Customer Service in UK call centres: organisational perspectives and employee perceptions

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Abstract

The 1990s have witnessed a dramatic rise in consumer demand for, and hence provision of, call centres in the UK. Central to the success of call centres is customer service. Although there exists an ever-expanding tranche of literature on call centres and customer service, it primarily focuses on aspects of their functionality. In contrast, this article encompasses analysis of organisational perspectives and employee perceptions in its review of the contemporary nature of customer service in UK call centres. Drawing from recent, exploratory research, the article asserts that, in general, there is significant potential for improving customer service and satisfaction through the medium of more sophisticated employee management practices. © 2002 Elsevier Science Ltd. All rights reserved.

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1. The rise of call centres

Call centres were developed in the USA in the 1980s and were adopted in Australia and the UK a few years later (Incomes Data Services, 1997; Arkin, 1997; Datamonitor, 1996). As Harrison and Smith (1996) attest, there has since been a rapid growth in the variety call centre industries and services. The diverse functions of call centres may be categorised into four broad types, as noted below.

(I) Customer service/sales.
(II) Single/bi-directional calls.
(III) Industry of operation (e.g. consumer products, financial services, tourism/ transport, remote shopping, telecoms, entertainment).
(VI) Service provided (e.g., using the Henley Centre's (1997) classification, advertising response, telephone banking, catalogue purchasing, production information and service, insurance cover and claims, complaints, accounts and billing, purchase orders, after sales support in repairs and servicing).

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Call centre employment typically conjures up images of office workers using the implements of telephones and computers. However, the Income Data Service (1997) report points out that 'not every office worker who has a telephone and computer screen can be regarded as a call centre operator'. The Merchants' Group (1998) is helpfully specific in its definition of a call centre employee:

> 'a physical or virtual operation within an organisation in which a managed group of people spend most of their time doing business with customers by telephone, usually working in a computer automated environment'.

The emphasis on automation, particularly the technology of automatic call distribution (ACD) systems, is crucial to both defining and understanding of the call centre industry (Bain and Taylor, 1998). ACD systems queue incoming calls and automatically distribute them to the next available agent. The agent can be selected by specialist handling area, the amount of time since their last call or any other management-determined criteria. Not only does this increase the operating efficiency but it also allows a large degree of management control over employees' work, working practices which both have explicit Tayloristic overtones.

Call centres are now an established feature of the developed, post-modern world, a means of distribution for a vast array of products and services (Arkin, 1997).

Moreover, their range continues to expand, particularly but not exclusively in financial services (Cross, 1999) and retailing (Reynolds, 1999). For example UK public services, notably the National Health Service, are to use call centres to provide some of their services via telephone. Datamonitor (1996) predict that consumers' increasing sophistication will continue to fuel the growth of call centre business. Furthermore, as consumers become more familiar with, and confident about, passing credit card details over new media, call centres will be used more for placing orders (Lawford, 1998). Curtis (1999) goes as far as asserting that:

> 'the telephone has transformed the way companies communicate and trade, and radically altered the way people work. In the future, when people examine important social and business trends at the turn of the millennium, it's quite likely that the explosion of teleculture will be on the list.'

It seems that even the potential of the internet will not challenge the teleculture significantly (Booth, 1999), despite call centres being less than proactive so far in dealing with the impact of the internet (Farrow, 1999).

The continued growth of call centres is also important in the UK in relation to the job market, especially in less affluent areas of the UK which have traditionally relied on heavy industry such as coal mining or ship-building, for example in northeast England and central Scotland. Following the decline of the heavy industries and concomitant increase in longterm unemployment, call centres have provided something of a lifeline to economically depressed areas. In the case of central Scotland in particular, more than 160 call centres provide employment for nearly 21 000 people, albeit in fairly low skilled jobs, with this number projected to top 37 000 in the new millennium (MacDonnell, 1999). In the UK as a whole there are close to 5000 call centres, employing up to 243 000 staff (Curtis, 1999).

Beyond economic impacts, the importance of call centres can also be gauged in social terms. Most significantly, the increasing reliance on 'remote' means of conducting business, such as the communication medium of the telephone, has become a common means of conducting business. From an organisational perspective, telephone based business is a seductive proposition because:

> 'effective use of the telephone for modern business purposes means reaching more people more often, in more places for more hours per day, all at a lower cost base and with a higher and faster return per head employed' (Reed, 1997).

Globalisation, shorter product life cycles and intensification of competition (Gronroos, 1997) have also supported the emergence of call centres. Coupled with technological advances in telecommunications, a business trend away from mass marketing to more targeted approaches, the high level of success enjoyed by telephone direct sales in banking and insurance and, above all, the deregulation of the telecommunications market in the UK, the operating conditions for call centres are fertile. The power of the market is equally, important in understanding the emergence of call centres. Prabhaker et al. (1997), for example, identify the need for companies to offer a superior service in order to ensure business survival in a service sector economy. Call centres afford companies the potential to manage customer relations more effectively, thus providing some competitive advantage while saving costs (Connon, 1996). Indeed, the quality of the customer service itself may become a point of competitive distinction and positional advantage (Rapert & Wren, 1998).

2. The primary of customer service and satisfaction

Customers' perceptions of the service they receive is, arguably, the basis of success for call centre. According to the Parasuraman and Berry (1991), customers assess service quality by comparing what they want or expect with the service they perceive to have received. Consequently, for call centres to earn a reputation for service quality, employee must consistently perform at levels which customers perceive as meeting or surpassing their expectations (McColl-Kennedy and White, 1997). Customer service which effects customer satisfaction is an emotional attitude towards a service, resulting from the comparison of the pre-purchase expectations and perceived performance (Gronroos, 1991). As call centres are a recent phenomenon, it is important to ascertain the expectations customers have of call centre service. The general, and mainly intangible, parameters of customers'' perceptions of 'good' quality service such as employees' responsiveness and empathy establish the importance of employees in customer satisfaction. However, there is evidence that the expectations of call centre customers extend beyond these general satisfiers. Haymarket (1998), for example, levels that there are three features of call centre operations that customers feel are crucial to quality service, namely convenience in fast call handling, cordiality of the agent, and consistency in agents providing a reliable and accurate service. Customer satisfaction may in addition be based on another three dimensions: access, including the agent's communication skills; timeliness, including agents' resolution of queries; and quality, which includes the accuracy, consistency and comprehensiveness of the agents' advice, in addition to the knowledge and politeness of the agents. Thus the role of the front-line employees, the call centre agents or operators, assumes a heightened importance in customer satisfaction. The