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# Draft

## **Taylorism, Targets and the Quantity-Quality Dichotomy in Call Centres**

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## **Introduction: Taylorism and white-collar work**

In tandem with the massive growth in white-collar employment in the post-war period, the literature concerning the nature of office work in particular attracted ever-increasing interest (Lockwood 1958; Braverman 1974; Crompton and Jones 1984). Concurrent debates focussed upon issues related to the perceived proletarianisation, Taylorisation and/or feminisation of white-collar work.

In rejecting Klingender's assessment that mechanization had already completed 'the technical proletarianisation of clerical labour' by the 1930s, Lockwood's analysis linked the relatively low level of investment in machinery to the size of the average office and to the nature of clerical work itself (Lockwood 1958: 92-96). Nonetheless, in considering developments in office work by the mid-1950s, Lockwood (1958: 92) acknowledged the growth of situations in which,

'...the mechanization and rationalization of office work has proceeded to the extent that relatively large groups of semi-skilled employees are concentrated together...performing routinized and disciplined work, often rewarded in accordance with physical output, with little chance of promotion...'

Although nowhere mentioning either the works of F.W. Taylor or 'scientific management', Lockwood is clearly describing the application of a classically Taylorist approach to monitoring and measuring the output of the growing ranks of workers employed in large offices. Unsurprisingly, such practices were confined to measuring quantitative aspects of employee performance.

At the high point of productivity deals in the late 1960s, an Engineering Employers' Federation (EEF) study of office productivity signalled employers' intentions in clear terms,

'The notion that white-collar, especially clerical work cannot be measured effectively is a myth that must be dispelled. Investigations made during the course of this study have shown that there are few areas indeed which are impractical or non-economic to measure.'

(quoted in Cliff 1970: 10-11)

Such sentiments were echoed in Braverman's explicitly anti-Taylorite critique of the measures being contemplated and applied by prestigious US companies during this same period. Braverman (1974: 320-324) reproduces extracts from these companies' 'Guide to Office Clerical Time Standards', in which basic clerical activities are reduced to units of 0.001 minutes (or one-sixteenth of a second). In a later passage, in which he analyses the early applications of computerised data-processing, Braverman refers to,

‘...the conversion of the office routine into a factory-like process in accordance with the precepts of modern management and available technology...the modern office become a machine which at best functions well only within its routine limits, and functions badly when it is called upon to meet special requirements.’

(1974: 347-348)

Thus, the perspective presented is again of classical Taylorist methods being applied to control and measure office workers’ output.

With the qualitative change in the computerisation of the labour process signified by the introduction of inter-active personal computers into the office on a mass scale from the early 1980s, more attention was focussed upon the application of new technologies directed towards the monitoring of employee output. There were, of course, those who argued that computerisation would remove drudgery and repetitive tasks and so “free up” employees, transforming the nature of white-collar work and making it infinitely more rewarding (Handy 1985; Mumford 1983). However, there was a generally accepted perception that it had also become feasible to attain total knowledge, in “real time”, of how every employee’s time was being deployed, through the application of electronic monitoring equipment (McLoughlin & Clark 1988; Bain & Baldry 1992).

Since the mid-1990s, the most dynamic area of growth in white-collar employment internationally has been in call centres (Datamonitor 1998, 1999). While some have described the widespread – if not universal – practice of monitoring employee performance in these operations as having “rendered supervisory control perfect” (Ferne & Metcalf 1998), others have characterised management’s role and objectives as being less “directive” and more “facilitative” (Frenkel et al 1999).

However, a key consideration for call centre management is that the essence of the labour process is located not simply in the *quantity* of calls (as measured in average call-times, time between calls, etc.), but also in the *quality* of each employee-customer inter-action, which might include the content of calls and the ways in which the employee interacts with the customer. Efforts to attain what is perceived to be the desired balance between the quantity and the quality of calls presents a perennial challenge in that any prioritisation of quantity inevitably has implications for quality, and *vice versa*.

Focusing upon those aspects of Taylorism which relate to the detailed measurement and control of output and performance, this paper seeks to develop Taylor & Bain’s (1999) argument that the call centre labour process represents “significant developments in the Taylorisation of white-collar work”. In particular, it will be argued that the issue of target-setting is the key factor in understanding the growing evidence of both fundamental managerial dichotomies and high levels of employee dis-satisfaction. At the core of these problems lies the desire of management to set targets to measure not only the “hard”, quantitative aspects of employees’ tasks, but also to exert more control and direction over the performance of those “soft”,

qualitative areas of the employee-customer inter-action. The use of on-screen scripting and call taping are clear examples, among many, of the latter tendency.

Although not the focus of this paper, we believe that our research also further seriously challenges Frenkel et al's judgement that management's ability to measure outputs is limited because 'service work encompasses aspects of quality in addition to productivity' (Frenkel et al 1999: 139; Taylor et al 2000 for a critique)

However, more broadly, the paper argues from the perspective that call centre work needs to be viewed not as some ephemeral deviation from, or corruption of, the general course of development of white-collar employment, but rather as a significant step in its evolution. We take the position that the explosion in call centre employment represents a fundamental re-organisation and re-configuration of the processes and locations of the customer interface generically, rather than seeing it as an optional 'add-on' which happens to be having a transient impact upon particular sectors and occupations. In other words, call centres are now integrated into organisations' customer servicing structures, not as 'stand-alone' operations, but as one of a number of means of enhancing the quality of their interaction with the customer base. It is for reasons related to the re-configuration of customer servicing that call centre employment has spread to embrace every industrial sector, affecting occupational groups from retail assistants and booking clerks to IT engineers and financial advisors. For similar reasons, we are likely to witness a continuation of the already identifiable trend towards the incorporation of internet facilities within existing call centres rather than the establishment of stand-alone, web-based operations (Datamonitor 1999; Bain & Taylor 2000).

## **1. Methodology**

The findings discussed here are drawn from extensive and ongoing research in four call centres located in Central Scotland. This work is part of a wider 3-year study of call centre and software development organisations carried out under the ESRC's 'Future of Work' programme.<sup>i</sup>

In each of the call centres, between four and six members of the research team were engaged in fieldwork over a period of six to eight months. The broad aims of this research were to examine every aspect of the content and organisation of work, and of the employment relationship, as well as assessing the significance of factors outwith the workplace which influenced both the attitudes and capabilities of employees to work.

Nowwithstanding commonalities in terms of the integration of computers and telephony, given the diversity in sectoral spread and the variety of activities carried out within them, any concept of a 'typical' call centre is difficult to sustain. However, the call centres in which our research was based were carefully selected to represent not only some of the most important sectoral loci (finance, outsourcing, media/telecoms and travel), but also because they each carried out a range of services requiring differing employee abilities (inbound/outbound; sales and inquiries; routine and highly skilled, etc). In this context, we utilise Frenkel et al's formulation of 'workflows' to describe the ways in which different work processes are organised

within the same organisation (Frenkel et al 1999). Our research at the outsourcing company, 'T', provides a particularly rich illustration of the scope of different activities that can take place within one call centre.

Material was gathered by the researchers from a number of sources. Countless hours were spent observing the labour process in the call centres, allowing us to focus upon, describe and analyse the different workflows. Informal and semi-structured discussions were conducted with operators, team leaders and managers. In addition, a range of each of the companies' policy documents, reports, and statistical data was made available to the researchers.<sup>ii</sup>

### **3. The Case Studies: qualitative and quantitative targets**

In each of the four call centres in the study, management adopted a range of measures to increase and/or to change the basis on which employees' previous targets had been established.

In call centre 'M', in the finance sector, management announced their unilateral decision to massively increase the financial targets allocated to every employee annually – and then increased them again before the year was out. In call centre 'T', a large, outsourcing operation serving 15 different clients, management combined existing with a newly-introduced emphasis upon the quality of the employee-customer inter-action. In call centre 'E', a media/telecommunications organisation, as a result of their own research indicating widespread dis-satisfaction among the customer base with the way they were being treated, the company instructed all staff to devote more time on the telephone to talking to customers, and established a new, dedicated "quality" team to monitor these changes. Finally, in call centre 'H', in the travel industry, both promotion and bonus criteria were re-configured to underline the importance of employees attaining certain targets.

Despite the commonality in terms of the imposition of new targets on all employees, there was considerable variation in the manner in which these measures impacted upon the workforce in different centres, and also in their effects upon different workflows within the same centre. The four centres will now be considered in turn in terms of their quantitative and qualitative targeting policies, and will be followed by a discussion of the employment of additional measures designed to encourage compliance with these targets.

#### **(i) Case Study 'M'**

'M' is a long-established, finance sector organisation, specialising in mortgages, insurance and unsecured loans. In the late 1980s/early 1990s, the company was subject to a combination of factors, including regulatory reform and technological change, that ushered in far-reaching changes in the financial sector as a whole (Cressey and Scott, 1992). The competitive advantage gained by First Direct and Direct Line, who transformed the basis of customer servicing through the establishment of innovatory, '24/7' call centres, provoked widespread emulation. Thus, with the inter-penetration of hitherto discrete markets, the business context has become even more fiercely competitive. Consequently, 'M' embarked on a policy of

closing 'High Street' branches, and concentrated cost-saving and revenue-generating services in four new call centres located in different parts of the UK.

The call centre in which our research was based commenced operations in 1995 and employed 170 people. It is possible to identify two distinct workflows associated with two principal, discrete and physically divided services - non-secured and secured loans - which correspond to the 'unregulated' and 'regulated' sides of the business. In both sides of the business, electronic boards display prominently the number of calls received, handled and lost, longest call time waiting, and the number of customers queuing. Team and individual performances and targets are marked up on flip charts in each team area, including league tables based on both teams and individuals.

Firstly, on the non-secured side, Customer Advisors (CAs) receive telephone queries regarding a range of 'unregulated' financial products, and all calls are inbound. The value of the loans granted is between £1,000 and £15,000, but applications over £10,000 must first be referred to an underwriter. In company parlance, these operations are referred to as the 'loans side'.

Secondly, on the secured, or mortgage, side of the business, Financial Planning Advisors (FPAs) and Mortgage Advisors (MAs) operate in a more formally regulated legal environment, but in an organisationally less tightly structured manner. The work of these advisors centres upon relationships with a relatively small number of customers who may require a range of financial services. This entails lengthy documentation and paper work combined with potentially protracted telephone discussions including calls which are initiated by the advisors. The value of the average loan was £68,000 (team meeting 7.9.99). Most of the FPAs' initial appointments are arranged by 'dedicated' CAs who normally handle all incoming calls on the secured side.

### *'M' Quantitative Targets*

On both sides of 'M's operations, the clearest expression of the centrality of targets lies in the fact that every advisor is given a monetary figure to attain in new business over the following 12 months, stipulated at the start of the year. However, there are differences in the scale and scope of these monetary targets between the two sides of the call centre which have significant implications for monitoring processes. It is also upon their performance in this area that employees' annual individual pay award is primarily based, when they are graded in one of three categories, namely 'not met targets', 'met targets' and 'exceeded targets'.

First, on the unregulated, loans side, when the CAs' annual targets are set at the beginning of the calendar year, no allowance is made for the employee's holidays or sick leave (interview 1.9.99). In the period of the research, this target was set at £6.5-7 million for experienced CAs. The CAs break this figure down into monthly targets, taking into account when they will be on holiday. For example, one CA, clearly the team's star performer, had been told in her most recent 'one-to-one' with the team leader, that she had exceeded her monthly target figure of just over £0.5 million by £16,000, although she had been on holiday for a week; she answered 903 calls, with an Average Handling Time (AHT) of 4.06 minutes, and a 'strike rate' - the percentage of calls converted into successful loan applications - of 42% (target 40%).



However, in order to attain the targets, this advisor's 'wrap' time (paperwork associated with transactions) was 1% compared to the 4% permitted, and 'idle' time, including toilet breaks, was only 4%, although 10% was permitted. Like other experienced CAs, she took a note of 'difficult' calls which had been incorrectly transferred from 'M' branches to justify her overall performance in the monthly and annual appraisals.

The team leader revealed that the AHT on the 'loans' side over the previous six months had been 5.5 minutes, and she stated that any call lasting 10 minutes would provoke supervisory intervention (interview 1.9.99). While, under the previous incentive scheme, few people made bonus, the team leader was sceptical if the new scheme would be any better 'the targets are too high, I wouldn't use this to try to attract new workers'. The team had not been informed of new targets linked to a special offer, primarily because they had been unable to have a team meeting for four months as the high volume of incoming calls had meant they could not be released from the phones.

In contrast to the loans side, team meetings on the secured, 'mortgage side' – lasting up to two hours – take place religiously every week. At these meetings, the team's and each FPA's performance are highlighted in colour and discussed in terms of product, targets, and sales revenue, while the number and type of appointments are also available on management spreadsheets (team meeting 25.10.99). The aim is to convert 75% of appointments into sales (interview 8.9.99). At one team meeting (6.10.99), it was reported that they had enjoyed an exceptional week, with FPAs averaging £1 million-plus in sales revenue, and one member bringing in £2 million. Since over 90% of appointments are arranged for early evening in order to suit customers, shifts usually commence around mid-day; underwriting and 'tracking' internal documentation is done in blocks of time when possible. However, this ostensibly predictable pattern is disrupted on the frequent occasions when a queue of incoming calls builds up. On these occasions the clear instruction was 'all hands to the pumps', with FPAs expected to shelve non-phone work in order to avoid losing calls. This requirement is the source of some resentment – as one FPA put it 'the biggest bugbear is when I have to drop everything because calls are queuing' (interview 25.10.99). Another team leader left it to his FPAs to decide among themselves how they would organise their roster for days when they were 'on ready' (team meeting 6.10.99). In a newly established 'CA only' team on the loans side, the individual targets were 52 calls per day, with three 'leads' (appointments) for FPAs. A light on their dial keypad showed green if there was one call waiting, amber if two or three calls, and red if more than three calls were queuing (interview 2.9.99).

The new target-based incentive scheme soon became another source of discontent and, when the first quarter payments were made, the disappointment of one FPA who received £196 instead of the £300 he had anticipated, was echoed elsewhere. However, from early 2000, 'M' announced that the centre's targets would no longer be based on a bottom-up assumption of four FPA appointments per day. Instead, in the context of ever-sharpening market competition, 'a strong central forecasting and scheduling team has been set up' whose priority was to get costs down (managers meeting, 7.11.99). This meant that new and massively increased targets were imposed on the call centre and these were then cascaded down to affect every advisor.

### *'M' Qualitative Targets*

Although all call centre staff were subject to regular monitoring by their team leader, and both company and external financial regulators periodically conducted audits of customer transactions, less emphasis was placed on quality targets within 'M'.

Partly, this can be explained in terms of 'M's' prioritisation, and the enforced, continuous discipline, of all staff having to hit monetary sales targets. Intrinsic to this approach is the assumption that advisors have to establish a rapport with customers in order to make sales - and that failure to do so will be reflected in poor figures, and soon detected by team leaders. However, the apparent absence of quality targets also reflected the nature of the most important part of the company's business - the 'loans' side and the key role of the FPAs.

In order to prepare FPAs for 'high value' customers, trainees receive 16 weeks training, in a workshop environment, on the company's products and on the finance sector's regulatory regime (interview 25.10.99). Following allocation to a team, they receive 10 weeks intensive supervision, during which time they will also be monitored conducting five first, and five second, interviews with customers. Supervision is then gradually reduced until, after 12 months, FPAs are assessed on their ability to handle transactions on their own. The intrinsic quality of the advisor-customer transaction is thus perceived to be reflected in the level of each individual's sales figures.

By contrast, the CAs on the loans side receive four weeks training and will be 'learning' on the phones within the first week. In their first month, they are expected to attain 30% of the CA target, 50% in the second, 80% in the third and thereafter 100% of the target figure (team meeting 11.11.99). On the 'mortgage' side, indication of quality monitoring came in the form of a team leader's observation that the CAs were conveying more information than necessary to customers prior to arranging an appointment with an FPA (team meeting 7.9.99).

### **(ii) Case Study 'T'**

'T' is a rapidly growing, outsourced call centre, operating customer contact services on behalf of about twenty corporate clients. The company developed as an outsourcer out of its ex-public utility origins, and moved into new call centre premises in 1998. Although precise employment levels were difficult to establish because of the rapid expansion of some operations and the simultaneous contraction of others, between 320 and 400 staff were employed on the site during the research period.

Understanding the ways in which quantitative and qualitative targets operate at 'T' depends, firstly, on appreciating the rationale for, and the context of, outsourcing. Such operations are the fastest growing call centre sub-sector in the UK and, in Scotland, they account for more than one in five of the total workforce of 46,000

(Taylor and Bain, 2001: 12). The Operations Manager at 'T' explained the reasons for this expansion:

'Firstly, outsourcing is attractive to organisations who do not have any call centre expertise. Secondly, we are able to set up a call centre in a very short period of time, as little as 6-8 weeks. Thirdly, pay and conditions can be lower in an outsourced call centre.

(interview, 16.9.99)

Thus, outsourcing companies seek to persuade potential clients that their customer servicing functions would be more effectively conducted by contracting out on either a permanent or a short-term, campaign basis. Whilst many outsourcers emphasise cost (particularly labour cost) savings, clients also need to be assured that the outsourcer will deliver a quality of service which will preserve their reputation and image. The contract between client and outsourcer, signed on the basis of actual or anticipated volumes of customer demand, specifies a 'service level agreement' (SLA). Because it reflects these cost and quality imperatives, the SLA is the main immediate factor influencing the nature and extent of targets.

At 'T', the detail of the SLA is contingent on the type of client, product or service, and the nature of the client-host relationship. Although declaring a strategic commitment to pursue only the high-value 'upper quartile' of call centre business, 'T', in practice, is prepared to combine long-term, high-value, prestigious clients' contracts with low-value, often short-term deals. The core clients provide the greatest revenue and promote 'T's quality reputation, while the other contracts utilise spare capacity with low start-up costs, and where 'T' can deploy a flexible workforce. Also important in influencing the precise form of targets is the extent of autonomy which clients retain. At one extreme are 'co-sourcing' accounts, notably in the high value operations, where clients retain considerable control over the service provided. At the other extreme are the low value accounts which 'T' manages completely on behalf of the client. Our research included the eight most important businesses at 'T', which we can divide into 'quality' and 'quantity' operations.

Amongst the 'quality' accounts is Bluechip, a globally significant software company whose UK customer services are provided by 'T'. It is regarded as the key prestigious client and employs the largest number of Customer Service Advisers (CSAs). CarCo and its specialised off-shoot, CarExec, providing information to customers and dealers on two luxury car ranges, are also regarded as 'quality', *albeit* much smaller-scale, accounts. Gamesco, employing 55 CSAs, delivers UK and foreign language enquiry, order and help services for customers of a computer games console.

Energycom, a utilities business, employs 75 CSAs, mainly in inbound sales and customer care, and is the most significant of the quantitative operations. DrinksNow, a drinks and gifts delivery service, and GenBusiness, where 'T' gathers seven small volume activities under one umbrella, might also be included in this category. Finally, NetServ provides support to customers using a range of internet service providers.

The operation of targets will be considered thematically, rather than dealing with each account in turn.

### *'T' Quantitative Targets*

Senior management claim that 'T' has a more 'relaxed atmosphere', enjoying a 'different culture' to many call centres, citing as evidence the absence of overt target pressure and electronic wallboards (interview, 24.9.00). Despite these claims, not only do quantitative targets apply across 'T' generally, but particular accounts employ explicit statistical measurement of CSAs' output. A centre-wide SLA operates, stipulating that 90% of all calls must be answered within ten seconds, a stricture which generates an underlying pressure to shorten calls when queues form. Equally significant are the overt targets which apply even in certain of the ostensibly 'quality' operations. In Bluechip, for example, front-line CSAs were targeted to answer 80 calls in a seven and a half hour shift, while the client, CarExec, determined that the 'average call time should be four minutes' (interview, 11.5.00). What seemed one of the least likely groups of CSAs to have targets, those on a Bluechip corporate line, were targeted to establish contact with at least ten IT departments each day.

However, the most systematic application of targets was in Energycom Inbound Sales, with 11 sales per shift the explicit aim. When call volumes were low, operators saw this as unattainable, particularly when they received calls from 'difficult customers' from whom, in the words of one CSA 'You know immediately that there is no chance of making a sale.' (interview, 30.11.99). Despite the financial incentive of £1 for each sale, the pressure to make targets frequently proved too great, particularly when the decision to pursue a sale would result in a CSA accumulating backlogs of paper work and form filling, tasks which were also subject to targeting. Most pronounced in Energycom, but universal throughout 'T', was management's insistence on CSAs completing 'stats' sheets, which were then translated into quantitative measurements of output and performance. The spreadsheet figures formed the basis for supervisory interpretation and the inevitable 'coaching' sessions if performance was deemed unacceptable. Failure to improve performance levels, following supervisory intervention and the exhaustion of 'coaching' procedures, led to the dismissal of a number of employees.

### *'T' Qualitative Targets*

Preoccupied with the 'quality' of service provided on behalf of its clients, 'T' embarked on a systematic attempt to extend monitoring from quantitative measurements to embrace elements of the 'relational' interaction between the CSA and customer. The company introduced centre-wide assessments, with marks on a scale of 1-4 allotted for the eighteen criteria employed. Team Leaders monitored CSAs on a varying numbers of calls each week, usually two, but as many as ten in the case of suspected under-performers, with follow-up sessions scheduled to discuss the operator's performance and any improvements required.

CSAs were assessed, firstly, on their conformity to prescribed call conventions - opening and closure; secondly, on the structure and style of their speech - pace, pitch, emphasis, inflection, construction and control. More substantively, Team Leaders now made subjective evaluations of a CSA's attitudes, manners and behaviours ('rapport', 'listening skills') as well as assessing the extent to which they succeeded in interesting customers in particular services ('product knowledge'). CSAs' ability to deal with queries ('problem solving') and their success in assessing customers'

potential value to the business were additional areas of assessment. What is striking here is the sheer range of criteria aimed at evaluating and enhancing operators' performance in encounters with customers. However, the scores given depend on the subjective judgements of Team Leaders. It is highly questionable whether, in the space of a call lasting no more than two minutes, it is possible to apply consistency when making an evaluation of operator performance, let alone possessing the ability to make accurate assessments on all eighteen criteria.

Increasingly, both the CSA's average qualitative monitoring score, and its component values, were measured against targets of performance, even though these were not always made explicit. However, in some accounts the scores are linked to incentive payments. In Bluechip, for example, an average score of 3.25 earned £50 a month while 3.75 was worth £100 a month.

'T' clearly makes extensive use of both quantitative and qualitative targets, imposing on operators' a tight framework of normative and explicit controls.

### **(iii) Case Study 'E'**

'E' provides a range of telecommunication and entertainment services in both analogue and (increasingly) digital configurations to its customers, including inquiries, billing, payments, booking or changing packages, additional services, repairs and maintenance. In a business environment characterised by a frantic process of takeovers and mergers, 'E' purchased four call centres in the UK from a rival company in 1998. In the centre in which our research took place the company employed a workforce of over 600, composed mainly of Customer Service Associates – CSAs. Symptomatic of developments in this industrial sector, 'E' announced a 10% cut in its UK workforce in late 2000 under the Orwellian slogan of 'Planning for Growth'. The effects were restricted to numerically small, but proportionally significant, cuts in the training staff. An important legacy of the 1998 takeover was that those employees on pre-'E' contracts still worked a basic 37.5 hour week and were paid over £2,000 per annum more than those on 'E' contracts who had to work a basic 40 hours.

The number and the content of the various workflows constantly changed as particular operations were transferred in or out of the centre, which contributed to a widespread feeling of unease and uncertainty. Constants included the large Customer Service (digital and analogue) and Customer Retention operations, a 20-strong Installation and Administration team, a small, super-flexible 'Tactical' team, and the Service Performance team which monitored and oversaw quantitative performance. The large Digital Migration operation was moved to another of 'E's call centres, while the expanded Quality team was cut back to its original size. The incoming operations were Second-line Retention, along with Moves and Transfers. CSAs, as part of their shift rota, were routinely scheduled to transfer from operation to operation in accordance with anticipated patterns of customer demand.

In the inbound operations, calls were distributed by an ACD system, while a predictive dialer controlled outbound calling (eg in Customer Retention). Electronic boards suspended from the ceiling indicated the number of calls received and

answered that day, service level (the SLA), longest call time currently waiting, and number of calls queuing. Team and individual performances against targets were displayed in the team area 'pods', and around 10-13 CSAs were supervised by a team manager

The company employed a variety of methods to try to monitor and control the quality of CSA-customer inter-actions, while never relinquishing tight controls over output and productivity, and sought constantly to strike a desirable (but inconsistent) balance between the two. 'E's targets policy will now be considered in greater detail.

### *'E' Quantitative Targets*

In the main operations, covering the broad areas of customer service and retention, targets fluctuated around 13 or 14 calls per hour, and call handling times around 250-270 seconds (interviews 13.9.00, 11.12.00).

A service performance team monitors the status of all agents in the call centre at any point in time and routes the calls accordingly. If an agent has been on a call for a certain period of time, s/he can expect to receive an inquiry –

'If you're on a call for 3 minutes, service performance will phone you up. They'll just ask if you're okay. You can just tell them you're on a difficult call, they don't know any better.' (interview 11.12.00)

And another other associate commented –

'He'd get the fright of his life if I said everything wasn't OK... probably just tell me to talk to my team leader. It's basically just their way of letting you know that they know you're not on a call".  
(interview 29.9.00)

Although 'E' is primarily an inbound operation, some outbound calling does take place in which an automated predictive dialing system is used. Working from a pre-programmed database, the dialer automatically calls customers. The dialer works its way through its list on the assumption that each call will be answered by a CSA. As calls are continually being dialed there is little respite for the CSA – indeed if, for some reason, there are no CSAs available (for example, s/he may be taking longer than expected on a call), the customer can receive a 'nuisance call' from the dialer. Customers respond to the dialer's call, pick up the phone, and find there is no response at the other end of the line. Under-staffing can be an important factor. More generally, the pressures associated with the predictive dialer on CSAs generated comments like 'I'm on it for two hours – you don't do more than that at a time or you get burned out', and 'if I could find the dialer I would smash it with a hammer' (interview 21.9.00)

The function of the recently acquired Second Line Retention team is to try to dissuade customers from transferring or terminating their agreement with 'E'. Their allotted target is to 'save' 37% of these customers, i.e. to convince them to remain with 'E'. For the first three months, CSAs could offer a range of financial inducements to customers and they were paid a guaranteed bonus of £40 per month. The CSAs have

been told of the temporary nature of these arrangements and are well aware that this will become an intensive, target-driven task.

### *'E' Qualitative Targets*

As a result of research carried out into customer experience which revealed widespread dis-satisfaction with the service provided, with many having to make repeat calls, 'E' decided to establish a dedicated quality monitoring team, operational from September 2000 (interview 19.10.00). They were located within the existing small quality team, whose mission statement proclaimed,

'our team will be a key player in call centre excellence, by designing,  
implementing, maintaining and recording of quality and change'  
(company document)

The existing team's main task was to provide the systems, processes, guidance and updates needed to enable CSAs to perform most effectively, and as part of their mandate, they also conducted 'mystery calls' to test CSA awareness of, and adherence to, concurrent company priorities and procedures.

Four volunteer CSAs were selected from the 'shop floor' and trained in the quality monitoring techniques required for the new function. Previously, all monitoring of the heavily-scripted customer service operations had been conducted by team managers, assessing each CSA six times monthly. However, the centre management felt that too often the managers were familiar with the CSAs they were assessing and so tended to ignore shortcomings and be over-generous in their marks. It was also stated that removing the monitoring responsibility from the team manager would leave them with more time for coaching CSAs (a figure of 10 hours per week was postulated), a measure which was also expected to result in higher quality. The formation of the new quality team was not greeted with universal acclaim by the team managers and described by one as 'a waste of time' (interview 19.10.00).

While the personnel carrying out the monitoring may have changed, and its frequency was reduced to four times per month, the method remained exactly the same. This consisted of assessing the CSA, using a 'Call Accreditation Data Entry' screen, against 25 criteria, sub-divided into seven categories:- *welcome* (2 criteria); *find out* (4); *interpersonal skills and understanding* (6); *solution* (3); *rapport* (4); *closing the call* (3); and an *overall summary* (3). For each criterion, between one and four marks was awarded, giving the CSA a final score out of 100. Three out of four meant that the CSA was performing well, while a score of four signified that they had 'gone that extra mile'. One immediate effect was that the average accreditation score fell by 13%.

The inevitably subjective nature of such methods was illustrated in a number of ways. First, by the utilisation of criteria such as 'demonstrates pride and belief in our company'. Second, by the fact that, after it was agreed that the opening call '*welcomes*' could be automated subject to team manager approval of the content, one CSA received three different marks for what was exactly the same opening (interview 6.11.00). Third, a CSA, marked down for failing to use the customer's name in

*'closing the call'*, listened to the recording with her manager but, although she was able to prove she had followed the script, her score was not amended.

After three months, on the advice of management consultants, the company decided that the dedicated quality monitoring team had served its purpose, disbanded it, and returned monitoring responsibility to the team managers (interview 19.1.01). This was accompanied by an increase in the pressure on CSAs to focus on their 'call shape'. In essence, this was aimed at increasing the proportion of time spent talking to the customer and spending less time on the accompanying clerical work, with an initial target of attaining a 70/30 and, eventually, an 80/20 ratio. This was launched under the slogan of 'Talk and Type' signifying that 'wrap' should be carried out while the CSA was still on the phone to the customer. This task was regarded as problematic by some CSAs, 'I used to be a typist and I can't talk while I type' is how one put it (interview 6.12.00), while another commented 'it's difficult, but easier if a customer is ranting and you don't need to listen' (interview 22.2.01). Conversely, it was argued 'It's not as if you're usually typing anything complicated, you can almost do it by remote control' (interview 11.12.00).

#### **(iv) Case Study 'H'**

The company is a large, long-established travel organisation which has experienced massive growth in recent years in the context of an intensely competitive marketplace. 'H' has four call centres in the UK, with a workforce of 450 on the site in which our research was based. Travel Consultants (TCs) worked in two main workflows, sales and customer help, and all calls are inbound. Demand for 'H's services could be influenced significantly not only by the general economic outlook and climate, but also by seasonal variations, failures to advertise, and instances of particularly bad/good media publicity. Individual and team performance related to sales, Call Conversion Rate (CCR) and other measures are prominently displayed on white boards and in the central control area.

The company's abandonment of a target figure based wholly upon the value of sales was intended to signify a shift in emphasis towards quality considerations.

#### ***'H' Quantitative Targets***

There were important differences between the sales and the customer help workflows in terms of quantitative targets.

In sales, until May 2000, monthly bonus payments were based upon TCs attaining one of three levels of sales (Base, Stretch, and Super-stretch) with a payment of £100 for the former and additional increments for the others. This scheme had been replaced (although payment for attaining the Base level still applied) by a bonus linked to a Call Conversion Rate. For example, if the employee's CCR was one sale per 13 calls then a bonus of £100 was paid; one sale per 11 calls resulted in a bonus of £200; one sale per nine paid £300, and so on. Potentially, this meant that additional earnings could vary between zero and £1200 per month but, in practice, most TCs earned between £100 and £400. These target figures were determined by the centre and section managers and varied according to anticipated demand, e.g. in the busier



months, targets would be set higher but were more achievable. Overall, as one TC put it 'Obviously targets create pressure in the job, because if you don't make your target you don't make bonus'.

On the other hand, in the customer help operations, basic pay was higher than in sales to compensate for the lack of opportunity to make bonus, although small commissions could be earned for selling items like car hire. However, there was an incentive scheme in operation based upon accumulating points which could be converted into vouchers for high street shopping. The points system was based upon the TC's Average Call Handling Time (ACHT) and on the number of calls taken per hour.

Generally, the attainment of targets could also be affected adversely by high call abandonment rates. This could be due to high levels of sickness and/or absence, inadequate staffing at particular times because of rostering problems, or to technological failure. Conversely, managerial mis-calculations of levels of demand could result in over-staffing, with resultant inability of staff to hit the calls per hour target.

#### *'H' Qualitative Targets*

Assessment of the quality of a TC's performance is linked to a grading structure and entails two or three remotely monitored calls per month and one or two conducted 'side-by-side' by the team manager.

The shift towards adopting and rewarding quality targets reflected management's wish to encourage TCs in main reservations to try to convert 'window shoppers' or doubters into actual sales, and also to focus more upon selling 'add-ons' to the basic holiday package. Thus, the message to the TC is to be more attentive to the customer, with the supposition that this will be reflected in higher sales. Previously, targets were based upon a monetary sales figure, but this could be distorted significantly by the good fortune of recording one big sale (or, conversely, having a series of small sales).

#### **4. The Case Studies: additional target-related pressures**

There are a number of other aspects of the way work is organised and controlled within these call centres which are designed to pressurise the workforce to attain targets set by management.

First, there are a series of measures which can be described as normative pressures on workers. For example, overt or explicit targets are limited in the extent of their utilisation at 'T'. However, this does not mean that in those operations where they do not apply, there is no pressure on staff to conform to quantitative measurements. Implicit expectations of acceptable output levels, derived from the SLA, are embedded in the micro-cultures of each business. For example, *de facto*, Bluechip corporate CSAs averaged 50-60 calls per day and, while these volumes were never overtly stated, supervisors were alert to 'shortfalls in productivity'. The Bureau provided another good illustration of management's actual expectations, where each of the seven mini-accounts had a designated ideal call length, with six allowing two to three minutes.

Similarly, employee representatives at 'M' claimed to have evidence that workers who had satisfactorily met the formal targets laid down, but who insisted on taking work breaks or refused to work overtime, were marked down in their annual appraisal (interview 16.11.99). Furthermore, the union representatives saw this practice as an attempt by, in particular, certain young managers to inculcate a culture of commitment to the company, elevating production and targets above all other considerations. This situation may be reflected in our reports of advisors recording monitored 'wrap' and 'idle' times well below the levels permitted.

A further example of implanting the centrality of targets in employees' minds may be detected at 'H', in terms of the link between target attainment and the company's promotion criteria. In order to progress to the next level of the grading structure (the Px Ex Px – PEP), employees are told that they have to attain and maintain their performance in a range of activities over a period of time. Not only would they – like other employees – be subject to remote and 'side-by-side' monitoring of their work, performance analysis at team meetings and 'one-to-one' appraisals, but they would also have to satisfy certain additional criteria. These were all target-related and required the TC to attain the requisite performance in securing ancillaries (such as car hire or airport parking), to have shown an ability to deal with a wide variety of types of bookings, and to have enhanced their product knowledge. Thus, although this requirement is self-regulatory, in the sense that it is confined to those desirous of promotion, it again serves to induce an awareness that target attainment lies at the core of 'H's criteria for promoting staff.

Second, we observe the universal recording of individual performance in team areas, through the use of whiteboards or flipcharts. In 'T' for example, despite the absence of electronic wallboards, this technique contributed greatly to the pervasive acceptance of desired levels of performance. Netserv provided an example of the practice of recording the hourly and cumulative daily totals of team performance in relation to the SLA criteria, as well as the percentage of calls answered within target, the percentage of hung calls and so on, all of which were constantly updated by supervisors. In Energycom, it was individual performances which were displayed in this manner. As the whiteboards were positioned to be visible to all CSAs, this display of performance data could be seen as operating at a level of intensity only slightly less obvious than the explicit targets.

In the other three call centres, the practices described above were carried out in conjunction with the use of electronic boards suspended from the ceiling or wall, as an additional and constant reminder of departmental or centre performance. At 'M', when advisors pushed the 'release' button on their telephone to indicate they were in 'idle', the number of calls queuing flashed up. This provoked one CA to comment in a fashion which indicated that the purpose of this device was understood, 'some people will give in to this pressure and not take a break.' (interview 5.11.99)

A further crude method of trying to ensure target compliance was the practice of tying team leaders' bonus to their team's performance, a practice which applied in all four call centres. However, whilst the team leaders, in common with the general approach of first-line supervisors, could ultimately be expected to act in a manner desired by higher management in order to retain their chosen position, their closeness to the

shop-floor resulted in them occasionally engaging in acts of opposition or revolt. At 'M', for example, a national meeting of call centre team leaders and managers was organised to cascade the company's new plans, which included massively increased targets for the following year (national conference 9.12.99). After listening to a director's presentation in stunned silence, the audience was emboldened to roar 'No' when the compere who, sensing their dismay, asked if they were happy with what they had just heard. Some time later, when the revised plans had been transmitted to the workforce in the form of bonus targets, one team leader recounted how she had had to abandon her team meeting agenda in order to discuss how the team could best express their anger at the tasks the company was setting them (interview 25.8.00).

Another common thread was the utilisation of intra-company competition to increase output and meet targets. At the time of the research, three ('M', 'E' and 'H') of the four companies each operated four call centres in the UK. The fourth ('T') opened their second office shortly after our field work there was completed. Each company encouraged competition by publishing tables comparing and grading each centre's performance. At the same time, although with varying degrees of urgency, the parent companies moved towards reconfiguring their UK call centre operations into a 'virtual' operation, in which customer transactions could be switched to whatever centre was adjudged best able to handle the calls at any point in time. This process had probably gone furthest in 'M' where, by 2000, 'all staff in the four national centres respond identically to customer demands in order to "make customers' lives easier"' (national conference 9.12.99). Towards this end, staff from all centres were being trained to handle calls previously the exclusive preserve of an individual centre. Simultaneously, the movement of particular facilities from one centre to another was sometimes seen as important – in 'E', the transfer of 'digital migration clearly fell into this category.

Finally, there can be no doubt that there was a widespread perception among employees that the nature of work in these call centres had been transformed from what had been at one time regarded primarily as a customer service, into what was now a target-centred, sales-driven operation:-

'...when I started it was more customer service oriented, so you had to give good service to your customer, take time. But now you feel you've got to get the customer off the phone.'

(CA at 'M', 6.10.99)

'Basically, they're doubling our workload. So, obviously, something has to go and I think that's good customer service.'

(CA at 'M', 19.11.99)

'As far as targets are concerned, employees are told at first there are none – but they soon learn it's not like that really.'

(manager at 'E', 6.12.00)

'A key question in the interview is "what kind of job would you prefer - sales or admin?" Many people don't realise it's a sales job they are going for.'

(recruitment consultant at 'M' 14.2.00)

## 5. Conclusions:

The evidence presented in the case studies clearly establishes that target-setting lies at the heart of management strategy in the four call centres. Furthermore, targets are applied not only to 'hard', orthodox Taylorist measures of employee performance such as number of calls answered, average handling time, etc., but also to 'soft' aspects deemed essential to the task like 'rapport', 'pride in the company'.

In essence, the methods used to assess the 'soft' items are equally firmly rooted in the application of Taylorist techniques – in the dis-aggregation of employees' tasks by management, and the application of numerical means of measurement to enforce, monitor and assess employee performance. Also, unlike some earlier efforts to introduce elements of quality and commitment through individual Performance Related Pay (PRP) schemes (Kessler 1994; Marchington and Wilkinson 2000), the monitoring and assessing of call centre workers can be carried out on a continuous basis, facilitated by the nature of the job and the combination of telephone/computer technology.

In addition, a range of practices are utilised which are consciously designed to reinforce the centrality of target attainment – intra-company competition, company promotion criteria, and the universal use of whiteboards amongst others.

The 'mix' of these managerial approaches to target-setting varies within and between the four centres, and sudden changes in emphasis and direction are commonplace. In a sense, these changes reflect, on the one hand, continuing management uncertainty as to the best way forward and, on the other, the seriousness with which resolving this problem is viewed by the companies which employ them.

This latter point is directly related to the way in which these organisations view the future. Our contention is that call centres represent - not a temporary re-alignment – but a paradigmatic shift in the ordering of the customer inter-face across the entire economy. The advent of the internet and its integration to form multi-media customer contact centres underlines the validity of this perspective.

In this light, whilst the range of services, functions and tasks carried out in call centres will ensure that some of the jobs will require high levels of skill, knowledge and experience, for most call centre workers the future appears likely to continue to be characterised by target-setting and Taylorism.

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Case study sources (‘M’, ‘T’, ‘E’ and ‘H’): research records of work observations, team meetings, and interviews with call centre agents, team leaders and managers; company documents

## Endnotes

<sup>i</sup> In addition to the current authors, the other members of the ESRC ‘Future of Work’ research team are Chris Baldry (Stirling University); Jeff Hyman (Glasgow Caledonian University); Nick Bozienelos, Dirk Bunzel, Kay Gilbert, Cliff Lockyer, Abigail Marks, and Dora Scholarios (Strathclyde University).

<sup>ii</sup> Other research tools employed include a questionnaire distributed to the entire workforce in each establishment, and semi-structured, in-depth interviews conducted with a sample of call centre agents, team leaders and managers. However, at the time of writing, data from only two of the four case studies has been analysed, so we have not referred to these findings in the paper.

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