

Accounting for Absence from Work in Australian Call Centres: Re-enter Human Relations Theory?

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Abstract

Based on a survey of Australian call centre managers, this paper explores causal factors associated with absenteeism. Our variables are derived from job design, high performance workplace systems and human relations theory. Regression analysis shows that a model including the following variables -- pursuit of a value-adding strategy, the presence of self-managed teams, more rather than less performance monitoring, managers with longer tenure and higher-level education qualifications -- has relatively strong explanatory power. We argue that our results are best interpreted through the lens of human relations theory, which asserts that the alienating character of service factories can to some extent be humanized by management and worker efforts to build workplace communities.

Key words: absenteeism, call centres, Australia, high performance work systems; human relations.

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Introduction

This paper explores factors and possible processes that influence variations in sick leave taken by employees at a sample of call centres in Australia. Call centres are typically characterised as service factories where front-line workers expend considerable emotional labour on routine tasks and are regarded by management as substitutable commodities (Wallace et al. 1999). Call centres remain relatively unorganized by unions so dissatisfaction is more likely to be reflected in relatively high levels of labour turnover, especially under tight labour market conditions, and high levels of absenteeism. Regarding absenteeism, a 2002-03 survey based on over 2000 call centre employees revealed that the average number of sick days per year per person was around 8.2 days, compared to an estimated average of 7.4 days for other industries. In addition, over 40 percent of surveyed call centre employees admitted that around 45 percent of their sick leave was taken for purposes other than illness (Hallis 2003). A 2004 survey suggests a slight reduction in absenteeism. Nevertheless James Organ, author of the *Australian Call Centre Industry Benchmarking Report 2004*, claimed that "absenteeism costs the Australian Call Centre Industry just under AUD 2.5 million per annum," indicating that this is a problem requiring urgent attention (ACA Research 2004). Thus, absenteeism in call centres is a problem worth investigating; it is also an important indicator of employee commitment although its meaning and significance requires a combination of quantitative and qualitative research. Indeed, with pressure to be present at work, it would be foolhardy to assume that very low levels of absenteeism are ideal from either a management or employee point of view. In other words although high levels of absenteeism are undesirable, the optimal level of absenteeism is an empirical issue.

We begin this paper with a summary of three major schools of thought on absenteeism: the job characteristics, high performance work systems (HPWS) and human relations approaches. These perspectives lead to several conjectures that can be tested using a survey methodology and regression analysis which are described in the second section. In the third section we present our findings, followed in the fourth section by a discussion of our key findings. In the concluding section, we suggest some pointers for further research.

Theoretical perspectives

The literature on absenteeism appears to agree on five points. First, that this phenomenon is not simply an individual-level process. Variations in absence do not primarily reflect personality differences. Rather, absenteeism is better conceived as norm-governed behaviour (Kaiser 1998). Thus, the number of days off on account of sickness and other specified reasons varies according to law and custom and practice, as shaped by different workplace cultures. Second, norms may vary in strength, and may be contested, making it far from clear what level of absence is acceptable. In such circumstances, which are probably quite widespread, calculative behaviour is more likely as individuals weigh up the costs and benefits of going absent. Employees' valuations of work and non-work time will enter into such calculations and employers are likely to consider offering pay/time off options (Youngblood 1984; Allen 1981; Barmby et al. 1995).¹ Third, it follows that 'going absent' or 'taking a sickie' has variable and possibly multiple meanings, depending on such contextual factors as country, industry, occupation, organisation, workplace and work group (Drago and Wooden 1992). Absences can mean withdrawal from unpleasant conditions, opposition to management, a means of redressing the pay-effort bargain, or workers may be simply conforming to what is taken to be normal practice (Edwards and Scullion 1982). Fourth, not all time taken off work is recorded. Management and workers may tacitly agree not to record absences for particular reasons (e.g. chronic work overload, severe accidents to family members etc.), this being accepted as part of the psychological contract (Noon and Blyton 1997 :61). Thus, absence information must be treated with caution.

Fifth, and most importantly for this paper, theory and recent literature suggests three kinds of work-related factors that might account for variations in absenteeism resulting from dissatisfaction with work. First, from job design and socio-technical theory, there is the proposition that the more *job characteristics* limit intrinsic work satisfaction, the more likely workers are to be dissatisfied and to take days off work (Parker, Wall & Cordery 2001). The most likely explanatory factor here is the extent of discretion or control exercised by workers over various aspects of their work-life, for example, the tasks, methods, and pace of work. This might be the objective features of work or perceptions, i.e. what is sometimes termed empowerment (Spreitzer 1995). Access to flexible work arrangements is likely to embody various aspects of control and deserves consideration in its own right as a variable likely to

¹. Hallis (2003) found *inter alia*, that employees with the following characteristics took more sick days off work: younger employees; workers with more sick leave entitlements; those with greater carer responsibilities (children and invalid dependents); and workers with primary school aged children. In each of these cases, the value of taking time off work relative to working is likely to be relatively high.

affect absenteeism (Dalton and Mesch 1990). Job characteristics extend into social relations and are reflected in the amount of support or additional demands placed on workers. These may be shaped by technology, management systems and culture, and structuring of customer behaviour. Where support is forthcoming or job demands are not excessive, increased worker satisfaction is likely to be reflected in limited withdrawal behaviour with reduced absenteeism as only one among several possibilities. This might account for the mixed results of recent research on the impact of job demand variables on absenteeism (Smulders and Nijhuis 1999).

A more encompassing theoretical framework is provided by HPWS theory, which stresses the importance of *institutionalised forms of worker participation in decision-making*. Direct, on-going forms of employee involvement include self-managing teams, while quality circles/ product improvement groups, and process improvement suggestion schemes represent off-line variants. These are thought to comprise part of a bundle of work organisation and human resource (HR) management practices that strongly influence employee performance. Other complementary HR practices include selective recruitment and training and development (T&D), both of which improve workers' capabilities, while high earnings, employment security and control over work, provide the motivational basis for higher work commitment and improved performance (Appelbaum et al. 2000; Ichniowski et al. 1996).

A third set of factors derives from an earlier tradition that acknowledges the importance of sociability at work, including the advantages of being a member of a workplace community (Rose 1988). Teams may constitute such communities, with team leaders giving psychological support and building workers' competencies. Stable social relations are expected to promote management and worker understanding and co-operation. In short, employee well-being is held to be primarily influenced by the social opportunities afforded by work.

In regard to absenteeism, job characteristics theory suggests that where worker discretion is wide, worker satisfaction may lead to reduced absenteeism. Reasonable job demands may do the same. From HPWS theory we would argue that the greater the opportunities for worker participation and the stronger the support given to workers to share information and extend their skills through T&D, the more satisfied they will be, probably leading to lower absenteeism (Appelbaum et al. 2000). The same argument applies to the sources of extrinsic work satisfaction, i.e. higher pay and greater job security are likely to result in higher worker satisfaction leading to withdrawal or opposition to management, quite possibly taking the

form of lower absenteeism. Absenteeism is also likely to be lower the more selective management are in recruiting employees. Finally, from the human relations perspective, we suggest that lower turnover levels of management and workers will lead to a stronger workplace community and increased satisfaction, very probably resulting in lower absenteeism.

The above summary has been careful not to imply that there is a simple inverse relationship between worker satisfaction and absenteeism. This is because, as mentioned earlier, workers ascribe various meanings to the act of being absent from work according to variations in context and culture. Dissatisfaction with work may be a primary reason but there are other reasons, and work dissatisfaction must be considered relative to opportunities outside the workplace, both elsewhere (via labour turnover) and in the non-work sphere (a summer's day on the beach). Moreover, there are alternative ways of expressing work dissatisfaction. Common forms include quitting, working to rule, applying subtle forms of rule inversions and sabotage, and through trade union opposition.² The form in which discontent is expressed is closely related to workers' culture and the characteristics of management control systems (Edwards and Scullion 1982).

The model explored in this paper draws on the aforementioned ideas, extending these to include two sources of management action that are thought to play a large role in shaping workplace patterns. We posit that where management strategy is primarily based on value-adding competition i.e. customer-focused, service differentiation or bundling of services, as opposed to a price-based, cost-reduction strategy, work roles and systems will be less standardised with broader employee work discretion (EWD) leading to worker satisfaction and, consequently, lower absenteeism (Batt 2000; Batt and Moynihan 2002; Frenkel et al. 1999). Satisfaction may arise from intrinsic satisfaction, flexible work methods contributing to customer satisfaction, and a general feeling of freedom from tight management control.

A second influence posited to work through EWD and influence absenteeism is company headquarters' (HQ) pressure on call centre management to use sophisticated job design and HR practices (Marginson et al. 1988). As argued earlier, these practices can be expected to reduce absenteeism. Pressure or support from company HQ through benchmarking and

². Although the aforementioned theories imply that worker (dis)satisfaction results from management action, note that management's power to alter work arrangements is often limited by lack of imagination, risk aversion and short time horizons, and in some circumstances workers prefer to act instrumentally, pursuing higher earnings rather than seeking to change their working conditions.

performance monitoring of local management is likely to increase the effectiveness of these initiatives leading to lower absenteeism. Both variables may work directly. This would occur when management espouse and practice the values and goals set out in their strategy. Thus, a value-adding strategy is likely to encourage workers to view themselves as valued partners, so reinforcing a positive identity and encouraging higher commitment and lower absenteeism and labour turnover. HQ pressure would work by constant encouragement and systematisation of advanced HR practices leading to improvements in workers' commitment and skills, thereby contributing to lower absenteeism.

Research Methodology

Our data derive from a preliminary survey of call centre managers in Australia. This is part of a comparative international study of call centre management practices and their consequences initiated in the US and currently underway in several countries.³ A common survey instrument was developed for use in different countries based on the US survey. However, in order to avoid single source bias and reduce the questionnaire to a more manageable length, we decided to administer it at call centres in two parts, to be completed by the general manager of the call centre and an HR manager (or equivalent), respectively. Resource constraints ruled out a phone-based survey as administered in the US. Instead, we entered into an agreement with Hallis Co., a recruitment firm that regularly surveys call centres in Australia, to administer a web-based survey. Despite reminders, the response rate was less than 5 percent, probably because managers in this industry already complete annual surveys similar to ours, and even then with a typical response rate of 10 percent. Nevertheless, the usable surveys from 48 call centres (completed by both general and HR managers) suggested that our sample characteristics did not differ substantially in several important respects from a recent larger survey investigating management practices in the industry.⁴ Some key features of call centres in our study are as follows: over 90 percent were part of a larger organisation and a similar proportion were primarily concerned with inbound calls. A large majority concentrated mainly on customer service and sales (54.2%) or customer service only including reservations (36.2%). Most call centres served financial services (banking, finance and insurance) 35.4 percent; government and public utilities 25 percent, retail 14.6 percent;

³. Academics involved in establishing the project include Rosemary Batt (Cornell University), Stephen Wood and David Holman (Sheffield University) and Ursula Holtgrewe and Karen Shire (Duisburg-Essen University).

⁴. Similarities include the average number of calls handled per agent per day (70 in our survey compared to 68 in ACA 2004); Average worker tenure (27 months compared to 29 months); voluntary turnover (16% compared to 17% per year), average training days (14 days compared to 15). One noteworthy difference is that the average size of call centres in our survey was smaller: around 100 front-line employees in our survey compared to 170 in the ACA study.

telecoms 12.5 percent and healthcare 10.4 percent, with many call centres servicing more than one industry. Workforce data are summarized in Table 2 and noted below; here we need only note that the mean union density in the call centres was 11 percent.

The survey includes measures of management practice and performance outcomes, some of which we explored in our analysis but are not reported in the paper. Those that feature below are summarized in Table 1.

INSERT TABLE 1 ABOUT HERE

Our *dependent variable, absenteeism*, is measured by the average number of sick days taken in the past year per core employee as reported by the HR manager. No distinction is therefore made between certified and uncertified absence. Core employees are defined as those that serve the call centre's main customer segment.⁵ *Antecedent variables* with respect to employee work discretion (EWD) include *Value-adding strategy* which distinguishes between call centres focusing on more customized strategies such as service differentiation, and service bundling, in contrast to price-based leadership emphasizing cost reduction. Our second antecedent variable, *Pressure from corporate HQ* to adopt job design and sophisticated HR practices, is based on the aggregate of two Likert-scale items drawn from questions put to call centre managers.⁶

The hypothesized *mediating variable, EWD*, comprises nine items as shown in Table 1. Reliability measures for this and other multi-item measures are included in Table 2. Other exogenous variables representing or reflecting management practices that are likely to influence absenteeism comprise single item measures unless stated otherwise. They include measures of institutional participation – the proportion of core workers involved in self-managed, or semi-autonomous teams; and in off-line, quality circles or product improvement process teams. We also enquire about the presence of a formal suggestion scheme for soliciting workers' ideas. Questions seeking to ascertain the stability of call centre relationships include the typical tenure of managers and core employees while managerial

⁵. Nearly three-quarters (73.7%) of call centres were reported as having a general mass market as the main customer segment with 5 percent focusing mainly on small business, 4 percent on small business, and 1 per cent on other kinds of market.

⁶. We explored additional sources of pressure to adopt more innovative management and work practices. These included pressure from management consultants, national call centre associations, trade unions, especially successful call centres, governments and skill shortages in the labour market. However, pressure from these sources proved to be relatively weak and statistically insignificant.

competence in handling employees may also be reflected in their formal educational qualifications. Two measures of workforce quality are given by the proportion of applicants for core jobs that are hired (labelled ‘non-selectivity’ - the higher the figure, the less selective the call centre), and T&D of core employees. This is a scale based on four items. Finally, we measure performance monitoring with a three-item scale indicating the extent of technology-based and supervisor monitoring and feedback with regard to core employees. Note that all item scales are additive. On account of small sample size, factor analysis was not undertaken on the items comprising the variables.

We used hierarchical multiple regression to investigate a wide range of relationships between the variables. On account of multicollinearity problems associated with three variables – EWD, worker T&D, and performance monitoring (see table 2), we centred these three variables. Variance inflation factors above 10 and condition indices above 30 indicated moderate to severe collinearity in the raw data. In centring, each observation gets a score for the variable minus the mean of that variable (i.e., $X - \bar{X}$), so the overall mean of the centered variable will be zero. Data centering often reduces collinearity substantially, and our case was no exception.

If EWD were the mediator between strategy and HQ pressure, the following conditions would hold (Baron & Kenny, 1986): 1. EWD (the mediator) would be related to strategy and HQ pressure; 2. EWD would be (negatively) correlated with absenteeism; and 3. when EWD, the mediator, is added to the regression, the regression coefficient between strategy and absenteeism would go from statistically significant to non-significant. The same would be true for the regression coefficient between HQ pressure and absenteeism.

Our control variables comprise single item responses from the HR manager covering gender composition of call centre workforce, formal education, proportion of temporary workers and call centre workforce size.

Results

Table 2 summarises descriptive and correlation statistics for the variables included in our final set of analyses. It also includes reliability estimates (Cronbach alpha) for the pressure from corporate HQ, EWD, T&D, and Performance Monitoring scales.

INSERT TABLE 2 ABOUT HERE

The mean for the average number of sick days taken in the past year by core employees was 8.6 days approximating a normal distribution. Women comprised, on average, 71.4 percent of the call centre workforce, with the typical core employee having completed high school (Higher School Certificate level) compared to the typical manager who had attended technical college (TAFE diploma/certificate level). On average, only 15 percent of core employees were classified as temporary workers. The mean workforce size (excluding managers and supervisors) was close to 100 employees. On average, the tenure of core employees (mean slightly less than 2.3 years) was less than a half that of managers (mean 4.7 years). According to HR managers, on average, the typical core call centre worker experienced ‘little’ discretion over various aspects of their work with limited variation across call centres. According to HR managers, the average core employees received ‘a moderate amount’ of training, while these same workers were reported to be monitored relatively intensively, i.e., ‘every few weeks’, more frequently than ‘monthly’.

Several correlations shown in table 2 are worth noting. Sick days are significantly negatively related to EWD, self-managed Teams and Quality Circles (QCs)/product improvement teams as anticipated. And Teams and QCs etc. are significantly and positively related, suggesting that these may be complementary rather than substitutable participation mechanisms. T&D is positively but not significantly related to sick days, but is significantly and positively related to workers’ education level, management educational level, and performance management. This suggests that call centres that value education, also value on-going T&D, and that performance management and T&D are used as mutually reinforcing mechanisms. Interestingly, workers’ and management education levels are positively and significantly related. Non-selectivity is also positively and significantly related to workers’ educational level, suggesting that higher education qualifications are a substitute for more intense use of selection techniques. The negative and significant correlation between women and education indicates that women employed in call centres tend to have lower educational qualifications than men, perhaps occupying more routine roles.

Performance management is not only significantly and positively related to T&D as noted above, this variable has a similar relationship to workers’ earnings. This is in line with our expectations where performance management is used more as a tool for skills enhancement, warranting higher pay, than a means to discipline workers. This is in fact the case: 85.7

percent of HR managers claimed that monitoring was used to improve core employee performance ‘a lot’ or ‘a great deal’, while the corresponding figure for substantiating disciplinary action is of 14.3 percent. The significantly negative relationship between performance management and management tenure suggests that less experienced managers rely more on formalized performance systems than their more experienced counterparts. Finally, contrary to expectation, the relationship between flexible working arrangements and sickness is positive, albeit insignificant, but is significant and negative with regard to both EWD and Teams. This again, contradicts predictions from HPWS theory, where these work organisation characteristics would be more likely to complement one another. The small sample size (i.e., sampling error) may account for these anomalies.

The following two tables test our hypotheses in a multivariate context. Table 3 examines whether EWD is explained by type of Strategy and HQ pressures for job design and sophisticated HR practices.

INSERT TABLE 3 ABOUT HERE

Table 3 suggests that whereas adoption of a value-adding strategy does not affect employee work discretion ($\beta = .04$ and $.02$, respectively; *ns.*), HQ pressure does to some extent ($\beta = .33$; $p < .10$).⁷ The small variance of EWD explained by these two predictors ($R^2 = .11$; adjusted $R^2 = .05$) indicates that there are other, more important predictors of EWD. So, at best, EWD may be a mediator of HQ pressure, but not strategy (condition 1 of our mediation hypothesis).

Model 1 in Table 4 shows that, among the control variables, two variables are negatively related to absenteeism: the proportion of female workers ($\beta = -.27$; $p < .10$) and the proportion of temporary workers ($\beta = -.29$; $p < .05$) in the call centre workforce. These two standardized regression coefficients remained statistically significant ($\beta = -.28$ and $-.30$, respectively) when the two hypothesized predictors of EWD were added as predictors of absenteeism in Model 2. These two predictors, Value-adding strategy and HQ pressure, were not significantly related to absenteeism ($\beta = -.06$ and $-.05$, respectively; *ns.*). Likewise, EWD did not add predictive power in Model 3 ($\beta = -.21$; *ns.*).

⁷. In statistical significance testing, researchers face an inevitable trade-off between Type I errors (rejection of H_0 when in fact it is true) and Type II errors (failure to reject H_0 when it is in fact false). Thus, when sample size is relatively small, it may be reasonable to relax alpha-levels in order to increase statistical power, especially in exploratory analyses like ours. Some statisticians argue that statistical power is a more important consideration than the minimization of Type I error.

INSERT TABLE 4 ABOUT HERE

Model 4 in Table 4 shows that the proportion of female workers remained statistically significant. Two variables typically associated with HPWS theory -- self-managed teams and performance monitoring -- and two human relations variables (managerial tenure and managers' education) predicted absenteeism as anticipated, i.e. the more these were in place, the lower the level of absenteeism. However, other variables related to these schools of thought either had little or no predictive power (worker earnings, QC etc., flexible work arrangements, formal suggestion systems, non-selectivity), or significantly predicted in the wrong direction (longer workers' tenure and more workers' training resulting in higher absenteeism). Nevertheless, the addition of the above-mentioned variables added a good deal of explanatory power (change in R^2 relative to Model 3 = .44; $p < .01$; adjusted $R^2 = .45$). It is noteworthy that the addition of this fourth set of variables resulted in strategy now becoming statistically significant ($\beta = -.31$; $p < .05$), while the regression coefficient of EWD has become smaller ($\beta = -.05$; *ns.*).

Model 5 tests the hypothesis that while EWD might not directly reduce absenteeism on its own, it may do so when it is combined with performance monitoring. This interaction, or contingency, hypothesis was not supported ($\beta = .18$; *ns.*).

Discussion

In contrast to the presence of a value-adding strategy, HQ pressure had some impact on EWD. Yet, contrary to expectations, EWD had no significant impact on absenteeism. On the other hand, from models 4 and 5 in table 4 we see that Value-adding Strategy had a significant, direct negative effect. One explanation for the absence of an EWD effect is that its impact has been washed away by other variables (compare models 3 and 4 in table 4). Or it may be that the small variance of this variable (range restriction) attenuates the regression coefficient. The impact of strategy is as anticipated, indicating that strategy has behavioural effects, although we cannot be sure of the mechanisms involved. These may be largely cultural, but they could also result from structures and systems established in accordance with a value-adding strategic orientation such as flatter organisations and use of customer-relationship management technology that enable workers to interact more effectively with customers.

The finding in Models 4 and 5 in table 4 that the proportion of women workers negatively predicts absenteeism may reflect the much higher proportion of women workers undertaking

part-time work resulting in higher work satisfaction, a finding that needs further probing especially since our results contrast with some previous studies that find women more prone to absenteeism (Allen 1981; Drago and Wooden 1992; Deery et al. 2002).

From the same two models we see that the impact of teams is as anticipated. In call centres, where most customer-related work is not highly interdependent, teams provide a context for on-the-job learning, and more generally constitute communities of commiseration and conviviality (Frenkel et al. 1999). Conformity to team norms is likely to regulate absenteeism, particularly where this leads to additional, unplanned work for other team members. In short, teams both reflect greater worker effectiveness and a more positive motivational environment, as emphasized by the HPWS model (Batt 1999), in addition to a stronger community of practice, as implied by human relations theory. Interestingly, off-line QCs/product improvement teams and formal suggestion systems have no significant impact on absenteeism, arguably because they are largely instrumental rather than community-building structures.

The importance of this latter aspect is evident from a comparison between the predictors associated with the HPWS model and those associated with human relations theory. Only workers' T&D and performance management (see below) is a significant predictor, but T&D works contrary to our expectation!⁸ How can this be explained? One possibility is that workers whose managers believe they are being provided with more T&D (ours is a management survey) also expect more from these employees. Higher work loads or greater pressure to satisfy individual or group targets may not be rewarded with sufficiently increased pay or other compensatory HR policies (Houlihan 2002), so workers redress this perceived imbalance between contributions and rewards by taking more time off work, a strategy that is typically underwritten by provisions in awards or agreements that permit around 10 days sick leave a year.⁹

Performance management, as defined in table 1 and as noted earlier, is used mainly to assist workers to improve their performance. It is a process conducted mainly by team leaders and supervisors who tend to be sympathetic and supportive of front-line workers, and contribute significantly to employee satisfaction and reduction in anxiety, depression and withdrawal

⁸. Sampling error might account for the non-significance of some of these findings.

⁹. Call centre workers have different sick leave provision according to their contracts of employment, which are regulated by various awards, state and federal, collective and individual agreements. The Hallis (2003: 26) call centre study found that days off sick was moderately correlated with sick leave entitlements.

behaviour (Holman 2002; Deery et al. 2002). In short, the effect of performance management on reducing absenteeism is likely to be complex, involving cognitive, motivational and affective mechanisms. We are inclined to emphasize the affective aspect arising from relationship bonding between team leaders and front-line service workers, although a different explanation may emphasize the way performance management effectively tightens managerial control over workers' taking time off work. However, we think human relations theory has particular relevance in a fundamentally alienating technological context such as the call centre where a relatively large proportion of workers tend to be under 30 years of age (Frenkel et al. 1999; Hallis 2003)

This interpretation gains credibility from two further predictors of absenteeism: managerial tenure and managerial education. Essentially, longer-serving managers are able to better understand the demands of call centre work and the idiosyncrasies of the particular call centres that they manage. They are likely to be more sympathetic and effective in handling their staff than managers who have had less experience at these particular workplaces. More educated managers are also likely to be more reflective, analytical and share a wider perspective on call centre work. They will probably be more effective in handling employees. While the same reasoning might be used in regard to workers, table 4 shows that workers' tenure is a significant predictor of higher rather than lower absenteeism. How is this possible? One possible explanation is that workers who remain at a particular call centre for longer than the average time (i.e. more than 2.3 years) are trading off more sick days as part of their psychological contract for remaining where they are. In other words, increased time off work is an adjustment that longer-serving workers make to avoid reaching the conclusion that they would be better off working elsewhere.¹⁰

Conclusion

This paper has explored the causal factors associated with absenteeism in Australian call centres. Our models were quite successful, explaining a relatively large amount of the variance in this important form of organisational behaviour. Our variables were drawn mainly from job design, HPWS and human relations theory. We found that pursuit of a value-adding strategy significantly influenced absenteeism only, and there was limited support for the argument that this was mediated through employee work discretion. Surprisingly, differences in job characteristics were not found to strongly influence

¹⁰. Anecdotal evidence suggests that most call centre workers are highly mobile within the industry rather than seeking to escape call centre work by working in a different occupation.

absenteeism. What did seem to matter was the presence of self-managed teams and performance monitoring, which, although associated with HPWS theory, we believe are better interpreted as instruments of community building, in effect, humanizing an alienating work environment. Other variables associated with human relations theory – managerial tenure and education – form part of this broader argument.

Our study is of course limited in several ways: small sample size and limited number of survey items raise the spectre of sampling and measurement errors, and there are the usual problems of common methods bias, although somewhat attenuated in our case by using two respondents per survey. In addition, causal inferences cannot be drawn from cross-sectional data. Most importantly, our sources of information were managers rather than workers. In extending this kind of research, more emphasis needs to be given to understanding workers' attitudes and behaviour, particularly workplace cultures that are likely to act as a critical intervening variable between management practice and absenteeism. It would also be useful to examine the relationship between absenteeism and workplace performance for different occupational groups working in call centres

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Table 1 Questionnaire Items for Reported Variables

Variables and Items

Mediating Variable: Employee Work Discretion (from HR Manager survey)

1. To what extent do core employees typically have discretion over:
 - a. The daily work tasks they do
 - b. The equipment, methods or procedures they use
 - c. The pace or speed at which they work
 - d. What they say to a customer
 - e. The design and use of new technology
 - f. Setting their daily lunch and break schedule
 - g. Revising work methods
 - h. Handling additional requests or problems that arise unexpectedly
 - i. Settling customer complaints without referral to a supervisor or other expert

Antecedent Variables

1. Which one of the following is the most important element in your call centre's strategy? Variable: Strategy, operationalized as dichotomous; agreement to pursue value-added strategy; from General Manager survey)
2. Have you felt pressure from (Pressure from HQ for job design and sophisticated HRM; from HR Manager survey):
 - a. Corporate Head Office policies to design jobs with discretion and/or low monitoring
 - b. Corporate Head Office policies to use sophisticated human resource practices?

Independent Variables (Predictors of Absenteeism)

1. Typical core employee total annual earnings in \$. (from HR Manager survey)
2. What percentage of core employees routinely perform their job as part of a self-managed or semi-autonomous team? (I.e. a team in which employees make their own decisions about task assignments and work methods) (Involvement in self-managing teams; from HR Manager survey)
3. What percentage of core employees are currently involved in quality circles or process/product improvement teams? (Involvement in quality circles; from HR Manager survey)
4. Do you have a formal suggestion system for capturing the ideas of core employees? (from HR Manager survey)
5. Please indicate the typical tenure in years for your managers (from HR Manager survey)
6. What is the typical level of education of managers at your centre (excluding supervisors or front line team leaders)? (from HR Manager survey)
7. Please indicate the typical tenure in months for your core employees. (from HR Manager survey)
8. How much training do you provide the typical core employee in the following areas? (T&D; from HR Manager survey)
 - a. Updates on product or service information
 - b. Customer interaction skills (e.g. negotiation, customer-orientation, handling aggressive customers)
 - c. Interpersonal or team-building skills
 - d. Stress management
9. Of the people who apply for core employee jobs at your call centre, what percentage would actually get hired? (non-selectivity; from HR Manager survey)
10. (Performance Monitoring and Feedback; from HR Manager survey)
 - a. How often are core employees given statistical information on their performance (e.g. number of calls taken, call length, number of sales)
 - b. In practice, how often do supervisors or other staff listen to the calls of core employees with more than one year of tenure?
 - c. How often does an employee with tenure of more than one year receive feedback and coaching on telephone technique and service delivery from a supervisor?
11. What percentage of core employees have access to flexible work arrangements, such as job-sharing, telecommuting or flexi-time? (from HR Manager survey)

Controls

1. What percentage of your employees are women? (women core employees; from HR Manager survey)
2. What is the typical level of education of core employees? (from HR Manager survey)
3. What percentage of your core employees are temporary workers? (from HR Manager survey)
4. What is the total number of seats at your call centre? (Call centre size; from General Manager survey)

Table 2: Variable Correlations and Reliabilities

	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1. Average no. of sick days	8.58	3.77																		
2. Women core employees	71.36	17.91	-.25																	
3. Educational level of employees	3.44	1.08	.10	-.39																
4. Percent of temps amongst employees	14.96	26.09	-.28	-.08	-.12															
5. Call centre size	99.8	112.8	.23	-.16	.13	-.07														
6. Value-adding strategy	3.09	1.26	-.05	-.22	.22	.04	-.16													
7. Pressure from HQ for job design & sophisticated HRM	1.6	.84	-.04	.01	.11	-.12	-.08	.07												
8. Employee Work Discretion (EWD)	21.91	4.82	-.31	.04	.19	-.02	-.04	.03	.27	(.76)										
9. Annual employee earnings in \$	3585	3278.	-.28	.05	.19	.22	-.07	.03	.27	.14										
	7.0	1																		
10. Employees involved in self-managed teams	21.91	34.62	-.51	.23	-.13	.38	-.08	-.16	.03	.22	.18									
11. Quality circles/product improvement teams	14.26	28.52	-.29	.25	-.09	-.06	-.03	-.36	.23	.15	.25	.59								
12. Formal suggestion system	1.28	.513	-.05	.15	-.04	.14	-.04	-.12	.04	-.24	.33	.06	.29							
13. Typical tenure of managers	4.65	2.51	-.13	.08	-.08	.23	-.06	-.18	-.16	-.13	-.26	.14	.15	.13						
14. Typical educational level of managers	5.11	1.41	-.10	-.16	.40	-.02	.08	.09	.32	.22	.24	.06	.23	.10	-.36					
15. Typical tenure of core employees	27.03	14.49	.24	.14	-.21	-.14	.29	.17	-.05	-.10	.15	.01	.03	-.13	-.04	.00				
16. Worker Training & Dev. (T&D)	2.87	.73	.22	.03	.39	.04	.30	-.16	.09	.19	.03	.16	.23	-.26	.01	.35	.02	(.77)		
17. Percent of applicants for core employee jobs actually hired (non-selectivity)	25.06	26.41	-.11	-.12	.36	.00	.15	-.01	-.03	.02	.10	-.02	.11	-.18	.03	.09	-.04	.12		
18. Performance Monitoring and Feedback	15.17	3.9	.11	-.06	.18	.16	.17	-.24	.07	.01	.39	.06	.13	-.04	-.34	-.00	-.12	.45	.12	(.79)
19. Access to flexible working arrangements	23.72	32.73	.18	-.19	.10	-.08	.06	-.06	-.01	-.39	.24	-.33	-.17	.09	.02	-.10	-.16	-.11	.08	.02

Note. Cronbach alpha as an estimate of reliability (where available) is reported in parentheses on the diagonal. $n = 48$. All correlation coefficients with an absolute value of .29 are statistically significant at $p < .05$.

Table 3: Predictors of Employee Work Discretion

Variables	<i>Model 1</i> (Beta β)	<i>Model 2</i> (Beta β)
Value-add	.04	.02
Strategy		
HQ pressure		.33*
R^2	.00	.11
Adjusted R^2	.00	.05
ΔR^2	.00	.11*

* $p < .10$

Table 4: Predictors of Number of Sick Days Per Call Centre Worker Per Year

Variables	<i>Beta</i> β	<i>Beta</i> β	<i>Beta</i> β	<i>Beta</i> β	<i>Beta</i> β
Step 1 (Control Variables):					
Percentage of women	-.27*	-.28*	-.25	-.35**	-.34**
Workers' education	-.07	-.05	.01	.07	.06
Percentage of temporary workers	-.29**	-.30**	-.23	-.04	-.03
Call centre size	.17	.16	.15	-.15	-.14
Step 2:					
Value-adding Strategy		-.06	-.07	-.31**	-.29*
HQ pressure		-.05	.01	.06	.04
Step 3:					
Employee work discretion (EWD)			-.21	-.05	-.01
Step 4:					
Worker earnings				.06	.04
Self-managed teams				-.52**	-.51**
Quality circles				.01	.02
Flexible work arrangements				.08	.17
Formal suggestion system				.03	-.03
Managerial tenure				-.37*	-.42**
Managers' education				-.50***	-.48**
Workers' tenure				.33**	.38**
Workers' training				.69***	.71***
Nonselectivity				-.17	-.25*
Performance monitoring (PM)				-.39*	-.40**
Step 5 (Interactions):					
EWD * PM					.18
Model Summary:					
R^2	.18	.19	.22	.66	.67
Adjusted R^2	.10	.07	.08	.45	.46
ΔR^2	.18*	.01	.03	.44***	.01

* $p < .10$; ** $p < .05$; *** $p < .01$.