

# Exploring Customer Service Representatives' Job Satisfaction Levels—A Comparison of Inbound/Outbound and Outsourced Australian Call Centres

John Annakis

**Abstract**—The aim of this research is to investigate the nature and extent of job related factors on job satisfaction for customer service representatives (CSR's) in five Australian call centres. Using quantitative methods, the study found that, CSR's perception of fairness, equity and relevance of monitoring practices, together with a participative work environment and flexible work practices are the most important contributors to job satisfaction. The findings also suggest that satisfaction levels for inbound CSR's is significantly higher than outbound sales, and blended approaches.

**Index Terms**—Blending, outbound, inbound, outsourced, Structural Equation Modelling.

## I INTRODUCTION

Reference [1] defines call centres as “a dedicated operation in which computers utilising employees receive inbound or make outbound telephone calls”. It is expected that the definition of call centres will change as technology and organisational structures advance [2]. The characteristics of call centre work have been identified by researchers as often including intense monitoring, repetition and a focus on quantitative output at the expense of quality customer service and employee well-being. The extant research suggests that call centres are not all managed the same and diversity exists amongst managerial control mechanisms and so too employee responses to these control mechanisms. Research related to call centres' preoccupation with panoptic extrapolations and suggestions of stereotyping of all call centres using ‘sacrificial HR’ strategies as the norm has been refuted to a large extent [3]-[4].

Australia has experienced exponential growth of call centre operations, with similar trends reflected overseas. It is estimated that there are some 4,000 call centres that employ around 250,000 employees [5]. This equates to 1.4 per cent of the Australian workforce and represents the second largest percentage of a country's workforce in call centre employment, [6]. It is estimated the industry contributed over \$15 billion in value a year with \$9.1 billion of this in wages and other HR expenses [5]-[7]. According to a recent global study, [8] call centres tend to lose a fifth of their employees on average every year, but in some

countries, and particularly in the outsourced sector where labour conditions are harsher, the figure is much higher. Irish outsourced call centres turnover rates are 35 per cent per year; United States at 36 per cent. In India official figures are 30-40 per cent, but other estimates are closer to 75 per cent [9].

## II LITERATURE REVIEW

The literature suggests that work roles that are designed to suit principles of ‘economic rationalism’ (the maximisation of profit by minimising costs) can lead to negative effects on employee job satisfaction. The impact on the worker role has implications for employee well being and the financial viability of the call centre.

Empirically based job satisfaction research within the call centre environment has been limited to only a few studies. Lower perceived levels of job satisfaction has been associated with low job commitment [7], lower job performance and higher absence frequency [6], higher turnover intent [10] and higher rates of turnover [11]. Perceived fairness of payment system, the adequacy of training and usefulness of performance appraisal system has been positively associated to job satisfaction [12], promotional opportunities, control over skill use, distributive justice, supervisory support, social interaction, autonomy and training [13]. To date there has been some limited empirical investigation of determinants or prediction of what constitutes (job satisfaction) however there has been little consistency about measures and models [14].

Reference [13] made a comparative analysis of Australian and Indian Call centres and identified a predominance of transactional based, low discretion call operations There has also been considerable debate over the links between HR policy and organisational performance, which has been based on the distinction between two particular approaches, ‘best fit’ and ‘best practice’ perspectives [2]. Reference [12] argue that performance is maximised when the HR practices are consistent with the business strategy. Noting the absence of other more comprehensive models in the literature, the author adapted a version of an existing model in this study to predict factors related to job satisfaction [15].

## III RESEARCH PROBLEM

The main purpose of this research is to investigate the nature and extent of job related factors on job satisfaction of CSRs. The primary research question arising from the

Manuscript received September 21, 2012; revised November 6, 2012.  
John Annakis is with Faculty of Business & Enterprise, Swinburne University of Technology, Hawthorn, Melbourne, Australia (email: jannakis@swin.edu.au).

research, the literature review is: What are the factors that contribute towards CSR's perception of job satisfaction?

The secondary research questions arising from the literature review are:

- 1) How does electronic performance monitoring affect job satisfaction
- 2) How does work environment affect job satisfaction
- 3) How does flexibility affect job satisfaction
- 4) How does Performance Management System & HR affect job satisfaction
- 5) How do job benefits affect job satisfaction

Based on the above research questions the following hypotheses have been developed:

H1 Job Benefits are positively associated with Job Satisfaction

H2 Performance Management is positively associated to Job Satisfaction

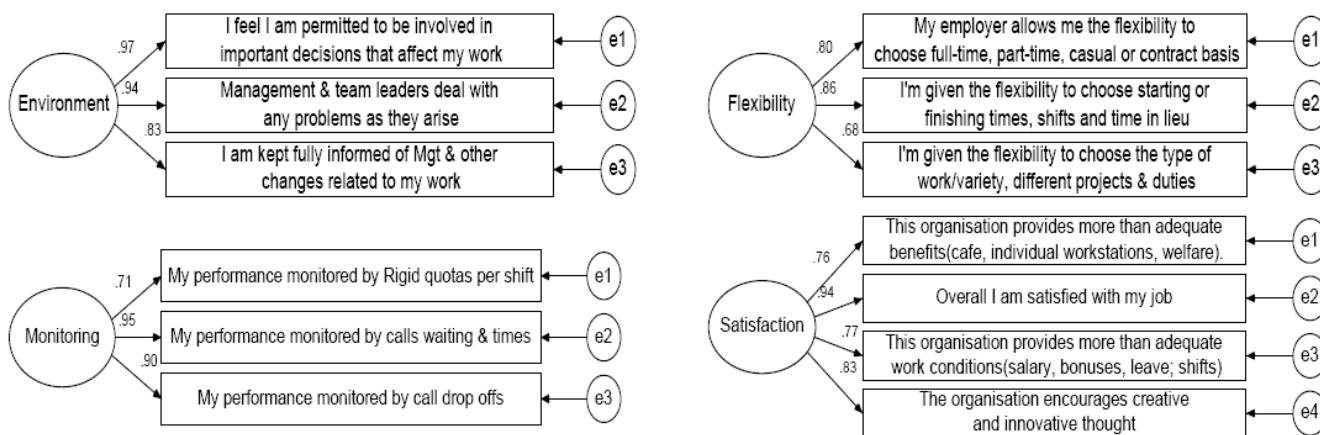
H3 Employees' Control of Environment is directly and positively associated with Job Satisfaction

H4 Monitoring is directly and positively associated to Job Satisfaction

H5 Flexibility is directly and positively associated to Job Satisfaction

#### IV METHOD

After approaching some twenty call centre companies of different sizes, industries including private, public, local,



Job Satisfaction (chi-square = .85, df = 2, p = .652, RMSEA = 0, GFI = .998)

Fig.1. Confirmatory factor analysis

Based on the findings from Pattern and Structure Matrix the 13 items are presented together with Cronbach Alpha's for factors. The relatively high Cronbach alpha coefficients indicate satisfactory internal consistency and reliability the four factors.

Job Satisfaction Items: Overall I am satisfied with my job; This organization encourages creative & innovative thought This organization provides more than adequate work conditions; This organization provides more than adequate benefits; Cronbach Alpha 0.893.

Monitoring items: Performance monitored by calls waiting & times; Performance monitored by the number of call drop offs Performance monitored by rigid quotas per shift. Cronbach Alpha 0.888.

national and international, in-house, outsourced. Five call centres agreed to participate in the survey. The questionnaires for this study were distributed using random and snowball sampling techniques .The final sample included respondents from metropolitan Melbourne call centres within the state of Victoria. Questionnaires were completed and were returned by mail to a specific post office box address in a self-addressed reply paid envelope to ensure anonymity and confidentiality. Of the 246 questionnaires distributed for this study, 210 were returned and 5 incomplete questionnaires were discarded giving a response rate of 83%.

#### V RESULTS

Exploratory factor analysis was initially utilized to investigate the underlying structure of the relatively large set of variables (39 variables) contained within the study. After an oblimin rotation nine factors emerged explaining 67% of the variation. Four of these factors corresponding to job satisfaction (9 items), Monitoring (5 items), Environment (6 items) and Flexibility (5 items) were the main ones that the remaining five factors were poorly represented with only one item having a loading above 0.40 in each case. Fig. 1 shows, after removing these items and items with low loadings, the four factors were tested for validity using Confirmatory Factor Analysis.

Environment items: I feel I am permitted to be involved in decisions that affect my work; Management & team leaders deal with any problems as they arise; I am kept fully informed of management & other changes related to my work; Cronbach Alpha., 0.936.

Flexibility items: I'm given the flexibility to chose starting/finishing times, shifts & time-in-lieu; My employer allows me the flexibility to chose full-time, part-time, casual or contract basis; I'm given the flexibility to chose the type of work/variety, different projects & duties. Cronbach Alpha, 0.821.

A second Exploratory Factor Analysis of the remaining 13 items was conducted, which explained 65% of the total variance.

TABLE I: FACTOR CORRELATION MATRIX FOR EFA

		Correlations			
		satisfaction	flexibility	enviro	monitor
satisfaction	Pearson Correlation	1	.631**	.648**	-.495**
	Stg. (2-tailed)		.000	.000	.000
	N	205	205	205	205
flexibility	Pearson Correlation	.631**	1	.613**	-.417**
	Stg. (2-tailed)	.000		.000	.000
	N	205	205	205	205
enviro	Pearson Correlation	.648**	.613**	1	-.516**
	Stg. (2-tailed)	.000	.000		.000
	N	205	205	205	205
monitor	Pearson Correlation	-.495**	-.417**	-.516**	1
	Stg. (2-tailed)	.000	.000	.000	
	N	205	205	205	205

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

The confirmatory factor analysis models (measurement models) were arranged sequentially as per the conceptual model in Fig. 2. Chi-square = 91.149, df = 60, p 0.06, CMIN/DF = 1.519, GFI = .936, RMSEA = .050, CFI = .985. A good fit, this model explains 66% of the variation in job satisfaction.

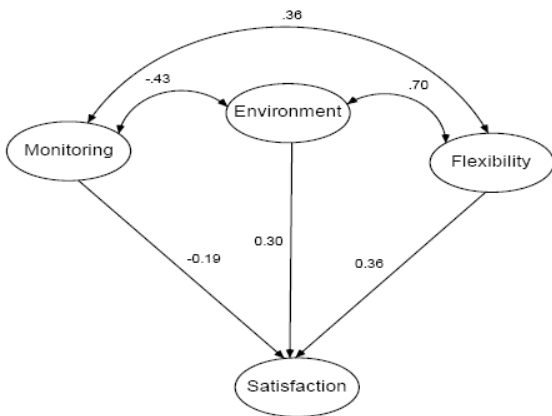


Fig. 2. Simple SEM regression model

A. Testing of Hypotheses

The initial 5 hypotheses were reduced to 3. The two hypotheses which were eliminated (and hence rejected) during the first exploratory factor analysis, were:

Hypotheses No.	Relationship	Estimate	S.E.	C.R.	P	Support for hypotheses
H <sub>3</sub>	Employees Control of Environ → Job Satisfaction	.295	.068	4.319	***	accepted
H <sub>4</sub>	Monitoring → Job Satisfaction	-.186	.068	-2.729	.006	rejected
H <sub>5</sub>	Flexibility → Job Satisfaction	.358	.075	4.765	***	accepted

H1 Job Benefits are positively associated with Job Satisfaction

H2 Performance Management is positively associated to Job Satisfaction

Hypotheses Testing using the Simple SEM regression model:

H3 Employees' Control of Environment is directly and positively associated with Job Satisfaction

H4 Monitoring is directly and positively associated to Job Satisfaction

H5 Flexibility is directly and positively associated to Job Satisfaction

The results of the SEM in this study indicate that employer monitoring had a negative relationship to job satisfaction. This is consistent with the findings of an empirical study of job satisfaction in U.K. call centres [15]. Unlike the other factors explored and their relationships the higher the perception of CSR's to the intensity of employer monitoring the more negative the relationship to overall job satisfaction. The results of the SEM conducted in this study indicate that the environment factor had a direct positive relationship to job satisfaction.

B. Descriptive Analysis for Demographic Variables

The MANOVA results for the four factors (satisfaction, monitoring, environment and flexibility) based on comparison of groups.

TABLE II: MANOVA ANALYSIS FOR DEMOGRAPHIC VARIABLES

	F-Statistic	p-value
Age	F(16,602) = 1.444	.115
Gender	F(4,200) = 1.65	.163
Employment	F(8,398) = .97	.047
Length of service	F(2,524) = 1.79	.047
Area of work	F(12,524) = 3.84	<.001
Industry sector	F(4,183) = 8.532	<.001
Type of education	F(17,524) = 2.106	.015

TABLE III: COMPARISON OF MEANS FOR AREA OF WORK

Area of work		Satisfaction	Flex	Environ	Monitor
Customer service Inbound	Mean	3.506	3.392	3.422	3.236
	N	79	79	79	79
Direct sales outbound	Std. Deviation	.811	.974	.929	.852
	Mean	3.209	3.139	2.992	3.535
Both (blended)	N	43	43	43	43
	Std. Deviation	1.068	1.108	.964	.855
Total	Mean	3.000	3.120	2.824	2.917
	N	36	36	36	36
F Statistic	Std. Deviation	.980	1.147	1.037	.506
	Mean	3.218	3.153	3.167	3.428
p-value	N	205	205	205	205
	Std. Deviation	.960	1.077	.999	.845
Effect Size	F(3,201)	4.25	3.23	3.71	6.60
	p-value	.003	.024	.012	<.001

Table III above illustrates that satisfaction is highest for customer service inbound. This is associated with higher flexibility, a better environment and less monitoring than is the case for direct sales outbound. The satisfaction and monitoring effect sizes are moderate, while the flexibility

and environment effect sizes are slightly smaller. Where blending is part of the CSR role (inbound & outbound) satisfaction levels are also lower. Direct sales outbound and blended operators are monitored on quantitative and qualitative criteria, there is pressure to sell and higher levels of customer abuse and rejections which could relate to lower job satisfaction rates. An important finding from the invariance testing is that monitoring does not have a significant negative impact on job satisfaction, in the case of business services ( $p=.230$ ) but it does have a negative impact on job satisfaction in the case of services/retail ( $p=.003$ ). This could be attributed to the lower levels of monitoring experienced in the business services sector.

## VI DISCUSSION AND MANAGERIAL IMPLICATIONS

This study extends the work of previous call centre researchers by identifying that using a multi-dimensional approach for measuring job satisfaction reveals that CSR's overall perception of positive aspects of job satisfaction included intrinsic, extrinsic and social factors. Also that work environment or the context of work has a positive association to job satisfaction. In particular CSR's perceive that being informed of changes, team leaders dealing with problems as they arise and involvement in decision making that affect work are important considerations for CSR's. These findings are consistent with other empirically based call centre studies [3], [15].

The findings on flexibility in terms of CSR control over task variety (functional flexibility) and routine of work is consistent with the findings of previous researchers where there is a correlation that positive perceptions of this factor are associated to job satisfaction [16], [6]. However this study contributes to the extant literature by using a wider multi-dimensional approach to measuring flexibility found that CSRs in particular CSR control and choice over numerical flexibility such as status of work contract whether part-time, full-time, casual; also temporal flexibility such as the choice over hours, shifts starting and finishing times, including social or unsocial hours are also considered important for CSR's and that these factors could also contribute towards a perception of balancing work and family life and overall life satisfaction beyond the workplace [17], [3].

Unlike previous studies investigating employer monitoring practices which used either single-item measures or a few measures, this study used a multi-dimensional approach. What was common amongst CSR perceptions was that concerns were raised as to measuring and punishing CSR's for rigid quotas per shift, by calls waiting and times, and by the number of call drop-offs which may have been construed as what some call centre researchers have referred to the tensions of quantitative versus qualitative demands in the customer service transaction [18], [3]. In summary the implications for managers are that CSRs perception of fairness, equity and relevance of monitoring practices, together with a participative work environment and flexible work practices are the most important contributors to job satisfaction and these factors should be taken into account when designing and implementing HR practices within call centre

environments. Ignoring these factors eventually lead to further problems such as sacrificial customer service strategies.

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**John Annakis** is from Faculty of Business & Enterprise, Swinburne University of Technology, Hawthorn, Melbourne, Australia. His email address is [jannakis@swin.edu.au](mailto:jannakis@swin.edu.au). He obtained the degrees of BA (Soc Sc) (LaT) in 1984 in Grad Dip Urban Research & Policy (SUT), MBA (RMIT) in 1985, and PhD (SUT) in 1993 in Australia, respectively. Dr. John Annakis is a Lecturer in Human

Resource Management & Organisation Studies Swinburne University of Technology in Hawthorn, Victoria Australia. Meanwhile he achieves the Professional Memberships of Australian Human Resources Institute (AHRI).

He worked for 15 years as an Academic in various roles including Program Manager FAME Manufacturing Management, Post Graduate Coordinator of Master of (Commerce HRM) Australia and Vietnam, for

10 years as an Industrial Relations Advocate & media spokesperson, and for 3 years as an external recruitment consultant.

His research interests include Monitoring and Surveillance in Australian Call centres; Identifying Job Satisfaction indicators in call centres; Workplace flexibility and employer control contradictions; and Cross-cultural management issues in Australia and Japan.