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## Exploring the influence of the human factor on customer satisfaction in call centres.

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### Synopsis

The aim of this study was to explore the human or employee-related factors that shape customer satisfaction in the context of call centres. The literature we covered draws from a range of diverse disciplines including Service Quality, Human Resource Management and Marketing. We were interested in exploring the employee-related paths that lead to customer satisfaction. In other words, we explored a variety of employee-related factors and considered how these contribute to customer satisfaction in the voice-to-voice service encounter of the call centre industry. The study employs data from 109 call centres and finds that investing in HR practices will pay off in terms of improving the elusive phenomenon of customer satisfaction within call centres.

### Introduction and Background

The call centre industry is a peculiar service industry, in as much as it is almost entirely based on a voice-to-voice encounter between the employee and the customer, on opposite ends of the telephone line. In general, customers are less satisfied with the service they receive from call centres than from the more traditional brick n' mortar, or face to face service encounter. Academic researchers attribute this dislike of call centres to various reasons, such

as cultural acceptance of technology; a general lack of experience in dealing with technology and the difficulties experienced by older consumers with technology. In addition, people often feel irritated when dealing with automated answering machines; with rude employees, with long waiting times and overall poor service. Ironically, although the concept of the call centre originated as a relationship marketing tool, it is widely accepted that customer satisfaction is not generally associated with call centre operations. Employees are expected to be able to maintain service quality, attend a large number of calls in a short time while ensuring first call resolution and engage in additional activities, such as adaptive selling. All of this often takes place in a stressful environment, dealing with problematic customers under the managerial pressure associated with the production line approach and a low-cost approach to HR practices. This extremely challenging environment and loss of control over the task activity causes exhaustion and subsequently, employee turnover or absenteeism which are the main internal problems associated with call centres.

### Issues and Questions Considered

It should be noted that employee behaviour and outcomes mainly depend on HR practices. For instance, some suggest that positive HR practices improve employees'

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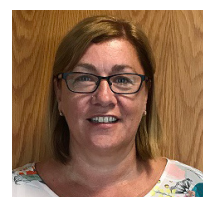
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ability to deliver service quality, or that HR practices based on employee training and appraisal improve service quality as well as customer satisfaction. However, it seems that in the call centre industry it is common to adopt sacrificial HR practices and to measure employees' performance based on "hard" quantitative measures. Consequently, this leads to negative outcomes, such as high employee turnover or low commitment. It is widely accepted that adopting the customer orientation approach and improving job quality solves the root cause of these negative outcomes. For instance, hiring emotionally fit employees who are capable of dealing with stressful environments makes it possible to improve call centre results, and to reduce turnover and absenteeism among employees. In summary, positive HR practices in terms of recruitment, training, developing teamwork, ensuring a pleasant physical environment and company support, reduce employee's burnout, absenteeism and turnover and increase commitment among employees.

Although our review of the literature points to a broad spectrum of cause and effect relationships that begin with managerial strategies and HR practices and end in customer outcomes, it should be noted that the specific order of the cause-effect relationships is not entirely clear. This is facilitated by identifying and analysing the classical models that integrate all these groups of variables, especially those that predict company performance. These models include the Lean Technique, the Balanced scorecard, Six sigma, and the Service-Profit Chain model (SPC). One recent study demonstrates that the Service Profit Chain model is suitable for analysing Call Centres in the International context. We decided to undertake an exploratory approach with the SPC model as a basis, in order to tease out the nature of the relationships between the variables. Indeed, the Service profit-chain (SPC) model requires a quantitative approach, and despite being designed especially for the service industry, academic research to date has focused mainly on the face-to-face encounter while overlooking the applicability of this SPC model in the specific context of the voice-to-voice encounter.

## Methodology

In order to explore the complex relationships related to human factors that, according to the literature, lead to customer satisfaction in call centres, the sample comprised of

109 Spanish call centres from different industries, such as telecommunication, banking, insurance, transport, public administration, etc. The surveys were administered to the call centre manager or call centre HR manager via onsite visits or over the telephone. In order to measure the various elements related to the human factors that we consider in the literature review, while keeping in mind the limitations implied by the use of a secondary dataset, we used the following measures for exploring the human factors that shape customer satisfaction in call centres – service quality; training; employee outcomes; employee productivity; employee performance; customer satisfaction and firm performance.

## Outcomes and Findings

We explored the interactions between HR policies and practises and the most immediate outcomes in terms of employee satisfaction and productivity. We disentangled these relationships in the following way: Employee satisfaction is not the only outcome of positive HR practices. Some HR practices, such as job design and job discretion, may lead to employee satisfaction. Others, such as training, lead to employee productivity, rather than satisfaction. In turn, employee productivity is significantly related to employee satisfaction. Hence, our study shows that these relationships are rather more complex and intertwined than some other established models would suggest. The next block of relationships relates to the factors that lead to employee retention. Once again, we noted the presence of more nuanced relationships, whereby employee satisfaction encourages employees to remain in a company yet does not necessarily encourage productivity. The final link of the model shows that customer satisfaction leads to call centre revenue growths. This relationship has been observed in our study, although with limited strength.

Our study suggests that investing in training employees will pay off in terms of customer satisfaction, but that the link is not a simple linear one. What our study demonstrates is that customer satisfaction is achieved as a result of employees being satisfied in their jobs and that this satisfaction is a result of investment in training and upskilling employees. By investing in training employees, employee productivity is directly impacted and this, in turn, impacts on employee satisfaction.

The Underlying study was published in BRQ Business Research Quarterly and a copy may be obtained at <https://doi.org/10.1016/j.brq.2018.08.004>

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