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Holtgrewe, Ursula

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Ursula Holtgrewe

Duisburg/Essen University
Germany

MANAGING FLEXIBILITY AT ORGANISATIONAL BOUNDARIES: THE CASE OF TELEPHONE CALL CENTRES IN GERMANY

Dr. habil. Ursula Holtgrewe
Institute of Sociology
Duisburg/Essen University
D-47048 Duisburg
phone ++49-203-379-2739
fax ++49-203-379-4350
e-mail: holtgrewe@uni-duisburg.de
web http://soziologie.uni-duisburg.de/PERSONEN/holtgrewe.html

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REAL WORK IN A VIRTUAL WORLD: THE HUMAN IMPACT OF ORGANISATIONAL TRANSFORMATION IN A DIGITAL GLOBAL ECONOMY

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 EMERGENCE

Call centres are exemplary of new organisational units which specialise in flexibility at the boundaries of organisations. They are frequently cited as exemplary of a return of companies to Taylorist modes of rationalisation. The paper argues from an organisational and empirical perspective that call centres do not follow an unambiguously (neo-)Taylorist logic of rationalisation. It is based on the research project "Call centres in between Neo-Taylorism and Customer Orientation" which was conducted by the author as a principal researcher (together with Hanns-Georg Brose, Christian Kerst, and Sandra Arzbächer) at Duisburg University from 2000 –2002, and involved case studies of seven German call centres (with expert interviews, workplace observations and a survey of 491 call centre agents), plus shorter visits in four additional call centres. In the sample of call centres we had three banks, three outsourcing/marketing call centres; two from telecommunications and one each from the areas of transport, mail ordering and health. This covers most relevant industries, functions and skill levels, and the type of organisation ranged from a telephone bank with 700 agents at three sites to a small telemarketing agency with 20 agents.

Some results of this research look surprising from a simple Taylorist perspective which would focus on the deskilling and standardisation aspects of call centre work:

- 40% of the agents in our survey were university students who concentrate in the three banks.

- From the rest, 80% had completed some kind of formal occupational training.

- Work in agents' perception was not completely routinised either (see below).

- After companies such as banks and retail companies had initially outsourced call centres from their established collective agreements, works councils have frequently been re-established and trade unions are beginning to regain their footing in call centres (Arzbächer/Holtgrewe/Kerst 2002)

- Both flexibility and quality of work are on the one hand contested terrain in everyday workplace and collective labour struggles (Bain/Taylor 2000b; Bain/Taylor 2000a; Holtgrewe 2001; Alferoff/Knights 2002), on the other, there is considerable space for more or rather less formalised agreements over flexibility and quality. F. i. we found elaborate scheduling systems which gave agents considerable choice over working times even in call centres with otherwise strongly regimented working conditions.

In terms of working conditions, the following finding is of interest: When asked about degrees of routine and creative action in their work, and agents answered as follows:[1]
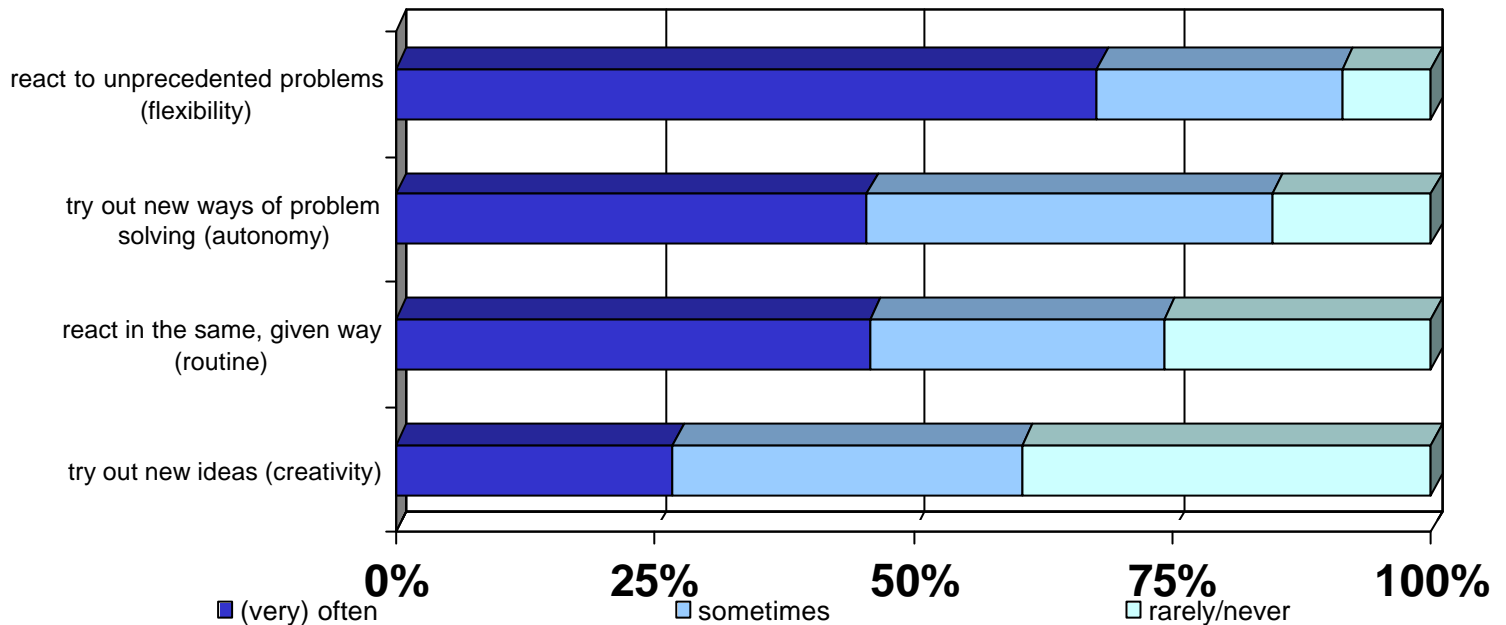
This suggests that indeed call centre agents' work is not standardised in a simple sense. They do standardising work themselves: In interacting with customers they translate customers' demands and information into data and routines that can be processed by their organisation. And indeed, they find themselves "on the frontline" (Frenkel et al. 1999) faced with frequently unprecedented and unpredictable problems, demands and claims from the customer environment. The specifity of call centre work thus can be analysed from an organisational perspective inspired by systems theory (Tacke 1997; Luhmann 2000):

Then, call centres are organisational boundary-spanning units. Boundary-spanning units connect organisations to their environment, and it is important to note that organisations actively enact and act upon that environment. As social systems, they need to be both open for changes in the environment, for information and resources, and to maintain their own identity.

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[1] The original question had been: how often do you…
- …try new ways of solving a problem at work? (autonomy)
- … develop quite new ideas? (creativity)
- … need to cope with new, unprecedented problems? (flexibility)
- …. need to react in the same, given way? (routine)

on a five-point scale ranging from "very often" to "never".

Boundary-spanning units thus process a structural problem of organisations: They *do* openness and closure, and balance stability and flexibility.

They are the ones who, in the original world of Henry Ford, would have to actually tell people that, yes, you can have cars in any colour provided it's black. In a post-Fordist world, the challenge of connecting f. i. a slightly disorganised organisational sociologist's wish to travel to Vienna with the computer network's need for a particular sequence of data, and sequence of giving information on timetables, available seats, cost etc. is not trivial either – and when security routines, passwords, technical objects, differentiated prices and failed self-services come into play, you have the sort of mess either dinner party guests or actor-network theorists enjoy.

Call centres specialise in a particular function of a boundary-spanning unit: Customer contact on the phone. Inevitably, they work on both sides of the dilemma of efficiency and quality. They are objects of rationalisation and outsourcing strategies while promising flexible, customer-oriented reactions to customers. This is why in recent research call centres have been characterised in ambiguous terms, as "customer-oriented" or "flexible bureaucracies" (Korczynski 2001; Dose 2002). Taylorist rationalisation, the establishment of "an assembly line in the head" (Taylor/Bain 1999), a strict division of labour and the separation of planning, control and operative work, only addresses the side of operational closure. Automation and self-service are examples for this, but even in call centres where conversations are scripted, we mostly find a flexible use of these scripts as guidelines and checklists. The Taylorist option thus is pursued in a limited way only.

Instead, in order to maintain flexibility, organisations in general need *slack*: reserve capacities of resources, cognitions and competencies (Cyert/March 1963). A considerable reserve of slack in an organisation are its members: Labour (*lebendige Arbeit*) by definition brings skill, extrafunctional competencies, flexibility and biographical resources to the job. Our findings of skill, flexibility and responsibility in call centres then are indicative of organisations reflexively rationalising and managing slack instead of just cutting it down.

Centrally, the organisational dilemma of flexibility and standardisation is delegated to the individual workplace, and translated into dilemmatic demands on work. However, this workplace is surrounded by elaborate management practices: recruitment strategies, work contracts, performance appraisal, training and coaching. Call centres recruit specific groups of workers whose extrafunctional skills enable them to move competently through the respective call centre's specific demands. However, call centres do not look for specific qualifications

but for individual, and supposedly personality-related communicative skills and competencies of endurance (Thompson/Callaghan 2002).

Employment in the call centres of our study is based mainly on two key groups of employees (Kerst/Holtgrewe 2003): Students (nearly all in part-time) and other, not-studying part-time workers. Full-time work in most call centres in our sample is rather marginal. It is concentrated in inhouse call centres[2] and call centres in which higher quality services are produced. Full-time employees frequently have unusual work biographies but often have moved into call centre work from other occupations with non-standard working times (such as health workers or formerly travelling maintenance workers). Most managers we interviewed see full-time work in call centres as inefficient because of the high strain especially in outbound services.

The distribution of the respective employee groups varies strongly in the call centres studied. The most common property seems to be the high share of part-time workers (students and non-students together), while part-timers' working times are mostly in the range of 20 – 25 hours per week. About 75 per cent of the agents in the nine call centres are part-time workers. This result exceeds clearly the findings of another recent study (Schietinger/Schroth 2001) that found 43 per cent part-time workers in 18 call centres, while in Bremen, Baumeister found an average of 33 per cent part-time workers of all employees (agents and other staff) (Baumeister 2001). Everywhere then, call centres have a higher rate of part-time workers than the German labour force in general. They clearly exceed the West German part-time rate of 23% and are close to the figures for f. i. retail and catering: (retail: 30 per cent, catering trade: 40 per cent).

It seems that this mix of full-time and part-time workers varies with national employment patterns and labour markets. In Britain, for instance, and also in East Germany, full-time work seems to be more common (Bain/Taylor 2002; Shire/Holtgrewe/Kerst 2002). In order to produce the desired flexibility, call centres profit from specific institutional arrangements: f. i. from gender relations restricting women with children from seeking full-time employment or from the privatisation of higher education requiring students to work more than a few hours per week for a living (Arzbächer/Holtgrewe/Kerst 2002). Indeed, banks in pursuing an outsourcing strategy have replaced "old", skilled and collectively protected workforces, and also skilled women returning to work, who formed the traditional workforce for routinised part-time work (Gottschall/Mickler/Neubert 1985) with the "new" flexible workforce of students (Holtgrewe 2003b). As one personnel manager told us:

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[2] There is also some evidence that full-time call centre workers have moved up the ranks to become supervisors. Indeed, full-time availability is frequently a prerequisite for management positions.

> [Compared to traditional banking, U. H.] we approach things differently, we say, we have the customer segment, we need the person. Qualification is secondary, first we need the enthusiasm, the knowledge and the rest we do internally and make this person a very, very small, slimmed-down banker." (personnel manager Bank3).

Skill is thus informalised and redefined as a complex of personality traits which can be acquired in diverse and non-institutionalised settings. Students are of course trained in communicating and in sounding competent, and also in the fast acquisition of new knowledge and the norms of co-operation. Similar to women returning to work, they combine skill, which by status is not yet recognised as a qualification, with limited labour market opportunities. experience in

Call centres also pursue temporal flexibility through a variety of contractual arrangements, and we find finely tuned and often participatory instruments of shift-planning. These are complemented by a performance-relevant and normatively enhanced willingness to work and change shifts at short notice. Yet especially with part-time workers these arrangements seem to work, since in the survey, 78,3% of workers were satisfied with the flexibility of their working times (while full-time workers were significantly less satisfied at 58,8%) (Holtgrewe 2003b). The call centres' demands of short-term flexibility appear to be complemented by a consideration for agents' temporal restrictions in most cases, so that a 'fair' exchange is perceived. Both in terms of flexibility and quality we have thus found evidence for "flexibility and quality pacts" between workers and management, although flexibility and quality are also issues of labour struggles (Holtgrewe 2001; Alferoff/Knights 2002; Holtgrewe/Kerst 2002a; b).

The demands of flexibility and the delegation of communicative flexibility to the workplace result in specific patterns of control as well. Agents are surrounded by a wide range of "info-normative controls" from electronic and person-to-person monitoring to coaching and the cultivation of a co-operative and "fun" organisational culture (Frenkel et al. 1999; Kinnie/Hutchinson/Purcell 2000; Holtgrewe 2003a). There is some debate over the "facilitative" (Frenkel et al. 1999) or restrictive/oppressive character of these controls (Taylor/Bain 2001), but it has become clear (again), that the "panoptic" monitoring technology (Fernie/Metcalf 1998) matters less than its situated and contextualised implementation and practical use (Lankshear et al. 2001).

The very detail of the monitoring data provided by automatic call distribution requires careful interpretation, and management tend to avoid a too-narrow, short-term use of the data. Performance measures in Germany are mostly used on the level of teams except for outbound marketing call centres. Here, the law on labour relations plays a significant part since

electronic performance measures fall under co-determination by the works council who are quite successful in limiting their use. (Notably, seven out of our 11 cases *had* a works council.) Yet, in the case of a telecommunications inhouse call centre with traditionally strong interest representation, agents were required to keep track of performance with pen-and-paper lists which *could* be anonymous and do not fall under co-determination.

Of course, traditional Taylorist work organisation also depends on the informal and unofficial inputs of workers to keep processes running smoothly (f. i. Böhle 1994). Yet in those cases, work organisation and control is mostly directed at negating these efforts, while in call centre management practices they are partly recognised. In this, call centres fit into the specifically post-Fordist patterns of "domination through autonomy" as it has frequently been described for highly skilled labour (Deetz 1998; Kocyba 1999; Moldaschl 2000a).

In sum, the picture is not generally bleak. While call centres both flexibilise the standard employment relationship and profit from flexibilisations in other social arenas such as tertiary education, gender relations and occupational biographies, they do so to a limited extent. While personnel fluctuation is a functional reserve of flexibility, the complex demands of call centre work and the non-trivial investments in HRM lead to an interest in long-term employment as well. Interest representation and trade unions are gradually regaining ground in the field. They will have to learn from the specific arrangements of consensus and control though and find ways to influence the management and "doing" of flexibility. The regional concentration of call centres in specific urban regions is leading to functioning labour markets. Informal standards of working conditions, HRM and skill are emerging. Actors in this new organisational field such as managers, entrepreneurs, trade unions and workers themselves are gaining experience and building up expertise which opens up possibilities of quality-oriented developments, but also of new segmentations between "high-end" and "low-end" call centres.

The author is currently teaching sociology at the University of Duisburg/Essen. Previously, she worked at the Department of Innovation Research at Chemnitz University of Technology, and has been one of two principal researchers in the DFG-funded call centre research project at Gerhard-Mercator-University Duisburg. Together with Christian Kerst and Karen A Shire she has edited the volume "Re-Organizing Service Work. Call Centres in Germany and Britain". Aldershot (Ashgate), 2002.

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