteeism (up to 15 days, per employee per annum). Others have pointed out problems related to stressful work environments and inadequate career development (Budhwar et al., 2009) although these aspects have also been reported in call centre research undertaken in other countries.

While a number of researchers have investigated various aspects of call centre operations in India (e.g., Budhwar et al., 2009; D’Cruz & Noronha, 2012; Thite & Russell,
2010), primarily HRM call centre research has focused on Western cultures leaving a gap in the current understanding of call centres in India and the type of HR practices being adopted there. Consequently, we argue that it is crucial to investigate the impact of HR practices on call centre representatives (CCRs) intention to quit as they are frontline employees which impacts on various aspects of call centre organizational performance (Batt, 2002).

The sample reported here was drawn from call centres located in Delhi and Mumbai, two of the largest metropolitan cities. The findings are based on a survey of CCRs. In order to position the study, relevant literature on the topic of call centres and HR practices is reviewed, prior to hypothesising the relationships between HRM, dimensions of burnout, and job satisfaction. A path model was developed to test these hypotheses. Next, the findings are reported, followed by a discussion of the theoretical and managerial implications in relation to call centre HRM.

HYPOTHESES DEVELOPMENT

Control and Involvement Oriented HRM

Call centres operate in intensely competitive business environments, constantly striving to combine standards and profitability with flexibility and customised service delivery (Budhwar et al., 2009; Holman, 2005). In order to address these issues, call centre managers are increasingly challenged to simultaneously combine both HR control and HR involvement practices (Batt & Appelbaum, 1995; Frenkel et al., 1998) thereby utilising hybrid HRM systems (Castanheira & Chambel, 2010). Control oriented HRM practices are aimed at minimizing costs and maximizing volumes. Consequently, call centres profit through utilising standardized service interactions via technology as well as an emphasis on rules and regulations. Control oriented HRM practices, such as performance monitoring; ensure that CCRs observe standardized job requirements (Holman, 2005). By contrast, involvement
oriented HRM practices are aimed at improving service quality by enabling CCRs to provide customised services with a view to maintaining a loyal customer base (Batt, 2002; Kinnie et al., 2000). Initiatives such as quality interactions with clients are deemed critical in this regard. Therefore organizations invest in sophisticated and expensive HR involvement systems, such as building a skilled workforce, and developing an employee’s commitment and loyalty to the organization (Castanheira & Chambel, 2010). “These two imperatives of service (cost control versus customization) have been used to explain variations in HR practices among call centres” (Castanheira & Chambel, 2010, p. 1050; Jenkins & Delbridge, 2013).

**Control Oriented HRM**

While it is understood that call centres’ HR practices vary according to organizational goals (Batt, 2002; Castanheira & Chambel, 2010; Holman, 2005; Kinnie et al., 2000), the need to standardize work and control costs are generally critical aspirations intended to keep them abreast or ahead of the competition. As call centre managers are challenged with intensified competition, they try to keep costs low and are expected to balance this approach with raising volume in order to maximize profit, therefore relying on “short, standardized service interactions with greater emphasis on rules, regulations, and repetitiveness” (Castanheira & Chambel, 2010, p. 1050). Holman (2005) explained that such control oriented HRM practices (which include performance monitoring) are aimed at ensuring that CCRs adhere to standardized job requirements. Castanheira and Chambel (2010) refer to control oriented HRM practices in call centres which include traditional and electronic monitoring practices.

One of the reasons call centres have consistently been referred to as stressful working environments is due to the number of controls that tend to be present, such as monitoring and surveillance (Castanheira & Chambel, 2010; Deery et al., 2002; Holman, 2002). A number of
empirical studies have linked monitoring practices and psychological stress, including burnout (Holman, 2005; Schaufeli & Buunk, 2003). A recent interpretation of burnout has been reported in the literature to include two dimensions: exhaustion and disengagement from work (Demerouti et al., 2010). Exhaustion supposes a prior state of high arousal or overload (Maslach, 1993) and is a consequence of intensive physical, affective and cognitive strain, predominantly as a long-term consequence of prolonged exposure to certain types of job demands (Shriom, 2003). Thus, exhaustion directly applies to CCRs whose work responsibilities include both physical and cognitive work. Disengagement refers to “distancing oneself from one’s work in general, work object, and work content” (Demerouti et al., 2010, p. 201-211). Kahn (1990, p. 694) defined disengagement as the “uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances”. Demerouti et al. (2010) and Kahn (1990) explain that disengagement concerns the relationship between employees and their jobs, particularly with respect to their identification with work and their willingness to continue in the same occupation.

Castanheira and Chambel (2010, p.1047) found that control oriented HR practices that were associated with more emotional dissonance and less autonomy” resulted in higher levels of burnout. Their findings demonstrate, consistent with the job demands-control model (Karasek & Theorell, 1990) the role job demands and autonomy play in explaining the links between HR systems and employee outcomes such as burnout. Hence, the traditional and electronic monitoring aspects of HR control practices will create an increasing level of exhaustion and disengagement among CCRs. These arguments provide the underpinning for the following hypotheses:

**Hypothesis 1.** Disengagement and exhaustion with work are positively associated with each other as these represent different aspects of burnout.
Hypothesis 2. Control oriented HRM practices will be positively related to disengagement.

Hypothesis 3. Control oriented HRM practices will be positively related to exhaustion.

**Involvement Oriented HRM**

Involvement oriented HRM practices aim to improve individual performance by focusing on employee involvement, increasing the opportunity for employees to participate in decision making, and in the business as a whole (Lawler, Mohrman & Benson, 2001). These practices typically include participative decision making, sharing of task relevant information, job relevant training and development and rewards for involvement in these activities (Lawler, Mohrman & Ledford, 1995). These practices are considered to be associated with improved employee performance, as this approach is proposed to engage and empower employees (Lawler et al., 1995). They have also been found to have strong association with employees’ work related attitudes and performance outcomes (Appelbaum et al., 2000). Thus, it is hypothesized:

*Hypothesis 4. Involvement oriented HRM practices will be negatively related to disengagement.*

Involvement oriented HRM practices are also thought to impact on employees’ emotional well-being. However, while studies in call centre settings found relationships between HR practices and employee stress, little is known about the mechanisms that support this relationship (Castanheira & Chambel, 2010). Evidence suggests that HR involvement systems can help decrease employees’ levels of burnout (exhaustion and cynicism) in call centres as it appears that this approach ‘alleviates’ the job demands inherent in this particular working environment (Castanheira & Chambel, 2010). Therefore, it is hypothesized that:

*Hypothesis 5. Involvement oriented HRM practices will be negatively related to exhaustion.*
HRM Practices and Employee Job Attitudes

Involvement oriented HRM practices such as, the perceived fairness of the payment system; the usefulness of performance appraisals; and the adequacy of training have been positively associated with job satisfaction (Castanheira & Chambel, 2010; Frenkel et al., 1998). While these studies propose a direct link between involvement oriented HRM practices and job satisfaction, Diamantidis and Chatzoglou (2011) found an indirect relationship with regard to involvement and job satisfaction in their sample of Greek small and medium enterprises. In particular, the authors concluded that the results underscore the effect of involvement on job satisfaction through its direct effect on job and workplace characteristics. Involvement oriented HRM practices in call centres tend to be especially designed “to motivate workers, foster employee development, and keep them aligned with organizational goals” (Castanheira & Chambel, 2010: 1049). Based on these arguments, the next hypothesis is presented:

Hypothesis 6. Involvement oriented HRM practices will be positively related to job satisfaction.

Given previous findings, we argue that while high involvement practices demonstrate positive influence on employee outcomes, we expect that control oriented practices will have a negative relationship. Control oriented HR practices have been found to relate to increased levels of psychological stress, including burnout (Holman, 2005; Schaufeli & Buunk, 2003) in call centre environments due to the number of controls that tend to be present, such as monitoring and surveillance (Castanheira & Chambel, 2010; Deery et al., 2002; Holman, 2002). Recent evidence suggests that it is important to distinguish between control and involvement HRM oriented practices as each approach has different impacts on employee outcomes (Castanheira & Chambel, 2010). Therefore we hypothesize that:
Hypothesis 7. Control oriented HRM practices will be negatively related to job satisfaction.

Burnout and Job Satisfaction

CCRs have frequent interpersonal contact with customers and are therefore, highly susceptible to stress and burnout (Yagil, 2006). Hock (1988) proposed that burnout in customer service employees can be demonstrated by a gradual decrease in concern about customers and co-workers, emotional exhaustion, and a reduced commitment towards the job and the organization. This study focuses on the disengagement aspect of burnout which concerns the relationship between employees and their job roles (Demerouti, Mostert, & Bakker, 2010). Specifically, CCRs may have negative attributions towards their work and, as a consequence, distance themselves from it. Moreover, some researchers have noted that disengagement is negatively-framed engagement (e.g., Demerouti & Bakker, 2008; Demerouti et al., 2010) and that disengaged employees withdraw themselves physically, cognitively or emotionally while performing their job roles (Kahn, 1990).

Disengagement has been found to have an impact on a number of job related outcomes including job satisfaction (Wefald & Downey, 2009). Job satisfaction has had many different conceptualizations since Hoppock’s (1935) original work and several researchers have proposed different interpretations and definitions (e.g., Brayfield & Rothe, 1951; Wall et al., 1978). Locke (1976) defined job satisfaction as a positive emotional state that results from an appraisal of one’s job and job experiences. Based on these arguments, it is proposed that disengagement (which represents a negative emotional state) will be negatively associated with job satisfaction (which represents a positive emotional state) in that CCRs who are more disengaged will be less satisfied with their job. This provides the underpinning for the following hypotheses:

Hypothesis 8: Disengagement will be negatively related to job satisfaction.
CCRs are required to engage in technology assisted routines and scripted interactions with customers while coping with the emotional demands of maintaining a friendly manner (Holman, 2003). Such conditions generate highly demanding, repetitive and stressful work roles leading to burnout and other negative outcomes (Deery et al., 2002). Several studies on call centres have reported high level stress and burnout amongst CCRs (e.g., Castanheira & Chambel, 2010; Sergeant & Frenkel, 2000; Zapf et al., 2003) stating that burnout was caused by a number of factors that include excessive work such as high numbers of call handling per hour, the overuse of technology, lack of administrative support, poor salaries, lack of a supportive team and invasive HR practices. Given the findings to date regarding the nature of call centre work environments and the associated job demands, we argue that exhaustion will be related to job satisfaction. Specifically, it is hypothesized that:

_Hypothesis 9. Exhaustion will be negatively related to job satisfaction._

To test the above hypotheses, a path model was developed to examine the impact of a combination of HRM practices on the job attitudes of CCRs (see Figure 1).

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**METHODS**

A market research firm in India was engaged to collect the data from CCRs situated in five different call centres. The five call centres were selected from some of the largest Business Process Outsourcing (BPO) firms based in the Indian cities of New Delhi and Mumbai. All were multinational and dealt with both inbound and outbound calls. Once the protocols were agreed, ethics clearance was applied for and granted and the CCRs were
surveyed by telephone. 250 CCRs answered the survey questions, comprising 50 CCRs from five different call centres.

The sample is comprised of a relatively young cohort (between 18-21 years old, 61.6 per cent) who were mainly male (79.6%), had worked for their respective organisation for between one and two years (43.2%), were unmarried and educated to degree or diploma level (92.8%). The majority of respondents were: permanent, full time (207, 82.8%) and work more than 8 hours per day (125, 50%). Less than one third of the respondents (72, 28.8%) worked less than 20 night shifts per month. Half of the respondents (125, 50%) spent between 6 and 8 hours interacting with clients. The average number of calls taken was between 80 and 250 (152, 60.8%). The average length of calls was for less than 5 minutes (129, 51.6%).

Respondents were asked to rank the survey items using a 7-point Likert scale, ranging from ‘1’ (extremely dissatisfied/strongly disagree) to ‘7’ (extremely satisfied/strongly agree). The survey was sent to a small sample of individuals who have been, or are currently employed in the Indian call centre sector, to check the wording and content validity prior to broader distribution.

Data were analysed using Mplus version 7.0 (Muthén & Muthén, 1998-2011) software. The scales adopted in this study were drawn from previously validated scales. The items were checked for appropriateness in the Indian call centre context and ease of understanding with a group of current and former Indian CCRs prior to finalising the questionnaire. A confirmatory factor analysis (CFA) was then undertaken for each of the scales and the analysis showed that the scales met the minimum fit indices as reported in the
following section. Internal reliability coefficients are reported in Table 2, together with descriptive statistics.

**Measures**

*HRM Bundles:* The operationalization of HRM practices is incorporated using two types of HRM bundles, HRM control and HRM involvement. These practices were adopted from a study undertaken on call centres in Portugal by Castanheira and Chambel (2010). An expert panel comprising Indian call centre representatives validated the presence of these HR practices in Indian call centres. Exploratory and confirmatory factor analyses resulted in a two factor control oriented HR practices and a single factor involvement oriented practices. A sample item for HRM control includes ‘The tone when I answer the calls’ and a sample item for HRM involvement includes ‘We have group meetings and discuss problems’.

*Burnout:* We utilized the 16-item Oldenburg Burnout Inventory (Demerouti, Mostert and Bakker, 2010) to operationalize burnout. As confirmed by the CFA, this construct has two negatively correlated sub-scales, exhaustion and disengagement. A sample item for exhaustion includes ‘There are days when I feel tired before I arrive at work’. A sample item of disengagement includes ‘Sometimes I feel sickened by my work tasks’.

*Job Satisfaction:* Job satisfaction comprised two dimensions, intrinsic and extrinsic satisfaction, adopted from Wall, Cook and Warr (1979). Sample items include ‘The physical work conditions’ and ‘the freedom to choose your own method of working’.

**FINDINGS**

Descriptive statistics and intercorrelations are reported in Table 2. Results of the path analysis are reported in Figure 2. The model has a good level of model fit as indicated by the fit indices \( \chi^2/df=1.445, \ p=.228, \ RMSEA=.042, \ CFI=.999, \ TLI=.994, \ standardised RMR=.003 \). These indices satisfied the guidelines recommended (see Byrne, 2013). The R-square for job satisfaction was 30.2%.
The findings provide support for utilising two-dimensional HRM bundles, representing control and involvement orientation. Control oriented HRM was found to be positively associated with involvement oriented HRM. Contrary to the hypothesised relationship, involvement HRM practices were found to have a positive impact on disengagement and exhaustion. Consistent with the literature, exhaustion and disengagement were positively correlated. Supporting the hypothesized relationship, involvement oriented HRM resulted in more job satisfaction. Disengagement, on the other hand, was also found to result in more job satisfaction, contradicting the hypothesized relationship.

DISCUSSION AND IMPLICATIONS

The aim of this study was to examine the effect of HRM practices on the job satisfaction of CCRs in Indian call centres. The results of the present study indicate that two bundles (mixed practices) of HRM practices co-exist within the call centres. Both involvement and control oriented HRM practices were found to have an impact on employee burnout and job satisfaction.

Involvement oriented HRM practices were found to result in more CCR disengagement and more exhaustion. This finding contradicts the literature (e.g. Castanheira & Chambel, 2010). Consistent with the literature however, involvement oriented HRM was found to result in higher levels of job satisfaction. Recent evidence from the Indian Call Centre context suggests that involvement HRM practices, typically developed and implemented in the Western hemisphere, may not translate as well as expected (Budhwar et al., 2009; D’Cruz & Noronha, 2011).
Given this context, negative employee outcomes, such as exhaustion and disengagement may in fact mitigate attempts to implement standard involvement oriented HRM practices. The work environment and the Indian call centre context are such that attempting to utilize these practices without addressing the broader job design issues (repetitive, monotonous work, night-shifts), and political environment (D’Cruz & Noronha, 2011), is not likely to yield the desired results.

However, in the broader call centre industry research findings are mixed. Some studies find that involvement oriented HRM practices decrease employee levels of burnout because they reduce the job demands associated with emotional dissonance (Castanheira & Chambel, 2010; Harney & Jordan, 2008). Another reason for the contradictory finding could be due to the lack of meaningful consultation in the implementation of these practices in the Indian call centre context and the practices may have been advocated as a means to ensure union avoidance (Noronha & D’Cruz, 2009b, p. 201).

The adoption of high involvement work practices without addressing inherent challenges in the work design and work environment may lead to increases in work intensification and higher levels of stress, instead of the desired effect of improving employee well-being outcomes (Godard 2004). This appears to be particularly relevant in the Indian call centre environment, where employees leave the industry because they are not satisfied with the workplace culture, and so involvement practices do not create the desired retention outcome.

In summary, this study uncovers important contributions for Indian call centre managers who may have turned to western HRM practices to reduce CCR turnover. Specifically, the intended engagement strategies are leading to exhaustion and greater intention to quit so is consequently backfiring.

Limitations and Future Research Implications
The limitations of this study relate to the number of CSR respondents (n=250) from five call centres. Given the unexpected findings resulting from this study, it is recommended that further research be conducted which examines the relationship between involvement and control oriented HR practices and intention to quit. As the findings reported here were contrary to a priori expectations and much of the extant call centre literature, they have important implications, both for human resource scholars and practitioners involved in call centre research and operations.
REFERENCES


Table 1. Descriptive Statistics and Intercorrelations

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<th></th>
<th>M</th>
<th>SD</th>
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<th>2</th>
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<td>1. Involvement HRM</td>
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<td>0.88</td>
<td>.86</td>
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<tr>
<td>2. Control HRM</td>
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<td>1.00</td>
<td>.85</td>
<td>.63***</td>
<td>1.00</td>
<td></td>
<td></td>
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<tr>
<td>3. Exhaustion</td>
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<td>0.41</td>
<td>.85</td>
<td>-.15*</td>
<td>-.21**</td>
<td>1.00</td>
<td></td>
<td></td>
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<tr>
<td>4. Disengagement</td>
<td>3.86</td>
<td>0.42</td>
<td>.84</td>
<td>-.05</td>
<td>-.21**</td>
<td>.51***</td>
<td>1.00</td>
<td></td>
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<tr>
<td>5. Job Satisfaction</td>
<td>3.14</td>
<td>1.32</td>
<td>.97</td>
<td>-.46***</td>
<td>-.23***</td>
<td>-.05</td>
<td>-.15*</td>
<td>1.00</td>
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N=250
*p<.05; **p<.01; ***p<.001
Figure 1. Proposed Research Model

- **Control HRM**
- **Involvement HRM**
- **Disengage**
- **Exhaustion**
- **Job Satisfaction**

Hypotheses:
- H1
- H2
- H3
- H4
- H5
- H6
- H7
- H8
- H9
Figure 2. Results of Path Analysis

Control HRM

\[ \text{Involvement HRM} \]

\[ \chi^2/df = 1.445, p = .228, \text{RMSEA} = .042, \text{CFI} = .999, \text{TLI} = .994, \text{standardised RMR} = .003 \]

**p < .01; ***p < .001