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Constrained Work?

Job enrichment & employee engagement in low wage, low skill jobs

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Executive summary

This paper discusses the tensions between constrained work (characterised by high intensity, low control and low skill employment) and organisations requiring high quality work and cultures of engagement. It argues that enriching jobs will develop engagement and boost productivity – even in low skilled jobs – and this needs to be a priority for sustainable economic growth in the UK. In particular, the paper provides recommendations for employers who aim to improve the level of employee engagement in their organisation.

Employment engagement has emerged as a core priority for business strategists and senior leaders in the bid to improve organisational performance. Despite the lack of a uniform definition of the term, its broad concept of describing a work culture where employees are committed to go above and beyond the business goals of their organisation has made it an attractive concept to HR managers and organisational leaders.

A culture of employee engagement contributes towards sustaining a happy, healthy and productive workforce. There is evidence to suggest that 'good work' (or high quality jobs) and employee engagement can have many benefits for individuals, organisations and the wider UK economy. For example engaged employers report fewer days of sickness absence (2.69 days compared with 6.19 days), are less likely to leave an organisation voluntarily (disengaged employees are 4 times more likely to leave an organisation than an average employee), and foster increased productivity and performance (investing as little as 10% in strategies that foster engagement could contribute £49 billion towards UK economic growth). Engaged employees are also increasingly innovative and more likely to make full use of their skills and profits, which can lead to greater levels of customer and client satisfaction.

As a result of the recent recession and its associated wage cuts, pay freezes, organisation restructuring and redundancies, the UK workforce reported elevated levels of anxiety and a decline in work related wellbeing. The UK labour market also changed, bifurcating into high waged and high skilled 'good' jobs and low wage, low skilled 'bad' jobs. This lack of middle sector opportunities resulted in many of those out of work, entering low skilled jobs where they are unable to make the best use of their knowledge, skills and competencies, potentially reducing employee engagement.

In 2011 over 1 million people were employed as contact centre agents, and this figure is expected to rise to match round the clock global consumer demand. Contact centre employment is driven by cost minimisation and the need for high speed, high quantity customer enquiry resolution. This has resulted in standardised work methods, removing the need for specific skills and reducing costs associated with employee training. The work itself can be isolating, and employees may view themselves as replaceable. The effects of this poor quality job design can be seen as a barrier to good work and employee engagement.

However, what is referred to as ‘high involvement’ cultures and practices can offer an opportunity for employers to enrich the quality of ‘constrained’ jobs, whilst operating a sustainable business model and developing ‘good’ jobs. Organisations need to develop the right environment in which high involvement, job design, and job enrichment opportunities can be implemented and integrated into the organisational culture. Recommendations for employers, highlighted in 5 case studies include:

- *New performance management:* shifting from traditional object and quantitative performance measures, towards performance being assessed and rewarded based on qualitative measures such as quality. Employees are then able to use their insight to deepen their understanding of customer needs, and are rewarded on the insight and knowledge they could contribute to wider organisational understanding.

- *An emphasis on training, development, problem solving and career progression:* organisations can develop organisational career progression pathways with employees, developing a ‘career culture’. This provides employees with opportunities away from the phones to benefit from personal development opportunities, driving both employment motivation and ambition. This also provides employees with skills and knowledge to excel in their work and take on more complex tasks. This diversification of skills is especially necessary as the products, technology and services that organisations use are becoming increasingly complex.

- *Team work and participation in business development:* creating a culture of integrated involvement empowers all members of the organisation to contribute towards the evolving nature of organisational operations. Team work could include elements of shared leadership - where frontline employees take on more responsibility for complex problem solving and setting performance indicators - or project teams could be developed to design and deliver solutions to specific issues. This reduces staff isolation and increases the opportunities for organisational knowledge sharing and learning, and was seen to improve an employees overall satisfaction at work. According to the findings, developing communication channels between different levels of staff is very likely to result in a highly engaged workforce.

- *Flexible working and supporting work-home balance:* this is another way through which contact centres can empower employees whilst working effectively to meet business needs. Not only can this help employees manage their work and home commitments, but an organisation (as a result of broadening their recruitment pool) can develop an increasingly diverse workforce with unique skills and knowledge, and have the ability to meet fluctuating demands more effectively.

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Chapter 1 Introduction

Once the focus of a debate held predominantly among organisational psychologists and business academics, Employee Engagement has become one of the most heavily marketed HR 'buzz words' around (Macey and Schneider, 2008) – but how compatible is it with so-called 'constrained' work, where opportunities for enrichment and intrinsic reward are apparently limited? Is it realistic to expect that engagement and discretionary effort can be harnessed among people in 'constrained' jobs?

Over the past decade, employee engagement has emerged as a core priority for business strategists and senior leaders in a bid to improve organisational performance. The collection and benchmarking of employee engagement data has also become a profitable industry in itself, with many HR consultancies offering organisations the opportunity to measure the engagement levels of their workforce. So what do we mean by employee engagement?

"It's a bit like a smorgasbord" (Veronica Hope-Hailey, 2013) is one way to put it. In the academic literature, the variations in definitions of employee engagement are vast (see Little and Little, 2006); the term acts as a portmanteau subsuming a number of different concepts, inputs and outputs. Whilst constructs such as job satisfaction and organisational commitment are well-established and well-defined, employee engagement's sometimes more vague and inconsistent conceptual framework has led some to question its utility in organisational research and business strategy.

Whilst debate over the definition, fundamental properties and validity of the concept remains on going; there is a general acceptance that a culture of engagement contributes towards sustaining a happy, healthy and productive workforce. With productivity levels in the UK lagging behind other Organisation for Economic Co-operation and Development (OECD) countries including France, Germany and the USA (OECD, 2011), the UK Government has backed the 'Engage for Success' movement and brought the role of employee engagement, in the quest for economic recovery and sustainable economic growth, centre stage. This is vitally important at present given the 'short term survival' focus of many organisations during an economic downturn where investment in long term, and seemingly 'non urgent', engagement and job enrichment strategies might seem less of a priority (Lawson, 2009) – a view which, as will be shown, is unhealthy for sustainable organisational performance. While some employees may be grateful for work during an economic downturn, simply having a job regardless of its quality is not enough to create and retain an engaged and high performing workforce (Constable, Coats, Bevan and Mahdon, 2009), as Herzberg is famously attributed to have said, *"if you want people to do a good job, give them a good job to do."*

Clearly, job quality is an important consideration when establishing a culture of engagement within organisations.

The emerging 'hour glass' UK labour market – bifurcated into 'good' high skill, high wage jobs and 'bad' low skill, low wage jobs (Sissons, 2011) – presents challenges for the UK's endeavour towards job quality, engagement and high performing workforces, or what the EU calls 'More and Better Jobs' and the International Labour Organisation (ILO) calls 'Decent Work'. Taylorist principles of fragmentation, reduction in task discretion and management control still underpin the job design of many low skill, low wage jobs in the UK, and these characteristics risk making jobs repetitive, tedious and boring (Morgeson and Campion, 2003). A lack of variety and autonomy, long thought to be inherent in many low skill jobs, often act as barriers to job enrichment, high job quality, high performance and the development of an engagement culture. As a consequence, the compatibility between low skill work, job enrichment and employee engagement can be questioned.

Box 1: Examples of poor management practice in UK call centres (TUC, 2001)

The TUC's "It's your call" hotline received just under 400 calls in its first six days, with callers reporting cases of:

- Being forced to go into work to report in sick
- Having to put their hands up to go to the toilet
- Being given only a three second break between calls – with one caller reported being disciplined for being idle for six seconds.

In the UK, the contact centre sector saw growth of 250 per cent between 1995 and 2003 (The Department for Trade and Industry, 2004) and was estimated to employ over one million agents in 2011 (CfA business skills @ work, 2012). Contact centres are a prime example of a growing business often criticised as examples of 'modern Taylorism'. In 2001 the Trades Union Congress' (TUC) 'It's your call' campaign highlighted examples of poor management practices, poor working conditions and poor job quality in UK contact centres (TUC, 2001), which are often considered to result from Taylorist job design.

This has been driven in part by the sector's desire for cost minimisation and operational efficiency leading to a reputation for poor quality jobs, which can lead to dis-engagement, poor performance and higher staff costs. It has been estimated that the contact centre sector faces annual costs of £626 million due to absenteeism, and the sector experiences one of the highest labour turnover rates (CM Insight, 2004).[1] So what is the answer? I Is it possible to enrich the work of contact centre employees whilst at the same time still realising high productivity and growing profits?

The purpose of this paper is to highlight and discuss the inherent tension between so-called 'constrained' work – characterised by the adoption of Taylorist management principles and 'constrained' operating models – and high quality work and cultures of employee engagement. It argues that attempting to enrich jobs and to develop and retain an engaged, healthy and productive workforce, even in low wage, low skill jobs, should be a business priority for UK organisations and the UK Government, in order to achieve long-term sustainable economic growth. Forming part of this discussion will be an outline of enrichment strategies contact centres, and other workplaces with 'constrained' job design, may choose to adopt in order to enhance the quality of work for a larger proportion of the workforce.

[1] Cited by Akroyd, Gordon-Dseagu & Fairhurst (2006)

Chapter 2 Employee engagement: what is it, and what drives it?

Whilst employee engagement is an increasingly familiar idea in the academic literature, and a frequently used HR 'buzz word' (Macey and Schneider, 2008), there is still an on going debate over what the term actually means. Across the academic literature there are countless definitions of employee engagement (see Little and Little, 2006). The 'Engaging for Success' report observed over fifty definitions in the literature and reached the conclusion that there appears to be no single agreed definition of employee engagement (MacLeod and Clarke, 2009). Definitions included:

The individual's involvement and satisfaction with as well as enthusiasm for work.

— Harter, Schmidt and Hayes (2002, p.269)

The illusive force that motivates employees to higher (or lower) levels of performance.

— Wellins and Concelman (2004, p.2)

Of course, for those trying to define the concept this poses numerous questions including; is engagement an attitude, a behaviour or an outcome? Is it an individual or group-level phenomenon? (see Little and Little, 2006). For researchers, organisations and HR consultancies striving to investigate, measure and benchmark employee engagement levels, the sometimes vague and inconsistent definitions certainly pose a problem – leading to poor construct and content validity of some engagement measures – thus, making comparisons and generalisations problematic and having negative implications for the credibility and replicability of research conclusions. Questions have also been raised over the relationship between employee engagement and other well-recognised and well-established constructs such as job satisfaction and organisational commitment. This has led some critics to speculate whether employee engagement is simply a 'relabeling' of an existing conception of employee motivation into the latest management 'fad'.

Old wine in a new bottle.

-— Macey and Schneider (2008, p.6)

As an objective, measurable and precise concept characterised by a standard set of indicators, it can be argued that employee engagement, as it stands, does not appear to carry a great degree of credible utility. However, as a broader term describing a work culture, or workplace 'movement' – in which an employee is committed to their organisation, driven to go above and beyond the call of duty in the interests of their organisations business goals, taking personal ownership over their work and painting a positive picture of their organisation

(Lawson, 2009) – employee engagement certainly appears to be a valuable 'movement' to promote, especially if it attracts the interest of CEOs in the contribution that the workforce can make to organisational success and sustainability. The motives, values and work ethic held by engaged employees is certainly something employers should be striving to harness across all industries for the benefit of individuals, organisations and the UK economy. De Vita (2007) describes this as a 'Virtuous Circle of Employee Engagement' where by fulfilling the 'conditions of engagement', organisations develop engaged employees which in turn results in an engaged, or high performance, organisation; not only benefitting organisational performance but the UK economy as a whole. But what are the 'conditions of engagement'?

Simply having a job, regardless of its quality is probably not enough (Constable et al., 2009). High quality jobs – or 'Good Work' – lie the foundation when striving to build and sustain an engaged and high performing work environment and workforce. Through empowerment and the communication of organisational goals, individual employees are able to identify with their role and the contribution they make to the wider organisation, leading to ownership, pride and an enthusiasm for their work.

Figure 1: What might 'Good Work' look like?

Source: see Constable et al. (2009); see Parker and Bevan (2009)

It is interesting to note that in the absence of financial reward in its own right – even a financially rewarding job, regardless of job quality, may not always be enough to fulfil the criteria for 'Good Work' and foster a culture of engagement. Whilst monetary reward can be a (generally weak) motivator at work, money does not always motivate employees towards work engagement, where organisational goals are pursued with enthusiasm.

They certainly are motivated to accumulate quickly and feverishly so that they can quit and do something they really love.

— Furnham (2011)

Exemplifying this, in 2008 after the recession hit, engagement amongst highly-paid executives appeared to fall faster than amongst any other group of employees (Lawson, 2009). This brings into question the marginal value of money when using 'motivation' strategies such as performance related pay. As already highlighted, job quality, or 'Good Work', is an important precondition to creating a culture of engagement within an organisation but what are the benefits of promoting 'Good Work' and an engagement culture for all key stakeholders including employees, employers and the wider UK economy?

The benefits of 'Good Work' and employee engagement

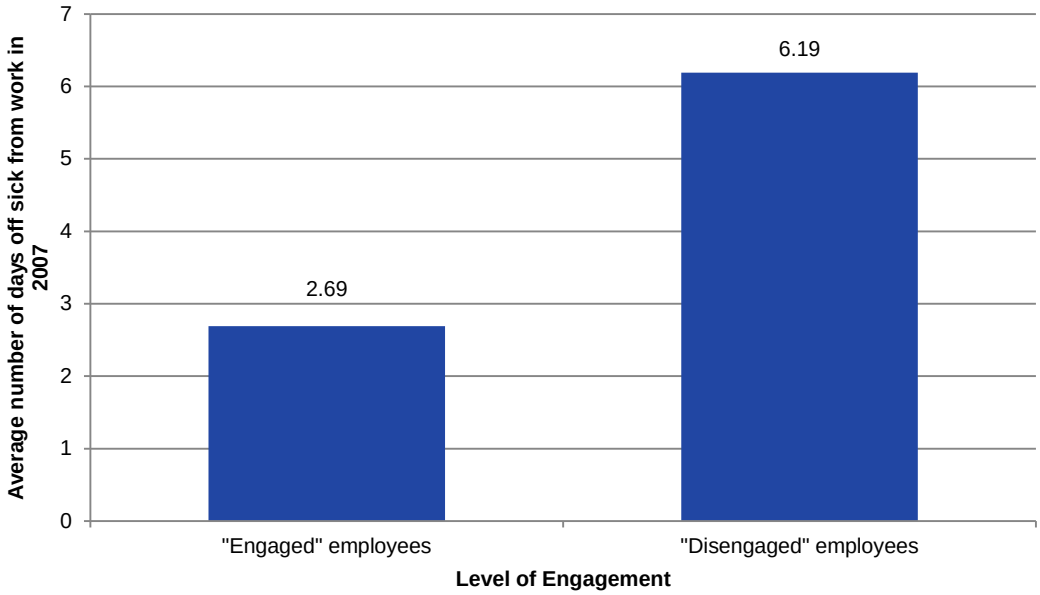
High quality work and a sense of engagement with work can have many benefits for individuals, organisations and the wider UK economy. The Employee Engagement Task Force outlines the evidence for promoting the engagement movement across the UK, finding positive influences of employee engagement on multiple individual and business outcomes (Rayton, Dodge and D'Analeze, 2012).

Absence, health and wellbeing

In relation to employee health and wellbeing, so called 'bad' jobs, characterised by repetition, monotony, un-fulfilment, insecurity and lack of resource, are considered to contribute towards the development of mental health disorders, stress and coronary heart disease (Coats, 2006). For employers, therefore, 'Good Work', and a corresponding engagement culture, means lower absenteeism, with engaged employees in the UK taking on average 2.69 days off sick from work in 2007 compared with 6.19 days taken by dis-engaged employees (CBI/AXA, 2007).[2]

[2] Cited by Rayton, Dodge and D'Analeze (2012)

Figure 2: Number of days taken off sick by employees, on average, in 2007



Source: Graph created using data from CBI/AXA (2007) cited by Rayton et al. (2012)

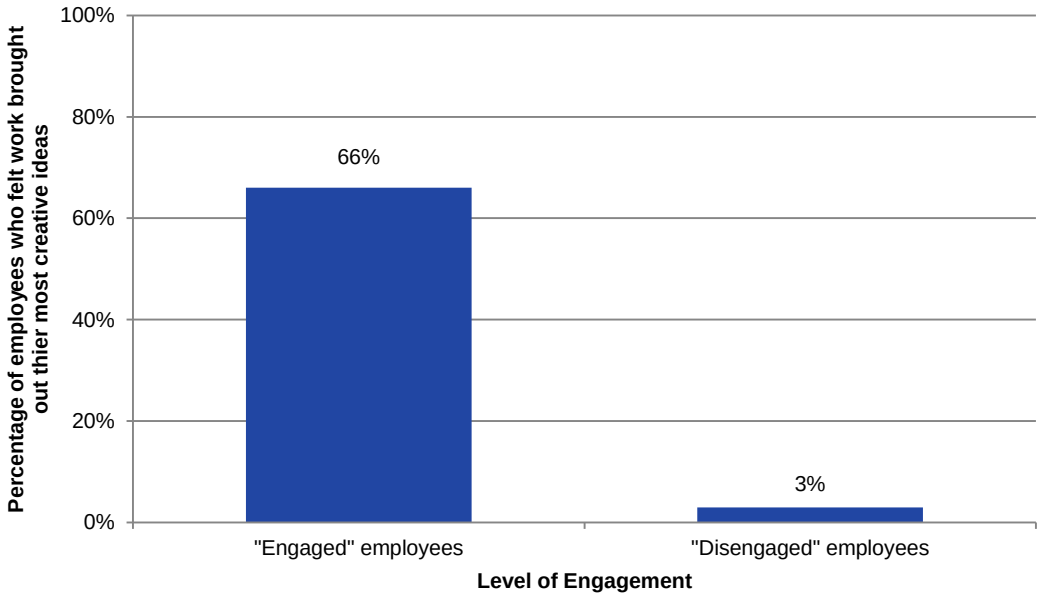
Health and safety

Furthermore, employee engagement is recognised to facilitate the promotion of health and safety adherence in the workplace. In June 2011, The Olympic Delivery Authority had an accident rate of less than half the average rate in the construction industry, and this was attributed to their use of well-known employee engagement strategies (Rayton, Dodge and D'Analeze, 2012). A reduction in cases of poor employee health, wellbeing and fewer accidents translates into reduced staff turnover resulting from ill-health, and lower direct and indirect organisational costs associated with temporary staff cover, staff replacement and long-term sick pay. At the macro-economic level, the UK benefits from reduced absenteeism costs – estimated at £13.4 billion per year (CBI/AXA, 2007) – and a healthier working age population means fewer individuals out of work due to poor health, and a reduced burden on NHS services (Constable et al., 2009) and the welfare state.

Innovation

Innovation is a key driver of business growth, and whilst experimentation with creativity may not be appropriate employee behaviour at all levels within certain high-risk and highly-regulated industries, at some level in the business hierarchy a need for idea generation for new business ventures and alternative ways of working is likely to be a source of competitive advantage. In these business contexts, being engaged with work and being given autonomy and the opportunity to develop and make full use of skills and knowledge, is more likely to result in higher rates of innovation (Constable et al., 2009). One study found that 66 per cent of 'engaged' employees felt that their work brought out their most creative ideas compared to just 3 per cent of 'disengaged' employees (Krueger and Killham, 2007). Innovation in organisations translates into higher productivity and greater opportunity for business expansion, business growth and UK economic competitiveness.

Figure 3: Percentage of employees who felt work brought out their most creative ideas



Source: Graph created using data from Krueger and Killham (2007)

Engagement and customer/client satisfaction

Employees who experience high job quality and 'Good Work', are likely to be more engaged with their work, and are more likely to disseminate their positive mind-set and enthusiastic views of their organisation both internally and externally (Lawson, 2009) – enhancing the organisations internal brand, its external PR and the attractiveness of the organisation to future and existing employees, clients and customers. The attitudes and behaviours employees display towards their organisation are highly powerful. Acknowledging that a chain of cause and effect runs from employee behaviour to customer behaviour and, finally, affecting financial profits, helped transform American superstore Sears into *"a compelling place to work, to shop and to invest"*. Investing to ensure employees experienced 'Good Work' and high job quality through providing ownership over their work, an input and understanding of operational systems and a comprehensive leadership taskforce, meant that whilst national retail customer satisfaction was falling across the US, employee and customer satisfaction in Sears rose by around four per cent. In terms of financial gain, this amounted to more than $200 million in additional revenue in 12 months (Rucci, Kirn and Quinn, 1998). This example shows that there is clear evidence to suggest that investment in job enrichment and 'valuing' the insight of the workforce, including front-line staff, can deliver financial results above and beyond what is expected.

Staff retention

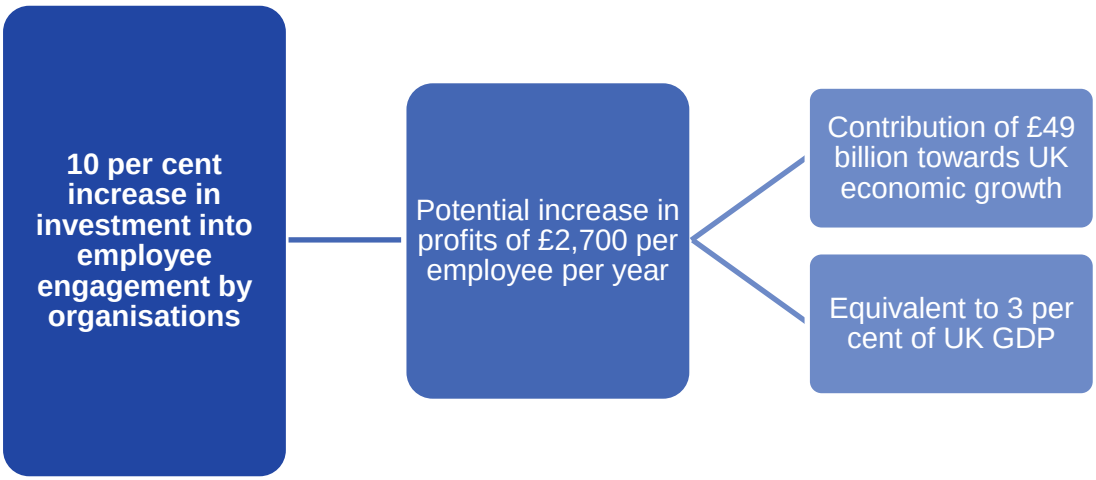
The experience of high quality, fulfilling work and a culture of employee engagement also deters employees from looking elsewhere for work. The Corporate Leadership Council (CLC) reported that organisations with high engagement cultures can potentially reduce

voluntary staff turnover by up to 87 per cent, with disengaged employees around four times more likely to leave their organisation than the average employee (CLC, 2004). With high staff replacement costs – replacing employees who leave has been estimated to cost 150 per cent of the employees salary (Rayton, Dodge and D'Analeze, 2012) – high re-training costs and the fact that new employees are likely to initially be less productive that their predecessor (Data Vantage, 2004)[3]; the potential savings associated with lowering turnover through investment in employee engagement and enriching jobs to create high quality work, are clear. In addition, ensuring employees are recognised as a long term investment by organisations and providing them with the opportunity for skill growth and progression within their workplace, also helps increase an individual employee's long-term employability (Constable et al., 2009) – helping individuals to remain in paid work.

Productivity and performance

A healthier UK workforce, sustainable employment and greater opportunity for business growth, as a result of enriching job quality and fostering an engagement culture, means greater UK productivity and a positive step towards long term and sustainable UK economic growth. It has been suggested that by investing as little as 10 per cent more in implementing strategies designed to foster employee engagement – such as job enrichment strategies and offering 'Good Work' – businesses across the UK could potentially increase their profits by an estimated £2,700 per employee per year, contributing £49 billion towards UK economic growth, equivalent to 3 per cent of the UK's GDP (Engage for Success, 2013).

Figure 4: Impact of increased investment by organisations into employee engagement



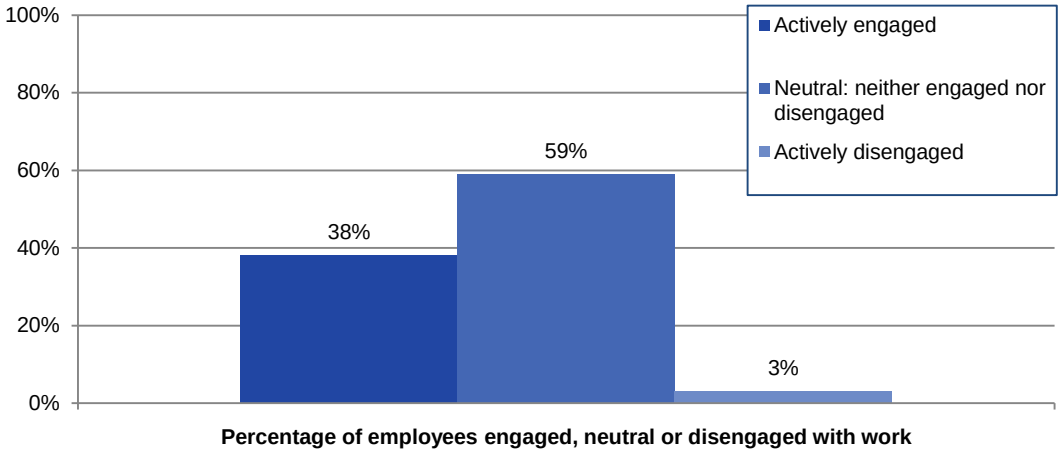
Source: Diagram developed based on figures presented by Engage for Success (2013)

Yet despite this, a large number of jobs in the UK and wider Europe are still failing to meet the criteria of 'Good Work' and an engagement deficit in the UK continues to persist with only 38 per cent of UK employees reporting that they were actively engaged with their work

[3] Cited by Department of Trade and Industry (2004)

and their organisation in 2012 (CIPD, 2012a).

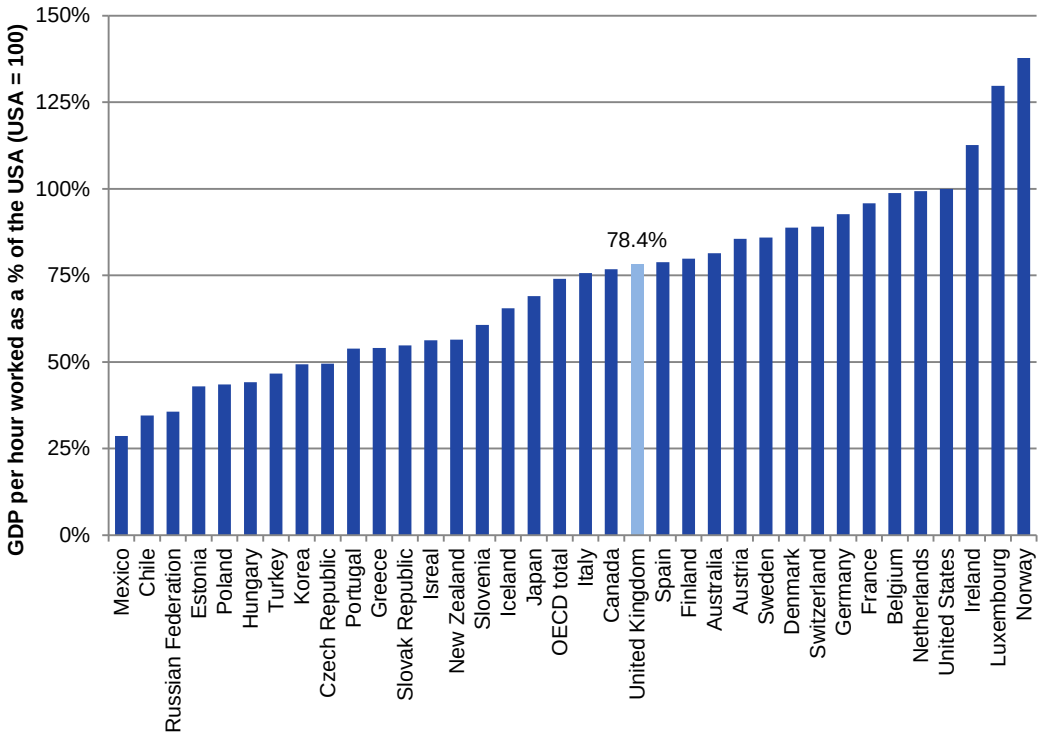
Figure 5: Engagement levels of employees 2012



Source: Graph developed based on CIPD Spring Outlook 2012 Survey data (2012)

It is possible that the job quality and engagement deficit in the UK is linked, to some degree, to the UK's current productivity deficit; with productivity in the UK lagging behind that of countries such as the USA, France and Germany (OECD, 2011).

Figure 6: Productivity levels across OECD member countries



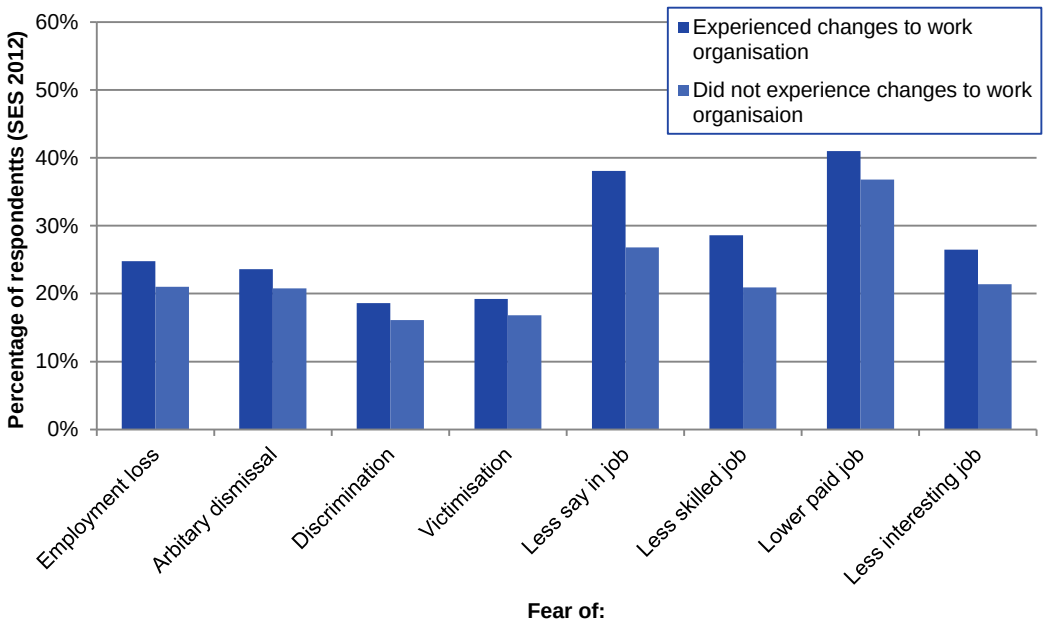
In response, the UK Government has backed the ‘Engage for Success’ movement, bringing employee engagement centre stage as a political priority to stimulate improved UK productivity and embark on full economic recovery. But what impact did the economic downturn have on job quality in the UK? And how did it affect some employer’s attitudes towards investment into job enrichment and employee engagement?

Chapter 3 The impact of the recession

Few organisations managed to get through the 2008 recession unscathed, with only 10 per cent of the organisations participating in the 2011 Workplace Employment Relations Study (WERS) reporting that they were unaffected by the economic downturn. In addition, only 24 per cent stated that they did not take any sort of staff-related actions, the most frequently implemented being wage cuts, pay freezes, increased workloads, organisational restructuring, reduced hours and restrictions on training opportunities (van Wanrooy et al., 2011). For the UK labour market as a whole, the recession had a profound effect. According to the 2012 CIPD Work Audit, between pre-recession 2008 and 2011, 2.68 million people in the UK experienced redundancy. The output lost as a result of this additional unemployment cost the UK economy £132 billion – approximately 9.4 per cent of the UK's GDP (Philpott, 2012).

Whilst it may be assumed that those employees surviving periods of job loss within their organisation are protected from any negative implications, 'The Survivor Effect' suggests otherwise (Gallie, Felstead, Green and Inanc, 2013). Evidence suggests that simply the threat or experience of workforce reductions and changes to work organisation amongst colleagues is detrimental to an employee's experience of work; and the mass redundancies seen during the economic recession led to elevated levels of fear amongst employees across the UK.

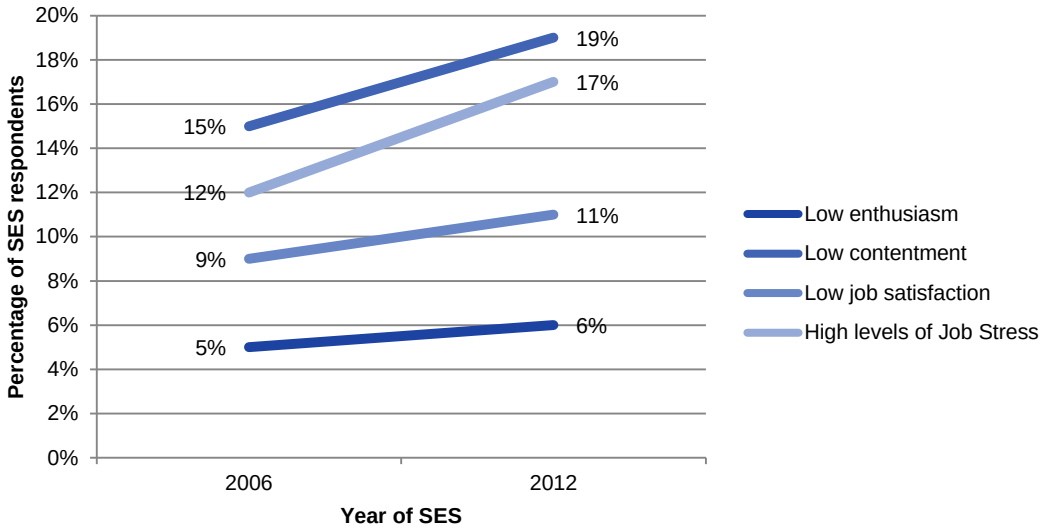
Figure 7: 'The Survivor Effect': The experience of workforce reductions on fear in the workplace



Source: Graph adapted from data in Table 1 from Gallie et al. (2013)

Compared with figures from 2006, the proportion of employees who felt very insecure in their jobs increased by four per cent by 2011 (Gallie et al., 2013) and levels of fear over job loss were the highest in 2012 since data collection by the Skills and Employment Survey (SES) began in 1992. As well as an increase in fear over employment loss, many employees also expressed high levels of fear over employment status loss – with 51 per cent of employees in the 2012 SES reporting fear of at least one of the following aspects of employment status change: less say over work, less use of skills, less pay and less interesting work (Gallie et al., 2013). One third of employees in the 2012 SES were also concerned over at least one aspect of unfair treatment at work – further threatening job quality – including dismissal, discrimination and victimisation from management (Gallie et al., 2013). Overall, between 2000 and 2012, there was a rise in levels of anxiety experienced by employees (Gallie et al., 2013), and a decline in job related wellbeing (as measured by levels of enthusiasm and contentment) between 2001 and 2012 (Green, Felstead, Gallie and Inanc, 2013).

Figure 8: Changes to reported job well-being between 2006 and 2012



Source: Graph developed based on data from Green et al. (2013)

Whilst the economic recession may not be entirely responsible for the increased threats to job quality and job related wellbeing, controlling for factors which typically change during times of recession, (including work effort, job security, work organisation) the recession has been found to be probably at least partly responsible for the overall decline in employee's job related wellbeing (Green et al., 2013).

Since the recession, rates of employment and unemployment have been, and continue to be, highly unstable, with small rises and falls seen with each data release from the Office for National Statistics (ONS). The most recent available figures from January 2014 show unemployment at 7.1 per cent of the economically active population, which was down 0.5 percentage points from June to August 2013 and 0.6 per cent from a year earlier (ONS, 2014). The transformation of the UK labour market has had a profound effect on the type of jobs that are now available to individuals, and the nature of the new jobs being created. The

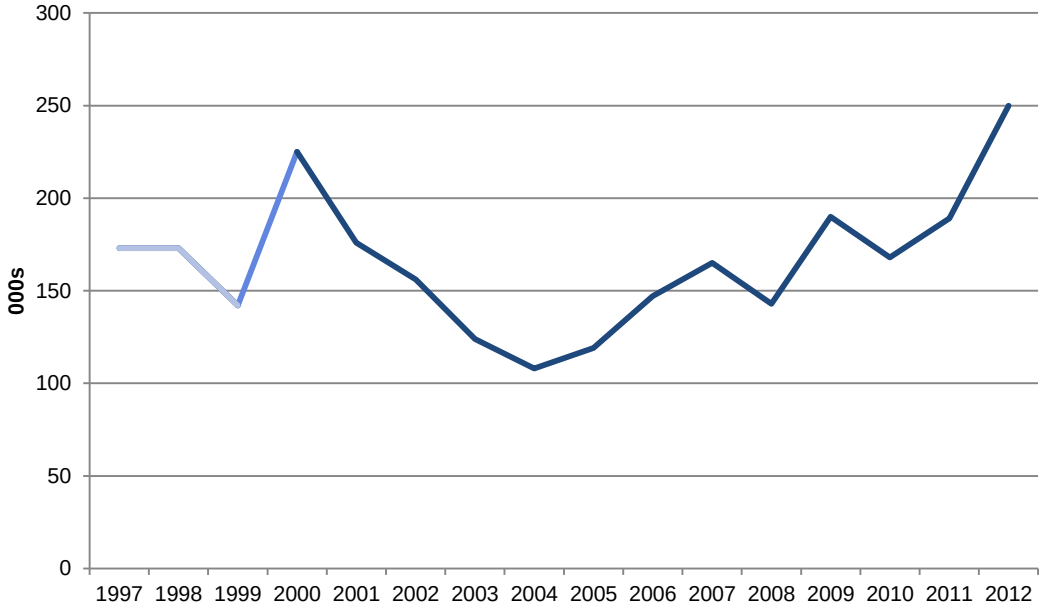
UK labour market has experienced a gradual 'hollowing out' – bifurcating into high wage, high skill 'good' jobs and low wage, low skill 'bad' jobs – with a lack of mid level job opportunities (Sissons, 2011). Between 2001 and 2007, the UK experienced growth in high skill, high wage jobs including managerial, technical, professional and associate professional occupations, and a growth in low skill, low wage work in personal service, sales, and customer services occupations (Sissons, 2011). However, a recent report from the TUC (2013) revealed that since 2010 only one in five of new jobs created have been in the highly-paid sector; with almost 80 per cent of the 587,000 new jobs created being primarily in the low wage sector of the UK economy (on average earning £7.95 per hour or less). The lack of growth in mid-level work has resulted in many of those out of work finding themselves having to take work at a lower skill and wage level (Sissons, 2011) – increasing competition for low skilled work; the CIPD recently indicated that there are on average 45 applications for each low-skilled vacancy in the UK (CIPD, 2013). Francis O'Grady, General Secretary of the TUC, suggests:

One of the unreported struggles of recent years has been people being made redundant from middle income jobs and having to take low-paid, low-skilled jobs as it's the only work available.

— Francis O'Grady, General Secretary of the TUC (Newcombe, 2013)

As a result of underemployment many individuals are facing the prospect of being unable to make the best use of their knowledge, skills and competencies. This, in turn, can have negative implications for their perceived job quality, satisfaction with work and workforce morale – (for example, zero hours contracts have been linked with poorer staff morale (Pennycook, Cory and Alakeson, 2013). The sharp rise in the use of temporary, part-time and zero hours contracts – often more easily implemented in low skill sectors of the economy where employers are often competing on cost and price (Pennycook et al., 2013) – has further elevated the instance of underemployment in the UK. The ONS has estimated that the number of underemployed workers has increased by one million since the onset of the economic downturn (ONS, 2012).

Figure 9: Number of people employed on zero-hours contracts in the UK between 1997 and 2012



Source: Brinkley (2013)
Note: pre 2000 not directly comparable. According to the CIPD (2013), it has been suggested that 250,000 is a significant underestimate of the instance of zero-hours contracts in the UK and it is estimated that the actual instance of zero-hours contracts is likely to be closer to one million

This growth in underemployment is evidenced by the fact that, of those employees who have returned to work after redundancy, two thirds have taken a pay cut of an average of around 28 per cent – and this is further exacerbated by the increased numbers of people who have taken a job with fewer hours, with an increase from 0.67 million to 1.34 million people working part-time when they would like to be working full time between early 2008 and the end of 2011 (Philpott, 2012). The use of temporary contracts has increased by 20 per cent, and the number of employees unable to find a permanent job has also risen since the recession hit in 2008 (O'Connor, 2013). Given the growth in underemployment – with many well-qualified individuals having to take jobs where the hours, security and skill demands fail to fulfil their earlier expectations – is it inevitable that a growing proportion of the UK's workforce will be experiencing poor job quality as a result?

The lack of secure employment, adequate skill use, opportunities for career progression, and a disjointed sense of identity has led to what some commentators characterise as a highly dissatisfied emerging 'precariat' social class across the UK and wider Europe, who are now embarking on mass protest – as seen recently in countries such as Greece and Spain – consisting of particularly frustrated educated young adults whose ambitions for a secure and occupationally rewarding future have been dashed by the unstable and highly flexible labour market (Standing, 2011). A key concern for employers is the influence that discontent, poor workforce morale and lack of identity with their employer brand can potentially have on the output of their organisation – particularly in service-orientated organisations where employee attitudes and identity can have a key influence on customer attitudes and loyalty

(Yazdanifard, Danbala, Yusoff and Dehli, 2011).

Not only has the recession led to an increase in the number of employees underemployed and working in unfulfilling low skill work, it has also led to a change in attitude within some organisations towards job enrichment and investment into 'Good Work' and employee engagement. Firstly, the current labour surplus seen in the UK – or 'employers market' – on top of on going financial constraints, both act as disincentives for many employers to invest in what some might regard as 'non-urgent' long-term business strategies, such as job quality enrichment and the development of a culture of engagement (Lawson, 2009). Secondly, many employers may also struggle to envisage how they are able to maintain operational efficiency and cost minimisation – fundamental operating principles behind the design of many low skill jobs – whilst concomitantly providing opportunity for job enrichment and engagement across their workforce. For these employers, tightly controlled and constrained jobs, clear and demanding performance targets and low task discretion appear to be the core ingredients of productivity growth.

Whilst such an indifference towards job quality and organisational culture may appear to pay off in the short-term – with the negative repercussions of poor job quality and disengagement such as high turnover, high absenteeism and poor performance being suppressed by employee fears of job loss (Constable et al., 2009) – in the long-term this attitude is likely to have significant consequences when the coin flips and the 'employee's market' returns, potentially leading to low UK productivity, higher withdrawal from the labour market due to poor wellbeing, and increased rates of voluntary turnover. In 2009, 25 per cent of high potential employees were considering leaving their organisation within the next 12 months (Lawson, 2009). It is critical that in order to achieve long-term sustainable economic growth in the UK, employers ensure that the drive for high job quality, positive and engaging organisational cultures does not slip down the priority list and remains a strategic business goal for every member of it's workforce, regardless of job skill level. Even during the downturn, the so-called 'War for Talent' (Brown and Lauder, 2013) continued for the very best employees, and recovery is sure to bring concern among businesses of skill shortages and hard to fill vacancies. In these circumstances, interest in job quality is certain to increase and the best employers are already acting on this to give themselves a competitive advantage. Nonetheless, there is still a widely held view among some managers (Constable et al., 2009) that some types of work are permanently beyond enrichment.

So, what are the fundamental job design characteristics inherent in many low skill jobs which can lead to decreased job quality, and act as barriers to an engagement culture? How are these displayed in the context of the contact centre, a growing sector where low skill is widespread? And what are the consequences of this?

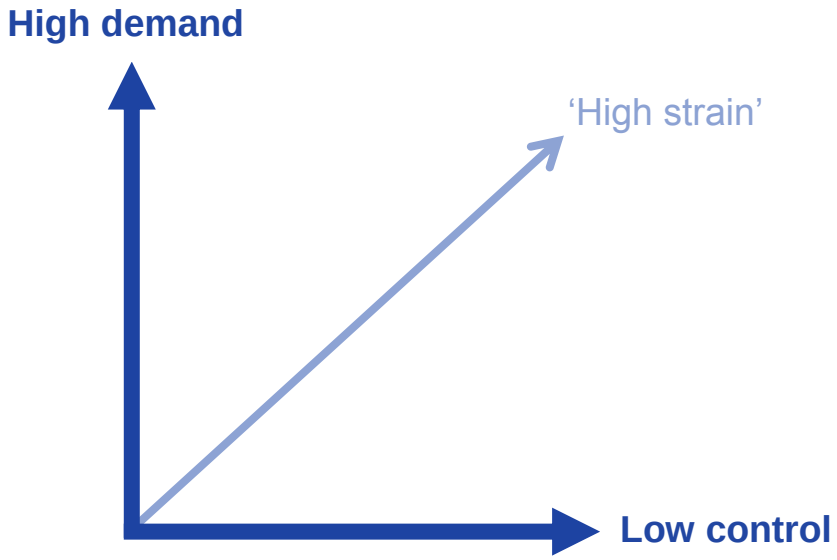
Chapter 4 Low skill work and 21st century 'Taylorism'

Low skill, low wage jobs can present their own set of challenges for the UK's drive towards an engaged and high performing workforce. With the sharp rise in underemployment (ONS, 2012) and job growth in low skill (Sissons, 2011) and low wage work (TUC, 2013), it is crucial that an attempt is made to understand and overcome the inherent barriers that employees and employers face, which hinder the enrichment of jobs and the cultivation of an engagement culture. Alongside the economic and attitudinal barriers emerging in light of the 2008 recession (as discussed in the previous chapters) there is a fundamental aspect of many low skill, low wage jobs which has persisted since the 20th century and continues to act as a significant barrier to 'Good Work' and employee engagement in this particular sector of the UK economy.

Fredrick Taylor's (1856-1917) 'Scientific Management' was a revolutionary management theory which transformed the ways in which factories and manufacturing operations were organised across the world. By simplifying jobs, dividing labour into distinct tasks and moving operational control into the hands of management, Taylor established that organisations had the power to design work in a way that would ensure its employees were working at maximum operational efficiency. Taylor's 'reductionist' stance on job design meant many jobs were de-skilled, with employees responsible for one single task, and instructed by management on exactly how to perform it, in line with the goals of maximising output and minimising costs. As a result, many jobs became repetitive, tedious and boring, and scientific management was faced with criticism, hostility and resentment from employees over the drop in their level of job quality (Mullins, 2010).

Despite this, throughout the 20th century the principles of 'Taylorism' spread into a variety of employment sectors. Across parts of the UK labour market, Taylorist principles of reduced control and high work intensity appear to persist. Recently released data from the 2012 SES revealed a sharp decline in job control across the UK labour market in the 1990's and a plateau since 2001 (Inanc, Felstead, Gallie and Green, 2013). There was also a decrease from 36 per cent in 2001 to 27 per cent in 2012 in the proportion of employees who perceived having a great deal, or quite a lot of say over the organisation of their work (Inanc et al., 2013). The intensity of work has also markedly increased, reaching the highest levels since the SES began in 1992, with a rise in the proportion of employees strongly agreeing that their job requires hard work, working at high speed, working under tight deadlines and high pressure (Felstead, Gallie, Green and Inanc, 2013). Worryingly, the proportion of employees working in 'high strain' (see Karasek, 1979) roles – in which employees are expected to work intensely yet with little task discretion or control – has risen from 23 per cent in 1992 to 36 per cent in 2001 and has since plateaued (Felstead et al., 2013).

Figure 10: 'High Strain' jobs



Source: see Karasek (1979) Job demands-control model

Whilst it is only possible to speculate on the driving forces behind these changes, it is credible to suggest that, in addition to the influence of the economic climate, financial constraint, employer attitudes and the need for maximum output to achieve short term survival, advances in computer and communications technology in the latter part of the 20th century may have contributed towards the persistence of Taylorist, or so-called 'constrained', job design in many low skill occupations. As technology advanced and computerisation was introduced into the workplace, computer systems could be used to centralise control, add structure to, and simplify employee's job tasks, determine and impose an 'efficient' pace of work and closely monitor various aspects of employee performance.

In February 2013, the Financial Times Online reported the case of 'Amazon Unpacked' – highlighting the influence that Taylorist design principles still have on low skill, low wage work in the UK. The article outlines the intense pressure faced by employees working in Amazon's so-called *"jobs of the future"* (O'Connor, 2013). An environment where handheld technology has drawn control out of the hands of its workers, where employees are even instructed on the most efficient route around the expansive warehouse whilst being closely monitored on how quickly they are able to complete each distinct designated task – one of four operational tasks that make up the Amazon warehouse 'production line'. As Amazon employees told the FT:

You're sort of like a robot, but in human form;
It's human automation, if you like.

-— O'Connor (2013)

Whilst this is just one example where Taylorist principles still persist in modern job design in

the UK, it is clear that those working in low skill, low wage jobs are most vulnerable to the experience and persistence of poor quality 'high strain' work, facing inherent job design, economic and attitudinal barriers to organisational decisions regarding the need, or feasibility, of job enrichment and development of an engagement culture. Taking one specific example of 'so-called' constrained work – contact centres – we will seek to understand the current challenges facing employees and employers in the contact centre context, in relation to job quality and employee engagement, and attempt to argue why and how employers should be trying to overcome these barriers to improve job quality for employees, even in these apparently 'constrained' workplaces.

Chapter 5 'The Electronic Sweatshop': contact centres and mass production models

Between 1995 and 2003, the number of contact centre operations in the UK grew by 250 per cent (Department of Trade and Industry [DTI], 2004); and between 2001 and 2007, customer service occupations were one of the top 20 fastest growing occupations in the UK (Sissons, 2011). In 2011, there were over one million people employed as contact centre agents in the UK (CfA Business Skills @ Work, 2012), and this is expected to rise further as globalisation and the 24/7 culture leads to 24/7 global consumer demand. It was the advancement in communications technology that meant employers were able to set up large scale remote communications centres and consolidate local consumer support into one large 'hub' (Batt and Moynihan, 2002) – often containing high numbers of customer service agents. The ethos of cost minimisation is a primary driver of operations in many contact centres (Zapf, Isic, Bechtoldt and Blau, 2003) alongside a drive for a high speed and high quantity customer enquiry resolution (Millard, Alcock and Butterworth, 2006). These two core operating principles underlie the job design of many contact centre operatives in the UK. Contact centres are one such example of where a 21st century version of scientific management, or Taylorist job design techniques, have been applied outside of manufacturing production models – using mechanisation, technology, standardisation and restricting task discretion as a means of achieving these two operating principles of cost minimisation and output maximization (Batt and Moynihan, 2002). In the literature, those contact centres adopting these methods of operation are widely referred to as 'mass production' models and have been branded with controversial names such as 'The Electronic Sweatshop' (Garson, 1988)[4]. In 2005 it was reported that as many as 84 per cent of contact centres were operating in this way (CM Insight, 2005).[5]

The 'mass production' model, developed on the basis of century-old Taylorist ideologies, is designed to simplify tasks, standardise work methods and determine work-pace through the use of technology, removing the need for specific skills, knowledge, and reducing costs associated with training operatives (Millard et al., 2006). Automatic call distribution systems (Zapf et al., 2003), and a managerial emphasis on quantity and speed (Batt and Moynihan, 2002), means it is not unusual for contact centre operatives to deal with somewhere between 60 and 250 customers per 8 hour shift (Zapf et al., 2003). The pressure for shorter conversations with customers also means that these conversations become more and more prescribed and monotonous for the contact centre employee (Zapf et al., 2003).

The management desire for 'high performance' has also meant that many employers closely – overtly and pervasively – monitor the performance of employees across the contact centre

[4] Cited by Akroyd, Gordon-Dseagu and Fairhurst (2006)
[5] Cited by Millard, Alcock and Butterworth (2006)

sector (Holman, 2004). Intense monitoring and target setting puts even higher levels of pressure on employees to work at high level of intensity. Whilst it is reported that some employers may suggest that a degree of pressure is challenging, motivating (Millard et al., 2006) and a learning tool for employees (Holman, 2004), in reality it is possible that employees assume punitive intentions, perceiving intense scrutiny, which is likely to lead to a 'fearful' and demotivated workforce (Millard et al., 2006) who might feel they are consistently unable to meet their employers expectations.

On top of the highly intense, yet routine and pressurised workload seen in such models of operation, employees also lack control over various aspects of their work; including internal aspects, such as work procedures and the availability of training support, and also those external to the organisation, including the nature and complexity of customer queries and the attitudes the customer may have towards the employee (Millard et al., 2006). The combination of these two defining factors means many employees working in 'mass production' contact centres experience a typically 'high strain' work environment in their day-to-day lives.

Although many contact centre employees will often work in buildings housing large numbers of employees, the work itself can be very isolating – this is reinforced by the fact employees often lack team inter-dependence and their work is predominantly based at their own work station (Batt and Moynihan, 2002). This, in combination with the expectation of almost constant contact with customers, leaves little time for work breaks including interaction with team members. Essentially, the mass production model appears to disregard the value of social networking, knowledge sharing and work relationships for fostering 'Good Work', healthy, happy, and engaged employees (Millard et al., 2006). Highlighting the lack of value placed on social networking in 'constrained' management practices in Ford's River Rouge plant in Michigan in the 1930's and 40's, Collinson (2002) reports:

In 1940 John Gallo was sacked because he was 'caught in the act of smiling', after having committed an earlier breach of 'laughing with the other fellows', and 'slowing down the line maybe half a minute'. This tight managerial discipline reflected the overall philosophy of Henry Ford, who stated that 'When we are at work we ought to be at work. When we are at play we ought to be at play. There is no use trying to mix the two.

— Collinson (2002)

This take on the value of social interaction is more than likely, in part, driven by the attitude that employees are 'replaceable' and that individual skill and ability fail to add value to the organisation's operations (Batt and Moynihan, 2002; Millard et al., 2006). These attitudes are core drivers behind the stigma associated with contact centre work, where many employees perceive that contact centre work is not seen as a 'proper' job (Millard et al., 2006).

Clearly, the job design in 'mass production' models acts as a barrier to 'Good Work' and employers are seemingly in one of two minds: either reluctant to enrich job quality for 'replaceable' employees; or, see the fundamental job design and/or core motives of cost

minimisation and operational efficiency in 'mass production' models as profoundly incompatible with high job quality and employee engagement strategies. But what are organisations sacrificing by maintaining these models and what does this mean for UK economic growth?

Evaluating the impact of mass production models

The effects of poor quality job design and lack of 'Good Work' can be seen throughout the contact centre sector. 'High strain' jobs are well-known to lead to higher levels of stress (see Karasek, 1979), leading to high absence rates across the industry. The CIPD Absence Management Survey (2012), benchmarks this at an average of 4.2 per cent of working time lost per year in private sector call centres, equating to 9.7 days lost per employee per year (CIPD, 2012b). The costs of absenteeism to contact centre organisations stands at an estimated £626 million per year (CM Insight, 2004).[6] The negative perceptions of contact centre roles has earned the industry one of the highest and most variable turnover rates, standing at an average of 25 per cent (TUC, 2002), highly costly given that new starter contact centre employees perform at 16 per cent the level of experienced workers (Data Vantage, 2004).[7]

On top of these operational costs, and in line with the discussions in the previous chapter, by failing to invest in enriching job design and failing to recognise the value of their workforce, many employers are sacrificing a number of individual, organisational and economic benefits of instilling a culture of 'Good Work' and employee engagement across their workforce. As summarised from the previous chapters, these might include;

- A healthier UK workforce
- A more employable and talented UK workforce
- A more creative and innovative UK workforce
- High performance culture
- Positive PR and internal branding
- A step towards sustainable UK economic growth

Whilst questions exist over the compatibility between 'Good Work', engagement and the operational principles of cost minimisation and output maximisation, it is suggested that the benefits individuals, organisations and the UK economy would gain from the shift in contact centre operation models would outweigh the investment made by organisations. It is further proposed that the current 'mass production' model is also unsustainable – failing to move towards modern HR philosophies and failing to contribute towards the Government backed 'Engage for Success' movement towards UK economic growth (MacLeod and Clarke, 2009). Consequently the need for change resonates throughout the contact centre sector, but how can this be done?

[6] Cited by Akroyd, Gordon-Dseagu and Fairhurst (2006)
[7] Cited by Department of Trade and Industry (2004)

Chapter 6 Moving away from 'mass production': Enriching and improving job quality in contact centres

As discussed, the evidence is clear that the 'mass production' focus of quantity over quality, short term financial gain and the undervaluing of individual staff skills, knowledge and capabilities – all in a bid to directly maximise output and minimise operational costs – can potentially have significant detrimental effects on employee job quality, engagement and health and wellbeing. This in turn can present a number of organisational performance issues. Yet whilst the contact centre sector and the low wage, low skill sector as a whole continues to be heavily criticised for its use of 'mass production', 'Tayloristic' and overall poor work design, it is crucial to acknowledge that there are examples of good practice out there, which are offering employees an opportunity to engage in 'Good Work' and high job quality. Whilst some aspects of 'mass production' may still be the most appropriate business model to adopt in some contact centre operations, this chapter aims to heighten awareness of best practice, and encourage employers to re-evaluate their business models and consider how and why they could do more for their employees.

In contrast to 'mass production' models, where the business strategy to compete primarily on cost *"creates work systems that maximise call volume and minimise costs"*, (Batt, 2001 p.430) often leading to 'constrained' job design, poor job quality and a dis-engaged workforce in a bid to generate profit; so called 'high involvement' cultures and practices (Batt and Moynihan, 2002) – 'mass customisation' (Millard et al., 2006), 'high commitment' (Halliden and Monks, 2005) – offer an opportunity for employers to enrich the quality of so-called 'constrained' jobs, whilst operating a business model where investment into 'Good Work' and a shift in organisational culture generates short and long term profit, by offering employers the ability to gain a competitive advantage through improved and more productive human capital.

It is critically important to remember the cause and effect chain between employees and customers in the customer service industry. As discussed in earlier chapters, happy employees often mean happy customers. Where an employee is engaged with both the work they do and the organisation they work for, and feel part of a culture of empowerment, trust and value, their performance is likely to be much improved. Improved business performance, is likely to be realised through the increased quality of the customer interaction, both through providing high-rate, high-quality customer service, and through believing in, and being enthusiastic about, the product (or products) they are selling. Where 'mass production' strategies are in operation, and where workers feel undervalued and unsatisfied, these benefits are unlikely to be realised. In a case study of a US contact centre employing 8,500 call handlers, dealing with one million customers, Hasenoehrl (2005) found that where customers reported their experience with the centre as *"much worse than expected"*, it resulted, on average, in the loss of 15 per cent of customers worth $4,500,000 in business value. It also took these customers, on average, three calls to the centre to resolve their

query compared to just an average of 1.3 calls for customers whose experience was *"much better than expected"*. With the cost of each call costing, on average, $10, it was estimated that each 'disengaged' employee was costing the organisation an extra $17 (Hasenoehrl, 2005).

When Halliden and Monks (2005) investigated the effects of introducing high involvement initiatives in a contact centre setting, including; new performance management, communications and training and development systems, as well as social committees to expand peer networks, they found improved levels of satisfaction, participation, competence and overall performance amongst staff. Introducing these measures also had a positive impact on the employee's perceptions of working conditions. As evidenced in the case of Sear's department store earlier, this employee-customer-profit chain has been found to have a real impact on organisations bottom-line results. Schuster (1986)[8] found that there was a significant positive relationship between 'employee-centred' or 'high involvement' management styles and the financial performance of the organisation. Kravetz (1988)[9] found similar positive effects of, what they call 'progressive' management, on company's bottom line results, and Batt and Moynihan (2002) found 'high involvement' practices benefitted from better performance, as a result of both lower staff turnover and higher sales growth, in both large and small contact centres.

By shifting operational models away from 'mass production' towards 'high involvement' practices, employees benefit from better physical and psychological wellbeing and increased quality of work, employers benefit through a real impact on bottom line results and, as a result, the UK benefits through increased economic productivity. But can high involvement be achieved in a contact centre setting?

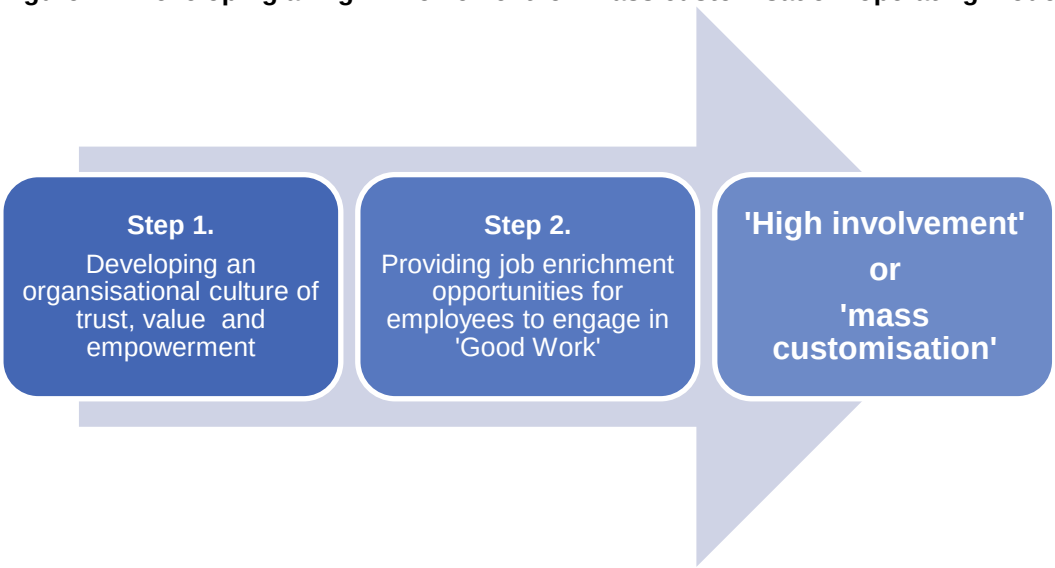
Achieving an operating model of high involvement (Batt and Moynihan, 2002), or 'mass customisation' (Millard et al., 2006), appears to require a two stage approach:

(1) Organisations need to develop the right environment in which high involvement job design and job enrichment opportunities can be implemented and used effectively to drive increased job quality and 'Good Work'. According to Halliden and Monks (2005), Lawler (1992)[10] believed these employee-centred or high involvement models are based on *"the belief that employees can be trusted to make important decisions about the management of their work"*.

(2) The integration of the individual and the organisation enables organisations to provide opportunities for job enrichment, and benefit from a competitive advantage through improved and better human capital and improved service quality.

[8] Cited by Halliden and Monks (2005)
[9] Cited by Halliden and Monks (2005)
[10] Cited by Halliden and Monks (2005)

Figure 11: Developing a 'high involvement' or 'mass customisation' operating model



Management theories such as 'Total Quality Management' (TQM) and Kaizen, a Japanese management strategy integral to TQM, underlie the shift towards creating a more integrated and involvement focussed organisational culture. This type of management strategy is driven by a top management vision which is shared collectively throughout the organisation. These strategies are based on a process of continuous improvement; a process in which all members of an organisation's workforce are empowered to contribute towards the evolving nature of the organisation's operations. TQM and Kaizen management strategies are characterised by the value that employers attach to their front-line staff, as well as higher management. In contrast to many 'mass production' operations, TQM and the involvement cultures it aims to create are often considered as attaching a higher degree of value to their individual employees skills, knowledge, abilities and insights, seeing their involvement as the key to improved operations, service/product quality and ultimately business success. In a paper by Millard et al. (2006) this is portrayed when describing front line staff as being the *"eyes and ears of the organization"*.

Through their experience with customers, employees offer a unique insight into an organisation's understanding of customer experiences, providing information which enables the development of initiatives designed to improve the customer experience (Millard et al., 2006). Having these values also helps contribute towards the formation of a much flatter organisational hierarchy, in which management should be willing to share power with lower levels of staff (Al Smadi, 2009). Flatter management hierarchies like this, alongside a passionate and people centric management style, are often associated with more effective customer service organisations (Millard et al., 2006) and also facilitate the opening up of more transparent communications between top management and front-line staff. Communication is a key aspect of 'Good Work' and having a voice and an opportunity to express views and opinion upwards, has been found to have strong associations with a highly engaged working culture (Aitken, Marks, Purcell, Woodruffe and Worman, 2006). One way of opening up communication pathways and heightening integration and involvement throughout the organisational hierarchy, is to value the role of trades unions and encourage

the use of partnership working to further develop a sense of organisational participation and integration. This organisation-wide belief of valuing all members of the workforce facilitates management, from senior management to line management, to adopt a set of practices that invests into developing employees skills, knowledge and abilities further. It also offers opportunities to staff which enables and incentivises them to utilise and share these new skills and abilities in their everyday work, providing 'Good Work' opportunities whilst 'quasi-professionalising' the work of front-line contact centre workers (Batt and Moynihan, 2002). What might these 'opportunities' look like, and what aspects of 'Good Work' might these fulfil?

Whilst mass production models typically 'constrain' employees use of skills, their autonomy, the flexibility with which they carry out their work and the opportunity to interact with peers; an integrated, empowering and involvement focussed organisational culture is considered to create an environment which acts as a platform to enable managers to enrich jobs and provide opportunities that offer employees a higher degree of discretion, opportunity for collaboration with colleagues, meaning and purpose and skill use.

The future contact centre

As the contact centre evolves with time, it is expected both the 'mass production' model will become unsustainable and that the opportunity for job enrichment will only widen. It is to be expected that as technology advances, workplace practices, operational strategies, and work design will evolve and adopt these new technologies. In the contact centre context, past experience has shown just how big an impact technology can have on the design and pace of work. Additionally, advances in technology, are likely to affect the expectations customers have about the services available to them. As both work demands become more and more complex and customer expectations continue to rise (Millard et al., 2006), it is difficult to see how rigid, rule-based, transactional, de-skilled and simplified work – such as that seen in 'mass production' models – can remain sustainable into the future. Not only this, but the 'mass production' model is becoming increasingly outdated, and fails to acknowledge the importance that employees, HRM and UK Government now place on the quality of work. With such technology and operational changes, and a shift in HRM and Government policy, comes further incentive and opportunity, for contact centre organisations to develop 'high involvement' cultures and to grasp the chance to embed opportunities for empowered employees to flexibly embrace 'Good Work' job enrichment strategies, in normal everyday work practices. This section outlines some of the changes we expect to see in the contact centre sector over the next few years, and how these changes offer further opportunity for employers to embed opportunities for 'Good Work' into their organisation.

Firstly, customer expectations are changing. Customers expect to be able to access services 24/7. Many organisations now operate in global markets meaning access to services must be available around the clock. Customers also expect to be able to access these services through multiple communication channels, including telephone, instant messaging and video calling. For employers, this means increasing the number of different tasks which fall under the front-line contact centre employee's responsibility. Multimedia contact channels offer the

opportunity for employers to introduce variation, skill development and autonomy by enabling the employee to choose through what communication channel to work depending on their preference, level of training, aptitude and even how they are feeling (Millard et al., 2006).

Secondly, the products and services that organisations now offer are becoming increasingly more complex. Millard et al. (2006) claim that as we move into the future, contact centre workers will need to become more than simply a 'transaction processer'. The role will require increased knowledge, skill and expertise, and employees will be required to take on a role of advisor, or even expert, to offer high quality service to customers to resolve their increasingly complex enquiries (Millard et al., 2006). For employers, this is a key opportunity to develop and diversify the skills of their workforce and ultimately, 'quasi-professionalise' the role of customer service advisors into an established and popular career option.

Thirdly, and finally, employee expectations are rising. With technology advances driving different working methods, the request for 'flexible working' is no longer being perceived as only an option for working mothers, and with the popularisation of terms such as 'employee engagement' and 'job satisfaction' in the media, employees are more likely to have higher expectations from work. This provides an opportunity for employers in low wage, low skill sectors to fulfil these expectations. Through developing a high involvement culture of trust, and staff value, employers are able to facilitate more flexible working methods to suit the needs of their employees, increasing the number of opportunities for job enrichment and 'Good Work' for their employees.

Individualisation

Whilst the provision of 'Good Work' opportunities for employees offers numerous benefits, and contributes towards employee engagement, not all employees may be attracted or motivated by all aspects of 'Good Work'. For instance, not all employees are motivated by responsibility, control or variation and not all employees are looking for development and growth opportunities.

One size does not fit all.

— Aitken et al. (2006, p.11)

However, developing an organisational culture in which empowerment, trust, value, support and employee involvement are key features, alongside the provision of job enrichment opportunities and initiatives in the workplace, provides an environment in which employees can flexibly embrace different job enrichment strategies and can benefit from different aspects of 'Good Work' based on individual preference. The individualisation process involves, moving away from a 'universal recipe' of employee engagement (Hope-Hailey, 2013) towards a strategy that seeks to account for the needs of different groups.

Chapter 7 Examples of job enrichment in contact centres

The purpose of this chapter is to move beyond theory and offer practical insights into how some contact centres have successfully managed to transform their operating models, and enrich the work of employees, whilst benefitting from enhanced business results. Throughout the five case studies reported, some key themes emerge:

(1) An emphasis on training, development, problem solving and career progression
(2) A focus on team work and participation in business development
(3) Relaxed performance measures
(4) External involvement schemes
(5) Flexible working and supporting work-home balance

This chapter discusses these themes in reference to the case studies as well as considering how these initiatives have contributed towards enhancing and enriching the quality of work for contact centre employees.

An emphasis on training, development, problem solving and career progression

Despite many contact centre employees perceiving their work as not a 'proper job' (Millard et al., 2006), with no clear career pathway or career progression opportunities, many of the case studies outlined how they were striving to dispel this myth. Career progression was seen, not only as offering employees a more positive outlook towards contact centre work, but promoting career progression and offering employees a clear career pathway within the organisation was considered to aid both recruitment and retention within the organisation. Case study 1 describes this as developing a 'career culture', and many of the case studies offered employees the opportunity to have time away from the phones to benefit from personal development opportunities, thus driving employee motivation and ambition. Millard et al. (2006) discusses what impact providing employees with opportunities to engage in learning new skills can have on their levels of motivation. As well as increasing job quality, time away from the phones also reduced the monotony and repetition commonly associated with contact centre work. Driving the movement towards a 'career culture' in these case studies was the designated role of management as being a predominantly 'supporting' or 'coaching' role as opposed to a traditionally more authoritative role, and as a result equipping staff with the skills and knowledge to excel in their work, take on more complex tasks and solve problems independently.

A focus on team work and participation in business development

Team work can be conceptualised in a number of ways. It can be considered to be an organisation wide ethos and empowerment tool, where accountability for the organisation's

wider goals falls on every member of staff. This could be described as a 'shared leadership'. Case study 5 is a good example of where an attempt to break the traditional view of leadership as the responsibility of management alone has been made. This has been delivered through a wider scheme of empowerment for front-line staff, enabling employees to take on more responsibility for complex problem solving and setting performance indicators. In contrast, team work may be conceptualised more literally, where work is organised into self-managing teams or problem solving teams, which enhance employee's sense of ownership, purpose, and responsibility. In case study 3, self managing teams were used to get employees actively involved in organisational change. Front-line employees were given the opportunity to work in project teams during working time to deliver, from idea to implementation, an initiative designed to help transform the organisation into a more fulfilling place to work. Enabling employees to get involved in team projects such as these adds variation to their working lives, increases their sense of meaning and purpose at work and also gives them an opportunity to develop different skills which may not have been developed in their usual roles. Organising work in this way has been found to successfully lead to better performance (Batt and Moynihan, 2002), and in call centres has been associated with higher self-reported work quality and 9 per cent higher objective sales revenues compared with traditionally supervised teams (Batt, 1999). Belonging to such a team and having designated time together can also increase knowledge sharing amongst team members. Batt (1999) reported an 18 per cent increase in sales due to the quick learning of new technology, primarily due to the power of knowledge sharing amongst team members. In contact centres, it is critical that front-line employees absorb themselves in new ways to provide high quality customer service (Batt and Moynihan, 2002). Therefore, knowledge sharing teams are a good opportunity to bring staff with different areas of expertise together, to best assist each other in developing themselves, and ultimately providing a better service to customers. They also provide the opportunity for employees to read and digest new product and market information collectively which further enables them to provide better quality service to customers (Millard et al., 2006). Knowledge sharing has been significantly positively linked to call quality, perceptions of innovative problem solving, shared learning, and overall satisfaction at work (Batt and Moynihan, 2002)

Relaxed performance measures and performance rewards

In three of the five case studies outlined, there had been a shift away from traditional objective, quantitative performance measures, towards performance being assessed and rewarded, based on qualitative measures (or performance indicators) such as call quality. Case study 5 is an example where the 'unique value' of front-line staff has been acknowledged and rewarded. In this case study, the perceptions of front-line staff had been transformed with the organisation now seeing them as being able to offer unique insight and knowledge about the customer. As a result, rather than have explicit quantitative targets such as call length and number of calls, employees were able to use their insight to take responsibility for developing their own performance measures based on what they perceived as customers key needs, a task formally reserved for management and an example of vertical loading within the contact centre setting. Employees were encouraged to deepen their understanding of customer needs, and were rewarded based on the knowledge and

insight they could contribute to wider organisational understanding.

External involvement schemes

Case study 3 offers an example of how external involvement schemes and out-of-work events has helped organisations enhance their reputation amongst staff as being a better and more fulfilling place to work. Community involvement schemes, including fundraising events, were one initiative being used to enhance the meaning and purpose of work for contact centre staff. Such schemes also offer employees time to break out of the routine nature of contact centre work. Case study 3 exemplified the benefits of valuing social networking amongst staff, with a designated staff member responsible for arranging and co-ordinating out-of work events. For the company, enriching work in this way, and enhancing employees sense of contribution outside of work meant levels of retention across the organisation increased, both for staff and customers.

Flexible working and supporting work-home balance

Flexible working was another way these contact centres were empowering their employees, whilst effectively meeting business needs. Case study 2 is a good example of where short term investment into equipping contact centre workers to work from home, was offering significant long term benefits, both for the workforce and the business. Enabling employees to work from home meant employees were better able to manage their work and home commitments. The opportunity of home-based contact centre work also broadened the recruitment pool, meaning that individuals who may not have previously been able to work in the contact centre setting, had this opportunity opened to them. As a result the organisation benefitted from an increasingly diverse workforce, all of whom brought diverse and unique sets of skills and knowledge. One way the business has benefitted significantly from the shift towards home based contact centre workers, is that they are able to more effectively meet the fluctuation in demand.

Case study 1: Liverpool Direct Ltd

Context: Liverpool Direct Ltd is a public/private sector partnership between the council and BT. At the time of this case study Liverpool Direct Ltd's call centre employed 134 full time and 31 part time staff members handling 182,000 calls per month, with plans to integrate further staff from social services into the call centre. The centre receives inbound calls relating to HR, ICT and council revenue and benefits services.

1. What was Liverpool Direct Ltd trying to achieve?

- The call centre aimed to establish a "customer-centric operation" through a variety of channels.

2. How was this achieved?

- A team-focused operation, with the majority of the 165 employees working in teams of 17 workers. Each team is led by a coach reporting directly to the operations manager, with "trust and empowerment" being the key aspects of team-led operation.
- Liverpool Direct Ltd use investment into training and development to control turnover rates, and have developed a culture in which employees see working in the call centre as part of a longer career progression.
- To measure performance, Liverpool Direct Ltd does not use targets per se, but indicators based on quality rather than quantity. This is with the aim of making sure the customer does not have to call back, so "calls are longer, but richer". Rather than expecting employees to hit targets on number of calls per day or call length, employees are assessed on quality using voice recording to assess response quality.
- Employees are given personal development time to spend away from call (or query) handling and are also given one-to-ones, coaching and personal development with their designated team coach. The team coach is placed to work amongst team members so that there is no sense of 'disconnect' in understanding between team coach and team member.

3. What were the business benefits?

- This approach to investment in staff, a focus on quality as opposed to quantity and a supportive culture has led to Liverpool Direct Ltd achieving above average scores against a call centre customer experience survey as benchmarked by Qualtrack.

Source: Pearson, P. (2003).

Case study 2: Centrica

Context: Centrica was formed in 1997 as a result of a de-merger of British Gas. It is a supplier of 'essential services' and it best known in the UK for three brands: the AA, British Gas and One. Tel. At the time of this case study, around one-third of Centrica's UK workforce of 36,000 employees was based at or working from home and the aim was to increase the number of staff 'home working' in the following years.

1. How did Centrica enrich jobs for employees?

- The AA subsidiary of Centrica, at the time of this case study, was one of the few large UK employers with an established call centre operation which used staff that were working from home, and was based on BT's operations of a 'dispersed call centre'. The British Gas subsidiary had also started operating in this way.
- This has been achieved by promoting cultural change within the organisation to make working from home as 'normal' as working in an office nine to five.
- For seamless management of home working call handlers, the AA subsidiary employs the use of regular one-to-one briefings, structured team meeting, and home visits from managers.

2. What were the business benefits?

- This has enhanced working lives, and motivated employees by using their flexible working policy to support employee needs to balance work and personal commitments. Further to this, the flexibility enables call handlers to work for shorter periods of time.
- By offering homeworking, Centrica has been able to open up the recruitment pool to those who want or need to work in different ways, and further promoting Centrica's diversity agenda.
- Whilst the costs of equipping call centre workers to work from home may be seen as a 'barrier' to employers, the business benefits for the AA subsidiary were significant at a 5-10% lower turnover rate compared with the call centre average, and higher productivity levels by around 30-40% compared with the average call centre.
- The AA subsidiary also benefits from remote call handlers as they have generally greater short-notice availability, enabling the organisation to call on home-workers at peak times, or for absent colleagues.

Source: Suff, R. (2004).

Case study 3: Kwik-Fit Financial Services (KFFS)

Context: KFFS was established in 1995. It provides motor, pet and home insurance as well as other services. At the time of this case study the call centre employed around 950 staff members and dealt with more than 10 million calls per year. Four years prior to the case study, KFFS was suffering with high staff turnover at 52%, recruitment difficulties and poor morale and business performance.

1. **What were KFFS trying to achieve?**

    - The organisational change programme was focussed on "creating a working environment that empowers and involves people" and introduced a range of new initiatives and practices to turn the company around.

2. **How did KFFS achieve this?**

    - Employees were consulted from the outset and had hands on involvement as the change initiative developed. One example of doing this was the attendance of all 650 members of staff at the time attending a one-day workshop which was designed to extract creative ideas around how KSSF could be made a more desirable place to work. This generated, on average 200 suggestions from each workshop, with a total of 6,500 proposals for change.
    - One example of a proposal taken through to fruition was the development of a flexible benefits scheme for all staff, which was developed and seen through to implementation by a staff project team. This ensured the project team were empowered and autonomous in taking the plans forward.
    - Career progression was another of KFFS' key strategies in making KFFS a 'fantastic place to work'. Dismissing the misconception that a career is not possible in a call centre, KFFS introduced coaching programmes for managers to help them develop an advising, coaching and guiding role for their teams.
    - Effort-reward balance was enhanced in KSSF by introducing a culture of employee recognition with internal call quality competitions and 'Going the Extra Mile' recognition schemes.
    - One of the more unusual strategies to enrich employee working lives at KFFS was the introduction of a 'minister of fun' role, responsible for engaging employees in opportunities for social networking.
    - Community involvement schemes were also brought in to add purpose and meaning for staff at KFFS.

3. **What were the business benefits?**

    - By implementing the change programme towards an 'involvement' culture, KFFS managed to reduce staff turnover from 52% to 34%, increased sales per hour worked in the first and second years by 15% and 23% respectively and reduced customer complaints by 50% year on year, with customer retention rates the highest in four years.

Source: Suff, R. (2005).

Case study 4: Education Line

Context: Education Line is a national helpline, which aims to provide information on training support and career advice. In an investigation to look at the impact of job design on staff motivation and sickness absence, Houlihan (2002) found employee wellbeing was improved due to a number of organisation practices.

1. How did Education Line improve employee wellbeing?

- Developing an organisational focus on social as well as business objectives, creating a culture of staff contribution and development
- Increased discretion for employees over complex queries
- Utilising and developing employee knowledge
- Offering job variety through opportunities to take part in peer training and business development
- Enabling staff to take time away from the phones for professional development and learning.

Source: Houlihan (2002), cited by Akroyd et al. (2006).

Case study 5: Fujitsu

Context: Fujitsu is a leading information technology services company. Before 1999, turnover in its contact centre business was 42 per cent, and 15 per cent of their client accounts were at critical levels of dissatisfaction and unlikely to be renewed. In response, Fujitsu implemented a new performance management strategy.

1. How did this enrich front-line employee's work?

- Front-line staff were empowered to identify a problem, fix it and take the necessary measures to prevent it from reoccurring
- Employees are able to create new performance measures based on purpose as defined by customers and the organisation, then they redesign their own work to meet needs
- A different relationship between front-line staff and the rest of the organisation was promoted
- New belief that customer focus is lost when performance measures focus on calls per day, calls per man and average call handling time
- Developed leadership at all leaves and break traditional view that leadership is the responsibility of management alone when trying to challenge thinking and working practices
- Turning the hierarchy upside down with the role of management changing from authority to support
- Managers central responsibility was to provide knowledge and tools to handle the needs of the customer
- Front-line staff begin to perform the higher level tasks previously believed to be beyond the scope of the front-line staff
- Provides front-line staff with the opportunity to solve challenging issues and provide greater satisfaction
- Rewarded based on the knowledge they create as opposed to quantitative call handling targets.

2. Business benefits:

- Customer satisfaction increased by 28 per cent
- Employee satisfaction increased by 40 per cent
- Staff attrition decreased from 42 per cent to 8 per cent
- Operating costs reduced by 20 per cent
- Contract renewals and upgrades amounting to £200 million
- Awarded European Call Centre of the Year for best people development programme in 2001.

Source: Marr and Neely (2004).

Chapter 8 Conclusions

Getting business leaders and CEO's to recognise, and respond to the valuable role of the workforce in achieving not only business success, but also more importantly, sustainable business success can be a tricky feat – particularly in the low skill, low wage sector of the economy. Whilst the concept of employee engagement has its own issues, most notably its sometimes vague and inconsistent definition, leading to questions of its credibility and utility as an objective and measurable concept, the 'buzz' around employee engagement in the HR and wider business literature has certainly brought the issue to business leaders attention, as they begin to acknowledge the impact and importance that employee attitudes, satisfaction, commitment and wellbeing can have in the workplace. The importance of 'Good Work' and the role of job quality in achieving a satisfied, committed, healthy and ultimately 'engaged' workforce, is now escalating up the organisational and political agenda in the UK.

With productivity levels in the UK lagging behind other countries, the impetus for transforming organisational cultures into ones of empowerment, involvement, 'Good Work' and engagement is as strong as ever. The benefits of investment in human capital are clear for individuals, organisations and the wider UK economy. Improved wellbeing, reduced illness and absence, greater productivity levels and increased levels of innovation, are just some of the outcomes which are ultimately enabling UK organisations to offer a 'competitive advantage', increase output and contribute towards sustainable economic growth in the UK. However, not all organisations are recognising the benefits of this transformation in culture, and the economic downturn has been a significant barrier to this change. The downturn has led to a number of scenarios which have undoubtedly hindered (to some degree) the investment and transformation of UK organisations towards creating an ethos of empowerment, value and enrichment. These scenarios have included:

- Increased focus of organisations on short term investment and results
- Financial constraints within organisations
- Increased levels of fear and anxiety across the UK workforce
- Increased levels of underemployment.

At the same time, job growth has been predominantly in the low wage, low skill sector of the UK labour market – a sector that has deep-rooted tradition of work constraint, a drive for operational efficiency and cost minimisation, and where the opportunity for enrichment and intrinsic reward has been considered highly limited. Transformation towards a culture based on enrichment and engagement in this sector was always likely to be tough and, as a result of these trends an increasing proportion of the UK workforce is likely to be exposed to poor job quality and become increasingly disenchanted with their work. Therefore, breaking away from this deeply rooted operational strategy in the low wage; low skill sector is a formidable but necessary task, in order to achieve the UK's goal of sustainable economic growth. This paper has attempted to exemplify that, even in the most 'constrained' work environments,

the cultural shift towards empowerment, engagement and enriched job quality is possible. Further to this, it has been highlighted that whilst improving the quality of work for employees, organisations in this sector can benefit from the competitive advantage of better and improved human capital. This can be seen in the contact centre sector, for example, as higher quality and more customer focused service.

At the macroeconomic level, such transformation across all skill and wage levels of the labour market means higher job quality for a broader sector of the UK workforce, leading to reduced burden of ill health and unemployment, increased business output and a significant contribution towards increased UK economic growth.

Future challenges

Whilst this paper has outlined and provided clear evidence for the potential of job enrichment in the low wage, low skill sector of the economy, there are clearly numerous organisational management challenges that need to be addressed in order to facilitate the smooth transition from ‘mass production’ models to models of support, empowerment, value, trust and enrichment are key features.

This paper concludes by bringing two important questions to the reader’s attention. Are organisations and line managers in the low wage, low skill sector equipped to manage this transformation in culture? And how can we equip managers to move away from an ‘authoritative’ to a more ‘supportive’ role in these work environments?

Until we find practical ways of answering these questions and building the capacity of UK managers to enrich even the most ‘constrained’ jobs, we risk parts of the UK labour market remaining in a low wage, low skill, low morale equilibrium.

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