

HUMAN RESOURCE MANAGEMENT
IN
CALL CENTRES

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EXECUTIVE SUMMARY

This report is about the human resource practices used in U.K. call centres. It is based on a survey of 142 call centres, nearly all CCA members. Senior Call Centre Managers completed the majority of questionnaires. It covered most sectors, but particularly financial services, local government, travel and retail. The average number of employees in each call centre was 130, and the total number of employees covered by the survey was 17,000.

The majority of call centres see their market as national as opposed to local or international. Call centres tend to follow a range of strategic objectives. The most highly ranked are: ensuring a low response time; continually improving the quality of services and products; creating a one-stop shop, i.e. bundling services together; being highly adaptive and innovative; and cost reduction.

The use of key human resource practices is common across call centres:

- Group-based commission and/or overtime pay are common but individual-based commission is rare
- 70% benchmark pay rates
- Almost all select Customer Services Representatives (CSRs) using systematic selection tests and/or select against clearly defined job criteria.
- Almost all CSRs receive a regular performance appraisal to improve performance and to identify training needs
- In 70% of call centres, the training needs of all CSRs are systematically collected
- Autonomous workgroups are rare.

Other key HR practices vary more substantially:

- Pay rates are highest in specialist sectors such as Healthcare, Pharmaceuticals and Construction and lowest in Insurance and Publishing
- The frequency with which a CSR's calls are listened to
- The extent to which statistical information and customer satisfaction is fed back to CSRs

- The extent of induction and post-induction training
- The level of job discretion and control that CSRs have, particularly in the way they interact with the customer and how they carry out their job tasks
- The extent to which CSRs have variety in their jobs
- Formal idea capturing schemes are only used in a minority of call centres
- Quality improvement teams are used in half of all call centres.

Customer-employee interactions mainly involve exchanging information, giving advice, problem-solving and building a relationship with the customer. Selling is less frequent in a typical customer employee interaction. In call centres where selling takes place, there is real possibility to sell in 55% of all calls, and within these calls the conversion rate is 30%.

The majority (77%) of call centres collect customer satisfaction data and 55% have customer satisfaction targets as part of formal strategic plan. But few call centres have a formal customer complaint system. The approach to customer complaints in most call centres is reactive rather than pro-active.

The human resource outcomes of call centres reported include:

- No call centre reported bad relations between management and employees or between management and unions
- Sickness rates range from 2 days and under in the top 10% of call centres to between 12 and 18 days in the bottom 10% of call centres
- The average labour turnover is 13%, for 50% of call centres the rate is 8% and below, while in the lowest ten per cent of call centres, the quit rate ranges from 28-82%
- On average, 34% of CSRs made suggestions in the last 12 months
- In most call centres, management perceive that it is meeting operational objectives (e.g. maintaining and improving customer service, improving employee productivity) to a very large extent
- However, call centres are perceived to be only moderately successful at reducing employee stress and empowering employees

Most respondents thought that their customers were at least moderately satisfied with the service provided, with 62% perceiving that customer satisfaction was better at their call centre than other comparable ones.

Strong links between particular types of strategy and either the type of customer interaction and HR practices are not apparent. The strongest links are between the type of customer interaction and job design. More specifically, call centres that involve repeated interactions and/or in which the typical interaction with the customer involves relationship-building are more likely to have jobs in which CSRs have discretion over their job tasks, including how they talk to customers.

Organisational factors have most effect on quit rates. The key factors associated with high labour turnover are:

- Low job control over how tasks are done and how customers are spoken to
- The use of monitoring for disciplinary purposes
- Repeated interactions with the same customer.

Levels of customer satisfaction are higher in call centres where relationship-building is an important element of the CSR's role. In addition, customer satisfaction is higher when performance appraisal is used and when CSRs receive frequent coaching on their call technique. Customer satisfaction may, however, be adversely affected by the use of individual commission, as the extent of it is negatively related to customer satisfaction.

The only strong link to the achievement of call target time (i.e., the extent to which calls are answered within a set target time) is the frequency with which call statistics are fed back to the CSRs.

1. INTRODUCTION

The U.K. call and contact centre industry has grown phenomenally in the last ten to fifteen years and a significant proportion of the U.K. working population are employed in call centres. An effective human resource is central to any call centre, as it is the human resource of a call centre that delivers the service provided. The Institute of Work Psychology, in conjunction with the CCA (Call Centre Association) Research Institute, conducted a survey of the major human resource practices used in U.K. call centres. It was concerned to examine the extent of use of modern human resource management practices and offer some assessment of their effectiveness. This report summarises the main results.

2. THE SURVEY

2.1 Method

The survey was posted to call centres in November and December 2001. Most of the call centres targeted were members of the CCA. 142 completed questionnaires were returned. This represented a response rate of approximately 20%. Such a response rate, although fairly low, is not unusual for postal surveys and is high for postal surveys in the call centre industry. The sample represents about 2-3% of all call centres in the U.K.¹.

2.2. Respondents

The majority of respondents are Senior Managers. 51% are the Head of the Call Centre, 26% are Senior Managers, and 17% are Senior HR Managers or HR Managers. On average they have been in their job for 2½ years and have been in the call centre industry for 6½ years. The sample of respondents is almost equally divided between men and women (54% being female).

¹ Mitial Research (2001), UK 2001 Call and Contact Centre Survey.

2.3. The Sample

The sample covers all the main sectors in which call centres are found. The relative size of each sector is broadly in line with that found in the call centre industry as a whole. The largest number of responses came from Financial Services, which represents 20% of the sample. Table 1 displays the sector distribution.

The largest call centres tend to be located in the private sector and particularly in financial services, retail, telecommunications and travel. Table 1 shows the average size of a call centre in each sector. Given the relative sizes of call centres, more people are employed in private sector call centres than in public or voluntary sector call centres. The total number of employees covered by this survey is approximately 17,000 and represents about 5% of all call centre employees.

The median age of a call centre is three years. 84% of the total sample is ten or less years old, with 70% five or less years old.

Table 1: Call Centre Sector and Average Size

Sector	% of Total Sample	Mean No. of Employees
Financial Services	20	246
Local Government	12	36
Travel and Hospitality	10	120
Retail	8	239
Public Sector	7	100
Health Care	7	42
Telecommunications	6	142
Other – Utilities, Media, Voluntary, Housing, Food and Drink, Publishing, Distribution.	1- 4	83

2.4 Employee Demographics

The average number of employees (full-time equivalents) in our sample of call centres is approximately 130, and average number of full-time customer service representatives (CSRs) is 80. Table 2 shows the number of employees at different

levels in the organisation, their tenure and the gender balance. The average CSR to team leader ratio is 10 to 1.

Table 2. Employee Demographics

Type of Employee	No. Of Full-Time Employees	No. Of Part-Time Employees	Av. Tenure Years/ Months	% Women
Customer Contact Employees	80	38	2/8	69
Team Leader/First-Line Supervisors	9	1	3/7	63
Managers (i.e., above Team Leaders)	6	0	4/8	54
Support Staff	14	0	-	-

Core employees are typically educated to ‘O’ level standard; the majority of team leaders are educated to ‘O’ or ‘A’ level standard; and half of Call Centre Managers typically have degrees (Table 3).

Table 3. Typical Educational Attainment

Type of Employee	% Of call centres reporting typical educational level		
	‘O’ Level	‘A’ Level	Degree
Core Employees	77	10	13
Team Leader/First-Line Supervisors	45	33	20
Managers (i.e., above Team Leaders)	17	27	50

3. MAIN FINDINGS OF THE SURVEY

This report concentrates on practices related to human resource management and customer service. It first discusses two key background factors: the strategy and technology of the call centre. Then it examines human resource management (HRM) practice.

3.1. Call Centre Strategy

We asked managers to rate the importance of important call centre objectives. The mean scores are shown in Table 4. The most important objectives are ensuring (a) a low response time and (b) the continuous improvement of products and services. Objectives perceived to be least important are concentrating on a particular customer or product and the provision of a variety of services. Product or service innovation and cost reduction are unimportant in quite a sizeable proportion of call centres.

Table 4: Importance of General Objectives to Call Centre Strategy

	Importance			
	Mean	Not/ little	Moderate	Fairly/Very
1. Ensuring service response time is low	4.1	3	14	83
2. Continuous improvement, i.e., continually improving the quality of products and services	4.1	5	12	83
3. Creating a one-stop shop, i.e., bundling services together so that customers do not have to go to separate providers or different parts of the business	3.8	16	19	65
4. Being highly adaptive and innovative (e.g., creating new products and services, changing to meet customer requirements)	3.6	22	16	62
5. Cost reduction, i.e., being a low cost product or service provider	3.5	18	36	48
6. Product or service differentiation, i.e., creating something that is perceived by customers as unique	3.4	27	20	53
7. Promoting brand name	3.2	27	24	49
8. Providing a variety of services and products	3.1	28	27	45
9. Concentrating on a particular customer, product, service or geographic area	3.0	37	22	41

3.2. Call Centre Technology

The survey found that the use of advanced technologies is low:

- 51% use e-mail.
- 31% use Computer-Telephony Integration.
- 19% use Interactive Voice Recognition.
- 10% use Customer Relationship Management.

There was a very low use of other advanced call centre technologies such as instant messaging, voice recognition, call-me buttons, video conferencing, mobile internet, data mining or WAP phones. This suggests that most call centres are still call centres rather than contact centres.

Despite the low use of advanced call centre technologies, 65% stated that they had upgraded their hardware in the last year, while 84% stated that they had upgraded their software in the last year.

3.3. Human Resource Management

In this section we examine the following human resource practices and issues:

- Pay
- Performance Assessment
- Training
- Selection
- Job and Work Design
- Employee Relations

3.3.1. Pay

Total Earnings. The average total earnings (including commission and overtime) for CSRs is £14,200, team leaders £18,800 and managers £28,800 (Table 5). Pay rates vary greatly, with rates being higher in more specialist sectors such as Healthcare, Pharmaceuticals and Construction. The lowest wages, particularly for CSRs, are in Insurance and Publishing.

Table 5. Total Earnings and Pay Ranges

Type of Employee	Typical Total Annual Earnings	Pay Range
CSR	£14.2K	£8-26K
Team Leader/First-Line Supervisor	£18.8K	£8-26K
Manager	£28K	£14-50K

Performance-Related Pay and Overtime Pay. Only one-third of call centres report using some form of performance-related pay for CSRs. Table 6 shows the average percentage of total pay that was normally earned from individual-based commission, group-based commissions and overtime for CSRs. In the majority of call centres, CSRs can increase their basic pay by about 10% through either group-based commission or overtime pay, or a combination of these.

**Table 6. Commission-based Pay and Overtime Pay
as a Percentage of Total CSR Pay**

	% of pay from -			Total % of pay	No. of firms
	Ind Comm.	Group Comm.	Overtime		
Individual only	17	-	-	17	6
Group only	-	7	-	7	14
Overtime only	-	-	9	9	24
Individual & Group	21	9	-	30	4
Individual & Overtime	8	-	8	16	5
Group & Overtime	-	5	8	13	19
Individual, Group & Overtime	9	2	6	17	4

Very few firms use individual-based commission, either on its own or in combination. However, when individual commission is used, the total percentage of pay earned through bonuses or overtime tends to be higher than under other systems. Furthermore, since there is no difference in the total pay of CSRs who do or do not receive individual-based commission, it can be suggested that those companies who use this form of commission tend to pay a lower basic wage.

Benchmarking. About 70% of call centres benchmark their pay rates with competitors and local companies. About half of all call centres see their pay rates as being comparable to competitors, and 42% see pay rates as being comparable to local companies. However, while 30% see their rates of pay as being higher than competitors and 42% see pay rates as being higher than local companies, only 15% see their rates as being lower than competitors or local companies. This may indicate that call centres have to pay slightly better than local companies to attract staff and is consistent with an earlier CCA report that showed that the majority of call centres view pay and reward practices as the main means by which to retain staff.²

3.3.2. Performance Assessment

In call centres, three practices are normally used to assess employee performance: performance appraisal; electronic performance monitoring (i.e. computerised collection of call statistics such as call times, log-off times); and the monitoring of call quality.

Performance Appraisal Performance appraisal is used in almost all call centres. In 90% of call centres, all CSRs have a regular (quarterly, 6-monthly, etc.) appraisal. In 80% of call centres, all CSRs have a formal performance plan with written objectives.

Electronic Performance Monitoring. Almost all call centres monitor employees electronically but they vary in how the data collected is fed back. For example, 60% use overhead screens to show information such as call waiting. Statistical information

² 'Call Centres 2001', Report by CCA Research Institute and IRS.

is fed back to individual CSRs on a daily basis in 30% of call centres, weekly in 32% and monthly in 22%. Only 2% of call centres never give feedback on such matters as call times.

Call Quality Monitoring Call quality monitoring generally involves the recording of calls, team leaders listening to calls, and the provision of feedback and coaching on telephone technique and service delivery.

One-third of call centres record all or a majority of calls and a further one-third record a minority of calls. The other third record trainee calls only. A small minority of call centres (8%) report that they never listen to an experienced CSR's calls. Where they do, in one-third of call centres, team leaders listen to calls daily or several times during a week, while in another third it is done once every few weeks or once a month, and a further 20% do it sporadically. Furthermore, when calls are listened to, 30% of call centres always inform CSRs that their call is being listened to, 39% never or rarely inform CSRs, and 31% sometimes inform CSRs.

The majority of CSRs receive feedback and coaching on their telephone technique either monthly (in 42% of call centres) or every few weeks/once a week (42% of call centres). Only a minority receives coaching a few times a week or daily (12% of call centres), while no feedback is ever given in 4% of call centres.

Purpose Performance monitoring can be used for a number of purposes. In this study, it was found that the main purpose of call monitoring is to improve performance and to identify training needs (a lot/great extent in 75% and 73% of call centres respectively). From Table 7 it is evident that monitoring is not used to inform disciplinary actions in about two-thirds of call centres. However, monitoring is used for disciplinary purposes to a moderate extent in about one-quarter of call centres, and to a great extent in 10% of call centres. Only one-half think that monitoring is used to set resourcing levels (i.e. ensuring enough CSRs to match demand), and one-third think that monitoring is used to inform resourcing levels a little or not at all.

Table 7: Purposes of Performance Monitoring

Purpose of Monitoring	Not at all A little %	Moderate level %	A Lot A Great Deal %
1. To substantiate disciplinary actions	66	24	10
2. To improve the performance of core employees	6	19	75
3. To identify the training needs of core employees	8	19	73
4. To set resourcing levels (i.e., ensuring enough core employees to meet call demand)	29	22	49

This data confirms the view that the overt and pervasive nature of performance monitoring is a salient feature of call centres. Other research at the Institute of Work Psychology³ has shown that stress and dissatisfaction may result from too intensive or punitive performance monitoring. From this survey, it is apparent that, on the one hand, 1 in 10 call centres have monitoring systems likely to have an adverse effect on CSR well-being, i.e. a combination of feeding back call statistics daily a few times a week, little emphasis on call coaching, and moderate to high use of performance monitoring to substantiate disciplinary actions. While, on the other hand, the majority of call centres have the kind of performance-monitoring systems that is orientated towards development which may have benign or even positive effects on well being.

3.3.3. Training

The average length of induction for CSRs is 12 days. After induction, CSRs receive an average of 15 days training in their first year. After the first year, CSRs receive an average of 7 days training per year. In 70% of call centres, the training needs of all CSRs are systematically collected through training audits or performance appraisals.

About 40% of call centres have IIP accreditation, with half of these stating that the changes made to achieve this reward have been sustained.

³ Holman, D., Chissick, C., & Totterdell, P. (2002) 'The effects of performance monitoring on emotional labour and well-being in call centres', *Motivation and Emotion*, 26(1): 57-81.

3.3.4. Selection

The results revealed that 56% of call centres use systematic selection tests (e.g., psychometric tests, and aptitude tests) and select CSRs against clearly defined job criteria. 9% only use selection tests and 33% only use clearly defined job criteria. The rest use neither.

3.3.5. Job and Work Design

In examining the characteristics of CSR jobs, we focused on the level of control and discretion that CSRs have in their job, the variety in CSRs' work and the extent to which CSRs are required to follow scripts. These characteristics were chosen as they have been shown to have a significant effect on employee well-being. We also enquired about the prevalence of autonomous work groups and quality improvement teams.

Job Control and Scripts The degree of control and discretion that CSRs have over aspects of their work is shown in Table 8. The list of items is presented in rank-order. From an analysis of the means in this table, it is evident that, overall, management perceive CSRs to have a moderate level of control over their work. CSRs have the highest levels of control over how they interact with a customer (e.g. what is said to a customer). CSRs have little control over their daily work tasks, methods of work or break times. CSRs also have very little participation in the design and use of new technology.

An additional item asked about the extent to which employees have to follow scripts. As one might expect from the previous results, the use of scripts is low, with only 17% of call centres reporting that they use them a lot or a great deal. The majority of call centres (72%) do not use them or use them only a little.

Table 8. CSR control over various aspects of their work

	Mean (1-5)	Not at all / A little	Moderate Level	A lot/ A great deal
1. Handling additional requests from customers that may arise unexpectedly when the employee is interacting with the customer.	3.5	26	30	54
2. Settling customer complaints without referral to a supervisor or other expert.	3.5	28	34	48
3. What they say to a customer.	3.4	15	40	45
4. Revising work methods.	3.0	32	44	24
5. The pace or speed at which they work.	2.7	45	38	17
6. The setting of their performance objectives.	2.7	57	30	23
7. Setting their daily lunch and break schedule.	2.4	61	19	20
8. The daily work tasks they do.	2.1	73	16	11
9. The tools, methods or procedures they use.	2.1	68	21	11
10. The design and use of new technology.	2.0	69	25	6

Variety CSRs have a lot or a great deal of job variety in only 23% of call centres. Variety is moderate in 40% of call centres, while in 37% there is little or no job variety.

Of all call centres, 10% have jobs with little or low job variety and low job control over daily work tasks (items 6-9 in Table 8) or customer interaction (items 1-3 in Table 8). A further 23% have little or no job variety, low job control over daily work tasks but moderate to high control over customer interaction.

Previous research has shown that call centre jobs that are predominantly low in variety and control are associated with higher levels of employee stress and dissatisfaction⁴. This survey suggests that about one third of call centres have job designs of this type. Only a small percentage (9%) have jobs with moderate to high variety and with moderate to high job control. A greater percentage (18%) of call centres have jobs with moderate variety and moderate to high levels of control over

⁴ Holman, D. (2002) 'Employee Well Being in Call Centres', *Human Resource Management Journal*.

job tasks and customer-interaction, with a further 19% combining moderate variety, low control over job tasks but moderate to high control over customer interaction.

Teamwork. One third of call centres use autonomous workgroups, i.e., a team in which employees make their own decisions about task assignments, work methods and pace. Where used, they are used extensively (i.e. 75% of CSRs work in them) in about one-quarter of call centres. Quality improvement teams are used in just over half of all call centres and, when used, about 25% of CSRs are typically involved in them.

3.3.6. Idea Capturing

Out of three methods for capturing employees' suggestions and ideas, 58% of call centres stated that they have an unstructured approach (i.e. no formal system). One quarter stated that their main method was a formal suggestion scheme, while 17% reported that the main method was quality circles/improvement teams. Call centres tend not to give monetary rewards for suggestions, and formal recognition only tends to occur when call centres have a suggestion scheme. On average, 34% of CSRs made suggestions in the year since the survey.

3.3.7. Employee Relations

Trade Union Membership, Recognition and Employee Representation The average level of trade union membership is 22%. However, this hides variations between different sectors. Membership is highest in voluntary organisations, the average being 50%. At 13%, membership is lowest in the private sector. In the public sector, membership was 37%. In addition, trade unions are recognised for collective bargaining in 43% of call centres.

With regard to other forms of employee representation, 27% of call centres reported having a staff association, and 52% had a joint consultative committee.

Employee Relations No call centre reported that there were bad relations between management and employees or between management and unions. Relations between

management and employees were seen to be good or very good in 91% of call centres. Relations between management and unions were seen to be good or very good in 69% of call centres, and neither good nor bad in 31% of call centres.

3.3.8. Human Resource Outcomes

Absence The average number of days taken as unauthorised absence is 1.3, and just over one-half of call centres report that the level in their organisation is zero.

Sickness The average number of sick days taken is 7. Rates ranged from 2 days and under in the top 10% of call centres to between 12 and 18 days in the bottom 10% of call centres.

Turnover Employees leave jobs for a number of reasons. The average and median percentages of employees who left in the last year and the main reasons why employees left are shown in Table 9. We have reported the median score – the point at which half of all cases have scores above and half of all cases have scores below. When data has extreme outliers (e.g., one organisation reports a very high quit rate), the average score will be skewed towards these extreme scores. In such cases, examining the median score provides a truer representation of the underlying picture.

Table 9. Turnover: Main Reasons for Leaving Job

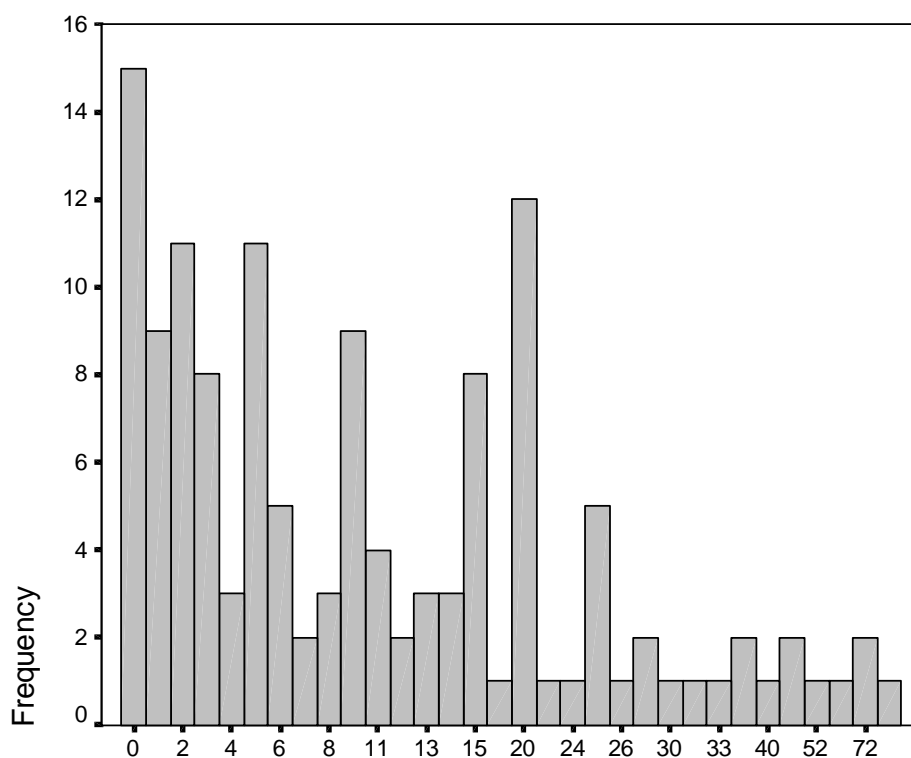
Reason for Leaving	Median %	Mean %
Quit organisation	8.0	13.0
Promoted within call centre	5.0	7.5
Promoted or transferred outside of call centre	2.0	5.0
Dismissed	1.0	3.1
Retired	0	0.3

The main reason for employees leaving their job is to quit the organisation. Although the average quit rate is 13%, for 50% of call centres the rate is 8% and below, and for

one-third of call centres the rate is 3% or below (See Figure 1). However, in the ‘bottom’ 10 percent of call centres, the quit rate ranges from 28-82%.

The second main reason why people leave their job is promotion either inside or outside of the call centre. The level of employees being dismissed or retiring accounts for a small amount of the overall turnover.

Figure 1: Quit Rates (%) in Call Centres



3.3.9. The Achievement of Specific HR Objectives

We asked respondents to indicate the extent to which their call centre is meeting a range of operational and human resource management objectives. The results are in Table 9. Most call centres perceive that they are meeting operational objectives (e.g., maintaining and improving customer service, improving employee productivity) to a very large extent. A number of human resource objectives are also thought to be largely met. These include maintaining a developing a skilled workforce, recruiting and retaining sufficient staff, reducing or controlling labour costs and promoting

employee learning and participation. Call centres are, however, perceived to be moderately successful at reducing employee stress and empowering employees.

Table 9. Extent to Which Meeting Specific Operational and Human Resource Management Objectives

Specific Operational and Human Resource Management Objectives	Mean 1-5
1. Maintaining and improving customer service	4.3
2. Improving employee performance and efficiency	4.2
3. Maintaining and developing a highly skilled workforce	4.1
4. Recruiting and retaining sufficient staff	3.9
5. Reducing, controlling or containing labour costs	3.7
6. Promoting employee learning and development	3.7
7. Promoting employee participation	3.7
8. Reducing employee stress	3.3
9. Empowering employees	3.3

3.4. The Customer: Types, service, satisfaction and complaints

This section focuses on the customer, the customer service process, and some associated outcomes. Initially, it looks at what types of customers are served and then goes on to examine the main services that are provided to them. Following this, the nature of customer service in call centres is explored. In particular, we focus on operational measures of customer service (e.g. call times), the main activities that CSRs undertake in a working day, and the nature of the customer-employee interaction. Finally, issues pertaining to customer satisfaction and customer complaints are discussed.

3.4.1. Customer Types

The main customers for call centres are shown in Table 10.

Table 10. Main Customer Types

Customer Type	% of call centres serving customer type
1. Large and Small Business Only	28
2. Mass Market Customers Only	37
3. All types of customer – large and small business, mass market, government, voluntary organisations.	33
4. Other	2

34% of call centres see their main market as local, 64% see it as national, and 2% see their main market as international.

3.4.2. Main Services Provided

Main Services Provided All call centres reported customer service as their main activity (see Table 11). Other activities are conducted to a moderate extent (order taking, in-bound sales), to a low extent (technical support, outbound sales, marketing, billing) or hardly at all (operator services, reservations).

Table 11. Call Centre Activity

Call Centre Activity	Mean Level (1-5)	Call Centre Activity	Mean Level (1-5)
Customer Service	4.4	Billing (Active accounts)	1.7
Sales (in-bound calls)	2.5	Collections (past-due accounts)	1.4
Sales (outbound calls)	2.0	Repair Services	1.6
Marketing	1.8	Operator Services	1.3
Technical Support	2.1	Reservations	1.5
Order Taking and Processing	2.6		

However, one would not expect all call centres to engage in all activities. A separate analysis revealed that call centres did one or more of the following clusters of activities:

Cluster 1: Customer Service

Cluster 2: Inbound and Outbound Sales, Marketing

Cluster 3: Order taking, Billing, Collections

Cluster 4: Repair services, Technical support.

The sales cluster is more likely to be found in private sector call centres. Only 40% of the total sample reported that they engaged in selling. The other clusters of activities were more evenly spread throughout the different sectors.

3.4.3. The Nature of Customer Service

Operational Measures of Customer Service The following information on customer service was acquired:

- The median target time for calls to be answered is 20 seconds.
- 82% of calls are answered within the target time.
- On average, 6% of all call are abandoned before being answered.
- Calls normally last between 3 and 4 minutes.
- A typical CSR will receive 60 calls/day, and make 17 calls/day.

Main Daily CSR Activities

On average, a CSR spends:

- 58% of the day engaged with a customer.
- 3% of the day writing emails.
- 13% of the day in wrap-up (call related work)
- 10% of the day waiting for a call.
- 6% of the day not in a position to receive a call but not logged off.
- 10% of the day logged off from the system.

Customer-Employee Interaction The nature of the interaction between customer and employee is likely to vary considerably. Table 12 shows the nature of a typical interaction.

Table 12. The Nature of Customer-Employee Interaction

Type of Interaction	Mean (1-5)
1. An exchange of information	3.8
2. Giving advice	3.6
3. Problem solving	3.5
4. Relationship-building	3.4
5. Soft sell	2.2
6. Counselling	1.7
7. Hard sell	1.3

Customer-employee interactions typically involve exchanging information, giving advice, problem-solving and building a relationship with the customer. As might be expected from previously reported results, selling is less frequent in a typical customer employee interaction.

In addition, CSRs have repeated interactions with the same customer in 36% of all call centres, while they sometimes have them in 37% of call centres, and this never or rarely occurs in 27% of call centres.

Selling performance In call centres where selling takes place, it is reported that there is a real possibility to sell in 55% of calls, and within these calls the conversion rate is 30%. Sales have increased 20% in 79% of call centres over the last two years, and have decreased by 20% in 10% of call centres over this period.

3.4.4. Customer Satisfaction

Customer satisfaction is a key objective of many call centres, yet only 55% of call centres have customer satisfaction targets as part of formal strategic plan. The survey also asked about each call centre's approach to collecting and using customer satisfaction data, and the perceived level of customer satisfaction.

The Collection and Use of Customer Satisfaction Data The main methods used to collect customer satisfaction data as identified in the survey are:

- Calling back a sample of customers
- Postal questionnaires
- Focus groups
- External market research company

Of these methods,:

- 5% used all four methods a lot or a great deal.
- 10% used three of these methods a lot or a great deal.
- 31% used two of these methods a lot or a great deal.
- 31% used at least one of these methods a lot or a great deal.
- 23% used none of these methods or any other method.

The most popular methods are calling back a sample of customers and the use of an external market research company. For example, when one method is used, 27% use customer call back only, 22% use postal questionnaires only, 13% use focus groups only, and 38% used an external market research company only.

In addition, 43% of call centres have a person or unit dedicated to monitoring customer satisfaction and 52% say that they benchmark their levels of customer satisfaction data.

When collected, 15% of call centres feed back customer satisfaction data to CSRs more than once every few weeks, 22% do it monthly, 20% quarterly, 13% annually and 23% annually. 7% never feed back this information.

Customer Satisfaction Based on the best information available, most respondents thought that the customers of their call centre were satisfied with the service provided (See Table 13). It is also interesting to note that 47% of respondents thought that customer satisfaction was better, compared to other call centres, in their call centre. 36% thought it was the same, 2% thought it was lower, while 15% thought it was much better.

Table 13: Level of Customer Satisfaction

Customer Satisfaction in Call Centres						
Extremely Dissatisfied	Very dissatisfied	Moderately dissatisfied	Neither Satisfied or dissatisfied	Moderately Satisfied	Very Satisfied	Extremely Satisfied
0	3	4	5	29	48	11

3.4.5. Customer Complaints

We found that customer complaints tend to be dealt with by the CSR in an informal manner, and that the approach to customer complaints is reactive rather than proactive in most call centres.

- In 94% of call centres, little is done to understand complaints.
- In 60% of call centres, CSRs are empowered to deal with complaints until completion.
- In 5% of call centres, a formal system is used to handle complaints.
- In 38% of call centres, customer complaints are actively encouraged.
- In 10% of call centres, a formal system is used to identify and rectify the causes of complaints.

3.5. Connections between Strategy, Customer Interaction, Job Design and HR

Practices

Strong links between particular types of strategy and either the type of customer interaction and HR practices are not apparent. However, the results reveal that a strategy aimed at adaptation and innovation is associated with: a relationship-building type of interaction; CSRs having discretion over how they do their work tasks; the frequency with which call statistics and customer satisfaction data are fed back; and calling back customers to collect satisfaction data. This suggests that some call centres are using a more empowered and less bureaucratic form of job design to enable them to react to change more quickly. It also indicates that call centres with

this strategy are combining greater CSR job discretion and autonomy with feedback on call statistics and customer satisfaction data to ensure that CSRs use this data to improve customer service in the way they see best.

A strategy aimed at product and service differentiation is associated with CSR discretion over work tasks and customer interaction, and job variety. Again, this would seem to indicate that such job designs are being used to support the call centre strategy, for example to enable the CSR to tailor services to the customer's need.

The strongest links are between the type of customer interaction and job design. More specifically, call centres that have jobs in which CSRs have repeated interactions with individual customers and/or in which the typical interaction with the customer involves relationship-building are more likely to have jobs in which CSRs have discretion over how they do their work and how they talk to customers. There is also more job variety in call centres where repeated interactions with individual customers are the norm. Autonomous working groups, though typically rare, are also likely to be found in such situations. Those call centres which encourage relationship-building are more likely to provide call and customer satisfaction statistics to CSRs. They are also more likely to use advanced technology.

3.6. The Relationship between HR Practices and Outcomes

Organisational factors have the most effect on quit rates. The key factors associated with high labour turnover are:

- Low job control over how tasks are done and how customers are spoken to.
- The low use of monitoring for disciplinary purposes.
- Repeated interactions with the same customer.
- High pay rates.

These results suggest that of all the HR and organisational practices used in call centres, the use of empowered job designs will have the greatest effect on reducing quit rates. Also, while monitoring characteristics such as the frequency of feedback

and coaching have little if any effects on quit rates, monitoring used for disciplinary purposes is associated with a high quit rate. It must also be noted that repeated interactions with customers may increase quit rates. This is a surprising finding but indicates that repeated interactions with the same customer might lead to more emotionally demanding calls. However, this extra demand may be offset to some extent by the use of empowered job designs. The worst scenario would be repeated customer interactions with little job autonomy. Another surprise was the association between high rates of pay and quit rates. It seems unlikely that high pay will cause employees to quit. Rather, high pay rates may be indicative of attempts to use pay as a means of getting employees to stay – although on this evidence it may not be a wholly effective long-term strategy. Indeed, it would seem sensible to suggest that, if poor job design is leading employees to feel bored and stressed, and there is the opportunity of more interesting and less stressful work elsewhere, then greater pay may not be perceived as providing adequate compensation.

Low quit rates are also associated with the extent to which the management perceive that they are achieving their objectives in key HR areas:

- Improving employee performance and efficiency.
- Maintaining and developing a skilled workforce.
- Reducing employee stress.
- Empowering employees.

Thus, high quit rates may reduce employee performance due to the presence of less experienced staff. The continual need to recruit new staff could also affect the ability to maintain a skilled workforce. In addition, less experienced and less skilled employees may have more difficulty in coping with job demands, which may lead to higher levels of stress.

Higher levels of customer satisfaction are reported in call centres where relationship-building is an important element of the CSR's role. Customer satisfaction is higher when performance appraisal is used and CSRs receive frequent coaching on their call technique. This implies that customers appreciate attempts by CSRs to build a relationship with them (probably because CSRs can attend better to customer need)

and that this process can be supported by attending to the quality of the call and the skills of the CSR. Customer satisfaction may, however, be adversely affected by (a) too much emphasis on call statistics as opposed to call quality, and (b) the use of individual commission as CSRs may focus on achieving their own commission targets rather than on the customers' needs.

The main link to the achievement of call target time (the extent to which calls are answered within a set target time) is the frequency with which call statistics are fed back to the CSR. The link is however negative, which may mean that too much emphasis on call quantity may have an adverse effect on operational efficiency. Or it may be that those call centres with bad performance are tackling this through giving more feedback to CSRs.

We also found that, when calls were answered within the target time, there was a positive association with the following achievement of objectives:

- improving employee performance and efficiency
- maintaining and developing a skilled workforce.
- promoting employee learning and development.
- reducing employee stress
- promoting employee participation

There are two ways of interpreting these findings. This suggests that the more effective a call centre is at developing a skilled workforce and improving learning and development provides, the more likely it is to achieve operational objectives such as call target times. It may, however, signify that achieving call target time objectives allows the call centre to devoted resources to the achievement of other objectives.

4. CONCLUSION

The results from this survey show that call centres in the U.K. typically have a set of HR practices that includes the use of systematic selection procedures, the use of performance appraisal, the systematic identification of training needs, and a payment strategy which uses group-based commission and overtime pay and pay benchmarking. Call centres also typically do not have autonomous work groups and, with the exception of e-mail and CTI, tend not to use advanced call centre technology to a large extent. Most call centres are still 'call' centres rather than 'contact' centres.

Beyond this common core, there is much diversity in the make-up of call centres. Call centres vary with regard to the nature of the customer-employee interaction (particularly with regard to selling, relationship-building, and whether a CSR has repeated interactions with an individual customer), job design (particularly discretion over how tasks are completed) and job variety, the level of training provided, quality improvement teams, the extent of formal customer complaint systems and pay rates. In addition, although almost all call centres use performance monitoring practices and a majority have systems to collect customer satisfaction data, there is variability in their form.

Likewise, with regard to strategic objectives, there is a degree of commonality but also a degree of variation. Call centres typically report that the most important objectives are ensuring a low response time and aiming to continuously improve products and services. Yet, call centres vary with the extent to which they view the following objectives as important: cost reduction, product or service differentiation, providing a variety of services and concentrating on a particular customer, product or service.

Despite the commonality of certain HR practices and the commonality of particular strategic objectives, there were few links between strategy and HR practices. This indicates that there is a considerable variety in the combinations of strategies and human resource practices and that they do not conform to any neat, tidy pattern. We did, however, find associations between the nature of customer-employee interaction, the use of empowered job designs (i.e. high control and discretion and high variety),

and the provision of feedback on call statistics and customer satisfaction data and the use of advanced technologies. This would imply that, where there is an aim to build a relationship with the customer and to have repeated interactions with customers over time, call centres are opting to give CSRs greater control over how they provide the service to customers. CSRs are supported in this by feeding back information on their performance and through the use of advanced technologies.

What is also significant about the use of poor job designs and monitoring for disciplinary purposes is their association with higher quit rates. This is line with earlier research at the Institute of Work Psychology that has shown their effects on employee stress. Quit rates also appear to impact negatively on the ability of a call centre to improve employee performance and to maintain a skilled workforce. In sum, this implies that poor job design and punitive monitoring practices may increase costs through their effect on quit rates.

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