



---

## ORGANISATION PRIORITIES IN CALL CENTERS AND ITS IMPACT ON JOB SATISFACTION, CALL QUALITY AND TURNOVER INTENTION OF EMPLOYEES

**Younis Ahmad Shah**

(Research Scholar; Department of Commerce, University of Kashmir, Srinagar J&K, India  
&

**Prof. Riyaz Ahmad Rainayee**

(Head, Department of Commerce University of Kashmir, Srinagar J&K India

### ABSTRACT

*Call center organizations face "dual imperatives" i.e. call centers want to minimize their costs but on the other hand, they have to provide excellent service to its customers as their customers expect and demand. The opposing goals of efficiency and excellent service are both central to call centers. Wherein high levels of service are important since the number of "completely satisfied" customers is one of the important predictors of long-term profitability, however efficiency is also important since call centers must provide the speed of delivery and operate at a low unit cost to remain competitive. In this backdrop the present research attempts to understand impact of these conflicting goals on behavioral outcomes of such as job satisfaction, call quality and employee quitting intention. Results of the study reveal that call centers which prioritises quality of services over the quantity and are able to make their employees perceive same about their organization and these call centers are able to deliver the quality service to its customers, make employees feel motivated and satisfied towards their job and have the very low problem of voluntary turnover. Findings also of the study reveal that employees who perceived their organization as productivity-oriented have very low work motivation and job satisfaction which is affecting their ability to deliver quality services to the customers and these conditions make them more likely to quit the job.*

**Keywords:** Productivity, performance, call quality, job satisfaction and turnover intention.

## **Introduction**

Quantity versus quality conflict is a central problem which management and employees of most of the call center are confronted with. On the one hand, managers want staff to answer calls quickly so customers are not left waiting or on hold too long and management try to minimize the cost per call and remain competitive. Thus they set quantitative targets and ensure that these targets are achieved. On the other, agents require sufficient time and some sort of discretion to deal effectively with each caller to earn a “**Top Box Satisfaction**” results, which is not allowed by the quantitative targets. The excessive focus on call duration means agents are constantly under pressure to answer a large number of calls by delivering a uniform response rather than one tailored to meet the varied needs of the customer (CM Insight, 2004a). Numerous researchers have investigated the conflicting objectives of these call center (Bain & Taylor, 2000; Batt, 1999; Houlihan, 2002; Kinnie, Hutchinson & Purcell, 2000; Taylor & Bain, 1999; Wallace, Eagleson & Waldersee, 2000). Managers view service and sales goals and call handling goals as competing (Korczynski, 2002). The call handling metrics derived from electronic monitoring systems put constant pressure on managers to increase calls per employee per day and reduce labor costs. However, managers are rated on customer satisfaction and sales goals as well. They believe that if they focus too much on quality, labor efficiency will go down; but if they focus too much on call volumes per employee, worker absenteeism and turnover will increase and customers will defect. Employees also experience the twin goals of limiting call handling time versus meeting service and sales goals as contradictory. Halliden & Monks 2005, found Call center employees are expected to maintain required service levels (the percentage of calls answered within a specific period) and the quality of service (the courtesy, friendliness, and enthusiasm the CCAs offer) without exceeding operational budgets.

Management theorists have identified two basic strategies for competing in sales and service delivery. The first focuses on maximizing sales and minimizing costs and adopts a mass production approach as inspired by scientific Taylorism (Levitt 1972, 1976). The second seeks to maximize sales by providing good service and is often referred to as relationship management (Gutek 1995). Under a relationship management strategy, workers are motivated and companies build long-term relationships with customers providing quality service. Good service is “a bridge

to sales” because satisfied loyal customers buy more and have more inelastic demand curves (Reichheld 1996; Jones and Sasser 1995).

### **Rationale of the study**

Thus human resource practices aimed at micromanaging the people at work does not seem to work, alternatively creation of a positive service climate or environment for providing good customer service; what employees experience at work -- positively or negatively – motivates them to provide good or bad service; and this shapes customers’ satisfaction and willingness to purchase future services. Thus a more systematic approach to reduce turnover and improve performance is to adopt a series of coherent work and human resource practices that, taken together, create a system that improves the quality of jobs. These systems, often referred to as high involvement systems, invest in the skills and abilities of the workforce, design work to provide opportunities for discretion and collaboration among employees and provide incentives such as high relative pay to induce effort. Tidmarsh (2003) claims that high-performance call centers empower CCRs through information, thereby allowing them to feel that they are making a worthwhile contribution. Through effective rewards and recognition programs employees feel motivated and the result may be satisfaction and increase in performance. Thus firms need to create a positive service environment where there is skilled and trained workforce with the discretion and motivation to provide quality service.

Creating a positive environment seems to be a solution in resolving the conflict, But however it does not mean that such organizations never bother about the operational efficiency/productivity, instead they should adopt practice of prioritizing operational effectiveness/performance over productivity. That means a system where work is designed in such a way that quality is prioritized of over quantity, employees have discretion in responding to the varied needs of customers so as to achieve to box satisfaction, skills, and abilities of employees are regularly updated and incentive in terms of high relative pay is provided to induce effort. Thus the hypothesis was built the employees working in organizations which prioritise performance over productivity will have a high job satisfaction, call quality and a lower employee turnover.

## Types of call centers

On the basis of different management operational practices and priorities prevalent in the industry, we try to categorize the call centers in two types Viz. **(1) Productivity-Oriented Call Centers;** **(2) Performance-Oriented Call Centers:**

**Table 1: Showing distinctive features of two types of existent call centers**

	<b>Productivity-Oriented Call Centers</b>	<b>Performance-Oriented Call Centers</b>
<b>Revenue generation</b>	By achieving the higher frequency of calls.	Building relations with customers and explore options for cross/up sell
<b>Problem solving</b>	Solve the problem in the least possible time in order to maintain average handling time.	Focus on (FCR) First Call Resolution to impress customers by resolving the problem fully in a single contact only.
<b>Monitoring</b>	Monitoring to ensure adherence to the standardized job requirements.	Monitoring to identify the training needs followed by the feedback system.
<b>Operational Motive</b>	Maintain lower call handling time	Top Box customer satisfaction.
<b>Measurement system</b>	Number of calls handled / T	Number of satisfied customers served / T
<b>Work design</b>	Low involvement, autonomy, <b>discretion</b>	High involvement, autonomy, <b>discretion</b>
<b>Reward system</b>	Rewards for achieving targeted number of calls	Rewards for achieving top box customer satisfaction.
<b>Service Quality</b>	Quantity is preferred over the Quality	Quality is preferred over the Quantity

This study will estimate the level and make a comparative analysis of job satisfaction, perceived call quality and employee turnover intention between these two types of organisations. However, the inconsistencies existent between the organizational visions, mission and performance measures they use. Vision and mission statement of many call centers define them as a quality focused organizations but they still continue to operate as if they are cost centers, focusing on

such efficiency metrics as call handling time and customers per employee per day. Irrespective of the organizational vision and mission documents we will try to understand the management practices and performance measures, as perceived by their employees which will enable us to understand service climate of different call centers.

### **Objectives of the study**

This study is intended to attain the following specific objectives:

- To ascertain what is the operational focus of a particular call center as perceived by its employees and categories such call center either as productivity-oriented or as a performance-oriented call center.
- To estimate the level work motivation, job satisfaction, call quality, and turnover intentions among the employees of productivity and performance oriented call centers.
- To make a comparative analysis of work motivation, job satisfaction, call quality, and turnover intention; between the employees of productivity and performance oriented call centers.
- To examine the relationships between work motivation, job satisfaction, call quality, and turnover intention in both types of call centers separately.

### **Hypothesis**

H1 Work Motivation of employees working in performance oriented call centers is higher than that of productivity oriented call centers.

H2 Job satisfaction of employees working in performance oriented call centers is higher than that of productivity oriented call centers.

H3 Call Quality of employees working in performance oriented call centers is higher than that of productivity oriented call centers.

H4 Turnover intention of employees working in performance oriented call centers is lower than that of productivity oriented call centers.

H5 Work motivation is positively correlated with job satisfaction and call quality in both types of call centers.

H6 Employee turnover intention is negatively correlated with job satisfaction, call quality and work motivation in both types of call centers.

## Research Model

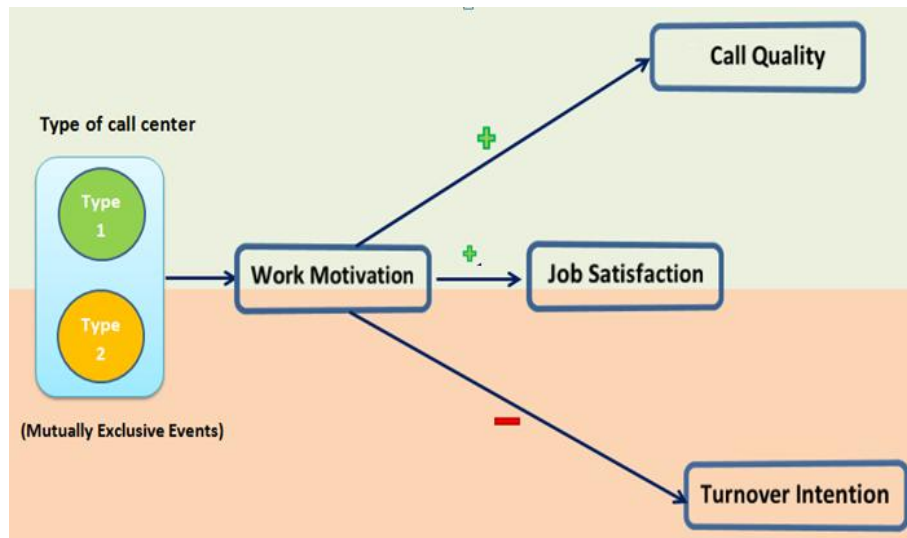


Figure 1.1

### Sample of the study

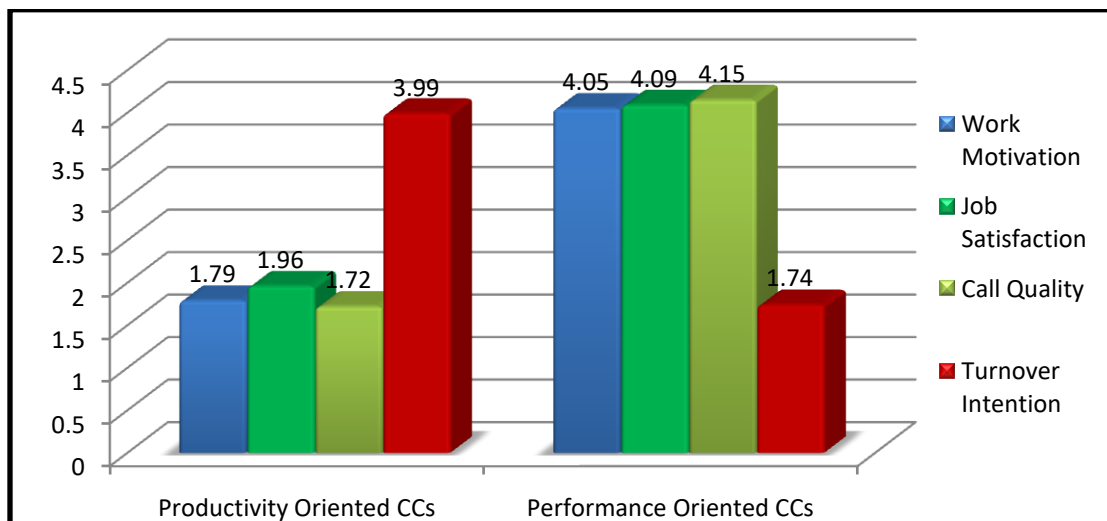
Where  $n$  is the sample size,  $N$  is the population size, and  $e$  is the level of precision or significance level. Data for the present only from top 20 call centers within the jurisdiction of two major Indian cities i.e. from 10 call centers of Delhi NCR and from 10 of Kolkata. Wherein the totals of around 16000 workers were employed, thus the total population for the present study was considered to be 16000. The sample size for the present study was calculated with the help Yamane (1967) mode. Yamane (1967:886) provides a simplified formula to calculate sample sizes. When this formula is applied on a population of 16000, we get minimum samples size at a significance level of 5%, should be 390.

To achieve the stated objectives of this research we distributed total 400 questionnaires were distributed according to the convenience sampling method, but only 392 were returned and out which, only 366 were fully complete and useful. And from the sample of 366 respondents, 135 (36.90 %) categorized their organization they work in as performance oriented call centers while 231 (63.10%) respondents categorized their organization as productivity oriented.

Comparative analysis of productivity oriented and performance oriented call centers

**Table 2 Comparative Analysis of productivity oriented and performance oriented call centers**

Factors	Statistics	Productivity Type	Performance Type	T-test	Sig.	Effect Size Cohens D
<b>Work Motivation</b>	N	231	135			
	Mean	1.79	4.05	<b>39.00</b>	<b>0.000*</b>	<b>4.26</b>
	SD	0.52	0.54			
<b>Job Satisfaction</b>	N	231	135			
	Mean	1.96	4.09	<b>36.66</b>	<b>0.000*</b>	<b>3.94</b>
	SD	0.52	0.56			
<b>Cal Quality</b>	N	231	135			
	Mean	1.72	4.15	<b>44.85</b>	<b>0.000*</b>	<b>4.95</b>
	SD	0.50	0.48			
<b>Turnover Intention</b>	N	231	135			
	Mean	3.99	1.74	<b>34.58</b>	<b>0.000*</b>	<b>3.91</b>
	SD	0.64	0.50			



**Chart 1: Comparative Analysis of productivity oriented and performance oriented call centers**

Table 1 and Chart1 above presents a comparative picture of work motivation, job satisfaction, call quality and turnover intention between productivity oriented and performance oriented call centers. Performance oriented call centers employees mean score of (4.05) on work motivation, (4.09) on job satisfaction, and (4.15) on call quality with a standard deviation of around (0.50) across these facets on a 5 point Likert scale imply that respondents who categorized their organization as performance oriented are highly motivated, satisfied with their job and they perceive their call quality is good and mean score of (1.74) for turnover intention on a 5 point scale, means that they are not considering quitting their jobs now or in near future. Comparatively in productivity oriented call centers employees work motivation mean score of (1.79), job satisfaction (1.96) and call quality (1.72), is indicative of the fact that respondents who categorized their organization as productivity-oriented have very low work motivation, job satisfaction, and call quality and mean score of (3.99) for turnover intention on a 5 point scale, reflects how likely the employees in these call centers are eagerly waiting for an opportunity to quit their present job.

### **Hypothesis Testing**

Comparative Analysis of productivity oriented and performance oriented call centers presented in Table1 unveils that the work motivation, job satisfaction and call quality of performance oriented call centers is statistically significantly higher than that of productivity oriented call centers and while as turnover intention of performance oriented call centers is significantly lower than that of productivity oriented call centers, which supports our following hypothesis and thus the following hypothesis are accepted.

**H1: Work Motivation of employees working in performance oriented call centers is higher than that of productivity oriented call centers.**

**H2: Job satisfaction of employees working in performance oriented call centers is higher than that of productivity oriented call centers.**

**H3: Call Quality of employees working in performance oriented call centers is higher than that of productivity oriented call centers.**

**H4: Turnover intention of employees working in performance oriented call centers is lower than that of productivity oriented call centers.**



## Correlation analysis

Pearson's correlation analysis is conducted to estimate the strength of the linear relationship between the factors of study. Table 2 presents the correlational analysis of factors of study within performance oriented call centers and the table reveals that work motivation is positively associated with Job satisfaction ( $r = 0.457^{**}$ ), call quality ( $r = 0.298^{**}$ ) which means that any improvement in work motivation will lead to relative improvement in job satisfaction and call quality and vice versa, in proportion of their correlation. And the correlation quotients are found to be statistically significant at 1% CI level. Turnover intention is found to be negatively associated with work motivation (-0.126), job satisfaction (-0.548<sup>\*\*</sup>) and with call quality (-0.204<sup>\*</sup>) meaning that any increase work motivation, job satisfaction, and call quality will proportionately decrease the quitting intention of the employees. The correlation quotient of (-0.548) between turnover intention and job satisfaction is statistically significant at 1% CI level and correlation quotient of (-0.204) between turnover intention and call quality is statistically significant at 5% CI level, however the correlation quotients of (-0.126) between work motivation and turnover intention is statistically insignificant.

**Table 3: Correlation matrix of performance oriented call centers**

		Work Motivation	Job Satisfaction	Call Quality	Turnover Intention
Work Motivation	Pearson Correlation Sig. (2-tailed)	1	0.457 <sup>**</sup> (0.000)	0.298 <sup>**</sup> (0.000)	-0.126 (0.146)
Job Satisfaction	Pearson Correlation Sig. (2-tailed)	0.457 <sup>**</sup> (0.000)	1	0.370 <sup>**</sup> (0.000)	-0.548 <sup>**</sup> (0.000)
Call Quality	Pearson Correlation Sig. (2-tailed)	0.298 <sup>**</sup> (0.000)	0.370 <sup>**</sup> (0.000)	1	-0.204 <sup>*</sup> (0.017)
Turnover Intention	Pearson Correlation Sig. (2-tailed)	-0.126 (0.146)	-0.548 <sup>**</sup> (0.000)	-0.204 <sup>*</sup> (0.017)	1

\*\* . Correlation is significant at the 0.01 significance level (2-tailed).

\*. Correlation is significant at the 0.05 significance level (2-tailed).

Table 3 presents the correlational analysis of factors of study within productivity oriented call centers and the table reveals that work motivation is positively associated with Job satisfaction ( $r = 0.275^{**}$ ) similar to what Teck-Hong and Waheed (2011) found and, call quality ( $r = 0.093$ ) and this is in consonance with the finding of Sargent and Frenkel (2000). The correlation quotient of (-0.275) between work motivation and job satisfaction is statistically significant at 1% CI level, however, the correlation quotients of (-0.093) between work motivation and call quality is statistically insignificant. Turnover intention is found to be negatively associated with work motivation (-0.032), job satisfaction (-0.318<sup>\*\*</sup>) and with call quality (-0.136<sup>\*</sup>) meaning that any increase in work motivation, job satisfaction, and call quality will proportionately decrease the quitting intention of the employees and the same was observed by Friday & Friday (2003). The correlation quotient of (-0.318) between turnover intention and job satisfaction is statistically significant at 1% CI level and correlation quotient of (-0.136) between turnover intention and call quality is statistically significant at 5% CI level, however the correlation quotients of (-0.032) between work motivation and turnover intention is statistically insignificant.

**Table 4: Correlation matrix of productivity oriented call centers**

		<b>Work Motivation</b>	<b>Job Satisfaction</b>	<b>Call Quality</b>	<b>Turnover Intention</b>
<b>Work Motivation</b>	Pearson Correlation	1	0.275 <sup>**</sup>	0.093	-0.032
	Sig. (2-tailed)		(0.000)	(0.161)	(0.628)
<b>Job Satisfaction</b>	Pearson Correlation	0.275 <sup>**</sup>	1	0.141 <sup>*</sup>	-0.318 <sup>**</sup>
	Sig. (2-tailed)	(0.000)		(0.032)	(0.000)
<b>Call Quality</b>	Pearson Correlation	0.093	0.141 <sup>*</sup>	1	-0.136 <sup>*</sup>
	Sig. (2-tailed)	(0.161)	(0.032)		(0.040)

<b>Turnover Intention</b>	Pearson Correlation Sig. (2-tailed)	-0.032 (0.628)	-0.318** (0.000)	-0.136* (0.040)	1
-------------------------------	---	-------------------	---------------------	--------------------	---

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

However the correlations between the work motivation, job satisfaction, call quality and turnover intention are statistically significant, it becomes imperative to understand which variable is having a deeper and significant impact. For this purpose, it becomes necessary to make a path analysis and regression analysis of the data. In this study structural equation modeling technique is used to define the causal relationship between the factors of the study.

### **Hypothesis Testing**

Correlation matrix contained in Table2 and 3 reveal work motivation is significantly positively correlated with job satisfaction and call quality, while as the turnover intention is negatively correlated with work motivation, call quality and job satisfaction in both types of call centers, which supports our following hypothesis and thus the following hypotheses are accepted.

**H5: Work motivation is positively correlated with job satisfaction and call quality in both types of call centers.**

**H6: Employee turnover intention is negatively correlated with job satisfaction, call quality and work motivation in both types of call centers.**

### **Conclusion**

Findings of the study reveal that employees who perceived their organization as productivity-oriented have very low work motivation and job satisfaction which is affecting their ability to deliver quality services to the customers and these conditions make them more likely to quit the job whenever they get a chance to. And this is in conformity with the research conducted by Brown (1996) and these conditions are described by some of the researchers like (Fernie& Metcalf 1998) as modern day sweatshops and dark satanic mills. In contrast to that, the employees who perceived their organization as performance oriented have higher work motivation and job satisfaction and are able to deliver quality services to the customers and are

very less likely to quit the job. This is the positive side of the call center industry, thus it can be concluded that organizational priorities as perceived by its employees do have a significant positive impact on the employees on job behavioral attitude.

The results of the present study suggest that there are some call centers that prioritises quality of services over the quantity and are able to make their employees perceive same about their organization. In this study, these call centers are named as performance oriented call center. Results of this study reveal these call centers are able to deliver the quality service to its customers, make employees feel motivated and satisfied towards their job and have the very low problem of voluntary turnover. Thus performance oriented call centers are able to manage the human resource problems confronted by industry by simply changing the organizational priorities. However prioritizing performance may be costlier, but in the long run, the benefits in terms of better employee work motivation, job satisfaction, call quality and lower voluntary turnover may overweigh those costs. However, in future research, the cost-benefit analysis of prioritizing performance in call centers may be studied, so that the economic viability of prioritizing performance may be established.

## References

1. Alison, M. Dean, Al., Rainnie (2009). "Frontline employees' views on organizational factors that affect the delivery of service quality in call centers", *Journal of Services Marketing*, Vol. 23 Issue: 5, pp.326-337.
2. Babin B, Boles J. (1998). Employee behavior in a service environment: a model and test of potential differences between men and women. *J Mark*;62:77 – 91.
3. Bain, P., & Taylor, P. (2000). Entrapped by the 'electronic panopticon'? Worker resistance in the call centre. *New Technology, Work, and Employment*, 15(1), 2–18. doi:10.1111/1468-005X.00061.
4. Batt, R. (1999). Work organization, technology, and performance in customer service and sales. *Industrial & Labor Relations Review*, 52(4), 539–564. doi:10.2307/2525063.
5. Brown, G. and Maxwell, G. (2002). "Customer service in UK call centers: organizational perspectives and employee perceptions", *Journal of Retailing and Consumer Services*, Vol. 9 No. 6, pp. 309-316
6. Brown, Mark G. (1996). *Keeping Score: Using the Right Metrics to Drive World-Class Performance*. New York: *Quality Resources*.

7. Carayon, P. (1993). Effect of electronic performance monitoring on job design and worker stress: *Review of the literature and conceptual model. Human Factors*, 35, 385-95.
8. CM Insight (2004a). The Truth about Contact Centre Performance: Mass Customisation versus Mass Production, part 1, May.
9. Deery, S. J., Iverson, R. D., & Walsh, J. P. (2002). Work Relationships in Telephone Call Centers: Understanding Emotional Exhaustion and Employee Withdrawal. *Journal of Management Studies*, 39(4): 471-497.
10. Deery, S., & Kinnie, N. (2004). The Nature and Management of Call Centre Work. In S., Deery, and N., Keenie (Eds.), *Call Centres and Human Resource Management: A Cross-National Perspective: 1-22, Basingstoke: Palgrave Mcmillan.*
11. Fernie, S. and D. Metcalf (1998). "(Not) Hanging on the Telephone: Payment Systems in the New Sweatshops." (No. 390): 1-41.
12. Friday, S.S., & Friday, E. (2003). Racioethnic perceptions of job characteristics and job satisfaction. *Journal of Management Development*, 22(5), 426-442.
13. Gutek, B. (1995). *The Dynamics of Service: Reflections on the Changing Nature of Customer/Provider Interactions, Jossey-Bass, San Francisco, CA.*
14. Halliden, B., & Monks, K. (2005). Employee-centred management in a call centre. *Personnel Review*, 34(3), 370–385.
15. Holdsworth, L., & Cartwright, S. (2003). Empowerment, stress, and satisfaction: An exploratory study of a call centre. *Leadership & Organization Development Journal*, 24(3), 131-140.
16. Houlihan, M., (2002). Tensions and variations in call centre management strategies. *Human Resource Management Journal* 12(4), 67-85.
17. Jones Thomas O. and W. Earl Sasser, Jr. (1995). "Why Satisfied Customers Defect?" *Harvard Business Review*, November-December, 88-99
18. Jones Thomas O. and W. Earl Sasser, Jr. (1995). "Why Satisfied Customers Defect?" *Harvard Business Review*, November-December, 88-99
19. Kinnie, N., Hutchinson, S., & Purcell, J. (2000). 'Fun and surveillance': the paradox of high commitment management in call centres. *International Journal of Human Resource Management*, 11(5), 967–985. doi:10.1080/095851900422375.
20. Korczynski, M. (2002). *Human Resource Management in Service Work. London: Palgrave.*

21. Levitt (1972). Levitt, Theodore: Production-line Approach to Service. In: *Harvard Business Review*, Vol. 50, October-November 1972, pp. 41–52.
22. Levitt (1976). Levitt, Theodore: The Industrialization of Service. In: *Harvard Business Review*, September-October 1976, pp.63–71.
23. Reichheld, F.F (1996). Learning from Customer Defections. *Havard Business Review*, March/April, 56-69
24. Schneider, B., White, S., & Paul, M. (1998). Linking Service Climate and Customer Perceptions of Service Quality: Test of a Causal Model. *Journal of Applied Psychology*, 83(2), 150-163.
25. Sergeant, A. and Frenkel, S. (2000). “When do customer contact employees satisfy customers?”, *Journal of Service Research*, Vol. 3 No. 1, pp. 18-34.
26. Singh, J. (2000). Performance productivity and quality of frontline employees in service organizations. *Journal of Marketing*, 64(2) (April), 15-34.
27. Taylor, P. and Bain, P. (1999). An Assembly Line in the Head. Work and Employee Relations in the Call Centre. *Industrial Relations Journal*, 30.2, June 1999, pp. 101-117.
28. Teck Hong and Waheed, Amna (2011). Herzberg's motivation-hygiene theory and job satisfaction in the Malaysian retail sector: the mediating effect of love of money. *Published in: Asian Academy of Management Journal*, Vol. 16, No. 1 (15. January 2011): pp. 73-94.
29. Tidmarsh, T. (2003). I can't get no call centre satisfaction. *Retrieved* November 3, 2004
30. Wallace, C. M., Eagleson, G., Waldersee, R., (2000). The sacrificial HR strategy in call centres. *International Journal of Service Industry Management* 11(2), 174-184.
31. Yamane, Taro. 1967. *Statistics, An Introductory Analysis*, 2nd Ed., New York: Harper and Row