A PROVISIONAL “THUMBS UP”
To New Zealand Bank Call Centres

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Call centres have been called “the factories of the future”, but this perception is challenged by recent research involving three large New Zealand bank call centres and conducted in the Department of Management and International Business at Massey University in Albany.

Most importantly, the “thumbs up” for the call centres has come from staff – customer service representatives (CSRs), who are at the forefront of the banks’ service-delivery strategies. Staff also have provisos, however, and bank managers can learn a lot from listening to workers speak through this research and through developments overseas as well, where a variety of call centre practices have shown what constitutes successful and unsuccessful employment strategies in call centre work.

New Zealand is a comparatively small domestic market with related budget constraints on what can be achieved with dollars spent in call centre development. But New Zealand can compete. Mainly this is because this country has a pool of well-qualified workers. Bank call centres, in particular, are characterised by good working conditions and provide enjoyable social environments, despite the high technological nature of the work. Consequently, we found high levels of job satisfaction in retail bank call centres in New Zealand and long-term commitment to the organisation. Frontline call centre workers really are one of banks’ primary assets.
The research aims to understand the influence contextual changes in worklife are having on workers’ perceptions of their work ...

COMPREHENSIVE UNDERSTANDING OF BANK CALL CENTRES BEING DEVELOPED

This study is part of an ongoing research project with several major banks that have kindly allowed us access to their workplaces to discuss issues and collect information to do with the changing nature of work in high-technology environments. The information collected has been wide-ranging – both quantitative and qualitative – and has attracted some international interest. It has been accepted for publication in several leading management and technology journals. The research is shortly to be a focus of a special edition of the International Journal of Management Literature on the topic of the impact of technological advancements on work, workers and management practice.

Two major banks at three sites have been the focus of the research so far with in-depth understandings of each bank site being developed through interviews, observations and questionnaires with workers at all levels of the organisation – CSRs, team leaders and managers. Our research design is illustrated in Figure 1. As can be seen, the research aims to understand the influence contextual changes in worklife are having on workers’ perceptions of their work, their work environment, their work/life balance and their working futures.

Four members of the research team visited research sites. At each site, a day was spent observing and engaging in informal discussions that were then followed up with in-depth interviews with 54 subjects. We interviewed three levels of staff: 10 managers, eight team leaders and 36 CSRs. In our observations, we focused on the areas that the literature has signalled as being important: size, layout, workplace aesthetics, environmental factors such as noise and temperature, technologies, ability of workers to interact with each other, and the general tone or feel of the call centre environment. Interviews were semi-structured with opportunity for workers to elaborate on their responses and took an average of 30 minutes to complete.

All interview data was content analysed. Most interview notes consisted of words and phrases
and these were organised into themes. The analysis of the data gathered from observation and interviews focused on the following themes: perceptions of work environment; the impact of technology; and training.

The findings presented in this article focus on issues affecting CSRs, team leaders and managers in call centres and the implications for bank management. Although this study is exploratory in nature, strong themes emerged and these are reported next.

**CSR PERCEPTIONS FROM THE FRONTLINE**

One of the trends in the literature on call centre work is the impact of poor work environment. Call centre work lends itself to stress and boredom. Sitting down all day, staring at a flickering computer monitor while wearing a headset that tethers you to your desk can take a major physical and emotional toll on employees (Stuller, 1999). Adding in a randomly monitored, incessant stream of emotionally and intellectually demanding calls and you have a recipe for stress and exhaustion. Bad examples abound. For instance, in 1999, British Telecom workers went on strike in protest partly over being housed in two 2000-seat centres built inside old aircraft hangars. This was hardly an environment that lent itself to connecting with the outside world (Darby, 2000).

So, in our research, we made a point of asking workers how they felt about their physical environment and how that impacted on their ability to relate to their customers, fellow workers and management. The CSRs we interviewed generally commented favourably, expressing satisfaction with their physical environment. However, a common comment related to wanting “more natural light”. As echoed in the literature, there was the very unpleasant feeling of being tethered to an internal desk by one’s headset without a view all day. Annunziato (2000: 3) comments that: “People like to be outside, it makes them feel good. Researchers believe that the colours present in natural light influence that feeling of well-being.” Call centres should be designed to use natural light with windows with views and purpose-built meeting spaces on outside decks.

Actually, it was surprising how few CSRs commented negatively on their physical environment, despite some probing from the interviewers in this respect. We can only assume that New Zealand bank call centres have learnt from best-practice examples and have developed well-designed call centre environments. Research has shown, not surprisingly, that vibrant environments, good amenities, opportunities to socialise and experience camaraderie all help to alleviate stress. Certainly in all the sites we visited, CSRs were organised into teams and each individual had his or her own workstation that was relatively private when the CSR was sitting down. Call centres were

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bright and attractive places with lively atmospheres. The noise was never overpowering even though the level of call activity is often quite high. Social spaces were easily available and quite pleasant. In times of stress, CSRs are encouraged to take “time out” and workers can often use special spaces for calming down after particularly difficult calls. Comments from CSRs included:

- “Fantastic work environment. The best place to be … [management] really look after staff.”
- “Relaxed, friendly, positive, great surroundings. Management puts a lot of effort into making the environment a good place to be.”
- “Fun, open, easy-going.”

The camaraderie of CSRs certainly played a part in mitigating perceived negative effects of physical environment. In many call centres, CSRs say the physical environment actually provided the opportunity for closer social interaction. Comments about the friendliness of management and colleagues, the enjoyment of team-based work and the fun of “crazy days” featured a lot more than negative comments about noise, for instance. This is an important observation since research cited in the literature has paid more attention to the physical environment and design than the social environment inhabited by call centre workers. Yet, as Shellenbarger (2000: 2) notes, workplaces are “increasingly our main crucible for making friends, as neighbourhood and community ties weaken”. Ensuring that workers have opportunities to socialise and interact with others at work is critical. David Foster, a telemarketing manager cited by Darby (2000: 3), comments: “You don’t have to be a psychoanalyst to work out what it feels like to work in a place where you are fenced in and the only interaction you get is a manager asking you for your sheets of figures … [and] allowing call centre workers to communicate with their colleagues helps keep motivational levels high and encourages employees to stay in their jobs.”

The general positive response of CSRs to the environment is mitigated by our findings regarding the perceptions of part-time CSRs. Full-time workers had lower perceptions of technology than part-time workers and rated their perceptions of training higher. The reasons for this perceptual difference are yet to be tested, but could be that the full-timers have a less instrumental orientation to work related to money and are there more for the career opportunities.

Other positive aspects of their jobs mentioned by CSRs included job security, learning new technology and service skills, and monetary rewards. The financial and security benefits of working in a bank loomed large in the positive comment of CSRs about their employment. Although the value of money will be no surprise to many, the security, financial benefits and career opportunities available at some banks were readily identified by many respondents as being primary motivations for enjoyment.

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**MANAGING BOREDOM IS A MAJOR CHALLENGE FOR MANAGERS**

Lack of task variety and the repetitive nature of call centre work was a common complaint among CSRs, which, according to them, can lead to significant levels of frustration, tiredness and boredom, resulting in presumably high staff turnovers. Gerson (1999a) warns: “Continuous repetition without change, or the chance for change, leads to boredom or anxiety. Without a release for these negative feelings, reps experience burn-out.” One interesting comment which emphasises that this stress is not only felt at an individual level, but in relation to others was:

- “Stress is a really big issue. Not only for myself, but for others. My team is like a second family. If others are under stress, one really feels for them. You can really feel it in your body – stress affects health and my feelings of well-being.”

Steps can be taken to alleviate the problem. One enlightened manager commented: “The biggest [call centre] issue is boredom. It’s about keeping fresh. We don’t have the complete answer, but by
providing stimulation and an element of variation ... we can improve things” (Brann Ltd director, cited in Darby, 2000). Job rotation is another way to alleviate boredom.

The challenge of providing interesting and varied work for the CSRs appears to have been mostly met at the call centres in our study, although boredom, tiredness and stress remain CSR issues that management constantly needs to plan for. CSRs almost always qualified negative comments about work intensity, boredom and stress with comments that showed they appreciated the systems management had in place to help them deal with these issues. For instance, in dealing with the difficult customer, emotional support was available from co-workers and team leaders, “time out” was available to recover, as were special private areas where CSRs could retreat to in the event of needing to “get it back together” after a disturbing call. Comments from CSRs included:

- “People here are really understanding and will help with a difficult call.”
- “We have a private room we can use if we need to. It has a TV and we can make a drink. Sometimes you really need to just be by yourself and calm down.”

Call centres are complex technological environments but communication really continues to happen the old-fashioned way – through language. The technological interface provides a more complex system for the mediation of communication, though. One CSR commented in relation to being a communication intermediary between the customer and the service system that his job was about:

- “Problem-solving. I stand between chaos and chaos – the two ends of the spectrum being the bank and the customer. In the middle is the problem-solver.”

But, it is worth noting that technology can have a positive impact by eliminating some of the more mundane and repetitive tasks required of CSRs. New technologies such as “Fluency” software (Bentley, 2002) automate more routine functions and automatically route customers back to the CSR they have interacted with previously, allowing more personal relationships to develop. It also gives call centre workers opportunities to develop expertise in new areas using the latest forms of technology, thereby making the work less demanding, but more interesting. Call centre workers are being asked to adopt new roles and strategies, such as client retention (Racine, 1998). Adopting new programmes and the call for specialised skills help keep staff from becoming bored. CSRs in our study confirmed that they enjoyed developing relationships with customers and felt they were better able to serve the customer if they “owned” the customer’s problem from initial contact to resolution. But often call centre processes did not allow this to happen and this was a source of frustration to CSRs. For instance, several CSRs responded with comments such as:

- “The call-queuing system stops us from developing a relationship with the customer.”
- “A failure in the system is that if a customer asks specifically for a representative then that representative is emailed and then has to make an outbound call. This affects your availability for inbound calls which is a productivity measure and so this is a disincentive for us to provide good customer service.”

CHANGING IDEAS ABOUT SELF AND CAREER EVIDENT AMONG CSRs

Arthur, Inkson and Pringle (1999) have noted the changing orientations of the self to career and our research suggests that CSRs are quite aware of these changes.
of the need to build a repertoire of marketable skills in the external labour market. But CSRs were very concerned to retain their options for employability in the internal labour market of the firm, too. If they perceived the opportunities for career advancement to be limited within the firm then this was clearly a source of dissatisfaction for them.

Knowing customer service was often mentioned as being a skill that workers could transfer into other service jobs within the banking industry, within the call centre industry and beyond it. Career structures are mostly readily discernible in the banking industry and CSRs were keen to take advantage of technical and service training opportunities and for possible transfers and promotions to team leader roles.

- "I’d like to get into personal lending."
- "I’m ambitious … I want to move up within the bank … this is the best place to get experience."

Traditionally, CSRs have had little opportunity for advancement within their organisations (Hodnett, 2000). As a result, CSRs have little to work toward and can become quickly de-motivated by their repetitive, dead-end jobs. Creating career pathways for employees can make a major difference. Lounsbury (1999) and Thornton (1999) both highlight the positive impact that career management programmes have on employee turnover, while Leuchter (1999: 6) comments: “There’s much lower turnover in companies that offer good career tracks.” Thornton (1999: 64) goes further, arguing: “Selling a career to job candidates may be the best route to long-term improvement in turnover.”

The CSRs interviewed were of the opinion that they considered themselves as “sought-after” employees by the branches of their organisation. After serving their “apprenticeship” in the call centre, many saw career moves within the larger institution. Others commented positively on career opportunities at other centres nationally and overseas. This ability to see their call centre work as part of a broader career assists in building and maintaining a positive attitude to their jobs. But retention is an issue for managers. CSRs are quite aware of their employability and firms need to be creative to gain the most from the inevitable investment in training they put into their employees.

Internationally, New Zealand appears to be behind in the incentives and perks offered staff in order to retain them. In the UK, call centre staff enjoy some or all of the many perks and facilities that include, among others, eyecare vouchers, time off without pay (if required), lunch vouchers or subsidised canteen facilities, sport and leisure facilities, and competitive financial services.

**MANAGEMENT PRACTICE (OR LACK OF IT) MAIN SOURCE OF STRESS FOR EMPLOYEES**

A number of researchers have commented on the relationship between management and employee stress (de Ruyter, Wetzels and Feinberg, 2001). Stuller (1999: 4) goes as far as arguing that “downright wretched management contributes to making [the CSR] workforce as fluid as water”. The British Telecom strikers (Darby, 2000) gave “high levels of stress stemming from strict call-handling targets” as the main reason they decided to strike. These are common gripes among call centre workers.

It is clearly the managers who should explain management systems such as call monitoring and
sales targets to employees in a manner that achieves co-operation rather than resistance.

In our study, CSRs sometimes commented negatively on the monitoring of calls or the feeling of being pressured by management to achieve sales targets or similar measures.

- “I don’t like the hard selling … the sales are important, but a certain amount of luck is involved.”

Mostly there was a sense of acceptance of such strategies, although the CSRs did not appear to like them. When the CSRs did criticise the monitoring process in terms of intrusive surveillance issues, they usually quickly qualified their comments by alluding to their understanding of the need for it from a management point of view, or in terms of its promotion of fairness and the efficiencies the technology allowed.

- “Monitoring and evaluation is very, very tight. I can see the value in monitoring, but it also indicates a lack of trust. I like the feedback for performance improvement, but it feels invasive.”

- “Management times each call, listens in sometimes, rates calls and gives us feedback. I suppose it’s OK with the feedback as it can then be a learning experience and our pay is linked to the calls. But I found monitoring intrusive. There is no privacy really.”

It was when the technology did not help efficiency or when the processes affected CSRs’ ability to solve a customer’s problem that criticisms were most apparent. This would indicate that a lot of goodwill and passion for serving the customer is evident in CSRs. As is often the case, it is those at the frontline who most clearly perceive issues of customer service quality. Management needs to ensure that CSRs are able to express their opinions in the interests of quality improvement. For example, CSRs commented:

- “The system makes it difficult for you to own a customer’s problem and see it through with them. We often have to pass the customer on, or we deal with them in one situation, but then they end up with someone else when they call back, despite their preference.”

- “If we had more information at the frontline and were able to make decisions, we would be able to give speedier solutions.”

- “Customer education is really important now and is getting more important. Customer usage is changing … more self-service now. Customers often call in without pin numbers, for example, and that is a problem at the moment.”

In general, CSRs spoke very highly of their managers. One rare but significant complaint was that managers were not as available as CSRs would like. Again, CSRs wanted to do their job well and the lack of accessibility to managers was an issue for them in this regard.

Management needs to ensure that CSRs are able to express their opinions in the interests of quality improvement.
The findings from our study support the literature in contending that call centre life need not be nasty, dull or boring, but can be really worthwhile and interesting. The work environment is largely a result of management styles and the attitudes of middle and senior managers. Commitment to their staff at both the strategic and tactical levels can have a marked impact on employee satisfaction and this is a clear theme in our study. Technology can bring benefits, but CSRs were also acutely aware of the negative aspects of technology and of their ability to deliver customer service and to develop rapport with the customer.

**THE SANDWICH PROBLEM – TEAM LEADERS EXPERIENCE MUCH ROLE CONFLICT AND STRESS**

As well as looking at CSRs and how they felt about call centre work, we also looked at team leaders and management. Although our findings are provisional, they are important because there is a dearth of information about these key roles in call centre management. Sandwiched between their CSRs and their managers, team leaders, in particular, have been overlooked by call centre researchers. This paucity of research is somewhat surprising since supervisors hold a critical role in the monitoring and motivation of CSRs. The dilemma for team leaders is that they often find themselves between a rock and a hard place in terms of their roles, responsibilities and expectations from CSRs and their managers. The stresses resulting from juggling competing (if not incompatible) demands of management and team are trying.

What makes the work of team leaders good? The team leaders interviewed found their job and work environments to be challenging, rewarding and secure. They needed good interpersonal skills to interact with their team, e.g. providing monitoring feedback, training and motivation. Their role was rewarding in terms of seeing their team members developing and being successful. They were positive in how they viewed their jobs. They were secure in terms of their jobs in the bank and the industry and did not see the need for changes. They were also provided with development opportunities to extend their skills.

Team leaders highlighted the importance of ensuring a high standard of customer service. They felt they accomplished this by monitoring the CSRs, leading by example and coaching and developing their teams. However, absenteeism was a problem. Other problems raised were the pressures of time and the nature of the job itself which can be very stressful, e.g. dealing with problems of customers and team members.

The findings in our study with regard to issues raised by the team leaders interviewed are similar to the issues highlighted in the literature. Relating specifically to the role of team leaders, supervisors are reported to experience role conflict and confusion of loyalty. They are deliberately positioned physically and socially close to their CSRs, from whose ranks they are usually promoted and with whom they probably still identify. Yet team leaders are also made responsible for the efficient implementation of management’s policies, including unpopular practices such as call monitoring and the active promotion of cross-selling and other sales-related activities that many CSRs find distasteful. These dual loyalties resonate in some of the comments made by the team leaders interviewed.

The team leaders maintained that it was
important to “lead by example”, a point echoed by Hodnett (2000: 4) in that “the way managers behave really tells the staff if they are serious”. However, leading by example is essentially a statement about displaying loyalty to management. It means ensuring that workers perceive their team leader as supportive of, even enthusiastic about, company policy, no matter what they really think, and leaves little room for team leaders to share their real doubts or dislikes with their team members.

Loyalties can also be confused when customers complain about the actions of specific CSRs, or CSRs mishandle monitored calls. In some centres, CSRs’ pay can be linked to performance and it is the team leader’s role to decide which CSRs deserve performance-based bonuses and which do not. Moreover, when the team leader’s own remuneration is linked to his or her team’s productivity and success, the pressure to place results ahead of relationships is stepped up even further. All these situations can create stress for socially sensitive individuals whose very promotion may have been based on the results of an acute social sensitivity.

This contradiction of being emotionally linked to staff yet loyal to management confronts most first-line supervisors in any industry. Yet the fear of being seen as “the enemy within” by the team may be unusually heightened in call centres. Where team leaders in other industries generally gain their promotions as a consequence of excellent technical skills, call centre team leaders gain promotions in large part because of their excellent interpersonal skills and their people orientation. While such skills may give call centre team leaders a better chance of juggling these competing demands, they also give them a strongly heightened awareness of the dilemma, which can be stressful. As might be expected of people-oriented employees, the rewarding aspect of the job as highlighted by our team leaders was “watching their team members developing”. This suggests that there is an important emotional linkage between team leader and team members based around a pseudo-parental concern for CSRs’ success and well-being.

Another problem experienced by team leaders is absenteeism. Relatively high levels of absenteeism are a problem in call centres with more than half of dismissals being due to tardiness or attendance problems according to one report (Karr, 1999). No manager likes having to reprimand and discipline team members, a serious issue for team leaders selected for their social sensitivity who may find this even more irksome and worrying than others.

It is, therefore, not surprising that to achieve management objectives without unravelling the social fabric binding team leader and team together requires considerable diplomatic ability. Team leaders’ comments that their role requires “good interpersonal skills” seem something of an understatement. Despite the dilemmas faced, it is remarkable to point out the high level of job satisfaction reported by the team leaders interviewed. While acknowledging that the job can be “very stressful”, they felt the role allowed them to extend their skills and saw “no need” to change anything about their jobs or work environment.

**“LOOK, NO HANDS!” MANAGERS MANAGING HIGH STAFF TURNOVER, COST MANAGEMENT, RISK AND CHANGE**

Managers described their jobs as being challenging both in terms of customer demands, staff issues and management prerogatives. Managers were very busy, in an ever-changing environment and with constant demands, but they
also found their work satisfying and rewarding personally and financially. Career orientations to the banks were strong with all the managers interviewed seeing their future to be with the bank.

The key issues of concern to managers were high staff turnover, demands made on their time as a result of paperwork, administration and interruptions, staff and customer satisfaction, management issues relating to costs, multi-tasking and rostering, and the need to protect against technological disaster.

While the CSR turnover rate of about 40 per cent a year is of concern, viewing it in context, at least 13 per cent of employees leave to take up positions, often as personal bankers, within the bank, in effect taking career steps within the institution. This is positive and reflects on the experience and credibility gained as a result of their work and training experience in the call centre environment. This is not necessarily a common phenomenon (Hodnett, 2000), though viewed as desirable (Businessworld, 1999:3).

The real turnover in the call centres is, in effect, probably closer to 30 per cent. The turnover of 30 per cent is, in fact, the industry average (Davis, 1999; Karr, 1999) and equates to the turnover experienced by General Electric’s “Answer Centre”, regarded as the “gold standard” in call centre performance (Stuller, 1999). While “world-class” call centres achieve turnover rates in single figures (ibid), suggesting there is plenty of room for improvement here, it is worth remembering that turnovers exceed 200 per cent in some centres (Gerson, 1999b) and as high as 300 per cent in the outbound-calling segment (Defalco, 2000).

Further on recruitment and retention of staff, Joelson (1998: 1) reports that the American Bankers Association study found “five out of six call centre managers surveyed cited people-related issues as their top concern … hiring the best people, retaining the best people and improving team performance ranked as the number one, two and three concerns, respectively”. While our managers indicated concerns with staff satisfaction and turnover, no concerns were expressed about recruitment of suitable replacements. This may reflect a difference in the economies of the US and New Zealand. The US has historically been experiencing low levels of unemployment in the past few years and potential CSRs can earn better wages in other areas of work. Conversely, New Zealand has experienced much higher unemployment rates and stagnant wages for much of the past 10 years. Thus, the supply of potential good-quality applicants in New Zealand probably exceeds that in the US, reducing the damaging impact of high turnover somewhat.

Managers also noted the difficulties arising from the ever-changing nature of call centres. The principal difficulty is the heavy dependency on telecommunications technology in this industry, which has been experiencing unprecedented development rates over the past two decades, rates that are unlikely to slacken in the foreseeable future. This point was noted by Stuller (1999), who quotes an OmniTech Consulting Group research project that studied 62 call centres and “found nearly three-quarters of them had put in new structural changes or work processes and systems within the past six months”.

However, the high pace of change is not simply due to technology. Cox (1999: 2) comments that: “Modern call centres are places of continuous change … call centres have a high turnover of people and new agents may also be recruited for new or expanded services. Perhaps most significantly, the workload changes – in volume, incidence and nature … new services, increased opening hours and promotions all contribute to evolutionary and, in some cases, revolutionary change.”

In addition to changes in technology, constant staff and work changes can create considerable stress and frustration for managers tasked with implementing or responding to these continual changes. Nonetheless, as was the case with the team leaders, the managers we interviewed seemed generally very happy and committed to their roles, though acknowledging the stress inherent in their jobs.
CONCLUSIONS

Our research is ongoing and fuelled by a fascination for issues for workers in technologically demanding environments. Our results so far have supported many of the findings of overseas studies about “best practice” in call centre human resource management strategies and give a “thumbs up” to retail banking call centres in New Zealand.

But even though the message is good, managers need to listen closely to what their workers are saying. Their passion for their work is confirmed in our study and this is fuelled by social, rather than technological, requirements and needs. Service work is primarily about communication and technology must facilitate communication. Who better to ask about service quality than the employees in the frontline themselves?

REFERENCES AND FURTHER READING

Research on call centres is developing fast. Some further reading, including references used in this article, include:


Lounsberry, E. (1999). Ready for the call at SNET’s Call Center. CallCenter Solutions, 17 (9), 122-127.


