CHAPTER 1

INTRODUCTION

0. BACKGROUND

With the change in technology the need of customers has also changes. People want best quality at cheaper price. For this reason a wide variety of industries are seeking alternative means of operation to cope with the changing approaches to business and consumers’ needs. The increasing demand for client-centered services in a highly competitive business environment has resulted in a substantial increase in the number of call centers world wide. Customers expect and even demand 24-hour electronic service, which has resulted in an exceptional increase in service-based call centers. The contrasting goals of efficiency and excellent service are both central to call centers. High levels of service are important since the number of “completely satisfied” customers is one of the few predictors of long-term profitability. Efficiency is important since call centers must provide speed of delivery and operate at a low unit cost to remain competitive. In a call center the tension between efficiency and service is more salient than in most service organizations.

Human resource management is a relative recent title for all aspects of managing people in an organization. It represents a broad based understanding of problems of the people and their management in view of the development of behavioral science knowledge. Due to increasing organizational size and its complexity, transition from traditional to professional management, changing social and cultural norms, globalization of industry and availability of information technology are constantly changing the profile of Human resource management functions. Due to growth in the business, competition and increasing size during sixties and seventies led to the need for attracting and retaining talented people.

The IT enabled services (BPO) industry is being looked upon as the next big employment generator (NASSCOM predicts 1.1. million job requirement by the year 2008). It is however no easy task for an HR manager in this sector to bridge the ever increasing demand and supply gap of professionals. Unlike his software industry counterpart, the BPO HR manager is not only required to fulfill this responsibility, but also find the right kind of people who can keep pace with the unique work patterns in this industry. Adding to this is the issue of maintaining consistency in performance and keeping the motivation levels high,
despite the monotonous work. The toughest concern for an HR manager is however the high attrition rate.

1. **STATEMENT OF THE PROBLEM**

In today's competitive environment, traditional business functions are changing. Now we can not think of surviving in the complex business with same traditional business function. So the new trend of call center has emerged even in Indian. The trend of call center in Indian is relatively new but in other part of the world like in India, South Africa, Philippines, Canada are already a popular call center site. But the major factor affecting the agents of call center is their level of job satisfaction. Past researches state call centers are generally linked with low levels of satisfaction due to the fairly low skilled nature of their work. Other factors that are often associated with call centers are high stress levels, high staff turnover, absenteeism etc. These factors impact negatively on job satisfaction therefore the researcher will investigate absenteeism, turnover and performance in terms of the relationship these variables have with job satisfaction. The present problems related to the call center of every call centers are:

1. Are the agents of the call centers in Indian really satisfied with their working environment and the benefits they receive?
2. Is there any relationship between their level of satisfaction and their performance?
3. Is there any relationship between their level of satisfaction and the absenteeism?
4. Is there any relationship between their level of satisfaction and the staff turnover?

Job satisfaction is a factor affecting Call Center representatives. Rose and Wright (2005)\(^2\) state Call Center are generally associated with low levels of satisfaction due to the fairly low skilled nature of their work. Other factors that are often associated with Call Center are; high stress levels, high staff turnover and emotional burnout. These factors impact negatively on job satisfaction therefore the researcher will investigate absenteeism turnover and performance in terms of the relationship these variables have with job satisfaction. It is also necessary to explore the relationship between customer satisfaction and job satisfaction as Moshavi and Terborg (2002)\(^3\) claim customer satisfaction is dependent on the level of job satisfaction and motivation of the service provider. While there has been some research on
job satisfaction and attrition rate in Call Center, there is a lack of research on this topic in its relation to the Indian context.

2. JOB SATISFACTION

The term job satisfaction was brought to limelight by Hoppock (1935). He reviewed 32 studies on job satisfaction studies conducted prior to 1933 and observed that job satisfaction is a combination of psychological, physiological and environmental circumstances that cause a person to say “I am satisfied with my job”. Such a description indicates the variety of variables that influence the satisfaction of the individuals but tell us nothing about the nature of job satisfaction. The father of scientific management Glenn, N D, Taylor, P A and Weaver, C N (1977) approach to job satisfaction was based on a most pragmatic and essentially pessimistic philosophy that man is motivation by money alone. That the workers are essentially 'stupid and phlegmatic' and that they would be satisfied with work if they get higher economic benefit from it. But with the passage of time Taylor's solely monetary approach has been changed to a more humanistic approach. It has come a long way from a simple explanation based on money to a more realistic but complex approach to job satisfaction. New dimensions of knowledge are added every day and with increasing understanding of new variables and their interplay; the field of job satisfaction has become difficult to comprehend.

One way to define job satisfaction is to say “that it is the end state of feeling” Job satisfaction may be defined as “reiterations of effect produced by individuals perception of fulfillment of his/her needs in relation to his/her work and the situations surrounding it.

1. In simple words is an individual's emotional reaction to the job itself. It is a person's attitude towards the job.
2. It may be defined as the pleasurable emotional state resulting from the perception of one's job as fulfilling or allowing the fulfillment of one's important job values, provided these values are compatible with one's need.
3. Job satisfaction can be defined as the extent of positive feeling or attitudes that individuals have towards their job.
4. According to Feldman and Arnold, Job satisfaction is the amount of overall positive effect or feeling that individuals have towards their job.
5. Job satisfaction is the amount of pleasure or contentment associated with job.

3. **IMPLICATIONS:**

Job satisfaction is not only good for employees but for employers also as it increases productivity and decreases staff turnover. It motivates employees to perform to their best of abilities. In a conducive and satisfied environment, employer and employee work together to give maximum throughput. This will result in maximizing shareholder value.

4. **ATTRITION RATE**

An attrition rate, also known as a churn rate, can be a measure of two things. It can be a measure of how many customers leave over a certain period of time or how many employees leave over a certain period of time. An attrition rate can also be a combination of these two factors. An attrition rate is typically used in connection with a subscription service. Whether it is a magazine, cell phone, call centers or Internet provider, all depend on stable relationships with current customers in order to protect and grow the bottom line. However, the term can be applied to other types of companies as well. An attrition rate is a good way to measure growth for subscription services. If the growth rate is more than the attrition rate, then the company has a net increase in growth. The opposite, of course, is also true and a negative rate of growth could signal some type of change is needed.

Many companies use an attrition rate as a good measure of customer service. Keeping a customer, in many cases, may be just as important as attracting a new one, if not more so. In fact, often a company may cite its attrition rate as a marketing tool. In such cases, it is not referred to by the technical term, but rather a number of "returning customers." The attrition rate may be defined as the number of employees who discontinue a service or employees who leave a company during a specific time period divided by the average total number of employees over the same time period.

In the best of the worlds, employees would love their jobs, like their coworkers, work hard for their employers, get paid well for their work, have ample chances for advancement, and flexible schedules so they could attend to personal or family needs when necessary and would never leave. But then there is the real world. And in the real world, employees, do leave, either because they want more money, hate the working conditions, hate their coworkers, want a change or because their spouse get a dream job in another state.
Employee's turnover is an enormous problem for any company and creates negative bottom-line impacts. The costs associated with employee turnover show up in such areas as advertising for new employees and the time and money necessary to screen the applicants, training new employees, lost productivity, decreased accuracy and quality of work among the employees left behind who are upset about their colleagues departure. Employee's turnover can also prevent companies from pursuing their growth opportunities and acquiring new business.

Some of the most important reasons of attrition are:

1. Low compensation
2. Inadequate Benefits
3. Lack of appreciation
4. Merger and Acquisition
5. Lack of motivation
6. Increased expectation
7. Increasing opportunity
8. Decreasing loyalty towards organization
9. Job misfit

5. IMPLICATIONS:

A moderate level of attrition exists in all the industries but when it goes beyond a certain level, it hampers the growth and profitability of the industry. In India, The attrition rate is quite high in most of the industry as Indian economy is growing at a good rate of around 8% for last couple of years. As a result HR managers face problems in finding the right talent for the jobs and also it increases recruitment, training, retaining costs for the organization.
6. **CONCEPT OF CALL CENTER**

The term “call center” refers to the environment within an organization where the call center agent, through the medium of the telephone, provides client support and/or a sales channel through which new business is generated and present business is retained. Many businesses use call centers to interact with their customers like mail order catalogue firms, customer support for computer hardware and software etc. Companies even service internal functions through call centers like help desks and sales support. The call center industry is a huge segment of the economy by any standard. Many Corporations use Call Center to provide cost effective and reliable service to customer. Agents are then able to review customer's accounts and recommended customers solutions to meet their needs. Wherever may be the call center, the major problem of every call center is the job satisfaction among their agents and their consequence in absenteeism, turnover and performance of these agents. The impact of Call Center workplace upon employee satisfaction or well-being is beginning to attract the attention of researchers.

Call centers have become an integral part of most organizations today, playing a critical role in the service delivery chain. Job satisfaction is a complex erect that has been widely researched over the years with a number of theories and views relating to it. However, job satisfaction in call centers has not been researched as extensively within the Indian context. More studies on job satisfaction of Call Center representatives are necessary because motivated employees provide better customer service than unmotivated employees according to Levin (2004)⁹.

Call centers to compete successfully, the main corporate goal should be employee satisfaction. Although previous studies have shown inconsistent relationships between job satisfaction and absenteeism, evidence shows that a relationship between these two variables exists. Research, according McCulloch (2003)¹⁰ has also shown that turnover is correlated with job satisfaction. Various studies have shown inconsistent relationships between performance and job satisfaction. Some studies have shown a positive relationship between these two variables. There is still a debate whether performance causes satisfaction or satisfaction causes performance will never be completely resolved. The call center industries in countries like Philippines, India, and South Africa are already matured.
6.1 An Overview of Call Centers

In today's dynamic business environment where competition has already reached its height, surviving with same traditional technology is not possible. This business climate demands that companies adapt to keep up with the changes. Further the days of individualism has already been the story of past. Today people are more interdependent rather than independent. This is the reason more and more people are attracted towards outsourcing. In a world where IT has become the backbone of businesses worldwide, 'outsourcing' is the process through which one company hands over part of its work to another company, making it responsible for the design and implementation of the business process under strict guidelines regarding requirements and specifications from the outsourcing company. Outsourcing is fast moving from just software codes and call centers to a vast category stretching from copy editing to financial analysis to tax preparation. The call center being a part of outsourcing has becomes assets that are more important to business.

Call centers can largely help in satisfying the customer as well improving the revenue. This is the reason call centers are chiefly responsible for an organization’s success by acquiring and retaining customers. Call centers for selling goods and services, as well as call centers for providing customer care, are a familiar part of the business life of virtually every person in the United States, and increasingly in the rest of the world.

As the call centers usually operate 24-hours a day, 7 days a week, and 365 days of the year, there is day as well as night shift in the work. This makes call center different from any other service industry or traditional administrative business units. Call centers being subject to demands for high levels of productivity, customer service there is high levels of stress and turnover. These features result in call centers being extremely challenging environments to manage. Management in call centers has more of young people as its nature of work demands so and the work also needs energetic people who can invest lots of time doing work with fun.

7. PRIMARY FUNCTIONS OF CALL CENTERS

The primary functions of call center are providing customer service, telesales, technical support on using the product, dispatch, collections of funds and performing research. The center aims at facilitate an organization to cultivate better customer relations by providing answers to customers’ complaints and solutions to their problems quickly and with the required information. For this reason the employees in call center should be adequately
trained. The strong focus in Call Center environments on efficiency and control not only results in high levels of employee stress and turnover, but also on a lack of focus on customer orientation and service priorities

The call centers perform many functions but its primary functions focuses on following six categories.

7.1 **Customer Service.** The function of a customer service center is to provide assistance regarding companies or organization’s products or services.

7.2 **Telesales.** The function of a sales center is primarily to generate revenue through the sale of the company’s goods and services through inbound calls, outbound calls or both.

7.3 **Technical Support.** The function of these centers is to provide assistance in using a customer’s products.

7.4 **Dispatch.** The function of a dispatch center is to take an inbound call and in turn engage a resource to address the problem or customer need.

7.5 **Collections.** The function of these centers is to contact customers with the primary purpose of collecting money or funds.

7.6 **Research.** The function of a research center is not to sell or support a product but to conduct research for the company or outside organization.

8. **TYPES OF CALL CENTER**

Following are the basic types of Call Centers:

8.1 **Inbound Call Centers**

An Inbound Call Centers is one where agents spend most of their time answering incoming calls from both internal and external customers. The types of calls received depend upon the function of the center. Customer may phone to inquire about the products or services, complaint about the product or services, make reservations, get any required information, order a products or services, complete a transaction like banking or Insurance services. Although the primary responsibility of an inbound call center is to answer incoming calls, agents may also place outgoing calls for follow-up or scheduled callbacks.
8.2 Outbound Call Centers

An outbound Call Centers is one where agents spend most of their time in making outbound calls. The types of calls from an outbound call center depend on the function of the center. The success of the Outbound Call Center depends on the extensive experience, technological solutions, quality assurance programs and commitment to customer service excellence that further ensures maximum results from the direct marketing efforts. Calls can be made for selling a product/service, collecting debts, collecting information for banking or insurance documents, soliciting donations, conducting surveys etc.

8.3 Blended Call Centers

The blended call center takes both incoming calls and places outbound calls. The term, “blended call center” also refers to the types of contacts being handled. A blended inbound center might handle contacts that include incoming telephone calls along with emails or Web chats. Likewise a blended outbound center might communicate through outbound calling as well as email or fax communications.

8.4 Web-enabled Call Center

The market for Web-enabled call centers is growing. To ensure that the needs of all users are met, websites must be integrated with the call center, giving customers a full range of options without completely eliminating the valuable personal touch. A Web enabled call center improves the e-commerce initiatives by offering high quality customer service. Features offered by Web enabled call center are Web Pop, Web Callback, Web Chat, Web Push, Email Management etc

8.5 Outsourcing Call Center

An outsourcing call center is in business to provide call center services to other companies. At outsource call centers; processing calls is all they do. Therefore, they must do it well and cost-effectively if they are to remain viable. They also enjoy an economy-of-scale that is not feasible for the in-house operation. As such, their margins allow the client to save money and the outsource call center to make money. The outsource call center is always a profit-center and often provides the company's only source of revenue. Outsource call centers are increasing in number and importance as more and more companies look to outsourcing as
a way to increase service levels or options, return to their core competencies, save money, or all three.

8.6 Offshore Call Centers

A recent trend has been moving call center activity to other countries, which possess stable technological infrastructures and offer qualified workers with lower wage expectations. This is typically referred to as offshore outsourcing and is too often incorrectly shortened to outsourcing. Companies wishing to pursue offshore outsourcing should proceed with caution. It is recommended they find a local partner in the country they wish to enter. This partner should be able to effectively work with local and national governing bodies and obtain the needed permits, licenses, and approvals. They should also be able to explain the local culture and help in hiring.

8.7 In-house Call Center

An in-house call center is a department or division of a company, which provides call center services for that company do not do work for other companies. The chief advantage of having an in-house call center is that direct control can be given to the call center, the agents, and what say and do. An in-house call center can be either a cost-center or a profit-center. Cost-centers do not generate enough revenue to cover their expenses and need to be subsidized by the company. Even though a call center may not generate direct revenue, most have a significant impact on the business that far outweighs their cost. These benefits include contribution to customer retention, market research and feedback and numerous other benefits. A call center that is a profit-center generates sales or business activity that more than covers its own operating expenses. Call centers that handle catalog sales, reservations or telesales are usually viewed as profit centers.

8.8 CRM Call Center

Customer Relationship Management (CRM) is a worthwhile effort to ensure good returns on investment. In a CRM call center, customers are in touch in multiple ways that include phone, e-mail, Web chat, personal sales representative, Voice over Internet Protocol (VoIP) and a host of others. CRM call centers help companies realign their entire organization around customers. CRM helps the company identify most valuable customers and understand their lifetime values. Using CRM, the call centers design the organization
systems and service to best meet the needs of customers and maximize their value. CRM is intended for long-term relationship building.

8.9 Telemarketing Call Center

Telemarketing refers to the business or practice of marketing goods or services by telephone. It is the act of selling, promoting or soliciting a product over the telephone. Telemarketing call center is specialized in developing and implementing professional inbound and outbound B2B and B2C telemarketing. Combining the best of personnel, processes and progressive technologies, the telemarketing call centers serve as highly reliable specialist resource for organizations seeking outstanding performance and results. The telemarketing call centers provide customized telephone services that reveal the valued techniques used by successful telephone sales and support professionals. The call centers are staffed 24 x 7 and 365 days and they totally concentrate on using the tactical skills and effective processes during inbound and outbound call process.

8.10 Phone Call Center

The phone call centers provide 24 x 7 answering and business services that help keep the customers satisfied. This is essential as the call centers could be losing customers because of not answering the phone when they called and also as they expect answers to questions immediately. The customers expect the call centers to work around their busy schedules. The call centers are equipped with top-of-the-line communications technology. The phone call centers focus on building trust and understanding with every interaction between the company and its customers. They go beyond mere data gathering to give the customers, timely information that supports rapid decision-making. The employed are trained to convey the rightful impression of the company.

9. SIGNIFICANCE OF THE STUDY

There is no disputing that call center technology has a tremendous impact on the conduct of business in the world today. The steady advance of technology, the complexity of business operations and the need for constant growth are conditions that require core competence in too many functional areas. For this reason, a call center is gaining more importance in today’s complex business. But the major problem of with call center is the job satisfaction among their agents and their consequence in absenteeism, turnover and
performance of these agents. The impacts environment in which the employees are working affect the satisfaction level of these employees. However, job satisfaction in call centers has not been researched as extensively within the Indian context.

1. By the help of this study, we can know the level of satisfaction of employees of call center in India.

2. We can know the relationship between the job satisfaction and the performance of the employees.

3. The study of job satisfaction in call center even helps in knowing the relationship between job satisfaction and absenteeism of employees.

4. Through this study we can also explore the actual relationship between job satisfaction and turnover of employees.

By doing so, more knowledge can be achieved about the true pictures of Indian call center industry. This study is also considered to be useful to various parties such as further researchers, students, teachers, call centers, general individuals etc.

10. OBJECTIVES OF THE STUDY

For any kind of research work or study the objectives must be determined. It shows the way to achieve desired goals. Similarly, the main objectives of this research work are to determine the Job satisfaction and Attrition Rate in Male and Female Executives in Call Centers. The focus of this study is on practical application of various aspects of job conditions and comforts. The specific problems of job satisfaction and attrition rate are diagnosed to find out the answers of the following questions.

1. To study the factors responsible for job satisfaction in call centers among male and female executive.

2. To understand and compare the impact of job satisfaction of male and female executives on attrition rate.

3. To study the preferences of male and female executives towards job.
11. **RESEARCH HYPOTHESES**

Testing of hypothesis is one of the central aspects of the research study. It is the quantitative statement about the population parameter. It is an assumption that is made about the population parameter and then its validity is tested. The test of hypothesis can find out whether it deserves the acceptance or rejection of the hypothesis. The acceptance of hypothesis means there is no any sufficient evidence provided by the sample to reject it and does not necessarily imply that it is true. The main goal of testing of hypothesis is to test the characteristics of hypothesized population parameter based on sample information whether the difference between population parameter and sample statistic is significant or not.

There are three Research questions

\[ H_0 \text{ There is no significant relationship between job satisfaction and attrition rate of Call Centers executive.} \]

\[ H_0 \text{ There is no significant relationship between job satisfaction and performance of the employees.} \]

12. **DEFINITION OF TERMS USED**

12.1 **Absenteeism**

Absences refer to missing part or whole days of work due to personal illness, personal business, or other reasons. May be avoidable and unavoidable. (Thompson).

"Absenteeism is failing to report for scheduled work. As such, it is the violation of a social obligation to be in a particular place at a particular time. Traditionally, absenteeism was viewed as an indicator of poor individual performance and a breach of an implicit contract between employee and employer. Thus, it was seen as a management problem and framed in economic or quasi-economic terms. Indeed, economists most frequently view absenteeism in labor supply terms. More recently, absenteeism has increasingly been viewed as an indicator of psychological, medical, or social adjustment to work." (Johns, 2007)\(^1\).  "Employee absences due to personal illness, personal business and absence without leave, as measured in number of hours. (Goff, Mount, and Jamison, 1990)\(^2\)
12.2 Call Center

A call center is a physical place where customer and other telephone calls are handled by an organization, usually with some amount of computer automation. Typically, a call center 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. Call centers are used by mail-order catalog organizations, telemarketing companies, computer product help desks, and any large organization that uses the telephone to sell or service products and services. Two related terms are virtual call center and contact center.13

12.3 Call Center Representative

A call center agent is the person who handles incoming or outgoing customer calls for a business. A call center agent might handle account inquiries, customer complaints or support issues. Other names for a call center agent include customer service representative (CSR), telephone sales or service representative (TSR), attendant, associate, operator, account executive or team member.14

12.4 Performance

The accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. In a contract, performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract. It is also refers to how productive an employee is at work.15

12.5 Executive

Person or group appointed and given the responsibility to manage the affairs of an organization and the authority to make decisions within specified boundaries.16

13. REVIEW OF LITERATURE

13.1 Introduction

This chapter reviews the literature on Call Center. Reviewing the literature on Call Centers is a memory task for an individual researcher of several thousand studies has been conducted on the subject and it will remain a continuous process. Therefore, a small attempt has been made in this chapter to present a brief review the relevant literature. Given the
importance of Call Center, there is a wealth of literature on the topic. Since the 1970s, call centers have traditionally been defined as physical places where calls were received in high volume. This was initially for the purpose of answering customer queries of service industry. There is not much change in recent decade except that many industries are conducting standard services through Call Centers such as banking, insurance, traveling, telecommunication services, airliner, and etc. Also it is broadly used in plenty of business activities such as telesales, telemarketing, and technical support. In these contexts, the call centers entitle organizations to interact with their customers through a telephone from any location in the world with no reference to physical boundaries. Call centers allow organizations to keep their customers in track for business purpose.

A Call Center is a business operation designed to receive inbound telephone calls or to initiate outbound calls. Call centers provide an alternative means of doing business by determined to provide fast and efficient service to customers and serves as a vital part of many organizations. There is a great demand for employees in Call Center as the growth rate of call centers continues to increase. This section commences with a definition of call centers, followed by a general discussion about it. Thereafter some insight will be shared into the nature of call centers in Indian, employees of Call Center and this section end with a discussion about the literature around job satisfaction.

This chapter reviews existing literature pertinent to the research study. By reviewing the literature the researcher understand all related aspect of this study.

Apart from traditional functions, call center can make outgoing calls to customers (Shanti N.Tiwari, 2009)\(^7\). The call center can be a focal point for most specific business activities of an organization such as answer incoming calls; log calls as well as solicits customers for new sales, donations, conduct customers’ survey etc. According to Shanti (2009)\(^8\) call centers can be any of the following:

1. Huge telemarketing centers
2. Fund-raising and collection organization
3. Help desks, both internal and external
4. Outsourcers (better known as service bureaus) that use their large capacity to serve lots of companies
5. Reservation centers for airlines and hotels

Recent globalization has made call center a rapid rate growth industry the in developing world when worldwide organizations outsourced their call centers to lower-cost regions. This growth reflects aspiration of companies to improve access to their business in more efficient time period manner to attain satisfied customers (Bird, 1998). The development of technologies has forced the companies to restructure the ways they managed relationships with customers. Many industries, such as banking, have been innovatively applying state-of-the-art technology in their customer relationship management through telephone and internet banking. Call centers provide organizations valuable information about the performance of their services (Staples, 2001). They allow organizations to understand how customers feel about service performance. (Gilmore, 2001)

13.2 Definition of Call Centers

A call center is a central place where customer and other telephone calls are handled by an organization, usually with some amount of computer automation. It is typically defined as an operation where more than one person is responding to contacts. The term “Call Center” refers to the environment within an organization where the Call Center agent, via the medium of the telephone, provides client support and/or a sales channel through which new business is generated and present business is retained (Nel and De Villiers 2004; Sprigg, Smith and Jackson 2003). Call centers are “specialized organizational units providing telephone-based customer services” (Kleemann and Matuschek, 2002).

The Call Center Association defines a Call Center as a physical or virtual operation within an organization in which a managed group of people spend most of their time doing business by telephone, usually working in a computer-automated environment (Marr and Neely, 2004). The term contact center is often applied when such multiple functions are blended in one office. Taylor and Bain define call centers in terms of three components. Firstly, the Call Center is a dedicated operation where the central focus of Call Center representatives, is on customer service. Secondly, these representatives make use of the telephones and computers simultaneously. And thirdly, “the calls are processed and controlled by an automatic distribution system” (Dean, 2002).

To conclude this we can say a call center is an office that makes outgoing telephone calls to customers by responding to letters, faxes, e-mails and similar written correspondence.
13.3 SERVICE

The 21st century is considered as the service industry century. Service industry is growing at a rapid pace across developed and developing countries. There are many definitions of what constitutes service.

Services are deeds, processes and performances (Zeithaml and Bitner, 2003)\(^{27}\). Broadly speaking, services include all economic activities whose output is not a physical product or construction is generally consumed at the time it is produced and provides added value in forms (convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser (Quinn, Baruch and Paquette, 1987)\(^{28}\). Service has been entering every part of life from the most essential demands (such as eating, sleeping) to other entertainment needs (such as sport, traveling, cooking, and telecommunication). In other words, we readily define bank, hotel, restaurants, and beauty salon as being service-based business. Similarly said by Hung N. Bui (2004)\(^ {29}\) services is an activity that impacts all parts of our life. Since we were born, our lives have relied on services (such as hospital service, education service, retail service etc.). In addition to that, nowadays a wide range of products heavily rely on its services to acquire competitive advantages. For instance, a TV buyer is now buying not only tangible components of a TV set but also other service benefits like free delivery and installation, 24 hour technical support etc.

Another definition of service is that a service is any activity or benefit that one party offers to another which is essentially intangible and does not result in the ownership of anything. Its product may or may not be tied to a physical product (Kotler, Armstrong, Saunders and Wong 1999)\(^ {30}\). These modern marketers view services as a business that produces no tangible product.

13.4 SERVICE QUALITY

Service quality was defined differently through the view of many researchers. For example:

Bitner, Booms and Mohr (1994)\(^ {31}\), defined service quality as ‘the consumer’s overall impression of the relative inferiority / superiority of the organization and its services’. Therefore, service quality is a key of survival to all servicing companies.
Cronin and Taylor (1994)\textsuperscript{32}, viewed service quality as a form of attitude representing a long-run overall evaluation. Maintaining service quality at certain level and improving service quality must be life-time efforts to those companies who desire life-time prosperity in customers’ heart.

Parasuraman, Zeithaml and Berry (1985)\textsuperscript{33}, defined service quality as ‘a function of the differences between expectation and performance along the quality dimensions’.

Likewise, Roest and Pieters’ (1997)\textsuperscript{34} held the same definition that service quality is a relativistic and cognitive discrepancy between experience-based norms and performances concerning service benefits

\textbf{13.5 CUSTOMER SATISFACTION}

Definitions of customer satisfaction have been widely discussed from the view of many researchers and organizations who increasingly desire to measure it. A group of researchers of the Center for the Study of Social Policy (2007)\textsuperscript{35} conceptualize that satisfaction is based on the customer’s experience of both contact with the organization (the moment of truth) and personal outcomes. According to these researchers, satisfaction can be experienced in a variety of situations and connected to both goods and services. To another extent, these researchers defined satisfactions as a “highly personal assessment” that is greatly influenced by “individual expectations”. This definition views “individual” element as powerful force to create satisfaction. Likewise, many researchers (Oliver, 1981\textsuperscript{36}; Brady and Robertson, 2001)\textsuperscript{37} conceptualize customer satisfaction as an individual’s feeling of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations.

Whereas, Boulding,(1993)\textsuperscript{38} and Yi and La (2004)\textsuperscript{39} conclude satisfaction into two general conceptualizations: transaction-specific satisfaction and cumulative satisfaction. Transaction-specific satisfaction is a customer’s evaluation of his or her experience and reactions to a particular service encounter (Cronin and Taylor, 1992\textsuperscript{40}) Cumulative satisfaction refers to the customer’s overall evaluation of the consumption experience to date (Jones and Suh 2000)\textsuperscript{41}.

Because customer satisfaction is highly variable assessment individuals do based on their experiences with specific features of products and services they receive, it makes sense
for servicing organizations to involve customer satisfaction measurement as their meaningful benchmark for development.

13.6 LINK BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION

Many researches have realized the interrelated values of service quality and customer satisfaction. Corrin and Taylor (1992)\textsuperscript{42} consider that service quality and customer satisfaction “share a close relationship”. Service quality is the key to measure user satisfaction (Pitt, 1995)\textsuperscript{43}. Dabholkar (1996)\textsuperscript{44} reported that the service quality divisions are related to overall service quality and or customer satisfaction. Fornell,1996)\textsuperscript{45} expressed that satisfaction is a consequence of service quality.

To another extent, other researches suggested that in service field service quality and customer satisfaction (also called the “construct”) are separate but distinct constructs. (Boulding 1993)\textsuperscript{46}. They argued that service quality has specific dimensions judgments while customer satisfaction can be resulted from any dimension, whether or not it is quality related. They report that expectations for quality are based on ideals or perceptions of excellence, whereas customer satisfaction assessment comprise by non-quality issue such as needs, equity, perceptions of fairness etc.,

From the review of literature it can be inferred that performance of service delivery can result in level of customer satisfaction.

13.7 Overview of Call Center Industry

Mandelbaum (2004)\textsuperscript{47} compiled a comprehensive bibliography of almost 300 academic studies pertinent to the Call Center industry. The majority of academic literature in this area offers a multi-disciplinary approach covering such disciplines as Operations Research and Management, Mathematics and Statistics, Forecasting and Modeling, Industrial Engineering, Information Technology, Human Resource Management, Psychology, and Sociology. Some studies date back to the early 1970s, but most have been conducted since the early 1990s. Over half of the research focused on efficient Call Center operation and optimal staffing using mathematical modeling and queuing theory (Andrews and Parsons, 1993)\textsuperscript{48}. A number of studies investigated the technological and engineering aspects of Call Center, including ergonomics, work-related injuries and stressors, and skills-based routing of calls. Drawing from the fields of psychology and consumer behaviour, several studies looked at factors such as waiting time and call abandon rates that influence customer perception of
the service encounter (Duder, and Rosenwein, 200149; Feinberg, Kim, Hokama, de Ruyter, and Keen, 200050). Human resource issues are the focus of much of the current research on Call Center. These studies have investigated optimal staffing requirements for Call Center, as well as the impact that hiring and training practices have on employee attitude, job satisfaction, and employee turnover (Adria and Chowdhury, 200251; Callaghan and Thompson, 200252).

As the previous research studies indicate, telephone Call Center are a relatively new phenomenon. Pan American Airways introduced the first Call Center in the United States in 1956 (Schwartz, Ruffins, and Petouhoff, 200753). The introduction of toll-free telephone numbers in the late 1960s led to the growth of Call Center and their use by organizations as a means of interacting with customers. Call Center are known by a variety of names: contact centre, customer service centre, customer interaction centre, and Call Center. By whatever name it is given, a Call Center is the communications link between a company and its customers. A Call Center is typically a physical location, or a virtual operation within a company, where Call Center representatives often make and receive calls (Gilmore, 200154). Inbound calls from customers are primarily concerned with service and support issues, while telemarketing, debt collection, and fund- raising account for the majority of outbound calls (Gilmore, 2001)55 It is standard practice today for companies to use the Call Center as the primary means of communicating with their customers (Staples, Dalrymple, and Bryar, 2002)56. The growth of this industry indicates that companies view Call Center as a cost-effective mechanism in providing customer access and improving customer retention. While Call Center may also use a variety of communications technology such as e-mail and web pages, customers prefer personal attention via telephone to any other mode of interaction (Dawson, 2004)57.

Indeed, complaining customers may be more comfortable voicing their concerns over the telephone, rather than face-to-face, becoming more verbally aggressive than they would in person.

13.8 Role of the Call Center Representative

The Call Center representative has the principal task of taking and making calls while being proactive in resolving customer concerns. As goodwill ambassadors for the organization, they are the primary link between the company and its customers (Ojha and Kasturi, 2005)58. Their interaction with callers impacts the overall customer perception of the
organization and is a major factor in customer retention (Evenson, Harker, and Frei, 1999)\textsuperscript{59}. It follows, therefore, that characteristics such as attitude, knowledge of the company and its products, and the ability to “connect” with the person on the other end of the line are essential in building customer satisfaction, loyalty, and increased revenue (McCulloch, 2005)\textsuperscript{60}. Call Center representatives who have the skills to retain customers by resolving their problems quickly, using a win-win approach, will most likely be viewed as valuable assets to the organization (Stein, 1985)\textsuperscript{61}.

14 DEFINITION OF JOB SATISFACTION

The term job satisfaction refers to an individual's general attitude toward his or her job. Job satisfaction is an affective emotional response to work that is produced by an employee’s comparison of the real results that are achieved to the results he or she expects from the working environment. We can say job satisfaction as the difference between a desired outcome a person receives and the desired outcome the person believes he should to receive. A person with a high level of job satisfaction holds positive attitudes toward the job, while a person who is dissatisfied with his or her job holds negative attitudes about the job.

Locke (1976)\textsuperscript{62} defined job satisfaction as a pleasurable emotional state resulting from the perception of one’s job as fulfilling one’s important job values, provided these values are compatible with one’s needs. Job satisfaction is the most widely researched subject in the area of human resource management. Job satisfaction is a widely researched topic but the research in job satisfaction in call center especially in Indian has rarely been done. So researcher’s effort here is to fine some crucial information about job satisfaction in call center.

"Job satisfaction is defined as "the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs" (Spector, 1997)\textsuperscript{63}. This definition suggests job satisfaction is a general or global affective reaction that individuals hold about their job. While researchers and practitioners most often measure global job satisfaction, there is also interest in measuring different "facets" or "dimensions" of satisfaction. Examination of these facet conditions is often useful for a more careful examination of employee satisfaction with critical job factors. Traditional job satisfaction facets include: co-workers, pay, job conditions, supervision, nature of the work and benefits." Williams, J. (2004)\textsuperscript{64}
Sprigg (2004)\textsuperscript{65} states that Call Center agents tend to be paid low salaries and they experience poor working conditions. In addition Call Center agents generally do not seem to receive much praise or acknowledgement from supervisors for having performed well on the job. There are too few incentive schemes. Instead agents are closely monitored but the feedback received from supervisors appears to be limited non-performance. Pivotal to the concept of job satisfaction are the attitudes, emotions and feelings about a job and how these attitudes, emotions and feelings affect the job and the individual’s life (Stemple 2004)\textsuperscript{66}.

According to Hunt and Saul (1975)\textsuperscript{67}, job satisfaction is found to be high when people start their first jobs but decreases until people reach their late twenties or early thirties, when it begins to increase. Once satisfaction levels increase, they do so for the rest of the working career. Increasing maturity and work experience lead workers to adjust their ambitions and work expectations to a more realistic level. These new expectations are more attainable and satisfaction tends to increase.

14.1 Job Satisfaction in Call Centers

If you have been in management for any period of time, you understand the importance of employee satisfaction. Employees who are happy and have a positive attitude are more productive. They are more likely to take their responsibilities seriously and less likely to goof-off. Dissatisfied former employees will not refer friends and families to your job opportunities. In fact, they are likely to actively discourage application to your organization. Employee attitude surveys can be extremely helpful in identifying minor complaints before they develop into substantial issues.

Generally, research seems to indicate that although employees of Call Center tend to be focused on their jobs, they do not experience much satisfaction.

A study conducted by Putnam and Loppie (2000)\textsuperscript{68} revealed that males and females had the same complaints about Call Center work. They experienced constant monitoring by supervisors, and were constrained to follow certain work schedules. In addition, they perceived their pay levels as being too low and experienced themselves as operating like "robots" because they were expected to follow scripted dialogues. Sometimes Call Center employees have to deal with customers who react in a highly emotional manner. After completing the calls, agents therefore need some time to recover. Agents are often not even given time to recover from these emotionally-charged calls.
According to Rose and Wright (2005), employees of call center are generally connected with low levels of satisfaction because their work is fairly low skilled and they claim that there is sociological research evidence showing that low-skilled work does not result in intrinsic satisfaction. Because employee satisfaction is tied directly to productivity, employers are interested in understanding employees’ attitude and motivation. As such employees are lead to seek extrinsic satisfaction through pay and other compensatory mechanisms.

Motivated employees have a give-and-take effect on the entire organization. Motivated employees provide customers with better service than unmotivated employees. Customers who are pleased with the rendered service are therefore apt to buy more products and remain loyal in using your services. When customers buy more, the organization’s profitability and chances for success naturally increase. By simply adding or maintaining employee satisfaction programs organizations can significantly improve the bottom line by reducing high levels of staff turnover and absenteeism, while maximizing the output.

Call centers are often associated with factors such as high stress levels, high staff turnover and emotional burnout, which impact negatively on job satisfaction therefore the researcher will look at absenteeism, turnover and performance in terms of the relationship these variables have with job satisfaction.

Kleemann and Matuschek (2002) conclude that high turnover in call centers can be attributed to feelings of burnout after two to three years in the same job. The person may go over his decision to quit based on the costs of resigning. If the costs are too high, the person will have to go over the job but if the costs of quitting are relatively low and he has a better offer, this will result in the person actually quitting. When accounting for the costs either real costs like time taken to select and recruit a replacement, or opportunity costs like lost productivity, the cost of employee turnover to for an organizations has been estimated to be up to 150% of the employees' remuneration package.

Muchinsky (1993) and Spector (1997) confirm that a direct relationship between job satisfaction and turnover exists. Since labour turnover is a final event, it is easier to measure it objectively than it is to measure absence. In order to locate problems in terms of meaningful variables, the measures used to indicate turnover should show the number of persons leaving, what sort of persons and for what reasons?
14.2 Performance

This section focuses on the aspects of performance namely performance itself, performance in call centers and relationship between job satisfaction and performance. The discussion begins by clarifying what is meant by performance along with previous findings of performance and job satisfaction.

The word performance can be defined as the act or manner of functioning something. According to Muchinsky (1993), the relationship between job satisfaction and performance has sparked much interest because most organization would like to have workers that are satisfied as well as productive. Early views of the relationship between job satisfaction and performance can be summarized in the statement “a happy worker is a productive worker” (Robbins, 1996). Taylor’s view of performance management was merely to match people to a given task thereafter supervising, rewarding and punishing them according to their performance.

We know that the performance describes the functioning of the employees in the organization. But how is that performance measured? So performance measurement can be described as the process of quantifying the efficiency and effectiveness of past action. Further Marr and Neely (2004) argue that assessing employees measures normally used, such as the total number of calls made, is of little worth when it comes to measuring value.

14.3 Performance in Call Centers

Marr and Neely (2004) claim that Call Center performance is critical in delivering customer service and the performance measures of the Call Center needs to reflect the strategic direction of the entire organization. Since a Call Center forms an integral part of the business unit, it cannot be measured in isolation. Call centers typically generate several performance measures where the majority of measures are operational efficiency measures. While there are other aspects that affect performance, these are addressed very seldom in Call Center performance measurement systems. They further claims that the employees’ performance would normally be measured by the number of calls taken, the ability to answer a customer’s query and the number of productive hours against the number of hours worked.

A critical measure of performance is customer satisfaction, since it is a “strong predictor of customer retention, repeat sales, and positive word-of-mouth recommendations to other potential buyers. According to Marr and Neely (2004), the best practice for
measuring performance is to monitor the performance and interactions of the following areas namely, employee satisfaction, service quality, customer satisfaction and satisfaction of other stakeholders such as financial performance.

Tidmarsh (2003)\textsuperscript{78} claims that high performance call centers empower CCRs through information, thereby allowing them to feel that they are making a worthwhile contribution. Through effective rewards and recognition programmes employees feel motivated and result may be satisfaction and increase in performance.

\textbf{14.4 Job Satisfaction and Performance}

Without satisfied employees we can not think of achieving an organizational goal. So the focus of every employer is towards its employee’s satisfaction and improvement in their performance. This is the reason the relationship between job satisfaction and performance has shown much interest. Also most organization would like to have workers that are satisfied as well as productive.

Early views of the relationship between job satisfaction and performance can be summarized in the statement “a happy worker is a productive worker” (Robbins). The relationship between satisfaction and performance is relatively low however there are certain categories of performance that are more closely related to satisfaction than others.

According to Holdsworth, L and Cartwright, (2003)\textsuperscript{79}. Call Center were originally regarded as a cheaper means of communication than ‘face-to face’ contact. However, in recent years with advanced telecommunications and computer technology, Call Center are seen as a means of improving customer service facilities.

The functions that Call Center provide are varied. Multiple functions are blended into one office and according to a United Kingdom Call Center study (Contact Babel, 2004)\textsuperscript{80}, Call Center may offer a wide range of services ranging from customer queries, telesales, marketing and information services, to reservations and balance enquiries. Call Center can be categorized in several dimensions in all sectors of business, for example banking, insurance and health care; have become an important part of the global economy.
15. LIMITATIONS OF THE STUDY

For the completion of this study, some facts are to be considered as the limitations. These are presented as below;

However, the majority of interviewees only learnt about the purpose of the study at the beginning of the interview, even though such information was not deliberately withhold by the researcher. The assumption is, therefore, that their reactions and answers were as spontaneous and unbiased as possible. Nevertheless, not every person feels comfortable agreeing to a 'blind' interview session, a fact which might have discouraged a few interesting managers from participating. The interviews were conducted transcribed and analyzed in only one language that is English, by one researcher. Personal bias, as well as language barriers might have influenced end results. However, the restrictions of a research, as well as the nature of the study, left few alternatives. The translation of the entire questionnaire in their respective mother tongues to interview texts into English would have presented a substantial investment of both time and effort and probably would have introduced even more bias. Furthermore, conducting all the interviews in English would have restricted the participating managers’ ability to express themselves freely and spontaneously. The researcher's own language might have influenced the outcome of the Interviews given that same language participating managers might have found it easier to liaise with an interviewer stemming from the same language background as them.

Furthermore, the fact of the researcher being a man in it is likely to have influenced responses. Oppenheim (1992)\textsuperscript{81} writes that the interviewer's "mode of dress, his accent, his apparent age, his hair style, his ethnicity, any cues about his education and social background, will have an influence on his respondents. " A bias-free interview cannot exist, given the nature of the interaction between interviewer and interviewee. "The spoken or written word has always a residue of ambiguity, no matter how carefully we word the questions and report or code the answer.” (Fontana and Frey, 1993)\textsuperscript{82}.

Another important limitation of the present study consists of the subjective nature of the majority of the data. Participating managers, when describing themselves, gave their own perceptions of their management style. The researcher was unable to verify, within the limitations of this study, the information did not provide, nor did consider that to be the purpose of the study.
16. There are also some limitations in this study

1) Firstly, due to practical consideration such as time constraints, the study could not adopt a more conclusive method that is 360 degree feedback evaluation by Call Centers executives to avoid any bias and error. It is highly recommended that future research should adopt the 360 degree feedback in gathering feedback in relation to the topic of Job Satisfaction and Attrition Rate in Male and Female Executives in Call Centers or other topics in any organization. Besides, it provides a broader perspective and a more rounded view of job satisfaction among male and female executives in call centers through an open feedback system. With that, an individual department or the whole organization is able to identify the areas for improvement and development of both the sex. This indeed encourages a system which is more transparent and creates a culture of quality improvement.

2) Second, the sample size does not appear to be representative of the overall Indian population. It is just confined to Gurgaon with the total respondents of ……. to represent. As the results had indicated that job satisfaction and attrition rate in the both men and women can not be equally effective as mentioned in the some research. Keeping in mind the gender trends and present scenario of leadership behaviour this work was chosen as a sample for investigation so that the emerging challenges of leadership could be dealt with in time and its rational be maintained.

17. Summary

From the literature above, we can conclude that call centers are the latest business trends on a global level. Call centers have taken off in such a large way that they can be either in-house or external, based on an organization’s needs and requirements. Call centers in Indian have provided a job opportunity, which has helped in reducing unemployment to some extend rate in the country. Indian can be now one of the best alternatives of the Call Center capital, India, because of the favorable time zone and lower over all cost. In a quest to provide good customer service and hence customer satisfaction, the demand for good employees is becoming increasingly high.

Job satisfaction is one of the most frequently studied variables in organizational behavior. As there are always favours of human beings right to fair treatment, but in practice
we do not find so. In a proposition to provide excellent customer service, call centers are usually open 24 hours a day, 7 days a week and 365 days of the year. The increasing trend of using latest techniques and being more competitive has increased job satisfaction among the employees of call centers. Three approaches to job satisfaction were highlighted, namely, intrapersonal, interpersonal-comparison processes and Herzberg’s two-Factor Theory.

Earlier research has shown that absenteeism, staff turnover and employee’s performance affect job satisfaction. So this topic has a great interest among managers. Job satisfaction in call centers is an interesting study since call centers are filled with high turnover rates, high stress levels and emotional burnout. The literature in this study has addressed job satisfaction in call centers by looking at issues that impact both call centers and job satisfaction of the employees. Retaining customers and acquiring new customers are keys to the success of the Call Center industry.

Job satisfaction was addressed by looking at the meaning of job satisfaction as well as job satisfaction in call centers. Absenteeism, staff turnover and performance have been addressed in many studies on job satisfaction therefore a discussion around these three variables were given as they are known to be particularly important issues to call centers.

The research carried out in this study tries to show that a positive correlation exists between performance and job satisfaction as well as between customer satisfaction and job satisfaction. The study also tries to show that a negative correlation exists between turnover and job satisfaction as well as between absenteeism and job satisfaction.

18. SCHEME OF THE STUDY

This study has been divided into five chapters. They are Introduction, Review of Literature, Research Methodology, Presentation and Analysis of data and Summary, Conclusion and Recommendations.

Chapter I.

Introduction

This chapter contains the introduction of the study, which includes the following topics;

i. Background
ii. Statement of the problem

iii. Job satisfaction

iv. Attrition rate

v. Profile of call center

vi. Primary functions of call centers

vii. Types of call center

viii. Significance of the study

ix. Objectives of the study

x. Limitations of the study

xi. Research hypotheses

xii. Definition of terms

Review of Literature

The second part is review of literature, which contains conceptual framework of call center, review of previous thesis on job satisfaction, research paper and reports and articles from internet, and some theories on job satisfaction.

Chapter II.

Research Methodology

The second chapter is concerned with the research methodology, which is applied to collect the data and analyze them in this study. It consists of the following topics;

i) Introduction

ii) Method of analysis and presentation

iii) Conclusion

Chapter III.

Profile of Studied Organizations
This chapter covers profile of the companies

Chapter IV.

Analysis and Interpretation of Data

The fourth chapter is analyzing chapter, which deals with presentation and analysis of relevant data through definite courses of research methodology with proper statistical analysis.

Chapter V.

Conclusion and Recommendation

The fifth chapter is the last chapter of the study, which concerned with the summary of the data, conclusion of the study for the implementation in the future. Finally, an extensive, bibliography and appendices are also presented at the end of this thesis work.
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