Employee Satisfaction as an important KPI tool in Telemarketing

A Masters Project

By

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Wasif Kasim
Declaration

This contains no material that has been presented or accepted for the award of another degree, diploma or award at any university or educational institution. To the best of my knowledge and belief, it contains no material previously published or written by another person or persons, except where due reference has been made.

October 2005

Wasif Kasim
Abstract
This study attempts to establish employee satisfaction as an important KPI in telemarketing. A multi-method data collection was adopted to collect primary and secondary data for this study.

Primary data was collected by the researcher as an employee of Company Y. This was done through informal talks with management and employees. Secondary data was collected through company questionnaires.

The objectives of this study included the following: 1) to demonstrate the importance of employee satisfaction as a vital KPI tool in telemarketing, 2) to establish the relationship between employee-management relations through training, employee motivation, employee commitment, and employee satisfaction, 3) to measure these elements in Company Y, and 4) to provide recommendations on improving employee satisfaction levels within Company Y.

Secondary data was collected from a sample of fifty-two questionnaires obtained from Company Y. The sample audience consisted of thirty-three men and nineteen women with a mean age of 21.42 years. Of the seventy-eight employees in the workforce, fifty-two completed them, yielding a response rate of 66.7%. Participants were all current CSRs (Customer Service Representatives) in the month of February 2005.

The external analysis consisted of an environmental scan, a competitive analysis, and a discussion of Company Y’s opportunities and threats. The internal analysis included a discussion of Company Y’s business profile, its management, and its strengths and weaknesses.

Employee-management relations were established as the most important element behind employee satisfaction in Company Y. Recommendations were provided to improve employee-management relations as well as overall employee satisfaction.
## Contents

Acknowledgements ......................................................................................................................... ii
Declaration .................................................................................................................................. iii
Abstract ........................................................................................................................................ iv
Figures .......................................................................................................................................... ix
Tables ........................................................................................................................................... xi
Abbreviations .............................................................................................................................. xii

### Chapter 1: Introduction

1.1 Introduction .............................................................................................................................. 1
1.2 Background to the study ......................................................................................................... 1
1.3 Rationale for the study ........................................................................................................... 2
1.4 Purpose and objectives of the study ....................................................................................... 2
1.5 Benefits of the study .............................................................................................................. 3
  1.5.1 Benefits to the company ................................................................................................. 3
1.6 Scope of the study ................................................................................................................... 3
1.7 Conceptual framework of the study including research methodology ............................. 4
  1.7.1 Identify Concepts .......................................................................................................... 5
  1.7.2 Operationalise concepts ............................................................................................... 5
  1.7.3 Explore relationships between concepts ...................................................................... 6
  1.7.4 Review of related literature .......................................................................................... 6
  1.7.5 Gathering of the relevant data ....................................................................................... 6
  1.7.6 Formulation of alternative strategies .......................................................................... 7
  1.7.7 Recommendation of strategy ....................................................................................... 7
1.8 Limitations of the study ......................................................................................................... 7
1.9 Structure of the report .......................................................................................................... 8
1.10 Conclusion ............................................................................................................................ 8

### Chapter 2: Literature review

2.1 Introduction ............................................................................................................................ 9
2.2 Employee-management relationships and job satisfaction ................................................... 9
  2.2.1 Improving employee-management relations ................................................................. 11
  2.2.2 Relationship between employee-management relations and training ....................... 17
2.3 Training quality .................................................................................................................... 17
  2.3.1 Relationship between training and employee satisfaction ........................................ 17
2.4 Employee motivation ............................................................................................................ 18
2.4.1 Relationship between employee motivation and employee-management relations .......................................................... 20

2.4.1.1 How to improve employee motivation through employee-management relations .......................................................... 21

2.4.2 Relationship between employee motivation and training quality ............................................................. 23

2.5 Employee commitment ......................................................................................................................................... 23

2.5.1 Relationship between employee commitment and employee satisfaction ......................................................... 26

2.5.2 Relationship between employee commitment and employee-management relations .......................................................... 27

2.5.3 Relationship between employee commitment and training quality ............................................................. 29

2.5.4 Relationship between employee motivation and employee commitment ............................................................. 29

2.6 The importance of employee satisfaction as a KPI tool ...................................................................................... 31

2.7 Conclusion ......................................................................................................................................................... 31

Chapter 3: Methodology ............................................................................................................................................ 32

3.1 Introduction.......................................................................................................................................................... 32

3.2 Questionnaires.................................................................................................................................................. 32

3.2.1 Purpose of questionnaire .................................................................................................................................. 32

3.2.2 Research participants/subjects: ....................................................................................................................... 33

3.2.3 Design of questionnaire .................................................................................................................................. 33

3.2.4 Method of distribution and collection of questionnaires .................................................................................. 34

3.3 Interviews.......................................................................................................................................................... 34

3.4 Qualitative analysis.............................................................................................................................................. 34

3.5 Quantitative analysis............................................................................................................................................ 35

3.6 Participant observation.......................................................................................................................................... 36

3.7 Limitations of the research methodology ........................................................................................................ 37

3.8 Conclusion ......................................................................................................................................................... 37

Chapter 4: Data Analysis ............................................................................................................................................ 38

4.1 Introduction.......................................................................................................................................................... 38

4.2 Quantitative analysis.............................................................................................................................................. 38

4.2.1 Employee-management relations .................................................................................................................. 39

4.2.2 Training............................................................................................................................................................ 49

4.2.3 Motivation ........................................................................................................................................................ 52

4.2.4 Commitment ...................................................................................................................................................... 56

4.3 Qualitative analysis.............................................................................................................................................. 58

4.3.1 Employee-management relations .................................................................................................................. 58

4.3.2 Training............................................................................................................................................................ 61
Figures

Figure 1.1: Development of a conceptual framework……………………………………………4
Figure 2.1: Maslow’s hierarchy of needs…………………………………………………………19
Figure 2.2: ROI for a committed employee VS ROI for an indifferent employee….……..25
Figure 2.3: The effect of employee commitment on revenue growth……………………..26
Figure 2.4: Relationship between employee-management relationship, conflict, and commitment………………………………………………………………………………28
Figure 4.1: Control over decision making…………………………………………………………39
Figure 4.2: Voice in the organization……………………………………………………………..40
Figure 4.3: Sense of importance within the organization………………………………………41
Figure 4.4: Keenness for authority…………………………………………………………………41
Figure 4.5: Management’s “care factor”…………………………………………………………42
Figure 4.6: Management’s feedback on performance…………………………………………43
Figure 4.7: Effect of supervisor feedback on employee performance………………………43
Figure 4.8: Openness of communication with management…………………………………44
Figure 4.9: Concern towards employee grievances………………………………………..………45
Figure 4.10: Availability of avenues to file complaints…………………………………………45
Figure 4.11: Respect for management……………………………………………………………..46
Figure 4.12: Respect shown by management towards employees…………………………47
Figure 4.13: Recognition of employee efforts……………………………………………………47
Figure 4.14: Encouragement from management………………………………………………48
Figure 4.15: Management’s ability to listen to employee grievances………………………49
Figure 4.16: Training satisfaction…………………………………………………………………49
Figure 4.17: Apt training for difficult customers…………………………………………………50
Figure 4.18: Management call monitoring for improved employee training…………………..51
Figure 4.19: Management’s identification of CSR strengths and weakness…………………..51
Figure 4.20: CSR training to overcome weaknesses…………………………………………52
Figure 4.21: Effect of personal achievement on motivation……………………………………53
Figure 4.22: Effect of recognition on motivation……………………………………………….53
Figure 4.23: Effect of career advancement opportunities on motivation………………….……54
Figure 4.24: Effect of salary on motivation.................................................................55
Figure 4.25: Effect of employee-management relations on motivation..................55
Figure 4.26: Employee pride and loyalty towards Company Y............................56
Figure 4.27: Employee loyalty towards Company Y..............................................57
Figure 4.28: Effect of job offers with higher pay on employee commitment........57
Figure 5.1: Segmentation of customers for contact strategies..............................65
Figure 5.2: Call centre customer satisfaction around the world............................68
Tables

Table 1.1: Identification of concepts explored in the conceptual framework……………..5
Table 5.1: Comparison of call centre wages in the Asia-Pacific in 1998………………. 67
Table 7.1 Weighted SW Matrix……………………………………………………….. .87
Table 7.2: Weighted OT matrix………………………………………………………….88
Table 7.3 TOWS Matrix…………………………………………………………………90
Table 7.3 TOWS Matrix…………………………………………………………………91
Abbreviations

ACA – Australian Communication Authority
ACCC - Australian Competition and Consumer Commission
ACTU – Australian Council of Trade Unions
CSR- Customer Service Representative
ICTs – Information and Communication Technologies
IVRs – Interactive Voice Recognition
PAC - Privacy Advisory Committee
ROI – Return on Investment
Chapter 1

Introduction

1.1 Introduction

This chapter includes the background to the study, rationale for the study, purpose and objectives of the study, benefits of the study, conceptual design of the study, research methodology, limitations of the study, structure of the report, and a summary.

1.2 Background to the study

Company Y was established in 2001, and is a provider of Business Process Outsourcing (BPO) in India, Australia, and the UK. They offer their inbound and outbound call centre services to a variety of industries such as telecom, insurance, security, mortgage, software, Satellite TV, credit card, publications, and market research sectors (Y’s website 2004).

Company Y runs campaigns for a variety of telephone service providers targeted towards small business and residential customers. The telephone service resellers represented by Company Y’s call centre in Melbourne offers affordable landline, mobile, and internet plans. In Australia, despite the vast number of telecommunication providers, there is a total dependency on the infrastructure established by Telstra, the local telephony giant (Lange 2004). These companies rely primarily on telemarketing as their primary source of creating awareness amongst customers and they spend little money on other forms of self-promotion (DHP, pers. comm., December 2004).
1.3 Rationale for the study

The employee turnover rates is very high at call centres (80%) when employees are not managed correctly (Improving Agent Performance While Maintaining High Levels of Motivation 2002).

At Y, interviews are held regularly, at least every fortnight, new people are recruited, and within days some quit their posts. As observed, Y suffers from an image of being an impersonal, cold, and alienating workplace with high turnover, and low employee satisfaction (Fox & Hall 2002). Based on this finding, the present study explores employee satisfaction as a tool for KPI. The study also identifies factors that impact employee job satisfaction.

1.4 Purpose and objectives of the study

This study covers the following four objectives:

1) Identifies the effect of employee training on employee satisfaction.
   i. Establishes the link between employee training and employee satisfaction
   ii. Recommends how employee training can be used to improve employee satisfaction

2) Identifies the effect of employee-management relations on employee satisfaction
   i. Establishes the link between employee-management relations and employee satisfaction and recommends how employee-management relations can be used to improve employee satisfaction

3) Identifies the effect of employee commitment on employee satisfaction
   i. Establishes the link between employee commitment and employee satisfaction and identifies how employee commitment can be used to improve employee satisfaction.

4) Identifies the effect of employee motivation on employee satisfaction and establishes the link between employee motivation and employee satisfaction
i. Explores this relationship and discovers how employee motivation can be used to improve employee satisfaction

**1.5 Benefits of the study**

**1.5.1 Benefits to the company**

With an estimated 3850 call centers in Australia, the competition in the call centre market is extremely high, and Y’s failure to recognize the importance of employee satisfaction could impede the organization’s efficiency and output (*I can’t get no call centre satisfaction* 2003). This in turn could cause Y’s current clients to look elsewhere for their outsourcing needs. Call centre providers like Sales Force have already taken the industry by surprise in topping the Hewitt Associates’ Best Employer List – a feat rarely accomplished by call centers (Fox & Hall 2002). This study provides recommendations that will sustain Y’s performance in short-term and in the long-term. With Y performing more efficiently, this can help both retain current clients and possibly attract larger, more lucrative clients in the future.

**1.6 Scope of the study**

This study will focus on Melbourne call centre only.
1.7 Conceptual framework of the study including research methodology

The conceptual framework of the study is based on Ticehurst & Veal’s (2000, p. 33) model for the development of a conceptual framework shown in Figure 1.1.

Figure 1.1: Development of a conceptual framework

1.7.1 Identify Concepts

Table 1.1 identifies and defines the concepts explored in this study.

Table 1.1: Identification of concepts explored in the conceptual framework

<table>
<thead>
<tr>
<th>Concept</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Satisfaction</td>
<td>The company's ability to fulfill the physical, emotional, and psychological needs of its employees (Customer Survey Definitions n.d.).</td>
</tr>
<tr>
<td>Employee motivation</td>
<td>A force that drives a person to perform his or her job well (Employee motivation 2005)</td>
</tr>
<tr>
<td>Employee commitment</td>
<td>Relative strength of an individual’s identification and involvement in a particular organization (Mowday, Porter, &amp; Steers cited in Brewer 1993).</td>
</tr>
<tr>
<td>Employee-Management relations</td>
<td>A multi-dimensional construct bounded by communication with employees, camaraderie with employees, engagement of employees, respect for employees, recognition of employees, trust placed in employees, and the empowerment of employees (Butler 2004; Dawson 2002; Downs &amp; Ticehurst 1998; Tyler 2004).</td>
</tr>
<tr>
<td>Training Quality</td>
<td>The degree of excellence of company paid or sponsored education provided to individuals to improve their abilities to do their work (Customer Survey Definitions n.d.).</td>
</tr>
</tbody>
</table>

Source: Author

1.7.2 Operationalise concepts

Ticehurst and Veal (2000) define the operationalisation of concepts as ‘deciding how they might be measured, if quantitative in nature, or recognized and assessed, if qualitative in nature.’

In this report, concepts identified were qualitative in nature and were recognized and assessed through the use of secondary data such as the information available from previously collected company questionnaires, and fresh, informal, onsite interviews with
the management team. The qualitative concepts were quantified by the use of the Likert Scale which appears in the Company Questionnaire in Appendix C.

1.7.3 Explore relationships between concepts

According to Ticehurst and Veal (2000), the key element behind research is the exploration of relationships between concepts. The relationships between the identified concepts were explored in depth in the literature review section (Chapter 2) of this study.

1.7.4 Review of related literature

The literature review consolidated various theories, models, and publications on employee satisfaction from a range of text book based and web based sources. Also, secondary data was obtained through the study of internal company data by the researcher with permission from Company Y.

1.7.5 Gathering of the relevant data

Qualitative data was collected through informal interviews with the management team and face to face interaction with employees by the researcher. Data collected was treated with utmost confidentiality. This was done by coding participant names to preserve their identities.

Secondary data was obtained through company collected questionnaires and informal interviews with employees. Appendix B contains a letter from the management of Company Y, granting me permission to use this secondary data. Appendix C contains abridged version of the questionnaire that management had passed around to their employees.
Ticehurst and Veal (2000, p. 21) define qualitative research as ‘involving the gathering of a great deal of information about a small number of people or organizations. The data collected is generally not presentable in numerical form.’

1.7.6 Formulation of alternative strategies

Alternative strategies for Company Y were developed using the following:

1) Weighted SWOT Analysis
2) TOWS Matrix
3) Data Analysis
4) Interview of ex-employee of SalesForce and Company Y
5) Author’s personal experience as an employee at Company Y

1.7.7 Recommendation of strategy

After consolidating the information gathered from the formulation of alternative strategies, the most appropriate and most attractive recommendations were provided.

1.8 Limitations of the study

These were some limitations of the study:

1) Limited audience: the workplace was made up of primarily students, and due to university, only a handful of them may be present. Also, the information garnered from a student population may vary from that garnered from full time employees.

2) This study will focus on only one office of Y, the one located in Melbourne, Australia, due to the time constraints.
1.9 Structure of the report

This study has been structured into the following seven chapters:

- Chapter 2 details the literature review on employee satisfaction in terms of employee management-relations, organizational training, employee motivation, and employee commitment.
- Chapter 3 details the research methodology
- Chapter 4 details the data analysis.
- Chapter 5 details the external analysis for Company Y.
- Chapter 6 provides details the internal analysis for Company Y.
- Chapter 7 details the alternative strategies formulated for Company Y.
- Chapter 8 provides recommendations and concludes the study

1.10 Conclusion

This chapter introduced the background to the study, rationale for the study, purpose and objectives of the study, scope of the study, conceptual framework of the study, limitations of the study, and the structure of the report.
Chapter 2

Literature review

2.1 Introduction

This chapter discusses the theoretical aspects behind factors that highlight employee satisfaction as a vital KPI tool in telemarketing. The factors discussed are employee-management relationships, training quality, employee motivation and employee commitment. The subsequent effect all these factors have on employee satisfaction as well as the interrelationships between them will be investigated.

2.2 Employee-management relationships and job satisfaction

In this study, employee-management relationships are defined as follows:

“Relationships at work is a multi-dimensional construct bounded by communication with employees, camaraderie with employees, engagement of employees, respect for employees, recognition of employees, trust placed in employees, and the empowerment of employees” (Butler 2004; Dawson 2002; Downs & Ticehurst 1998; Tyler 2004).

In Dawson’s study, employee-management relationships and training opportunities were identified as key constituents of call centre employee satisfaction (Dawson 2002). Downs and Ticehurst (1998) also identified personal feedback and relationships with supervisors to be predictor variables for employee job satisfaction.

The following were cited as common employee grievances in call centers:

1) Difficulty in contacting management whilst in the work environment.
2) Management’s lack of “people skills”
3) Management’s tendency to place a greater emphasis on achieving sales targets than on supporting their employees personally and professionally (*Outsourced Contact Centers: The Service Imperative* 2005).

The following managerial beliefs have been identified in call centers:

1) Employees lack self motivation.
2) Employees exploit the organization at every opportunity available.
3) Sales quotas are attained only by pressuring and instilling fear in employees.

This management style must evolve in order to stay in line with today’s rapidly changing market - one characterized by creativity and flexibility. Contrary to managerial beliefs, it has been established that employees enjoy assuming responsibilities when supported by a nurturing organizational culture. Trust was also cited as an important factor in the employee-management relationship. Trust must be reciprocal - managers must trust their employees, and employees must trust their managers in order for the business to operate smoothly. The lack of trust on either end will only lead a rise in organizational chaos (Butler 2004).

Tyler (2004), cites the employee-boss relationship as the primary contributor to employee satisfaction. A poor employee-boss relationship results in increased absenteeism, stress and reduced performance. Hence, focusing on improving employee-boss relationships will augment employee satisfaction. Through Martiz Inc’s study, Tyler (2004) also cites the importance of the management team’s interpersonal abilities – while only one out of five employees were satisfied with how management related with them, amongst the 21% of employees that stated that they were happy with management, two out of three employees expressed interest in spending their entire career with that company.
Improved supervision and stronger employee–management relationships increase job satisfaction, and decrease job dissatisfaction (Sagie & Koslowsky 2000 as cited by Valentine 2001).

2.2.1 Improving employee-management relations

The following techniques have been established as ways to improve employee-management relations (Butler 2004):

1. Management must occasionally assume the role of the CSR (Customer Service Representative)

   There are three cited benefits to this approach:

   i. Demonstrates to employees that the manager has the ability to effectively perform sales task
   ii. Managers develop a greater understanding of customer needs and concerns
   iii. Demonstrates, to employees, the empathetic side of the management team and that management genuinely cares about their team’s performance.

   These benefits strengthen the employee-management relationship by establishing a strong sense of trust between the two parties.

Managers and supervisors have cited concerns about how such actions could have a negative effect on employee respect for management. Nevertheless, no such findings have been reported. On the contrary, research has linked empathetic managerial behavior to increased respect from employees, increased productivity, and a long term positive effect on the organization’s performance (Butler 2004).
2. Management must greet employees by their names, from the very first day of introduction into the workforce.

This improves employees’ sense of self-worth, and increases their productivity. According to Coen (as cited in Butler 2004), “attention is the aphrodisiac that makes people want to do for other people.” Even simple efforts such as learning your CSR’s name are paramount to building a healthy employee-management relationship.

The following are five specific ways to improve employee-management communication (Butler 2004):

i. Go to an agent, say “hello” and ask them how they are doing
ii. Send a voice mail to each agent
iii. Send an e-mail to each agent
iv. Leave a message on a chair of each employee
v. Leave a personalized note on the desk of each employee.

According to Coen (as cited in Butler 2004), employees are eager to communicate with the management team through non-telephone media. Nevertheless, management must also ensure that such communication is not taken for granted and does not become trite. This is achieved by hand-picking a few agents to interact with each week.

3. Management must instill an open door policy in the organization.

There are three cited benefits to this approach (Butler 2004):

i. It creates a transparency between employees and management
ii. It nurtures a strong sense of faith in management
iii. It demonstrates the respect management has for employees by granting them access to the highest levels of the organization.

This in turn grows the confidence that employees have in the management team, spreads a positive culture, and develops positive employee-management relationships throughout the organization.

4. Management must treat their employees like adults.

This can be achieved through the following techniques (Butler 2004):

i. Empower employees to deal with any problems they encounter.
ii. Allow employees to provide input into how the call centre runs, and how processes can be improved to facilitate more effective operations.
iii. Allow call centre representatives to use their “brain power” as opposed to simply following orders.

Increases in job control have been cited to have a positive effect on employee job satisfaction (Holman 2004). It harvests CSR loyalty and approval, and helps the organization reap the benefits of a workforce ready to “do all” for their company (Foster 1999).

5. Reward excellent CSR performance.

Excellent CSR performance must be rewarded, and rewarded for the right things. Several call centers today already have incentive schemes in place to reward employees that have successfully achieved their sales quotas. Although this is a step in the right direction, less obvious elements such as customer responsiveness, customer satisfaction, employee creativity, and employee innovation must also be measured and rewarded.
According to Foster (1999), not all rewards need to be cash based. For instance, management can reward excellent CSR performance with free phone calls to family and friends from work. Moreover, an element of surprise behind awarding such incentives is a lot more effective than a scheduled performance appraisal held at the end of each month.

6. Management must improve their communication skills by learning to listen, and learning not jump to conclusions.

This can be achieved through becoming aware of the conditions and behaviors that hinder the communication process. According to Tyson (1998), there are five propellers that will help you achieve effective communication behavior. These are starting, owning, active listening, creating safety and taking risks.

The following are five cited ways to improve managerial communication skills (Tyson 1998):

i. Starting: It is very important to give thought to the opening remark during the communication process, as this is a predictor as to how the rest of the dialogue will proceed. If a manager starts off with accusations, put-downs, threats, or attempts to manipulate the employee, the response from the employee is likely to be defensive and the communication process will be impaired. Effective initiators need to concentrate on the ‘here and now’. They need to be centered, confident, prepared, considerate, and tuned into the recipient (Sanford 1982 as cited by Tyson 1998).

ii. Owning: For mangers to be effective communicators, they have to ‘own’ and accept responsibility for their opinions and feelings by using ‘I’ statements instead of ‘You’ statements. For instance, they should use ‘I do not understand what you mean’ as opposed to ‘You are confused’, or ‘I do not think you are instilling 100% in the job” as opposed to ‘You are slacking’. This assists managers in expressing
themselves with greater integrity, accuracy, and simplicity. Once they have expressed themselves in this form, they must become active listeners (Tyson 1998).

iii. Active listening: This involves not only just hearing the words that are being expressed but also capturing the facts and feelings that lay behind the message. It is important to provide feedback in the form of a) paraphrasing, which helps check the accuracy of your understanding behind the message, and b) giving back, where you share your thoughts about what has just been expressed.

Managers should suspend criticism and judgment, refrain from interrupting, respect the employee’s viewpoint and value system, resist any distraction, and confront the employee if he or she is being ambiguous. Empathy also needs to be practiced by absorbing and reflecting back on the feelings, facts, and meaning behind the message. This is established by expressing their reactions and by accepting the employee’s feelings and values as legitimate.

A clear distinction needs to be made between empathy and sympathy. Sympathy describes the state of emotion where you feel for someone, whereas empathy is where you feel with someone (Tyson 1998).

iv. Creating safety: It is important for managers to create an environment that nurtures clear and open communication. Members should feel free to express their negative and positive thoughts and feel confident that they will receive support and encouragement when they do so. Controlling and judgmental behavior does not promote a favorable environment for communication. Active listening plays a very strong role in creating a safe environment (refer to point iii above).

Managers must genuinely support employees and be prepared to cope with negative feelings. According to Tyson (1998) this is established when the managers themselves are the first to be honest, and disclose something about themselves. This will encourage reciprocal behavior from employees and promote open
communications. Moreover, responding warmly, maintaining eye contact, giving compliments, and acknowledging employee viewpoints have also been cited as effective techniques.

Furthermore, it is important for negative feelings to be expressed rather than suppressed. They should never be bottled up, they should be ‘owned’, and the source of the discomfort must be explored (Tyson 1998).

v. Taking Risks: Self-disclosure entails an element of taking risk whereby unrestricted honesty could be just as damaging as none at all. Exposure of one’s thoughts must be tailored to others’ readiness to be receptive.

Pfeiffer and Jones (as cited in Tyson 1998) have established openness and honestly to be a matter of strategy plus acceptable risk. It is important to determine ‘how much open data flow a system can stand and then give it about a ten percent boost – just enough to stretch it but not shatter it’.

Confrontation is a risk that should be welcomed and not viewed in the same vein as attack. When executed properly, confrontation can improve communication. This is established when both parties genuinely seek to gain common ground, and where feedback is used extensively during the interaction.

Feedback is most useful when specific in nature rather than general or vague, direct rather than oblique or half-hearted, descriptive rather than evaluative or interpretive, immediate rather than delayed, and declarative rather than hostile or punitive, and when offered with concern and attention (Tyson 1998).
2.2.2 Relationship between employee-management relations and training

No direct relationships were established between these two concepts. Nevertheless, improved employee management relations will lead to a better understanding of where employees are facing difficulties while serving customers. This provides valuable insight into deficiencies of the training program. By engaging in double loop learning, the management team can rectify these deficiencies and provide a superior training program. Double-loop learning occurs when an error is detected and corrected in ways that involve the modification of an organization’s underlying norms, policies and objectives (Argyris and Schon as cited by Smith 2001). In this case, the quality of the training program is maximized when its underlying deficiencies are detected and corrected to create a new and improved training program.

2.3 Training quality

2.3.1 Relationship between training and employee satisfaction

According to Schmidt (n.d.), there is a strong correlation between job training satisfaction and overall job satisfaction amongst employees in customer service positions. Employees value the training that they receive, consider it an essential part of their job, and view it as a significant determinant of the satisfaction that they experience on the job. Employees in call centers are also motivated by their abilities to please their customers. Satisfaction with job training will provide them with the right skills to enhance customer satisfaction, which then translates into job satisfaction.

From an organizational standpoint, this strong relationship establishes the importance of job training to CSRs, and demonstrates the profound effect it has on employee satisfaction. Organizations can use this tool to produce better trained, more satisfied and
more valuable employees. Schmidt states that job training not only benefits the employee, but also has significant benefits for the organization in terms of more satisfied employees, and ultimately more satisfied customers (Schmidt n.d.).

Training methodology was cited to be an important factor behind job training satisfaction. Employees that approved of the methodology used were more satisfied with the training process than those who were not in favor of the training methodology. The presence of an instructor with whom trainees can interact, question, and problem-solve was cited as another element of training that leads to increased job satisfaction is. This may be attributed to the interactive nature of the occupation itself (Schmidt n.d.).

Employee satisfaction levels that arise from training vary with the tenure of the employee within the organization. First year employees are significantly more satisfied with the training they receive than employees who have been working for more than a year. First year employees also received significantly more training than employees with job tenures of more than one year. This is understandable as new employees have a much higher learning curve than experienced employees. Once this new employee becomes seasoned, the training focus then shifts to the newly recruited employees, and as a result, satisfaction with job training for the seasoned employee drops. This could subsequently affect their job satisfaction. As a result, it is imperative that managers make job training a priority; not only will this move be beneficial to employees, but also to managers, and the organization as a whole (Schmidt n.d.).

2.4 Employee motivation

The study of understanding motivation was initiated by Maslow’s model of motivation. In this model, human needs are ranked in a hierarchy, starting with physiological needs and ending in self-actualization needs as shown in the Figure 2.1 below (Brewer 1993).
Using Maslow’s hierarchy as a basis, Herzberg proposed the following two categories of needs: motivators (intrinsic needs) and hygiene factors (extrinsic needs). Motivators included aspects that affected the performance of the job such as achievement, advancement, recognition, and responsibility (Herzberg as cited by Brewer 1993). These factors create intrinsic motivation, which occurs when one is passionate about a task and performs it out of sheer pleasure (Richter 2001). Hygiene factors focused on conditions of employment that are external to the job such as physical working conditions, salary, and external control such as organizational policy or supervisory strategies (Brewer 1993). These factors, lead to extrinsic motivation which occurs when an employee performs a task because some force, either external to the individual (money, rewards, punishment) or internal to the person (a value of a belief that impacts on the employee’s sense of self-worth) drives the individual to perform (Richter 2001).

Herzberg’s research cites motivators (intrinsic needs) as the primary contributors to job satisfaction whereas hygiene factors are the main cause of job dissatisfaction. He also states that motivation can come either in the form of positive KITA (kick in the a..) or negative KITA. Negative KITA occurs when something is accomplished as a result of the fear of not doing it. In this approach, the willingness to accomplish the task will fade as soon as the fear is no longer present. On the other hand, positive KITA occurs when an employee accomplishes a task because they will be rewarded for their actions. Neither

Source: Brewer, AM 1993, Managing Employee Commitment, Longman Professional, Melbourne, Australia.
positive nor negative KITA sustains motivation levels for a long period of time. Employee motivation is sustained only when he or she is able to create their own generators that make them want to achieve the task at hand (Kjellerup n.d.).

2.4.1 Relationship between employee motivation and employee management relations

Rosenberg cites motivation as “a stimulus that differentially energizes certain responses within a person” (Rosenberg as cited by Clardy 2002).

Although monetary incentives are perceived by managers as an effective motivational tool, some of the most effective ways to motivate employees arise from establishing healthy employee-management relations where management offers praise, recognition, feedback, creates room for career advancement, encourages employees’ involvement, and enriches employees’ jobs. A good management team has the ability to create good work relationships with their employees. This will earn employee respect, trust, and ultimately motivate their employees to work harder (Clardy 2002).

According to Pass, employee-management relationships have a positive impact on employee motivation. This study does not detail the exact relationship between ‘employee-management relationships’ and ‘motivation’. Nevertheless, a strong positive correlation has been identified between the constituents of management-employee relationships and employee motivation. This correlation is prevalent in numerous articles where the issue of ‘how to improve employee motivation’ is mitigated. These articles focused on how management can foster employee motivation through engaging, respecting, recognizing, trusting, empowering, and communicating better with employees. As defined in the conceptual framework, these are all elements of employee-management relations, whereby an improvement in any one of the aforementioned elements will lead to increased employee motivation (Pass 2005).
2.4.1.1 How to improve employee motivation through employee-management relations

The following were cited as techniques to improve employee motivation (Hiam n.d.):

- **Open communication**: Employees have identified open communication to be their highest priority. The majority of employees state that managers do not communicate openly with them. If employees feel you are withholding information related to their work or workplace, they will lose motivation and start to resist management. The easiest way to accomplish this is to ask employees, individually or in meetings, what they would like to know. Employees should be given the chance to ask you for information at least once a week, after which managers should provide them with the required information. Sussman and Pearce also state that good communication is the cornerstone to harnessing and improving employee motivation (Sussman & Pearce 2003).

- **Ask employees for information about their performance**: This helps managers identify where employees excel or have difficulties within the sales process and also assists employees in overcoming their weaknesses by acting on managerial feedback.

- **Explain your reward systems**: Rewards systems should be clearly defined and awarded without exception when pre-set goals are achieved. If not, the randomness of rewards will generate cynicism, and not motivation. When a new recognition program is announced unexpectedly, employees will feel like management does not respect them. Hence, it is important to show your respect for employees by constantly informing them about changes in the reward systems.

*Engage your employees*: Involving employees helps create an intrinsically motivating environment. Managers must engage the employees in the decision making process. This may involve asking them for input on a decision to be made or could even entail the whole work force developing a solution to a particular problem.
• **Know your team:** Identify each individual’s intrinsic motivators - what their passions in life are, at work and beyond. Knowing employees, and letting them know you, is cited as one of the best ways to promote a sense of belonging and attachment to the organization.

• **Clearly set goals that are understood by all:** Managers must identify exactly what to achieve in order to clearly establish to their team, the objectives and tasks to be conquered, as well as the time frame during which they need to be attained.

• **Provide choices:** Once the employees know exactly what to achieve, they should be given the choice to determine how they move forward and be given the opportunity to establish their own measurement system to promote their accountability.

• **Establish avenues for skill enhancement:** Provide training, coaching, mentoring, and peer support for employees. It is important to be proactive and ensure that employees are comfortable asking for help.

• **Evaluate:** Employees must be evaluated frequently. Evaluations should focus on employee performance and not compensation or rewards. Any link between evaluations and compensation must be removed and the focus should be shifted towards individual development and growth.

• **Praise your employees:** Employees must be recognized for their accomplishments. The praise given must be specific in nature, and directly linked to a particular action. Secondly, it must be genuine; otherwise management will lose credibility in the eyes of the employees. Thirdly, it must be controlled. Over-praising can diminish the effectiveness of your praise, and can become as ineffective as no praise at all. Fourthly, employees should be praised in public and reprimanded in private ([How to Give Worthwhile and Effective Praise](n.d.).)
2.4.2 Relationship between employee motivation and training quality

Training is one of several non-monetary sources of motivation available to employees. It is a continuous process, where there is no such thing as over training. Regardless of the ‘quality’ of your work force, training never ends. ‘Tune up’ training sessions should be conducted, with help from the top employees in your company, to aid other employees acquire new skills when dealing with customers.

Such training sessions tell employees the following two things: 1) management cares about employee skill advancement, and 2) management recognizes and acknowledges strongly performing employees. These intrinsic factors addressed by management will increase employee motivation (Worman n.d.)

2.5 Employee commitment

Employee commitment is defined as the “relative strength of an individual’s identification and involvement in a particular organization. This definition states that a committed employee has the following characteristics (Mowday, Porter & Steers 1988; O’Reilley & Chatman 1986 as cited in Brewer 1993):

- A sense of belonging to the organization in which they are employed
- A desire to remain employed by their organization
- A willingness to invest effort in their jobs
- Regular attendance at work
- An attempt to balance managerial as well as self interests

Employee commitment can be divided as consisting of two constructs – affective and continuance commitment (Allen & Meyer 1990 as cited by Feinstein n.d.). According to Mowday, Porter, and Steers (as cited in Brewer 1993), affective organizational commitment is “a strong belief in, and acceptance of, the organization’s goals and values,
a willingness to exert considerable effort on behalf of the organization, and a strong desire to maintain membership in the organization.” Continuance organizational commitment is when individuals do not leave a company because the cost of them leaving the company would be greater than the benefits (Murray, Gregoire, & Downey, 1991 as cited by Feinstein n.d.).

Committed employees are essential for the success and survival of an organization since they are more productive, take more initiative, and help create a competitive advantage for their company. Managerial prerogative, the manager’s right to manage, has historically been the way managers have approached employee commitment. This style of management adhered closer to the protestant work ethic (circa the 1960’s), where the main foci were extrinsic factors such as money, incentives, and tangible rewards (Herzberg, Mausner, & Snydeman 1959 as cited by Brewer 1993). This ethic also gave rise to the formal hierarchical organizations, with a chain of command, where management held the “reigns” from the top. As Brewer (1993) states, work in this ethic was deemed as an end in itself, the end being salvation. To this date, there still are numerous organizations that reflect this image, but changes in the industry have created a paradigm shift away from managerial dominance and towards increased emphasis on employee preferences.

There are an increasing number of organizations approaching employee commitment by focusing on the human work ethic, which concentrates on the ‘intrinsic’ notion of work (Herzberg 1959 as cited in Brewer 1993). This notion explores an employee’s sense of achievement that arises as a result of their pride, identity with the craft, job, or corporation (Organ 1998 as cited by Brewer 1993). Work is no longer merely a source of materialistic satisfaction, but also a place where employees socialize, gain a sense of achievement, and increase their knowledge and skills (Brewer 1993).

The importance of a committed employee is demonstrated in Figure 2.2, where the return on investment (ROI) for a committed employee is plotted against and that of an indifferent employee.
Figure 2.2: ROI for a committed employee VS ROI for an indifferent employee.


The figure above clearly demonstrates the importance of committed employees by depicting the remarkable gains in ROI (Section R₁ in Figure 2.2) that can be achieved through employee commitment. One study has established that even slight gains in employee commitment can lead to monthly increases of up to approximately AU $233,500 in sales in retail organizations (Jones n.d.).

As mentioned above, committed employees can have a profound effect on organizational performance. When organizations concentrate on the ‘human factor’ at work by putting their employees first, this boosts employee satisfaction, which increases customer loyalty and satisfaction, which in turn fosters the continued success of the organization. The more committed the employee, the longer their tenure with the organization, and the better they become at understanding its processes, products, and customers. Therefore
more committed employees lead to more committed customers and more successful organizations. The importance of employee commitment as an attitude is demonstrated in the Figure 2.3 below. A 5 unit increase in employee attitude (through improved employee commitment), leads to a 1.3 unit increase in customer satisfaction, which leads to a 0.5% increase in revenue growth (Focus on Employee Satisfaction n.d.).

Figure 2.3: The effect of employee commitment on revenue growth


2.5.1 Relationship between employee commitment and employee satisfaction

Organizational commitment is distinguished from job satisfaction in that organizational commitment is an affective response to the whole organization, while job satisfaction is an affective response to specific aspects of the job (Williams & Hazer 1986 as cited by Morrison 2004). A positive relationship was established between job satisfaction and organizational commitment whereby job satisfaction is a causal antecedent of
commitment (Porter, Steers, Mowday, & Boulian 1974; Riordan & Griffeth 1995; Williams & Hazer 1986 as cited by Morrison 2004). According to Feinstein (n.d.), job satisfaction is a component of organizational commitment. Nevertheless, there still exists a ‘chicken-and-egg’ debate over the relationship between job satisfaction and organizational commitment despite the fact that many researchers have declared job satisfaction to be a predictor of organizational commitment (Feinstein n.d.).

2.5.2 Relationship between employee commitment and employee-management relations

Employee commitment is an integral element in creating a competitive advantage for organizations, and is fueled by healthy Employee-Management relations. Healthy employee-management relationships assist managers in understanding workforce needs and preferences, which in turn improves employee commitment.

For instance, when it comes to rewards for employee contribution, different individuals have different preferences in the way they would like to be remunerated. Certain may prefer pay, while others may prefer time off, recognition, promotion, or further training. A manager’s understanding of his workforce is cited as a key element to promote employee attachment to an organization (Brewer 1993).

Transactional relationships between employee and management also affect their commitment to the organization. Both parties bring to the relationship psychological expectations. If the individual feels these expectations have been violated, commitment levels are likely to drop. An employee who feels organizational promises have been met, is likely to respond with increased loyalty and commitment (Recruitment without Retention: HR Suicide? 2003)

According to Brewer (1993), managing commitment is about overcoming the fundamental conflict existing in the manager-employee relationship. Consulting and
improving work relationships with employees plays a strong role in minimizing the conflict between them. This in turn will lead to a more committed performance from the workforce. Moreover, increased employee participation and involvement in decision making processes leads to an increase in the level of their commitment towards their organization.

Although managers believe that such procedures are time-consuming, the risks of not involving employees can have a detrimental effect on employee commitment. In instances where they do not necessarily agree with what management asks of them, they will only offer a half-hearted performance on the task at hand (Brewer 1993). Figure 2.4 shows the relationship between Management-Employee relationships, conflict, and employee commitment.

Figure 2.4: Relationship between employee-management relationship, conflict, and commitment.

Source: Author

Figure 2.4 shows that when management executes a task without employee consent, conflict exists, and this can lower the commitment that employees show towards the organization. Conversely, if the task is carried out with employee consent, the employees feel important and involved, and this leads to higher levels of employee commitment.
Poor communications from the management, lack of appreciation towards employees, and lack of trust towards employees have all been identified strong drivers behind employee commitment (Low commitment among call centre employees 2002). Moreover, according to WestPac bank, employee commitment is maximized when they are given the opportunity to participate fully in the setting of decisions (Australian Industrial Relations Commission 2002). Moreover, supportive workplaces have also been cited as one of the strongest predictors of employee commitment (Amour 2002). A supportive environment improves employees’ sense of self-worth within the organization, and develops within them, a stronger sense of obligation and commitment towards the organization (Koster et al. n.d.).

2.5.3 Relationship between employee commitment and training quality

According to Guest (1987), training is one of the key elements required to achieve a new organizational culture – a culture where employee commitment is high. NcElroy (as cited in Guest 1987) claims that organizations investing consistently on employee training create a reputation for valuing and developing employees. The investment in training demonstrates to employees that the organization is devout to the advancement and development of its employees who, in turn, will respond favorably by exhibiting a strong sense of commitment towards their organization (Laka-Mathebula 2004). This view is also supported by Brewer, but she also adds that the training provided must be relevant to their job needs in order to fuel employee commitment (Brewer 1993).

2.5.4 Relationship between employee motivation and employee commitment

One of the factors that influence employee motivation is affective commitment, which is defined as the ‘psychological state that binds individuals to an organization (Meyer 1988 as cited by Fowke 1998). Employees are bound to the organization by affective commitment when they are satisfied with the context and content of the job. Such
employees feel emotionally attached to their organization, are proud to work for it, and feel a strong sense of belonging within the organization (Allen and Meyer 1990; Meyer and Allen 1997 as cited by Fowke 1998). Employees in an organization that score highly on affective commitment, will remain loyal to it even after a major downsizing, because they like the content and context of the job, and are emotionally attached to it. Employees believe that overall, this is a favorable environment, wherein they can build a promising career despite the current adverse conditions. Hence, such affective commitment can be viewed as a predictor of higher levels of employee motivation (Fowke 1998). Sussman and Pearce also support this view by stating that an employee must first be committed in order for motivation to exist (Sussman & Pearce 2003).

Furthermore, intrinsic motivation is an example of autonomous motivation where people engage in an activity because they find it interesting, and enjoyable. According to Gagne and Koestner (2002) and Gagne’ et al. (2004), autonomous motivation is related to organizational commitment and to affective commitment. Moreover, autonomous motivation at the beginning of the study predicted organizational commitment at the end, whereas initial commitment did not predict subsequent autonomous motivation. Therefore autonomous motivation is an important factor that drives employee commitment (Gagne and Deci 2005).

Moreover, inspirational motivation was identified as the strongest positive predictor of affective commitment, while both charisma and inspirational motivation were equally strong positive predictors of normative commitment. In DeCotiis & Summers’ (1987) study, researchers examined the relationship between organizational commitment and the outcome measures of individual motivation, desire to leave, turnover, and job performance. Organizational commitment was found to be a strong predicator for each of these outcome areas of employee motivation (Brown 2003). Furthermore, Mowday, Porter and Steers also support this by stating that increased organizational commitment increases motivation (Malone n.d.).
2.6 The importance of employee satisfaction as a KPI tool

As demonstrated throughout the literature review, employee satisfaction not only affects employees, but also affects the success of the organization as a whole. Employee satisfaction is a complex construct, and is determined by several constituents. The ones studied in this report were training, employee-management relationships, employee commitment, and employee motivation. Although addressing these criteria may prove expensive to organization in the short run, the long run implications of these actions will help reduce employee turnover, and help increase the organization’s productivity, efficiency, and long term profits. As is evident through the literature review, the actions and behaviors of managers and supervisors are vital elements of the identified constituents. In brief, a sound management culture leads to happy workers, which leads to happy customers, which in turn leads to happy profits. This reinforces the point that employee satisfaction is indeed an important KPI in telemarketing.

2.7 Conclusion

This chapter was a discussion of the relevant literature concerning employee satisfaction as an important KPI in call centers. The following four aspects of employee satisfaction were explored: 1) employee-management relations, 2) training, 3) employee commitment, and 4) employee motivation.

The following chapter presents the methodology behind this study.
Chapter 3
Methodology

3.1 Introduction

A review of relevant literature based on the research questions which address this analysis, is presented in Chapter 2. This chapter discusses the methodology used in conducting this study.

3.2 Questionnaires

3.2.1 Purpose of questionnaire

Company Y designed a questionnaire to measure the effect of the following factors on the company’s performance:

1) Working conditions
2) Supervisor efficiency
3) Employee-employee relations
4) Pressure at the workplace
5) Employee-management relations
6) Employee training
7) Bonus packages
8) Employee motivation
9) Employee commitment
10) Salary
11) Career advancement

These factors were identified by Company Y’s management team as areas of concern they wished to study. Management presented employees with questionnaires to measure
employee views of each of the above areas, but did not have the opportunity to analyze the collected data.

After reviewing the relevant literature, the author identified employee satisfaction as a crucial driver behind Company Y’s performance. The literature review revealed that employee satisfaction was driven by employee-management relations, employee training, employee motivation, and employee commitment. The relevant questions from Company Y’s findings were used to aid this study. As can be seen in Appendix A, the author has gained permission to use this information, in his study, as secondary data. Appendix C contains an abridged version of the questionnaire that contains only the questions relevant to this study.

3.2.2 Research participants/subjects:

Fifty-two volunteers participated in the present research. There were thirty-three men and nineteen women with a mean age of 21.42 years. Participants were all current employees in the month of February 2005. Each of the employees was approached with the same questionnaire to measure how employees rated the current level of employee-management relations, employee training, employee motivation, and employee commitment.

3.2.3 Design of questionnaire

In designing the questionnaire, the purpose was to obtain the required information with as little stress to the employees as possible. Company Y was aware that at the time of the data collection, employee satisfaction was low and that there could have been an adverse reaction to any extra work. Therefore the questionnaire had to be simple and relevantly quick to complete. The questions consisted primarily of closed questions so that all respondents could answer in the same way, to facilitate the standardization of results. There was only one open question, question 6.0, shown in Appendix C. The questionnaire
was designed so that respondents could complete them at home without any assistance from the management team.

3.2.4 Method of distribution and collection of questionnaires

The questionnaires were placed near the exit of the office, at the end of the day, and accompanied by a bowl of sweets. The management team had announced that filling out the questionnaires was voluntary as well as completely anonymous and that interested employees can pick up a copy on their way out of the office. Upon appointing one employee to collect the forms over the next two days, the management team was the first to leave the office premises. This was done intentionally by the management team in order to remove any sense of obligation their presence would impose on employees’ will to fill out the questionnaires. Two days later, the appointed collector presented the questionnaires to the management team. Of the seventy-eight employees in the workforce, fifty-two completed them, yielding a response rate of 66.7%.

3.3 Interviews

As an employee in Company Y, the author had the opportunity to conduct informal, unstructured interviews with PHD, the Director of Company Y, while at work. The purpose of the interviews was to obtain specific information about Company Y’s current operations. The questions asked are shown in Appendix D, and any information obtained has been referenced in text and listed in the reference list. An interview was also conducted with MG, an ex-employee of Company Y and SalesForce, who identified the fundamental managerial differences between the two companies and why he believed that SalesForce was able to top the Hewitt Associates’ Best Employer List (Fox & Hall 2002).

3.4 Qualitative analysis

The term qualitative is used to describe research methods that use and generate qualitative rather than quantitative information. Qualitative methods comprise of an array
of interpretative techniques which seek to describe, decode, translate, and otherwise come
to terms with the meaning, not the frequency, of certain more or less naturally occurring
phenomena in the social world. Qualitative research is based on the belief that the people
personally involved in a particular situation are best placed to analyze and interpret it
through their own words (Downs & Ticehurst 1998). This type of research has the
following advantages:

1) Qualitative analysis enables the researcher to understand and explain the personal
experiences of individuals.
2) The researcher’s feelings, as well as reasoning, can help shape the research
3) Qualitative research focuses on people’s understanding and interpretations rather
than finding external causes or laws for behavior

This study had a strong qualitative foundation as the focus was on measuring employee
opinions, interpretations, and attitudes towards Company Y’s practices. Nevertheless,
qualitative nature of employee responses was quantified through the use of the Likert
Scale.

Qualitative data was also gathered through the use of unstructured interviews with
Company Y employees, Company Y management, and with MG, ex-employee of
Company Y and SalesForce. This method was adopted because face-to-face interviews
provide rich data and offer an opportunity to establish rapport with the interviewee
(Sekaran 1995 as cited by Subramaniam 2005).

3.5 Quantitative analysis

The quantitative approach to research involves statistical analysis based on numerical
evidence; this is then used to draw conclusions. This data can be obtained from
questionnaire surveys, observation, or secondary sources (Downs & Ticehurst 1998).

Likert Scale was used to measure employees’ responses.
1 = to a very small extent  
2 = to a small extent  
3 = to some extent  
4 = to a great extent  
5 = to a very great extent

The qualitative responses were transformed into quantitative answers through the use of the Likert Scale. Pie-charts were used to graphically illustrate the extent to which employees agreed with the statements presented in the questionnaires. These results were used to draw conclusions about employee opinions, interpretations, and attitudes towards the status quo in Company Y. The findings were used to provide recommendations on increasing employee satisfaction in Company Y.

3.6 Participant observation

In participant observation, the researcher is a direct participant in the process being studied. This process involves considerably more interaction between the researcher and the people being involved than other forms of research. Where complex and detailed information is required on group dynamics or interpersonal relationships, becoming a part of the group is the most effective study approach (Downs & Ticehurst 1998).

Participant observation is defined by Kumar (n.d.) as a ‘researcher participating in the activities of the group being observed in the same manner as its members, with or without their knowing that they are being observed. For example, the researcher may want to study the reactions of the general population when a blind person is trying to cross an intersection. The researcher may pretend to be a blind person in order to do the study’.

It is also possible to do research without asking questions, though observation. According to Cooper and Emory’s definition (as cited in Kumar n.d.), ‘observation qualifies as scientific inquiry when it is specifically designated to answer a research question, is
systematically planned and executed, uses proper controls, and provides a reliable and valid account of what happened.’

The author has worked in Company Y for over a year and has had the opportunity to observe employee behavior and Company Y’s practices during his tenure. Over his stay in the organization, the chance of participants changing their behavior when being observed was nullified as a result of their familiarity with the author. The observations assisted in identifying employee-management relations, employee training, employee commitment, and employee motivation as the topics to be explored in this study.

### 3.7 Limitations of the research methodology

The following are the limitations of the chosen research methodology:

1) The questionnaires were not completed by the whole work-force. There was only a 66.7% response rate which means that the result may not accurately represent the views of the whole work-force.

2) The questionnaires did not allow much room for employee input as a result of their primarily closed nature.

### 3.8 Conclusion

This chapter presented the research methodology with which the data in Chapter 4 was obtained.

The following chapter presents a quantitative and qualitative analysis of the relevant secondary data collected from Company Y.
Chapter 4

Data Analysis

4.1 Introduction

This chapter includes the analysis of primary and secondary data. Primary data was collected through informal interviews with the management team and observation by the author.

Secondary data was collected from Company Y’s questionnaires. This data was previously collected by Company Y for its own purposes but was not analyzed as a result of time constraints faced by management (DHP, pers. comm December 2004). The questionnaire covered a variety of topics outlined in Chapter 3, and only the findings from the questions relevant to this study have been analyzed in this section.

4.2 Quantitative analysis

Data analysis focused on the following four areas: 1) Employee-Management Relations, 2) Employee Training, 3) Employee Motivation, and 4) Employee Commitment. Each area covered a range of structured questions and the findings are presented via the pie charts below.

Likert Scale was used to measure employees’ responses.
1 = to a very small extent
2 = to a small extent
3 = to some extent
4 = to a great extent
5 = to a very great extent

Given below is the diagrammatic representation of employee responses.

4.2.1 Employee-management relations

To what extent “does management make all the decisions, and do I have no say”.

As observed in the pie chart, there is consensus amongst employees that they have very little decision making power in the company. 36% of the employees agreed to a very great extent, and 44% of the employees agreed to a great extent. There was no disagreement amongst employees in relation to this question.

Figure 4.1: Control over decision making

Management makes all the decisions, and I have no say

Source: Author
“To what extent do I have voice in the organization and to what extent does management take me seriously”.

Figure 4.2 shows 76% of the employees felt relatively unheard. 40% of the employees marked ‘to a very small extent’, and 36% marked ‘to a small extent’. Only 8% of the employees strongly agreed with the statement which indicates that very few employees were satisfied with their ability to be heard in Company Y.

Figure 4.2: Voice in the organization

Source: Author

“To what extent do I feel like a cog in the wheel or just another number”.

Figure 4.3 shows, 32% of the employees selected to a great extent, 12 % selected to a very great extent, and 28% of the employees selected to some extent. This indicates that almost half the workforce (44%) did not feel very important in the organization.
Figure 4.3: Sense of importance within the organization

I feel like a cog in wheel / just another number

Source: Author

“To what extent would I like the authority to make my own decisions”.

Figure 4.4 shows 44% of the employees marked to a great extent, 16% marked to a very great extent. 32% of the employees did not show much desire towards making their own decisions. This indicates that more than half the workforce (60%) would have liked to have the freedom to make their own decisions.

Figure 4.4: Keenness for authority

Source: Author
“To what extent does management cares about me as a person”.

Figure 4.5 shows 40% of the employees marked to a small extent, 16 % marked to a very small extent, and 28% of the employees marked to some extent. Only 16% of the employees selected to a great extent. This indicates that the 56% of the workforce felt that the management at Company Y did not care too much about the employees.

Figure 4.5: Management’s “care factor”

Source: Author

“To what extent do supervisors give positive feedback on my performance”.

Figure 4.6 shows 36% of the employees marked to a small extent, 36 % marked to some extent, and 16% marked to a very small extent. This indicates that 52% of the employees did not think that the supervisor provided feedback on their performance. Nevertheless, 36% of the employees appreciated the feedback to a certain degree and 12% of the employees marked to a great extent.
Figure 4.6: Management’s feedback on performance

Supervisors give positive feedback on my performance

Source: Author

“To what extent does supervisors’ feedback improve employee performance”.

Figure 4.7 shows 32% of the employees marked to some extent, 36% marked to a small extent, 20% marked to a very small extent and only 12% of the employees marked to a great extent. This indicates employees were not very convinced about the effectiveness of supervisor feedback.

Figure 4.7: Effect of supervisor feedback on employee performance

Supervisors feedback improves my performance

Source: Author
“To what extent can I discuss any issue with management”.

Figure 4.8 shows 32% of the employees marked to a small extent, 20% marked to a very small extent, 28 % marked to some extent, and 20% marked to a great extent. This indicates that while many employees felt free while communicating with management, there was still a sizeable portion of the workforce (52%) that did not feel completely comfortable when discussing issues with management.

Figure 4.8: Openness of communication with management

![Pie chart showing the percentage of employees comfort level in discussing issues with management.]

Source: Author

“To what extent is management concerned about my complaints”.

Figure 4.9 shows 48% of the employees marked to a small extent, 28 % marked to a very small extent, and 24% of the employees marked to some extent. This indicates that employees did not believe that management was genuinely concerned about worker complaints.
Figure 4.9: Concern towards employee grievances

Management is concerned about my complaints

Source: Author

“To what extent are there avenues available to file any complaints”.

Figure 4.10 shows 48% of the employees marked to a very small extent, and 48% marked to a small extent. This indicates that employees strongly felt that avenues for filing complaints are greatly lacking.

Figure 4.10: Availability of avenues to file complaints

Source: Author
“To what extent has management earned my respect”.

Figure 4.11 shows 36% of the employees marked to a very small extent, and 32% marked to a small extent. 20% marked to some extent and only 12% marked to a great extent. This indicates that the majority of employees (56%) did not feel that management had earned their respect.

Figure 4.11: Respect for management

Source: Author

To what extent does management respect me”.

Figure 4.12 shows 28% of the employees marked to a very small extent, and 20% marked to a small extent. 44% marked to some extent and only 8% marked to a great extent. This indicates that very few people well felt respected within Company Y.
Figure 4.12: Respect shown by management towards employees

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Figure 4.12: Respect shown by management towards employees

Management respects me

<table>
<thead>
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<th>Percentage</th>
<th>Description</th>
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<td>28%</td>
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</tr>
<tr>
<td>8%</td>
<td>To some extent</td>
</tr>
<tr>
<td>20%</td>
<td>To a small extent</td>
</tr>
<tr>
<td>0%</td>
<td>To a very small extent</td>
</tr>
</tbody>
</table>

Source: Author
```

“To what extent does management recognize my efforts”.

Figure 4.13 shows 16% of the employees marked to a very small extent, and 44% marked to a small extent. 24% marked to some extent and only 16% marked to a great extent. This indicates that more than half the employees (60%) do not feel that they receive much recognition for their efforts. Only 16% of the workforce felt strongly that they had been recognized for their efforts.

Figure 4.13: Recognition of employee efforts

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Figure 4.13: Recognition of employee efforts

Management recognizes me for my efforts

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>To a very great extent</td>
</tr>
<tr>
<td>16%</td>
<td>To a great extent</td>
</tr>
<tr>
<td>16%</td>
<td>To some extent</td>
</tr>
<tr>
<td>24%</td>
<td>To a small extent</td>
</tr>
<tr>
<td>0%</td>
<td>To a very small extent</td>
</tr>
</tbody>
</table>

Source: Author
```
“To what extent does management encourage my progress”.

Figure 4.14 shows 16% of the employees marked to a very small extent, and 36% marked to a small extent. This indicates that 52% of the employees felt that management did a poor job encouraging their progress. 36% marked to some extent, showing that around one third of the workforce felt that management encouraged their progress to some degree. Only 12% felt strongly that management encouraged their progress.

Figure 4.14: Encouragement from management

Source: Author

“To what extent does management listen to my complaints and problems”.

Figure 4.15 shows 40% of the employees marked to a very small extent, and 52% marked to a small extent. This indicates that 92% of the employees felt strongly that management did not listen to their complaints and problems. A very small number of employees, 8% of the workforce, felt that management listened to their grievance to some extent.
Figure 4.15 Management’s ability to listen to employee grievances

Management listens to my complaints and problems

Source: Author

4.2.2 Training

“To what extent is training satisfactory”.

Figure 4.16 shows 32% of the employees marked to a very small extent, and 44% marked to a small extent. This indicates that 76% of the employees felt that training was not satisfactory. Only 8% of the employees strongly felt that the training provided was satisfactory, and 16% felt that training was satisfactory to some extent.

Figure 4.16: Training satisfaction

Source: Author
“To what extent did training prepared me for difficult calls and customers”.

Figure 4.17 shows 32% of the employees marked to a very small extent, and 52% marked to a small extent. This indicates that 84% of the employees felt that they were inadequately trained to handle problematic calls. Only 4% of the employees strongly felt that they were trained for difficult calls and customers, and 12% of the employees felt that the training helped them to some extent.

Figure 4.17: Apt training for difficult customers

Source: Author

“To what extent does management monitor calls to train us better”.

Figure 4.18 shows 24% of the employees marked to a very small extent, and 52% marked to a small extent. This indicates that 76% of the employees felt that call monitoring had very little effect on their training. 24% of the employees felt that call monitoring helped training to some extent. None of the employees had a strong positive response to the statement.
Figure 4.18: Management call monitoring for improved employee training

Management monitors calls to train us better

Source: Author

“To what extent did management identify each individual’s strengths and weaknesses”.

Figure 4.19 shows 44% of the employees marked to a very small extent, and 44% marked to a small extent. This indicates that 88% of the employees felt that management did not identify individual CSR’s strengths and weaknesses. Only 12% of the employees felt that management identified their strengths and weaknesses to some extent.

Figure 4.19: Management’s identification of CSR strengths and weakness

Source: Author
“To what extent does management train individuals to overcome their weaknesses”.

Figure 4.20 shows 56% of the employees marked to a very small extent, and 36% marked to a small extent. This indicates that 92% of the employees felt strongly that management did not train them to overcome their weaknesses. Only 8% of the employees felt that management addressed their weaknesses to some extent.

**Figure 4.20: CSR training to overcome weaknesses**

- To a very great extent: 0%
- To a great extent: 0%
- To some extent: 8%
- To a small extent: 36%
- To a very small extent: 0%

Source: Author

4.2.3 *Motivation*

"To what extent does personal achievement effect your motivation to work”.

Figure 4.21 shows 40% of the employees felt it affected their motivation to a great extent, and 28% felt it effected their motivation to a very great extent. This indicates that 68% of the employees were strongly motivated by personal achievement. 16% of the employees felt that personal achievement effected their motivation to some extent, and 16% felt that it had very little effect on their motivation.
Figure 4.21 Effect of personal achievement on motivation

![Pie chart showing the extent to which personal achievement affects motivation.](image)

Source: Author

“To what extent does recognition effect your motivation to work”.

Figure 4.22 shows 36% of the employees felt it affected their motivation to a very great extent, and 24% felt it effected their motivation to a great extent. This indicates that 60% of the employees were strongly motivated by recognition. 20% of the employees felt that recognition effected their motivation to some extent, and 20% felt that it had very little effect on their motivation.

Figure 4.22: Effect of recognition on motivation

![Pie chart showing the extent to which recognition affects motivation.](image)

Source: Author
“To what extent do career advancement opportunities effect your motivation to work”.

Figure 4.23 shows 12% of the employees felt it affected their motivation to a very great extent, and 24% felt it effected their motivation to a great extent. This indicates that 36% of the employees were strongly motivated by career advancement opportunities. 32% of the employees felt that career advancement opportunities effected their motivation to some extent, and 32% felt that it had very little effect on their motivation.

Figure 4.23: Effect of career advancement opportunities on motivation

Source: Author

“To what extent does your salary effect your motivation to work”.

Figure 4.24 shows 20% of the employees felt it affected their motivation to a very great extent, and 36% felt it effected their motivation to a great extent. This indicates that 56% of the employees were strongly motivated by their salary. 20% of the employees felt that their salary effected their motivation to some extent, and 24% felt that it had very little effect on their motivation.
Figure 4.24: Effect of salary on motivation

To what extent does salary effect your motivation to work?

Source: Author

“To what extent do employee-management relations effect your motivation to work”.

Figure 4.25 shows 28% of the employees felt it affected their motivation to a very great extent, and 36% felt it effected their motivation to a great extent. This indicates that 64% of the employees were strongly motivated by employee-management relations. 24% of the employees felt that employee management relations effected their motivation to some extent, and 12% felt that it had very little effect on their motivation.

Figure 4.25: Effect of employee-management relations on motivation

Source: Author
4.2.4 Commitment

“To what extent do I feel a sense of pride and loyalty when working for this organization”.

Figure 4.26 shows 32% of the employees marked to a very small extent, and 52% marked to a small extent. This indicates that 84% of the workforce felt very little sense of pride and loyalty when working for Company Y. 8% of the employees felt some extent of loyalty and pride towards the organization, and only 8% felt very high levels of pride and loyalty when working for Y.

Figure 4.26: Employee pride and loyalty towards Company Y

![Employee pride and loyalty towards Company Y](image)

Source: Author

“To what extent do I feel a sense of loyalty when working for this organization”.

Figure 4.27 shows 16% of the employees marked to a very small extent, and 36% marked to a small extent. This indicates that 52% of the workforce felt low levels of loyalty towards Company Y. 36% of the employees felt some extent of loyalty towards the organization, and only 12% felt very high levels loyalty when working for Y.
Figure 4.27: Employee loyalty towards Company Y

I feel a sense of loyalty when working for this company

Source: Author

“To what extent would I leave this job for a similar job with higher pay”.

Figure 4.28 shows 44% of the employees marked to a very great extent, and 36% marked to a great extent. This indicates that 80% of the workforce would leave Company Y for a better paid, similar job elsewhere. 12% of the employees marked to some extent, and only 8% felt that they would not leave Company Y for more lucrative, yet similar, job offers.

Figure 4.28: Effect of job offers with higher pay on employee commitment

Source: Author
4.3 Qualitative analysis

The essence of any qualitative analysis procedure must be to return to the terms of reference or conceptual framework of the research (Ticehurst & Veal 1998). Section 1.7.1 defines the following concepts to be the primary terms of reference in this study:

1) Employee-management relations
2) Employee training
3) Employee commitment
4) Employee motivation

4.3.1 Employee-management relations

The management team at Company Y was delineated in terms of the following six people: four supervisors (NK, NB, T, and X), a manager (S), and a director (PHD). The following was identified through the company questionnaire, informal interviews with the workforce and management, as well as the author’s personal experience as an employee in Company Y:

- A substantial portion of the workforce in Company Y cited that Supervisor NK and Manager S were not supportive enough and that they lacked the knowledge and management skills necessary to effectively administer the call centre floor (Company Questionnaires from DHP, Director of Company Y, July 26th 2005).
- Employees in Company Y were concerned about management’s tendency to attribute a greater importance to sales targets than employee-management relations (Company Questionnaires from DHP, Director of Company Y, July 26th 2005).
- Employees identified the managerial style as confrontational and demeaning. The following examples were cited (Company Y employees, pers. comm., June 2004 – October 2005):
Manager S circled the names of underperforming employees, and wrote “LOSSER” next to their names.

Manager S gathered underperforming employees into the conference room, as a group, and informed them that employees that failed to make sales within a particular deadline, would be requested to leave the premises and revoked of their hourly wages for the day (Insider Source, Author, Company Y Employee, June 2004 – October 2005).

- Supervisor NB and Supervisor T were well respected by employees and senior managers (Insider Source, Author, Company Y Employee, June 2004 - October 2005 & Company Y employees, pers. comm., June 2004 – October 2005).

- They often undertook telemarketing duties themselves, much like any other employee.
- They consistently attained the pre-set sales targets.
- CSR’s (Customer Service Representatives) in their teams felt like their supervisors really cared about the performance of their team.

- Supervisors (NK, NB, T, and X) consistently greeted employees by their names whereas Manager S and Director PHD rarely did so (Insider Source, Author, Company Y Employee, June 2004 - October 2005).

- Supervisors (NK, NB, T, and X) consistently interacted with CSR’s verbally, in person and over the phone. Interaction from the rest of the management (Manager S, and Director DHP) was cited to be verbal, face to face, and sporadic.

All the information gathered was examined and evaluated. The following was identified:

- The management team makes all the decisions and employees feel they do not have any decision making power.
- Most employees do not have a voice in the company.
- Employees did not feel important in the company
- Employees would like the authority to make their own decisions
- Management’s ability to care for its employees is below par
- The frequency of managerial feedback is insufficient
- Employees are dissatisfied with the usefulness of feedback provided
- There are barriers to employee-management communication
- Management did not seem concerned about employee grievances
- Avenues for filing complaints were almost non-existent
- Employees did not have a very high level of respect towards management
- Few employees felt well respected by the management team
- Employees did not feel recognized enough for their efforts
- Few employees felt that management encouraged their progress
- Most employees felt that management did not listen to employee grievances

Employee-management relations were defined in the conceptual framework of this study as:

“A multi-dimensional construct bounded by communication with employees, camaraderie with employees, engagement of employees, respect for employees, recognition of employees, trust placed in employees, and the empowerment of employees.”

The above results show that Company Y performed poorly with respect to the elements identified in this definition. Therefore, the overall level of employee-management relations was relatively low, and was identified as an area for considerable improvement.

Moreover, the literature review in this study outlined the importance of employee-management relations as a key factor behind employee satisfaction. A strong connection was also detailed between employee-management relations, employee motivation and employee commitment. Improvements in employee-management relations were directly linked to improvements in employee commitment and employee motivation. Therefore,
employee-management relations are the most important factor that Company Y needs to focus on in order to improve employee satisfaction.

4.3.2 Training

The information gathered was examined and evaluated. The following was identified:

- The majority of employees feel that training did not adequately prepare them for the job.
- Most employees felt that call monitoring by management did not have a positive effect on their performance.
- Management was not adept at identifying CSR strengths and weaknesses.
- Management was not adept at training individuals to overcome their weaknesses.

The above results show that the employees did not think very highly of the training program at Company Y. They were not only dissatisfied with the initial training provided, but also with the ‘on the job training’ and feedback provided by the management team. The overall quality of training in Company Y was determined to be low.

4.3.3 Employee motivation

Currently, rewards in Company Y are strictly monetarily based. For instance, agents that achieve weekly averages of six sales per day receive a higher base pay than those that achieve an average of four sales per day (CSR pay is hourly based and no commission is awarded to any CSR.). On the spot five dollar bonuses are also rewarded to CSRs that make sales within a particular time frame (Insider Source, Author, Company Y Employee, June 2004 – October 2005).
All the information gathered was examined and evaluated. Personal achievement was found to be the strongest motivator for employees, followed by employee-management relations, recognition, salary, and career advancement opportunities. Monetary incentives were not a strong contributor to employee motivation.

### 4.3.4 Employee commitment

The information gathered was sorted through and evaluated. The following was identified:

- The majority of employees did not feel a sense of pride and loyalty when working for Company Y
- The majority of employees would leave Company Y for a similar job with a better pay.

The above results show that commitment levels were very low in Company Y.

### 4.4 Conclusion

This chapter provided a quantitative and qualitative analysis of the data collected from Company Y’s questionnaires. These questionnaires were collected by Company Y, for its own purposes, but were not analyzed or used after that. The data used in this study focused on the following four areas: 1) employee-management relations, 2) training, 3) employee commitment, and 4) employee motivation. Each area covered a range of structured questions and the findings were presented in this chapter through a qualitative and quantitative analyses.

In the next chapter the external environment is addressed and a competitive analysis is conducted.
Chapter 5
External Analysis

5.1 Introduction

This chapter analyses the external environment of Company Y. It includes an environmental scan to identify environmental changes, the political environment, as well as the technological environment. In addition, a review of opportunities and threats to Company Y is provided.

5.2 Environmental scan

5.2.1 Environmental change

Teleworking

The call centre industry is gradually adopting a new outlook on approaching customer service, which could have a positive effect on customer service representatives. Teleworking is defined as ‘remote work that involves the use of information and communication technologies (ICTs)’ (Brooks et al. n.d.).

In other words, teleworking permits employees to carry out their work from a decentralized location, away from the work environment, with the aid of information and communication technologies. Already, there is strong evidence to indicate that organizations worldwide are offering employees the telework option.
In Australia, 3.5% (312,000 people) of the workforce were recognized as being engaged in some form of teleworking in 1999; and within New South Wales alone it was estimated by the Australian Bureau of Statistics that 8% of its employees (244,700 people) were teleworkers (Lafferty and Whitehouse 2000 as cited in Brooks et al. 2005). This use of ICTs will permit CSRs to work from home, and has been described as the way of work for the future (Nilles 1998; Sullivan 2003 as cited in Brooks et al. 2005). The Australian Communications Authority (ACA) has determined that 4% of call centers allow their agents to attend calls by teleworking – a 1% increase from 2003. They believe that if teleworking is properly managed, it can lead to a more flexible workforce and reduced costs. Teleworking will affect CSR’s in the following ways:

- It will help CSR’s overcome some of the less favorable aspects of call centre work such as rigid shift systems, invasive call monitoring and surveillance methods.

- It will help employees achieve a better balance between their work and home lives (Lafferty and Whitehouse 2000; Felstead, Jewson and Walters 2003; Mann and Holdsworth 2003 as cited in Brooks et al. 2005).

- It will give employees greater sense of independence and personal autonomy over how they conduct their work (Huutinen 2000 as cited in Brooks et al. 2005), which in turn could lead to higher levels of job satisfaction.

Nevertheless, there are disadvantages associated with teleworking. When handling difficult customers, CSR’s may feel socially isolated, and miss the support and guidance of their supervisors. This could heighten stress and frustration. Moreover, the likeliness of health and safety issues such as fatigue and repetitive strain injury is likely to increase with poorly-designed work environments, which are more likely in the homes of teleworkers than in typical office environments (Huutinen 2000; Brooks and Lamm 2005 as cited in Brooks et al. 2005).
Customer segmentation

There has been a shift in focus towards customers; companies are designing comprehensive contact strategies per customer segment, as opposed to using a “one size fits all” approach. Companies break down their mass marketing campaign into smaller customer segments and tailor their campaigns to suit each one of those segments. This involves the use of self-service systems whereby CSR’s can analyze customer preferences, buying history, and context information all in real time during the process of their conversation with the customer. Each time a CSR interacts with customers, notes are added to the customer’s profile to better understand their needs and desires. This enables more personalization of the product to customer needs, helps the company differentiate their offering, and captures customer loyalty (Days of Cold Calling are Numbered 2004).

As explained earlier in the literature review, the employee’s ability to better serve customers has a positive effect on employee satisfaction. Employees are now able to better serve customers as a result of the increasing use of customer segmentation, which in turn has a favorable effect on their satisfaction levels. More and more companies now acknowledge customer segmentation as a useful tool in capturing customer loyalty. This is demonstrated in figure 5.1 which shows that 46% of the companies today are in favor of customer segmentation and that 34.9% intend to implement it in the future.

Figure 5.1: Segmentation of customers for contact strategies

5.2.2 Environmental trends

Australia's has the most mature call centre market in the Asia-Pacific, and it is expected to grow even further with 62% of Australian based call centers expecting to increase the size of their operations over the next year. Callcentres.net's 2004 Australian Call Centre Industry Benchmark Study predicts that more than 20,000 new jobs could be created by growth in Victoria's call centre business by 2008. The study buttresses the idea that the Australian call centre market is now at a very mature stage and comparable to that in North America, with 53% of call centre facilities operating for more than seven years. In addition, 23% of these call centers have entered the industry within the last three years, demonstrating the continued growth of the industry and the shift to a more efficient and cost effective channel. This maturity is also evident in the fact that two-thirds of Australian call centers now monitor their quality assurance, which highlights the importance they place on customer relationship activities. Moreover, Victoria is one of the leading hubs in the Australian call centre market. It employs around 65,000 people and contributes $3 billion to the Gross State Product (Australia’s Call Centre Market Eyes Growth: Report 2004).

The call centre industry is largely unregulated and wages for call centre employees in Australia are lower than those in most countries that offer a similar infrastructure. The wages as compared to other countries in the Asia-Pacific can be seen in Table 5.1. The Australian Council of Trade Unions (ACTU) believes the lack of regulation has led to the development of significant discrepancies in wages and conditions in Australia. (On the Line – The Future of Australia’s Call Centre Industry 2002).
Table 5.1: Comparison of call centre wages in the Asia-Pacific in 1998

<table>
<thead>
<tr>
<th>Country</th>
<th>Pay in US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo</td>
<td>$32</td>
</tr>
<tr>
<td>Taiwan</td>
<td>$28</td>
</tr>
<tr>
<td>US</td>
<td>$26</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>$24</td>
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<tr>
<td>Singapore</td>
<td>$22</td>
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<tr>
<td>Ireland</td>
<td>$20</td>
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<tr>
<td>UK</td>
<td>$19</td>
</tr>
<tr>
<td>Australia</td>
<td>$17</td>
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<tr>
<td>New Zealand</td>
<td>$15</td>
</tr>
</tbody>
</table>


According to report published by TARP (Technical Assistant Research Program), Australia lags behind in call centre customer service when compared to US, Canada, New Zealand and the UK. Moreover, it has been noted that Australian call centers are 25% less likely to measure customer satisfaction, and that when it is measured, Australia comes out at the bottom of the list (TARP 1997 as cited in Telemarketing and the Protection of the Privacy of Individuals, 1995). Nevertheless, starting 2002, increasing attention has been placed on the quality and outcomes of customer interactions rather than the quantity or cost of transactions and number of calls an agent can handle (Australia’s Call Centre Market Eyes Growth: Report 2004). Figure 5.2 shows the measure of customer satisfaction from 1998, in different countries across the world.
Figure 5.2: Call centre customer satisfaction around the world.

The above figure demonstrates that Australia has the lowest level of customer satisfaction amongst its peers. This is attributed to Australian call centers still operating on "old fashioned" benchmarks such as number of Calls; length of Calls, and length of wrap up time rather than on outcomes. BIC (best in class call centers) are those that: 1) Optimize the use of technology, 2) Use data to increase effectiveness, 3) Use a balanced approach to evaluation and 4) Value Human resource (TARP 1997 as cited in *Telemarketing and the Protection of the Privacy of Individuals* 1995).

**Contract call centers**

Contract call centers, much like Company Y, perform outsourced work for companies in a variety of ways: on a permanent basis, a specific campaign or function basis, an overflow basis or to provide support to in-house work. The average wages in these centers are lower than those found in ‘in-house’ call centers. Contract centers are largely
unregulated in nature and have forced wages and conditions in ‘in-house’ call centers to be driven down as well (On the Line – The Future of Australia’s Call Centre Industry 2002).

**Integrated customer service**

Companies have been converting their customer service centers, which were traditionally perceived as merely cost centers, into what they now consider as profit centers, or revenue generators. Call centers, which were once thought of as just cost saving tools, have now been recognized for their powerful ability to manage company image and sell new products and services to existing customers. The whole notion of call centers is shifting from just “customer service” to a force that permits the integration of both service and marketing. Moreover, traditional call centers have been transforming themselves into contact centers by incorporating new channels through which they can communicate with customers, such as email, voice mail, web chat, and even video communications (On the Line – The Future of Australia’s Call Centre Industry 2002).

**Turnover**

According to a study conducted by TARP, Australian turnover rates are higher than most other countries, and compare poorly with best practice attrition rates for US call centers. This staff turnover costs call centers $11,500 per employee, and labor constitutes 60% of overall operating costs (TARP 1997 as cited in Telemarketing and the Protection of the Privacy of Individuals 1995). The ACA has also found that 40% of call centre employees have been in their current position for less than a year and that one-third of the surveyed participants had worked in a similar call centre role for over four years. This indicates the following two things: 1) Call centre employees possess skills that are highly transferable within the industry, and 2) employees that are not completely satisfied with their jobs are willing to leave their current jobs, and adopt a similar role with a different organization.
The following reasons have been cited for this behavior (On the Line – The Future of Australia’s Call Centre Industry 2002):

- **Stress and pressure of targets are contradictory to providing quality customer service:** Call centers’ often focus on the quantity and length of calls as opposed to call outcomes. This makes it difficult for CSRs to devote quality time to a particular customer. Consequently, employees leave one company looking for another where there is less pressure placed on them.

- **Lack of diversity in work content:** The repetitive nature of the work leads to boredom and lack of motivation. This reduces employee commitment to the organization and employees are willing to accept a better offer from a different organization.

- **Inadequate technological and informational resources to provide holistic customer service:** In an attempt to cut costs, some call centers adopt a minimal level of technology. These companies do not invest in automatic dialers, computers, and other devices which greatly facilitate the CSR’s ability to serve their customers. Consequently, employees are willing to leave one organization for another that is better equipped with technological resources.

- **Inadequate training:** Certain organizations invest a lot more time and effort into training than others. A high quality training program equips employees with the skills necessary to successfully handle their customers, and is also linked to increased employee satisfaction. Therefore employees are willing to leave one organization for another with a better training program.

- **Lack of career path:** A CSR would prefer to work for a company where career advancement opportunities are available.

- **Inadequate support from management to place customer service as a priority:** CSRs are encouraged to move on to the next call as quickly as possible. This reduces the time available to CSRs to build strong relationships with customers. The lack of support from management lowers CSRs abilities to serve their customers, and hence lowers their employee satisfaction. Therefore employees are willing to leave one organization for another where better support is provided.
Bad management practices and excessive monitoring: Excessive call monitoring and punishment for poor on call performance has an adverse effect on employee satisfaction. Therefore, employees are willing to leave the organization for one with better management practices.

In case of Company Y, the italicized items above have been covered in the literature review, Chapter 2 of this report. Improvements in these fields are crucial in increasing employee satisfaction and reducing turnover levels within the organization (On the Line – The Future of Australia’s Call Centre Industry 2002).

5.2.3 Political and legal environment

Telecommunications Act

Section 88 of the Telecommunications Act relates to call centers and prohibits the disclosure or use of, specified information or documents by employees of the organization, which has come to the person's knowledge, or into the person's possession, because the person is or was a ‘prescribed person’. A prescribed person is defined as an employee of a carrier, a service provider or an employee of a service provider (Telemarketing and the Protection of the Privacy of Individuals 1995).

The Privacy Act

The Privacy Act 1988 protects the privacy of individuals and contains eleven information privacy principles concerning the collection, storage, access, use and disclosure of personal information. The Privacy Act applies to telemarketing activities which involve the collection and holding of personal information by agencies of the Commonwealth or dealings with credit or tax file number information. Nevertheless, the PAC (Privacy Advisory Committee) states that the Privacy Act does not cover the privacy aspect of
freedom from intrusion as it is not directly addressed by any of the eleven information privacy principles contained in the Privacy Act. Moreover, the Act provides only limited protection where personal information is collected by organizations in the private sector (Telemarketing and the Protection of the Privacy of Individuals 1995).

The Trade Practices Act

The Trade Practices Act protects consumers by prohibiting a corporation, in trade or commerce, engaging in conduct that is unconscionable, misleading or deceptive (Telemarketing and the Protection of the Privacy of Individuals 1995).

Possible changes in call centre legislation

In light on the recent concerns that customers have expressed about the ‘privacy from intrusion’, the PAC has recommended the following actions to be undertaken in the future:

- A mandatory code of practice developed under a co-regulatory scheme should require that organizations undertake telemarketing activities in accordance with the following principles:
- Where an individual advises an organization, which undertakes telemarketing activities, that he or she does not wish to be contacted by it, then the organization should not contact the individual for a defined time period ranging from 6 months to when the individual advises the organization that he or she again wishes to be contacted by it.
- An organization should maintain an in-house do-not-contact list of individuals who have advised the organization that they do not wish to be contacted by it.
- Without an individual's consent an organization should not use the telephone to contact the individual before 8 am or after 9 pm local time at the individual's location or on Christmas Day, Good Friday or Easter Sunday.
When an organization contacts an individual, the organization should clearly identify itself, any other body that the organization represents and the organization’s purpose for contacting the individual.

Without an individual's consent an organization should not contact the individual more than once during any 30 day period for the same or a similar purpose.

When an organization contacts an individual, the organization should at the request of the individual, provide the following information:

- The organization’s telephone number and address.
- Details of the source from which the organization has obtained the individual's contact details.
- The name of any industry association or equivalent body to which the organization belongs.
- The name of any body responsible for dealing with any complaint the individual may have relating to the contact.
- Where an organization uses the telephone to contact an individual, the organization should release the line within 5 seconds of the individual hanging up the telephone.
- Without an individual's consent an organization should not contact the individual.

The above recommendations are merely a few of the industry policies that call centers required to abide by in the future (Telemarketing and the Protection of the Privacy of Individuals 1995). As this is outside the scope of my report, I will not delve into further detail in this area. Nevertheless, it is paramount for Company Y to understand the laws and regulations, and changes therein, behind running call centers. Recent telemarketing scandals, and increases in customer complaints have heightened the need for call centers to thoroughly understand, and strictly stick by these codes of conduct (Riley 2005).
5.2.4 Economic growth

In 2004, the Australian economy was ranked the most resilient in the world for the third consecutive year. The Australian economy has been ranked 9th globally in overall competitiveness in 2005 and third in the Asia Pacific region. Australia is slated to enjoy a 2.5 percent economic growth in 2005, and 3.4 percent economic growth in 2006 which means that Australia will continue to expand more rapidly than most others in the OECD (Organization for Economic Cooperation and Development). Please refer to Appendix B which contains a list of member countries in the OECD. The Australian economy has also transformed into a predominantly service-based economy, where services account for 80% of economic activity (The Australian Economy is a Great Success Story 2005). Further more, Australia is now entering its fourteenth year of continuous economic expansion, an achievement matched by few other countries in the world. Real GDP rose by 3.2 percent in 2004, with inflation staying within the Reserve Bank of Australia’s (RBA) target range of 2 to 3 percent. Unemployment fell to 5.1 percent recently. The Australian economy is expected to continue to expand, inflation will remain within the target range and the labor market will remain buoyant, with low unemployment (Australia Economic Performance: Update March 2005 2005).

5.2.5 Technological environment

The nature of jobs in call centre could change dramatically in the future. The development of technology such as Interactive Voice Recognition (IVR) and e-commerce, could lead to a decline in the number of Customer Service Representative (CSR) positions. The CSR’s that are left will possess more sophisticated technological and service skills. Nevertheless, further research will be required to ascertain the effect, and acceptance of, IVR and e-commerce on the call centre industry (On the Line – The Future of Australia’s Call Centre Industry 2002).
Over the last five years, call centers have been transforming themselves into contact centers by investing heavily in technology. There is a focus is on maximizing this investment and fully exploiting the capabilities of this technology. Contact centers plan to do this by constantly upgrading or reconfiguring existing technology such as IVR, speech recognition, e-commerce utilities, and fax back capabilities. Often, contact centers have blindly implemented technology without fully identifying how to effectively use it or considering whether its costs outweighed its benefits. This is changing slowly but surely. Nowadays, call centers are starting to spend more on utilities that enhance service efficiency and aid cost reduction, which signifies a better understanding by call centers of the cost effectiveness of technology when used appropriately (Global Contact Centre Benchmarking Report: Trends and Highlights 2003).

Another key issue facing call centre management is the rapid change in technology. According to managers in the call centre industry, “a call centre year is about three months”, referring to how quickly call centre technology can become obsolete compared to traditional businesses. If it took one year for a technology to become obsolete in a traditional business, it would be outdated in a call centre in just three months (Wallace 2003).

There is a myriad of technologies used in call centers that ranges from computer telephony systems (CTI), automatic call distributors (ACD), host servers, interactive voice response units (IVR), workforce management and call quality monitoring systems, predictive dialers (that make outbound calls and only connect a call to a service representative when they detect an individual on the line) and fax and speech recognition technologies. In order to be effective, the management at Company Y needs to understand all available technologies, their functionality, their interdependence, how they interface with existing technologies, and what their return on investment is likely to be (Wallace 2003).
5.3 Industrial environment

5.3.1 Australia: the largest call centre market in the Asia-Pacific

Australia has a massive call centre market; in fact, it is the largest in the Asia Pacific region. It accommodates a total of 121,000 agent positions and 2,138 call centers. By 2008, India is slated to overtake Australia as the largest call centre market in the region. Nevertheless, India's growth will be stunted by rapidly rising wages, competition from other low-cost Asia-Pacific locations and the variable reliability of local outsourcers (20,000 new call centre jobs in Victoria by 2008 says new report 2004).

5.3.2 Increased competition due to telecommunications industry deregulation

Since the 1997 deregulation of the telecommunications industry, there has been a substantial increase in competition especially in the local call market. This increase in competition has led to a remarkable decrease in local call costs as well as a surge in the number of providers that offer a full range of telephone services that include local, long distance, and international calls (ACCC Slams the Door on phone companies’ selling practices 2000). Nevertheless, this increase in competition has had a considerable downside in the form of increased ‘slamming’, or in other words when customers are transferred between telephone companies without their permission (Rising Complaints about Fraudulent Customer Transfers between Telephone Companies 2000). Moreover, Telstra, the Australian Telecommunications giant, has used its monopoly on telecommunications infrastructure to place itself in a position of significant power. Currently, Telstra controls all the copper wire networks that connect Australian homes and businesses; competitors are forced to purchase access into this infrastructure. In order to encourage competition in the industry, the ACCC is encouraging telephone service providers to develop their own telecommunications infrastructure (ACCC wants more Competition 2004).
5.4 Opportunities

The following were identified as opportunities available to Company Y (as established in the literature review, Chapter 2):

1) Changes in call centre approach to customer service: As discussed in Section 5.2.1, the call centre industry is adopting new outlooks towards approaching customer service, which have had a positive effect on CSR and customer satisfaction levels.

2) Shifts in industrial focus towards customer segments: As discussed in Section 5.2.1, this has helped companies differentiate their products and capture customer loyalty.

3) Increased industrial emphasis on call quality and outcomes: As discussed in Section 5.2.2, this has been linked to increased employee and customer satisfaction.

4) Increased use of technology in call centers: As discussed in Section 5.2.5, the call centre industry has invested heavily in technology that enhances service efficiency and aids cost reduction.

5.5 Threats

1) Increased competition in the call centre market: With the rapid growth of call centres in the industry (as stated in Section 5.2.2), telephone service providers could terminate their contract with Company Y and enlist the services of a competing call centre.

2) Changing nature of the CSR experience: The growth of more attractive and engaging CSR roles (Fox & Hall 2002), such as that in SalesForce, could have a negative effect on the number of people willing to work for Company Y.
5.6 Conclusion

The external analysis consisted of an environmental scan and finished with the opportunities and threats faced by Company Y.

The next chapter will provide an internal analysis on Company Y.
Chapter 6
Internal analysis

6.1 Introduction

This chapter covers Company Y’s vision, focus, information technology, sustainable competitive advantage, management team, strengths, and weaknesses.

6.2 Business profile

6.2.1 Vision

Company Y’s vision is to be the 'best' call centre in Australia in terms of the value they provide to their clients. The values they wish to provide are: quality, service and innovation (DHP, Director, Company Y, pers. comm., September 2005).

6.2.2 Focus

Company Y uses its call centre operations for the following four different purposes: 1) Customer acquisition, 2) Debt collection, 3) Customer Service Support, and 4) Virtual office operation (DHP, Director, Company Y, pers. comm., September 2005).

6.2.3 Information technology

Company Y prides itself in using the latest technology and is second to none when it comes to technology and reporting processes (DHP, Director, Company Y, pers. comm., September 2005).
6.2.4 Sustainable competitive advantage

Company Y differentiates itself from competitors by involving the client in all stages of the campaign launch and management processes. The following provides a clear description of how the client is involved at all stages.

Company Y starts off by completely understanding the client’s business and its requirements. Company Y then produces a tailor made strategy for the client, which includes clearly stated sales goals and outcomes. Once an agreement has been reached, Company Y continues with the following two phases of implementation (DHP, Director, Company Y, pers. comm., September 2005):

1) Project launch:
During the project launch phase, Company Y:
- Works in collaboration with the client to determine the deliverables and metrics of success.
- Deploys an operations team and a technology team to establish the required infrastructure
- Recruits the appropriate people to implement the project
- Trains the recruits to ensure they competently and professionally achieve the agreed deliverables and goals

2) Project implementation: After the launch, Company Y does the following:

- Implements quality control activities such as call monitoring and coaching
- Reports to the client on a daily basis in a pre-agreed format
- Prepares a weekly analysis of project performance against the agreed deliverables and metrics
- Consults regularly with the client through meetings and conference calls to ensure clear and open communication throughout the project.
6.3 The management team

Managing Director:
He gained an MBA from ZZ University in USA. Has over seven years experience in the areas of General Manager, O & M, Sales and marketing, commercial and customer support. He has worked with large organizations and has diverse work experience in USA, UK, India and Australia. As a Director, he has been the architect of the company's global generics strategy. He has helped create new growth platforms for Company Y (DHP, Director, Company Y, pers. comm., September 2005).

Business Development Director:
He gained an MBA from YY University in Melbourne, Australia. He is the co-founder of the company and has varied experience in the telecommunications, energy and holiday industries. He now mainly focuses on the Business Development of Company Y (DHP, Director, Company Y, pers. comm., September 2005).

Chief Operations Officer & Director:
He is also the co-founder of the company and is mainly involved in the operations side of the business. He has a wide variety of experience in the outbound and inbound sales environment and leads the operations team in Australia. He graduated from XX University with a MBA with a specialization in Human Resource Management (DHP, Director, Company Y, pers. comm., September 2005).

Business Development Manager:
He has MBA with six years experience with multinational companies Fortune 500 companies. He now manages the acquisition and launch of new campaigns. His creativity has enabled Company Y to provide innovative solutions to many of our clients (DHP, Director, Company Y, pers. comm., September 2005).
Operations officer 1:
He has been with Company Y since 2001 and has specialized in the outbound sector of Company Y. He now manages the Business to business campaigns and has a work force of 100 people working under his domain (DHP, Director, Company Y, pers. comm., September 2005).

Operations Officer 2:
He Graduated from AA University in Melbourne, Australia. He has been with Company Y since 2002. He started off as a telesales representative and has now become an Operations Officer by demonstrating a proven track record and good performance. He manages the residential campaigns, both inbound and outbound which has 100 people working during the after hours (DHP, Director, Company Y, pers. comm., September 2005).

6.4 Strengths

The following are Company Y’s strengths (DHP, Director, Company Y, pers. comm., September 2005):

1) Highly qualified management team: All six members are highly educated and have very strong backgrounds and extensive experience in the call centre industry.
2) Cost effectiveness: Company Y uses a low cost yet effective approach to running its call centre
3) Large, capable talent pool consisting of university students
4) A growing reputation for high levels of quality and customer service.


### 6.5 Weaknesses

The following are Company Y’s weaknesses (DHP, Director, Company Y, pers. comm., September 2005):

1) **Heavy accent**: A large proportion of employees speak English with a heavy accent. This may discourage customers as they feel that the call centre is located overseas. Many customers have a negative reaction towards call from overseas call centers.

2) **Work-University conflict**: Most employees are full time students (part-time workers) and tend to reschedule or abandon their shifts because of university commitments (exams, assignments, etc.).

3) **Reputation**: Poor reputation amongst potential employees.

4) **Turnover**: Relatively high turnover rates.

5) **Relationships with employees**: As discovered in Chapter 3, employee-management relationships are relatively poor.

6) **Training program**: As discovered in Chapter 3, employees do not feel that the training program is very effective.

### 6.6 Conclusion

This chapter consisted of the internal analysis for Company Y.
Chapter 7

Alternative strategies

7.1 Introduction

This chapter covers Company Y’s strengths, weakness, opportunities, and threats. It also provides a weighted SWOT analysis, and a TOWS matrix to help generate future strategies for Company Y.

7.2 Strengths

The following strengths of Company Y’s were established from the internal analysis in Chapter 6 (DHP, Director, Company Y, pers. comm., September 2005):

1) Highly qualified management team: All six members are highly educated and have very strong backgrounds and extensive experience in the call centre industry.
2) Cost effectiveness: Company Y uses a low cost yet effective approach to running its call centre
3) Large, capable talent pool consisting of university students
4) A growing reputation for high levels of quality and customer service.

7.3 Weaknesses

The following weaknesses of Company Y’s were derived from the internal analysis in Chapter 6 (DHP, pers. comm., September 2005):

1) Heavy accent: A large proportion of employees speak English with a heavy accent. This may discourage customers as they feel that the call center is located
overseas. Many customers have a negative reaction towards calls from overseas call centers.

2) Work-University conflict: Most employees are full time students (part-time workers) and tend to reschedule or abandon their shifts because of university commitments (exams, assignments, etc.).

3) Reputation: A poor reputation amongst potential employees

4) Turnover: Relatively high turnover rates

5) Relationships with employees: As discovered in Chapter 3, employee-management relationships are poor.

6) Training program: As discovered in Chapter 3, employees do not feel that the training program is very effective.

7.4 Opportunities

The following opportunities available to Company Y were derived from the external analysis in Chapter 5:

The following were identified as opportunities available to Company Y (as established in the literature review, Chapter 2):

1) Changes in the call centre industry’s approach towards customer service: As discussed in Section 5.2.1, the call centre industry is adopting new outlooks towards approaching customer service, which have had a positive effect on CSR and customer satisfaction levels

2) Shifts in industrial focus towards customer segments: As discussed in Section 5.2.1, this has helped companies differentiate their products and capture customer loyalty.

3) Increased industrial emphasis on call quality and outcomes: As discussed in Section 5.2.2, this has been linked to increased employee and customer satisfaction.
4) Increased use of technology in call centers: As discussed in Section 5.2.5, the call centre industry has invested heavily in technology that enhances service efficiency and aids cost reduction.

7.5 Threats

The following threats to Company Y were derived from the external analysis in Chapter 5:

1) Increased competition in the call centre market: With the rapid growth of call centres in the industry (as stated in Section 5.2.2), telephone service providers could terminate their contract with Company Y and enlist the services of a competing call centre.

2) Changing nature of the CSR experience: The growth of more attractive and engaging CSR roles (Fox & Hall 2002), such as that in SalesForce, could have a negative effect on the number of people willing to work for Company Y.
7.6 Weighted SWOT

7.6.1 SW Matrix

Table 7.1 Weighted SW Matrix

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weight</th>
<th>Factor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Highly qualified management team</td>
<td>7</td>
<td>4</td>
<td>28</td>
</tr>
<tr>
<td>(2) Costs effectiveness of operations</td>
<td>8</td>
<td>8</td>
<td>64</td>
</tr>
<tr>
<td>(3) Capable talent pool</td>
<td>6</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>(4) Growing reputation for good quality service</td>
<td>8</td>
<td>6</td>
<td>48</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Weight</th>
<th>Factor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Foreign accent</td>
<td>8</td>
<td>6</td>
<td>48</td>
</tr>
<tr>
<td>(2) Work-university conflict</td>
<td>5</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>(3) Reputation amongst employees</td>
<td>7</td>
<td>5</td>
<td>35</td>
</tr>
<tr>
<td>(4) Turnover</td>
<td>7</td>
<td>7</td>
<td>49</td>
</tr>
<tr>
<td>(5) Relationships with employees</td>
<td>9</td>
<td>8</td>
<td>72</td>
</tr>
<tr>
<td>(6) Training program</td>
<td>7</td>
<td>7</td>
<td>49</td>
</tr>
</tbody>
</table>

Source: Author

After weighting table 7.1, Company Y’s strengths in order of relevance were:
- Cost effectiveness of operations
- Growing reputation for good quality service
- Capable talent pool
- Highly qualified management team.
As a result of their high scores, the focus from here on was on cost effectiveness of operations and growing reputation for good quality service.

Its weaknesses in order of relevance were:
- Relationships with employees
- Training program and turnover
- Foreign accent
- Reputation amongst employees
- Work-university conflict.

As a result of its high score, the focus from now on will be on relationships with employees.

7.6.2 OT Matrix

Table 7.2: Weighted OT matrix

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Weight</th>
<th>Factor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) New outlooks towards approaching customer service like teleworking.</td>
<td>5</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>(2) Shift in industrial focus towards customer segments</td>
<td>8</td>
<td>8</td>
<td>64</td>
</tr>
<tr>
<td>(3) Increased emphasis on call quality and outcomes</td>
<td>9</td>
<td>8</td>
<td>72</td>
</tr>
<tr>
<td>(4) Increased use of technology in call centers</td>
<td>7</td>
<td>8</td>
<td>56</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Threats</th>
<th>Weight</th>
<th>Factor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Increased competition</td>
<td>9</td>
<td>7</td>
<td>63</td>
</tr>
<tr>
<td>(2) Changing nature of CSR experience</td>
<td>9</td>
<td>8</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: Author
After weighting table 7.2, Company Y’s opportunities in order of importance were:

- Increased emphasis on call quality and outcomes.
- Shift in industrial focus towards customer segments.
- Increased use of technology in call centers.
- New outlooks towards approaching customer service.

As a result of their high scores, the focus from now will be on increased emphasis on call quality and outcomes and shift in industrial focus towards customer segments.

Its threats in order of importance were:

- Changing nature of CSR experience
- Increased competition

**7.7 TOWS Matrix**

The TOWS analysis shown in Table 7.3 cross-matched Company Y’s highest scored strengths and weaknesses with its crucial opportunities and threats. The table shows the future strategies for Company Y.
### Table 7.3 TOWS Matrix

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>(O1) Increased emphasis on call quality and outcomes</td>
<td>(S1O1) Use “cost effective” know-how to develop low cost techniques to measure call quality and outcomes.</td>
<td>(W1) Relationships with employees</td>
</tr>
<tr>
<td>(O2) Shift in industrial focus towards customer segments</td>
<td>(S1O2) Use “cost effective” know-how to identify and implement the most economical yet efficient self-service systems required for customer segmentation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(S2O1) Further the reputation for good quality service by focusing on the quality of calls as opposed to the quantity of calls. This will enhance employee satisfaction, customer satisfaction, and organizational performance.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(S2O2) Use its growing reputation in the market, and its proven track record to secure cost effective deals with leading customer segmentation software and hardware clients.</td>
<td></td>
</tr>
</tbody>
</table>

(O1W1) Instruct employees to focus on the quality of their conversations with customers and reduce the importance placed on call quantity. This increases employees’ freedom, trust in employees, customer satisfaction and employee satisfaction.

(O2W1) Give employees the freedom to tailor the product around customer needs. Abandon the “one for all” product approach, and empower employees to tailor the product to customer needs and preferences.
**Threats**

<table>
<thead>
<tr>
<th>Threats</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>(T1) Changing nature of CSR experience</td>
<td>(S1T1) Use “cost effective” and inexpensive means of promoting the CSR experience within the organization such as improving employee-management relations.</td>
</tr>
<tr>
<td>(T2) Increased competition</td>
<td>(S1T2) Sell “cost effective” approach to running call centers as a competitive advantage, and use it to secure interested clients.</td>
</tr>
<tr>
<td></td>
<td>(S2T1) Use growing reputation to initiate a call center “forum” or “federation” where various call centers can interact and exchange information on improving the CSR experience.</td>
</tr>
<tr>
<td></td>
<td>(S2T2) Company Y can merge with successful start-up call centers.</td>
</tr>
<tr>
<td></td>
<td>(W1T1) Form an alliance with a company that is a leader in maximizing the CSR experience.</td>
</tr>
<tr>
<td></td>
<td>(W1T2) Completely re-establish the current organizational culture towards focusing on employee-management relations. This will produce satisfied employees, satisfied customers, as well as an improved and more competitive organizational performance.</td>
</tr>
</tbody>
</table>

Source: Author

### 7.8 Conclusion

In this chapter, Company Y’s strengths and weaknesses were discussed as well as outside opportunities and threats. Furthermore, a TOWS matrix was used to create future strategies.

The last chapter makes recommendations to improve employee satisfaction for Company Y and concludes the study.
Chapter 8
Recommendations

8.1 Introduction

The previous chapters have pointed out that Company Y has significant weaknesses when it comes to the ‘human’ factor involved in running an organization. The secondary data analysis in Chapter 4 pointed out that the employees were not very satisfied with the employee-management relations and training in Company Y. Moreover, the pie charts also established the low levels of commitment and motivation that employees experienced while working for Company Y.

Chapter 2 reviewed the literature and highlighted the relationships between employee-management relations, training, employee commitment and employee motivation. Although a strong link existed between each one of these elements, employee-management relations was identified to be the key factor that contributed to employee commitment, employee motivation, and in the end employee satisfaction. The TOWS matrix also highlighted employee-management relations as a crucial weakness. Moreover, the TOWS matrix also established alternate strategies for Company Y to pursue.

This chapter provides recommendations, in addition to the alternate strategies formulated in the TOWS matrix, on how Company Y can improve its employee satisfaction levels. The recommendations provided in this chapter were formulated through:

- Adopting the strategies presented in the literature review.
- Using the TOWS matrix in Chapter 7.
- Consulting with MG, an ex-employee of both Company Y and SalesForce.
As an ex-employee of both organizations, MG was able to point out the fundamental managerial differences between the two companies and why he believed that SalesForce was able to top the Hewitt Associates’ Best Employer List (Fox & Hall 2002).

8.2 Recommendations

The recommendations provided in this chapter are based on the findings presented in the literature review in Chapter 2, my interview with MG (MG, Ex-employee in Company Y and SalesForce, pers. comm., September 2005), the data analysis from Chapter 4, the TOWS Matrix from Chapter 7, and my personal experience as an employee in Company Y (Insider Source, Author, Company Y Employee, June 2004 – October 2005).

1) Management must greet employees by their names, from the very first day of their introduction into the workforce. This improves employees’ sense of self-worth, and increases their productivity.

2) Management must occasionally assume the role of the CSR. This strengthens the employee-management relationship by establishing a strong sense of trust between the two parties.

3) Instill an open door policy:

There are three cited benefits to this approach (Butler 2004):
   a. It creates a transparency between employees and management.
   b. It nurtures a strong sense of faith in management.
   c. It demonstrates the respect management has for employees by granting them access to the highest levels of the organization.

This type of culture was prevalent in SalesForce and was attributed by MG as the main factor behind employee satisfaction.
4) Reward and recognize employee performance: Employees feel more acknowledged, important, and motivated to perform as a result of the strong respect that develops for the management team. This was a daily practice in SalesForce where employees were rewarded with praise and were even made coffee for good performances. Moreover, lack of performance should not be frowned upon. Unlike Company Y, CSRs at SalesForce were never criticized for underperforming.

5) Management should practice better, and more open communication skills. This can be achieved by starting, owning, active listening, creating safety, and taking risks.

6) Ask employees for information about their performance: Always ask employees for input on their performance, and hindrances to their performance. This was rarely done in Company Y. SalesForce conducts monthly meetings specifically designed to collect employee thoughts and complaints. This increases the voice that CSRs have within the organization.

7) Explain the rewards system: Management needs to be fully aware of their rewards system and needs to convey them clearly to employees. Moreover, rewards must be awarded without exception when pre-set goals are achieved. In Company Y, on the spot bonuses were often a subject of concern amongst employees as the management would, all of a sudden, alter the requirements needed to attain the bonus. This kind of randomness generates cynicism and not motivation.

8) Engage employees: Give employees an established medium through which they can air their thoughts and grievances (refer to recommendation 6). This also provides employees with decision making power. Employees in SalesForce had a lot more decision making power when compared to employees in Company Y, and this increased their job satisfaction.
9) Know your team and their intrinsic motivators: Understanding each CSR’s intrinsic motivators is the best way to increase a sense of belonging and attachment to the organization.

10) Provide choices: Once employees have understood exactly what they need to achieve, they must be given the choice to determine how they moved forward. At SalesForce, targets were set early on in the day and employees were left to achieve them at their own pace. This reduced the stress and pressure they experienced at work and improved job satisfaction.

11) Establish avenues for skills enhancement: Provide training, coaching, mentoring, and peer support when employees need it. The data analysis in Chapter 4 showed how unimpressed Company Y employees were by the training program and the feedback given by the management team. SalesForce on the other hand has a dedicated self-improvement team that monitors employee calls and provides positive, constructive advice, in private, on how CSRs can improve their sales techniques. This made employees at SalesForce feel very comfortable asking for help when they needed it.

12) Evaluate employees: Evaluate employee performance frequently. This was not a common practice in Company Y, whereas in SalesForce, the dedicated self-improvement team facilitated this process.

13) Create an enjoyable organizational culture: The organizational culture at SalesForce was described as “all smiles, all the time”. The management never criticized their employees and was always positive in their approach to problem solving. This had a trickle down effect to the employees, and created a group of content employees who had high levels of job satisfaction. It is extremely important for Company Y to adopt such a homogeneous cultural stance. Although some supervisors in Company Y were cited as being very capable with the ‘human’ factor, this type of behavior needs to be prevalent throughout the organization in order maximize the effect on employee satisfaction.
The following are the alternative strategies derived from the TOWS matrix:

1) Company Y must use strength in creating cost-effective processes to develop low cost techniques that measure call quality and outcomes. For instance, Company Y can use its existing network to identify low cost, yet efficient means of measuring this process.

2) Company Y must use its available resources and networks to identify the most economical yet efficient self-service systems required for customer segmentation.

3) Company Y must further their reputation for good quality service by focusing on the quality of calls as opposed to the quantity of calls. This will enhance employee satisfaction, customer satisfaction, and overall organizational performance.

4) Company Y must use its growing reputation in the market, and its proven track record to secure cost effective deals with leading customer segmentation software and hardware clients.

5) Company Y must instruct their employees to focus on the quality of their conversations with customers and reduce the importance placed on call quantity.

6) Company Y must give employees the freedom to tailor the product to customer needs. They should abandon the ‘one size fits all’ approach and empower employees to tailor the product around customer needs and preferences.

7) Company Y should position themselves as a low cost, high quality provider of call centre services, and use this as a competitive advantage to secure potential clients.
8) Company Y should use their growing reputation to establish a ‘call centre forum’ or ‘federation’ where various call centers can interact and exchange information on improving the CSR experience.

9) Company Y can merge with successful start-up call centers.

10) Company Y can form an alliance with an organization that is well renowned for maximizing their CSR experiences.

### 8.3 Directions for future research

Although this study shows that certain practices by Company Y can lead to significant improvements in employee satisfaction, a distinction has not been made between the effect that these practices have on part-time and full-time workers. Therefore, the following have been identified as future research directions:

- Discern the difference in turnover rates between part-time and full-time workers, and identify the factors that influence turnover rates for full-time and part-time workers.
- Discern the effect that employee-management relations have on full-time and part-time workers and identify the relevant factors that influence full-time and part-time workers.
- Discern the importance of the training program to full-time and part-time workers and identify the relevant factors that influence full-time and part-time workers’ view of the training program.
- Identify the difference in productivity levels between full-time and part-time workers.

Moreover, upon referring to Company Y’s weaknesses and the limitations of this study, the following directions for future research have also been established:
Discern the effect of cultural accents on the Australian population’s willingness to purchase Company Y’s services.

Conduct a replication of the study that encompasses primary and secondary data from all of Company Y’s offices.

8.4 Conclusion

This chapter provided recommendations on how Company Y could improve its employee satisfaction levels. Directions for future research were also identified. The literature review, data analysis, external analysis, internal analysis, personal experiences as an insider in Company Y, and personal communication with MG, an ex-employee of Company Y and SalesForce were used to provide recommendations.

This study focused on the importance of employee satisfaction as a KPI in telemarketing, and explored the following four specific elements of employee satisfaction: 1) Employee-management relations, 2) training, 3) employee commitment, and 4) employee motivation. Chapter 2, the literature review, defined and detailed the effect each of these elements had on employee satisfaction and also explored the relationships between these four concepts. Employee-management relations were found to be a powerful driver behind employee commitment, employee motivation, and overall employee satisfaction.

Chapter 3 described the research methodology and detailed how the collected data was used and analyzed. Chapter 4, the data analysis section of this report, analyzed primary and secondary data obtained from the management at Company Y. The analysis showed that CSRs, in general, did not feel very highly about employee-management relations and the training received. Moreover, low levels of employee commitment to the organization were also prevalent. Personal achievement and employee-management were found to have the strongest effects on motivation.

Chapters 5 and 6 respectively covered the external and internal analysis for Company Y. Findings from these chapters were then used to develop alternate strategies, in Chapter 7,
for Company Y. This entailed the use of the SWOT and TOWS matrix where Company Y’s main strength was determined to be its cost effectiveness of operations and its main weakness was determined to be employee-management relations. Its main threats were determined to be the changing nature of the CSR experience and increasing competition in the call centre market, while its main opportunities were determined to be the increased emphasis on call quality and outcomes and the shift in industrial focus towards customer segmentation.

Although recommendations have been provided for Company Y, it is imperative that they completely revamp their organizational culture before the suggestions are implemented. Blindly implementing these recommendations will not improve employee satisfaction, as they will be hindered by an unsupportive culture. A positive, friendly, learning, and open organizational culture needs to be established for these recommendations to flourish into improved employee satisfaction.

As demonstrated in this study, employee satisfaction is a vital aspect in call centers that heavily contributes towards the organization’s overall performance. CSR behavior mirrors the extent to which they are satisfied with their job. A highly satisfied employee will hence provide more effective customer service, produce happier customers, and in turn, promote the long run sustainability and profitability of Company Y.
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Appendix A: Permission to use Secondary Data

To the appropriate body at Swinburne University,

This letter is to certify that all the data obtained by Wasif Kasim during his tenure with our organization was previously available within our organization for our own personal use. As far as our anonymity and confidentiality of all participants are preserved, he has been granted full permission to use this information towards the development of his dissertation.

———

Sincerely,

(Name) IDENTITY CONCEALED
(Position) DIRECTOR

(Date) 12.10.2005
Appendix B: List of Member countries of the OECD

OECD MEMBER COUNTRIES

Twenty countries originally signed the Convention on the Organization for Economic Co-operation and Development on 14 December 1960. Since then a further ten countries have become members of the organization. The Member countries of the Organization and the dates on which they deposited their instruments of ratification are:

AUSTRALIA: 7 June 1971
AUSTRIA: 29 September 1961
BELGIUM: 13 September 1961
CANADA: 10 April 1961
CZECH REPUBLIC: 21 December 1995
DENMARK: 30 May 1961
FINLAND: 28 January 1969
FRANCE: 7 August 1961
GERMANY: 27 September 1961
GREECE: 27 September 1961
HUNGARY: 7 May 1996
ICELAND: 5 June 1961
IRELAND: 17 August 1961
ITALY: 29 March 1962
JAPAN: 28 April 1964
KOREA: 12 December 1996
LUXEMBOURG: 7 December 1961
MEXICO: 18 May 1994
NETHERLANDS: 13 November 1961
NEW ZEALAND: 29 May 1973
NORWAY: 4 July 1961
Appendix B: List of Member countries of the OECD (p 2)

POLAND: 22 November 1996
PORTUGAL: 4 August 1961
SLOVAK REPUBLIC: 14 December 2000
SPAIN: 3 August 1961
SWEDEN: 28 September 1961
SWITZERLAND: 28 September 1961
TURKEY: 2 August 1961
UNITED KINGDOM: 2 May 1961
UNITED STATES: 12 April 1961
Appendix C: Source of secondary data

1.0 To what extent would you agree with the following statements?

Supervisors and managers make all the decisions, and I have no say.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

In this company, I feel like a “cog in the wheel” or “just another number”.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

I would like to have the authority to make my own decisions.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

My supervisor cares about me as a person.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

Supervisors provide me with positive feedback on my call handling skills.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

Supervisor’s feedback improves my performance.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

I can discuss any issue with my supervisor.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

Management is concerned about my complaints or problems.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

There are official avenues available to file any complaints.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

Management has earned my respect.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

Management respects me.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

Management recognizes me for my efforts.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

Management encourages and supports my progress.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5

Management listens to my suggestions/complaints.

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5
Appendix C: Source of secondary data (p 2)

2.0 To what extent do you agree with the following statements?
Training provided is satisfactory
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Training prepared me to deal with difficult customers and rejections
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Management monitors our calls to train us to be better
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Management identified each individual’s strengths and weaknesses
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Management trained each individual to overcome their weaknesses
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5

3.0 To what extent do the following affect your motivation towards work?
Personal achievement
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Recognition for your efforts
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Nature of the job
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Career advancement opportunities
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Salary
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Employee to employee relations
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Employee to management relations
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Working conditions
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5

4.0 To what extent do you agree with the following statement?
I feel a sense of pride & loyalty when working for this company.
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
I feel a sense of loyalty when working for this company.
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
I would leave this job for a similar job with higher pay.
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
I have a voice in the organization and management takes me seriously.
☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5
Appendix C: Source of secondary data (p 3)

5.0 What is your current employee status?

☐ Full time (>=35 hours/week)  ☐ Part time (<=20 hours/week)

☐ You work between 20 and 35 hours/week  ☐ Other (please explain) …

Time in present employment? ……Years…… Months

Hours worked this job per week? ……Hours

6.0 If you have any additional comments or suggestions, please write them below.

………………………………………………………………………………………………
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Appendix D: Questions for the company manager

1) Who are your direct competitors in the telephone services outsourcing market? Statistics?

2) Which providers do you currently offer your services to? Why did they choose you?

3) On what basis is your organization paid for its outsourcing services?

4) What are your company’s strengths and weaknesses?

5) What rate of turnover is your organization currently experiencing, and how does this impact your recruitment policy?

6) In order of importance, list the Key Performance Indicators (KPI) currently used by your organization

7) Are calls monitored and reviewed? If so, how often, and why?