Call centre management: responsibilities and performance

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Structured Abstract

Purpose: to investigate call centre management from the perspective of the managers, particularly what the key management responsibilities are in managing call centres and the key performance indicators used in managing call centres.

Methodology: a survey of call centre managers, followed by in-depth interviews.

Findings: there is confusion over the strategic intent of call centres. Centres are primarily used by organisations as a means of reducing costs, with customer service delivery a secondary consideration. Call centre managers, however, declared customer service as their main management responsibility.

Practical implications: the metrics employed in the call centres resulted in managers concentrating on the call itself rather than the outcome of the call from the perspective of the customer or the organisation. Some quantitative measures were used as proxies for customer service, but the achievement of the relevant key performance indicator became a goal in its own right. There appears to be an insatiable appetite for quantitative performance measures, despite their limitations, almost to the exclusion of all other performance measures.

Value: the implication of the results for call centre managers, and their managers, is that call centres could be better managed if a wider range of means and measures were used.

Keywords: call centres, key performance indicators, performance metrics, customer service

Article type: Research paper

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Abstract

Call centres have been described as an enabling resource for enhanced customer service, as a cost saving strategy, and a combination of both. Call centres are people intensive, resource demanding environments with complex management challenges.

Using data from both a questionnaire and follow-up in-depth interviews of call centre managers, it is shown that there is confusion over the strategic intent of call centres. Centres are primarily used by organisations as a means of reducing costs, with customer service delivery a secondary consideration. Call centre managers, however, declared customer service as their main management responsibility. A lack of congruence was uncovered between what the managers declared as their primary responsibility and the key performance indicators employed to measure the success of their endeavours. Overwhelmingly, the key performance indicators were skewed in favour of the quantitative. The metrics employed in the call centres resulted in managers concentrating on the call itself rather than the outcome of the call from the perspective of the customer or the organisation. Some quantitative measures were used as proxies for customer service, but the achievement of the relevant key performance indicator became a goal in its own right. There appears to be an insatiable appetite for quantitative performance measures, despite their limitations, almost to the exclusion of all other performance measures. The implication of the results for call centre managers, and their managers, is that call centres could be better managed if a wider range of means and measures were used, including greater attention to the customer service and strategic goals of the centre.

Introduction

Managers of call centres face many challenges. They are responsible for operations that are capital intensive, with a high demand for continual investment to keep up with rapid developments in technology. They are also responsible, in many cases, for large numbers of staff often working across several shifts. This particular research is interested in investigating what the key management responsibilities are in managing call centres and the key performance indicators used in managing call centres.

A call centre, using Taylor and Bain's (1999) definition, "is a dedicated operation in which computer-utilising employees receive inbound, or make outbound, telephone calls, with those calls processed and controlled either by an Automatic Call Distribution (ACD) or predictive dialling system" (Taylor and Bain, 1999, p. 102). The call centre is characterised by the integration of telephone and visual display unit technologies. More recently, call centres have had an additional technology, the Inter-active Voice Response (IVR), overlaid upon existing technologies.

In addition to being able to place inbound calls in a queue and allocate them to call centre agents, the ACD technology is able to provide a high level of sophisticated electronic management information and call centre statistics. A great array of statistics is available, providing call centre management with tools not readily available to their peers in many other industries. Call centre managers are able to track the number of calls per agent, the number of abandoned calls, the time taken to abandon, the average speed to answer calls, the occupancy rate of agents (the percentage of time agents handle calls versus waiting for calls to arrive), the service level (percentage of calls answered within a prescribed time frame), the identification of the call waiting longest in a queue, the identification of the agent who has been sitting idle the longest, which agents are on calls, on breaks or completing post call wrap up work and how long the wrap up work is taking per call on average. All of this information is available on a real time basis as well as in cumulative report form.

With the abundance of such management information, many call centres have become preoccupied with measurements (Call Centre Management, 2000, p. 4). In some call centres, the availability of statistics has played a large part in determining targets for call centre agents. There is a concern that call centre management is "measuring what is easy to measure rather than what is important to measure" (Call Centre Management, 2000, p. 5). From the union viewpoint, an Australian Council of Trade Unions (ACTU) paper claims that it is a "widely held perception that call centre performance measurement is heavily weighted towards productivity measures rather than an emphasis on quality" (ACTU, 2002, p. 13). Many Australian call centres do not monitor customer satisfaction. This suggests that there is a "large deficit in the ability of call centres to meet standards which will be expected from an industry ever increasing in its ability to conduct sophisticated total customer service functions" (ACTU, 2002, p. 13).

Whilst call centre management strive for greater control, they face a quality versus quantity dilemma. Taylor and Bain (1999) maintain that this is a perpetual and dynamic tension: should there be greater priority given to quantitative output or quality of service? A trade off between productivity and service quality can be confused with the difference between quantitative and qualitative measures, even though some quantitative metrics, such as call waiting time, are clearly measures of service.

This research focuses on call centre management responsibilities and key performance indicators used in Australian call centres. The specific research questions to be investigated are:

- What do call centre managers believe are their key management responsibilities?
- What do call centre managers believe their key performance indicators to comprise?
- What do call centre managers measure most in terms of determining successful achievement of their key performance indicators?

An assessment of how well the reported performance measures fit with the strategic objectives of the centres will be attempted.

This paper commences with a review of the literature on the management of call centres. This is followed by an outline of the survey and interview methods used to collect data and a presentation of the results. The findings are then discussed, leading to the conclusions.

Call centre management

Callaghan and Thompson (2001) argue that management in call centres relies heavily on technology not merely to govern the pace of work but to provide the means to assess the work and monitor workers. Control is institutionalised through technology and this is strengthened and deepened by the use of bureaucratic control in shaping the social and organisational structure of the call centre. They conclude that the "combined system of structural control is formidable and represents a clear example of capital's continuing attempts to convert labour power into profitable labour" (Callaghan and Thompson, 2001, p. 34). However, they see that despite the control framework there is still ample space for worker resistance and even misbehaviour, even when a sophisticated, overt surveillance system is present.

Frenkel and Donoghue (1996) address the quality versus quantity issue in a US based case study which examined what they saw as a significant shift in focus of call centres from a cost reduction strategy to a customer interface strategy. They contend that as the role of call centres becomes more sophisticated, managing them becomes more complex. In the case study, the organisation had espoused values of service excellence and identified high quality service provision as its only sustainable competitive advantage. The call centre employed performance standards including a service quality checklist, which aimed to promote consistency of service. But Frenkel and Donoghue (1996, p. 12) found that the realities of work in the call centre were more prosaic. Call centre agents were caught between the needs to deliver quality customer service and to maintain productivity. Work routines were tightly structured, agents just sat and took calls, only being able to take breaks at predetermined times. Although call handling statistics weren't being used to manage staff to higher call volumes, they were being used to monitor agent occupancy and there was evidence of increasing management emphasis on achieving and maintaining higher call volumes. Many call centre agents reported that they were feeling the stress of the competing pressures between maintaining quality service standards and meeting quantitative goals. Some agents reported that management wanted to know what agents were doing every minute of the day. Supervisors themselves felt the pressure of the conflict between quality and quantity. They perceived the focus on productivity as being in contradiction with managing staff as professionals in delivering quality customer service. Frenkel and Donoghue (1996, p. 13) concluded by claiming that at the time of their research, the organisation subject to the case study, "did not appear to have resolved whether its call centre operation was to be managed as a service factory (with an emphasis on productivity) or as a value adding professional service provider as implied by its vision".

Bain, Watson, Mulvey, Taylor and Gall (2002) examined the dichotomy between quantitative and qualitative targets within call centres. From consideration of case studies of four call centres in Scotland they concluded that target-setting was virtually institutionalised in the call centres and the targets involved what they described as 'hard' measures such as number of calls answered, as well as 'soft' measures such as the call centre agent's level of rapport with the customer. They concluded that the measurement of both the hard and soft measures was deeply rooted in the Taylorist scientific management methodology.

In another study, conducted at the call centre agent level, Wallace, Eagleson and Waldersee (2000) investigated the opposing goals of efficiency and service. They contend that in a call centre the tension between efficiency and service is more conspicuous than in most other service delivery channels. Their study, which involved case studies of four large call centres, examined the strategies adopted in the call centres. They described the work in each of the call centres as being similar in that call centre agents were required to take a high number of calls whilst contributing a significant amount of emotional labour being helpful, friendly and empathetic towards customers. Emotional labour was also expected in dealing with complaints which represented as much as thirty per cent of all calls. The consistency between espoused and perceived objectives was found to be low. At each of the call centres, the primary formal written and espoused strategic objective was to deliver high levels of customer service and satisfaction. However, in each of the call centres studied, the primary management priority as perceived by the call centre agent, was productivity delivered through low cost, high volume calls. In the control systems it was found that the call centre agents' schedule, their availability to take calls and their activity were monitored by the information technology system. The call centre agents had specific targets for talk time, wrap up time and abandonment rates. Supervisors also regularly monitored call centre agents in relation to service standards. This monitoring program was complemented by customer satisfaction surveys. At each of the four call centre studies, Wallace *et al* found that although they monitored quality and customer satisfaction to varying degrees, they all relied heavily on task-focussed management and measurement systems. They found that the performance objectives and performance management programs were weighted towards numerical quotas and targets for efficiency and speed.

High call centre agent turnover (ranging from 15 to 35 per cent per annum across the four call centres) was seen as part of a deliberate strategy to resolve the efficiency/service conflict. Wallace *et al,* (2000, p. 178) term this the "sacrificial human resource strategy". It is sacrificial because management sacrifices the enthusiasm and motivation of call centre agents. It is strategic because, it involves a "coherent set of management activities and attitudes" (Wallace *et al*, 2000, p. 175). The sacrificial human resource strategy delivers efficiency and service in parallel by requiring call centre agents to absorb the emotional costs. The enthusiasm of the call centre agent is sacrificed to provide efficient service without the costs that the organisation would otherwise have borne. The strategy is described as a conscious "misalignment between the task demands and call centre agent intrinsic motivation that results in agent stress, burnout and turnover" (Wallace *et al*, 2000, p. 179). This misalignment from using the sacrificial human resource strategy is adopted as the solution to the efficiency/service conflict. To succeed in implementing the sacrificial human resource strategy a call centre must have an efficient recruitment process (to ensure that they can keep up with the high turnover rate), be skilled at selecting intrinsically motivated staff, be adept in designing the work task (which minimises the need for newly recruited call centre agents to have organisational specific knowledge) and excel at monitoring staff performance. Wallace *et al* conclude that for a call centre with these four attributes, combined with a large pool of potential labour, adopting the sacrificial human resource strategy will be sustainable and result in delivering high levels of service together with efficiency.

The high rate of staff turnover in call centres has a consequential cost impact on the business and its stakeholders. This cost can be measured both in terms of direct costs of recruiting, inducting and training staff and in the indirect costs associated with the erosion of customer service. The Hallis Contact Centre Turnover Report (2002) estimated staff turnover to be in the order of 29 per cent per annum, with management treatment of staff being a key contributory factor towards this turnover rate. With turnover costs in call centres estimated by the Hallis Report to be in the order of A$12,000 per employee employed and with over sixty per cent of call centre operating costs being attributed to labour, the direct cost to business of staff turnover is high. The sacrificial human resource strategy may not even be effective in purely cost terms.

In contrast to the sacrificial human resource strategy, Kinnie, Hutchison, and Purcell (2000) describe a high commitment management strategy involving recruitment practices aimed at attracting and selecting highly committed and flexible staff. Job security and promotional prospects are offered to these staff. However there are good reasons why high commitment management may not be cost-effective in an environment of high surveillance where little job discretion exists, such as in many call centres. Their study involved two large call centres in the United Kingdom and they concluded that there was a paradox of imposing tight controls while simultaneously adopting high commitment management practices in a highly competitive environment where customer service is expected and worker empowerment is increasingly being sought.

It is evident that there are opposing views in relation to call centres and their management. The particular issues for management raised in the literature to date are matters of control and surveillance, measurement, service quality versus productivity, empowerment versus production line labour, staff turnover, stress levels and a possibly deliberate use of a sacrificial human resource strategy. Much of this research has been based on case studies of a small number of centres. Of interest are the intended consequences of call centre management action. These are better examined from the perspective of the managers rather than that of the employees, which is a more commonly taken approach in research into call centres.

Method

Data was collected from a questionnaire administered to call centre managers, followed by six in-depth, semi structured interviews with call centre managers. The questionnaire was directed at managers of major call centres in Australia to determine what they perceived as the key responsibilities and key performance indicators they had in managing their call centres. The questionnaire was designed to enable completion in approximately 15 minutes to assist in achieving a high response rate. There was sufficient insight into the issues accessible from previous studies and literature to enable the questionnaire to be framed, without the need for exploratory (or focus group) interviews beforehand. In addition to the questionnaire, interviews were conducted with six call centre managers to provide additional insights into the data collected from the questionnaires. These interviews were conducted after the data from the questionnaires had been analysed so that the interviews concentrated on those findings from the questionnaire that required further study.

The methodology employed in this study is similar to that employed by Taylor and Bain (1999) in their study of call centres in Scotland. Their survey was based on a telephone questionnaire with call centre managers to gather basic data such as workforce size, composition, industry sector and location. A more comprehensive written survey was used to gather complementary data. Key issues identified through provisional analysis of the completed questionnaires were then more fully explored in interviews with call centre managers. A similar approach was also taken by Wallace *et al* (2000) and Kinnie *et al* (2000).

Prior to sending out the questionnaire, it was subjected to two rounds of pilot testing with experienced call centre managers, with a revision process between the two rounds. After the pilot testing it was determined that the size of the questionnaire was suitable for call centre managers. The relevance of each question to this research was considered and all finally included were deemed appropriate. The clarity of each question was also considered, particularly in relation to the minimal amount of call centre jargon used in the questionnaire. Again, it was determined that the final questions were clear and that all respondents should have an understanding of the wording, with any jargon used common place in the call centre industry.

The scope of this study involves a focus on managers of large call centres (defined as having at least one hundred employees). As a result of their size, large centres are more likely to experience the need to use metrics to manage, to afford investment in advanced technology to improve productivity and to experience the tensions that are the subject of this research. It could also be argued that they are more representative of the future of the industry than most small centres.

To construct a listing of large call centres, a number of approaches were used. Large Australian companies were investigated to ascertain if they had a large call centre: of the largest one hundred companies listed on the Australian Stock Exchange, thirty-seven had call centre operations of a suitable size, including some of the largest call centres in Australia. Companies from industries known to use call centres as a major customer contact medium (such as the recruiting industry, the securities industry, the transport industry and the advertising industry) were investigated for large call centres. Other private sector companies were selected from the call centre industry representing mainly outsourced call centre solution providers. In the public sector, many government departments both at the state and federal level have call centre operations. Further large call centres were identified from sources including trade directories, telephone directories, referrals and personal knowledge. In total, a listing of two hundred large call centres was developed that represented the range of industries in which call centres operate and the diversity of centre types. The questionnaire was then sent by mail to two hundred managers of call centres throughout Australia.

The listing and responses were checked to ensure that the findings are not restricted to a particular type of centre. This was important for the validity and reliability of the results.

Call centres in the sample varied across attributes including hours of operation, functionality, purpose, industry and staffing policy. The operating hours varied from one shift per day through to a full seven days a week, twenty-four hours a day hour operation. The functionality of call centres varied from handling inbound calls only, to a variety of both inbound and outbound calls. Centres variously were concerned with customer information and complaints, purchasing, selling, and after sales service and support. Some call centres utilised IVR technology, predictive dialling, natural voice recognition and other technological aids, whilst other call centres are less sophisticated in this area. The staffing policy of call centres also varied from employing exclusively permanent full time staff to employing only casual staff or a combination of both full time and casual. Other differences included call cycle times, the level of unionisation and management styles and priorities.

Efforts to elicit a high response rate included guarantees of anonymity, provision of an explanation of the data handling protocols, personalisation of most letters, the use of regular mail with a postage stamp (Alreck and Settle 1995) and a professionally printed instrument.

Section one of the questionnaire established some basic data about the call centre manager such as age, gender and education level. Section two sought data on the call centre manager's specific organisation: industry sector, whether the organisation had a service charter and whether the call centre manager was able to relate the relevance of the charter to their operations. Section three sought answers about the call centre itself, mainly to establish that this study had a high level of representation from the various types of call centres. There were also some questions about the management of the call centre operation, particularly in relation to call monitoring and service standards.

Section four sought answers to questions about the call centre agents. Section five had questions about the call centre manager's role and level of job satisfaction. The final sections of the questionnaire related to the call centre manager's key performance indicators (KPIs), including identifying the top three formal KPIs, what the call centre manager considered to be their most important KPIs and ranking of a given list of KPIs commonly used in the call centre industry.

Six call centre managers were selected for later interview, with selection so as to cover the variety of size and operations. Due to restraints on the time and other costs involved in conducting and analysing interviews, only a small number of interviews could be carried out.

Six managers enabled a spread of centres across industries and variety of operations to be covered within the time and resources available. Interviews conducted after the questionnaire enabled issues identified from the survey results to be followed up in more depth (a method used for the same reasons by Taylor and Bain 1999). The interviews were tape-recorded and the theme of questioning was very similar with each interview. Following Callaghan and Thompson (2001), a research diary was maintained containing observations whilst in each call centre and contextual comments as appropriate. The interview method adopted was a combination of semi-standardised and open.

The interviews were of approximately one hour's duration. Whilst piloting the questionnaire the pilot group of call centre managers agreed that a one hour interview was a reasonable demand on a call centre manager's time. Each interview was conducted at the call centre manager's office, during operating business hours of the call centre, thus adding rich context to the interviews. The interviews generally followed the order of the questionnaire.

A large part of the interviews was devoted to questions about the interviewees' role as a call centre manager. In contrast with the questionnaire, where only a few lines were available for respondents to summarise what they enjoyed the most and least about their roles, the interviews provided greater opportunity for respondents to articulate their feelings. Similarly, there was greater scope to cover the important areas of KPIs and how they impacted on the management style of the call centre manager and their priorities. The managers were closely scrutinised on why certain KPIs were used and how these indicators were used in determining their individual responses to indicators that were unfavourable. Where there was inconsistency between the official KPIs and their desired KPIs the inconsistencies were examined.

Results

Survey results

Of the 200 questionnaires mailed, 130 were returned completed, representing a 65 percent response rate. This response rate is high in comparison with other surveys of practising managers (Zikmund, 1994, p. 209).

The vast majority (89%) of respondents reported that their organisation had a service charter or mentioned customer service in its mission statement, visions or values.

Managers were asked to list the key performance indicators for their role, and then asked what would be the three most important if they were to write their own KPIs. Half of the respondents listed their preferred KPIs as being the same as the formal KPIs, leaving half who had preferred KPIs which differed from their formal KPIs. The level of service (i.e. a measure of the form: X % of call answered with Y seconds; also referred to as the grade of service) was specifically listed by 37 per cent of respondents as their highest ranked formal KPI, with only 15 per cent listing customer service type KPIs as their highest-ranking formal KPI. This was in distinct contrast to the rankings of the preferred KPIs, where 37 per cent of respondents rated customer service/customer satisfaction type KPIs as their most important. The level of service KPI still ranked high with 20 per cent of respondents ranking it as their most important. A summary of the most important KPIs is shown in Table 1.

Take in Table 1 here

Respondents were then asked to rate eight given KPIs in order of importance (to themself as the centre manager). Of the eight available options, the combined responses ranked them as in Table 2.

Take in Table 2 here

The customer satisfaction index was ranked the most important in 58 per cent of the responses. At the other end of the spectrum, number of calls per agent was ranked the least important by 48 per cent of respondents. The "Importance Score" in Table 2 is the average ranking of each KPI. The KPIs are well separated on the Importance Score, reflecting the general agreement of the respondents on the ordering. There is a clear jump in importance between the higher ranked four KPIs, which are more about customer service aspects, and the bottom four KPIs, more to do with productivity of the centre.

The validity of these results rests on the care put into the construction of the questionnaire, the testing before use, the completeness of the data with minimal missing values indicating the questions were well understood by the respondents, and the internal consistency of the responses supporting that interpretation. The findings are not inconsistent with previous results (reported previously in the literature) and there is consistency across the survey and interview findings. The interviews found no concerns with the survey questions. Above all, the large response rate is a strong indicator of the trustworthiness of the results.

Interviews results

From observation of the centres during the visits to conduct interviews, it was evident that the managers were in pressure roles. Every call centre was a hive of activity with large numbers of staff. The managers had competing issues and priorities, with differing degrees of support from senior management. They all appeared energetic and focussed and spoke openly and comprehensively about their roles.

The centres were large, the largest had over 400 seats and took over three million calls per annum and the smallest had over 100 seats. The call centres were in a motoring organisation, financial services, health insurance, telecommunications, a utility and a ticket booking agency. Three of the call centres were in organisations which were the biggest in their respective industry sector and the other three were in the top ten organisations in their industry sector. Three of the call centres were located in the central business district of an Australian capital city, two were located in the suburban areas and one in a provincial city. All of the call centres handled a mix of inbound and outbound calls; however inbound calls were the primary focus of each.

The biggest constraint in allowing the call centre managers to do their job was cited as budgetary in every case. The concerns included a lack of capital investment in technology and a lack of commitment to funding requirements for increased staff levels. In one call centre, interestingly the one with the lowest level of staff turnover, job uncertainty was cited as the biggest constraint in allowing the call centre manager to do her job. A lack of understanding by senior management was also described as a problem with three call centre managers explaining that their managers did not fully appreciate the pressures of the call centre and the impact that the call centre had on the entire organisation.

Further questions dealt specifically with key performance indicators and management responsibilities. All six call centre managers discussed some aspect of customer service as an overarching management responsibility. Achievement of financial budgets was also nominated as a significant area of their management responsibility. The KPIs which lay beneath the management responsibilities varied.

Of interest was the KPI which the manager considered most important to them. To determine which KPI this was, the question posed was "Upon returning to your call centre after a lengthy absence what is the first thing you look at to tell you how the centre is performing?" In one call centre, formal quantifiable KPIs had not yet been instituted; however they soon were to be. In the case of that particular call centre, the number of calls per agent was considered the most important indicator of the manager's call centre performance. In another, the manager said "as soon as I come in, I head straight for the heat chart." The heat chart has the days of the week broken down into half hour cells. In each cell the percentage of calls answered within the prescribed time was recorded and colour coded from blue, a cool colour representing comfortable achievement of the KPI to red, a hot colour, representing non-achievement of the KPI. The manager would look at the hot spots on the heat chart to determine at a glance, where problems were occurring. This would lead to further enquiry to ascertain the root cause of the problem. The cause may vary from absenteeism, an abnormal peak in calls, incorrect rostering or increased call duration. In another call centre, a chart was also used, in this case measuring mean service time and average time per call. In this particular centre, the nature of the calls was highly standardised and there was an expectation that there should be little deviation of the call duration and service time across all calls. Where there was deviation, further investigation resulted.

All six call centres had, or were about to have, quantifiable and measurable KPIs. All of the call centres used work force management software and all had computer based, real time statistical reporting on KPIs such as call abandonment rates, level of service (X % of calls answered within Y seconds), average time in queue, average call duration, occupancy rates and calls per agent. Each call centre manager believed that the KPIs they were using were relevant and all had, or were having, input into the formulation of the KPIs used.

It was clear from the interviews that the call centre managers spent a considerable amount of time analysing statistical reports and reporting on their call centre's performance to senior management. Some believed that the level of reporting was excessive. It was relatively easy for senior management to micro-manage, given the amount and sophistication of data available in relation to the call centre; data that was not available for other areas of a large business. There was clear resentment in one case as it was only the areas where performance was adverse to agreed KPIs that ever received any attention. It was known that service channels within the business, as well as the call centre, had service delivery difficulties, however their results were not measured as closely and systematically and they 'escaped' critical scrutiny, the manager believed. At this call centre, the previous call centre manager was reported to have deliberately manipulated the KPIs by having call centre agents make calls to the centre which were answered and quickly terminated. This increased the number of incoming calls with a positive impact on the average level of service as the call was 'dealt with' almost immediately.

Whilst all call centres used some qualitative KPIs, these were considered as far less important in terms of reporting to senior management. The call centre managers took comfort when qualitative KPIs were met, however they were certain that these KPIs were subordinated to quantitative KPIs and this is where the managers focussed their efforts.

Discussion

The call centre managers involved considered themselves as part of the call centre industry, regardless of the industry in which their employer was situated. As a result of this mindset, there appeared to be a greater sense of co-operation and empathy amongst the call centre managers than would perhaps otherwise be expected in a commercial environment. It is suggested that this non-competitive attitude, together with the notion of being part of a not yet fully recognised industry, has contributed to a high response rate to the survey. Perhaps also the very nature of the call centre industry itself, being involved in customer service, market intelligence and data gathering, attracts managers with a predilection to participation in similar activities.

Customer service featured prominently as an overarching management responsibility, as did the achievement of financial budgets. Many managers saw a conflict between these two fundamental areas of their responsibility. In citing the single biggest constraint in allowing them to do their job, questionnaire respondents nominated an area with a financial impact in the majority of cases. In the interviews, every call centre manager cited budgetary restrictions as the major impediment in allowing them to fulfil their management responsibilities in their call centres. The budgetary restrictions applied both to capital investment and recurrent expenditure. The call centre managers coupled budgetary restrictions with a lack of understanding by senior management as to what pressures call centres operated under and how this impacted on an entire organisation. This is consistent with the findings of Wallace *et al* (2000). In their study of call centres, they found that there was an emphasis on operating at low unit cost levels with particular focus on productivity measures. With this senior management mind set prevailing, call centre managers advised during the interviews that gaining approval to match the funding of capital and other expenditure requirements with the espoused goals of customer service was difficult. This conflict is possibly present in many service delivery organisations however it is perhaps more critical in the context of a call centre as the impact is immediately manifest in long delays, customer dissatisfaction and possible eventual defection. The added difficulty for call centre managers is convincing senior management of the problem, as it is less obvious than queues of people who present for service personally.

With regard to KPIs, what was a management responsibility in the abstract did not necessarily translate into specific KPIs. From the questionnaire, level of service, being a measurable element of performance in terms of a percentage of calls answered within a prescribed number of seconds (or similar measure), was used as the dominant KPI. This may be argued to represent a proxy for customer service, but the reality is that the KPI becomes a goal in its own right. The preferred KPI in the majority of call centre manager questionnaire responses was customer service, followed by level of service. During the interviews, where the aspect was explored in more depth, despite managers' stated primary responsibility for delivering quality customer service, their attention was more firmly focussed on quantitative measures which were proxies for service. Each interviewed manager had computer based, real time statistical reporting available across a wide array of KPIs. This heavy reliance on quantitative KPIs supports the findings of Knights *et al* (1999). They found that where qualitative KPIs had been introduced in an effort to address service quality issues, quantitative KPIs quickly overwhelmed them in response to any decline in the call centre's productivity. The qualitative KPIs emphasised quality, empowerment and integration, which resonated with the organisation's stated quality goals. However, these ideals were quickly forsaken for more expedient measures. Gilmore and Moreland (2000) found similar conflict in the quantity/quality objectives. There was strong evidence, both from the questionnaire responses and the interviews that a production line approach was being utilised.

A focus on measurement seems to have permeated the industry. This is supported by vendors of software, with continual increases in the ability to measure quantitative elements of a call centre's performance, an approach alluring to call centre managers in their quest to satisfy senior management that their call centre is performing well against other call centres using a standardised approach. The level of service measure of “80 per cent of calls being answered within 30 seconds” is common place in call centres. This is an unsophisticated measure, however it is one that has become somewhat of a norm and as long as the level of service is being achieved, other more meaningful measures become less important. The approach is in stark contrast to that favoured by Wallace *et al* (2000). They were of the view that the tension between efficiency and service is prevalent in call centres, however one of the few predictors of long-term profitability they found was in fact a high level of customer service, not necessarily high levels of efficiency.

With the convergent notions of what constitutes relevant KPIs, predicated on quantitative measures, a cornucopia of tools has become available to assist in the process of measuring and the reporting of results. For example, one product’s support literature states:

> An on board database holds statistics on every facet of every contact from the time it arrives at the telephony switch through to its termination, allowing managers to report on areas such as volumes, agent activity, abandonment rates, wrap-up codes and service levels, in fact more than 100 reports are available detailing all aspects of the contact centre operation. (Zeacom 2004).

That many aspects of a call centre are able to be measured fuels a desire to perform measurement tasks, and more tools then become available to satisfy this seemingly insatiable appetite for performance measures. This appears to have created a cycle which shows little sign of being interrupted.

Some measures, those provided by the centre’s computer system and those included in standard software, are much more readily and cheaply available to managers than others. The more difficult and expensive measures are typically those that need to be collected from other sources, such as surveys of customer satisfaction. Whilst the more available measures include some aspects of customer service (such as time waiting to be served and time taken to handle the call), they are predominantly productivity orientated.

In this climate of quantitative performance measures, the monitoring of these KPIs becomes the ‘main game’. In one instance, call centre agents were reported to have been encouraged to call their own call centre and churn calls in an effort to manipulate the statistics being recorded by the various automated systems. Call centre managers can find themselves slaves to the measurement system. When the interviewed managers were asked the first thing they would look at after a lengthy absence, all nominated one or more quantitative KPI reports. Not one call centre manager mentioned qualitative reports, even as rudimentary as a complaints register to gauge the customer service health of their call centre. Given that 89 per cent of questionnaire respondents confirmed that their organisation had a service charter or mentioned customer service in its mission statement or visions and values, the lesser regard for customer service by call centre managers in their management of KPIs underscores a mismatch between an organisation's desire for customer service and what is actually measured. As call centres are quickly becoming many organisation's main customer interface channel, this mismatch through metric irrelevancy may have undesirable consequences. It appears that the call centre managers are devoting much of their time in managing aspects of their operation that don't really have a lot to do with customer service. Grades of service, duration of calls, and calls per agent are meaningless measures, even if they are favourable, if the client base is self liquidating due to poor customer service experience.

Some level of confusion over the strategic intent of call centres is evident in the data. In the majority of the call centres researched, the organisation in which they were operating had espoused definite strategic visions regarding customer service, however the actual practice of management of the call centre did not mesh with this vision.

The ability to control has perhaps increased the desire to control and the desire for control has been satisfied by increasingly sophisticated control mechanisms. The technological advancements in the call centre industry, particularly the increasing sophistication of the tools employed to deliver quantitative analysis of a call centre, may be the drivers of what is considered important for call centres to manage. Feinberg *et al* (2000) claim that ease of measurement leads to automatic reporting of certain attributes of a call centre. This was observed in the call centres studied. The problem is that the ease of measurement which leads to automatic reporting can create the belief that the attributes being measured are important. When automatic call distribution was first introduced, systems automatically provided reports detailing the length of time call centre agents spent on each call. Now that call centres have measured this and other quantitative aspects of their operations for so long, they have become entrenched measures.

The pursuit of inadequate quantitative measures challenges the claim that call centres are primarily designed as a means of providing customer service. The reality, not often openly articulated, is that measures to save costs appear to take precedence over ability to improve customer service. The metrics employed in the call centres researched forced managers to concentrate on the call itself and not the outcome of the call from the customer's or the organisation's perspective.

Managers need to consider metrics more appropriate to achieving their organisational goals. Senior management should be asking for more than charts, graphs and a raft of statistics. They should not allow themselves to be deluded into thinking that favourable productivity statistics translate into a positive report in terms of a call centre's performance in delivering value to the organisation and its customers. More meaningful measures, such as first call resolution, need to be added to the managers' KPIs. A greater effort should be made to determine what will satisfy customers in each organisational setting. Attaining a target such as "80 per cent of calls being answered within 30 seconds" is a hollow result if the quality of the calls is below the customer's expectations. Achieving such a result could mask the problem of all calls potentially being poorly handled and customers being disenfranchised and eventually defecting. The pressure to meet the target may result in calls being handled inappropriately, causing call centre agents to miss vital information or fail to complete post-call work effectively, leading to potential down stream problems in customer fulfilment or even leaving the organisation exposed in the event of subsequent legal action (for example, when insufficient information has been recorded by the call centre agent). Leadership and perhaps some courage are required to break with what have become the industry norms of managing call centres.

The introduction of more appropriate measures may deliver a by-product in the form of reduced call centre agent turnover. Major productivity and efficiency gains can be envisaged in this area. The survey revealed that call centre agent turnover was a problem (40% of respondents reported annual turnover of agents was over 10%), however little was being done to address the fundamental causes of the turnover. Each time that a call centre agent leaves a call centre, they take with them at least some level of experience and knowledge, not immediately available with a new replacement. Not only is the replacement less productive than the original agent, there is a further general reduction in productivity as resources are directed to the replacement agent in terms of induction and training.

A Balanced Scorecard approach could be the way forward for call centre management. The Balanced Scorecard (Kaplan and Norton 1996) provides for the multiple measures, across a number of dimensions, that are called for. Using the Balanced Scorecard would ensure that financial, customer service, productivity and staffing dimensions were all considered in the management of call centres, and in the evaluation of that management. A good Balanced Scorecard achieves a balance between long- and short-term objectives, between internal and external view points, between lagging and leading indicators of performance and between financial and non financial measures (Kaplan and Norton 1996 p.viii). The narrow focus of much call centre management could be broadened, and arguably made much more effective, in this way, whilst retaining the focus on metrics as a key to management performance. The metrics, criteria and their relative importance could all be made clear and transparent in such a framework.

Also, importantly, the Balanced Scorecard is built on explicit linkages of the performance measures to corporate strategy (Kaplan and Norton 2001), the lack of which has been identified as a key weakness in the management of call centres. The real drivers of performance, and contribution to the company overall, need to be understood and incorporated into the metrics used to assess the performance of call centres and their management.

Conclusions

This research has sought to make a contribution to improving the management of call centres. The first step was a survey of centre managers, to develop understanding of how managers see their main responsibilities. The results expose serious limitations in the management of call centres, which then lead to suggestions to improve their management.

The key management responsibilities were seen to be a combination of achieving customer service goals and meeting financial budgets. There was strong evidence of a conflict between these two responsibilities.

Quantitative KPIs were dominant in what call centre managers believe to be their key performance indicators. The measurement of many aspects of the call centre performance was at odds with the espoused management responsibility of customer service. There was evidence that the achievement of norms in quantitative KPIs became the goal itself.

It was clear from the findings that little emphasis is placed on qualitative measures. In all cases, call centre managers had their favourite litmus test of performance and all involved a quantitative measure such as “80 per cent of calls being answered within 30 seconds”, abandoned call rates or an activity chart of some sort. Even rudimentary qualitative assessments such as the number of complaints received were not considered key measurements of the call manager’s successful achievement of KPIs.

The call centres included in this study displayed contrasts across a number of dimensions: customer satisfaction versus call centre agent motivation, high level control and surveillance systems versus agent empowerment, sacrificial human resource strategies versus developing a knowledge base amongst call centre agents, and budget constraints versus technology needs. Managing these potentially conflicting demands is not a simple task, however the research found that call centre managers were perhaps making the task appear easier by adopting an approach concentrating on measurement. The energy and effort required to measure and monitor provided a level of comfort.

The metrics available and employed in call centres have resulted in managers concentrating on the call itself rather than the outcome of the call from the perspective of the customer or the organisation. The managerial implication is that a resulting bias towards focus on productivity reporting is missing the main point of call centres, in not paying enough attention to their contribution to the company’s customer service goals. For example, large staff turnover rates could be indicators of low agents’ morale and that, whilst the job is being done (in accordance with productivity measures), it is not actually being done well. For call centre managers it could be strategically important to not rely on a limited set of standard and readily available metrics to manage, but to expand the metrics monitored to include quality measures and to incorporate other approaches to management and performance assessment.

The call centre managers see customer service as their primary management responsibility, however there is a lack of congruence between their responsibility and the key performance indicators used to gauge the success of their endeavours. There was evidence of a paradox in that customer service was the main goal of most call centre managers, yet there was an emphasis on measuring productivity aspects of the call centre’s activities. The systems in place were subjecting call centre agents to intense levels of monitoring and control, but combined with some high commitment human resource practices best demonstrated by the high quality amenities evident at some call centres. The mismatch between what was required from call centres and what was measured within call centres was palpable and if organizations are serious in their belief that the call centre is a means of gaining and retaining customers, much work remains to be done.

Previous research on call centres has concentrated on the experiences and perceptions of those working in the centres. Managerial perspectives have received less attention and this study contributes to addressing this imbalance. It confirms the case study observation of Frenkel and Donoghue (1996) of a major dilemma between whether a call centre is to be managed with emphasis on productivity or as a value adding service provider, and the inconsistency between espoused objectives of customer service and managerial focus on performance statistics seen by Wallace et al (2000). It also confirms Feinberg *et al*'s (2000) claim that there is an over reliance by call centre managers on readily measured metrics.

There are several opportunities for further research into call centre management raised by this study. Whilst call centre managers have high levels of responsibility and discretion over operational aspects of call centres, the overall strategy of an organisation in many cases is the domain of more senior managers to whom call centre managers report. The link between operational practice at the call centre level and the strategic intent behind investing in a call centre operation presents fertile ground for further research.

The next major technological advancement in the call centre industry will perhaps be the broader utilisation of natural language speech recognition (NLSR). Already, some companies have invested in the technology, which allows callers to complete relatively complicated transactions or enquiries, avoiding telephone key pad options and waiting for long periods in a queue. For example, TAB Limited has implemented this technology in their wagering operations. A TAB media release of 2 July 2002 claimed that no other NSLR system in the world handled as many bets as the TAB system and the introduction of NLSR had resulted in major cost savings. Capacity had increased and the number of call centre agents had reduced from over 900 to 350, whilst complaints from customers had reduced as had staff absenteeism. With other major companies adopting NLSR technology this will have a significant impact on call centre dynamics and provide an avenue for further research.

Another trend to watch is the shifting of call centre operations to lower cost off-shore locations. Such shifting raises questions as to the impact on the home based enterprise, particularly in relation to its customer service positioning.

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Table 1   Most important Key Performance Indicators

percentage listing the KPI as their most important.

KPI	Existing formal KPIs %	Preferred KPIs %
Level of service	37	20
Sales	24	17
Costs	17	7
Customer satisfaction/service	15	37
Other	7	19*

n=130   * including Staff development 13%

Table 2. Rankings of KPIs

Overall Ranking	Key Performance Indicator	Importance Score
1	Customer satisfaction index	1.73
2	Level of service	2.56
3	Staff turnover rate	3.43
4	Abandonment rate	3.98
5	Wrap-up time (post call work)	5.22
6	Call duration or average handling time	5.86
7	Occupancy rate	6.17
8	Number of calls per agent	6.46

n = 130 1 = most important; 8 = least important