

# 'We have the values': customers, control and corporate ideology in call centre operations

Diane van den Broek

*This article analyses the use of normative control through recruitment, work organisation, social events, and bargaining processes within two Australian telecommunication call centres. Rather than arguing that such control reduced employees to 'self-disciplining subjects', it suggests that these control mechanisms embodied significant levels of managerial coercion and therefore attracted varying levels of resistance.*

Amid structural and regulatory change, Australian telecommunication companies, more than other utilities, emphasised the need to adapt to commercial realities by embracing concepts associated with the new economy and new employment relations. Part of the expansion of telecommunication services during the 1990s involved the growth and consolidation of call centre operations closely associated with the industry. Alongside this expansion has been discussion about the types of job-growth dominating the economy and changes to the way labour is managed. Those who suggested that management replaced traditional direct and hierarchical labour control with more cooperative and individualised relationships, were contrasted with others who argued that normative and cultural elements dominated labour management in contemporary workplaces. Along with literature on customer control, much of this literature relied on the merging of consumption and production, and a subjective analysis of identity.

## The new workplace and the new economy

During the 1980s there appeared a reassertion of the link between managerial practice, social factors and improved productivity. Borrowing from a longer tradition of identifying the psychological needs of employees, writers emphasised the increasing importance of enterprise culture in its various forms (Durkheim, 1933; Mayo, 1933;

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□ Diane van den Broek is Lecturer in Work and Organisational Studies at the School of Business, University of Sydney.

Deal and Kennedy, 1988; Peters and Waterman, 1982). For those sympathetic to a post-bureaucratic view of work, enterprise culture represented the abandonment of direct and hierarchical forms of labour control. For instance Walton (1985) asserts that structures, systems and managerial style have evolved from strict rules and procedures, towards a system based on shared goals, values and traditions. Enterprise culture was therefore analysed as a central factor in securing organisational commitment from employees (Walton, 1985: 81; Heckscher and Donnellon, 1994).

These themes were then picked up and reinterpreted in parts of the critical social science literature. Ray (1986) proposed that contemporary management manipulated culture using myth and ritual to increase commitment and productivity, a cultural manipulation considered to be the 'last frontier' of managerial control. This emphasis on the relations between culture, commitment and identity became all the more important given the shift from goods producing to service based economies. To varying degrees this has led to suggestions that there has been a seismic shift in the structuring principle of society from production to consumption.

### Customers, control and call centre operations

This analysis of service work is counter to the influential work of Ritzer (1996) and others who have emphasised the routine nature of much contemporary service work and its susceptibility to renewed forms of bureaucratic rationalisation. It would appear that the growth of call centres would be consistent with the latter view. Much of the literature on the industry has emphasised factory-like division of labour and the existence of intense employee monitoring (Taylor and Bain, 1999; van den Broek, 2002). Even those who are more optimistic about call centres as a form of service work, still describe them as customer-oriented *bureaucracies* (Frenkel *et al.*, 1999).

Within the rubric of 'customer orientated bureaucracies' Korczynski suggests that a dual logic operated. This logic involved the combination of two control imperatives. Bureaucracy the rational, efficient and routine authority was combined with the customer, a more variable and unpredictable authority. This latter authority was based around customer norms and involved aspects of recruitment, training which encouraged self-control and the need for employee identification with customers. According to Korczynski (2001), the driver for this reorientation toward customer control was due to the fact that production and consumption occurred at the same time.

Indeed the predominance of customer service has led to some interesting analysis about the nature of contemporary workplaces. For instance distinctions between production and consumption have become increasingly blurred as notions of customer relations have superseded traditional industrial relations analysis. Customers are now external and internal to the firm and rather than representing the site of production, the workplace has become the place where people construct and confirm their identity as consumers rather than the place where workers engage in production.

For instance culturally-informed analysis of call centre operations highlighted how organisational culture could be analysed as a managerial tool to influence employee behaviour. Knights *et al.* (1999) suggest that along with the 'inevitable failure' of attempts at rigorous bureaucratic control, the pursuit of 'functional quality' leads to HRM policies aimed at involving the subjectivity of employees and customer sovereignty (Knights, Calvey and Odih, 1999: 25). This issue of identity or commitment to an enterprise culture draws on Foucault's understanding of power and knowledge rather than traditional labour process analysis of managerial control (Foucault, 1977; 1980). With respect to factory work, Sewell combined vertical managerial surveillance with horizontal teamwork and peer pressure to describe an over-riding 'chimerical control', while Barker's 'concertative' control displaced bureaucratic systems and inhibited employee's actions' more powerfully and completely than previous labour control systems (Sewell, 1998: 397; Barker, 1993: 433). These contemporary initiatives associated with corporate culture and normative control were seen to promote, extend, and 'totalitise' managerial control to the point where employees became demobilised (Willmott, 1993).

With respect to the specifics of call centre operations, Knights *et al.*'s (1999: 19, 20) research on UK financial services similarly argued that employees 'willingly turned themselves into self-disciplined subjects who put in performances without management having to use up resources in distributing rewards and sanctions'. The rationale behind this self-discipline was attributed to a 'loyalty to the brand and to the customer' which 'diminished the necessity for control sanctions and surveillance'. Aleroff and Knight's (2000: 2) research on telecommunications call centre workers at 'Commsco', further 'developed a discourse that envisaged transforming call centre work into a more aesthetic experience' (Aleroff and Knights, 2001: 2). As part of the move away from task orientation toward process concerns which provided support for staff to improve service quality, centre managers created 'linguistic artifacts' such as 'the beautiful call that delivers customer satisfaction' which appealed to employees (*ibid*: 16). Aleroff and Knights argue that 'much of the self-discipline arose from loyalty to the brand and to the customer. It was these loyalties . . . that diminished the necessity for control sanctions and surveillance'. They state that 'by understanding call centre workplace subjectivities in terms of their embeddedness in organizational imagery, branding, service ideology and work, we can begin to unravel the conditions and consequences of their subjugation' which 'locked individuals into performance' (*ibid*: 11).

Reflecting on the issue of employee identity, the authors concur that 'the corollary of the construction of service recipients as customers is the construction of self-disciplining employees devoted to delivering customer services, acting in accord with their company's strategic aims and objectives' (Knights, Calvey and Odih, 1999: 15, 20). Such devotion to delivering customer service led to 'resistance' in the form of employees escaping *into* work by sidelining quantity objectives in favour of delivering improved customer service. Similarly Korczynski cites examples of CSRs undertaking extra 'follow-up' tasks for customers at the expense of managerially defined quantitative output targets (Korczynski, 2001; Aleroff and Knights, 2000: 12). This research emphasised customer control, however there are no clear mechanisms which establish exactly how customers are able to exert their authority, or how corporate culture indelibly linked employee and firm identity.

Few would argue that management have become increasingly concerned to engage the physical labour as well as engage the 'hearts and minds' of their employees. Given that the management of interactive service workers relies on the need to elicit tacit skills which deliver quality output as well as specified quantities of output, it is also not surprising that coercive and direct control may often be counterproductive. Similarly it is not altogether surprising that some employees may be drawn toward firm ideology through cultural initiatives. However the pendulum, which oscillates between the managerial control imperative and managerial success in gaining commitment through normative and cultural initiatives, seems to have swung deeper into the latter arena.

A more traditional labour process approach has attempted to rebalance this pendulum by suggesting that rather than displacing traditional command and control systems, normative initiatives within contemporary call centres acted as an appendage of technical and bureaucratic control (Callaghan and Thompson, 2001). While this is a useful corrective to post-bureaucratic views, more detailed analysis of the specific conditions, or the specific context in which normative practices may dominate over more traditional technical and bureaucratic control could be undertaken.

The case studies examined in this paper allows an exploration of the salience and character of normative control practices in a call centre context. Several mechanisms of normative and cultural control are identified. Within a context of strict employee surveillance and monitoring, employees were selectively recruited on the basis of attitude and were expected to participate in teamwork and social and recreational gatherings. They were also required to deal directly with the firm through direct and open managerial communication and through the negotiation of individual or non-union employment contracts. However there is no clear indication here that such culture and commitment strategies displaced traditional command control systems. Similarly

there were no clear mechanisms that indicated customer control rendered employees into 'self-disciplined subjects'. This research indicates that employers did look for, and did foster, specific personalities suited to interactive customer service roles, however employees no more 'escaped into' their work than any other group of workers. In large part this was due to the call center labour process as much as it was the agency of call centre workers themselves.

## Methodology

The empirical research is confined to customer service representatives (CSRs) in two major Australian telecommunications carriers, Tellcorp and Servo Communications. Both the names of the companies and those interviewed have been suppressed to avoid identification. The research was undertaken during the mid- to late-1990s when Servo entered the telecommunications market, and when both organisations planned to float on the stock exchange.

Throughout this article the term 'labour management' is used to denote the policies and practices that employers in the industry utilise to coordinate and control their workforces. Following the work of Gospel, the research broadly conceives of labour management as encompassing employment relations, industrial relations, and work organisation. The term 'employment relations' refers to techniques of recruitment, selection, remuneration systems and managerial communication. Industrial relations covers methods of bargaining and union legitimacy and work organisation focuses upon issues of technology and the way work is organised (Gospel, 1992). Analysis in these three areas not only provides a functional framework under which to analyse key areas of organisational decision-making, but it also assists in drawing out the contradictory or reinforcing aspects of labour management strategies pursued within different organisational arenas.

Qualitative, rather than quantitative research methods have been used as the major source of empirical data in this research. The focus on qualitative research derived from a concern to capture the specific processes around the implementation of labour management practices rather than a broad picture of trends (Yin, 1984). Incorporating employees' and managers' own accounts of the policies and practices adopted within the two telecommunications organisations reinforces this strength. While there was a degree of access restriction, these accounts were drawn from a combination of 63 semi-structured audio taped interviews, telephone interviews and written structured interviews with customer service representatives and various levels of management within the two firms and union officials. Undertaking such interviews was essential to understand how cultural initiatives were implemented and received at workplace level. Similarly attendance at team meetings allowed for direct observation of managerial and employee communication, as well as inter-employee behaviour.

## The case of Tellcorp and Servo

Much like overseas, government deregulation, changes in technology allowing for greater consumer preference, and buoyant global demand for telecommunications goods and services exposed the Australian telecommunications industry to far greater competition during the 1990s (Katz, 1997). As part of the liberalisation agenda, the majority Australian owned Servo Communications was issued a license to compete with the existing monopoly Tellcorp in the early 1990s. During the period of research the Australian market was characterised by the dominance of these two carriers providing core telecommunications services. Liberalisation in the industry provided customers with unprecedented choice in telecommunications products and services and brand image became crucial in the battle for supremacy. As the newcomer, Servo forcefully projected an entrepreneurial, young and brash image as it undertook high volume and profile recruitment. Part of this image reflected in its marketing of a corporate logo that advocated a 'can-do' approach to customer service. By contrast Tellcorp, who employed over 65,000 staff during the 1990s, had a huge job of convincing

the Australian public that they deserved ongoing customer loyalty. The size of the network, its emphasis on local call services, its history of poor customer service, and criticism about its monopoly status hampered the company's modernisation strategy, and its attempt to retain market share. Its progressive downsizing campaigns during the 1990s also diminished its attempt to retain staff morale and loyalty.

As was the case with Clear and Mercury in New Zealand and Britain, Servo viewed human resource personnel and policies as an integral part of corporate strategy and established greenfield operations to implement this ideology. Despite their different origins however, both organisations encouraged a direct style of employee relations through the application of techniques associated with human resource and culture management. These techniques were important means by which both firms attempted to bind employees to strong organisational cultures of commitment. However due to internal and external constraints, Tellcorp were less able to successfully integrate employees into corporate goals.

## Call centre working

The physical environment of Tellcorp and Servo call centres is a familiar one. The open plan office design and motivational mobiles encouraged teamwork, commitment and quality performance. White boards and electronic visual display boards, indicating the number of calls fed through the automatic call distribution (ACD) system, reinforced the importance of daily output targets such as queue time, 'wrap-time', number of calls taken and average call completion time. Results for each sales campaign was then measured and results displayed on group white-boards visible to all CSRs on the floor (Internal Company Document; Interview Employees, 1996; Interview Team Leaders, 1996).

As indicated elsewhere such technology provided continuous workflows increasing the speed and efficiency of the system and allowed management, rather than employees, to set the pace of work. It also allowed management to monitor the quantity as well as the quality of CSR output (Bain and Taylor, 2000). For instance both Servo, and Tellcorp management monitored CSRs service levels looking at 'behavioural objectives' such as service quality and 'call monitoring'. This latter process involved management 'double jacking' with CSRs to listen in on how CSRs respond to customer demands (Internal Company document). Benchmarked standards of ten calls per month were remotely monitored and although designed to assist in employee development, remote monitoring could also serve as a tool to manipulate employee behaviour.

While Edwards argues that technical control may reduce the need for direct control, CSRs were aware that they would have to explain themselves to their superiors if their performance was unsatisfactory. If CSR's daily targets were not attained and time availability was poor, a discussion and counselling, took place between team leaders and CSRs. One CSR felt that the telephone had become like a:

big brother. Mine's on 'not ready' now and I'll have to go and explain myself, why I've been in 'not ready' for so long. I'm sick of it. The pressure was non-existent before. Now everything is noted, we get it every week in team talk. (Interview Employee 9, 1997)

## Mechanisms of normative and cultural control

### Recruitment and selection

The research on Servo and Tellcorp reveal several interrelated mechanisms which illustrate the types of cultural and normative control in existence. For instance Servo and Tellcorp pursued strategies to strengthen the link between employee identity and the firm through their policies of employment relations, most particularly through recruitment and selection. Within the recruitment process, aspects of normative control became auxiliary dimensions of bureaucratic control. Servo's recruitment and selection policies were explicitly based around cultural suitability rather than technical experience. Interviewees who had recalled the interview process acknowledged man-



agerial preference for a 'cultural fit', and these values were strongly reinforced throughout their elaborate three-day induction workshop. One Servo employee felt that the organisation was:

more interested in employing people who didn't come to them with a lot of old baggage from other corporate environments, so that Servo could mould them into the right sort of employee. (Interview Employee 1, 1995)

Another CSR felt that management was particularly keen to hear expressions such as 'win/win situation', 'team approach', 'loyalty' and 'empowerment' and that:

people who had participated well without trying to dominate, who were well groomed in appearance, appeared to interact well with others and who were around 24, with tertiary qualifications, would get through to the second interview regardless of past experience. (Interview Employee 2, 1995)

Emphasis on the 'right attitude' dovetailed with a focus on a preference for young graduates. This preference reflected managerial attempts to promote the appearance of 'professional' service work which encouraged employee allegiance to a job and firm rather than to the collective interests of industrial workers. Indeed because most of these recruits had never worked in a service environment before, their ability to instil corporate values was strengthened. As the senior human resource manager stated:

it's very easy to get someone to embrace a certain culture if it's their first or second job rather than their last job. If a more mature person has a certain mindset, then to change that is very difficult. (Interview Senior Manager 2, 1995)

In terms of management's attitudes to trade union membership, there was little ambiguity. One Servo recruitment officer recalled being instructed by her manager to rescind a job offer to a recruit who had been a union member in his previous job. The manager asked the officer whether she had 'read that he had been a union member for many years' because 'you know that it is our policy not to employ union members'. According to the officer, during recruitment meetings with team leaders, human resource consultants and customer service managers:

it came up time and time again. 'This person worked for such and such which was a heavily unionised company. Do you really think they would make a good team fit?' These meetings would sometimes go on for ages. The companies they most despised were the public service, Tellcorp. If you worked for a union you were definitely 'no go'. (Interview Employee 13, 2000)

During the mid 1990s, and in a period of significant downsizing, Tellcorp also attempted to pursue a more individualistic approach to labour management. However the corporation was circumscribed by their obligation with the relevant unions to redeploy existing staff and avoid compulsory redundancies. As such they were unable to initiate the degree of change they sought. Up until the early 1990s Tellcorp recruited through internal labour markets with recruits selected on the basis of technical or clerical skills through standardised and centralised procedures which followed the public service recruitment model. However by 1995 the corporation engaged the services of external recruitment agencies with a brief to identify 'dynamic' and interpersonal skills rather than technical skills. As well as presenting hypothetical situations and games emphasising teamwork, selling and customer satisfaction, Tellcorp, like Servo, focused more heavily on personality profiling. The preference for university graduates at Tellcorp reflected management's desire to professionalise service work and attract confident and assertive applicants with appropriate personality types. For example one senior manager felt that the business needed to become more dynamic in terms of how products were sold. He felt that they needed:

people who have a good presence about them, quick to understand the technology and product side and good communication skills with customers. To be able to hold their own in difficult situations without showing how they feel. (Interview Senior Manager 4, 1997)

While Tellcorp was attempting to move closer to a Servo recruitment model, the firm was constrained by downsizing campaigns and by the terms and conditions of redeployment established by management and union agreements.

## Teamwork and peer pressure

Work organisation was designed to ameliorate the negative effects of technology, which paced and monitored employee behaviour. Despite the fact that work was fundamentally undertaken on an individual basis, there was a strong emphasis on teamwork within Servo. While not integral to the technical division of labour, the team structure was an important bonding and socialising mechanism for team leaders and members. Generally employees worked within teams that specialised in a particular product or service. Both CSRs and team leaders felt the major advantage of teamwork rested with its ability to bond employees and strengthen group camaraderie. However many CSRs also liked team meetings because they got a break from the 'relentlessness of telephone work' (Interview Employees 1, 2, 3, 1995 and 1996; Team Leader 5, 1995; Team Leader 8, 1996).

Teamwork was designed to socialise employees, but it also played a central role in maintaining and increasing productivity. Attendance and active participation in team meetings were crucial components of employee evaluations, which determined pay increases and promotion prospects. Displaying Servo values, particularly that of leadership and initiative, were an integral part of evaluations. For instance one employee seeking promotion to assistant team leader stated that part of his application involved peer review. This involved each team member rating the applicant's performance from a grade of one (bad) to four (good) to be included in his application for the position (Interview Employee 6, 1997). Also bureaucratic control, in the form of incentives including bonuses and wage increases, were inextricably linked to team performance. Because pay was partially based on team productivity measured through time available and log in information, peer pressure could develop around the use of such statistics. As one Servo manager stated, this is where the 'team dynamics kicked in'. She observed that in such a situation colleagues might say to an employee who was under-performing, 'come on, you're letting the side down or your having too much sick leave' (Interview Centre Manager 4, 1995).

Team-based competition encouraged by management as a motivating and or controlling tool did encourage and intensify the types of self-control suggested by Knights *et al.* (1999). At times this resulted in instances of peer pressure. At the end of each day a report, available to team leaders as well as other team members, was distributed listing the number of calls taken by each CSR. One team leader recalled an incident where a team member was 'slacking off' by playing 'Solitaire' on their computer whilst in the 'not ready' mode, meaning that the employee was logged into the computer but not taking calls. Another team member noticed that he was not taking calls and sarcastically remarked that once he had finished the game they could play another one together. The attention this generated from his peers was enough to encourage the CSR to resume taking calls immediately. As the team leader noted:

the environment we've created is that your performance will affect the team so it's a natural reaction that the team works together . . . [My job is] . . . not to address them for not pulling their weight but to encourage them to pull their weight. (Interview Team Leader 7, 1996)

He went on to suggest that:

You've set the individual objectives with people, they're struggling to get that, the way you actually sell it, and I think its a sales pitch thing, saying well 'you're going for this and this is how you will impact the team. (*Ibid*)

These examples indicate that management utilised team-based structures to increase competition and productivity amongst CSRs. These initiatives did have a self-controlling aspect, however given that being a 'team player' was an important aspect of remuneration and promotional potential within Servo, normative control had a considerably coercive edge. While this could displace conflict away from supervisors to self-control and peer pressure to perform at a higher level, this did not mean that CSRs did not also resist the work output expected of them by managers. One Tellcorp CSR felt that:

We're going to get more work put on our plates but not enough time to do the work. As it is there's work there I'd love to get done but I've got to sometimes do it in my own time-orders from customers that I've put on the side because the phones have been too busy to do those orders because that means that I have to put myself in 'not ready'. Then my stats go out and then they want to know why your stats go out. They're not allocating enough time to do the work or enough staff to do the work. (Interview Employee 7, 1997)

### **Socialisation and communication**

Once employed, both organisations attempted to fashion employee and managerial communication around links between individual and firm identity. This was particularly the case at Servo where commitment to cultural objectives was promoted through social and recreational gatherings both inside and outside the workplace. During the first three to four years of operation, Servo put considerable time and money into developing a 'party atmosphere' organising regular 'events' which combined information and celebration of corporate success. Attendance at these events was equated with employee commitment and 'team playing', and as such there was considerable pressure to attend. Managerial coercion about such events reflected in this e-mail sent to CSRs stating that:

whilst these sessions are not compulsory, all staff should be encouraged to attend, and it will be noted if they do not attend . . . I require the name and reason for every staff member including Team Leaders who do not attend these session. (Internal Company e-mail from Team leader to team members, 1994)

The CSR responded by stating:

I would be more than happy to attend the session on my own will, but have now got second thoughts when it is stated that all who do not attend will be noted. The message seems to be 'attend or else'. Perhaps positive influencing such as 'I would encourage all to attend as it should be informative and interesting' would have a greater effect than shadowy threats. I feel it is better to bring my opinion to your attention than to join in on the unsettled murmuring of the department. (Internal Company e-mail from Employee to Team leader, 1994)

Much in the style of Servo, senior Tellcorp management also organised large convention centres to present awards and recognise staff achievement, providing food and drinks for the occasion. However, in contrast to the events at Servo, these social gatherings appeared less enthusiastically embraced by employees. Part of the reason for this may have been due the older age of Tellcorp staff and the increased potential for family commitments (Interview Employees 8, 11, 12, 13, 1997; Interview Team Leader 9, 1997). Also the organisation's continuous efforts to downsize and contract out work, meant that Tellcorp had less success in motivating staff to engage in social activities. For example one manager reflected that:

I'm doing a lot of the redundancies and some managers feel that it's wrong to have lunches during the day. So now they only have functions after work and it's been openly said that if you want to see someone off you have to do it after hours. (Interview Senior Manager 11, 1997)

Much like the teamwork example, there was a significant degree of coercion to engage in social and recreational events and there was an important promotional aspect to attending. One CSR also suggested that if you became involved in the organisation of events 'it all helps with getting you recognised'. She believed that management consider participation during events when grading promotion allocations (Interview Employee 4, 1995). Therefore as with the teamwork structure, social and recreational activities at Tellcorp appeared to have less validity as a motivating and controlling mechanism than was the case at Servo. This was due in part to the fact that remuneration systems at Tellcorp were not affected directly by team performance, peer review or attendance at social and recreational gatherings.

### **Harnessing loyalty and scripting consultation**

Human resource policies, and particularly their industrial relations policies heavily relied on notions of individual and team identity, and any obstruction to employee



commitment was heavily contested. As already indicated, this was most apparent in managerial attitudes to trade unions, which ranged from active to passive opposition. For instance the Director of Human Resources believed that seeking assistance from 'outside influences' reflected a failure on the part of employees while another senior manager stated that if an employee does join a union, management must ask themselves why the employee felt the need to take such a decision (Interview, Senior Manager, 1995; Interview Director Human Resources, 1995).

Given Servo's negative view of trade unions, it is perhaps not surprising that the organisation opted for an Enterprise Flexibility Agreement (EFA) after the legislation became available in 1994. This form of bargaining, which allowed non-union bargaining for non managerial staff in Australia, did in theory allow unions to influence negotiations however in practice, as in this case study, unions are often marginalised throughout the negotiation process (Coulthard, 1996). Although three open forum seminars were organised by management to inform staff about the proposed terms of the agreement, no formal representational mechanisms or consultative committees were established at the workplace. The union was unable to attend the forums and whilst management believed that they allowed for employee input, the extent of two-way communication during these briefing meetings appears minimal. (Interview, Employee 6, 2, 1995; Interview Employee, 1, 1995; Interview Team Leader 10, 1996)

For the EFA to be binding the majority of staff had to vote in favour of it and managerial pressure to vote 'yes' increased as voting day approached. One CSR recalled that management distributed leaflets 'in tearooms, elevators, office areas, mailrooms, corridors, on the back of all the toilet doors and just about any other place you can imagine, encouraging people to vote "yes" for the EFA'. Pressure to vote was pervasive. One team leader stated that it was 'crucial we all go down as a team and vote "YES"' and that 'if anyone here votes "no", I'm going to hear about it' (Interview Employee 2, 1995). Out of 75.1 per cent of eligible staff that voted, 89 per cent voted in favour of the EFA (Company Annual Review, 1994). Given the level of managerial zealotry about individual or non-union bargaining, it is unsurprising that management have successfully limited unionisation rates to less than five per cent, as compared to sectoral rates of approximately 60 per cent.

At Tellcorp discretionary freedom to associate has also had a very rough ride. In part this has been underscored by the introduction of Australian Workplace Agreements (AWAs). After the federal Australian Labor Party was defeated, the incoming federal Coalition government introduced the *Workplace Relations Act 1996* (Cwlth). This legislation allowed employers the unprecedented opportunity to employ non-managerial staff on individual contracts, namely AWAs. While Section 298K of the freedom of association provisions under the Act protected employees from discrimination on the basis of belonging, or not belonging to a trade union, union officials believed that 'there's no freedom of association within. . . They want a direct relationship . . . They play on status at lower levels and pressure at higher levels' (House of Representatives Employee Ownership in Australian Enterprises, 1999).

Indeed the use of identity as a tool to bind employees to the firm reflects in a memo dispatched from the Director of Employment Relations to all team leaders in 2000. The memo advised managerial staff to retain CSRs who have transferred to individual contracts and 'placed their trust in their managers and the Company to create a work environment that reinforces respect and dignity for the individual'. It encouraged managers to retain AWA staff while those on collective enterprise agreements were earmarked for redundancies by stating that 'managers will be held accountable to support the values of the Company's preferred model of individual employment' (Internal Company memo, 2000).

Given that Tellcorp have been 'laying off' and contracting out rather than recruiting workers, managerial preference for those individuals who 'placed their trust in their managers' and showed 'respect and dignity' also reflected in redundancy policies. Internal job vacancies advertised by Tellcorp indicate that preference will be given to those employed on an individual contract basis and the union has represented many Tellcorp employees who were advised that their jobs would be reclassified up if they

sign an AWA as this was the only avenue for promotion within the firm. (Internal Company Newsletter, April 2002). By 2002 one third of Tellcorp staff had been realigned to AWAs as call centre recruits were required to sign AWAs, and when existing staff signed contracts management suggested it was no longer appropriate to remain a union member. Around 70 per cent of these employees resigned from the union as a result of this advice. By 2002 union membership within the call centres stood at around 30 per cent compared with just over 50 per cent company wide (Union Report to Management Committee, 2002; Interview Union Official, 2002).

While pursuing them in different ways, both firms relied heavily on notions of commitment and individualism when negotiating employment contracts with their staff. Despite the fact that many employees voted for the EFA and many staff did convert to AWAs, considerable managerial coercion, and considerable employee resistance occurred during the process of their negotiation at the workplace.

## Reflections and conclusions

This article has identified the exact mechanisms by which management imposed normative and cultural control and how this might influence aspects of employee (mis)behaviour. There is no doubt that Tellcorp and Servo heavily relied on these normative initiatives, as seen through the four areas presented above. However as argued elsewhere, more traditional forms of labour control sustained these initiatives (Thompson and Callaghan, 2001; Korczynski, 2001). Both firms applied technical control through the use of computer and VDU technology. This meant that CSRs were unable to pace their own work and provided management with the ability to measure and set daily output without the constant need for direct control. Work was organised around tight monitoring of employee's daily output, and teamwork structures relied on considerable managerial and peer pressure to perform. However in contrast to the work of Korczynski and Knights and others, there was no direct or clear indication that either management's application of normative or cultural initiatives, or customer control, had replaced managerial discipline with 'self-discipline'. Employers did identify specific personalities suited to customer service work, however there is little evidence to suggest that employees 'escaped into' their work.

While not totally accepting the transition from producer to consumer, Korczynski's dual logic departs slightly from others who believe that 'consumption is a key aspect informing peoples identities' (du Gay, 1996). But within his dual analysis of call centre operations he combines bureaucracy and the customer as dual *loci* of authority. On this latter point he cites one example of a training session where 'the only time when workers were able to speak from their identity and role as workers/producers was when the trainer asked them to relate their previous customer service experience'. He also cited instances of staff undertaking follow-up tasks for customers at the expense of managerially defined output targets (Korczynski, 2001: 90, 91). This is akin to Aleroff and Knight's suggestion that employees used their 'aesthetic knowledge' to escape into work by sidelining quantity objectives in favor of delivering improved customer service. Similarly Knights *et al.*'s research suggested that loyalty to the customer and the brand turned employees into 'self-disciplined subjects' who performed without managerial inducements (Aleroff and Knights, 2000: 12; Knights, Noble, Willmott and Vurdubakis, 1999: 19). However there were no clear mechanisms which established how customers actually *exerted* their authority, or how 'the brand' of corporate culture specifically operated to bind employee identity. Indeed the mechanisms implicitly or explicitly presented in their research merely indicate that CSRs sought to ameliorate the repetition and regain a degree of control by maximising job, and thereby increasing customer, satisfaction.

CSRs in Tellcorp and Servo also lamented their inability to deliver high quality customer service levels with many feeling that increased focus on statistics was encouraging a 'worse service' (Interview Employees, 1995, 1997). On the face of it this may concur with Korczynski and Knight's emphasis on employee subjectivity and customer control. While CSRs interviewed here indicate a level of frustration by their

inability to deliver quality customer service, concern for customer satisfaction should not be (mis)represented as employees self-disciplining themselves. Nor is there any obvious mechanism by which this leads to increased customer control. Like all workers, CSRs in these call centres made the best of their material conditions of work.

Interviews at Servo revealed that elements of normative and cultural control manifested in the managerial recruitment of staff who 'culturally fit' with corporate values. This was designed to promote individualism and enthusiasm and to develop important tacit skills required of the job. Similarly commitment and productivity output was encouraged by teamwork and social and recreational events organised inside and outside the firm. Other mechanisms designed to integrate employees into corporate ideology included insistence on individual and direct forms of communication between management and CSRs and strident preference for individual or non-union bargaining.

Tellcorp's size, history and trade union involvement undermined the effectiveness of normative initiatives, while Servo's greenfield history and corporate ethos underscored normative control through a direct human resources approach. However in both cases, and as revealed elsewhere, there was evidence that CSRs rejected various aspects of normative and cultural control (McKinlay and Taylor, 1996; Bain and Taylor, 2000). This rejection was, to some degree, underscored by a recognition that while team leaders and other managers endorsed the soft quality customer service focus, they also pushed quantitative output targets onto CSRs. This contradiction was apparent to many CSRs (Mulholland, 1998; Frenkel and Donoghue, 1996).

For a number of reasons, which may involve financial and identity factors, many employees did 'buy' corporate ideology and many of these initiatives did draw employees closer to firm ideology why else would organisations pursue them? However it may be a little hasty to suggest that employees are now imposing their own discipline or that they are under the grip of customer, rather than managerial, control. In the first instance there does not appear to be conclusive evidence that the locus of control now resides with the customer either as a dual authority or on its own. There have been no obvious mechanisms by which this has been illustrated, short of mystery shoppers and customer service index ratings, the former of which did not feature in these call centre operations. As such, the research concludes that customers remained the object of the exchange, rather than the subject of it. Secondly cultural initiatives identified here were built upon traditional labour control techniques. Importantly an interrelationship developed between various dimensions and degrees of control, including bureaucratic, technical, normative and cultural control within the one workplace simultaneously. The extent of normative mechanisms and the extent to which employees 'bought into' them varied between the two firms, however CSRs within both firms exhibited various levels of resistance to these control strategies. With a little more attention to the mechanics of how normative and customer control is exerted and received in call centres, it might be possible to draw a more nuanced view of the how 'new' labour control strategies might intermix with 'old' ones.

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