

MANAGEMENT PRACTICES FOR SUCCESSFUL CALL CENTRES IN KENYA

by

Patricia Kimama

A thesis presented to the Faculty of Postgraduate Studies

of

Daystar University

Nairobi, Kenya

In partial fulfillment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION

in

Strategic Management

May 2010

# MANAGEMENT PRACTICES FOR SUCCESSFUL CALL CENTRES IN KENYA

by

Patricia Kimama

In accordance with Daystar University policies, this thesis is accepted in partial fulfillment of the requirements for Master of Business Administration Degree  
Strategic Management

\_\_\_\_\_  
Kepha Njenga, PhD  
Supervisor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Bowen Micheal, PhD  
Reader

\_\_\_\_\_  
Date

\_\_\_\_\_  
Muturi Wachira, M. Phil, CPA (K),  
CPS (K) Coordinator, MBA

\_\_\_\_\_  
Date

\_\_\_\_\_  
Rebecca Oladipo, PhD  
Dean Faculty of Post Graduate Studies

\_\_\_\_\_  
Date

## MANAGEMENT PRACTICES FOR SUCCESSFUL CALL CENTRES IN KENYA

I declare that this thesis as my original work and has not been submitted to any other college or university for academic credit.

Signed: \_\_\_\_\_  
Patricia Kimama

\_\_\_\_\_  
Date

DAYSTAR UNIVERSITY

## ACKNOWLEDGEMENTS

First and foremost, I am grateful for the support and encouragement that I have received from the Faculty and staff at Daystar University to get this research completed despite difficulties along the way. I thank my Supervisor, Dr Kefa Njenga and Reader, Dr. Michael Bowen for not getting tired of correcting my work on numerous occasions and directing me on the right path of conducting and reporting the research work.

I am greatly indebted to the employees of the various organisations that responded to my questionnaire. They ensured the success of this study. Special thanks go to Mr Lazarus Maina, for assistance with data collection and analysis and his tireless efforts to go the extra mile to meet the deadlines set.

Finally, to the Almighty God, for his saving grace and giving me life and encouragement through the constant challenges of life, course work and research. Blessed be his name.

## DEDICATION

This work is dedicated to my loving daughter Mukami, for her constant believe and pride in me, and to my mother, Mary Edith, for her constant support and encouragement.

DAYSTAR UNIVERSITY

## TABLE OF CONTENTS

ACKNOWLEDGEMENTS.....	iv
DEDICATION.....	v
LIST OF TABLES.....	ix
LIST OF FIGURES.....	x
ABBREVIATIONS AND ACRONYMS.....	xi
ABSTRACT.....	xii
 CHAPTER ONE.....	 1
INTRODUCTION AND BACKGROUND TO THE STUDY.....	1
<i>Introduction</i> .....	1
Measuring Call Centre Success.....	3
Problem Statement.....	4
Purpose of the Study.....	6
Objectives of the Study.....	6
Research Questions.....	6
Justification of the Study.....	7
Significance of the Study.....	7
Scope of the Study.....	8
Assumptions of the Study.....	9
Limitations of the Study.....	9
Definition of Terms.....	10
Conclusion.....	12
 CHAPTER TWO.....	 13
LITERATURE REVIEW.....	13
<i>Introduction</i> .....	13
Modern Trends of Customer Service Provision.....	15
Customer Relationship Management.....	16
Customer Service Organizations.....	16
Information Communication and Technology.....	17
The ICT Policy in Kenya.....	17
Call Centres.....	18
Outsourcing.....	20
Business Process Outsourcing.....	20
Kenya as an Outsourcing Option.....	21
Management Challenges in Call Centres.....	23
The Call Centre Manager.....	23
Productivity Measurements.....	24
Performance Management.....	27
People Management.....	28
Information Technology.....	29
Human Resource Management.....	29
<i>Skills Gap</i> .....	30
<i>Turnover</i> .....	30
<i>Recruitment and Selection</i> .....	30

<i>Staff Retention</i> .....	31
<i>Training</i> .....	32
Indicators of Success in Call Centres.....	33
Conceptual Framework.....	34
Conclusion .....	37
 CHAPTER THREE .....	 38
 RESEARCH METHODOLOGY .....	 38
<i>Introduction</i> .....	38
Research Design.....	38
Population .....	40
Sample Selection.....	42
Data Collection Tools and Procedure .....	46
<i>Questionnaires</i> .....	46
<i>Personal Interviews</i> .....	47
Data Collection Procedure .....	48
Data Analysis .....	49
Conclusion .....	50
 CHAPTER FOUR.....	 51
 PRESENTATION OF FINDINGS WITH ANALYSIS.....	 51
<i>Introduction</i> .....	51
Response Rate.....	51
Basic Characteristics of the Study Population.....	52
<i>Age of the Respondent</i> .....	52
Gender of the Respondent.....	52
Employment Status .....	53
Work Role.....	53
Ownership of Respondents Company.....	54
Length of Service in a Call Centre.....	54
Use of Technology: Functions Automated Within the Call Centre .....	55
The Influence of Technology on Call Centre Functions.....	56
Reason for Applying for Call Centre P/sition.....	<b>Error! Bookmark not defined.</b>
Importance of the Role Played by Managers and Supervisors in the Call Centre .....	58
Effect of Work Design Characteristics to Work Productivity .....	60
Effects of Staff Management Characteristics and on Work Productivity.....	62
Availability of a Reward and Recognition Scheme .....	63
Focus of the Reward and Recognition Scheme .....	64
Effectiveness of the Reward and Recognition Programme .....	64
Effects of Aspects of Call Centre Working Environment to Work Productivity .....	65
Call Centre Work Patterns .....	66
Respondents Rating of Operational Management Factors in the Call Centre .....	67
Importance of Performance Monitoring Measures .....	68
Summary of Key Findings .....	70
Conclusion .....	71
 CHAPTER FIVE .....	 73

INTERPRETATION OF FINDINGS, SUMMARY AND CONCLUSIONS .....73

*Introduction*.....73

Interpretation of Findings .....73

Recommendations.....77

Areas of Further Research .....80

Conclusion .....81

REFERENCES .....82

APPENDIX A.....86

SAMPLING AND DATA COLLECTION .....86

APPENDIX B .....87

QUESTIONNAIRE .....87

APPENDIX C .....91

SAMPLE STRATIFICATION .....91



## LIST OF TABLES

<i>Table 3.1: Registered members of the Kenya BPO and Contact Centre Society .....</i>	<i>41</i>
<i>Table 3.2: Organizations with corporate/In-house call centres.....</i>	<i>42</i>
<i>Table 3.3: Sample selection .....</i>	<i>46</i>
<i>Table 4.1: Age of the respondent .....</i>	<i>52</i>
<i>Table 4.2: Gender of the respondent .....</i>	<i>53</i>
<i>Table 4.3: Employment status.....</i>	<i>53</i>
<i>Table 4.4: Work Role .....</i>	<i>54</i>
<i>Table 4.5: Ownership of Respondent's Company.....</i>	<i>54</i>
<i>Table 4.6: Length of service in a call centre .....</i>	<i>55</i>
<i>Table 4.7: Influence of technology on call centre work functions.....</i>	<i>56</i>
<i>Table 4.8: Reason for applying for call centre position .....</i>	<i>57</i>
<i>Table 4.9: Importance of the roles of managers and supervisors in the call centre ...</i>	<i>59</i>
<i>Table 4.10: Effect of work design characteristics to work productivity.....</i>	<i>61</i>
<i>Table 4.11: Effects of staff management characteristics and on work productivity....</i>	<i>63</i>
<i>Table 4.12: Availability of a reward &amp; recognition scheme .....</i>	<i>63</i>
<i>Table 4.13: Focus of the reward and recognition scheme.....</i>	<i>64</i>
<i>Table 4.14: Effectiveness of the reward and recognition programme.....</i>	<i>64</i>
<i>Table 4.15: Effects of call centre working environment characteristics to work productivity .....</i>	<i>65</i>
<i>Table 4.16: Operational management factors in the call centre .....</i>	<i>68</i>
<i>Table 4.17: Importance of performance monitoring measures .....</i>	<i>69</i>

LIST OF FIGURES

*Figure 2.1: Tangible and intangible dimensions of call centre service delivery.....26*  
*Figure 2.2: Conceptual framework.....36*  
*Figure 4.1: Automation of call centre functions.....56*  
*Figure 4.2: Mean rating for the reason for applying for call centre position.....58*  
*Figure 4.3: Mean of rating for the reason for applying for call centre position.....60*  
*Figure 4.4: Mean of Rating of effect of work design characteristics to work  
productivity .....62*  
*Figure 4.5: Mean of rating of effects of aspects of call centre working environment to  
work productivity .....66*  
*Figure 4.6: Call centre work patterns .....67*  
*Figure 4.7: Importance of performance monitoring measures .....70*

DAYSTAR UNIVERSITY

## ABBREVIATIONS AND ACRONYMS

AHS	ADHERENCE TO SCHEDULE
AHT	AVERAGE HANDLING TIME
ATT	AVERAGE TALK TIME
AWT	AVERAGE WAITING TIME
BPO	BUSINESS PROCESS OUTSOURCING
CBS	CENTRAL BUREAU OF STATISTICS
CPH	CALL PER HOUR
CRM	CUSTOMER RELATIONSHIP MANAGEMENT
CSR	CUSTOMER SERVICE REPRESENTATIVES
FCR	FIRST CALL RESOLUTION
HRSDC	HUMAN RESOURCES AND SKILLS DEVELOPMENT CANADA
ICT	INFORMATION AND COMMUNICATION TECHNOLOGY
IP	INTERNET PROTOCOL
IVR	INTERACTIVE VOICE RESPONSE
NR	NOT READY TIME
QA	QUALITY ASSURANCE
SL	SERVICE LEVEL
SPSS	STATISTICAL PACKAGE FOR SOCIAL SCIENCES
SSA	SUB-SAHARAN AFRICA
TCA	TOTAL CALLS ABANDONED
QA	QUALITY ASSURANCE

## ABSTRACT

Kenya is poised to become the preferred destination for business processing outsourcing (BPO) services in Africa. With the opening up of the Information Communication and Technology (ICT) Sector in Kenya, new opportunities have emerged in the area of establishment of call centres. Traditionally, call centres have been viewed as 'high-tech sweat shop' that have been riddled with management problems ranging from poor staff morale, absenteeism, high staff turnover, escalating operational costs, low service quality and service levels, high levels of conflict from cultural and communication differences among others. With this background of the opportunities arising, this thesis examined the various management practices employed in existing Kenyan call centres and their relative importance in the success of the call centre. Data was collected with the use of questionnaires and personal interviews.

The analysis of the results reveals that the most common practices in call centres include the use of technology, a focus on training, performance management via both qualitative and quantitative approaches and the design of work and environment to maximize productivity. Also noted as necessary for success is effective employee reward and recognition. This study recommends that for the call centres to be successful, the use of technology must always enhance how the people do their work and automate mundane tasks that do not necessarily require the intervention of an agent such as the use of interactive voice recording systems. With the knowledge of what makes for a successful call centre, entrepreneurs venturing into the establishment of such an organization can operate within these parameters to make them competitive and successful.

## CHAPTER ONE

### INTRODUCTION AND BACKGROUND TO THE STUDY

#### Introduction

All organizations, in varying degrees, attempt to satisfy their customers' needs and wants through a set of activities collectively known as customer service. Many companies claim that service to the customer is their top priority because they understand that without customers there would be no profit (Kotler, 2004). As customers have become more educated, informed and demanding they have become less loyal. This calls for more efficient methods of serving them while remaining at the edge of competition (Deery & Kinne, 2004). The servicing of customers through contact centres has delivered substantial financial benefits to organizations. Throughout the world, contact centres have rapidly become the customers' preferred means of interacting with suppliers or service providers (Moroney, 2007).

Taylor and Bain (1999, p.102) define a call centre as "... a dedicated operation in which computer-utilizing employees receive inbound, or make outbound, telephone calls, with those calls processed and controlled either by an automatic call distribution (ACD) or predictive dialling system". Call centres engage staff to work interactively with customers on either inbound or outbound calls on activities as diverse as sales and telemarketing, product and service information and customer queries and bookings (Deery & Kinne, 2004).

According to Data Monitor (2004), one of the leading sources of data and analysis on the call centre industry, Africa will see the fastest growth in the number of call centres of any region by the end of the decade. It expects this rapid growth of call centres in Africa to come from Western investment in the region after a determined effort by governments and private sector companies to make Africa an outsourcing

hotspot. According to their analysts, African countries generally compete on lower prices than Western Europe and North America and are not far above those in India (Africa Research Bulletin, 2006). This study identifies Botswana, Ghana and Kenya as growth markets for the English-speaking markets. This growth is supported by various factors: education levels are high, excellent language capabilities and agent sophistication that are at par with most other popular outsourcing destinations.

Building and operating a world class contact centre is not easy. An effective, efficient contact centre requires the experience, the skills and the 'passion' of a diverse group of dedicated professionals. It requires constructive, creative thinking and the ability to work together as a team to discover synergies and to develop a unique contact centre 'culture' and a hybrid management style (Deery & Kinne, 2004). Contact Centre management and especially so call centre management has in the past been viewed from a production line perspective that leaves nothing to the discretion of the employee but expects the employees to follow set procedures and regulations. This has resulted in many call centres being viewed as the equivalent of the industrial-age 'sweat shops'. In contrast, an empowerment approach allows employees the discretion to make decisions to satisfy immediate customers' needs (Gilmore, 2001).

Moroney (2007) comments that, forward-thinking companies, service-orientated organizations, utilities and local and national governments have been quick to realize that not only will a well-planned and implemented customer service centre, call centre or contact centre meet the clear demands of customers, but in addition, these centres also dramatically reduce operational costs, increase efficiencies, increase revenues (where appropriate) and create a true centre of excellence for the organization's customer service strategies.

Establishing either a new call centre, contact centre or customer service centre or refitting or re-structuring an existing centre is a relatively expensive exercise. It requires the organization to commit a great deal of costly resources in the form of manpower, infrastructure, technologies and capital. It is of utmost importance to the organization to ensure that it is able to provide a return on investment. Moroney (2007) notes that to achieve success it is vital that those entrusted with the management of call centres understand the fundamentals of Customer Service Strategies, Customer Relationship Management (CRM), Contact Centre Technologies and the Operational Dynamics and Management issues and an understanding of the unique human resource requirements.

Moroney (2007) contends that 70% of all outsourced call centres fail. Against this background there is a challenge for the call centre manager to not only ensure that the call centre has the right equipment and resources to deliver the services but also that the employees are empowered and committed to the delivery of exceptional customer service.

### Measuring Call Centre Success

Measuring success in a call centre is a balance between the qualitative and quantitative measures. According to Kriss (2008), a focus driven by quantitative measures can result in the development of wrong behaviour in the call centre. For instance, if one key performance indicator is the number of calls answered and if one focuses on that, then agents are likely to be "short" or "rude" in their calls just to make the number. On the other hand having only qualitative measures will create an environment where there is no focus on efficiency or effectiveness. Neither of these approaches is sustainable in the long term (Kriss, 2008).

There are many standard traffic measurements or performance metrics that can be performed on a call center to determine its performance levels. Kriss (2008) sets out the following quantitative parameters as basic and the most important performance measures of successful call centres: average waiting time, average talk time, average handling time, service level, calls per hour, not ready time, first call resolution, total calls abandoned and adherence to schedule.

These metrics give hard numbers on which to peg performance assessment. Qualitative assessment or quality assurance can also be monitored by a quality assurance (QA) team, using call recording where the team manager or quality analyst listens to recorded calls and assesses performance of the agent, with coaching and training to help drive up performance. Another way of measuring call center performance is to use post-call Interactive Voice Recorder surveys to gain customer feedback. Customers are invited to take part in a short survey at the end of the call, where they can respond to pre-recorded questions by pressing the numbers on their telephone keypad or by speaking their comments. Other call centre metrics that can be considered include: staff attrition, customer satisfaction ratings, first call resolution, and call centre profitability (Morley, 2006)

### Problem Statement

With the opening up of the Information Communication and Technology (ICT) Sector in Kenya to foreign investment, new opportunities have emerged in the area of establishment of call centres that are able to provide inbound and out bound customer service products for companies not only in Kenya but also international organizations in Europe and America. According to Data Monitor (2004) an estimated 4.78 million people were employed in call centres worldwide, half of who were located in the USA. Combined with a move towards outsourcing and off-shoring by



companies in the west, the growth of call centres in the developing world is expected to grow tremendously as these companies make the move to take advantage of the lower cost of labor, high education standards, and the increase in technological capabilities now available in Africa. However, Moroney (2007) states that over 70% of new or rebuilt call centres fail to achieve their strategic objectives within the prescribed time-frames.

Kjellerup (2000) in his study of 126 call centres worldwide from different organizational setups including financial, service, industrial and government, found that the first 18 months are critical to the survival of the call centre. The study revealed that 64 of the call centres had ceased operations and been disbanded within this crucial period. Some of the reasons given for this failure included: no or little people management; inadequate planning both in scope and long term needs; a focus on automation and technology for measures of productivity, and call centres unaligned with organizational purpose.

Traditionally, call centres have been viewed as 'high-tech sweat shop' that have employee turnover rate of 40 per cent or more making training and maintenance of service standards a challenge (Granered, 2005). Many call centres are riddled with management problems ranging from poor staff morale, absenteeism, high staff turnover, escalating operational costs, low service quality and service levels, high levels of conflict from cultural and communication differences among others.

Against a backdrop of the opportunity that exists in the setting up of call centres in Kenya, and the high failure rates experienced elsewhere in the world and attendant management challenges, the study sought to explore the key management practices in call centres that contribute to ensuring the success of these organizations.

### Purpose of the Study

The purpose of the research was to establish the management practices that were carried out by call centres in Kenya. The study explored various operational management practices employed in the call centres and their relative importance in the success of the call centre. The goal was to provide recommendations which an entrepreneur venturing into the establishment of such an organization can work with in order to make them competitive and successful.

### Objectives of the Study

The overall objective of the study was to determine which strategic and operational practices affect the success in the management of call centres. The specific objectives were

1. To determine the operational management practises employed in the call centres.
2. To find out the success of these management practices employed in call centres.
3. To determine the effect of use of technology on successful call centre management
4. To contribute to existing literature on success factors for call centre management.

### Research Questions

Based on the objectives of the study, this research sought to answer the following questions

1. What management practices were employed in the call centres?
2. What was the success of these management practices from a management and staff point of view?
3. Had the use of technology enhanced management success in the call centre?
4. What management practices were critical to call centre success?

### Justification of the Study

Worldwide there has been a growth in the call centre industry as the importance of call centres in the provision of customer service continues to be appreciated by global markets. The role of call centres is envisioned to become important to the growth of the Kenyan economy coupled with a focus on the third world by the West to outsource or offshore their service and the opening up of the ICT industry. This will also have positive effect in the area of creation of employment of opportunities. Management of these centres is a key determining factor for their success.

This study was undertaken due to the various challenges that have occurred within call centre organizations. The study specifically focused on the various management practices adopted by call centres in Kenya. The findings are expected to be useful to other institutions, organizations, and companies which need to embrace the best practices in call centre management in their organizations.

### Significance of the Study

1. With the growth of the call centres worldwide and their growing importance in the provision of customer service, coupled with a focus on the third world by the west to outsource or offshore their service delivery centres, the role of call centres is envisioned to become important to the growth of the Kenyan

economy especially with regard to employment of opportunities. Management of these centres was a determining factor of their success.

2. Statistics worldwide on the success rate of the industry have been low in other parts of the world. It is therefore important to develop a framework that an investor and or entrepreneur can use to ensure the success of a commercial call centre.
3. The setting up of call centres is a new area of business just opening up to Kenyan entrepreneurs as well as foreign investors. Growth and success of the sector depended on the success of the initial setups.
4. The economic implications of success on the unemployment level of tertiary educated Kenyans cannot be underestimated in a country that has a high unemployment rate such as Kenya. The call centre industry is employee intensive and would thus make a significant contribution in the creation of employment.
5. Since the study was focused on the African perspective and more so the Kenyan market, it is expected to be useful in the contribution of knowledge in an area that has not been extensively studied.

#### Scope of the Study

The study focused mainly on the service industry in Kenya and specifically those organizations that have an established call centres as part of their operations and customer service provision matrix. Corporate organizations form the larger proportion of organizations offering call centre services. The study also looked at firms that provide call centre services as an outsourced product. A selection of professionals, management and staff in this organization were requested to respond to research

questionnaires while interviews were carried out with the senior management of the firms in line with their responses to the questionnaires.

#### Assumptions of the Study

1. The organizations selected for the study were representative of service organizations in Kenya and the call centre industry.
2. The findings of the survey would be applicable in the establishment of a commercial call centre.
3. Those interviewed would understand the basic principles of management and would be knowledgeable in the implementation of the processes in their organizations.

#### Limitations of the Study

1. Due to the relative age of the industry in Kenya, very little information was available specific to the Kenyan market as a reference point. Most of the background information thus had to rely on other markets mostly outside Africa specifically western countries and India. This may have resulted in bias as most of the views expressed are with respect to these countries.
2. Due to the limited size of the industry currently, the study was limited to the organizations that had successfully established themselves. Most of these were from service organizations that had call centres as part of their service matrix and were not necessarily commercial call centres.
3. The researcher studied five selected private service enterprises within Nairobi out of seventeen organisations that offer the call centre services.
4. The researcher was well acquainted with the subject of the study having worked in the industry for six years and thus may have some bias from

association. To delimit this bias the researcher used research assistants in the data collection and analysis.

5. Most of the respondents were suspicious of the motive of the researcher in collection of the data and were fearful that it would be used by the call centre's management against them making them reluctant to fill in the questionnaire. Some agents on the other hand were not keen to respond to the questionnaire when they realised this was an external study to their organisations and would not result in direct benefit for them. This required constant reassurance of the respondents that this was an independent study for educational purposes.
6. Further some organisations were not ready to respond as they viewed the study as a potential source of a competitive threat. The Call Centre Managers interviewed were less forthcoming than expected as they viewed the provision of information as a competitive disadvantage. These were left out of the study.

#### Definition of Terms

Adherence to schedule (AHS): Also referred to as Idle Time is the percentage of time agents spend not ready to take calls (Kriss, 2008).

Average Handling Time (AHT): The mean dealing time, which is equal to ATT plus wrap-up and/or hold time (Kriss, 2008).

Average Talk Time (ATT): The mean conversation time between a call centre agent and the customers handled in a specific period of time (Kriss, 2008).

Average Waiting Time (AWT): The average delay a caller may experience whilst waiting in a queue (Kriss, 2008)

Business Process Outsourcing (BPO) - The act of transferring some of an organization's repeated non-core and core business processes to an outside provider, to achieve cost reductions while improving service quality (Outsourcing.org, 2007).

Call Centre: A centralized office used for the purpose of receiving and transmitting a large volume of requests by telephone. A call centre is operated by a company to administer incoming product support or information inquiries from consumers. Outgoing calls for telemarketing, clientele, and debt collection are also made (Gilmore, 2001).

Calls per hour (CPH): The number of calls / inquiries per hour an agent handles (Kriss, 2008).

Contact centre: An internal or outsourced operation largely based on telecommunication and data supports whose primary role is to provide one or many relationship channels for customers, clients, employees or suppliers. This may include inbound and/or outbound, person-to-person and self service contact capabilities that include service, sales, marketing, fulfilment or data collection (Gilmore, 2001).

Empowerment: Encouraging employees to use their initiative. They might, for example, be encouraged to bring about some quality improvement in the work in which they are engaged. Alternatively, in a service environment, they might be empowered to do whatever it takes to satisfy customers without any fear that management will subsequently complain. Empowerment is generally considered to be the opposite of the production-line approach where employees are given the discretion to make day to day decisions about their job related activities (Gilmore, 2001).

First Call Resolution (FCR): The percentage of calls which completely resolve the customer's issue (Kriss, 2008).

Information and Communication Technology (ICT): is concerned with the use of technology in managing and processing information, especially in large organizations (Kenya ICT Strategy Paper, 2006).

Not Ready time (NR): Also referred to as after call work (ACW) or Wrap-Up is the amount of time spent while an agent processes customer requests while not speaking to a customer (Kriss, 2008).

Off Shoring: Off shoring is the movement of a business process done at a company in one country to the same or another company in another, different country. Almost always work is moved due to a lower cost of operations in the new location (Granered, 2005).

Service Level (SL): Also referred to as service level percentage is the percentage of calls answered within a determined time frame (Kriss, 2008).

Total Calls Abandoned or Percentage of calls abandoned: The percentage of calls where a customer hangs up or "abandons" the call. Calls are often abandoned due to long hold times when a call centre experiences a high call volume (Kriss, 2008).

### Conclusion

This chapter provided a background to the research study. The traditional view of call centres was mentioned along with the future basis for successes of call centres. It outlined the purpose of the study, the objectives of the study, the research questions, the significance of the study, limitations and assumptions of the study. Key terms used in the study were also defined.



## CHAPTER TWO

### LITERATURE REVIEW

#### Introduction

Customer Service has been defined as the part of an organization which answers customers questions (Miao & Mia, 2006). However, customer service is more than this—it is whatever the customer thinks it is. One customer might see it as quality products and good prices, another might see it as quick response time, while yet another might define it as friendly, knowledgeable employees. Customer service is all these things—and more. A “customer” seeks a product or a service, and spends money, time or energy in the process. Customers have expectations and needs, and those expectations and needs must be translated into service. Providing excellent customer service entails making every effort to satisfy the customers’ requests (Kaliski, 2001).

In the corporate world, the emphasis on customer service has been described as a marketing concept of business management (Miao & Mia, 2006). In the business sectors customers mean profits—excellent service and happy customers mean bigger profits. Good Customer Service is as important as attracting new customers, building sales and, the cost and quality of the organization’s products (Kotler, 2004). Satisfied customers give the organization the assurance of continued business while the cost of acquiring a new customer can cost five times more than satisfying them.

Customer service though is not limited to the business sector. No matter what products or services the company is selling, it is critical that they make customer service a priority. Very many businesses spend millions of shillings on expensive advertisements and promotions to attract people and only to drive them away with bad or non-existent customer service. For an organization to keep the people its

advertisements bring, it is imperative that that it provides exceptional customer service (Zemke & Wood, 1999).

Exceptional customer service builds loyalty, which builds profits. Research shows that satisfied customers not only buy more, they buy more often. The larger the base of loyal customers, the less money one will need to spend on advertising and marketing. It is also important to note that no advertising is more effective than word of mouth. Satisfied customers telling others about the exceptional service they have experienced is more credibility than anything the organization can put in print or broadcast via radio or TV (Zemke & Wood, 1999).

Customer service is a moving target. It has no definitive parameters. There are, however, some basic elements that can be easily identified. Employees must be knowledgeable; they not only must know as much as possible about your company's products and services, they must be able to communicate that information effectively to customers and be willing to go the extra mile to answer customer questions. They need to be empowered employees and should not be held down by cumbersome policies and procedures - they require the authority to do whatever it takes to satisfy the customer. A caring, courteous attitude is essential to making customers that their business valued while the ability to apologize and take responsibility for mistakes, then correct them and offer the customer something of value for the inconvenience displays helpfulness.

The call centre needs to be conveniently located where it is easily accessible, have business hours that meet your customers' needs, and have an appealing mix of products that are attractively displayed. Feedback and timely responses are essential. There is a need to ensure that phone calls are promptly returned, staff are on time for appointments; and response to e-mail inquiries is promptly done. Promises are a

major source of customer dissatisfaction and can quickly drive business away and one must build a reputation of reliability. Finally, human factor is critical in making customers feel like they are valued (Zemke & Wood, 1999). Building strong customer relationships has been the priority of many highly successful enterprises all over the world. Miao and Mia (2006) have found that a growing number of business organizations in China realize that customer service is the key ingredient to success and are beginning to give increased attention to the concept of customer service.

### Modern Trends of Customer Service Provision

An essential part of sales is responding to customer enquiries, but it is often badly handled. Customer service must not end with the sale. How well the organization identifies with and handles the needs of the customers has a marked effect on their loyalty (Ali, Brookson, Bruce, Eaton, Heller, Johnson, Langdon & Sleight, 2001, p. 583). Although the Organization can never satisfy all of the customer's needs at all times, it cannot stop trying to do so. There is need to find out what the customer's requirements are, and then discover whether those needs have been met by constantly monitoring the customer's reaction. The only way to ascertain if you are meeting the customer's needs is to ask them. The fast changing digital world demands that a new approach to the way businesses are structured interact with customers. Managers must be ready to embrace new technologies and redefine strategies so that their organizations are able to adapt to continuing rate of change (Ali et al., 2001).

In a bid to keep in touch with their customers, many organizations have embraced the call centres as a medium that their customers can talk to the company as well as give feedback. The trend in the Kenyan economy is moving from a focus on agriculture and manufacturing towards services is well documented. This is

especially so with the increased ICT capacity. One notable facet of this transition towards services has been the increase in the interest to the establishment of the call centre industry. Globally, this is a growing industry. Mandelbaum (2001) cites a study that shows that an estimated 3% of the United States population works in this industry. Most recently, an explosion of outsourced call centres are springing up in India, the Philippines, the Caribbean, and Latin America, serving overseas customers in the United States and Western Europe as well as growing domestic market needs.

### Customer Relationship Management

Customer relationship management (CRM) is a set of practices that provide a consolidated, integrated view of customers across all business areas to ensure that each customer receives the highest level of service (Karakostas et al., 2005). According to Croteau and Li (2003), CRM is a customer-focused business strategy that aims to increase customer satisfaction and customer loyalty by offering a more responsive and customized service to each customer. Seeman and O'Hara (2006) argue that CRM enables an ongoing one-to-one relationship with the customer. Technology is used to enhance customer relationship management which further provides a seamless integration of every area of business that touches the customer (DCI, 2004).

### Customer Service Organizations

According to Albrecht and Zemke (2002), outstanding service organizations have a three-dimension approach to service management – the “Service Triangle”. This approach includes a well-conceived service strategy, customer-driven systems, and customer-friendly staff. Each dimension must reflect the important needs and wants of the customer. A well-conceived customer service strategy concentrates the

energy of the organization on the real priorities of the customer. It communicates to the public the beliefs and values that guide the organization Miao and Mia (2004, p.34) state that “A service strategy is simply a statement of what you intend to do – must do, really –for the customer if you are to be successful in distinguishing yourself through service quality, whatever the business may be” (American Library Association Policy Manual, nd).

### Information Communication and Technology

Globalization and Information Communication and Technology (ICT) are the two major forces that are shaping the future of the world through the reduction of geographic boundaries, thus bringing cultures and societies closer to each other. ICT’s ability to connect vast networks has made it a powerful enabler of globalization thus determining the level and pace of global flows of physical and intangible assets across geographic boundaries. According to the Kenya ICT strategic paper (2006), ICT’s are driving national development efforts in most developed countries and a number of developing countries. They have served as catalysts for economic and social development by improving access to information, increasing trade in commodities and services, reducing costs and achieving efficiency gains.

### The ICT Policy in Kenya

Since independence, the Kenyan economy has been predominantly agriculture based without any substantial shift towards the services and industrial sector. The susceptibility of this dependence to phenomena such as natural disasters has spurred the government towards a shift to embracing a knowledge economy. The strategic focus of the ICT policy lays emphasis on the development, deployment and exploitation of ICTs to aid the development of other sectors of the economy. One of the key objectives of this policy is ‘To transform Kenya into an attractive destination

for ICT related foreign direct investment with the potential to become a competitive regional/international ICT and business hub. This involves the development and promotion of .....knowledge, and technology products and service.....’ Business Process Outsourcing (BPO) is an ICT based service delivery which ranges from basic data entry services to the more technically involving Call centre services (Kenya ICT Strategy Paper, 2006).

### Call Centres

A call centre can either be a central place or network of places where customers and other telephone calls are handled by an enterprise. Call centres are also described as “customer care centres”, “contact centres”, “multimedia access centres” and “service bureaus”. A multimedia call centre encompasses Internet web sites and electronic commerce, in addition to phones. A call centre could be one or all of these - a huge telemarketing centre, a tele-servicing centre, a help desk, a service bureau that uses its large capacity to serve lots of companies, a reservation centre for airlines or hotels, a catalogue retailer, an e-tailing centre, an e-commerce transaction centre, or even a fund-raising and collection organization. Call centres have evolved to become sophisticated business enterprises. A typical call centre works 24x7 with agents working in shifts. The size of call centres also defers - it could be a micro-centre with 5-10 seats, or a huge set-up with 2,000 seats (Zaidi, 2004).

Typically, a call centre has the ability to handle a considerable volume of calls at the same time, to screen calls and forward those to someone qualified to handle them, and to log calls (CRM today, 2007). This is done with the help of complete Information technology systems that range in sophistication and abilities. The call centre is characterized by the integration of telephone and visual display unit technologies. More recently, call centres have had an additional technology, the inter-

active voice response (IVR), overlaid upon existing technologies (Robinson & Morely, 2006).

Call centres like most customer service organizations provide an intangible, perishable product which is highly variable and engages the customer in its production (Korczynski, 2002). They require that the employee is skilled at interacting directly with customers while simultaneously working with sophisticated computer based equipment which dictate both the pace of their work and monitor its quality (Deery & Kinne, 2004).

Call centre managers are faced with the challenge of balancing requirements of cost effectiveness and the provision of quality services to customers. A call centre is classified based on the kind of calls that its agents make. Inbound call centres receive calls from customers. These people call to ask questions about a product or service, report a malfunction, or ask for assistance on how to use a product or avail of a service. Outbound call centres are those whose agents place calls to potential customers of a certain product or service.

The HRDC Report (2002) further indicates that operationally, for the efficient handling of calls, call centre agents are usually organized into a multi-tier support system. The first group of agents directs calls to the appropriate department and who in turn provide general directory information. Calls are forwarded to second group of agents if the customers insist on more assistance. Most calls would be resolved at this point. However, if a customer issue is still not resolved, calls are then forwarded to the third set of agents who would primarily be comprised of product engineers and highly skilled technical support staff.

## Outsourcing

Deery and Kinne (2004, p 104) describe outsourcing as 'the movement of internal business processes to an external company'. It refers to a company that contracts with another company to provide services that might otherwise be performed by in-house employees. Many large companies now outsource jobs such as call centre services, e-mail services, and payroll. These jobs are handled by separate companies that specialize in each service, and may be located overseas. Where outsourcing is done with a company located in a different country, it is referred to as off shoring (Granered, 2005). Almost always work is moved due to a lower cost of operations in the new location. There are four main reasons why a savvy company would choose to outsource their call centre operations: to retain their focus on core competencies, to achieve superior call centre performance, to speed up implementation, and to maintain flexibility (Deery & Kinne, 2004).

## Business Process Outsourcing

Business Process Outsourcing (BPO) is the contracting of a specific business task, such as payroll, or customer service to a third-party service provider. This is usually implemented as a cost-saving measure for tasks that a company requires but does not depend upon to maintain its position in the marketplace. BPO is often divided into two categories: back office outsourcing, which includes internal business functions such as billing or purchasing, and front office outsourcing, which includes customer-related services such as marketing or technological support (Outsourcing .org, 2007)

With the dizzying pace of advances in technology, the world continues to shrink. Technology allows a company to ring in talents for certain functions closer to home without requiring people to actually move (Granered, 2005). This has led to the



increase of outsourcing of business processes through call centres. Call centres and Help Desks of many multi-national and fortune 500 companies are being outsourced to low waged, English speaking countries such as Philippines and India. BPO's that are contracted outside a company's own country is referred to as offshore outsourcing, while that is contracted to a company's neighboring country is called near shore outsourcing, and one that is contracted within the company's own country is onshore outsourcing. The most common examples of BPOs are call centers, human resources, accounting and payroll outsourcing.

The practice of outsourcing is evolving from simply a cost cutting measure to a core strategic activity aimed at enabling companies to focus on their core business. The internet has created opportunities for firms to outsource some functions to companies outside their own countries taking advantage of various benefits such as different time zones and lower labour cost. Outsourcing to companies in developing countries gives US and European firms access to highly skilled, well educated staff able to provide high quality services at a reasonable rate (2006 Kenya ICT Strategy paper).

#### Kenya as an Outsourcing Option

Kenya is poised to become the preferred destination for business processing outsourcing (BPO) services in Africa. Strategically located on the eastern part of Africa, bordering the Indian Ocean, Kenya is already the gateway to sub-saharan Africa as well as the regional hub for communication, transport, and finance in East Africa (ICTpark.com, 2006). With a population of over 30 million people (CBS, 2006), a very convenient time zone (GMT +3), political stability, dynamic private sector, harmonious industrial relations, preferential market access, and a qualified workforce, Kenya has thousands of highly skilled professionals – accountants,

lawyers, doctors, architects, designers, transcribers, programmers, engineers, economists, researchers, to mention a few, who are fluent in English, well-trained, computer literate, and available for BPO services (ICT park.com, 2006).

Kenya is also geographically positioned as a hub to the rest of Africa and the world which is enhanced by it being an active member of most international and regional trade agreements (ICT Strategy Paper, 2006). In entering the BPO market, Kenya has a comparative advantage to countries such as India, Philippines, Poland, and South Africa due to the lower labour cost and comparative quality of the labour force (2006 Kenya ICT Strategy paper).

With an estimated 50-60% of the population unemployed in Kenya, the retention rate for call centre employees is expected to be higher than India, which would lower the overall cost of training and induction. Kenya also possesses the major advantage in the relative ease with which the typical Kenyan English accent can be 'sanitized' such that they are easily understood by an international customer calling into a call centre (Kenya ICT Strategy Paper, 2006).

Kenya has become a focus for the BPO industry internationally due to its advantage in the time zone and the level of skilled and cheap labor. The fiber optic cable should also lower the cost of connectivity remarkably, placing Kenya in a very competitive destination. According to Dr. Bitange Ndemo, the Permanent Secretary for Information and communication in Kenya, the BPO Industry will be a key driver to the economic growth of the country and is a growth pillar for the country's 2030 vision (Kenya BPO and Call Centre Society, 2007).

## Management Challenges in Call Centres

With the rapid changes in the business environment today, the management of organizations is faced with not only the need to set out customer service strategies that will address the customer's need, but also address the challenge of a constantly changing organization (Callaghan & Thompson, 2001).

### The Call Centre Manager

Probably there are very few management jobs that are so diverse and demanding in so many skills, as that of the call centre manager. Managers of call centres face many challenges- they are responsible for operations that are capital intensive, with a high demand for continual investment to keep up with rapid developments in technology. They are also responsible, in many cases, for large numbers of staff often working across several shifts. Callaghan and Thompson (2001) argue that management in call centres relies heavily on technology not merely to govern the pace of work but to provide the means to assess the work and monitor workers.

As corporate call centres handle increasingly complex transactions and provide other departments with vital customer information, managers must be equipped to combine specialized call centre knowledge with sound management practices (CCmanager, 2007). In the typical call centre, the manager and his or her team are confronted with a number of considerable challenges: Potentially wide range of customer enquiries; legal accountability for information provided to customers; the expectations from customers for 'instant' answers to questions; high stress work environment for call centre operators; high staff turnover; large and complex body of knowledge to be learned by new staff; constant pressure to reduce call handling times (Malhotra & Fama, 2003).

Those responsible for managing call centres face a very difficult set of challenges. At a strategic level, they must strike a balance between three powerful competing interests- costs, service quality and employee satisfaction. Questions that arise that need to be addressed include:-How many agents should be on staff with which particular skills? How should these agents' shifts, breaks, lunches, training, meetings and other activities be scheduled? How many calls of which type should be expected at which times? How quickly should each type of inbound call be responded to? How should the agents be cross-trained? What is the call centre's overall capacity? How will a spike in call volumes impact overall performance? (Malhotra & Fama, 2003).

According to Jack, Bedics, McCary and Charles (2006), there are four key resource management decisions that must be addressed in order to improve service quality and effectively manage call center operations: the efficient deployment and use of labor, effective leveraging of technology, capacity management, and demand management.

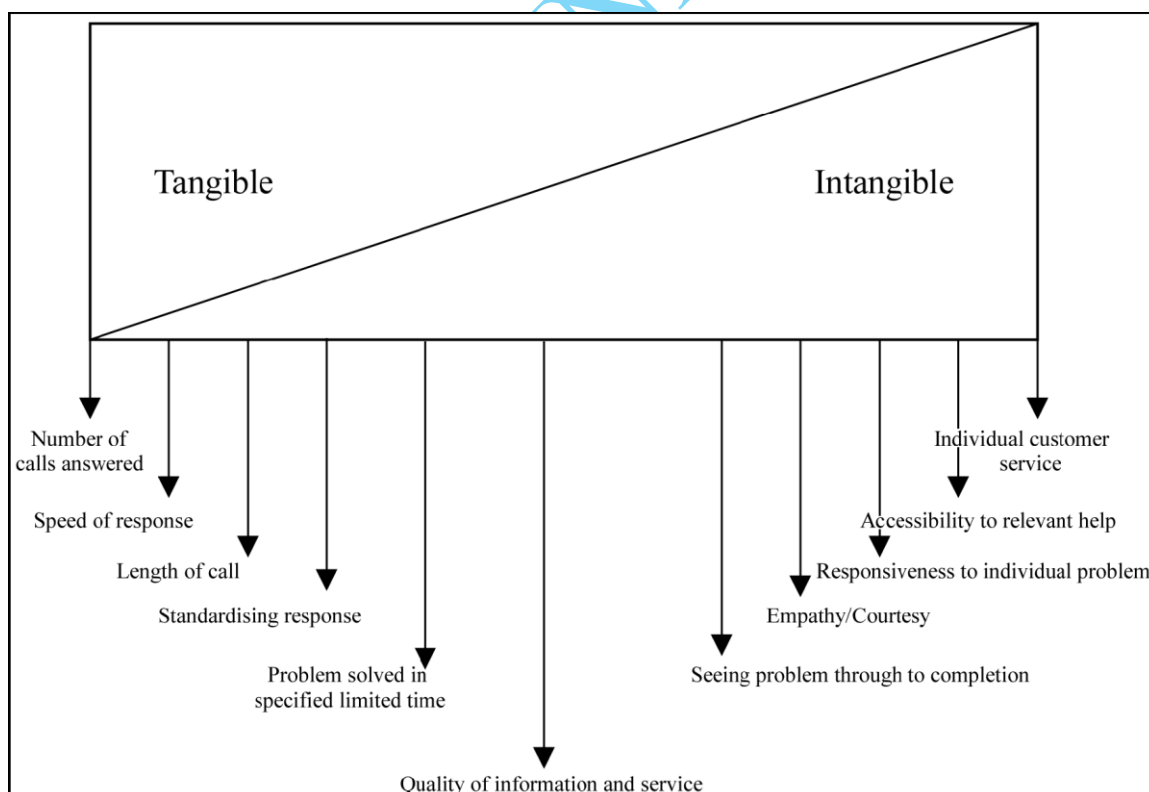
#### Productivity Measurements

A call centre manager needs to define what the measurable variables are. This could be quality, customer retention, operational savings, and volume of calls, among others (Granered, 2005). One of the key management assumptions in call centers is that people can be held accountable for their performance. Depending on the level sophistication of Information Technology in a call centre, call centre managers may have access to a high level of sophisticated electronic management information and call centre statistics.

A great array of statistics is available, giving the managers the ability to track the number of calls per agent, the number of abandoned calls, the time taken to abandon, the average speed to answer calls, the occupancy rate of agents (the percentage of time agents handle calls versus waiting for calls to arrive), the service level (percentage of calls answered within a prescribed time frame), the identification of the call waiting longest in a queue, the identification of the agent who has been sitting idle the longest, which agents are on calls, on breaks or completing post call wrap up work and how long the wrap up work is taking per call on average. All of this information is available on a real time basis as well as in cumulative report form (Robinson & Morely, 2006).

With the abundance of such management information, many call centres have become preoccupied with quantitative measurements (Call Centre management, 2000) and a focus on measurement seems to have permeated the industry. This is supported by vendors of software, with continual increases in the ability to measure quantitative elements of a call centre's performance. This is an approach alluring to call centre managers in their quest to satisfy senior management that their call centre is performing well against other call centres using a standardized approach. The measure of service level -a percentage of calls answered within a specified time frame for example "80 per cent of calls being answered within 30 seconds"- is common place in call centres. This is an unsophisticated measure, however it is one that has become somewhat of a norm and as long as the level of service is being achieved, other more meaningful measures become less important (Robinson & Morley, 2000).

This though represents a quantitative measure of performance without taking into account the qualitative aspects of service quality. Whilst managers continue to assess performance by the quantity rather than the quality of the calls, employees will continue to become demoralized (Gilmore, 2001). The measurements of qualitative aspects of service delivery such as call quality and customer experience are more difficult to because they are intangible. The scope of these aspects range from the hard, tangible, relatively easy to measure and evaluate aspects, such as physical surroundings (for face to face contact centres) to the soft, intangible, more difficult to measure and evaluate aspects such as the degree of courtesy and consideration experienced by the customer. Successful focus on service quality needs to give emphasis to both tangible offerings and the intangible aspects of service (Gilmore, 2001).



*Figure 2.1: Tangible and intangible dimensions of call centre service delivery*

(Adapted from Gilmore, 2001)

### Performance Management

Call centre workers are appraised on the amount of work they do - how many calls they take and how long they take on calls. The performance of Customer Service Representatives is governed by many things that are beyond their control. The variables include elements such as the nature of calls, the availability of information, the behaviour of other parts of the organisation and so on. To hold the worker accountable in such circumstances causes stress. It is an uncritically inherited assumption of traditional management thinking, that people are the primary cause of poor performance rather than the system in which they work. As a consequence, management becomes concerned with managing people's productivity. Paradoxically, very often managing productivity undermines productivity (CC Manager, 2007).

Based on their resource plans, managers set their service agents work standards and targets. In reality, the performance of any one individual will be subject to variation affected by various aspects of the agents working environment. Managers (and service agents) need to know whether variation in performance is attributable to agents or the system (CC Manager, 2007).

In many cases, call centre workers believe, as their managers do, that they can be held accountable for performance despite these variables that are beyond their control. Because of the stress created, it is at this point that some people become deceptive. If their performance is being judged by things beyond their control, call centre workers soon recognize that as unfair. They look at options for getting it right. And that can include cheating. People's ingenuity is engaged in surviving rather than improving performance. It is a tragic waste of human talent. The human costs of demoralization are incalculable. The obvious costs are recruitment and training, as these conditions encourage high turnover. But the real costs are higher - poor service and high costs are associated with customer dissatisfaction and staff dissatisfaction. In

this environment, very often the call centre manager sees his or her job as setting and monitoring productivity, procedures and work standards (CC Manager, 2007).

### People Management

People management, or lack of it, is a real barrier to productivity in any Call Centre (Kjellerup, 2000). The pressure to improve productivity tends to keep management away from the people. It is critical that people feel that there is a value to what they are doing. In an automated Call Centre, every second of every minute of the telephone person's working day is monitored. No other job is subject to measurement of this extreme nature. One of the key factors of people management is motivating people. According to Kjellerup (2000) motivation is not charging and recharging somebody else's batteries. It is helping the person locate and operate their own power generator, to make a person feel valuable when they are; and to help them towards becoming valuable when they are not.

The opposite is the Galley Slave type management style; where the managers' issue decrees, memos and rulings in order to keep the staff at arm's length - this kills productivity as well as motivation. Lesley Colyer (1997) of Avis Limited records that for employees to take ownership of customer service, it requires both responsibility and authority. He argues further that sustainable empowerment is about aligning key organizational and management processes to create the environment that enables and encourages employees to take ownership of customer service (Colyer, 1997).



### Information Technology

Call Centres typically will process large volumes of work and thus use a wide variety of different technologies to allow them to manage this work. These technologies ensure that calls are queued and processed as quickly as possible, and that agent's productivity is optimized, resulting in good levels of service (Green, 1996). Enhancement in Technology is designed to build integrated solutions to support a world-class call centre to improve operations by providing it with essential and advanced solutions, providing customer relationship management tools; performance management tools; and self-service capabilities. Further, they develop a technology-enabled customer contact strategy by giving call routing options and enhancing speech recognition options.

While available innovations can help call centre organisation to enhance customer value, control and reduce costs, meet customer expectations and handle increasing customer contact workloads, these technologies such as Voice over IP, speech recognition, Web integration, CTI, CRM, universal queuing, email management, performance optimization and virtual call centres also pose a challenge for anyone trying to evaluate current and future technology needs due to their complexity (CC Manager, 2007).

### Human Resource Management

An October 2002 Human Resources and Skills Development Canada (HRSDC) report indicates that the customer contact centre sector faces a number of human resources challenges which include:

### *Skills Gap*

The report indicates that 34% of customer contact centres report that they were unable to find sufficient numbers of candidates with appropriate skills. The skills required of contact centre employees are changing with technology and business environment trends. Some examples include the need for excellent written communication skills as a result of the increased use of e-mail and phone based text to communicate with the customer. As the sector moves towards integrating front and back offices, roles and positions are expanding and in some cases new occupations are emerging that require different skill sets to effectively execute these roles.

### *Turnover*

According to the report, call centre employees that tend to stay longer in their positions have well-developed customer service skills and enjoy satisfying the customer. As a result they do a better job within a call centre and are frequently happier with their work. Coupled with the high costs of hiring and training a new customer contact customer service representative, the reduction of turnover is key to a call centre managers focus.

### *Recruitment and Selection*

The report further states that finding appropriately talented people with the skills, aptitude and attitude to handle the fast-paced environment of a contact centre is challenging. There are gaps in skills, knowledge and capabilities between what the customer contact centre occupational groups currently have and what they increasingly will need as a result of workplace changes

A call centre must have an efficient recruitment process to ensure that they can keep up with the high turnover rate, be skilled at selecting intrinsically motivated staff, be adept in designing the work task which minimizes the need for newly

recruited call centre agents to have organizational specific knowledge and excel at monitoring staff performance (Wallace et al., 2000).

The Hallis Contact Centre (2002) Report estimated staff turnover to be in the approximately 29 per cent per annum. The way in which the call centre management treated the staff was seen as a key contributory factor towards this turnover rate. The high rate of staff turnover in call centres has a high consequential cost impact and requires a large pool of potential labour. This cost can be measured both in terms of direct costs of recruiting, inducting and training staff and in the indirect costs associated with the erosion of customer service.

#### *Staff Retention*

Call centres tend to have a flat structure, with little room for advancement. While some organizations have set up their in-house call centre as an entry point into the organization and as a first step on the overall corporate career path, Call centres that are stand-alone typically only have two layers: Customer service representatives (CSRs) and management. The HRDC report (2006, p.69) also states that “the development of a career path for call centres as a retention strategy assists to minimize the costs of recruiting, selecting, training and developing staff”.

Many call centres have created innovative solutions to address this challenge by encouraging and allowing CSRs to take on special projects or moving them from one type of contact to another through lateral movements. The development of a tiered call centre career path with different levels would allow for mobility and succession planning for the movement of staff towards management and roles of greater responsibility: For example; Level 1 - CSR (universal); Level 2 - CSR (specialized); Level 3 - Coach / supervisor; Level 4 – Management. Although this provides a career path to the agents, staff should be evaluated or tested after having

been trained and on the job for a certain amount of time in order to ensure the validity of such a system. This also indicated to the employees that there is a competency-based career-path, resulting in the increase in standard of service, commitment and motivation (HRSDC report, 2002).

### *Training*

The skills, knowledge and capabilities required of Call centre staff in the future will both shift and increase. Call centres spend substantial resources on training staff, in particular, on training agents to provide appropriate, relevant and loyalty producing customer services. While some educational institutions are proactively developing courses that prepare their students for the contact centre of the future, others are more reactively developing programs that meet current contact sector needs only. A study conducted by the Yankee group in 2002 revealed that 62% of call centre managers believed that training is their highest priority. Managers argue that trained agents are happier and more successful when well trained and this results in operational effectiveness (Read, 2002).

This need for training though has to contend with an organization's need to lower costs related to customer service. Customer service excellence can only be created through customer service training (Granered, 2005). For employees to confidently take ownership of customer service requires high levels of competence and clarity. Achieving competence requires training (Colyer, 1997).

Granered (2005) further argues that training should not be seen as that activity that is carried out to get the agent to use the systems but rather as a strategic and ongoing learning. It should have a systems approach with a method in place to assess needs, track progress and measure outcomes. Training should be aimed at achieving an impact on the business. Various training modalities are available to call centre

managers that include: classroom training, e-learning, learning by doing, 'sit by Nelly' and coaching (Granered, 2005).

### Indicators of Success in Call Centres

Campbel, Stonehouse and Houston (2006) define strategy as the determination of the basic long term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Strategy is the means used to achieve objectives. It integrates choice and action, analysis and capabilities. It is maintaining a match between the firm's capabilities and its environment.

Kriss (2008) indicates that the following are keys to setting the criterion for what constitutes a successful call centre: technology, human, environment, operational management and strategic management. Within each of the criterion, the call centre manager needs to ask some questions to gauge their success.

Technology: Here the manager needs to know if there is an appropriate level of technology by asking questions like "Is the centre too technologically driven?" Or "Are simple mundane tasks being moved to technology or left with agents?"

Human: This refers to the staff and questions here would include: What is the rate of staff attrition and how much positive (internal transfers) attrition is there? Is there a solid recruitment process? Is there a solid exit interview process with feedback into the recruitment process? Is there a solid training plan in place to keep enhancing agent skills? Is there an active reward and recognition scheme in place? Does this scheme have a focus on financial or non-financial rewards?

Environment: The environment within which the calls centre agents work affects productivity and managers need to ask: Is there adequate floor space per agent? What floor space is considered adequate? Is there natural light and good

outside visibility? Is there good use of colour, depth and shape to encourage eye adjustment in the décor? Is the furniture ergonomically superior? Is there easy access to fire/emergency exits for all staff?

Operational Management: With regards to reporting the call centre will ask: Who does it? Who reads it? When is it done? What does it report on? Is there solid Call and Resource (Workforce Management) practices in place to maximize available resources? Is there a focus on continuous process improvement? Is there a solid quality measurement and management process in place with call monitoring and feedback sessions? Are all of the quality team members and call centre supervisors calibrated against each other for a norming effect in scoring? Here the manager will find out: Why is the service level set where it is? Could it be varied? What cost and revenue models of the call centre? Is the call centre semi-detached from the business model or a key mission critical centre for communications? Does the call centre have "board room" level representation? Are the centres vision and mission clearly articulated? What is the culture of the centre? What are the centres critical success factors?

### Conceptual Framework

Nichmias and Nachmias (1996) define a conceptual framework as “descriptive categories systematically placed in a structure of explicit, assumed propositions”. The propositions included within the framework summarize and provide explanations and predictions for empirical observations.

A conceptual framework is built from a set of concepts linked to a planned or existing system of methods, behaviours, functions, relationships, and objects. Shields and Tajalli (2006) argue that a conceptual framework might, in computing terms, be thought of as a relational model. Conceptual frameworks are a type of intermediate

theory that has the potential to connect to all aspects of inquiry (e.g. problem definition, purpose, literature review, methodology, data collection and analysis).

They act like maps that give coherence to empirical inquiry. Because conceptual frameworks are potentially so close to empirical inquiry, they take different forms depending upon the research question or problem (Shields & Tajalli, 2006). The variable the researcher wishes to explain is the dependent variable. The variable the researcher expects will explain change in the dependent variable is referred to as the independent variable. It is the presumed cause of change in the values of the dependent variable.

DAYSTAR UNIVERSITY

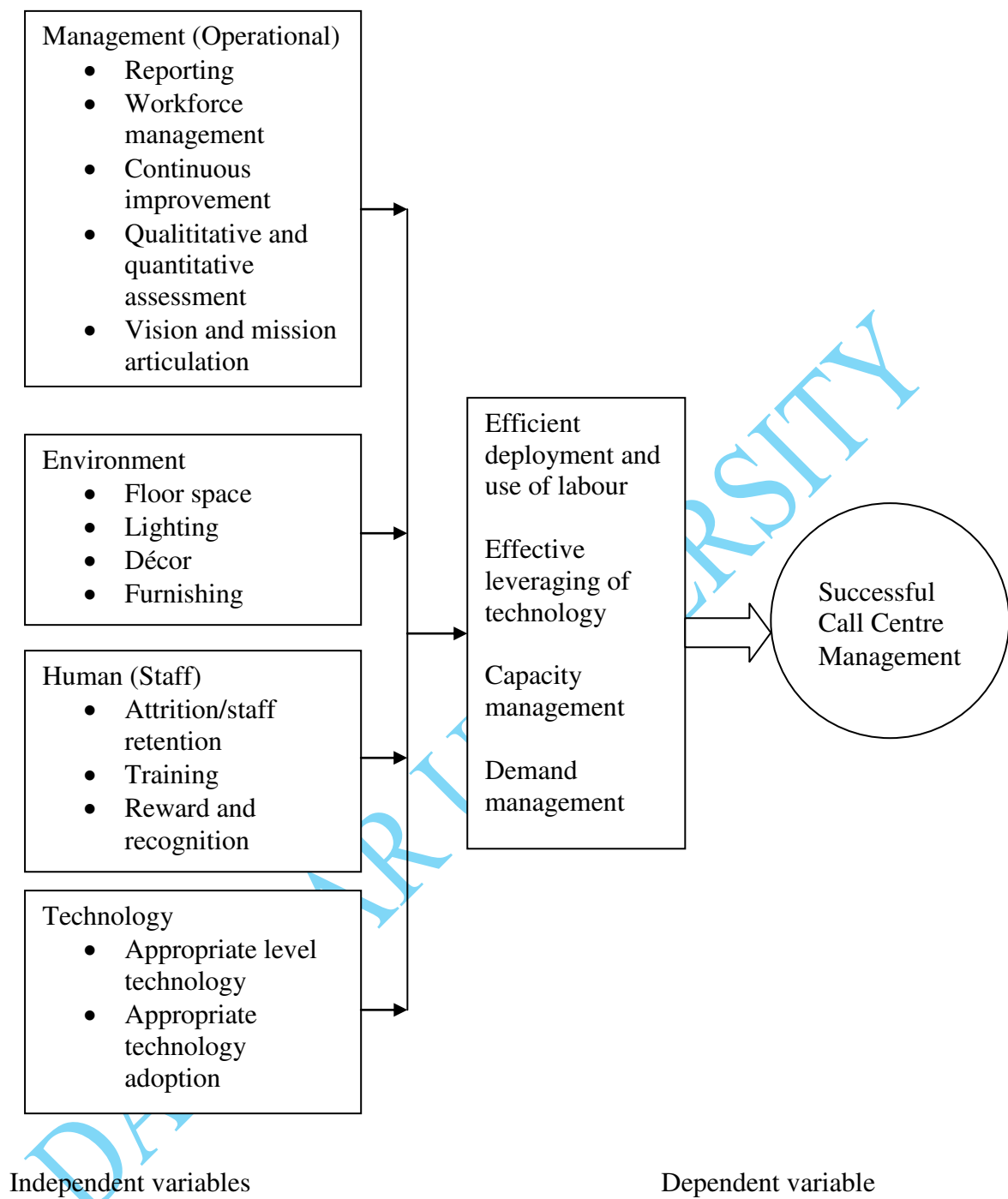


Figure 2.2: Conceptual framework



## Conclusion

The chapter presents a review of various call centre management aspects that have been found to be behind successful call centres. It also looks at the value of call centres in various scenarios and the future importance of the call centres in the Kenyan context. The theoretical framework built from the literature review in this chapter helps understanding and review successful management of call centres.

DAYSTAR UNIVERSITY

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### Introduction

This chapter presents a systematic description of the method that the researcher used to conduct the research, the sampling procedure, and the tools used together with the procedure adopted in data collection and how data analysis was carried out. The purpose of the study is to determine the critical success factors for call centre management that determine call centre success in the Kenyan context.

According to Mugenda and Mugenda (2003), the approaches to research can either be qualitative or quantitative where the former deals with non-numerical data and attempts to provide a context in which the results can be understood to analyze the links that exist. It also provides an in-depth perspective. The latter on the other hand, provides hard data and necessary evidence. The quantitative approach is sometimes referred to as the scientific method and is considered the as the traditional mode of inquiry in both research and evaluation (Mugenda & Mugenda, 2003).

#### Research Design

According to Mutai (2001), the research design refers to the procedures to be employed to achieve the objectives of the research. Chandran (2004, p.68) defines research design as “the arrangement and analysis of data in a way that combines their relationship with the purpose of the research to the economy of procedures”. Peil (1995) recommends that a combination of both qualitative and quantitative methods be employed to enrich the research. The research design chosen for a study is affected by several conditions that can include but are not limited to the objectives of the study, the composition of the population, and availability of resources.

Different categories of research design have been described. Chandran (2004) sets out four broad categories. The first is observation. Here the researcher does not verbally communicate or interact with the subject of study but simply observes them. This method is cheap, takes a relatively short time to implement and can cover a large population. The second category is Exploratory. This is also referred to as formulative design as this method provides new insights, familiarity and discovery of new ideas to the researcher especially in situations that require deeper investigations.

The third category that Chandran (2004) puts forth is the descriptive category. This method is widely used in sociological and anthropological research. In this method, the characteristics of an event situation, community or population are used to create an appropriate profile of complete and possibly accurate information. Finally is the Experimental category. Causal factors and causal relationships are at the centre of this method that seeks to establish if concepts in the research are related and how one factor affects the other. The method requires the formulation of a hypothesis and testing of the same and often involves an experimental and control group. This method is complex, time consuming to implement and can be very costly (Chandran, 2004).

The survey, also referred to as the *expos facto* method, is another common research design. According to Emory (1995), this method does not offer the researcher control over the data collected in terms of manipulation of the variables of the study. The researcher reports the data as collected and this ensures that there is no bias introduced in the data collected. In the causal research design, the researcher tries to explain relationships among variables for examples why a disease would be more prevalent in one income group than in another.

The research design method chosen was a descriptive survey which was undertaken to ascertain and describe the characteristics of the variables of interest in a situation. Kothari (2004) defines a descriptive research as a study that is concerned with specific predictions, with narration of facts and characteristics concerning individual, group, or situations. Mugenda and Mugenda (2003) comment that a descriptive research design is used when the problem has been well designed and where the researcher can engage in a field survey by going to the population of interest in order for the respondents to explain certain features about the problem under study.

Mugenda and Mugenda (2003, p.173) further describes a survey as “.... an attempt to collect data from members of a population in order to determine the current status of that population, with respect to one or more variables”. The research thus required the collection of quantifiable information which was descriptive, exploratory or involving advanced statistical analysis. The respondents were expected to describe the issues that affect the dependent variables.

This survey was considered appropriate for this study given its appropriateness when the population of the study is not very large as in this research. The research also aimed to understand the characteristics of a call centres and to offer ideas for a further probe and research and the best suited method from literature is descriptive. The call centre industry is also relatively new and small with a total of seventeen players who are mostly drawn from the corporate sector.

### Population

A population is ‘the aggregate of all cases that conform to some designated set of specification’ (Chein, 1981, p.419). It is the unit of study and is a total collection of elements (Emory, 1985). The study’s population consisted of the call centre based

staff of organisations including the management and non-management staff. The call centres established in the country can be classified into two. First are the commercial call centres and Business Process Organisations (BPO's) that are set up to provide service to other organisations as an outsourced product, and secondly in house call centres that are internal to an organization as one of its functions.

The Kenya BPO and Contact Centre Society had 19 listed members.

*Table 3.1: Registered members of the Kenya BPO and Contact Centre Society*

	Name of Company	Nature of Business	Ownership
1	Kencall EPZ	Call Contact/ Contact Centre	Private
2	Sky Web Evans	BPO	Private
3	Quest Holdings	BPO and Call centre	Private
4	Précis International	Movie Transcription	Private
5	Beeline BPO and Call Center	BPO	Private
6	3mice Interactive Media	Soft Ware Development And Engineering	Private
7	Daproim Africa	BPO	Private
8	Capstan Systems	Data Processing Outsourcing	Private
9	Keysde Enterprises		Private
10	Beeline BPO and Call Centre	BPO and call centre	Private
11	Verve K.O	Imaging, Record, Knowledge Management, Customer Relationship Management	Private
12	Andest Bites Limited	BPO	Private
13	Cygnnet Call Solution	Call Centre	Private
14	Adept Technologies	Data Processing. Auto Cad Drafting and Conversion	Private
16	Oriak Digital	BPO	Private
17	Wise Men Trainers	BPO	Private
18	Mbagu Enterprise	BPO	Private
19	Continental BPO	BPO	Private

Source: Kenya BPO and Contact Centre Society (2007)

*Table 3.2: Organizations with corporate/In-house call centres*

	Name of Company	Ownership
1	Safaricom Limited	Private/Parastatal
2	Zain Kenya Limited	Private
3	Cooperative Bank	Private
4	Barclays Bank Limited	Private
5	Standard Chartered	Private
6	Stanbic Bank	Private
7	Equity Bank	Private
8	Commercial Bank of Africa	Private
9	ABC Bank	Private
10	Kenya Power and Lighting Company Limited (KPLC)	Parastatal
11	Telkom Kenya	Parastatal
12	Kenya Revenue Authority	Public
13	Nairobi Water Company	Private/Public

Source: Kenya BPO and Contact Centre Society (2007)

### Sample Selection

Where a population is sufficiently small the researcher can include the entire population in the study. This type of research is called a census study because data is gathered on every member of the population. But usually, the population is too large for the researcher to attempt to survey all of its members. A small, but carefully chosen sample can be used to represent the population. The sample reflects the characteristics of the population from which it is drawn. Sampling methods can be adapted by the researcher depending on the objectives of the study (Nachmias & Nachmias, 1996). Mugenda and Mugenda (2003) define sampling as the process of selecting a number of individuals for a study in such a way that the individual is selected is representative of the larger group from which they are selected. Sampling methods are classified as either probability or non-probability.

According to Trochim (2006), a probability sampling method is any method of sampling that utilizes some form of random selection. In probability samples, each member of the population has a known non-zero probability of being selected. Non

probability sampling does not involve random selection but a sample is selected from the population in some non-random manner. The advantage of probability sampling is that sampling error can be calculated. Random sampling is the purest form of probability sampling. Each member of the population has an equal and known chance of being selected. Trochim (2006) further states that researchers prefer probabilistic or random sampling methods over non-probabilistic ones, and consider them to be more accurate and rigorous. Sampling error is the degree to which a sample might differ from the population.

Probability methods include random sampling, systematic sampling, and stratified sampling. Random sampling is the purest form of probability sampling. Each member of the population has an equal and known chance of being selected. When there are very large populations, it is often difficult or impossible to identify every member of the population, so the pool of available subjects becomes biased. Systematic sampling is often used instead of random sampling. It is also called an nth name selection technique. After the required sample size has been calculated, every nth record is selected from a list of population members. As long as the list does not contain any hidden order, this sampling method is as good as the random sampling method. Its only advantage over the random sampling technique is simplicity (Trochim, 2006).

Stratified sampling is commonly used probability method that is superior to random sampling because it reduces sampling error. A stratum is a subset of the population that shares at least one common characteristic for example males and females, or managers and non-managers. The researcher first identifies the relevant strata and their actual representation in the population. Random sampling is then used to select a sufficient number of subjects from each stratum. "Sufficient" refers to

a sample size large enough to be reasonably confident that the stratum represents the population. Stratified sampling is often used when one or more of the strata in the population have a low incidence relative to the other strata (Trochim, 2006).

Non probability sampling methods include convenience sampling, judgment sampling, quota sampling, and snowball sampling. Convenience sampling is used in exploratory research where the researcher is interested in getting an inexpensive approximation of the truth. As the name implies, the sample is selected because they are convenient. This non-probability method is often used during preliminary research efforts to get a gross estimate of the results, without incurring the cost or time required to select a random sample. In judgment the researcher selects the sample based on judgment. This is usually an extension of convenience sampling. Quota sampling is the non-probability equivalent of stratified sampling (Trochim, 2006)..

Like stratified sampling, the researcher first identifies the strata and their proportions as they are represented in the population. Then convenience or judgment sampling is used to select the required number of subjects from each stratum. This differs from stratified sampling, where the strata are filled by random sampling. Snowball sampling is used when the desired sample characteristic is rare. Snowball sampling relies on referrals from initial subjects to generate additional subjects. This method has a high chance of introducing bias because the technique itself reduces the likelihood that the sample will represent a good cross section from the population (Trochim, 2006).

The researcher selected a sampling frame that comprised the different sectors offering customer service through call centres as outlined above. The researcher used stratified random sampling where the population is divided into two or more groups using specified criteria. In the first stratum, the researcher divided the sector as



follows: Outsourced Contact Centres that include outsourced call centres and BPO's and; Corporate or In house call centres which are full owned by the parent company to which they provide the call centre service (See Appendix C).

The researcher then applied simple random sampling within these groups which required the researcher to select any given sampling unit at random independent of the selection of previous sampling units. The second strata classified these organizations depending on their ownership; private or public/parastatal. Within these sectors the organizations were stratified further to the industry the call centre serves specifically the banking and telecommunications industries. A representative call centre from each stratum was chosen to represent the industry through simple random sampling. The call centre studied from the banking industry was chosen to represent banks serving a corporate clientele and one representing small and medium enterprises. Simple random sampling was also applied to select the respondent in each of these call centres. The advantages that accrued from using this method of sampling included: cost effective as opposed to the use of a whole census of the target population; it reduced bias, and provided quick reliable results in a shorter time period (Emory, 1985).

Cooper and Schindler (2003) recommend that a sample population that exceeds 5% of the population should be chosen to fulfil the requirements of the research design chosen and not sacrifice precision. The researcher proposed to target 25% of the firms within the industry. This was representative of the entire industry. Of this a target population of 10% per call centre was chosen. This ensured that the sample selected is representative of the entire call centre industry in Kenya.

*Table 3.3: Sample selection*

Stratum	Population	Sample	Percent	Number in Call Centre	Sample	Percent
BPO's and Outsourced Call Centres	4	1	25%	500	50	10%
Corporate /In house Call Centres Publicly owned	4	1	25%	20	5	20%
Corporate /In house Call Centres - Telecommunications Industry	2	1	50%	434	45	10%
Corporate /In house Call Centres -Banking Industry (Corporate)	5	1	20%	15	5	30%
Corporate /In house Call Centres -Banking Industry (Microfinance)	2	1	50%	21	5	24%
Totals	17	5	29%	990	110	11%

#### Data Collection Tools and Procedure

Data collection tools are the instruments which are used to collect the necessary information (Mugenda & Mugenda, 2003). The main tools include questionnaires, interviews and observation methods.

#### Questionnaires

Questionnaires are a series of written questions on a topic about which the respondents' opinions are sought (Sommer, 1997). They are the most commonly used research instrument. Questionnaire can either use structured or unstructured questions. The structured questions are normally close ended with alternatives from which the respondent is expected to choose the most appropriate answer (Mugenda and

Mugenda, 2003). The main advantage of this type of questions is that they are easy to analyze and require a lower investment in terms of time and money. On the other hand they are also difficult to construct as alternatives for response not only need to be relevant but also comprehensive. Unstructured questions are open-ended and present the respondent the opportunity to provide their own answers.

According to Mugenda and Mugenda (2003) unstructured questions are simple to formulate, and they allow the respondent to present their feelings on the subject, enabling a greater depth of response. On the other hand unstructured questions present the following disadvantages; they are not easy to categorize and analyze, they are time consuming and, they may provide difficulty in eliciting the required responses for the researcher. Matrix questions can also be utilized. This type of question presents the respondent with a range of questions and against which they are expected to respond based on a predetermined rating scale. The most commonly used is the Likert scale. These types of scales are used to measure perception, attitude, values and behaviour (Cooper & Schindler, 2003). These types of questions are popular with the respondents and researchers as they are easy to fill in, economical and provide for easy comparability. They are however also prone to misuse by researchers while respondents could easily form an answering pattern, skewing the results obtained.

#### *Personal Interviews*

Personal Interview surveys are recommended where a researcher's desired sample consists of respondents in a very specific target population. Interviewers have the ability to extensively probe respondents, observe individual or group behavior. This method allows for the exchange of material and/or information between respondent and interviewer. Advantages of this method include: response rates are

very good; longer interviews are sometimes tolerated; and attitudinal behavior can be best observed with this method (Cooper & Schindler, 2003).

Disadvantages of this method include: it is very expensive; it can be time-consuming; and a non-representative sample may result if the respondents from the location where the interviewing takes place does not match with the desired target population and it can be biased based on the initial perception of the interviewer by the respondent (Cooper & Schindler, 2003).

#### Data Collection Procedure

The research combined the use of a questionnaire and interviews to collect data. A semi-structured self administered questionnaire was used on the respondents. Both quantitative and qualitative data was obtained for this study by use of both closed and open-ended questions. Questions that required demographic information were predominantly closed. The open-ended questions encouraged the respondent to share more information which was helpful to the study. Matrix questions were used to collect information on the respondent's perceptions of the different aspects of management of the call centre.

The self administered questionnaire has several advantages that include: they are low in cost to administer, they provide a reduction in biasing error that might result from the personal characteristics of an interviewer and the interaction with the interviewee, they provide for anonymity and hence encouraging the respondent to be more revealing in their responses, and answers provided are more likely to be considered rather than immediate and hence more reliable (Nachmias & Nachmias, 1996).

The researcher administered the questionnaires with the help of two research assistants. The questionnaire was divided into the following sections: the respondents profile; working in the call centre; a comparison of work and environment and call centre management. Before distribution of the questionnaires, a pre-testing was carried out to gauge the effectiveness of the questionnaire. The pre-testing provided the researcher with the opportunity detect the questionnaires weakness and corrected them appropriately. The use of the personal interviews gave the researcher the opportunity of probing for additional information that would not be possible with the self administered questionnaire (Nachmias & Nachmias, 1996). The interviews focused and aimed at eliciting information from respondents experience regarding the management of call centres. Interviews were carried out with call centre managers.

#### Data Analysis

Data processing and analysis included data preparation, editing, coding, classification and analysis. This involved a sequence of operations to check and code forms, transfer the tabulation on computer files, check for errors and make an exploratory analysis (Mutai, 2001).

Data Preparation involved the editing of and validation of the data collected. It was aimed at identifying incorrect entries; entries entered in the wrong places and missing entries. Data coding enabled proper data categorization. Emory (1985, p.319) “data categorizations should ensure appropriateness, exhaustiveness, mutual exclusivity and have a single dimension or the use of one concept”. The returned questionnaires were checked for consistency, cleaned, and the useful ones coded and analyzed using the Statistical Packages for Social Scientists (SPSS) computer software. The data was coded using a predetermined coding scheme. Analysis was done using descriptive statistics that was concerned with the development of certain

indices using raw data such as frequency counts, percentages and graphs to describe distributions, pie charts to show differences in frequencies and bar charts to display nominal or ordinal data (Cooper & Schindler, 2003).

### Conclusion

This chapter describes methodological framework for this study. It starts out by looking at the importance of research and the basis for the design chosen, sampling procedures, data collection instrument, data analysis and data processing.

DAYSTAR UNIVERSITY

## CHAPTER FOUR

### PRESENTATION OF FINDINGS WITH ANALYSIS

#### Introduction

The study sought to establish the management strategies that contribute to the success of a call centre. In this chapter the researcher discussed and presented the findings of the research, analysis and data interpretation in light of the objectives of this study.

#### Response Rate

The questionnaires were distributed to the five call centres as per the sample distribution. All call centres approached obliged to the filling in of the questionnaires. The questionnaires distributed to staff were filled in and returned in relatively good time. The following chapter gives the presentation and interpretation of results of the data collected from the field.

The structured questionnaire was administered in two formats- as a self administered questionnaire where the respondents (call centre staff) were given the questionnaire and allowed to fill them in and return to the researcher upon completion and as a personal interview with call centre managers. The self administered questionnaire was designed to provide quantitative data while qualitative information was derived from the personal interviews and comments on the self administered questionnaires.

A total of 67 responses were received out of 110 staff questionnaires issued out representing a 60.9% response rate. According to Maylor and Blackmon (2005), this percentage is acceptable for data analysis. A further five personal interviews were carried out with the call centre managers and team managers.

## Basic Characteristics of the Study Population

### Age of the Respondent

In this question, the respondents had been asked to indicate their age. Results indicate that majority (59.7%) of the respondents were in the 25 to 35 years age category while 29.9% were in the 18 to 24 years age category. The remaining 10.4% were aged between 30 to 34 years with none of the respondents over the age of 40 years (See Table 4). This is consistent with the expectation of an industry that is relatively new to the market, in the service sector and is technologically driven (Bednarzik, 2000).

*Table 4.1: Age of the respondent*

Age	Frequency	Percent
18 but less than 24 Years	20	29.9
24 but less than 29 Years	40	59.7
29 but less than 34 Years	7	10.4
34 but less than 39 Years	0	0
39+ Years	0	0
Total	67	100.0

### Gender of the Respondent

The question sought to establish the gender of the respondent. Results indicate majority of the respondents, accounting for 61.2% were female while male respondents accounted for 38.8% (See Table 4.2). The results point that majority of those working in the call centres were female. According to Bednarzik (2000), this is gender split is consistent with the service sector organizations in most markets.



*Table 4.2: Gender of the respondent*

Gender	Frequency	Percent
Male	26	38.8
Female	41	61.2
Total	67	100.0

### Employment Status

Respondents had been asked to indicate their employment status in terms of whether permanent, part time or contract. Results indicate that majority of the respondents accounting for 67.1% were full time/permanent employees of their respective organizations. A further 4.5% were part-time staff while 28.4% were on contract. This implies a trend towards ensuring job security for most employers and hence staff retention.

*Table 4.3: Employment status*

Employment status	Frequency	Percent
Full time/Permanent	45	67.1
Part-time	3	4.5
Contract	19	28.4
Total	67	100.0

### Work Role

The question sought to establish the respondent's role within the call centre. Among the respondents to the staff questionnaire, 73.1% were call centre representatives 20.9% respondents were call centre support staff while managers and team leaders together accounted for 6% of the total number of respondents. This sample is representative of a typical manager: staff ratio that is recommended at 1: 12-20 (Gilmore, 2001). Their responses are summarized in table 4.4.

*Table 4.4: Work Role*

Role	Frequency	Percent
Call Centre Representative	49	73.1
Call Centre Support	14	20.9
Team leader/manager	4	6.0
Total	67	100.0

#### Ownership of Respondents Company

The question sought to establish the ownership of respondent's respective organizations. Most of the respondents worked either for a privately owned and outsourced call centre (41.5%) or Corporate owned (Telecommunications) call centres (46.2%). This is indicative of a growing private sector in this industry. Government and publicly owned organizations accounted for 12.3% of the respondents. Table 4.5 below represents these responses.

*Table 4.5: Ownership of Respondent's Company*

Ownership	Frequency	Percent
Publicly owned (government or parastatal)	8	12.3
Privately owned Call centre (Outsourced)	27	41.5
Telecommunication (Corporate)	30	46.2
Other	2	0
Total	67	100.0

#### Length of Service in a Call Centre

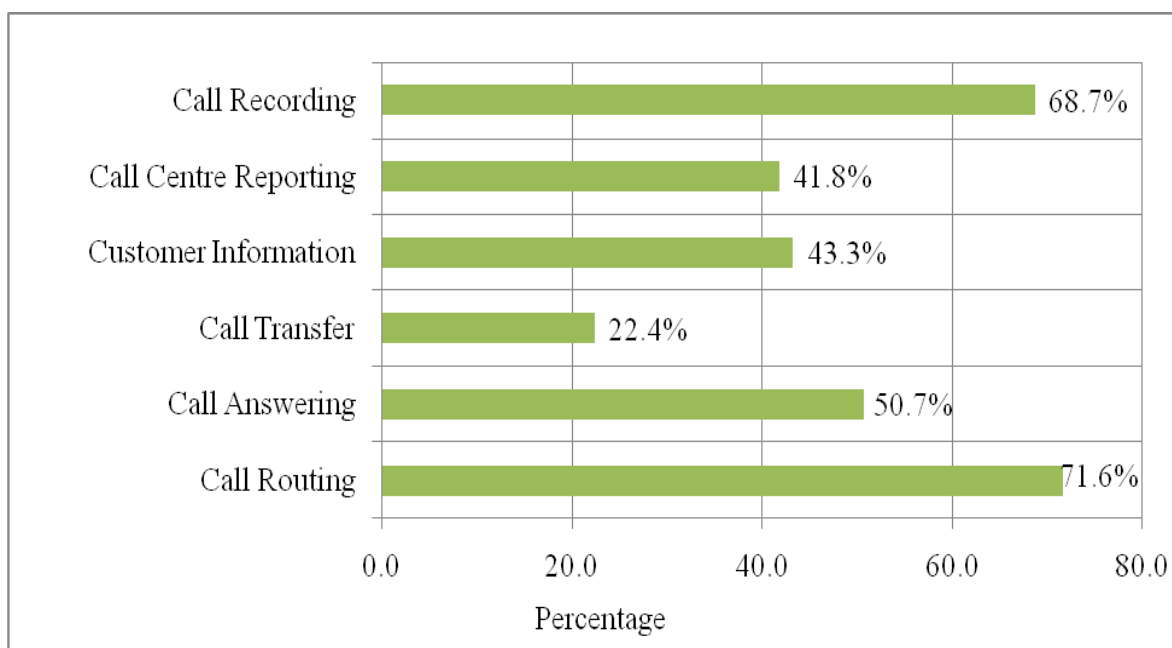
The question sought to establish respondents experience in working in the call centres. Results indicate that majority of the respondents; accounting for 89.4% had worked in call centres for less than three years. This is reflective of the relative newness of the industry in the market. Another finding was that 4.5% had between 3-5 years experience working in a call centre, while 6% had seven or more years experience. Their responses are summarized in the Table 4.6 below.

*Table 4.6: Length of service in a call centre*

Length of service	Frequency	Percent
Less than a year	28	42.5
1 year to less than 3 years	31	47.0
3 years but less than 5 years	3	4.5
5 years but less than 7 years	2	1.5
7 years but less than 10 years	3	4.5
Total	67	100.0

#### Use of Technology: Functions Automated Within the Call Centre

The question sought to establish the functions that had been automated within the call centres. A list was given and respondents were to indicate against any function automated within their call centre. Results indicated emphasis on automation of call routing (71.6%) and call recording (68.7%). Results also indicated other automated functions as call answering (50.7%) and customer information (43.3%). With regard to call transfer and call centre reporting, only a few respondents indicated that their organizations had embraced automation of these functions. These accounted for 22.4% and 29.7% respectively.



*Figure 4.1: Automation of call centre functions*

#### The Influence of Technology on Call Centre Functions

Respondents were requested to rate the Level of influence of the technology in use in their respective call centres on specified work related functions. Table 4.7 below gives a summary of their responses.

*Table 4.7: Influence of technology on call centre work functions*

Call Centre Work Function	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The systems are comfortable to use	18.2%	56.1%	19.7%	6.0%	0.0%
Repetitive tasks are automated	12.5%	34.4%	35.9%	10.9%	6.3%
Automation increases my effectiveness	45.5%	40.0%	9.0%	12.1%	1.5%
Automation increases complexity of my work	6.3%	14.1%	28.1%	25.0%	26.6%

From the responses, a significant percentage (74.3%) felt that the technology in use in the call centre was inappropriate. 46.9% of the respondents felt that the technology did not automate repetitive tasks. Further, technology was deemed not to

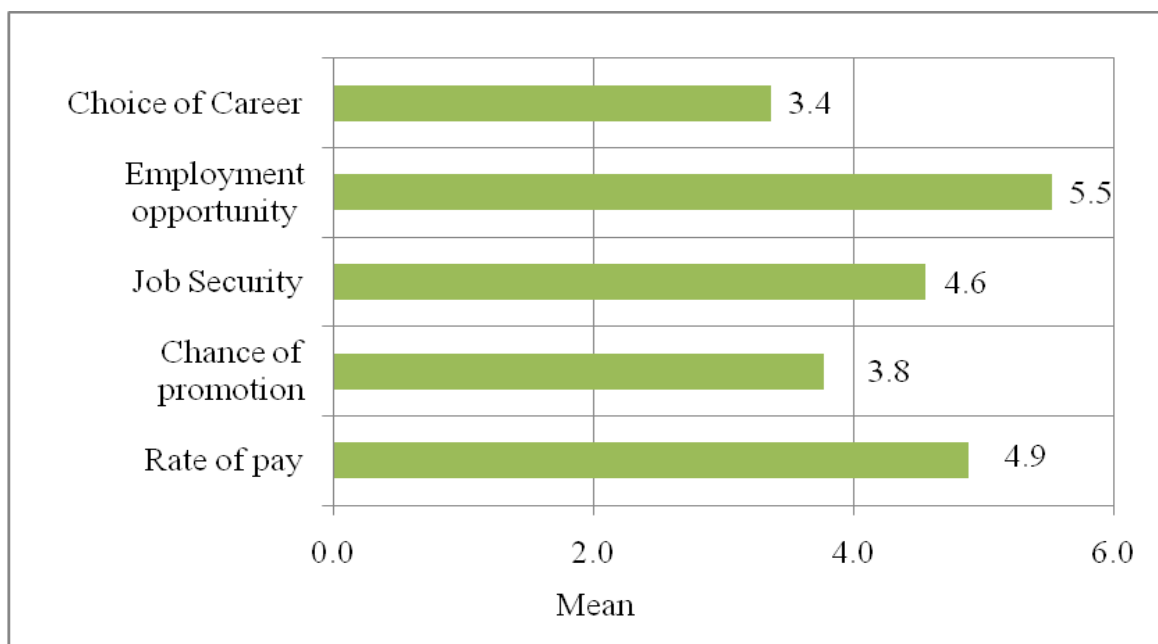
have a positive effect on improving the effectiveness of the call centre staff performance according to 85.5% of the respondents. Technology was also seen to increase the complexity of tasks by a significant 51.6% of the respondents surveyed.

#### Reason for Applying for Call Centre Position

This question sought to establish the motivation for the respondents to take up the job within the call centre. The respondents were requested to rate the reasons indicated against a scale of importance where a rating of 1 indicated that it was the most important reason and a rating of 7 was least important. The table below represents the results. A significant 74.2% of the respondents (mean rating of 5.5) indicated that “employment opportunity” as the important motivator for considering a call centre job while the rate of pay was considered important by 65.9% of the respondents (mean rating of 4.9). Choice of career received the lowest rating at 36.6% and a mean rating of 3.4. Below these results are represented (See Figure 4.2).

*Table 4.8: Reason for applying for call centre position*

Reason for applying	1	2	3	4	5	6	7
Rate of pay	18.0%	1.6%	4.9%	9.8%	14.8%	16.4%	34.4%
Chance of promotion	32.3%	4.8%	1.6%	12.9%	27.4%	19.4%	1.6%
Job Security	19.3%	5.3%	8.0%	10.5%	8.8%	17.5%	29.8%
Employment opportunity	9.7%	3.2%	9.7%	1.6%	9.7%	14.5%	50.0%
Choice of Career	46.2%	3.8%	3.8%	9.6%	7.7%	7.7%	21.2%



*Figure 4.2: Mean rating for the reason for applying for call centre position*

#### Importance of the Role Played by Managers and Supervisors in the Call Centre

The questions sought the respondents view of the importance of various roles carried out by managers and supervisors in the call centre. The respondents were requested to rate the role indicated against a scale of importance where a rating of 1 indicated that it was the most important reason and a rating of 7 was least important. The table below represents the results while Figure 4.2 above presents the mean rating for of the responses received.

*Table 4.9: Importance of the roles of managers and supervisors in the call centre*

Role	1	2	3	4	5	6	7
Supervision	11.9%	3.6%	10.0%	3.4%	6.8%	10.2%	54.0%
Improvement of call centre processes	16.4%	5.0%	18.2%	1.8%	27.3%	7.3%	23.6%
Monitoring work processes	4.8%	4.8%	4.8%	9.7%	14.5%	21.0%	40.3%
Performance management	10.3%	1.7%	12.1%	12.1%	15.5%	10.3%	37.9%
Staff motivation	27.6%	13.8%	3.4%	6.9%	6.9%	8.6%	31.0%
Staff support	13.3%	18.3%	3.3%	15.7%	8.3%	8.3%	32.7%
Problem and conflict resolution	18.6%	3.4%	5.1%	8.5%	11.9%	18.6%	33.9%

Supervision (70.0%) and monitoring work processes (75.8%) were viewed as the most important roles of managers and supervisors by the respondents with a mean rating of 5.4 each. Further 63.6% of the respondents viewed performance management as important with a mean of rating of 5.0. The roles of Staff support and improvement of work process received a mean rating of less than 5.0. Staff motivation was deemed the least important with a mean rating of 4.1. These observations are in line with the view that call centre tend to reflect the ‘sweat shops’ of the industrial age where the manager is seen as a task master (Gilmore, 2001).

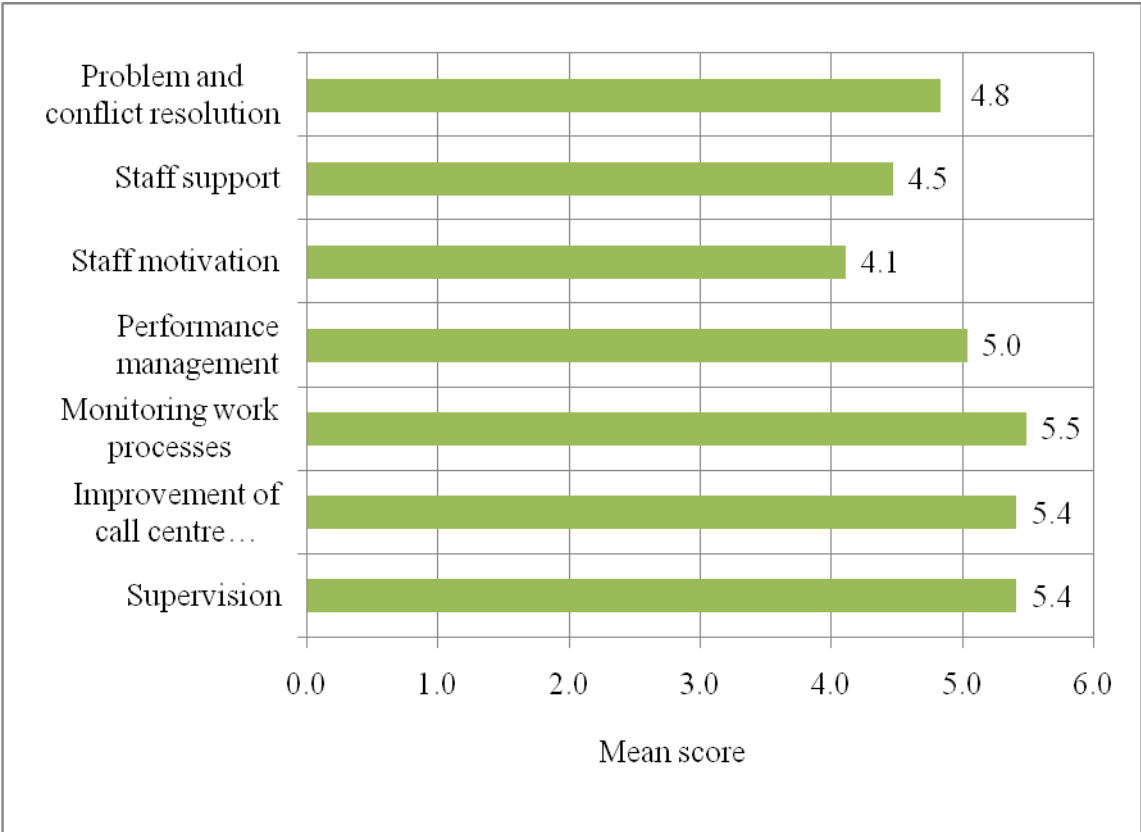


Figure 4.3: Mean of rating for the reason for applying for call centre position

Effect of Work Design Characteristics to Work Productivity

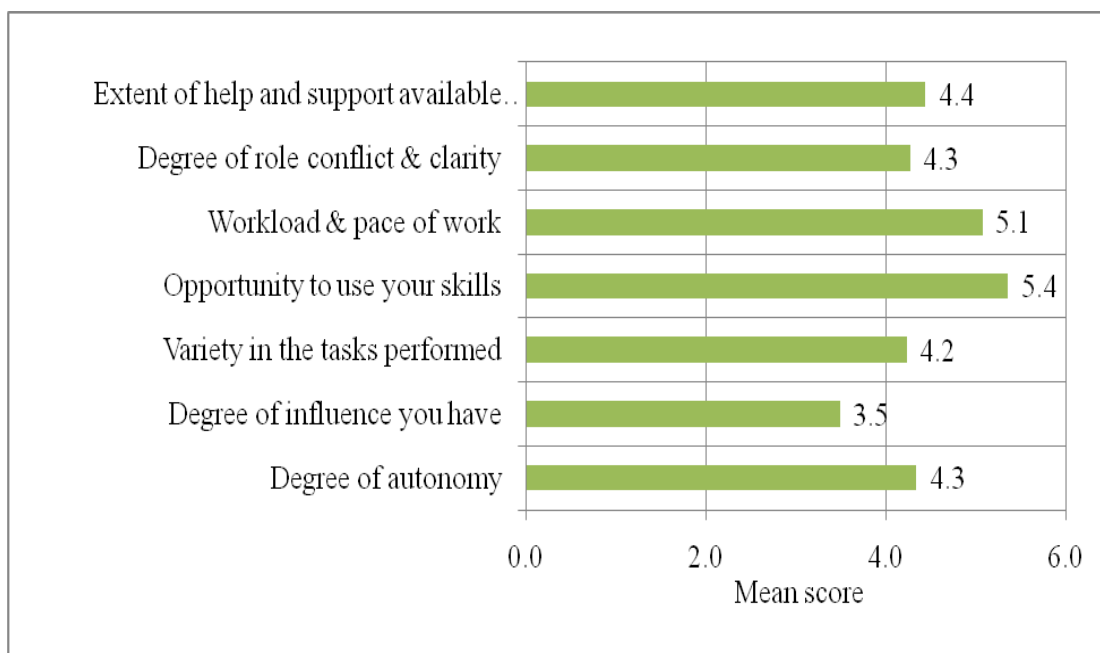
The questions sought the respondent’s view of the importance of specific work design characteristics and effects on their work productivity in the call centre. The respondents were requested to rate the role indicated against a scale of importance where a rating of 1 indicated that it was the most important reason and a rating of 7 was least important. Table 4.10 below presents the results of the respondents’ ratings.



*Table 4.10: Effect of work design characteristics to work productivity*

Characteristic	1	2	3	4	5	6	7
Degree of autonomy	11.7%	19.6%	3.9%	11.8%	15.7%	13.7%	23.6%
Degree of influence you have	28.6%	5.4%	21.4%	10.7%	8.9%	14.3%	10.7%
Variety in the tasks performed	22.0%	1.7%	6.8%	20.3v	20.3%	8.5%	20.3%
Opportunity to use your skills	10.0%	3.3%	5.0%	10.0%	5.0%	28.3%	38.3%
Workload and pace of work	5.0%	11.7%	10.0%	10.0%	11.0%	11.0%	40.0%
Degree of role conflict & clarity	19.0%	6.9%	10.3%	19.0%	10.3%	12.1%	22.4%
Extent of help and support available from work colleagues	14.8%	7.4%	16.7%	5.6%	13.0%	7.4%	33.3%

Of the respondents only 33.9% felt that the degree of influence one has was the least important in influencing their work productivity. This characteristic received a mean rating of 3.5. On the other hand, the respondents rated as most important in increasing productivity the opportunity to use their skills within their role (71.6%), and the Work Load and Pace of Work (62.0%) with a mean rating of 5.4 and 5.1 respectively. The figure below (See Figure 4.4) represents the mean ratings of the respondents.



*Figure 4.4: Mean of Rating of effect of work design characteristics to work productivity*

#### Effects of Staff Management Characteristics and on Work Productivity

The question sought the respondent's view of the effects of specific staff management characteristics and on their work productivity in the call centre. The respondents were requested to rate the aspect depending on the extent to which they agreed or disagreed with the statement provided. 84.0% of the respondents felt that the training received was relevant to their work and improved their work skills. A significant 76.9% of the respondents felt that they were empowered to carry out the tasks assigned to their roles. This is in line with the view by Gilmore (2001) that an empowerment approach allows employees the discretion to make decisions to satisfy immediate customers' needs thus increasing productivity. Of the respondents, 69.2 % felt that there was a focus on continuous process improvement and 69.7 % that there was opportunity to work within other similar roles in the call centre. This is also in line with Deery and Kinne's (2004) assertion that call centre management requires

constructive, creative thinking and the ability to work together as a team to discover synergies and increase productivity (See Table 4.11).

*Table 4.11: Effects of staff management characteristics and on work productivity*

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I feel empowered to carry out the tasks assigned to me	33.8%	43.1%	20.0%	1.5%	1.5%
There are opportunities to grow within the call centre	19.7%	37.9%	18.2%	13.6%	10.6%
I have the opportunity to work within other similar roles in the call centre	25.8%	43.9%	18.2%	6.1%	6.1%
The training I have received is relevant to my work and has improved my skills	42.4%	42.4%	10.6%	1.5%	3.0%
Performance is recognized & reward	23.4%	28.1%	40.6%	6.3%	1.6%
There is a focus on continuous process improvement	24.6%	44.6%	26.2%	3.1%	1.5%

#### Availability of a Reward and Recognition Scheme

The question sought to find out if the call centre or organization sampled ran a reward and recognition scheme. This scheme could either have been a financial or a non financial based scheme. From the findings, 93.8% responded that there was a reward and recognition scheme is present in the call centre. Table 4.12 below presents the results.

*Table 4.12: Availability of a reward & recognition scheme*

Response	Frequency	Percent
Yes	61	93.8
No	4	6.2
Total	65	100.0

### Focus of the Reward and Recognition Scheme

The question required the respondents to indicate the nature of the reward and recognition scheme; whether the scheme was financial or non financial in nature or if it had aspects of both. From the results, 93.8% had a financial based scheme and 6.2% had a non financial based scheme. The results are presented in the Table 4.13 below.

*Table 4.13: Focus of the reward and recognition scheme*

Response	Frequency	Percent
Financial	61	93.8
Non financial	4	6.2
Total	65	100.0

### Effectiveness of the Reward and Recognition Programme

The question sought to further determine the effectiveness of the reward and recognition scheme in place. From the results, 30 % of the respondents felt the scheme was either effective or relatively effective with 45% rating the scheme's effectiveness as average. 18.3 % felt that the programmes in place were not effective. The results are presented in Table 4.14 below.

*Table 4.14: Effectiveness of the reward and recognition programme*

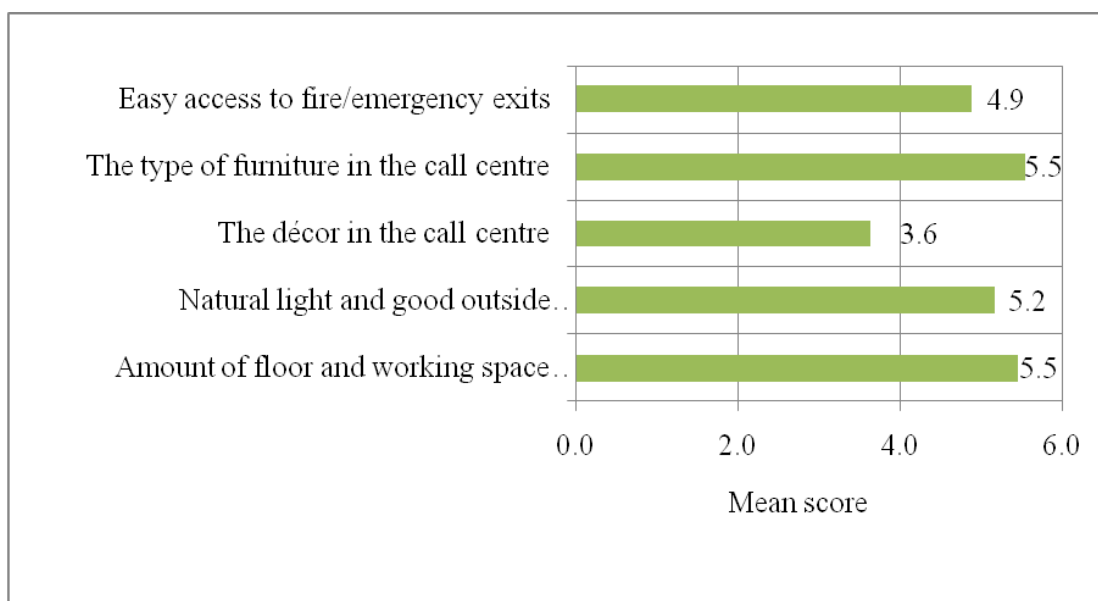
Response	Frequency	Percent
Very effective	4	6.7
Relatively effective	14	23.3
Average	27	46.0
Not effective	11	18.3
Not able to rate	4	6.7
Total	60	100.0

### Effects of Aspects of Call Centre Working Environment to Work Productivity

Respondents rated the importance of various factors within the environment space in which they work. The results are presented in Table 4.15. The type of furniture in the call centre (68.8%), the amount of floor space allocated (66.6%), and the availability of natural light and good outside visibility in the call centre (65.6%) were viewed as important with a corresponding mean rating of 5.5, 5.5 and 5.2 respectively. Of least importance was the decor in the call centre (37.2%) with a mean rating of 3.6. The results are also presented in Figure 4.5 below.

*Table 4.15: Effects of call centre working environment characteristics to work productivity*

Characteristic	1	2	3	4	5	6	7	8
Amount of floor and working space allocated	10.5%	7.0%	8.8%	7.0%	14.0%	5.3%	14.0%	33.3%
Natural light and good outside visibility in the call centre	16.4%	3.3%	8.2%	6.6%	13.1%	13.1%	16.4%	23.0%
The décor in the call centre	29.0%	9.7%	19.4%	4.8%	8.1%	14.5%	6.5%	8.1%
The type of furniture in the call centre	15.6%	1.6%	4.7%	9.4%	7.8%	18.8%	4.7%	37.5%
Easy access to fire/emergency exits	17.2%	10.3%	5.2%	12.1%	10.3%	10.3%	3.4%	31.0%



*Figure 4.5: Mean of rating of effects of aspects of call centre working environment to work productivity*

#### Call Centre Work Patterns

Respondents were requested to indicate the work pattern in the call centre. From the results (See Figure 4.6), the majority (78%) worked on a 24-hour rotating shift while 20% work a normal 8:00am to 5:00pm shift and 2% at weekends. According to Kriss (2008). Call centres in the service industry are more likely to adopt a 24 hour shift pattern while those involved in data entry or the banking industry will typically employ a standard work day shift

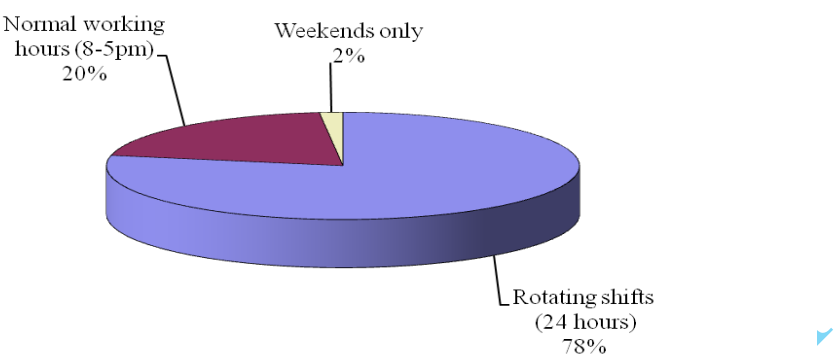


Figure 4.6: Call centre work patterns

Respondents Rating of Operational Management Factors in the Call Centre

Respondents indicated their level of agreement with statements presented in relation to various operational management factors in the call centre. 69.7% of the respondents indicated that the call monitoring and feedback sessions were aimed at improving performance. On the shift patterns adopted by the call centres, a significant 63.7% of the respondents felt that they were comfortable with the design of the shifts. Quality Measurement and Call monitoring were also deemed to be adequate by 58.5% and 59.1% of the respondents respectively. The results are presented in the Table 4.16 below.

*Table 4.16: Operational management factors in the call centre*

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The shifts design is comfortable	18.2%	45.5%	30.3%	4.5%	1.5%
There is a solid quality measurement process in place with	13.6%	45.5%	22.7%	13.6%	4.5%
There is a solid call monitoring and feedback sessions	10.8%	47.7%	27.7%	9.2%	4.6%
The call monitoring and feedback sessions are aimed at improving my performance.	21.2%	48.5%	19.7%	4.5%	6.1%

#### Importance of Performance Monitoring Measures

In this question, the respondents were required to rate in order of importance specified call centre measures as used for performance measurement in order of importance. The respondents were to give the most important a rating of 9 and the least a rating of 1. Cleveland and Mayben (2004) term the service level as “...the heart of effective incoming call centres management.....” They further describe it as a unifying concept that ties the resources a manager to run the call centre and the results they want to achieve. The results are presented in the Table 4.17 below.



*Table 4.17: Importance of performance monitoring measures*

	1	2	3	4	5	6	7	8	9
Service Level	4.3%	2.1%	2.1%	2.1%	27.7%	6.4%	4.5%	10.6%	44.7%
Average waiting time	0.0%	4.1%	6.1%	16.3%	14.3%	12.2%	4.1%	6.1%	36.7%
Average Talk Time	6.0%	2.0%	6.0%	4.0%	16.0%	8.0%	6.0%	20.0%	32.0%
Average Handling Time	4.0%	6.0%	6.0%	0.0%	8.0%	16.0%	8.0%	12.0%	32.0%
Number of calls / inquiries per hour	10.2%	6.1%	12.2%	22.4%	8.2%	6.1%	14.3%	20.4%	0.0%
Not Ready time	0.0%	6.3%	0.0%	2.1%	22.9%	12.5%	8.3%	20.8%	27.1%
First Call Resolution	0.0%	8.7%	2.2%	6.5%	8.7%	56.5%	8.7%	6.5%	4.3%
Total Calls Abandoned	13.3%	17.8%	4.4%	2.2%	22.2%	2.2%	11.1%	6.7%	17.8%
Call Quality measures	0.0%	2.0%	4.1%	2.0%	8.2%	6.1%	16.3%	14.3%	46.9%

The measurement of total calls abandoned was rated least important with a mean of 4.9 followed by the measurement of the number of calls or enquiries that an agent receives per hour. On the other hand, call quality measures and the measurement of service levels in the call centre were rated as most important with respective means of 7.4 and 7.3 respectively. The results are represented in the Figure 4.7 below.

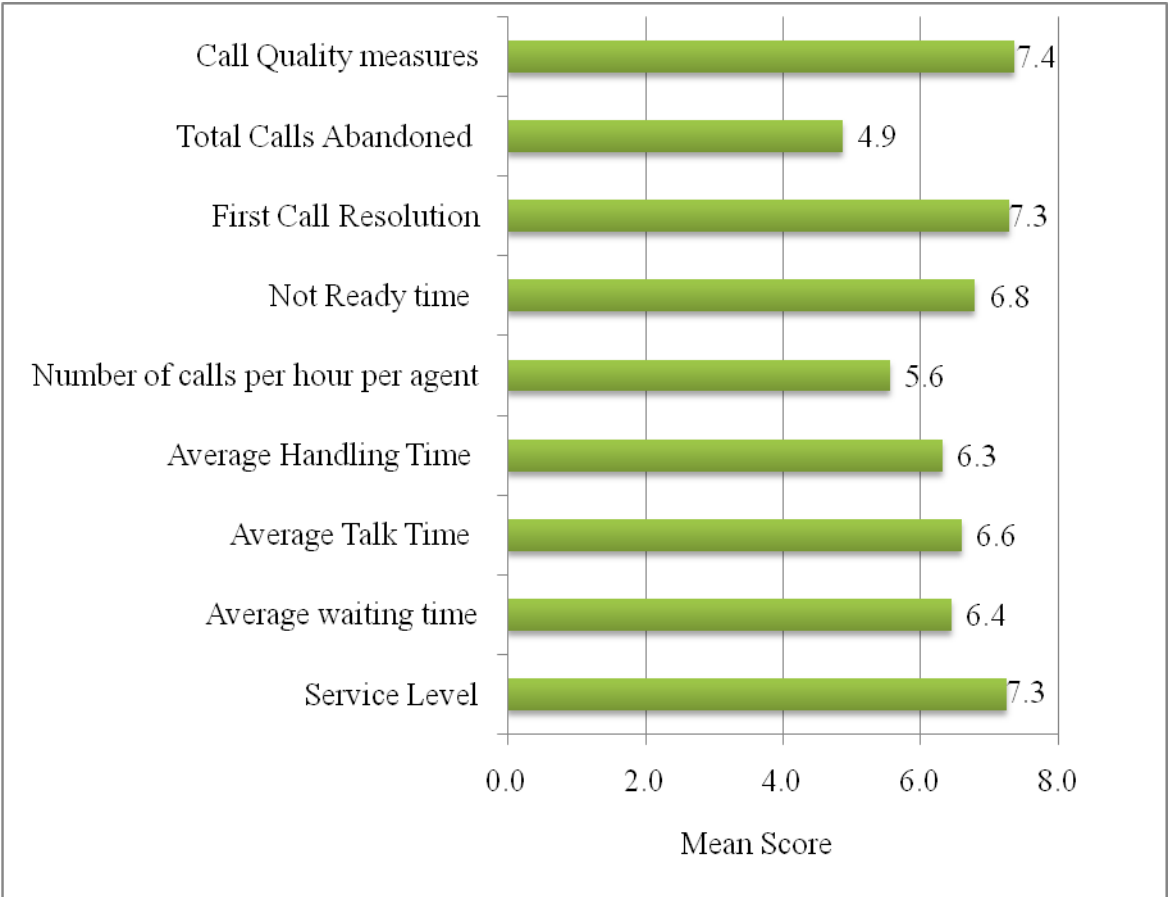


Figure 4.7: Importance of performance monitoring measures

Summary of Key Findings

The analysis revealed that 61.2% of call centre staff are female. Most employees are below the age of 30 years with a total of 89.6% of the respondents in this age group. The length of service in call centres is relatively low with majority (93.9%) working in the call centre for less than five years. 78.8% of the staff work in a rotating 24 hour shift. A significant number (64.5%) of those working in the call centres choose to do the job it presented an employment opportunity, while rate of Choice of career (36.6%) was the least important of the motivators to take up employment in the call centre.

The use of skills in their role (71.6%) and the balance of workload and pace of work (62.0%) are the most important work design characteristics. Of the call centres surveyed 76.9% of the staff felt they were empowered to carry out the tasks assigned and 84.0% that the training received was relevant to their work performance and improved their skills.

All aspects of call centre performance monitoring are seen as significant mean rating of 5.0 and above with the exception of the measure of total calls abandoned with a mean rating of 4.9%. The most important roles of the call centre manager is supervision (70.0%) and monitoring of work (75.8%) in the call centre while the roles of staff support, staff motivation, and improvement of work processes was seen less important receiving a mean rating of less than 5.0. While 93.8% indicated that there was a reward and recognition scheme in place, only 30% felt that the scheme was effective. Furniture type (68.8%), floor space allocated (66.6%) and the availability of light and visibility (65.6%) were the most important environmental factors.

There is a relative high use of technology in the call centres with most call centres concentrating on all routing (71.6%) and call recording (68.7%). However, this automation is not seen as aimed at improving the work of the call centre staff or easy to use. 85.5% of the staff felt that the technology did not improve their effectiveness while over 74.3% felt that the technology was difficult to use.

### Conclusion

This chapter presented an analysis of the findings from the data collected. The analysis revealed majority of the staff working in the call centre were female aged below the age of 30 years. The length of service in call centres is relatively low with majority working in the call centre for less than five years. The call centre agents view the most important role of the call centre manager as supervision and monitoring of

work in the call centre. Further, the use of their skills and the balance of workload and pace of work are the most important work design characteristics. There is a relative high use of technology in the call centres. However, this automation is not seen as aimed at improving the work of the call centre staff or easy to use. All aspects of call centre performance monitoring were seen as significant. Despite most call centres having a reward and recognition scheme, the schemes were not deemed effective.

DAYSTAR UNIVERSITY

## CHAPTER FIVE

### INTERPRETATION OF FINDINGS, SUMMARY AND CONCLUSIONS

#### *Introduction*

This study aimed at establishing how various existing call centres had implemented the different management practices and their contribution to the call centres performance. Specifically the study sought to; determine the management practices employed in the call centres; analyze the success of these management practices employed in call centres as well as determine the effect of use of technology on successful call centre management. The empirical results were summarized based on the four research objectives that entailed; determining operational management practices employed in call centres, analyzing the success of the management practices and determining the effect of use of technology on successful call center management.

#### Interpretation of Findings

Analysis showed that 61.2% were female. The study targeted respondents of both genders which was essential for variations. Though there was no discrimination in issuing out the questionnaire, and whereas every person had equal chance of being selected as a respondent, majority of the respondents were females. This could imply that there were more females within the call centres than there were males. Of the workforce, 89.6% are relatively young in the age bracket below 30 years. In a technologically driven industry, the ability to effectively use technology in their work and keep up with technological advancement is important. Coupled with a relatively young industry, this is an expected trend.

This study established that this age group was a reflection of youthful people with a great potential to engage in call centre activities. The most productive years of an adult are between the ages of 20-50 years (CBS, 2006), this study showed that

majority of the respondents were relatively young and therefore one may deduce that call centres are an appealing and practical employment venture to the youth.

Further, analysis indicated that 67.2% of the respondents were permanently employed. Another key findings was that 58.5% of the call centres are owned by a corporate entity or a parastatal where the practice is to maintain a permanently employed work force. This accounts for the large number of permanent employees. If maintained, this trend should serve the industry well as per the October 2002 Human Resources and Skills Development Canada (HRSDC), that recommends permanent employment for call centre employees as it enhances productivity and quality of service delivered by the agents. However, this trend is expected to change with the growth of the outsourcing industry and the number of contracted employees increases.

Of the respondents, 74.2% took up the call centre role as it presented an employment opportunity while 36.6% admitted that this was not their choice career. This can be attributed to the level of unemployment in the country where most employees will take up employment opportunities available that may not be necessarily their career choice. This trend is expected to continue with the opening up of the ICT industry and the expected increase in call centre based jobs. Though not ideal, this is expected to have a positive effect in the reduction of unemployment status. Further, this scenario where the roles will move more towards short and fixed term contracts and employees take up the role from lack of opportunity and not choice, is also expected to negatively affect the staff motivation in the call centre industry that has traditionally been seen to have low staff motivation levels. Although most of the organizations (93.8%) have a reward and recognition scheme in place, only 30% of the respondents indicated that the scheme in place was effective in boosting staff morale.

From the findings, 92% indicated that they had worked in the industry for less than three years. This is expected as the industry is relatively young. However, this trend is not expected to change as the outsourcing industry grows. Although increasing turnover for the organization, a positive aspect is that employees do not have an opportunity to get bored with their roles and their productivity will thus be maintained high. On the flip side, this trend is expected to increase the running cost of the call centre in terms of recruitment, training and time spent on the learning curve before full productivity can be realized.

To effectively manage this there is need to carefully plan the work design characteristics. Of these characteristics, the use of the individuals skills in their role (71.6%); the balance of workload and pace of work are the most important enablers for optimization of productivity. Implementation of these characteristics was demonstrated both as strength with 76.9% of the staff feeling that they are fully empowered to carry out the tasks in their role and as an opportunity and provide the call centre staff with the opportunity to grow within similar roles within the call centre. The feeling among most respondents with regard to training was that it was relevant to the role and developed the skills of the call centre staff (84%). There is also an agreement that there is a focus on continuous process improvement (69.2%).

Further, at a strategic level, the manager must strike a balance between three powerful competing interests- costs, service quality and employee satisfaction (Moroney, 2007). Management of call centres involves certain roles which are normally undertaken by managers/supervisors. Among them are supervision, improvement of call centre processes, monitoring work performance, performance

management, Staff motivation, staff support as well as problem and conflict resolution.

Respondents rated the role played by managers and supervisors in supervising call centre activities and monitoring work process as most important. Among other roles rated by respondents as important were managers/supervisors role in performance management (63.7%) as well as problem and conflict management (64.4%). Although 44.8% of the respondents indicated staff motivation as a least important role played by managers/supervisors, a significant 46.5% rated this as an important role played by management. A majority of the respondents (63.7%) agreed to a varied degree that the shift design in use in the call centre as being comfortable. Further results indicate just over average agreement with the issue of existence of solid quality measurement at (51.9%), call monitoring and feedback sessions (58.5%). However, significant portions of the staff feel these sessions are aimed at improving performance (69.7%). These areas thus present areas of opportunities in these call centres.

Measuring success in a call centre is a balance between the qualitative and quantitative measures. According to Kriss (2008), a focus driven by quantitative measures can result in the development of wrong behavior patterns in the call centre. The measurement of call quality was ranked highest with a mean ranking of 7.4. Quantitative measures that received “most important” rankings were the measurement of call service level (7.3), first call resolution (7.3), measurement of the amount of time spent away from calls or not ready time (6.8) and the measurement of average talk time or the time it takes the agent to serve the customer (6.6). Seen as of least importance was the measurement of the rate of abandonment or the percentage of calls where a customer hangs up with a mean ranking of 5.6.



Call centres use a wide variety of different technologies to allow them to manage the large volumes of work and calls that are process the call centre agents. These technologies as Green, (1996) observes, ensure that agents are kept as productive as possible, and that calls are queued and processed as quickly as possible, resulting in good levels of service. Results indicate emphasis on automation of certain functions within the call centres among which were call routing (71.6%) and call recording (68.7%). There was also significant automation of call answering, customer information and reporting as further indicated by 50.7% 43.3% and 41.8% of the respondents respectively. A few call centres have further automated call transfer as indicated by 22.4% of the respondents. However the use of technology in the call centre is deemed not have a positive influence on the functioning of the staff within the call centre with regards to comfort of use, automation of repetitive tasks and the simplification of work. The challenge for the call centre manager is to identify technologies that when implemented and appropriately managed, will improve the effectiveness of the call centre's functions and reporting but also result in increased productivity.

#### Recommendations

From the analysis, it emerges that the call centre industry while providing an opportunity for employment and contributing positively to the reduction of unemployment, most of those currently employed in the industry did not choose it as a career but from a lack of other employment opportunities. The analysis also indicated that the reward and recognition programmes employed in the industry currently are not effect. This may point to a precursor for turnover and the associated high cost of replacement, training and up skilling the new staff. It is thus critical for

the call centre manager to ensure that staff motivation programs, including reward and recognition are effective in attaining staff retention and increasing productivity.

From the review of literature on the industry, one of the greatest challenges that industry faces is the traditional sweat shop mentality, which focuses primarily on quantitative measures (Granered, 2005). From the analysis, both qualitative and quantitative measures were viewed as equally important as part of the call centres operational management practices. In order to be successful, the call centre manager needs to ensure that call centre measurement statistics are complete (quantitative measures) and unbiased (qualitative measures). The reports of these statistics also need to be viewed holistically and in relation to each other in order to curb this mentality. Further the managers to focus the root causes of the results derived from these statistics to improve results.

Strategically, in call centre management there are four key resource management decisions that must be addressed in order to improve service quality and effectively manage call centre operations: the efficient deployment and use of labour, effective leveraging of technology, capacity management, and demand management (Jack, Bedics, McCary & Charles, 2006). From the analysis, it emerged that the call centre manager must focus on the roles of supervision, improvement of work processes and performance management in order to increase the productivity of the call centre and thus increase the call centres return on investment.

The call centre managers must recognize that people are key to their success and spend quality time building their capacity by cultivating their skills, investing in training and building legitimate and active career paths. Training was viewed to be relevant to the roles that the agents play in the call centre, improved their skill and empowered them to carry out their role more effectively. The cost of training is high

and a call centre manager is required ensure that the training provided to the agents is geared towards skill improvement and staff empowerment. Cleveland and Mayben, (2004) argue that cross training and broadening of call staff centre skills provides the call centre with the ability to scale the type and number of calls that can be handled by the staff. Further, to effectively manage the call centre this there is need to carefully plan the work design characteristics. Of these characteristics, the use of the individual's skills in the role the agent plays in the call centre; and the balance of workload and pace of work are the most important enablers for optimization of productivity.

However, it has been discussed in the literature review that, no business is too small to require a sound strategy, and few strategies are so simple that they need not to be developed into a strategic plan (Pearce & Robinson, 2003). Effective strategy development process is implemented if the firm owners have the ability to comprehend and make appropriate use of sophisticated strategic management practice. This is further supported by Karami (2007) who states that, performance is wholly dependent on quite a number of factors among them the decision makers. The knowledge of the environment that a company is operating in is also crucial, and this is obtained by managers being involved in the formulation of strategies in order to maintain a competitive advantage in the market.

The use of technology in call centres is common within varying degrees and focused on various elements of call centre work management. However, from the results of the analysis, this has not lead to increase in productivity or ease of work for call centre agents. For the call centre manager to be successful, the use of technology must always take into consideration the people aspect and how to enhance how they do their work. On the other hand there is need to leverage the use of technologies that

automate mundane tasks that do not necessary require the intervention of an agent such as the use of interactive voice recording systems. The use of the systems though must be balanced with the customer's ability to use these technologies for self service and the ability of this technology to respond effectively and satisfactorily to the customers need.

These findings are supported by a report by Deloitte and Touche (1993) which shows that eight out of ten companies fail to deploy their strategies effectively. Wessel (1993) argues that, most of the obstacles or barriers to sound management practices that lead to successful management of organizations fits into one of the following interrelated categories: too many and conflicting priorities, the top team does not function well, a top-down management style, inter-functional conflicts, poor vertical communication, and inadequate management development. All these support the findings that management practices affect the success of call centres.

#### Areas of Further Research

1. There is a need to look at specific technologies in use in the various call centres and their relative success in assisting the call centre's management focus on positively influencing effectiveness in the use of resource (productivity), demand planning and work automation. Included in this is the usefulness in the collection of customer intelligence information and the analysis of the same.
2. There is also a need to look at the effectiveness of the entire of qualitative and quantitative measures in use in achieving call centre's and organizational strategic objectives. The study should be aimed at deriving the measures that are critical to success of call centre management.

3. There is need to research on the failed call centres and establish the causes of these failures. This will complement this work done on the successful call centres. Failed call centres will help in understanding what can go wrong in the management of call centres.

### Conclusion

While the growth of the ICT industry in Kenya is spurring a growth of the call centre industry and more so the outsourced call centres, there remains a lot of opportunity for development of ideal management practices for this specific market. A continual review of practice versus effectiveness of results and strategies in place requires to be carried out by industry players to ensure the successful growth of industry while establishing a positive management culture. Call centres industries have been in operation longer in other markets and the opportunity does exist for the Kenyan industry to benchmark against these more traditional markets, adopting practices that have been proven to work overtime and improving on areas of challenge.

## REFERENCES

- Africa Research Bulletin (July 2006). Telecommunications Africa: call centres: India is put on hold as Africa proves to be the latest outsourcing hotspot? *Economic, Financial and Technical Series*, 43 (5), 96-109.
- Albrecht, K., & Zemke, R. (2002). *Service America in the new economy*. New York: McGraw-Hill.
- Ali, M., Brookson, S., Bruce, A., Eaton, J., Heller, R., Johnson, R., Langdon, K., & Sleight, S. (2001). *Managing for excellence*. London: Dorling Kinder Sling Limited.
- American Library Association Policy Manual (Nd), Section 54-16.
- Bednarzik, W., R. (2000). The Quality of US Jobs: *The Service Industry Journal*, 8, 127-135.
- CCmanager for Contact Centre Managers (2007). *The Ongoing Management Challenge*. Retrieved September 16, 2007, from [http://www.ccmanager.com.au/web/au/ccmanager/en/pages/93\\_ongoing\\_management\\_challenge.html](http://www.ccmanager.com.au/web/au/ccmanager/en/pages/93_ongoing_management_challenge.html)
- Callaghan, G. & Thompson, P. (2001). Edwards revisited: Technical control and call centres. *Economic and Industrial Democracy*, 22 (1), 15-37.
- Campbell, D., Stonehouse, G., & Houston, B. (2004). *Business strategy*. (2<sup>nd</sup> ed.). Elsevier Butterworth Heinmann.
- Central Bureau of Statistics (2008). Retrieved October 13, 2009 from <http://www.cbs.go.ke>
- Central Bureau of Statistics (2006). Retrieved March 19, 2009 from <http://www.cbs.go.ke>
- Chandran, E. (2004). *Research methods*. Nairobi: Starbright Services Limited.
- Chein, I. (1981). An introduction to sampling. In Claire et al., *Research methods in social relations*, (4<sup>th</sup> ed.). New York: Holtrine Hart and Winston.
- Cleveland, B., & Mayben, J. (2004). *Call centre management on fast forward: Succeeding in today's dynamic inbound environment* (1<sup>st</sup> ed.). Maryland: Call Centre Press.
- Colyer, L. (1997). Avis – where employees take ownership of customer service. *Managing Service Quality*. 7 (1), 19–26.
- Cooper, R. D., & Schindler, S. P. (2003). *Business research methods* (8<sup>th</sup> ed.). New Delhi: Tata McGrawHill.

- CRM Today (2001-2007). *What Is A Call Centre?* Retrieved August 30, 2007 from [http://www.crm2day.com/call\\_centers/](http://www.crm2day.com/call_centers/)
- Croteau, A., & Li, P. (2003). Critical success factors of crm technological initiatives. *Canadian Journal of Administrative Sciences*, 1 (1), 21-34.
- Datamonitor. (2004). *Vertical Guide To Call Centres In EMEA*. Retrieved February 12, 2007 from [www.datamonitor.com](http://www.datamonitor.com).
- Deery, S., & Kinnie, N. (2004). Basingstoke: Call centres and human resource management: A cross-national perspective Palgrave Macmillan.
- Deloitte and Touche (1993). *Building Global Competitiveness: Imperatives for the 21st Century: A Research Report*, Deloitte and Touche, London.
- DCI, (2004). *Conference Announcement*. Retrieved January 24, 2007 from [www.dci.com/events/crm/](http://www.dci.com/events/crm/)
- Emory, C., W. (1985). *Business research methods* (3<sup>rd</sup> ed.). New Delhi: Tata McGraw Hill.
- Green, R (1996). Integrated management for call centres, *Telecommunications (International Edition)*, 30 (9), 57-60.
- George, R., & Morley, C. (2006). Call centre management: Responsibilities and performance, *International Journal of Service, Industry Management*, 17 (3), 284-300.
- Gilmore, A. (2001). Call centre management: Is service quality a priority? *Managing Service Quality*, 11 (3), 153-159.
- Granered, G. (2005). *Global call centres: Achieving outstanding customer service across cultures & time zones*. Boston: Nicholas Brealey International.
- HRDC Report, (2002). *The Canadian Customer Contact Centre Landscape: An Industry in Transition Strategic Human Resources Study For The Canadian Customer Contact Centre Industry Final Report October 2002*, Retrieved January 24, 2007 from [http://www.contactcentrecanada.ca/cm/files/eng\\_final\\_report.pdf](http://www.contactcentrecanada.ca/cm/files/eng_final_report.pdf).
- Hunt, D. M., & Gufwoli, P. (1986). *Strategic management in Kenya: A Book Of Cases*. Bristol USA: Wyndham Hall Press.
- ICTpark.com, (2006). [http://www.ictpark.com/main/\\_Why.htm](http://www.ictpark.com/main/_Why.htm). Accessed 5/03/07
- Jack, P., Bedics, A., Mccary, E. (2006). Operational challenges in call centre industry: A case study and resource based framework, *Managing Service Quality*, 16 (5), 477-500.

- Kaliski, B. S. (2001). *Encyclopedia of business and finance* New York: Macmillan.
- Karakostas, B., Kardaras, D. & Papthanassiou, E. (2005). The State Of CRM Adoption by the financial services in the UK: An empirical investigation", *Information & Management Journal*, 42 (4), 853-63.
- Karami, A. (2007). *Strategy formulation in entrepreneurial firms*. Burlington, USA: Ashgate Publishing Company.
- Kenya BPO and Contact Centre Society, 2007, Retrieved February 18, 2008 from <http://www.kenyabposociety.or.ke/members.php?mode=list>.
- Kenya ICT Strategy, (2006). *Collaboration and outsourcing for economic growth* Retrieved March 10, 2007. <http://www.ict.go.ke>.
- Kjellerup, N. (2002) *People management*. Retrieved February 21, 2007 from <http://www.callcentres.com.au/reon.html>.
- Kjellerup, N. (2000). *Why call centres fail*. Retrieved February 21, 2007 from [http://www.callcentres.com.au/presentations/why\\_ccs\\_fail.ppt](http://www.callcentres.com.au/presentations/why_ccs_fail.ppt).
- Kothari, C., R. (2004). *Research methodology: Methods and techniques* (2<sup>nd</sup> ed.). New Age International Publishers.
- Kotler, P. (2004). *Marketing management* (11<sup>th</sup> ed). New Delhi: Prentice-Hall of India.
- Kriss, T. (2008). *How to measure a successful call centre*. Accessed February 10, 2008 From [http://www.gccrm.com/eng/content\\_details.jsp?contentid=1604&subjectid=101](http://www.gccrm.com/eng/content_details.jsp?contentid=1604&subjectid=101).
- Miao, H., & Mia, W. B. (2007). Embracing customer service in libraries. *Journal Of Library Management*, 28 (1/2), 53-61.
- Malhotra, V., & Fama, J., (2003). Call center simulation modelling: Methods, challenges, and opportunities: *Proceedings of the 2003 Winter Simulation Conference*. Chick, P. J. Sánchez, D. Ferrin, and D. J. Morrice, Eds. <http://www.informs-cs.org/wsc03papers/016.pdf>.
- Maylor H., & Blackmon, K. (2005). *Researching business and management*. Basingstoke, UK: Palgrave Macmillan.
- Mandelbaum, A. (2001). *Call center research bibliography with abstracts*, Technical Report, Technion, Israel Institute of Technology. In Malhotra, V. & Fama, J., (2003). Call Center Simulation Modelling: Methods, Challenges, And Opportunities: *Proceedings Of The 2003 Winter Simulation Conference*. Chick, P. J. Sánchez, D. Ferrin, and D. J. Morrice, Eds. <http://www.informs-cs.org/wsc03papers/016.pdf>.



- Morley, C. (2006). Call centre management: Responsibilities and performance. *International Journal of Service Industry Management*, 17 (3), 284-300.
- Moroney, H. (2007). *World class call centres: Understanding the key strategic issues*. Retrieved January 31, 2007 from <http://new.aitecafrica.com/forum/139>.
- Mugenda, M. O., & Mugenda, G. A., (2003). *Research methods*. Nairobi: Acts Press.
- Mutai, K. (2001). *How to write standard dissertation: A systematic and simplified approach*. New Delhi: Thelley Publications.
- Nachmias, C., & Nachmias, D. (1996). *Research methods in the social sciences*. London: Arnold.
- Outsourcing .org: *The global service directory*. Accessed September 16, 2007, [http://www.outsourcing.org/Directory/Business\\_Process/](http://www.outsourcing.org/Directory/Business_Process/)
- Piel, M. (1995). *Social science research methods: A handbook for Africa*. Nairobi: East African Education Publishers.
- Pearce, J. A., & Robinson. B. (2003). *Strategic management; formulation, implementation and control* (8<sup>th</sup> ed.). Chicago: McGraw-Hill Company Inc.
- Robinson, G., & Morley, C. (2000). *Measuring people performance*. In. "Call centre management: Responsibilities and Performance", *International Journal of Service, Industry Management*, Vol. 17 No. 3, 2006 pp. 284-300
- Seeman, E. D., & O'Hara, M., (2006). *Campus-wide information systems*, 23 (1), 24-34.
- Taylor, P., & Bain, P. (1999). An assembly line in the Head: Work and employee relations in the call centre. *Industrial Relations Journal*, 30 (2), 101-117.
- Trochim, W. K. (2006). <http://www.socialresearchmethods.net/kb/sampprob.php> Accessed March 3<sup>rd</sup> 2007.
- Wessel, J. (1993). The strategic human resource management process in practice. *Planning Review*, 21 (5), 37-8.
- Zaidi, A. (2004)[http://www.indianchild.com/outsourcing/call\\_center\\_outsourcing.htm](http://www.indianchild.com/outsourcing/call_center_outsourcing.htm)
- Zemke, R., & John A. W. (1999). *Best practices in customer service*. New York: Amacom Publications.

## APPENDIX A

## SAMPLING AND DATA COLLECTION

Stratum	Organisation sampled	Sample Sought	Responses Received	Percent	Dates Sampled	Remarks
BPO's and Outsourced Call Centres	Kencall Limited	50	31	62	March 2009	
Corporate /In house Call Centres Publicly owned	Kenya Power	5	3	60	April 2009	
Corporate /In house Call Centres - Telecommunications Industry	Safaricom Limited	45	32	51.1	February-March 2009	
Corporate /In house Call Centres - Banking Industry (Corporate)	Standard Chartered Bank	5	1	20	March 2009	
Corporate /In house Call Centres - Banking Industry (Microfinance)	Cooperative Bank	5	0	0	April 2009	Declined to respond
Totals	5	110	67	60.9		

APPENDIX B  
QUESTIONNAIRE

DAYSTAR UNIVERSITY

DAYSTAR UNIVERSITY

DAYSTAR UNIVERSITY

DAYSTAR UNIVERSITY

APPENDIX C  
SAMPLE STRATIFICATION

DAYSTAR UNIVERSITY