UNLOCKING THE BLACK BOX:

LINE MANAGERS AND HRM PERFORMANCE IN A CALL CENTRE CONTEXT

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ABSTRACT

Purpose: To unlock the black box of HRM and performance linkages by exploring one of the key variables that mediates the link, namely whether line managers can stimulate improvements in firm performance by eliciting appropriate employee outcomes in a call centre context.

Methodology/approach: The research draws on Purcell's 'People-Performance Model' as a sensitising framework to inform an in-depth case study of a call centre. This provides a mechanism to unlock the HRM-Performance black box by focusing on the ability, motivation and opportunities for line managers to perform and any subsequent impact on employee outcomes. Data was collected over multiple site visits by means of multi-level interviews and a survey of telesales representatives (TSRs).

Findings: Research findings indicate that one large client exerted significant control over the HRM policies developed within the call centre. Evidence suggests, however, that line manager's interventions ameliorated some of the negative aspects of work tasks and the HRM imposed by this dependency relationship.

Research limitations: This research is an exploratory attempt to better understand HRM-Performance linkages in one specific context. Results are not generalisable across contexts or even within call centres which can vary extensively. Nonetheless, the research suggests that exploring line management behaviour is a promising avenue for more extensive research.

Originality/Value: This paper considers HRM-Performance linkages in a service context. Results indicate that both external relations and line managers are critical mediating variables conditioning HRM-Performance linkages, thereby lending support to the notion that hard and soft HRM practices are not necessarily irreconcilable.

Paper Type: Research Paper

Key Words: Line managers, HRM, Performance, Call Centre

Unlocking the Black Box: Line managers, and HRM Performance in a Call Centre Context

Rationale

Developing theories on how to improve individual and organisational performance has long been the practice of academics and specialists in the field of Human Resource Management (HRM). The past decade has produced numerous contributions which claim to demonstrate that HRM practices are positively related to organisational performance (e.g. Arthur, 1994; Huselid, 1995; Ichniowski et al., 1997). Yet while research investigating the effect of the type and extent of HRM practices may be necessary to understand the link between HR practices and business performance, it is hardly sufficient (Purcell and Hutchinson, 2007). The remaining void in terms of explaining the processes and mechanisms by which the HRM-Performance impact operates has been referred to as the 'black box' phenomenon (Gerhart, 2005; Paauwe, 2004: 56). The current research begins to unlock this black box by exploring the intermediary variables that condition the HRM-Performance linkage.

Typical attempts at capturing the linkages between HRM and organisational performance have stressed the sequential nature of this relationship, depicting a flow from HRM strategy, through HRM and subsequent employee outcomes to organisational performance (Guest, 1997). In general, theoretical and empirical work in the field of HRM suggests that three independent work system components shape individual and aggregate employee characteristics thereby contributing to organisational success. These include (1) mechanisms to ensure the workforce has the appropriate skills and abilities, (2) mechanisms to energise and motivate the workforce to engage in desired behaviours, apply discretionary behaviour, and prevent and resolve process exceptions, and (3) work systems that empower employees to contribute their individual and collective efforts toward organisational outcomes (Gardner et al., 2001). Although these mechanisms have been

identified previously in the literature, it is only recently that the primary focus has been placed on investigating how these may provide the necessary key for unlocking HRM-Performance black box (Purcell et al., 2003).

In an effort to advance research in this area authors have begun to amalgamate these factors in the form of the AMO (Abilities, Motivation, Opportunity) performance rubric (Applebaum, et al., 2000; Boxall and Purcell, 2003). The advantage of this theoretical approach is that the concept of discretionary effort provides an explanatory mechanism for discrepancies between espoused and enacted practices. Further, if the argument about discretionary behaviour holds, then its logic draws attention to the importance of fostering appropriate employee attitudes and behaviour (Hutchinson and Purcell, 2003). This highlights the crucial role of front line managers (e.g. supervisors, team/section leaders) and their efforts and ability to elicit discretionary behaviour (Purcell and Hutchinson, 2007). As HRM is an aspect of all management jobs it follows that line managers will be more intimately involved in the delivery of HRM, particularly in relation to their own teams (Gunnigle et al., 2006:10). Employee's perceptions of HR practices as they experience them will be, in the main, those practices applied by line managers (Purcell and Hutchinson, 2007: 6). Thus line managers may serve as critical intermediaries in shaping the actual form HRM practices take in practice and, ultimately, in shaping overall performance (Currie and Proctor, 2005; Truss, 2001). This suggests that variation in the implementation of similar practices may be directly attributable to the component elements of the AMO performance rubric.

In exploring this issue this paper seeks to unearth some of the intermediating variables inherent in the HRM-performance causality chain. Specifically, it will examine the extent to which line managers have an impact on the HRM-Performance link within the call centre context. In exploring the impact of line managers' abilities and behaviour in fostering a positive working

environment the research will focus on performance in terms of employee outcomes (employee attitudes and employee behaviours) as opposed to traditional productivity or financial outcomes (e.g. Huselid, 1995). In advancing our research proposition the paper will firstly explore the rationale for choosing call centres as the research setting before highlighting some of the deficiencies of extant HRM-Performance research. Building on from this the paper theoretically unlocks components of the 'black box' in the form of the 'People-Performance Framework' (Purcell et al., 2003). The methodology is then discussed and, in particular, how the four pillars of the 'People Performance Framework' were used as a sensitising framework to inform an in-depth case study of a Call Centre. We then present our findings structured around the four pillars of the framework prior to outlining some implications for theory and practice and suggesting further research trajectories into (and out of) the so called HRM-Performance 'black box'.

Call Centres in Context

In locating this study in a call centre context we were motivated by a number of factors. Firstly, the link between HRM and Performance in services, and more specifically, the call centre sector, is an area which has only recently been given consideration in empirical studies (Batt and Moynihan, 2002; Wood et al., 2006). Secondly, characteristics of services such as their intangible nature, and the fact that they tend to be produced and consumed simultaneously, render HRM interventions critical. Finally, call centres provide a fertile ground for research as they have become a central mechanism through which firms interact with their customers (Batt and Moynihan, 2002). Today all Fortune 500 companies have at least one call centre and more than $300 billion is spent annually on call centres around the world (Gilson and Deepak, 2005). While the function and strategies of call centres vary, they are typically associated with a quantity focused work environment, and are charaterised by high employee turnover (see Deery and Kinnie, 2005 for an overview). In this context Team Leaders play a critical role in delivering HRM as their direct support to employees can be vital in terms of reassurance and in reducing

anxiety and stress associated with the job (Deery et al., 2002). Indeed Line Managers/Team Leaders within the call centre context are usually faced with a frustrating 'quality/quantity dilemma' as they attempt to maximise efficiency and productivity while simultaneously establishing commitment among employees and providing a high level of service to customers (Bain et al., 2002). These factors suggest the value of exploring the HRM-Performance black box in a call centre context, an argument most recently echoed by Wood (et al., 2006).

HRM-Performance Linkages: Difficulties in the search for the Holy Grail

While research indicating the positive role of HRM in increasing organisational performance has proliferated in the past decade it has been subject to a number of criticisms (see Wall and Wood, 2005 for an overview). Specifically, neither conceptual/prescriptive (e.g. Pfeffer, 1998) nor empirical work (e.g., Arthur, 1994; Huselid, 1995) yields agreement as to what set or 'bundle' of practices lead to better performance or how they should be measured (e.g., indexes, scales, clusters). Methodologically, research has pursued largely a cross-sectional survey based agenda directed largely at manufacturing establishments (e.g. Applebaum et al., 2000). This raises difficulties in establishing the direction of causality and questions the relative generalisability of these studies. Moreover, varying levels of analysis and differing performance measures from direct productivity considerations (e.g. adjusted line up time Ichniowski et al., 1997) to more removed firm level performance data (e.g. Tobins Q Huselid, 1995) make comparison and reaching conclusive assertions difficult.

Critically, few studies provide details as to the precise mechanism(s) by which HRM-performance take effect (Boselie et al., 2005). Extant accounts simply assume that practices will be realised as intended. Marchington and Grugulis (2000: 918), however, provide a useful reminder that 'managers are not omniscient, omnipresent and omnipotent, because they lack cohesiveness and typically engage in political behaviour'. Inevitably tensions surface as

operational short term cost control and the requirement for speedy adjustment may not sit easily with prescribed HRM policies. Moreover, HRM's dominant large scale survey approach cannot hope to provide an accurate picture of the subtleties and intricacies of the way work is structured and actually performed (Bratton and Gold, 2003: 442). Thus research has proliferated in the absence of a sound explanation of why or how HRM performance effects should take place (Hesketh and Fleetwood, 2006: 695). Complexities and nuances highlight the requirement to consider in more depth the relationship and exact mechanisms shaping the relationship between HRM and performance (Becker and Huselid, 2006: 900). This is aptly captured by Becker and Gerhart's commentary:

"future work must elaborate on the black box between a firm's HRM system and the firm's bottom line. Unless and until researchers are able to elaborate models, including key intervening variables- it will be difficult to rule out alternative causal models that explain observed associations between HR systems and firm performance" (1996: 793).

Unlocking the HRM-Performance Black Box

Extant work fails to address or explore the *processes* whereby HR practices may impact on performance (Paauwe, 2004). Evidently not only is there a requirement for a consistent theory of HRM, but also a theory about performance, and ultimately, a theory that bridges and interlinks these two (Guest, 1987). In order to advance research in this area a number of studies have attempted to more explicitly incorporate line manager and employee behaviour as part of their research agendas (Applebaum et al., 2001; Guest et al., 2000). Work by Gardner et al (2001) is instructive as their model focuses on factors such as levels of employee satisfaction and commitment and their relationship to performance, highlighting the importance of concepts as 'organisational citizenship behaviour' as well as supervisory behaviour (Gardner et al., 2001: 38). More critical research by Ramsey et al (2000) indicates that the adoption of high performance work practices may not necessarily benefit employees. Overall this suggests that the HRM-

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Performance link is more complex than previously assumed and therefore requires more in-depth analysis. Recent work by John Purcell and colleagues (Purcell et al., 2003; Hutchinson and Purcell 2003; Purcell and Hutchinson, 2007), has made a significant contribution to investigating these complex mechanisms and it is with this emergent literature that the current research seeks to engage.

The People-Performance Framework[1]

The 'People and Performance Framework' derived from 12 in-depth case studies (see Purcell et al., 2003) is built on two assumptions central to 'unlocking the black box' or 'peeling back the onion' (Guthrie, Deepak, & Wright, 2004) of HRM-Performance linkages. Firstly, the framework advances the concept of discretionary behaviour (Applebaum et al., 2000; Berg et al., 1996) by suggesting that virtually all employees have the capacity to engage in discretionary behaviour and it is the ability of the firm to trigger such useful behaviour, beyond meeting basic job requirements, that leads to higher performance (Purcell, et al., 2003). Secondly, because line managers have discretion in the way that they apply HRM and the way they behave towards employees, they become the critical mechanism for improving the levels of employee job satisfaction and commitment which will in turn encourage employees to exercise their discretion and act beyond their in-role behaviours (Currie and Proctor, 2005; Purcell and Hutchinson, 2007). Thus the framework places the discretionary behaviour exercised by line managers at the centre of analysis as it is the front line managers who condition the extent of the gap between espoused and enacted policies (McGovern, 1997; Purcell and Hutchinson, 2007). The key pillars of the 'People-Performance Framework' are illustrated in Figure 1 below, and elaborated upon in the following sections.

Take in Figure 1

Components of the People-Performance Framework

Pillar 1 HRM

The accurate assessment of the relationship between HR practices and performance requires reliable and valid assessment of HR practices (Gardner et al., 2001). The HR policies derived from the framework are designed to feed into the three components of the 'black-box'. Purcell (et al., 2003) suggest that the set of HR policies are not a specific set or 'bundle' of HR practices as implied by the best practice approach, instead they simply give an indication of what type of HR practices accommodate the conditions of the 'black box'. In general these tend to involve traditional generic HRM areas of recruitment and selection, training and development, appraisal and reward (Fombrun, Tichy, & Devanna, 1984) coupled with policy choices concerning job security, work life balance, employee voice and work organisation. It is therefore understood that the HR intervention chosen by a firm will be contingent on its organisational context. Where studies typically fall short is by attempting to immediately link these practices to abstract performance measures (Gerhart, 2005).

Pillar 2 Inside the 'Black Box': Ability, Motivation, Opportunity (AMO)

The people-performance framework makes the 'black box' transparent and highlights the important factors or ingredients that may represent valid causality in the HRM-performance link. This includes the role of line managers in 'bringing HR policies to life' and employees' subsequent perceptions of enacted HRM policies (Purcell et al, 2003). A series of authors have suggested conditions that are critical to satisfying the link and necessary to foster appropriate line manager behaviour (Applebaum et al., 2000; Berg, 1996). Boxall and Purcell (2003: 20) extended this work to identify a formula for causality within the link, they suggest that a firm's performance is a function of line managers' ability (they can do the job because they possess the necessary skills); motivation (they will do the job because they want to and are given adequate incentives to do so); and opportunity (the work environment provides the necessary support and avenues for expression). The elegance of the 'AMO' theoretical framework is that it encompasses

mediating changes in employees' abilities (A), motivations (M) and opportunities to participate (O) thereby highlighting the skeletal structure of the typical best practice prescription (Boselie et al., 2005; Boxall and Purcell, 2003: 63). The core of the 'People and Performance Framework' therefore links employee attitudes (such as job satisfaction and commitment), discretionary behaviour and performance where the three AMO conditions are present.

Pillar 3 Line Managers and Managerial Style

Typical studies examine the nature and extent of HR practices and their impact upon performance, yet in so doing they make the dangerous assumption that line managers will simply act as 'robotic conformists' in enacting policies (Marchington and Grugulis, 2000). Yet if front line managers vary significantly in how well they undertake their people management activities, then it follows that employee's experiences of HR practices will also vary. Explanations of performance linkages, either value enhancing or value destroying, must therefore include front line managers (Purcell and Hutchinson, 2007). Indeed it has been historically noted that "different styles of supervision exert a variety of influences on workers" (Blau and Scott, 1963:163). Such a focus is further necessitated given tendencies of devolving HR responsibilities to the line and the individualisation of the employment relationship (Gunnigle et al., 2006; McGovern, 1997). Ultimately, in following this logic there is no such thing as the single HR practice of the firm. It is more accurate to imagine the HR practice of the firm as norms around which there is variation due to the idiosyncratic behaviour of line managers (Boxall and Purcell, 2003: 198). This suggests that future strategic HRM research should incorporate a wider notion of the HR architecture and in particular the role of line managers in implementing a workforce strategy (Becker and Huselid, 2006: 919). Further support for a more explicit recognition of the role of line managers in delivering HRM comes from recent organisational behaviour research which draws attention to the study of loyalty to supervisors as an important predictor for employee outcomes (Chen and Farh, 2002). This work suggests that people exhibit 'local' rather

than 'global' commitment; in other words, people tend to commit more to individuals, team leaders, business units etc rather than to the overall organisation (Becker, 1992).

Pillar 4 Intermediary Measures of Performance in the People-Performance Framework: Employee Outcomes

It has long been recognised that intermediate outcomes are central to a more complete understanding of how HR drives firm performance (Becker and Gerhart, 1996). The fact that employee voice and employee outcomes have largely remained dormant in research examining HRM-Performance linkages is ironic as "all the theoretical rationales of how HR affects performance rests on the assumption that it is *through* these employee outcomes" (Legge, 2005:28, original emphasis). Pillar 4 of the People-Performance provides for immediate employee outcomes as opposed to abstract financial measures as a means to measure the impact and role of HRM. Thus competitive advantage is believed to stem from the ability of organisations to elicit effort from their employees above and beyond the immediate requirements of the job at hand (Applebaum et al., 2000: 235). In a similar vein Organ (1998) coined the term 'Organisational Citizenship Behaviour' (OCB) as behaviours of a discretionary nature that are not part of an employee's formal role requirements but nevertheless contribute to effective functioning of an organisation. Organ (1998) has noted, supervisors do regularly take into account and reward OCB's both directly and indirectly (e.g. preferential treatment, performance ratings, promotions, etc). OCBs benefit the organisation as it implies having a group of employees who are dedicated to the company (Organ and Ryan, 1995). It therefore ensues that actions within the organisation that can stimulate this type of behaviour from employees can have a beneficial effect on individual employees and overall organisational performance (Chen and Farh, 2002). These issues highlight the importance of exploring both line manager behaviour and utilising employee performance outcomes and attitudes as an inherent part of any attempt to review HRM-Performance linkages. The key to 'discretionary behaviour' and OCB is action by

management to improve and /or sustain levels of commitment, motivation and job satisfaction held by employees (Purcell et al., 2003).

Organisational commitment can be generally conceptualised as the strength of an individual's identification with, involvement in, and attachment to the organisation (Mowday et al., 1982). According to Beer (et al., 1984: 19) 'increased commitment can result not only in more loyalty but better performance for the organisation.' A number of reviews of this literature find consistent negative relationships between high commitment and both employee intention to leave and actual turnover (Allen and Meyer, 1990). It is imperative to note, however, that there are various different dimensions to commitment (Allen and Meyer, 1990). Dimensions of attitudinal commitment include affective, normative and continuance commitment. These have distinct policy implications for HRM. In particular, employees with strong affective commitment remain with the organisation because they feel they *want to*, and those with strong normative commitment remain because they feel they *ought to*, and finally those with strong continuance commitment remain because they feel they *need to* (Meyer and Allen, 1991). Further, an individual's commitment and work attitudes are important antecedents to absenteeism (Farrell & Stamm, 1988). Theoretical work suggests employees who are not satisfied with their work or working conditions can be expected to avoid coming to work (Rhodes & Steers, 1990). Given the value of the 'People-Performance Model' in accommodating these issues, it was used as a sensitising framework to provide insights into the role of line managers in mediating the link between HRM practices and firm performance in a specific call centre context.

Research Methodology

Research Focus

The aim of the current research was to explore the extent to which line managers may have an impact on the HRM-performance link within a call centre context. This context provided a fertile

ground for the current research as Line Managers/Team Leaders in call centres often act as the first line of management control; monitoring employee performance and communicating both company and individual performance targets to employees (Batt, 2002; Batt and Moniyhan, 2002). In order to answer the main research question, a number of sub objectives were delineated based upon the four pillars of Purcell's 'People-Performance Model', namely:

1. To investigate the HRM policies adopted by the call centre (Pillar 1).
2. To examine the impact of such policies on line manager's ability, motivation and opportunity to perform (Pillar 2).
3. To determine the management style fostered by line managers (Pillar 3).
4. To examine the impact on employee outcomes (Pillar 4).

Yin (1999), notes that even exploratory case study research should make use of a conceptual framework to define the priorities to be explored. In this respect, the four pillars enabled us to make sense of occurrences; providing a set of constructs to investigate within the call centre context while at the same time providing a template for the interpretation and focus of the study. It is important to note that this study is aimed at theory building with regards the HRM-performance link within call centres. Our objective was not to test Purcell's model or provide any definitive answers as to the specifics of causality but rather to explore the merits of this approach in unlocking the so called HRM-Performance black box through a mainstream application.

Case Study Methodology

A single in-depth case study methodology was chosen as the best means of providing the holistic and contextual lens necessary to understand the line management behaviour, underlying processes and routines and potential discontinuities between espoused and enacted policies (Truss, 2001). Over a one and a half year period we gained access to a Call Centre Company (referred to as Call

Centre Co) on multiple occasions. Following a rationale akin to that of Gratton (et al., 1999) 19 semi-structured interviews were conducted to represent a vertical slice through the strategic apex of the organisation. This involved interviews with the General Manager, and representatives at the corporate level based upon schedules covering contextual factors such as company history, market context and organisational strategy. Multiple interviews were also conducted with the HR Manager and six Team Leaders covering HRM practices, perceptions on Abilities, Motivations and Opportunities (AMO) to perform and operational issues. Each of the team leaders had responsibility for a team of ten to fifteen staff and they were expected to spend most of their time with team members, coaching, reviewing performance, providing feedback on individual and team performance and identifying training needs. These interviews were supplemented by insights from interviews with six front-line employees, or Telesales Representatives (TSRs) based on their perceptions of HRM and the role of their respective team leaders. Interview schedules were structured around themes drawn from the literature and in particular previous research by Batt (2002) and Purcell (et al., 2003).

In order to further explore employee outcomes and enhance validity through triangulation of methods a survey was administered to TSRs. This survey explored employee commitment, the nature and extent of organisational citizenship behaviours (OCBs) exhibited by employees, loyalty to supervisors, as well as perceptions of management style and HRM practices. Measurements of commitment were broken down into its three components of affective (e.g. I would be content to spend the rest of my working career with this organisation), normative (e.g. If I got another job offer, I would not feel it was right to leave this organisation) and continuance (e.g. Right now, staying with this organisation is a matter of necessity as much as desire) echoing the approach taken by Meyer and Allen (1991). For each dimension multiple statements (such as those above) were offered, from which respondents indicted their opinion on a five point scale ranging from strongly agree to strongly disagree. Similarly, following Morrison (1994) OCBs

were measured by using multiple scales to assess five sets of OCB, namely altruism (e.g. give time to help others with work-related problems), conscientiousness (e.g. spend time on personal telephone conversations) (reverse coded), sportsmanship (e.g. come to work early if needed) involvement (e.g. attend voluntary functions) and the degree to which employees keep themselves informed of organisational events and changes (e.g. read and keep up with organisational announcements). OCBs were also measured along a five point scale indicating the whether employees felt they exhibited such behaviours ranging from very often, quite often, only if required to never or don't know. To improve the validity and reliability of the questions in the survey it was piloted on the six TSR respondents. Surveys were administered directly to the TSRs. The sample size was 70 TSRs (the entire floor) with 68 surveys returned (97% response rate). Analysis of the survey findings included determination of the reliability of the instrument. Internal consistency was established using Cronbachs alpha. All interviews were transcribed and structured by key themes. The following section provides details of the case study company before the findings are presented structured around the key pillars of the 'People-Performance Framework, namely HRM practices, AMO, Line Manager's style and employee attitudes and outcomes.

Call Centre Co

Founded in 1985, Call Centre Co is a major British telemarketing and call centre consultancy firm offering contact centre solutions which they tailor for each individual client. The firm has several separate operations, all of which serve different purposes depending on client requirements and contracts. Reflecting this HR practices within the entire company tend to vary for each operation. The company's operation in the south of Ireland, the focus of the current research, was established in 1998. This operation makes up one fifth of Call Centre's entire business and employs 50% of the company's overall employees. The operation has a long-term contract with a Multinational Insurance provider to sell insurance policies to the existing customers of various

national retail banks in the UK. The contract requires agents that have good customer relations skills although distinctive product knowledge of the insurance sector is a not a prerequisite for a position as an agent. The operation has the capacity for up to 70 telesales representatives ('TSRs) who make scripted outgoing sales calls. The office set-up is open plan leaving little room for privacy and ensuring that everyone can hear each other on the phone. There are 20 additional staff on the floor that manage IT, verify sales and control quality. The floor is divided into teams, each with their own individual supervisor or 'Team Leader'. The main responsibility of a Team Leader is to track TSR's performance, communicate information and ensure that work is being conducted according to client and organisation specifications. The company is non union and operates an ad hoc 'employee forum'. Employee turnover is 70% per annum, while average absenteeism was 3.5 days per person per annum.

Findings

HRM (Pillar 1)

Call Centre Co had one main *'very high profile'* large client, an International Insurance provider, which exerted considerable control over the development of HRM. While the HR Manager at Call Centre Co was responsible for interview based recruitment, project management and the delivery of TSR training, the client dictated job descriptions, training content and had responsibility for most aspects of performance management. Through these interventions, coupled with active participation in induction sessions, the client was able to ensure that the employees who represented them were of the desired standard (see Kinnie et al., 2005). Further, contractual specifications and performance monitoring also had a direct impact on the HR policies and practices at Call Centre Co. Even those policies developed internally had to be done so according to the client's own specifications and requirements; *"the client must agree and sign off on them on a contractual basis"* (HR Manager). While the outcomes of this intervention were not necessarily negative, the dependency relationship clearly impacted upon the extent of choice

available to the HR manager and team leaders in the development and application of HRM practices (Beaumont et al., 1996; Kinnie et al., 1999). Indirectly, the dependency relationship also created degrees of uncertainty as to long term job security at Call Centre Co. The impact of these factors is best captured when one considers AMO as the underpinning factors informing the level and extent of line manager/team leader discretionary behaviour.

AMO (Pillar 2)

The HR manager emphasised the critical role of Team Leaders (TLs) particularly their ability to complete tasks as designated and communicated; "*TLs role is policy implementation….. we see them as extremely important for the success of the policies introduced" (HR Manager).* Team Leader's roles largely revolved around downward communication and implementing prescribed practices while any limited upward communication involved synthesising information, which was largely done through the medium of IT packages. There was, however, some (albeit limited) scope to champion alternative methods (Currie and Proctor, 2005) although this process was conditioned by the nature of the client dependency relationship; *"it's not as though we can turn to them [the client] and say this is what we want to see done, it's more just a case of putting forward our suggestions to them" (TL3).* TLs expressed particular frustration at the extent of client responsibility and control over performance management in particular, as best illustrated through an example where TL5 argued that he would like to use his own discretion;

"The client decides overall what they want, for example, each employee has a probationary period of six months if they fail to meet performance requirements then its up to the client, not us, to remove them when they see fit"

TLs tended to be well qualified to carry out their tasks given Call Centre Cos active policy of only recruiting TLs who had extensive previous experience in a similar role. This, in part, explains why TL training was minimal, based around operational and regulative issues such as

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technology management or information on new products as opposed to anything that could be characterised as enhancing developmental or communication skills. The subsequent impact of this minimalist approach in terms of engendering motivation was readily apparent *"training is one of the major bones of contention in here …that obviously limits your career opportunities to move into a different position"(TL4).* The HR manager noted, however, that efforts were being made at corporate level to initiate a training and development program to be rolled across all operations. Perhaps unsurprisingly, given their job tasks as well as their dissatisfaction with extant HRM policies, there was mixed response in terms of expression of interest to remain with the company or the degree to which TLs felt a sense of challenge and opportunity associated with their work. Reference was made to being *'on automatic pilot'* and the need *'for something more interesting, that offers a greater challenge' (TL1).* However, for some TLs the mundane nature of the job task and environment actually created a sense of challenge and source of personal motivation; *'I want to do well and replicate success I've had elsewhere at this company' (TL 6)* (see McGovern et al., 1997).

While the importance of team working was stressed at the corporate and HR level the reality was very different for Team Leaders; *"the job is very individual….. this type of work doesn't foster a real team environment…we can't decide to pull someone off the phones for a number of hours because we lose out on logged-in time and there is a certain target that the overall operation has to meet"(TL2).* Team Leader frustration at the constrained nature of the work task was exacerbated by the *'limited job opportunities and pathways for advancement' (TL 3).* One welcome development in terms of TL job tasks was their involvement (on a revolving) basis in recruitment interviews with the HR manager. The HR manager explained that this was introduced in order to *'leverage TL expertise',* create a sense of involvement and *'as one attempt to tackle*

the high turnover at source'. These efforts were, of course, also conditioned by an increasingly tight local labour market.

By and large, the findings indicate that the ideal conditions and HRM policies that bring forth the conditions of AMO as prescribed in the literature are largely not present at Call Centre Co. In reality Team Leaders were afforded limited autonomy in the development and application of HRM as a result of the pressures exerted, not by their HR department, but rather by the client company. Motivation to comply with the specifics of HRM policies dictated by the client emanated from the insecurity embedded in this relationship. As noted by TL 2 *"if our clients decided to pull out then there is probably nowhere else for me to go within the company so I don't have a strong sense of security".* In order to fully understand the impact of such factors it is necessary to consider the third Pillar of the 'People Performance Model' in the form of the *actual* managerial style adopted by the Team Leaders.

Management Style (Pillar 3)

The findings suggest that the enforced HRM approach adopted by Call Centre Co went someway in explaining the management style which team leaders displayed. In a call centre context the literature identifies the critical importance of managerial prioritisation of a quantity or quality focus (Bain et al, 2002; Taylor et al, 2002). This prioritisation has a significant influence on the type of work organisation and HR policies and practices within the call centre. At Call Centre Co the work was highly quantity focused, as stated by the HR Manager; *"it's a numbers game".* Driven by client specifications and monitoring the enforced leadership style was seen to be very transactional and task-oriented; *"performance is measured in sales, so we have to be very quantity focused'(TL6).* Team leader's roles were heavily conditioned by procedures that had to be followed. This indicates that the call centre has to deal with the inherent conflict illustrated in

the literature between the pursuit of a quantity or quality focus. The team leader's role is focused on managing the performance of employees and there was little opportunity to introduce employees to different tasks or widening their job design, explicit in the fact that part of performance targets were measured by *'logged-in-time'*. Consistently meeting such targets lead to a small percentage bonus for Team Leaders, on top of their fixed salary. The HR manager explained that limited attention was directed towards employee development given the high turnover and burnout which were judged to be a reality of working in the industry; *"ultimately this would mean that we are giving them a better skill set to move somewhere else"*.

Yet while this focus on numbers and performance driven orientation was necessary for meeting client requirements, there was an implicit recognition among Team Leaders that it was not sufficient for a successful operation. TL (5) noted *"the policies developed by the client aren't focused on improving morale, so we try to set up our own initiatives, sometimes we even try to squeeze money out of HR!"*. These initiatives included an open communication *'bring it to me policy'* whereby TSRs could bring any issue work or non-work related to the attention of a Team Leader. TL (1) set out the general rationale for this approach *"if you focus on numbers and targets too heavily and ignore the people side of the job then it's harder to get their co-operation and to get them motivated."* Similarly TLs allowed stronger members of their team to coach weaker performers, while attempting to make each individual employee responsible for keeping up-to-date with their performance statistics and understanding where they needed to improve. It was argued that this gave TSR's a greater sense of control and responsibility in their role; "this *can definitely improve their outlook on their position within the company."(TL4)*. Complimentary to this, and in an effort to reduce the mundane nature of the job, TLs also attempted to introduce a number of ongoing activities such as 'dress up and dress down days', a fantasy football league table and 'in work' social events. These efforts were often couched in humour- including picking team names which poked fun at TLs themselves (e.g. one team at the centre was called 'Fat Al's

Fusiliers') or playing with the words of products or the company name. TL3 argued that "*involving people in different things is the best way to manage the problems of low morale*". TLs generally viewed burn-out and high employee turnover as an inevitable feature of the industry, and so argued that key to steady performance was ensuring that the current bunch of TSRs were comfortable and happy in their role, and from this foundation performance results would follow.

This experience at Call Centre Co clearly indicates the constant tension of balancing quantity control to a client's requirements with efforts at engendering a more committed workforce. The contrast may not be as stark as prioritisation of either a quantity or quality focus (Bain et al, 2002; Kinnie et al., 2000). This presents interesting dynamics in the context of the 'People Performance Model', and the implications on employee outcomes (Pillar 4) are discussed next.

Employee Attitudes & Outcomes (Pillar 4)

Commitment

Previous research has suggested that individuals who have high levels of organisational commitment display low absence levels and have high intentions of remaining with the company (Mowday et al., 1982). The results show that among TSRs affective commitment levels are the poorest of the three dimensions of commitment. This indicates dissatisfaction with the organisation; respondent TSRs felt no desire to remain with the company; few had developed a personal attachment or showed any major concern for problems that the company faces. In relation to normative commitment, 90% of respondents stated that they wouldn't feel that it was wrong to leave the organisation if something better came along. Finally, results for continuance commitment, 80% stated that remaining with the organisation was due to necessity rather than a desire to remain within the job. While turnover is related to all three types of commitment, research suggests there may be unique relationships between the three types of commitment and other work-related outcomes (e.g., absenteeism, organisational citizenship behaviours, and

performance). Affective commitment tends to be most highly related to these outcomes (Meyer and Allen, 1997). The findings therefore suggest that the low levels of affective commitment may be related to the high turnover.

Attitudes Regarding HR Policies

The pattern of commitment is also reflected in terms of employee's attitude towards HR policies. The results indicate that 75% of TSRs were dissatisfied with the level of training they receive; training is limited to induction with no policies for further skill development. 60% of TSRs indicated that the performance appraisal system fails to acknowledge employee development and is too focused on sales targets. TSR interview respondents indicated that their were few motivational factors as pay was perceived as low, and the company's flat structure meant that there was no clear routes in terms of career progression. This affects TSRs' motivation to display any extra effort as such behaviours are not rewarded, either financially or by career progression. Finally, with regards to empowerment, TSRs enjoy very little autonomy, their role is restricted to handling calls and recording information regarding call outcomes, commitment is low simply because of the type of work, *"it's a real tough number...to sit and read a script for eight hours a day" (TSR)*. The majority of TSRs (80%) expressed discontent with the level of influence they have over their role, this indicates that they have very little discretion in their job. The HR manager dismissed the notion of reducing heavy scripting to allow employees to use their own judgment and personal approach; *"we wouldn't be assured that everyone was giving out the correct information and it would therefore be impossible to track down complaints" (HR Manager).*

Attitudes Regarding Management Style and Behaviour

Previous research has studied the relationship between an employee's loyalty to their supervisor as an important predictor for employee outcomes (Chen and Farh, 2002). In the main, while there was some variation is responses, the findings suggest a high degree of loyalty towards supervisors. Similarly, in relation to management style, responses were positive out of all

categories, indicating that team leaders do show respect and fairness towards TSRs and, through direct communication, can effectively deal with problems that arise. (See Table 1 for sample summary of responses).

Take in Table 1 about here

The research suggests that these positive results could be due to TL's own initiatives as discussed previously. Here Northouse's (2004: 3) distinction between 'assigned' or 'emergent' leadership style maybe useful. In this context assigned leadership is where Team Leaders must fulfil the requirement of the job as the client prescribes; yet the emergent leadership style may also be evident in their capacity to deal with unforeseen or problematic situations within their teams, here they are perceived as helpful and fair in relieving some of the problems (work and non-work related) that TSRs may have. The value of such interventions is enhanced by the fact that TSRs have few alternative mediums for communication and consultation as there is no trade union presence and the employee forum is not widely publicised (25% did not know that the actual forum was in existence). This seems to have created a positive relationship between the two parties, as TSRs view team leaders as defending their needs against the clients. For this reason, team leaders can be seen as the crucial link in successfully enacting HR policies that will enhance commitment and reduce turnover. In this sense the team leaders have the perfect opportunity to boost commitment levels among employees; all the while acknowledging that this will have to take place within the parameters and constraints laid down by client specifications.

Discretionary Behaviour & Organisational Citizenship Behaviour

The literature suggests that higher levels of commitment can increase the organisational citizenship behaviour that an employee displays within their role and hence increase operational efficiency (Applebaum et al 2000: 235; Organ, 1998). Despite low commitment levels the findings indicate that overall the majority of TSRs indicated that they quite often engage in

organisational citizenship behaviour (OCB). In relation to 'altruism', results showed that the 68% of TSRs claimed to have engaged in this behaviour, however some 22% did so only because they were required to do so. According to Organ (1998) in such cases where a team leader requests a certain task to be done then it can be defined as in-role behaviour, as opposed to true organisational citizenship behaviour whereby the behaviour is displayed as a result of an employee's own accord and not elicited from supervisor demands/threatened reprimands. Taking this into consideration 61% of TSRs claimed to exhibit conscientiousness regarding lateness and absence, 58% sportsmanship, 37% involvement, while 46% claimed to keep actively informed of organisational events and changes. Findings also indicate that narrow job design and *'logged-in time'* targets limited the extent to which TSRs could engage in certain behaviours e.g., 'use judgement to asses what is best for the organisation' or 'voluntary attendance at meetings'. In the context of the overall low levels of commitment to the organisation these results seem quite positive.

Discussions and Implications

According to Becker and Huselid, the most pressing theoretical and empirical challenge in the Strategic HRM literature is the requirement for a "clearer articulation of the 'black box' between HR and firm performance" (2006: 915). The current study can be viewed as an exploratory attempt to unlock this HRM-Performance 'black box'. In particular the research utilised the AMO theoretical rubric and Purcell's 'People and Performance Model' as sensitising frameworks to explore the extent to which line managers had an impact on the HRM-Performance link by eliciting appropriate employee behaviours and attitudes in a call centre context (Applebaum et al, 2001; Hutchinson and Purcell, 2003; Purcell et al., 2003).

Overall, results indicate that HRM at Call Centre Co was heavily conditioned by a dependency relationship with one *'very high-profile client'*. This client exerted significant forward pressures

along the value chain to ensure that Call Centre Co was confirming to *their* expectations and adequately representing *them* at the customer interface (Beaumont et al., 1996; Kinnie et al., 2005). This dependency relationship clearly impacted upon the extent of choice available to the HR manager and team leaders in the development and application of HRM practices. The client dictated training content, job descriptions, quality control and paid particular attention to performance management. As the HR Manager noted *"Everything is prescriptive when it comes to what the client wants."* Evidently HRM literature is overly simplistic in assuming that organisations have full autonomy and responsibility for the nature of work organisation and HRM practices deployed at their organisation. The findings therefore question the notion of universal HRM bundles which can be implemented irrespective of context (cf Huselid, 1995) and instead supports recent research which has indicated that HRM choices and content are often constrained by supplier or network relationships (Kinnie et al., 1999: 218; Vincent, 2005).

Yet while the dependency relationship clearly shaped the broad parameters of HRM initiatives delving deeper into the 'black box' indicated that Team Leaders still found scope or 'leeway' (Paauwe, 2004) in shaping the *actual* form that HRM took in practice as well as the working environment as experienced by employees. Although constrained by both client requirements and the nature of the job and tasks to be performed (e.g. *'the type of work does not foster a team environment'*), Team Leaders were also seen to exhibit practices which resonate with those prescribed in high commitment/quality focused HRM models. Here Team Leader's efforts focused on improving morale and creating a sense of '*involvement*' and *'a better atmosphere'* among TSRs. Initiatives included the *'bring it to me'* policy as well as making each individual employee responsible for keeping up-to-date with their performance statistics and understanding where they needed to improve. Such efforts stemmed from an implicit recognition of the deficiencies of the client's policies among Team Leaders who were themselves motivated by a

mix of frustration with extant HRM policies, the economic insecurity embedded in the dependency relationship, and personal attempts to replicate past success.

Looking at TSRs' outcomes, most TSRs exhibited relatively little commitment to the organisation and were largely dissatisfied with overall HRM policies and the limited autonomy offered to them in their jobs. Such negative attitudes and commitment are reflected in the high turnover (Mowday et al., 1982). Interestingly however, employee attitudes towards team leaders and their behaviours were relatively positive, as employees exhibited a degree of loyalty towards supervisors (see Table 1). It would seem that front-line employees use team leaders as the only avenue through which they can communicate their grievances. This seems to have created a positive relationship between the two parties, as employees view team leaders as defending their needs against the client. Akin to suggestions by Northouse (2004: 3) this may be attributable to team leader initiatives that can become noticeable in certain areas of their role (emergent leadership), where they are not constrained by client control (assigned leadership).

These findings highlight the potential role of team leaders as the crucial link in successfully enacting HR policies that may enhance performance (Currie and Proctor, 2005; Hutchinson and Purcell, 2003). The contrast between a 'quality or quantity' focus in call centres may not be as stark as is sometimes assumed. Indeed, the findings suggest that the 'hard HRM' which characterises the context in which Call Centre operates may not be irreconcilable with some form of 'softer' practices. Indeed, given low commitment and negative perceptions of HRM among TSRs, it may be tentatively suggested that the generally positive results in terms of Organizational Citizenship Behaviours displayed (outside of those inhibited by job design) may be attributable to the positive initiatives of, and interactions with, Team Leaders. Similarly this may also explain the surprisingly low absenteeism rates at Call Centre Co. This proposition would find support in research by Chen and Farh (2002) who found that supervisor loyalty was

more strongly related to performance than organisational commitment. Similarly, research has found that the perception of team leader support makes a significant difference to the emotional well being of CSRs (Deery et al., 1999:16 cited in Kinnie et al., 2000: 981). This suggests the importance of more proximate and intermediary measures of HRM-Performance linkages, and in particular the role of Team Leader's behaviour and its impact on employees' experiences of HR practices as most recently advanced by Purcell and Hutchinson (2007). The theoretical and practical implications of this attempt to provide a more coherent and direct account of the HRM-performance effects are explored below.

Implications for Theory and Practice

Overall this empirical effort to 'unlock the black box' of HRM-Performance linkages has provided useful insights, not only in terms of highlighting the critical role of that line managers can play in the inner workings of the 'black box', but also by drawing attention to the deficiencies of locating debate about HRM in isolation from the political and structural relations 'outside the black box' which may condition HRM and place limits on discretionary behaviour. The findings therefore suggest that HRM theory needs to develop in seemingly contradictory directions. Firstly, there is a requirement for more extensive consideration of line manager's contribution to HRM-Performance linkages, and in particular, their role in shaping employee outcomes (Purcell and Hutchinson, 2007; Nehles et al., 2006). Becker and Huselid contend that there needs to be a 'shift in the Strategic HRM axis within the firm' to a focus on the 'strategic jobs' critical to strategy implementation, and by necessity "this should reflect the centrality of the line manager" (2006: 922). Such research may advance explanations for why employees even in those organisation's labelled as 'black-holes' (i.e. non-union organisations, with low presence of HRM) can nevertheless appear reasonably content (Guest, 1999: 382). Gerhart perfectly captures the essence of this argument

"supervisors that show respect to employees and value their contributions on a day to day basis, as well as informal social norms of interaction and more formal social activities that build social ties and celebrate success, may be especially important determinants of employee relations. These would somehow need to be better incorporated in studies of HR practices. Else, the standard HR practices and performance paradigm may miss too much that is important in HR" *(2005: 182-183).*

Arguably, 'local commitment' such as loyalty to supervisors, and team leaders may be more important than 'global' organisational commitment in driving performance (Becker, 1992; McGovern et al., 1997). This may be particularly the case in high contact service organisations where line manager HRM interventions can be critical as employee actions tend to have immediate end-customer impact. To some extent this importance was implicitly recognised at Call Centre Co through their policy of only recruiting Team Leaders with extensive experience in a similar role. However, this importance should also be reflected and reinforced through the training and rewards that line managers receive and the responsibilities that they are afforded. Moving to a more macro level, HRM also needs to embrace the organisational realities that may serve to condition choice, in particular value chain and network relationships (Kinnie et al., 2005), especially in service organisations (Rubery et al., 2004: 1202). As captured by Marchington 'the notion that the internal operations of an organisation may be subject to influence by external clients needs to be incorporated into mainstream HRM analysis' (et al., 2004: 76). In both cases context sensitive research and contingency theory are the order of the day.

Adopting these micro and macro theoretical perspectives also has direct implications for practice. Indeed, the findings from Call Centre Co suggest that high-control practices necessitated by an organisation's external environment and practices akin to high-commitment practices are not

necessarily antithetical; line managers can serve as the central bridging mechanism reconciling the pressures of external control and the requirement for internal motivation to sustain performance. This finding, although rarely recognised, is by no means completely novel. Kinnie (et al., 2000: 981) presents a case, not too dissimilar to Call Centre Co, where line managers used high-commitment practices (e.g. social events, spot prizes, and suggestion schemes) in a variety of ways to offset some of the negative, de-motivating aspects of the call centre work environment, in turn making the organisation a more 'fun' and secure place to work.

The current study also indicates the potential impact of being embedded in dependency relationships and how this can condition HRM choice and line management behaviour. In response to such situations, and in an effort to create more autonomy or 'leeway' in terms of strategic and HR decisions, efforts can be made to reduce dependency relationships (*e.g.* broadening supplier or customer base) (Harney and Dundon, 2006). Firms can also attempt to alter power dynamics and foster more certainty by raising switching costs through integrating information networks or generating extensive knowledge of their client's customers or markets, as in the case of Contact 24 studied by Kinnie (et al, 2005: 1021).

Limitations

While the current work provides some interesting insights it is subject to a number of limitations. Firstly, this was an exploratory study. Our purpose was not to 'test' Purcell's 'People Performance Model' but rather to explore the theoretical and pragmatic validity of this approach in making the pillars of the so called HRM-Performance 'black box' more transparent. Consequently, we have only considered very general results and associations from one particular call centre operation, and so it is not possible to generalise, except in a very broad theoretical sense. It is critical to acknowledge that the nature of call centre operations differ, and relationships with suppliers and customers will be varying and complex. Further, in viewing

attitudes and behaviours in a cross-sectional manner it is difficult to understand the dynamic of change and directions of causality. A more intricate and elaborate understanding of the entire 'People-Performance framework' and of how it can be applied to organisations would require extensive research conducted within a larger time-frame and across various different sectors. Indeed it may be the case that the assumptions underpinning the model only have particular value in certain contexts or in relation to specific 'strategic jobs' (Becker and Huselid, 2006). Also further research endeavours should not focus exclusively on 'unlocking the black box' but also by necessity look 'outside the black box'. This will involve including multiple third party organisations as an inherent part of research designs.

Figure 1- The People-Performance Model

(Adopted from Purcell et al., 2003)
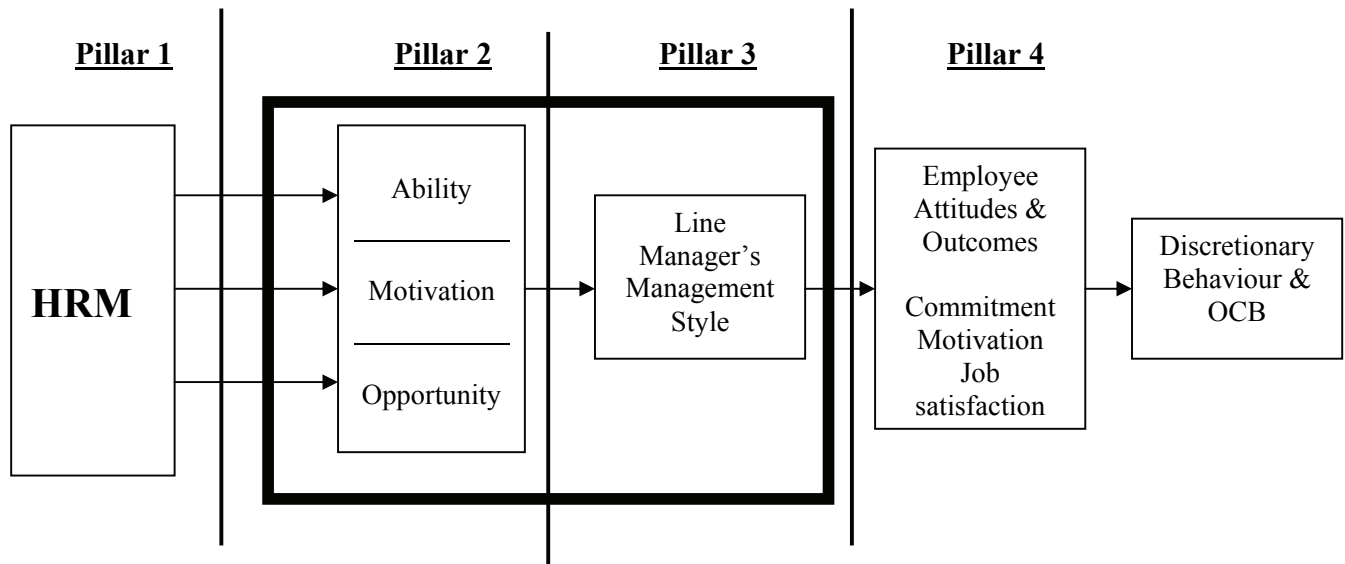
Table 1 Sample Telesales Representatives (TSRs) Responses in Relation to Team

Leader Style and Behaviour

N= 68

	Good	Neither Good Nor Poor	Poor
How good is your team leader at providing everyone with a chance to comment on proposed changes?	60.29%	22.06%	17.65%
How good is your team leader at responding to suggestions from employees?	69.12%	14.71%	16.18%
How good is your team leader at dealing with problems within your team?	60.29%	22.06%	17.65%
How good is your team leader at treating employees fairly?	74.63%	11.94%	13.43%

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[1] See Purcell (et al., 2003), Hutchinson and Purcell (2003) and more recently Purcell and Hutchinson (2007) for an overview of this timely project. While Purcell uses the term 'People Performance Model' we refer to it as a framework, emphasizing the exploratory, theory building nature of our work as we explore the utility of applying its key pillars to sensitize our research.