Enablers and barriers to innovation activities in call centres

Marisa K. Smith[1], Peter D. Ball[2] and Robert van der Meer[1]

[1] Strathclyde Institute for Operations Management, University of Strathclyde, James Weir Building, 75 Montrose Street, Glasgow, G1 1XJ, UK.
Tel: +44 (0) 141 548 2588
E-mail: m.k.smith@strath.ac.uk robert.van-der-meer@strath.ac.uk

[2] Manufacturing Department, Cranfield University, Building 50, Cranfield, Bedfordshire, MK43 0AL, UK. Tel +44 1234 750111 ext 5657
E-mail: p.d.ball@cranfield.ac.uk

Abstract
Call centres have an operating model that aim to reduce costs - this has led to both customers and employees having issues with the current model. This has led to the view that contact centres are not entities in which innovation would occur. This paper identifies the barriers and enablers to innovation activities within call centres and discusses the implications of these to the wider service context.

Keywords: **innovation, services, call centres**

Introduction
Innovation in services has become an important topic over the last few years primarily due to the increasing importance of the service sector in many countries, where services can account for 60-70% of the gross national product (Goffin and Mitchell, 2005). Much of the innovation theory has been developed in the manufacturing industry (Drejer, 2004), and service scholars have highlighted service innovation as an important branch of innovation theory that was underdeveloped this is supported by Sundbo (2000: 110) who say that "there has only been a limited number of studies of innovation in service firms". But services have characteristics that differentiate them from manufacturing; services are intangible processes and must also include some link with the customer to be complete (Soteriou and Chase, 1998). However, some authors (e.g. Drejer, 2004) call for manufacturing and service innovation theory to work towards a common framework - this is due to the boundary between manufacturing and service activities becoming blurred. However, it is important to understand that there are still some distinctions between service and manufacturing that will impact upon innovation within the different contexts.

Services have huge diversification ranging from personal services such as hairdressing, to education, transportation and to large scale service provision such as finance and insurance services. This diversity means that any generalisations made about services and innovation must be qualified with exceptions (Fagerberg et al., 2005). In this research the service context is that of call and contact centres.

Although an important part of many organisations, call centres are often undervalued by senior management and seen as cost centres rather than strategic entities. As a result of this call centres have operating models that aim to reduce costs - this has led to both customers and employees having issues with the current model. The industry suffers

high levels of employee attrition, low levels of customer satisfaction and a bad public perception which all contribute to the view that contact centres are not entities in which innovation would occur. However, this research challenges this view and demonstrates the innovation activities taking place across a number of contact centres.

This paper identifies the organisational factors that are enablers or barriers to innovation activities in call centres, with innovation in the context of this work being defined as 'the whole process of taking that idea into successful implementation and use' Bessant (2003).

Innovation is an underdeveloped area in services and in particular in the call centre context. An examination of a recent literature review of call centre literature (Russell, 2008) supports this gap by not highlighting innovation as something which has been examined in the call centre context. Therefore, the findings of this research can be used to develop the understanding of innovation in services and specifically in the call centre context.

Literature review

We agree with Bessant and Davies (2007) who say that "although 'services' represents a wide and heterogeneous sector we argue that the underlying innovation drivers – especially the continuing emphasis on non-price factors – are similar to manufacturing" (pp: 61). In response to this we have carried out a structured literature review (Smith et al., 2008) to identify the organisational factors that influence innovation activities in any type of organisation.

As an outcome of the literature review the generic model shown in Figure 1 was developed, this shows the organisational factors and the relationships that exist between them.

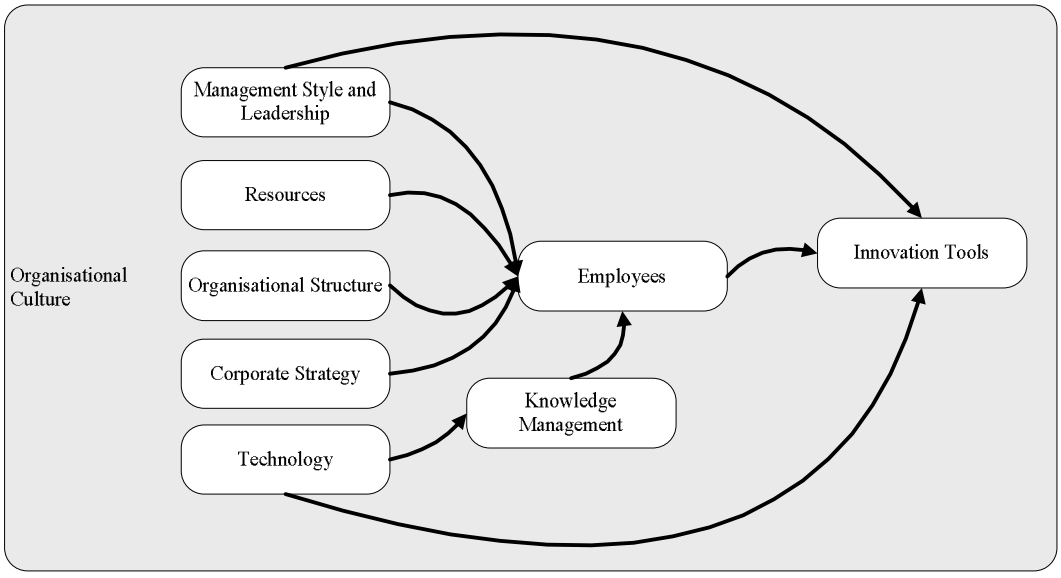


Figure 1. Organisational factors and their relationships that influence innovation activities (from Smith et al., 2008)

It is important to note that organisational culture is the most commonly cited factor in the literature for influencing innovation. In this paper 'culture' relates to the values and beliefs of the organisation and how these impact innovation within the organisation. It takes into consideration an organisation's approach to collaboration, communication and risk. Organisational culture is intrinsic to the way an organisation functions and the values it engenders within its operation. It is also the most commonly discussed factor

relating to an organisation's ability to manage innovation identified within this study. Ahmed (1998) goes as far to say that it is the 'primary determinant' of innovation. Organisational culture was also seen to have the widest impact on the other factors, it is a pervasive factor therefore we see no benefit in explicitly linking it to the other factors in the model. Table 1 outlines the sub-factors that make up the factors from Figure 1.

Table 1. Factors and sub-factors influencing innovation activities

Factor	***Sub-Factors***
Technology	Utilisation of technology Technical skills and education Technology strategy
Innovation tools	Idea generation system Creativity management Goals and metrics for innovation Reward system Ideas implementation system Motivation scheme
Corporate strategy	Organisational strategy Innovation strategy Vision and goals of the organisation Strategic decision making
Organisational structure	Organisational differentiation Centralisation Formality
Organisational culture	Communication Collaboration Attitude to risk Attitude to innovation
Employees	Motivation to innovate Employee skills and education Employee personalities Training
Resources	Utilisation of slack resources Planning and management of resources Knowledge resources Technology resources Financial resources
Knowledge management	Organisational learning Knowledge of external environment Utilisation of knowledge repositories
Management style and leadership	Management personalities Management style Motivation of employees

Methodology

This study employs an exploratory qualitative case study methodology using five case companies to investigate the phenomenon of innovation in call centres. Table 2 shows the characteristics of the case companies that were investigated as part of this research.

As can be seen the cases have a mix of characteristics, and these characteristics are commonly used (both by industry and academia) to distinguish types of call centre.

Interviews, observations and documentary evidence were collected to identify the organisational characteristics that influenced (both positively and negatively) innovation activities within each of the cases.

Table 2. Characteristics of case companies

Case Company	*Direction of contact*	*Customers*	*Nature of services*	*Size*	*Ownership*	*Location*	*Sector*
A	Inbound	Consumers	Complex customer services	Small	Outsourced	City centre	Public
B	Inbound	Consumer	Simple customer services	Large	In-house	Business park	Public
C	Inbound & Outbound	Business	Complex technical helpdesk	Large	In-house	Business park	Private
D	Outbound	Consumer	Simple customer services	Small	In-house	City centre	Public
E	Inbound & Outbound	Consumer & Business	Complex technical helpdesk	Large	In-house	City centre	Private

The data was analysed using a within-case strategy which employs conceptually ordered maps of the case data. These maps were used as they show the intricacies between concepts and can identify important concepts and the relationships between them. Each of these case maps were synthesised to identify the influential factors and the nature of the relation they have on innovation activities in each of the cases the outcomes of this analysis is seen in Table 3. These factors were then compared against the generic model shown in Figure 1. This aim of this analysis is to show what organisational factors are important to innovation activities in comparison to those identified as generally important.

Findings

The findings of this research are summarised in Table 3 and shows the 'organisational factors' identified from each of the cases, column 2 in the table shows the organisational factors verbatim from the interview notes. In order to make a comparison against the general model we have assigned these organisational factors into a corresponding factor from the model (shown in Figure 1) we have used Table 1 to assist in placing the organisational factors. If there is no directly corresponding factor then the factor which was identified needs further discussion before classification then the cell has been left blank.

Table 3. Most significant enablers and barriers to innovation activities in call centres

Case	Organisational Factors (verbatim)	Corresponding Factor in Model	Effect on Innovation Activities	Phase of Innovation Activities
C	Down to individuals to put ideas forward	Employees	-	Idea Generation
C	Not an effective suggestion scheme	Innovation Tools	-	Idea Generation
C	Incentives are not used effectively	Innovation Tools	-	Idea Generation
C	Agents are not encouraged to come up with new ideas enough	Management Style and Leadership	-	Idea Generation
C	Nature of job		-	Idea Generation
D	Build relationship with clients	Corporate Strategy	+	Idea Generation
B	Senior management	Management Style and Leadership	+	Idea Generation
B	Attitude to innovation	Organisational Culture	+	Idea Generation
D	Open environment	Organisational Culture	+	Idea Generation
D	Friendly environment	Organisational Culture	+	Idea Generation
A	Staff involvement and representation	Employees	+	Idea Generation
A	Personal development	Employees	+	Idea Generation
A	Good staff welfare	Management Style and Leadership	+	Idea Generation
A	Management encourage people to get involved	Management Style and Leadership	+	Idea Generation
A	Improvement engrained in our culture	Organisational Culture	+	Idea Generation
A	No scripting for agents		+	Idea Generation
A	Communications officer		+	Idea Generation
A	Agents not constrained		+	Idea Generation
A	Interaction with client		+	Idea Generation
B	Employees challenge current working practices		+	Idea Generation
B	Nature of the job		-	Idea Generation and Implementation of Ideas
B	Issues log and ideas database	Innovation Tools	+	Idea Generation and Implementation of Ideas
B	Employee morale	Employees	+	Implementation of Ideas
E	No incentives for using it	Innovation Tools	-	Implementation of Ideas
E	Tend to react to change rather than be proactive	Organisational Culture	-	Implementation of Ideas
E	Agents heavily measured	Employees	-	Implementation of Ideas
B	Staff engagement and involvement	Employees	+	Implementation of Ideas
E	Business improvement teams	Employees	+	Implementation of Ideas
E	Ideas process	Innovation Tools	+	Implementation of Ideas
D	Management style is participatory	Management Style and Leadership	+	Implementation of Ideas
E	Top down approach to Business Process Improvement projects	Management Style and Leadership	+	Implementation of Ideas
D	Culture is open and based on trust	Organisational Culture	+	Implementation of Ideas
E	Agents jobs are monotonous so BPI gives them something new		+	Implementation of Ideas

Table 3 shows the enablers and barriers to innovation activities, factors with a (+) are classed as an enabler and factor with a (-) are classed as a barrier. In pursuit of clarity the barriers are highlighted by shading. By comparing these factors against the generic model we can see that the factors that are important for innovation activities in call centres are:

- Organisational culture
- Employees
- Management style and leadership
- Innovation tools

Figure 2 shows the organisational factors that influence innovation activities in call centres. The other factors (resources, organisational structure, corporate strategy, technology and knowledge management) have been shaded to show that they have limited importance within the call centre context. There are also no relationships (i.e. (+) or (-)) identified on Figure 2, this is because the organisational factors identified here can be either enablers or barriers to innovation activities depending on how they are characterised. For example,

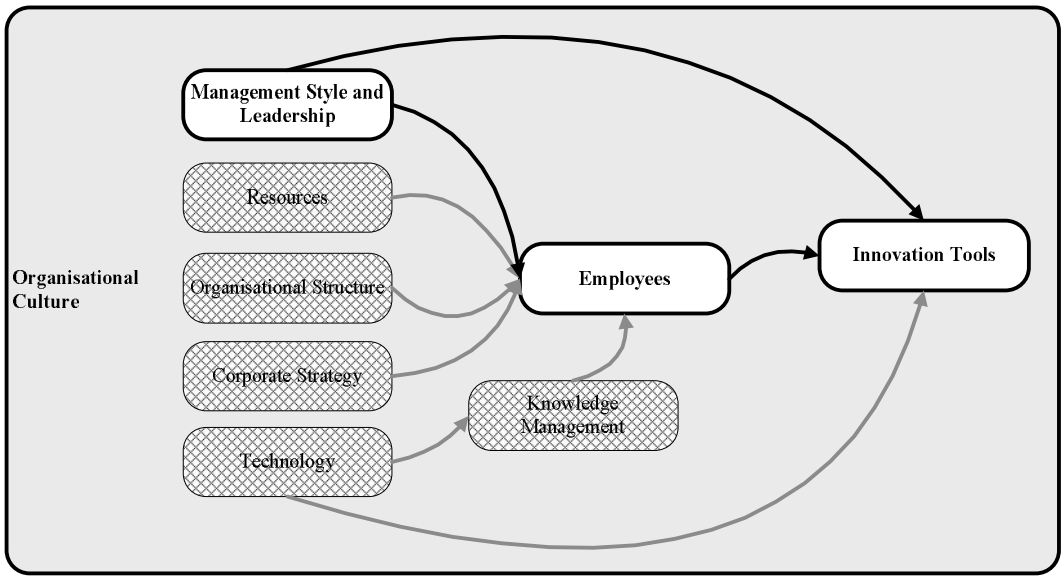


Figure 2. Organisational factors and their relationships that influence innovation activities in call centres

From the analysis there were also a number of other emergent barriers and enablers that did not fit into the generic model. The emergent barriers to innovation activities were identified as:

- Nature of the job
- Nature of job
- Agents heavily measured

While the emergent enablers of innovation activities were identified as:

- No scripting for agents
- Communications officer
- Agents not constrained
- Interaction with client
- Employees challenge current working practices
- Agents jobs are monotonous so BPI gives them something new

What can be noted is that many of the emergent factors are concerned with employees and the nature of the agents' job i.e. 'nature of job', 'agents heavily measured', 'no scripting for agents', 'agents not constrained', etc. These could be considered as fitting into the 'employees' box in the model but by referring back to Table 1 we can see that 'nature of job' or 'job design' was not considered an important factor for innovation in general organisations. Therefore, it is important to discuss these factors separately as they give the contextual insights into innovation activities in call centres.

Discussion of the model in the call centre context

Organisational factors from model that influence innovation activities

Both Table 3 and Figure 2 show that organisational culture and management style and leadership can both positively and negatively affect innovation activities in call centres. What Figure 2 shows is that organisational culture and management style and leadership impact innovation activities through the mediating factors of employees and innovation tools.

The organisational culture was discussed by employees to describe the way they felt about the atmosphere in their area of the call centre, many discussed this environment as something that was created by the management of their area as well as the people working in their area. It was seen that working environment played an important role in whether advisors were keen to put their ideas forward (either into a suggestion scheme or to their manager). One of the case companies openly admitted to saying that advisors need to stand up and put their ideas forward which implies that the working environment in this centre was not conducive to generating ideas. However, in other centres all employees (both advisors and managers) were actively encouraged to put their ideas forward with some centres providing multiple channels for advisors to submit ideas.

Employee involvement and participation seemed to be a key emergent theme from the data that influences the innovation activities and the utilisation of innovation tools. The impetus for many of the suggestion schemes and employee involvement programmes was not to generate ideas and develop innovations but rather to gain participation from employees. As many call centres suffer from issues with employee attendance and attrition then these schemes are put in place to allow advisors to feel more involved in the overall operation of the centre. It was found from the cases that these approaches are often used to limit the effects of the nature of the job and make employees feel valued.

However, it was seen from the case data that there is a strong link between these employee involvement programmes and innovation activities. It was found that many of these programmes provide the inputs (i.e. ideas) for the idea generation phase of innovation activities. In some of the case studies, advisors were also involved in the implementation of their idea but this was a limited view as most of the other cases advisors were not involved in the implementation of their idea.

An overall theme which came from all the cases was that innovation activities were dependant on management taking a leadership and facilitator role. Many of the interviewees discussed how management championed employees to be involved in the innovation activities through the use of innovation tools. It is thought that this could be due to the drive behind the set up of these innovation or suggestion scheme programmes being the boost of employee morale through involvement and participation. The schemes and programmes are set up with the aim to encourage employees to get involved in the centre and therefore the focus is not on the output of the innovation but

rather on the view that employees have a say in the operation of the contact centre. There is a need for contact centre management to realise the potential economic benefits of the ideas that are developed from the advisors and not just focus it as another employee participation programme.

Less important factors

As was discussed previously, the model presented in Figure 1 was developed as a generic model for all types of organisations. From the findings of this research it has become apparent that some of the factors have more or less impact in the call centre context. Organisational culture, management style and leadership, employees and innovation tools have been identified as important influences on innovation activities in call centres. On the other hand factors such as corporate strategy, organisational structure, resources, knowledge management and technology were not discussed by the interviewees as key factors for effecting innovation activities in call centres.

One of these factors is technology, this is a surprising finding call centres are often thought of complex socio-technical systems technology did not have a great influence on innovation activities in call centres within this study. This reflects the findings of Voss and Zomerdijk (2007) who found that technology plays a lesser role than might be expected in service innovation. Although we could argue that the nature of job is so bounded in and controlled by the information technology systems (Bain and Taylor, 2000) that are used in call centres that technology does have an indirect negative influence on the nature of the job which in turn results in being a barrier to innovation activities.

Emergent organisational factors

Many of the emergent organisational factors identified in Table 3 are related to employees or the nature of the employees' job, this would therefore suggest that the way employees work and are managed are central to innovation activities in call centres.

In one case, advisors were 'on-line' dealing directly with customers and another set of advisors were 'off-line' dealing with customer enquiries as a back office function. Although both sets of advisors were targeted using tally sheets there was more potential for 'off line' advisors to take part in business improvement programmes. This could be due to the urgency that is often felt by 'on line' advisors when dealing with customers in real time. There is also that fact that 'on line' advisors are often 'tied' to their desk by their headsets which means physically moving from their desk can be restricted. 'On line' advisors also have the added pressure of being 'controlled' by the computer system – often the systems used by contact centres have designated break times built into the system to which advisors have to adhere. This adherence can be difficult if an advisor is dealing with a customer enquiry which runs into their break time.

This can be broken down to an issue with the job design of the 'on line' employees. Job design can have an impact upon innovation. Often work within the contact centre environment is based on the Tayloristic principles of job specialisation – where an advisor only has a limited set of tasks that they can undertake (Taylor and Bain, 1999). In the cases investigated as part of this study there was a wide variety of job designs in contrast to the commonly held view that all contact centre advisors do a limited job. The differences in job design also reflected differences in the way advisors were involved in the innovation process. The advisors working within job designs that were task focused, routine and transactional in nature were encouraged to use the structured suggestion schemes that are often placed on the company intranets. These types of jobs also meant that although advisors may put forward a good idea that is subsequently

developed and implemented, they will not be involved in the development or implementation. This type of job design also meant that advisors had a limited view of the overall process in which they worked – often only viewing their specific tasks and immediate work area as areas for improvement. Therefore, it could be argued that such specialisation in job design can limit the breadth of the innovation generated from advisors working within this job design.

However, in multi-functional job designs where advisors can carry out a range of tasks and the job is not so routine the advisor is often encouraged to take their ideas to their manager where they will often work together to develop the idea further. The innovation process within these types of job designs is often much more organic and emergent – this is in contrast to the highly structured approach of an employee suggestion scheme. Advisors working within this type of job design often had a broader view of the process they were working within this allows a broad scope of ideas to be generated. Also due to the more complex nature of the services that are provided through a multi-functional job design the advisors had more opportunity to build a rapport with the customer this can allow for customers concerned or suggestions to also be put forward to the advisor. This would allow the advisor to work on the customers' behalf and put their idea forward within the contact centre – effectively making the contact centre a listening post for the wider organisation.

Conclusions

The findings of this research bring us to conclude that there are a number of tentative propositions that can be developed to test the theories built through this research. Taking Figure 2 and removing organisational culture, as discussed previously organisational culture is pervasive and its effects are implicit to the understanding, we can see (in Figure 3) that there are three main factors and it is through their influence that we can develop a series of propositions.

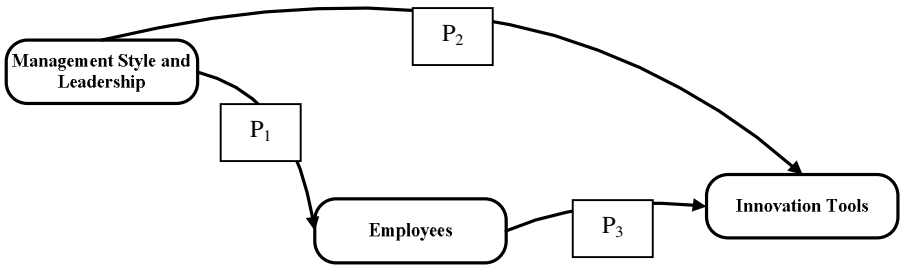


Figure 3. Key factors of innovation activity in call centres

Using both Table 1 and 3 we can identify that it is the motivation of employees that is the most important enabler for innovation activities across the cases. In the cases where management style and leadership were barriers this was due to employees not being encouraged. Therefore, the main propositions that can be built on the findings of this analysis are built on the factor of management style and leadership:

- P_1: Call centres with management that encourage employees to get involved will be involved in more innovative activities
- P_2: Call centres with innovation tools supported by management will be involved in more innovative activities
- P_3: Call centres that have employees who are encouraged to use innovation tools will be involved in more innovation activities

References

Ahmed, P. K. (1998). Culture and Climate for Innovation. *European Journal of Innovation Management, 1*(1), 30-43.

Bain, P., and Taylor, P. (2000). Entrapped by the 'electronic panopticon' Worker resistance in the call centre. *New Technology, Work and Employment, 15*(1), 2-18.

Bessant, J. (2003). *High-involvement Innovation*. Chichester: John Wiley & Sons.

Bessant, J., and Davies, A. (2007). Managing Service Innovation In DTI (Ed.), *Innovation in Services*. London: DTI.

Drejer, I. (2004). Identifying innovation in surveys of services: a Schumpeterian perspective. *Research Policy, 33*, 551-562.

Fagerberg, J., Mowery, D.C., and Nelson, R. R. (2005). *The Oxford Handbook of Innovation* Oxford: Oxford University Press.

Goffin, K., and Mitchell, R. (2005). *Innovation Management: Strategy and Implementation using the Pentathlon Framework*. Basingstoke: Palgrave MacMillan.

Russell, B. (2008). Call centres: A decade of research. *International Journal of Management Reviews, 10*(3), 195-219.

Smith, M. K., Busi, M., Ball, P. D., and van der Meer, R. (2008). Factors Influencing an Organisations ability to Manage Innovation: a Structured Literature Review and Conceptual Model**.** *International Journal of Innovation Management 12*(4), 655-676.

Soteriou, A. C., and Chase, R. B. (1998). Linking the customer contact model to service quality. *Journal of Operations Management, 16*(4), 495–508.

Sundbo, J. (2000). Innovation in Services. In M. Boden, and Miles, I. (Ed.), *Services and the Knowledge-based Economy*: Routledge.

Taylor, P., and Bain, P. (1999). 'An Assembly Line in the Head' : Work and Employee Relations in the Call Centre. *Industrial Relations Journal, 30*(2), 101-117.

Voss, C., and Zomerdijk, L. (2007). Innovation in Experiential Services – An Empirical View. In DTI (Ed.), *Innovation in Services*. London: DTI.



https://dspace.org/

Enablers and barriers to innovation activities in call centres

Smith, Marisa K.; Ball, Peter D.; van der Meer, Robert

2009-06-15

https://dspace.lib.cranfield.ac.uk/handle/1826/21197

Smith MK, Ball PD, van der Meer R. (2009) Enablers and barriers to innovation activities in call centres. Event16th International Conference of the European Operations Management Association, 14-17 June 2009, Göteborg, Sweden

Downloaded from a DSpace repository. https://dspace.org/