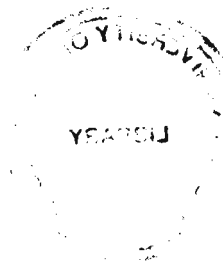# A STUDY OF

STAFF SATISFACTION

IN TWO CALL CENTRES

By

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Abstract

The Telecommunications industry has undergone significant changes during the 1990's. In Australia, deregulation has strongly impacted upon organisations competing within the industry. Telstra, Australia's largest telecommunication company has been challenged to improve its organisational performance, increase its competitiveness and improve organisational effectiveness in order to manage change effectively.

In response to global competition, political and economic changes Telstra has downsized to ensure that it survives and achieves value for all stakeholders.

This study investigated:

- what interventions Telstra used at the time of and following downsizing
- whether these interventions were designed to ensure employee commitment and loyalty and staff satisfaction
- current levels of commitment and loyalty at two Telstra Call Centres

This study takes the form of both qualitative and quantitative research in the form of a comparative study between two Call Centres and analyses its impact upon call centre staff. A questionnaire was designed and distributed to employees in city and regional call centres. The results were discussed and analysed in reference to the current literature and extend upon the work done by Brockner (1992) and Cameron (1994) for example.

This study will provide a valuable guide to all organisations planning large scale change and in particular will help Telstra to better plan their downsizing and change management programmes.

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I would like to express my gratitude to lecturers and to office staff from the Department of Management, Victoria University of Technology for their kindness and encouragement.

I would like to thank my parents, colleagues and friends for their patience and support.

Declaration

I certify that this thesis does not incorporate without acknowledgment any material previously submitted for a degree or diploma in any university and that to the best of my knowledge and belief does not contain any material previously published or written by another person where due reference is not made in the text.

Maureen Vipond

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LIST OF ABBREVIATIONS

ABC	Australian Broadcasting Commission
AMA	American Management Association
AT&T	American Telephone and Communications
GBEs	Global Business Enterprises
GSM	Global System for Mobile Communications
HRM	Human Resource Management
PMG	Post Master General's Department
R&D	Research and Development
SMEs	Small to Medium Enterprises
USA	United States of America

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE PROBLEM

Change as a paradigm affects organisations and the individuals who work in them significantly. In Australia the Telecommunications industry has experienced global, political and economic changes during the past decade. These changes have had great impact upon the industry and have resulted in great transformation. Brockner (1990, 1993); Cameron (1993); Brewer (1995) and Thornhill and Saunders (1997) have written about these changes which have affected both individuals and organisations as a whole. They have also explored how change has affected the commitment, loyalty, job satisfaction and culture of organisations after downsizing. The general purpose of this study is to examine how change has affected the staff at two call centres within Telstra in relation to staff satisfaction.

Since the early 1980s large numbers of organisations within the United States of America (USA), Australia and other western countries have used downsizing. It has been used as organisations have seen the need to increase shareholder value and profits, to eliminate debt, increase global competition and improve organisational performance (Brockner 1990; Cameron 1993; Dunford, Bramble & Littler 1998 and Kozolowski 1993). Downsizing now occurs in both private and public sectors and can have negative effects upon its survivors. These effects may include a decrease in commitment, loyalty, morale and increased job dissatisfaction and concern about job security (Littler, Wiesner & Vermeulen 1993).

The focus of this study has been on two call centres, one suburban and the other regional. The findings can be applied to other organisations within the Telecommunications industry and other industries involved in change management programs. This study investigates the effects of downsizing upon employees within

Telstra. The study examines levels of employee commitment and loyalty and their effect on organisational culture. The research investigates how employees within the two call centres have reacted to change and anticipate dealing with future changes. In addition the effect of these changes on the organisation's culture has been investigated. In order to establish the setting of this study the organisational history, vision, strategies and staffing of Telstra are reviewed.

1.2 RESEARCH OBJECTIVES

1.2.1 The Problem

The problem being studied is the effect of change on two Telstra call centres and how change impacts on employee commitment, loyalty and staff satisfaction.

The aim of this study is to comprehend the impact of change and downsizing on Telstra call centre staff and how it impacts on levels of commitment, loyalty and staff satisfaction. The study will give a greater understanding of:

- The concepts of change and organisational cutlure within organisations;
- How change and downsizing impact upon organisations;
- How managers may perceive changes in levels of employee commitment, loyalty and staff satisfaction so that commitment, loyalty and staff satisfaction remain high post redundancy;
- What constitutes "survivor syndrome" within organisations and the strategies that can be used to address it;
- How to prepare staff for future changes.

1.2.2 PROBLEM DEFINITION

After having a general discussion with the head of operator services and completing the literature review the research problem was identified as follows:

What has been the impact of downsizing upon Telstra call centre staff?
The sub-questions have been derived from the overall research question:

What is the current level of commitment, loyalty and staff satisfaction within the organisation?

Has the perceived level of commitment, loyalty and staff satisfaction changed as a result of downsizing?

Does Telstra's situation match, that of organisations depicted in the literature that have experienced similar change procedures?

1.2.3 ASSUMPTIONS

Outlined below is a conceptual model of the problem:

Assumed Need

Telstra needs to identify the impact of donwsizing on its call centre staff.

This includes an understanding of the culture, downsizing, its effects on employees, changes that have occurred within the Telecommunications industry in the last decade and Telstra's position within the Telecommunications industry.

Outcome

An understanding of the impact of change on Telstra call centre staff and how change affects employee commitment, loyalty and staff satisfaction.

1.2.4 THEORETICAL FRAMEWORK:

The literature reveals the impact of change and the effects of downsizing on survivors. One of the most significant effects of downsizing on employees was how it can modify levels of commitment, loyalty and staff satisfaction within organisations. In Telstra it is known that staff reductions have occurred within the two call centres discussed in this study.

The main focus for this research is level of commitment, loyalty and staff satisfaction (dependent variable). Variables that can affect a dependent variable negatively or positively are known as independent variables (Sekaran1992).

Observation: Both within Australia and internationally dramatic changes have occurred within the Telecommunication industry. Plans to fully privatise Telstra are now accepted widely. Telstra plans to continue to reduce its workforce and this has been spoken about in the media. These changes led to the broad area of research being identified for this study and identifying the main area of interest: the effect of these changes upon remaining Telstra staff.

Preliminary data gathering: This step involved speaking with the Managing Director of Operator Services for Telstra, Mr. Andrew Day and Mr. Christopher Bell, Manager, Leadership Development, Telstra Centre For Leadership.

Other discussions included talking to university lecturers within the Department of Management at Victoria University of Technology. A Literature search was conducted to identify what previous research had been done in this area.

Problem definition: This section involved examining the changes that have occurred within Telstra and the impact of change on remaining Telstra employees.

Theoretical framework:

The Independent variable examined is:
• Change
The ten factors identified from the literature as contributing to change are listed in Figure 1.1. Schien (1983) describes how change can be used to realign cultures and how it can impact on the internal and external environment. The dependent variable is:
• Impact on survivors

Brockner (1992); Cascio (1993) and Thornhill, Saunders and Stead (1997) revealed that the impact of downsizing on survivors could bring about changes in organisational commitment, loyalty and staff satisfaction. From these studies the themes that form the basis of the questionnaire were derived and the Theoretical Framework Model (Figure 1.1) was developed.

Independent Variables

| Individual reactions to change |
| Guilt |
| Opportunities |
| Changes in staff workloads |
| Job satisfaction |
| Preparation for staff cutbacks |
| Opportunities for Training and Development |
| Job productivity |
| Job security |
| Intention to leave the organisation |

Dependent Variable

Level of commitment, loyalty and staff satisfaction
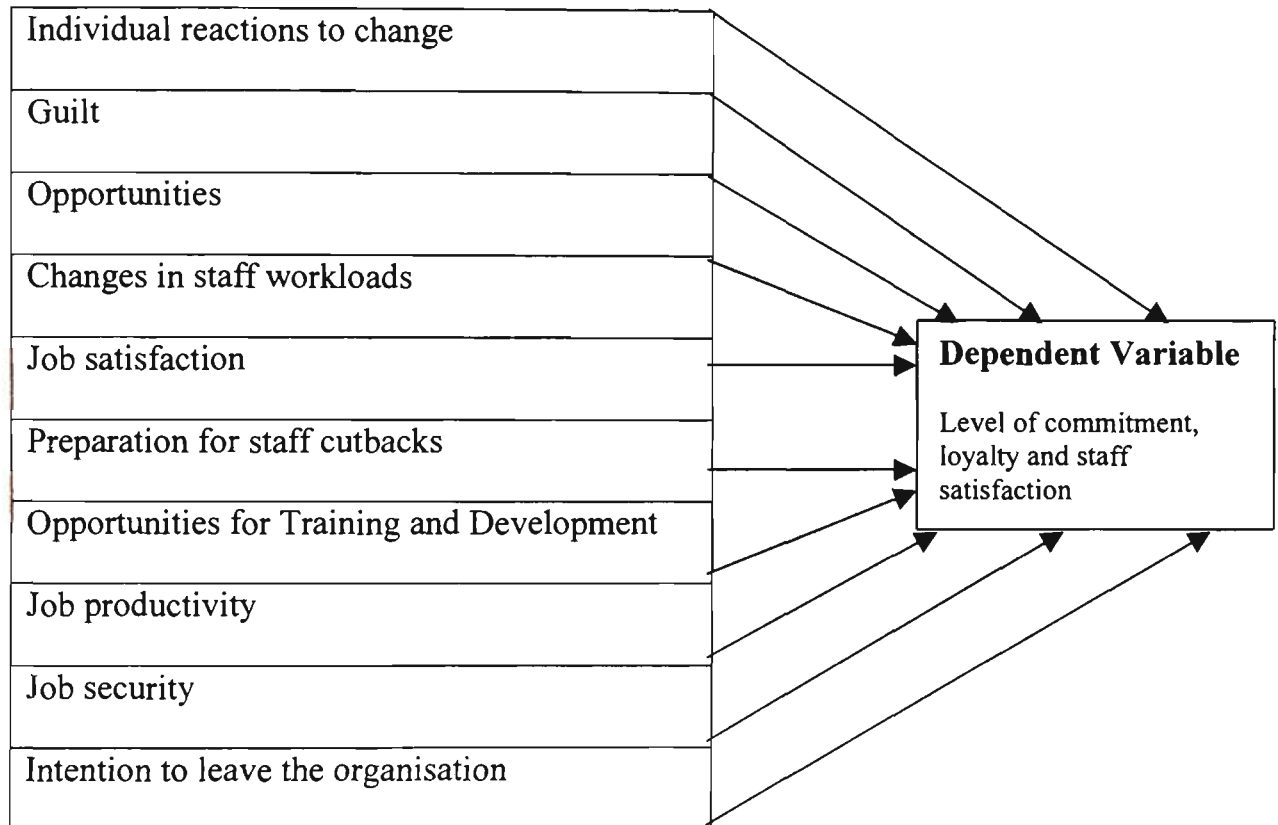
Figure 1.1 Theoretical Framework Model

1.2.5   HYPOTHESES

Hypotheses were developed after reviewing recent literature and the results of similar studies. It is hypothesised that:

1. The level of commitment and loyalty of call centre staff will be high/positive.

2. Staff satisfaction will be low in call centres.

2a.   Workloads of call centre staff will have increased.

Data analysis will be used to test these hypotheses. This analysis will consist of examining the frequency of scores, totaling the results, calculating percentages of responses to each question, discussing the findings and using a combination of graphs, figures and tables. The final step will involve deduction based on the results of the data analysis.

1.3   JUSTIFICATION – IMPORTANCE OF THE STUDY

Changes occurring within Telstra are a concern for Telstra stakeholders. These stakeholders include the government, some of Telstra Management, their shareholders, consumers and the public. Media reports are not always positive. Recently there have been complaints about the centralisation of 000 services (Darby 1999) and abolishing Analogue phones by the end of 1999 (Rouw 1999). These reports reflected poorly on Telstra and the way they are managing change.

The findings of this study will be of value to Telstra and other corporations because management can use the information that is collected as a basis for future planning. Findings of this research will provide a valuable contribution to future change management planning at Telstra and other large organisations undergoing similar changes.

The study will help to assist management to:
- Meet customer expectations more appropriately
- Compete better within the industry
- Improve staff loyalty and commitment if it has been lowered due to organisational change
- Provide a clearer identification of staff needs, concerns, turnover, morale
- Address survivor syndrome issues
- Better prepare for further privatisation of the organisation.

Limitations in the research include:

- The findings are limited to two Telstra call centres that have undergone change and downsizing. Hence they cannot be said to be fully representative of all employees in all call centres. Therefore it is difficult to make comparisons and to generalise about the organisation being studied.

- The word count of a minor thesis does not lend itself to in-depth and extensive exploration of the themes undertaken in the study;

- Questionnaires provide good information but do not allow for in-depth probing of respondents;

- Questionnaires allow for the bias of respondents to not answer questions or to answer in a way so that it is difficult to elicit factual information (Sekaran 1992).

1.4 RESEARCH SETTING

In the past few years significant changes have taken place within the Telecommunications industry both in Australia and overseas (Doherty, Bank & Vinnicombe 1996; Danaher & Gallagher 1997; Deloitte Touche Tohmatsu). In Australia changes have included globalisation, deregulation of the industry, increased competition and part privatisation of Telstra.

Today Telstra aspires to meet customer requirements in a competitive manner and to add value for its customers (Telstra Annual Report 1998). This focus is quite different from the technical focus that Telstra maintained for decades.

The Chief Executive of Telstra has said, 'Adding value for our customer base is our driving force, and the ideal of service and the drive for improvement must beat the core of the culture of the organisation' (Blount 1997). Telstra aims to achieve this and to attain cost and operational efficiencies. Between 1992 and 2001 full time staff numbers are expected to be lowered by 27,500 (Telstra Annual Review 1998, p.11).

This study will be of benefit to the organisation because it will provide:

- Managers with insights into the impact of downsizing upon call centre staff

- Knowledge of survivors' perceived levels of commitment and loyalty to Telstra

- Management with feedback that could assist them when they are planning for future donwsizing and further privatisation should it occur.

1.4.1 ORGANISATIONAL HISTORY

Telstra Corporation Limited and its controlled entities are referred to in this study as Telstra or the Company. Telstra, Australia's main telecommunications company commenced its operations in 1975.

Before 1975 Telstra was a section of the Post Master General's Department (PMG). The PMG's department provided services such as postal collection and delivery, telephone and other technical functions. In 1975 the PMG was divided into two different sections. One area became known as Australia Post (postal and related services) and the other Telecom (telephone and other related services).

When Telecom changed its name to Telstra, it was in a monopolistic position and was able to expand within the telecommunications industry without the pressures of other competitors. The situation changed in 1991 when Optus was granted a licence to operate as a carrier opening up competition in the national long distance and international telephone services. On July 1, 1997 market regulation was further modified for greater competition. The new legislation is designed to encourage industry competitiveness by removing the limit on the number of carriers and focussing more on self-regulation and commercial negotiation. Twenty-one licenced carriers were in operation at 30 June 1998 (Telstra Annual Report 1998). Some of these carriers include overseas corporations.

During 1998 Telstra was partially privatised and its proposed proportion of privatisation is expected to increase from 33 to 49 per cent (The Deloitte Touche Tohmatsu Decisive Publishing Post Deregulation Telecommunications Index 1998).

Currently Telstra offers a significant range of products and services and is the largest

mobile telecommunications organisation in Australia. Its national digital network spans 94 per cent of the population of Australia and its digital service is offered in 55 countries. At 30 June 1998 Telstra estimated that it had 56 per cent share of the Australian mobile telephone market. It was the first organisation in the world to offer commercially the Global System for Mobile Communications (GSM).

The Federal Government tried to further privatise Telstra in March 1998 when it introduced the Telstra (Transition to Full Ownership) Bill 1998 to sell the remaining government interest held in the organisation; however it was defeated in the Senate. The Bill was reintroduced into parliament with the intention of selling another 16 per cent of the Commonwealth's ownership interest and on June 22nd, 1999 the further 16 per cent was passed by the Senate (Rollins1999, p.1).

1.4.2   VISION

The vision that Telstra holds is:

> Telstra's vision is to enhance its position as the leading telecommunications and information services company in Australia and to become a leading provider of such services in the Asia-Pacific.

(Telstra Annual Report 1998, p. 3)

1.4.3   ORGANISATIONAL STRATEGIES

In order for Telstra to realise its vision of increasing shareholder value and preparing for competition the organisation put into place a four-part growth strategy plan, which commenced in 1992. The growth strategy plan includes:

- Optimising returns from traditional telecommunications products and services in Australia
- Developing and delivering value-added telecommunications, on-line and content services

- Transforming corporate culture and improving productivity
- Extending global scope

(Telstra Annual Report 1998, p. 3)

Telstra's international strategy involves expanding its international 'Points of Presence' in markets which include Japan, Korea, Hong Kong, Europe and the USA. Telstra has developed a plan for 1997-2000 covering its industry 'Objectives and Strategies.' This plan applies to Telstra's Australian-based 100 per cent subsidiaries and focuses on Telstra Multimedia Pty Ltd.

The Plan aims to achieve the following in Australia:

- Development of niche market products and services;
- World manufacturing centres in Australia;
- Industry wide growth in sales with less reliance on the domestic market;
- Technology leadership;
- A world-competitive, world class, national and international telecommunications industry.
- Strong export growth;
- Robust Small to Medium Enterprises (SMEs) which seek and take on international opportunities;
- Sound strategic alliances between the domestic and international telecommunications industries;
- Access to leading edge technology and international development opportunities.

(Telstra Annual Report 1998).

The Plan demonstrates Telstra's desire to expand and be the leading player within the Telecommunications industry. The study will support this plan because the areas researched will highlight any gaps that might exist between staff issues and realisations

of these organisational goals.

1.4.4 EMPLOYEES

As at 30 June 1998 Telstra employed 57,200 full-time staff. In Australia there are approximately 3,000 work sites and 800 expatriate and local employees situated in areas of Asia, the USA and Europe.

Table 1.1

Staffing for the period 1996-1998

As at 30 June

	1996	1997	1998
Full time employees	76,522	66,109	57,234
Full time equivalent employees	88,995	76,990	66,760

In 1996 Telstra had increased its staff in order to establish the Broadband Network, aid the expansion of mobile telecommunications services, give greater value to customers and accomplish the planned Networks and Systems Modernisation Program. In 1997 Telstra began reducing staff partly because of the increase in 1,500 employees due to the consolidation of Pacific Access from 20 June 1997 onwards (Telstra Annual Report 1997). Telstra reduced its staff in 1998 by 8,900 full-time staff. By 1998, over a two year period Telstra had reduced its staff by 9,526.

1.5 CONCLUSION

This chapter covered the background to the study, the research objectives, justification for the study, limitations of the study, research setting, organisational history, vision, organisational strategies and staffing.

In Chapter 2 the Literature Review will be presented. Topics to be covered include change, technological advances, downsizing, job security, cultural change, effects of

change, commitment, staff satisfaction, impact of downsizing on survivors.

Chapter 3 includes topics such as a description of the research methodology, study design, procedure, sample population, questionnaire design, data collection and analysis methods. Limitations of the study will be subsequently discussed. Chapter 4 provides a summary of the results of the questionnaire as they relate to the independent variables. Chapter 5 includes discussions of the independent variables that are used to test each hypothesis, the conclusion and the results in relation to the value of the research. Possibilities for future research are also discussed.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter examines the literature in relation to change, technological advances, downsizing, job security, cultural change, effects of change, commitment, staff satisfaction, impact of downsizing on survivors. In this study these factors will be shown to be important in relation to change. In addition this research will be the basis from which specific questions will be devised.

2.2 CHANGE

2.2.1 TECHNOLOGICAL ADVANCES

Over the past few years telephone companies in many countries have changed their focus to being marketing organisations rather than having their foundations in technology. This shift to focussing on customer needs has been quickened by the increase of services such as the Internet and electronic commerce (Edwards & Merel, 1998). Different Telecom carriers want to be able to focus on customers being able to access the Internet and electronic commerce as well as being able to retain their patronage. Organisations such as Telstra, British Telecom and Telecom New Zealand have set goals to achieve this. By achieving these goals technological changes will be implemented throughout these organisations.

Ernst & Young (consultants) note that the approach to being 'customer centred' has been done in a piecemeal manner. Edwards and Merel (1998) have found that even though call centres may be cost efficient generally they do not improve the customer's general experience; are weak at marketing other services and do not lessen 'customer churn'.

Ernst & Young's study of Fortune 1000 companies found that those companies with high growth were well linked to their customers. The largest obstacle to realising goals was being able to align business models that could transfer value to the customer (Edwards & Merel 1998).

Telstra, now a partially privatised company, wants to maximise return on investment for its new shareholders. It aims to achieve this by giving excellent customer service, developing new products and services and focussing on cost control. Recently Telstra introduced 'The Telstra Customer Service Guarantee' that guarantees excellent customer service and a guarantee on installations, appointments and repairs. The policy of Telstra giving excellent customer service as indicated in its Annual Review for 1998 compliments Telstra's mission to ensure that it continues to grown and prosper.

2.2.2 DOWNSIZING

Downsizing is a phenomenon that has occurred in many Western countries during the 1980s and 1990s. Cascio (1993, p. 96) defines downsizing as 'the planned elimination of positions or jobs'. Cameron defines it as a phenomenon of reducing the workforce with a view to improving organisational efficiency (Cameron, Freeman & Mishra 1991). Kozolowski (1993) states that 'Downsizing is a deliberate organisational decision to reduce the workforce that is intended to improve organisational performance.' This view is supported by Cameron, Freeman and Mishra (1993). Other terms used to define downsizing include viewing it as an opportunity to change one's career and removal of employment security (Lutz 1996). It may take the form of loss of jobs, reduction of work, doing away with levels, functions or units and cost containment strategies. Defining it at a basic level Ryan and Macky (1998) see it as a firm reducing its size according to the number of people it employs.

Downsizing was developed as a response to falling profit margins, elimination of company debt, deregulation and increased global competition. Downsizing affects both blue collar and white collar workers in both private and public sectors as well as manufacturing (Taylor & Giannantonio 1993). These change management factors that

occur as a result of downsizing can be paralleled with the changes that have occurred in the Telecommunications industry. In 1997 the Telecommunications industry in Australia was deregulated. As a result Telstra has increased its global operations in response to increased competition and has developed a change management plan to decrease staff numbers.

A focal point of the restructuring process both in public and private sectors in many countries has been the reduction in staff. In Standard and Poor's CompuStat database, nearly 60 per cent of companies with more than 250 employees downsized by 5 per cent between 1980-1984. More than 34 per cent of these organisations downsized more than 15 per cent at least once during this time (Cascio & Young 1996 in Dunford, Bramble & Littler 1998). Downsizing continues with 50,000 being layed off in March, 1997 (Koretz 1997 in Dunford, Bramble & Littler 1998). Between 1994 and 1999 the United States Federal agencies cut employment levels by 272,000 full time equivalent positions (USA General Accounting Office, 1995 in Dunford, Bramble & Littler 1998). Organisations continue to lay off staff. Currently Levi Strauss has a goal to reclaim its place in the United States jeans market. To achieve this it envisages cutting its staff by one third of its 18,000 factory workers and shutting down 11 of its 37 factories (Whymark 1998).

Between 1996 and 2001 Telstra expects to reduce staff by 27,500 over a five year period (Telstra Annual Report 1998, p. 17). To achieve productivity improvements Telstra began reducing staff through redundancies. The experience of managing survivors in British Telecom reveals that the process can be painful and extensive at an individual and organisational level (Doherty, Bank & Vinnicombe 1996). Organisations managing major change need to take into consideration survivor reactions and this can take the form of assisting people to manage their feelings, educating them in the organisation's vision and structure and examining career management requirements (Doherty, Bank & Vinnicombe 1996).

Middle Management has been affected by downsizing. Even though middle managers

made up 5 per cent to 8 per cent the workforce in the USA Cascio (1993) found that 17 per cent of all dismissals from 1989-91 consisted of middle managers. Effects of downsizing on middle management have included a decrease in personal productivity and the need for them to develop new skills (Klagge 1998).

A significant issue regarding downsizing is that it can be applied during both growth and decline periods (Freeman & Cameron 1993 in Dunford, Bramble & Littler 1998). It is not limited by organisations in debt but can also be driven by strategic reasons rather than recession-driven reasons (Dunford, Bramble & Littler 1998). Ryan and Macky (1998) found that downsizing could be used as a proactive strategy for organisational situations that included improving levels of overstaffing, mergers that led to twice as many staff, cost reduction strategies directed at competitive advantage and changes in business strategies which resulted in withdrawal of markets or certain products lines.

In Australia downsizing has resulted in job losses in different sectors. Between 1992 and 1996 the four major banks reduced their workforces by 250,000 positions. Following in the footsteps of the USA and other countries Australia plans to reduce its workforce by 300,000 positions (Lateline 1996). In 1998 Telstra concentrated on costs and full time staff numbers fell by 8,900 (Telstra Annual Report 1998).

In Australia a national organisational restructuring survey was conducted in March 1995 from the membership of the Australian Human Resources Institute both within the private and public sectors. The survey found that there had been a tendency to replace full time staff with part-time and casual staff and that there had been a reduction in the number of managers. Devolution of responsibility was evident across both public and private sectors.

In Global Business Enterprises (GBEs) downsizing was evident with 90 per cent reducing staff during 1993-1995. More than 15 per cent of public sector organisations reduced staff by more than 20 per cent. In GBEs 14 per cent cut staff by 30 per cent;

this level was attained by 2 per cent of private sector companies. Reducing labour within the public sector seems to be a pattern that will continue.

A study by (Littler, Wiesner and Vermeulen 1997) reveals that downsizing in Australia has generated negative worker responses. Forty four per cent of Australian organisations downsized three or more times between 1993-95 and just over 70 per cent twice again. The authors suggest downsizing will continue in Australia.

Dunford, Bramble and Littler (1998) contend that four main objectives are present in Downsizing in the public sector. These include:

- To reduce labour costs
- To increase labour productivity
- To increase labour flexibility
- To improve service to customers and clients.

Cameron (1994b); Freeman and Cameron (1993); Kets de Vries and Balazs (1997); Shaw and Barrett-Power (1997), in Thornhill and Saunders (1997) state that downsizing can lead to improved effectiveness; efficiency, productivity and competitiveness.

Strategies for downsizing include the 'lay off strategy' which involves reducing staff as a way to cut costs (Greenhalgh, Lawrence & Sutton 1988). A second strategy that has been used to reduce the workforce is a strategy that reduces work rather than people. This can take the form of eliminating hierarchies, levels and functions. A third strategy that has been used has been of a long-term approach, which has involved modifying the internal and external environment. This has taken the form of reducing suppliers for example (Cameron, Freeman & Mishra 1991). Research has shown that the strategy implemented can affect the downsizing outcomes and its success in terms of cost effectiveness and staff welfare (Greenhalgh, Lawrence & Sutton 1998).

Approaches to downsizing include a proactive and reactive approach (Kozlowski,

Chao, Smith & Hedlund 1993). A proactive approach considers factors such as: business strategy is combined; pointing to specific areas and competencies for downsizing; acknowledging that individuals and organisations can be affected by changes. In contrast, a reactive approach can be used where the aim of downsizing is to lower costs and the method used to attain it is by reducing employee numbers (Thornhill & Saunders 1997).

Despite its use in many countries different writers demonstrate that the use of downsizing is not achieving its intended goals (Brockner & Wisenfield 1993; Dunford, Bramble & Littler 1998). Attempts to improve key financial indicators do not improve (Cameron, Freeman & Mishra 1993; Cascio 1993). Also decline is seen in innovation and quality (Cascio 1993). Despite extensive downsizing intended cost cutting and improved efficiencies have not eventuated and instead downsizing has hindered USA competitiveness and created resistance within organisations (Cameron, Freeman & Mishra 1991).

As a stand-alone strategy downsizing can negate and lower any productivity improvements sought from a leaner workforce and job redesign (Littler, Wiesner & Vermeulen 1998). Burke (1997) found that downsizing resulted in the development of organisational problems including procedures and rules being increased and personal relationships between workers and customers diminishing. Staff or oganisational commitment can be lowered as a result of downsizing (Brockner; 1992; McClelland & Wilmont 1990; Littler, Wiesner & Vermeulen 1997; Savery, Travaglione & Firns 1998; Yousef, 1997).

Cascio (1993) found that downsizing has not resulted in the benefits that were anticipated. For example, greater profit, return on investment and lower expenses. Anticipated organisational benefits such as improved productivity and smoother communications did not eventuate. Often mergers and acquisitions do not end up in downsizing but Schweiger and Walsh (1990) found that three years after downsizing many stock firm prices were not better off. Mishra and Mishra (1994) found that a

quarter of organisations surveyed had actualised their goals of productivity improvements and higher returns on investment. In a survey by the Wyatt Company of 1,005 organisations it was found that not even half of those surveyed had achieved organisational goals in relation to improved productivity, return on investment, greater profits, less bureaucracy etc. (Cameron, 1994a; Cameron 1994b; Cascio, 1993). In 1998 Telstra recorded a net profit of $3.0 billion after tax and delivered $1.8 billion to its shareholders. Telstra attributes this profit and increased revenue growth to three factors: customers choosing the new technologies swiftly; developing new products for customers; focussing on improving internal efficiency. Telstra focussed on costs and within the year staff numbers fell by 8,900 (Telstra Annual Review 1998).

2.2.3 JOB SECURITY

Yousef (1997) recognises the significance of job security and how it impacts on work-related incomes. Ashford and Bobko (1989); Lim (1996) and Laabs (1996) note that job security can be an inducement for job satisfaction. Also it can be an element for organisational commitment (Ashford et al., 1989; Morris, 1993; Laabs 1996).

Noer (1993) has established that all employees could be experiencing job insecurity in the current climate. Noer (1993) recommends that the effects of increased job insecurity can be reduced by managing organisational change effectively. In addition to this, he suggests giving employees the opportunity to openly express their feelings and concerns and assist them to regain their self confidence and self esteem.

Greenlagh and Rosenblatt (1984) have established that there is a connection between job insecurity, intention to depart from the workplace and employees not being able to change.

2.2.4 CULTURAL CHANGE

Smeltzer and Zener (1994) state that rules of communication assist to describe organisational culture. Hence it is very important that managers reflect upon the organisational culture. This includes the usual manner of communicating with

workers, noting whether downsizing has occurred within the organisation or industry and workers' rapport and esteem for management.

Ott (1989) in Fairholm (1998) notes that central to the concept of cultural change is the idea that people have unique, and contrasting viewpoints that control their thinking and behaviour. Individuals process their understanding through values, culture and experience (Fairholm 1998). Furthermore, individuals perceive what their leaders do in the context of their cultural experiences and to do otherwise or accept as being sound is beyond people's experience (Schien 1985).

The findings of the literature regarding 'cultural change' are relevant for large organisations such as Telstra because they imply that during a change management process cultural factors need to be considered. Currently Telstra is experiencing great change within its culture as it needs to have 'customer advocacy' inherent at every level of the organisation (Telstra Annual Report 1997, p.13). Also Telstra has committed itself to a program of downsizing over the next few years (Telstra Annual Report 1998).

2.3   EFFECTS OF CHANGE

In this next section the effects of change as they relate to each of the components of the dependent variable impact on survivors - commitment, loyalty and staff satisfaction – will be discussed. Literature relating to the new employment contract and changes in the culture of the organisations will also be reviewed.

2.3.1   COMMITMENT

The word 'commitment' in the context of an employee and his/her relationship within an organisation needs to be defined so that its meaning is clearly understood. Commitment can be defined as 'relative strength of an individual's identification with an involvement in a particular organisation' (Mowday, Porter & Steers 1982 in Brewer 1993).

Mowday, Porter & Steers (1982) in Brewer (1993) contend that a person who is committed to an organisation can be said to have qualities that include a feeling of belonging to the organisation, a desire to remain employed by the organisation, of being prepared to put effort into one's work, attending work regularly and trying to balance managerial and personal interests.

Research by Brewer (1993) provides a thorough analysis of 'Employee commitment'. Tracing the history of employee commitment she advances the theory that people work from psychological and social needs as well as financial reward. People will do so provided that their needs are met.

Definitions of the term 'commitment' vary in the literature. Recent literature builds on findings of earlier writers. Moller (1994, p. 5) demonstrates a similar view to Calvinistic theology when he emphasises a person contributing maximum effort. He states that when an individual makes a total effort within the success areas of an organisation (productivity, relations and quality) this personal and special commitment called 'employeeship' occurs. He argues that for an employee to be committed and display emloyeeship an individual must feel responsible for the results of the organisation. An individual will probably feel committed and do his/her best when he/she feels responsible and will demonstrate loyalty to the goals of the organisation and to the people.

Another definition of commitment is presented by Brewer (1996, p. 24) who sees organisational commitment as 'willingness of persons to contribute efforts to the co-operative system' within the organisation. She argues that organisational commitment is based upon a person's loyalty and desire to stay with the organisation and that it extends beyond individual interest in employment. She argues that organisational commitment is complex and is not equated with compliance or a choice to remain with a particular employer.

Another perspective of commitment is defined by Mowday in (Plant 1994, p. 63) who

saw it as '... a function of tenure and it requires a long time for people to develop an attachment to the organisation.' It was found that workers were committed to stay in their prospective positions because they were restricted by few work alternatives. Brockner, Tyler and Cooper-Schneider (1992) found that employees who had shown strong commitment to an organisation could lower their commitment if they had experiences where they had been treated unfairly within an organisation. Le Blanc and Mulvey (1998) found that the most significant element determining employee commitment is the pay system.

2.3.1.1 BENEFITS OF COMMITMENT

King and Ehrhard (1997) see an effective, committed employee as a person who perceives their personal values to be in congruence with the organisation's values. They found that a committed employee is a person who is willing to make personal sacrifices, perform tasks beyond what is usually expected, can contribute effectively and give support when times are hard. This committed person does not desire to leave the organisation for personal gain or for self-interest.

2.3.1.2 COMMITMENT AND THE NEW EMPLOYMENT CONTRACT

Rousseau (1990) suggests that the psychological contract can be viewed as the individual expectations that an employee holds specifying what the person and the organisation anticipate giving and receiving in the employer and employee relationship.

Traditionally the psychological contract has meant that an employee will give their commitment and loyalty to an organisation and in return they will receive employment security. This agreement between the employer and employee has been broken in many organisations. The changes that have happened as a result of downsizing and redundancies have affected commitment levels of employees. In order to persuade workers to commit themselves to the values of an organisation there must be an atmosphere of trust (Gardiner & Whiting 1997).

The changes in employment over the past decade and the fact that in many

organisations a 'job for life' can no longer be guaranteed by employers has resulted in a new employment contract (Laabs 1996). Its focus is on sharing responsibility and giving people a way out when employers cannot promise jobs and employees choose to leave. It also involves employees taking responsibility for their careers and employers making provision for employee self-improvement. A survey based on a New York organisation outlines four areas that influence employee commitment (Laabs 1996). These include:

- Career security - how long employees perceive they will continue working at their firms;

- Business alignment - the degree to which employees share their company's vision;

- Management effectiveness - the view that employees have of how well the company is managed;

- Customer focus - how well employees feel that their company is treating customers.

The new parts of today's employee contract include the change in employee perceptions of their being reduced job security; the breakdown of customary promotion pathways and employer needs for increased flexibility in methods of working (Grame, Staines & Pate 1998).

2.3.2 LOYALTY

Loyalty has been defined as 'being faithful to the one you have chosen to support' (Moller 1994, p. 4). Brown (1997) defined loyalty as that which can be shared evenly between a person and the corporation. Eskildsen and Nussler (2000) describe employee loyalty in terms of an action-oriented idea. This involves employee behavior. It can mean employees being committed and responsible for the work that they do or whether they feel the need to seek another position elsewhere.

Some of the behaviours stated by (Moller 1994) exhibited by a loyal employee include:

- being cheerful when the corporation is prosperous;

- taking action and protecting the corporation if it is attacked;

- feeling proud about belonging to the corporation/section;

Examples of organisational loyalty include working hard to finish jobs, finishing tasks well, adhering to job 'norms and values' (Ali 1992, p. 261 in Ali, Krishnan & Azim 1997). Ali (1992) found that loyal workers are attached to their corporation even during hard times, will do extra work to ensure that organisational aims are attained and will demonstrate positive attributes towards colleagues. Furthermore they are open to organisational changes that have been designed and are less absent than employees who show lower loyalty.

Downsizing has left many workers with little sense of loyalty and employers have had to find new ways to gain it from employees. Some methods include helping employees to create value and work on new market projects (Brown 1997). Other methods include developing a loyalty where the employer supports the employee by providing support during trouble, giving people the skills to be productive, measuring value for customers, sharing profits and in return the employee gives their loyalty by creating value for customers (Taylor 1997). To build employee loyalty and commitment Brewer (1995) recommends setting high expectations, communicating regularly and empowering staff. Brockner,Tyler and Cooper-Schneider (1992) found that the best prediction for loyalty after an incident, is the loyalty shown prior to that incident.

Downsizing has changed the manner in which employers and employees traditionally relate. Prior to downsizing an employer rewarded employees' loyalty with security. This psychological contract has been replaced by a new understanding whereby the employee must add value to the organisation rather than being just a player. To channel individual self-interest to benefit the organisation managers must create a contract of mutual commitment (Patch, Rice & Dreillinger 1992).

2.3.3 STAFF SATISFACTION

Eskildsen and Nussler (2000) state that employee satisfaction is the pleasure or wealth that employees obtain from their job. This can take the form of being pleased about going to work, perceiving one's work to be meaningful, or whether a job has an effect that is either physically or psychologically negative on the individual.

It has been suggested that job satisfaction is a sentimental (that is, emotional) response to a job that results from an employee's comparison of tangible outcomes with that which has been expected (Cranny, Cain Smith & Stone 1992). Lofquist and Dawis (1969 p. 53) stated that satisfaction is 'a function of the correspondence between the reinforcer system of the work environment and the individual's needs'. Locke and Henne (1986) noted that an individual achieving job values in the work environment results in an agreeable sentimental state known as job satisfaction.

Porter, Lawler and Hackman (1975, pp 53-54) stated that job satisfaction 'is determined by the difference between the amount of some valued outcome that a person receives and the amount of outcome he feels he *should* receive'. Smith, Kendall an Hulin (1969) indicate that job satisfaction can be defined as the feelings that one has in response to a situation. Furthermore these feelings are associated with individual perceptions of what one expects as compared to what is actually experienced.

Herzberg (1966) indicated that five points are indicators of job satisfaction. These factors include achievement, recognition, work itself, responsibility and advancement. Indicators of job dissatisfaction include company policy and administration, supervision, salary, interpersonal relations and working conditions. The first five points mentioned refer to the environment where an individual works and the latter factors refer to the situation in which a person does this work.

In an empirical study Ross and Zander (1957) found that there is a connection between job satisfaction and intention to depart from an organisation. The greater an individual's needs are satisfied in one's job the lower the probability of departing from the organisation.

2.4   IMPACT ON SURVIVORS

2.4.1   DOWNSIZING - SURVIVOR SYNDRONE
Often those who remain suffer from what is called 'survivor syndrome', a definition

that applies to those who remain after others have left the organisation, suffer from guilt, anxiety, lower morale and a range of negative reactions. A number of researchers have recognised this syndrome and have written about it extensively. They include: (Brockner 1988, 1992; Brockner, Grover, Reed, De Witt & O'Malley 1987; Brockner & Wisenfeld 1993; Gottlieb & Conkling 1995; Hallier & Lyon 1996; Latack & Dozier 1986; Latack, Kinicki & Prussia 1995; Leana & Feldman 1994; Kinnie, Hutchinson & Purcell 1997).

Littler, Wiesner and Vermeulen (1997, p.6) defined Survivor Syndrone according to six variables:

- Job dissatisfaction; (increased levels)
- Staff motivation; (decreased levels)
- Perceived promotion opportunities; (decreased expectations)
- Staff commitment; (decreased levels)
- Morale among staff; (decreased levels)
- Concern about job security; (increased levels).

Following downsizing, Brockner (1993, p.100) found in different studies that 'Morale sinks, productivity drops, and survivors distrust management.' Littler, Dunford, Bramble and Hede (1997) found that this was also the case for Australian organisations that began downsizing after the corporations in the USA. Between 1993 and 1995 a survey of Australian Human Resource Managers was conducted to note the effects of downsizing. The results of the survey indicated that morale decreased by 65 per cent, staff commitment decreased by 51 per cent, perceived promotional opportunities reduced by 51 per cent, motivation decreased by 50 per cent, job dissatisfaction increased by 45 per cent and concern about job security increased by 71 per cent (Littler, Wiesner & Vermeulen 1997, p. 19).

Negative effects of downsizing can include organisations being perceived as being less reputable and therefore less socially responsible as positions have been eoiminated and employees made redundant (Karake 1998).

The fear of there being no work available at all rather than having to do extra work was seen to be the threatening issue (Gignac & Appelbaum 1997).

2.4.2   THE EFFECTS OF SURVIVOR SYNDROME

Research has found that survivors' reactions to downsizing have been negative and have resulted in a decrease in morale, commitment, job satisfaction and company loyalty (Littler, Wiesner & Vermeulen 1993.) Downsizing has resulted in managers having to take on larger amounts of work and having to work longer hours. They are required to have greater adaptability and flexibility as the demand for increased responsibility has arisen due to the decrease in staff. They need to be able to have an expanded understanding of what is going on around them within and outside of the organisation (Dopson & Stewart 1993 in Dunford, Bramble & Littler 1998). Furthermore they have had to cover supervisory and strategic levels and if they do not have the necessary skills, knowledge or training then confusion and frustration is an outcome (Scase & Goffee, 1989 in Dunford, Bramble & Littler 1998; Thornhill & Saunders 1997).

Career prospects for managers may diminish as a result of downsizing (Whymark & Ellis 1999) and reduction in opportunities for career advancement can also occur (Thornhill & Saunders 1997). Expansion of career systems has meant that a new agreement has been implemented between employers and employees (Waterman & Collard 1994 in Dunford, Bramble & Littler 1998).

Lynn (1989) found that even though companies experience success during downsizing they are not adequately prepared to deal with the problems that come with massive restructuring. Companies need to understand the needs of survivors and move beyond traditional solutions to assist employees with career development (Lynn 1989). Brewer (1996) argues that to retain managers with high levels of commitment it is necessary that companies nurture an apolitical culture that places high priority on meeting career needs. The focus of the employer-employee relationship involves sharing responsibility and giving people a way out when employers cannot promise

jobs and employees choose to leave. It also involves employees taking responsibility for their careers and employers making provision for employee self-improvement (Laabs 1996).

The commitment of survivors has been found to decrease after downsizing especially if the survivors perceive dismissal to be unfair (Brockner, Wisenfield & Martin 1995; Bennett, Bies, Martin & Brockner 1995 and Konovsky & Brockner, 1993). In a study examining the commitment of employees prior to and after downsizing it was found that employees' attitudes depended on the connection between their prior beliefs and their later experiences. If the organisation's actions are viewed as not being fair then the people whose work attitudes and behaviours that will most probably decrease will be those whose earlier commitment had been strong (Brockner, Tyler & Cooper-Schneider, 1992). This is further supported by Hallier and Lyon (1996) who found in a study of managers who had been with an organisation for a long time, that once they had been informed about being made redundant, their responses to the organisation changed and so did their psychological contract. Changes in commitment included questioning their dependence on their employer and feeling let down. Survivors also developed negative attitudes.

On the basis of the findings in the literature regarding survivor commitment and employees' perception of perceived dismissals, it is important for organisations such as Telstra to consider these results when planning for downsizing. If committed employees perceive that staff reductions are being managed unfairly during a change management process then the prior commitment of these staff to the organisation may decrease after downsizing.

Another survey of workers who survived downsizing found that employees reacted quite negatively when they identified strongly with co-workers who had been inadequately compensated by the organisation. This led to decreased organisational commitment and reduced work performance. (Brockner, Grover, Reed, De Witt & O'Malley 1987).

Employees who are committed to a company have been shown to be those who will work towards furthering the company's goals. On the basis of this evidence it is important that employers cultivate employee commitment as it is more difficult to build it than to break it (Brockner, Tyler & Cooper Schneider 1992). It is important that both a corporate culture and employee culture be in balance otherwise factors such as leadership, communication, decision making and motivation factors are affected. If an imbalance occurs between a corporate culture and employee culture then implementation of organisational change programs need to be introduced to regain commitment from employees (Appelbaum, Le Blanc & Shapiro1998). Other effects of downsizing can include absenteeism, which has been found to increase as a result of lower commitment (Savery, Travaglione & Firns 1998).

It has been found that employees who have had some involvement in the downsizing process have had more positive responses regarding the fairness of the layoffs, greater organisational commitment and positive responses to management (Cameron, Freeman & Mishra 1993; Martin, Parsons & Bennett 1995).

In order to transform an organisation and renew cultural values that have been dissipated due to downsizing and restructuring McKenzie & Koenig-Will (1997) argue that the first requirement for building commitment for transforming an organisation is that people must believe and understand that change must occur.

Thornhill, Saunders and Stead (1997) argue that the aim of an organisation is to achieve employee commitment. To a large degree this may depend upon the level of success an organisation experiences when overcoming survivors' negative responses to downsizing. Thornhill, Saunders and Stead (1997) saw a need for organisations to take action regarding both leavers and stayers to ensure that survivors had a positive reaction to change management practices.

Allen (1997) advocates that organisations could implement factors to heal survivor illness by focussing on open communication between mangers and employees, agreeing on a shared vision, changing the organisational culture, ensuring that there is

employee input into decision making, redesigning jobs and increased training. Bencivenga (1997) emphasises that employers need to do more than just than tell employees that they will have employment for the duration of the relationship in order for them to have employee commitment. Employees want job security and a range of benefits in exchange for their commitment. These include training for the next job, bonus incentives, retirement plans and stock options in the company. Clark and Koonce (1997) maintain that to rebuild employee commitment among survivors after downsizing employers need to initiate training and development programs that will foster growth and development of new skills.

The literature points to the fact that organisations need to take into careful consideration the factors affecting survivors' reactions when managing the downsizing process because, if it is managed poorly, responses tend to be negative. It has also been found that the psychological contract can be affected by the way that change is implemented and that the psychological contract is the main variable that ensures success or failure of organisational change (Schalk, Campbell & Freese 1998).

If a reactive approach to downsizing is implemented then it is likely that negative consequences will result (Cameron, Freeman & Mishra 1991; Kozlowski, Chao, Smith & Hedlund 1993 and McCune, Beatty, & Montagno 1988). If an approach is taken by employers who consider the consequences of downsizing on both employees and the organisation then negative results can be alleviated (Kozlowski et al. 1993). In organisations where there is a feeling of openess and trust then employees are likely to interpret topical or incomplete information positively (Appelbaum, Delage, Labib & Gault 1997).

Those organisations that downsized well displayed characteristics that include:
- Implementing downsizing from both the top and bottom of the organisation;
- Using short and long term strategies;
- Focussing on those who lost their jobs and providing assistance such as severance pay (Cascio 1993; Brockner 1992).

Cameron, Freeman and Mishra (1991) found that several variables showed that managers and workers were actively involved in the implementation of changes. These included:

- Downsizing occurring at all levels of the organisation and being selective;
- Giving attention to those who left the organisation and those who remained;
- Including outside support groups in the downsizing activities;
- Seeing downsizing as an admittance of weakness as well as empowerment.

2.5 CONCLUSIONS

In this chapter the literature has been reviewed to provide an understanding of change, technological advances on all organisations as well as Telstra, downsizing, job security, cultural change, effects of change, commitment, staff satisfaction and impact of downsizing on survivors. The next chapter 'Methodology' outlines the problem definition as it relates to Telstra. A theoretical framework and the research methods are developed and explained.

CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

This chapter will provide information about the study design, sample population, data elaboration and analysis. A description of the questionnaire and how it was designed to measure perceived levels of commitment and loyalty is provided.

3.2 STUDY DESIGN

This unit of analysis can be described as a correlational study that involved identification of significant variables associated with the research problem and collecting relevant information. Sekaran (1992, p. 117) defines correlational studies as studies '...which examine the relationships among variables without necessarily trying to establish which variable causes another.' In this study the unit of analysis is the individuals in the research setting, two Telstra call centres. One call centre is located close to the city and the other is positioned in a regional location.

The dependent variable is perceived levels of commitment, loyalty and staff satisfaction.

The independent variables are individual reactions to change, guilt, opportunities, changes in staff workloads, job satisfaction, preparation for staff cutbacks, opportunities for training and development, job productivitiy, job security and intention to leave the organisation.

The hypotheses are:

1. **The level of commitment and loyalty of call centre staff will be high/positive.**

2.   **Staff satisfaction will be low in call centres.**

2a.   **Workloads of call centre staff will have increased**

Each hypothesis will be tested by data analysis.

3.3   PROCEDURE

The research process for basic and applied research as outlined by (Sekaran 1992, p. 31) is the model used. The questions were based on the studies of Brockner (1993), Cascio (1993) and Thornhill, Saunders and Stead (1997). These studies examined themes such as change; different approaches to downsizing; employee reactions to the process before, during and post downsizing; levels of employee commitment; staff satisfaction and how productivity was affected by change. These elements make up the total number of variables as seen in Table 3.1. The steps used include:

Table 3.1

The Researh Process As Described By Sekaran

STEPS SEKARAN RECOMMENDS	STEPS USED IN THIS RESEARCH
Observation – Broad area of research Interest identified	Environmental changes have been noticed and the Telecommunications industry has undergone change. Telstra has been partially privatised, staff numbers have been reduced and impacts of change on remaining employees have been observed.
Preliminary Data Gathering	Contact made with Management at Telstra. Literature review undertaken. Consulted with others.
Problem Definition	Research problem delineated.
Theoretical Framework	Identified dependent and independent variables.

STEPS SEKARAN RECOMMENDS	STEPS USED IN THIS RESEARCH
Generation of Hypotheses	Hypotheses defined.
Scientific Research Design	Hypotheses tested. Correlational study – delineated problems. Developed questionnaire using five point Likert Scale.
Data Collection Analysis and interpretation	Feel for data, goodness of data and hypothesis testing.
Deduction – Hypotheses substantiated?	Questionnaires collected and analysed.
Research question answered?	Discussion of findings and conclusion developed.

The steps undertaken in the procedure include:

- Informal discussion with university staff and university colleagues about the telecommunications industry and changes that have occurred within the industry since 1997.

- Reference material was located and a theoretical framework was developed according to Sekaran (1992). Questions and qualitative and quantitative analysis methods were identified as being suitable for the research.

- The Managing Director of Operator Services for Telstra, Mr. Andrew Day, was contacted and the proposal to conduct a study within the organisation was presented. The population study was identified.

- Mr. Christopher Bell, Manager, Leadership Development, Telstra Centre For Leadership, was contacted and the area of research was presented to him for feedback.

- The questionnaire was designed. The Ethics Committee at Victoria University of Technology was given the questionnaire for approval. Suggestions for improvement were made and changes were made. The questionnaire was given approval for distribution.

- Due to a change in staffing at Telstra, the project had to be re-approved by the new Director of Operator Services, Ms. Judith Slatery. Approval was given.

- A letter of introduction to the research was sent to the head of Operator Services and distributed to call centre staff to inform them about the academic study.

- A conference call was organised by the Managers of the two call centres and the researcher to discuss the project and distribution of questionnaires. Both managers made suggestions to improve the questionnaire and these changes were made. Emphasis was placed on the questionnaire being voluntary, anonymous, confidential and supported by executive management.

- Questionnaires were distributed to call centres by mail. The managers of each of the call centres distributed the questionnaires to staff and collected them over a three-week period. Allowances were made for different times and shifts that were worked. The questionnaires were returned to the researcher in sealed packages through the mail system.

- Microsoft Excel was the program used to enter the data. The data was entered into Microsoft Excel which was used to do the analysis. Excel was used to produce totals, percentages, averages and graphs. The final report has been written.

- Thank-you notes have been distributed to all staff involved in the project and to call centre operators who filled in the questionnaire. (Appendix B).

In the next section the questionnaire design and methods used to analyse the data are discussed in detail.

3.3.1 SURVEY OF POPULATION

The total population surveyed from two call centres totaled 120. Being able to

compare a city and rural location offered the potential to make comparisons between demographic factors as well as those variables that can impact strongly upon each group.

Call centre staff were selected because some of these employees are survivors of downsizing and according to the literature their levels of commitment and loyalty can be affected by the 'management of the process.' The surveyed groups contain both male and female, but women comprise 82 per cent of the staff of the two call centres.

3.3.2 QUESTIONNAIRE DESIGN

The questionnaire was designed on the basis of the following points:

1.   Discussion with a number of university colleagues and university teaching staff on change, downsizing and its effects on survivors.

Sourcing the findings of a number of researchers who have conducted studies on the issue of change including Brockner (1993); Cascio (1993); Thornhill, Saunders & Stead (1997) and Dunford, Bramble & Littler (1998). From the findings of their research a number of themes within the topic of "change" were named. These ten factors were identified as the independent variable whose affect on staff satisfaction, commitment and loyalty was to be measured (dependent variable). The 45 questions were based on themes in the literature that have been found to create change and have been found to impact staff satisfaction, commitment and loyalty

Specifically this involved examining how employees were affected.

2.   Findings derived from research and the literature on change management issues relating to the research.

A five-point Likert scale was used where 1 indicated "strongly disagree", 2 represented "disagree", 3 indicated a "neutral" response, 4 represented "agree" and 5 indicated

"strongly agree". Respondents were offered the option of "not applicable" if they were in the rare position where their role made it inappropriate for them to comment.

Questions were asked in relation to demographics. Information was requested about gender, age, length of service and current position within Telstra (Appendix C). In addition, there were a total of forty-five questions that covered themes relating to change.

Table 3.2

Summary of Themes, Questions and Related Issue/Topic

Dependent Variable /Topic	Theme	Supporting Literature	Questions
Job satisfaction Intention to leave the organisation	Commitment and loyalty	Tombaugh & White 1990; Lyn 1989; Ali et. Al. 1992; Brockner, Tyler & Cooper Schneider 1992; Brewer 1995	5,12,23,33
Preparation for staff cutbacks	Dealing with change; Individual reactions to change	Davy et al. 1991; Thornhill & Saunders 1997; Dunford, Brambler & Littler 1998; McKenzie & Koeing-Will 1997	3,13,19,25,30,37,38
Individual reaction to change. Changes in staff workloads Opportunities	Managing Future Change	Greenhalgh & Rosenblatt 1984	16,17,26
Job productivity	Performance in the workplace	Greenhalgh, Lawrence, Sutton & Klagge 1998; Littler, Weisner & Vermeulen 1997; Cascio 1993; Cameron 1994a;b;	11,14,36

Dependent Variable /Topic	Theme	Supporting Literature	Questions
Job security Training and Development	Managing change Hope for the future	Ashford et al 1989; Greenhalgh & Rosenblatt 1984; Lutz 1996; Clark & Koonce 1997; Bencivenga 1997;	4,31,32,34,39,40, 42,43,44
Job satisfaction Opportunities	Rewards	Turnball & Vass 1997	6,15,20,45
Job satisfaction	Recognition	Hallier & Lyon 1996; Brockner, Tyler & Coooper-Schneider 1992	8,29
Opportunities	Staff participation	Cameron, Freeman & Mishra 1993; Doherty, Bank & Vinnicombe 1996	10,18
Level of competition	Opportunities	Morris et al. 1993; Telstra Annual Review 1998	1,2
Job satisfaction	Satisfaction	Kozlowski et.al 1993; Tombaugh & White 1990	7,21,22,27,28,45
Workloads	Job satisfaction Job productivity	Brockner, Grover, Reed, De Witt & O'Mally 1987; Greenhalgh, Lawrence & Sutton 1988; Imberman (1989)	3,11,14,17

3.4   DATA ANALYSIS

The data analysis involved analysing data from two sources:

- General demographics
- Perception about levels of commitment, loyalty and staff satisfaction.

Microsoft Excel was used to compile the statistical data gathered. Data analysis included totaling the number of responses to each question, finding the average score,

producing percentages and creating graphs. Each of the three hypotheses has been tested by using descriptive analysis. General demographics were entered into Microsoft Excel and graphs were used to record information about the variance between individuals and groups.

3.5 CONCLUSION

In this chapter study design, procedure, survey of population, questionnaire design and data analysis have been covered. The next chapter will include the findings. The response to statements will be presented within themes and examined for variance.

CHAPTER FOUR

RESULTS

4.1   INTRODUCTION

In this chapter the results of the study will be presented. The chapter begins with the results of the survey questionnaire and focuses on the details relating to gender, age, length of service and current position of respondents.

Following this, for each call centre variable groups are presented and within them results of specific questions are indicated. Questions not grouped into variable groups are presented in table form. Following this in depth discussion of the results takes place.

4.2   GENDER

Employees from two call centres, filled in the questionnaire. The population totaled 120 respondents and included call operators, clerical assistants, supervisors and managers. The city location was comprised of 56 respondents (and is referred to as n = 56). The regional group was comprised of 64 respondents (and is referred to as n = 64). A 100 per cent return rate was received. This means that it far exceeded the 50 per cent minimum response rate of reliability for mail surveys (Zikmund 1994).

Managers requested respondents to complete the questionnaire and informed them that completing them was to be voluntary. In some instances individuals answered a question by marking 'Not Applicable' if in the rare situation the statement did not apply to them. Questions were viewed as 'Not Answered' in the case where a reply was not given.

Respondents were asked to answer questions relating to gender, age and length of service (Appendix C). Responses are summarised in Tables 4.1, 4.2 and 4.3.

Table 4.1 Gender Breakdown

	Females		Males		Unstated Ratio		Ratio F:M
	No.	%	No.	%	No.	%	
City Centre	38	68	14	25	4	7	19.7
Regional Centre	53	83	5	8	6	9	10:1

Table 4.2 Breakdown of Age

	Age	No.	%	Unstated No.
City Centre	1. Under 25	3	6	3
	2. 26-35	10	19	
	3. 36-45	9	17	
	4. 46-55	22	41	
	5. 56-65	9	17	
	6. Over 65	0	0	
Regional Centre	1. Under 25	13	22	7
	2. 26- 35	20	35	
	3. 36-45	16	28	
	4. 46-55	8	14	
	5. 56-65	1	1	
	6. Over 65	0	0	

Table 4.3 Breakdown of Length of Service

	Length Of Service	No.	%	Unstated No.
City Centre	Less than 1 year	1	2	4
	1-2 years	0	0	
	3-4 years	12	23	
	5-10 years	14	27	
	11-20 years	11	21	
	Over 20 years	14	27	
Regional Centre	Less than 1 year	2	4	5
	1-2 years	4	7	
	3-4 years	24	41	
	5-10 years	21	35	
	11-20 years	8	1	
	Over 20 years	0	0	

4.3   CITY AND REGIONAL RESULTS

| Question/ Statement | Response Scale Used | Collapsed Scale Used in Discussions |
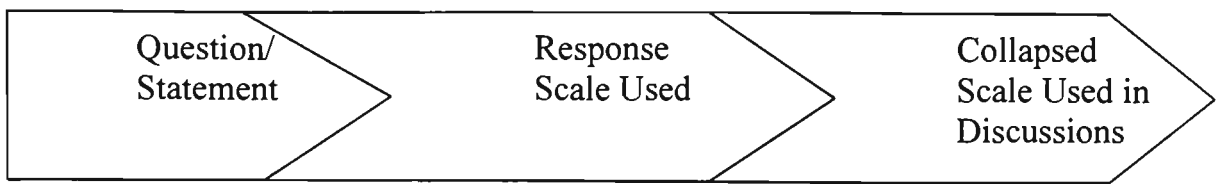
Figure 4.1 Condensed Likert Scale

Customers are   1 Strongly disagree)   Disagree
more demanding than 2 Disagree   )
they used to be   3 Neutral
                              4 Agree   )   Agree
                              5 Strongly agree)

All responses that indicate disagreement – both strongly disagree and disagree – have been placed together to illustrate level of disagreement with the statement. Similarly, responses that indicate agreement have been placed together to illustrate level of agreement with the statement. In the event where the level of strong disagreement or agreement is of a significant level, the level is discussed.

In several of the following graphs different figures have been quoted beside the graphs for different questions. The purpose for this is to demonstrate that not all of the 56 city call centre or 64 regional centre respondents answered a question.

In Appendix D graphs for each question have been listed. In the event of a respondent not filling in an answer to a question, the term 'Not Answered' has been used. For those respondents who perceived that the question did not apply to them 'Not Applicable' has been used in this instance.

4.4   COMMITMENT

QUESTION 5

One of the negative results of downsizing is a lowering of organisational

commitment/morale (Littler, Wiesner & Vermeulen 1997; Brockner, Tyler & Cooper-Schneider, 1992). The findings for this question are similar to studies mentioned in the literature review. Negative responses to the statement were received from both

The level of commitment/morale has improved in my experience

Figure 4.2 Commitment and Morale

regional and city locations. Sixty six per cent of city respondents disagreed with the statement 'The level of commitment/morale has improved in my experience.' Similarly in the regional a total of 59 per cent disagreed. The high negative response suggests that perhaps staff commitment/morale have been affected in some way by organisational changes. If so, then a decrease in staff satisfaction occurring is also likely (Littler, Wiesner & Vermeulen 1998).

QUESTION 23

I would consider leaving this organisation if an opportunity arose

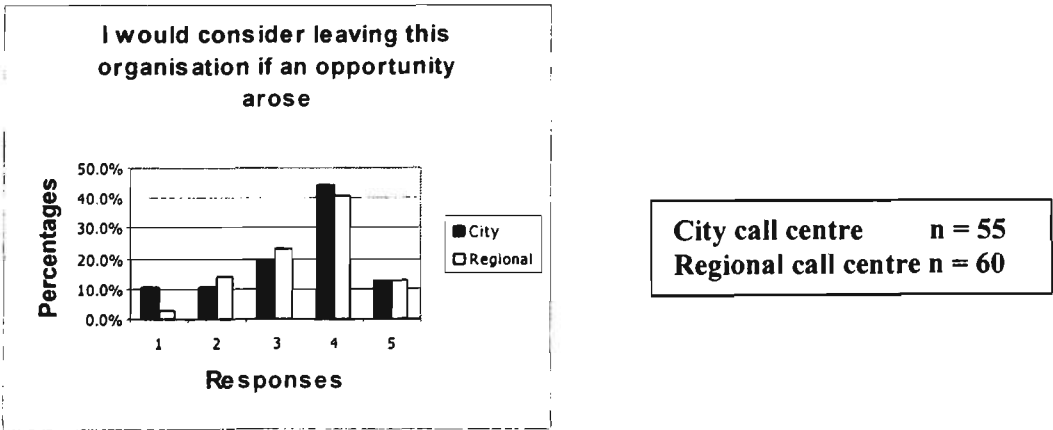City call centre   n = 55
Regional call centre n = 60

Figure 4.3 Behaviour Departing The Organisation

Studies have shown that if the reasons for staff reductions are not justified to employees this can connect negatively to procedural fairness and intention to remain in an organisation (Daly & Geyer 1994). This could possibly explain why 52 per cent of both the city and regional call centre employees agreed with the statement 'I would consider leaving this organisation if an opportunity arose'.

Another reason for these high responses may be that respondents are experiencing dissatisfaction in their work (Brockner et al. 1990). Explanations for some call centre staff include desire to retire or to change careers. When analyzing the findings against age of respondents it was found that this was the case for approximately 25 per cent of city call centre respondents and 9 per cent of regional employees.

QUESTION 43

I will actively seek a job outside of the organisation

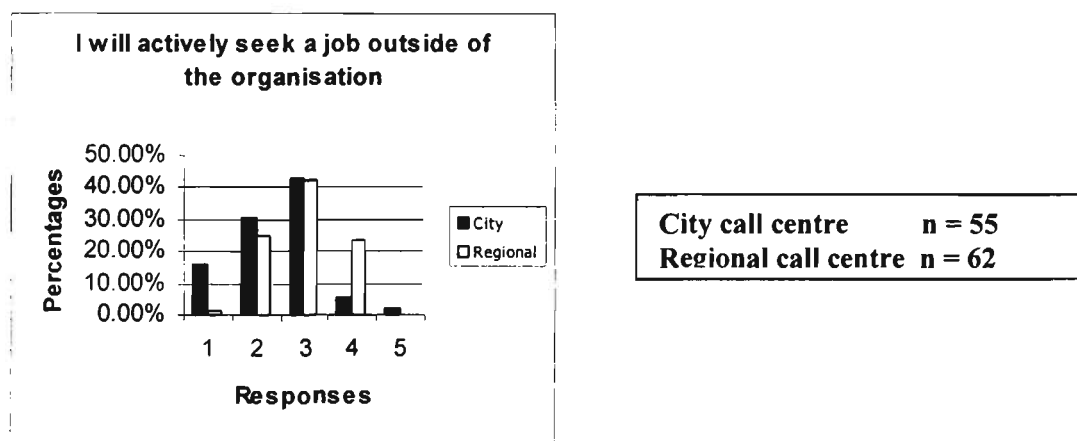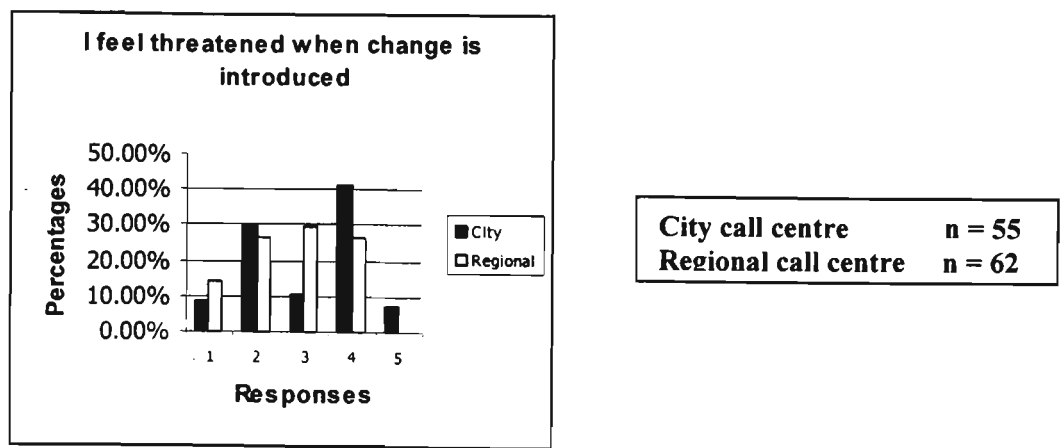| City call centre | n = 55 |
| Regional call centre | n = 62 |

Figure 4.4 Seek New Employment

Respondents from both centres disagreed with the question. Forty six per cent of respondents from the city centre indicated that they would not seek a job outside of the organisation and twenty six per cent of regional employees disagreed. Willingness to remain with an organisation after downsizing can be viewed as an indicator of employee commitment (Davy et al. 1991). Both centres gave a neutral response of 42 per cent to the statement. At the time of completing the questionnaire employees may not have been in the position to agree or disagree with the statement. They would not have known the result of the government plan to further privatise 16 per cent of Telstra and its impact on employment opportunities.

4.5 DEALING WITH CHANGES

QUESTION 13

I feel threatened when change is introduced

| City call centre | n = 55 |
| Regional call centre | n = 62 |

Figure 4.5 Change Is A Threat

The findings for the statement 'I feel threatened when change is introduced' vary considerably between locations. Forty one per cent of city respondents agreed with the statement and 7 per cent strongly agreed indicating a reasonable response from this call centre.

In contrast, the regional location produced mixed responses to the statement. Twenty nine percent of respondents gave a neutral response. Twenty six per cent of respondents disagreed and 14 per cent strongly disagreed. Furthermore 26 per cent agreed with the statement suggesting that change is a positive experience for some of them. The literature suggests that survivors of downsizing may have mixed responses depending upon the type of strategy that is used during the staff reduction process (Thornhill & Saunders 1997).

A reasonable percentage of employees from both call centres have been with the organisation long enough to have experienced downsizing. A breakdown of number of years served in the organisation for both call centres reveals that 23 per cent of city centre employees have been with Telstra for less than four years and 41 per cent of regional employees have been with the organisation for the same amount of time. The result suggests that respondents can react negatively to change and this could impact upon staff productivity and feelings about the organisation. An explanation for

the difference in results could be attributed to fear of loss of position and being unable to find another job as a result of downsizing. In the regional area, finding another position could be difficult if fewer positions are available to apply for.

QUESTION 19

With 21 per cent of city call centre employees strongly disagreeing and 30 percent disagreeing with the statement the results suggest that employees do not feel that they are being given adequate time to prepare themselves for staff reductions. A total of 44 per cent of regional employees disagreed with the statement indicating a similar, although slightly lower response to the statement.
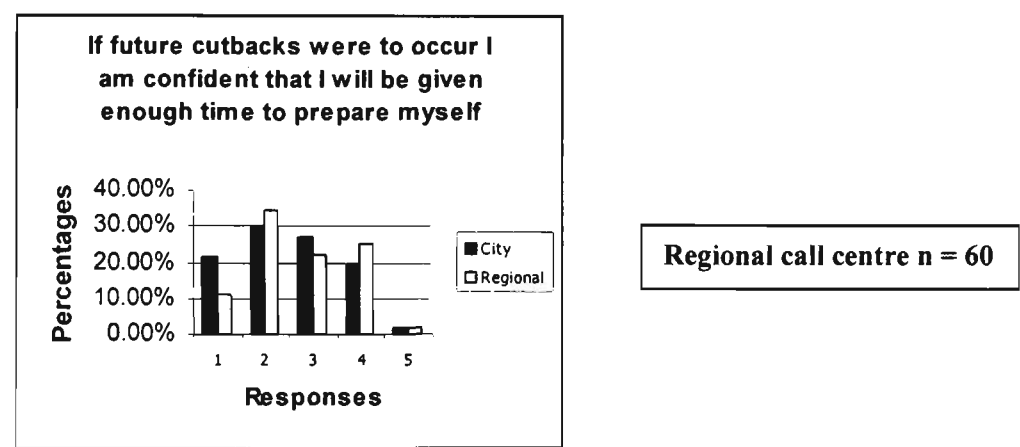

Figure 4.6 Sufficient Preparation Time

Fifty per cent of city call centre employees and 42 per cent of regional respondents who disagreed with the statement have worked in the organisation for three years or more. Previous experience preparing for downsizing could further explain why employees do not feel that they will have sufficient time to prepare for staff reductions.

QUESTION 25

Overall results from both call centres indicated that a high percentage of staff have suffered stress following staff cuts. Seventy five per cent of city call centre employees

agreed with the statement with 35 per cent strongly agreeing. A combined positive

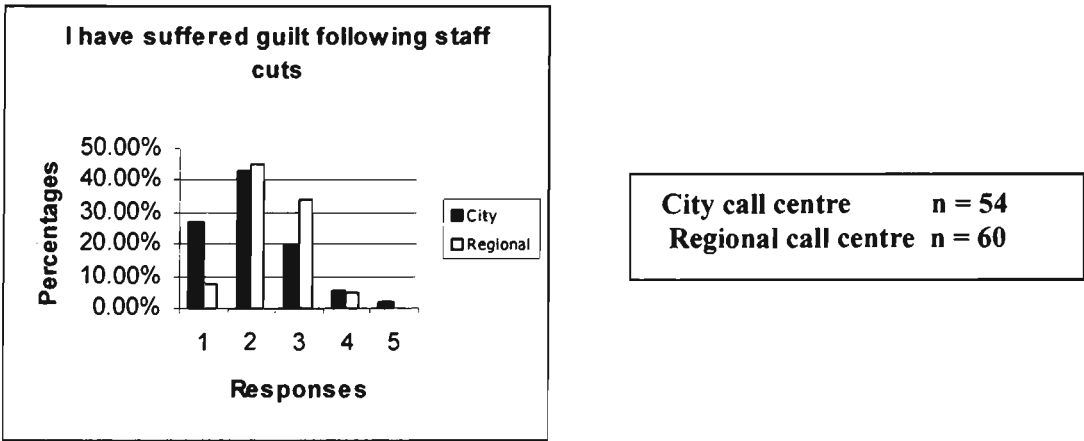score from the regional centre of 44 per cent, with 12 per cent agreeing confirmed that

QUESTION 25
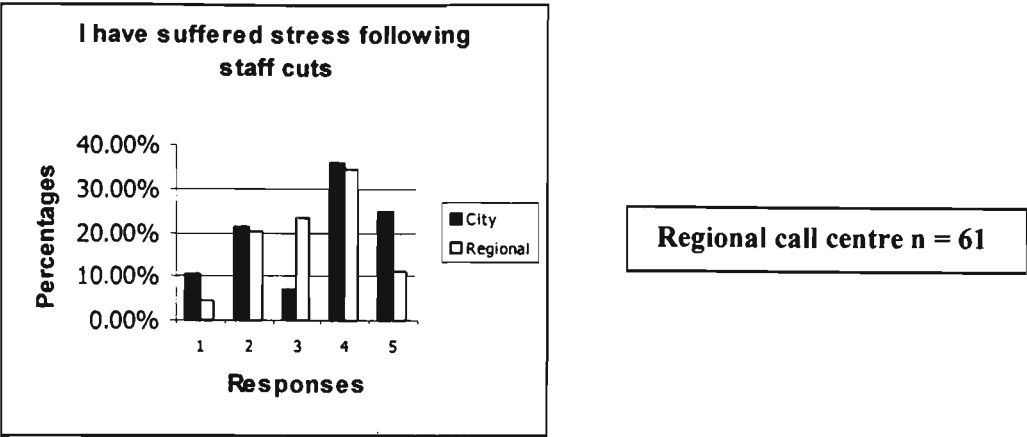
Figure 4.7 Stress Experienced

respondents have also suffered stress following staff reductions. Reasons for this could

include changes in job descriptions (Brockner, Wisenfield & Martin 1995) and

increased workloads (Tombaugh & White 1990).

QUESTION 38

Figure 4.8 Guilt Suffered

Sixty eight per cent of respondents from the city call centre disagreed with the

statement. In contrast, a slightly lower response of 48 per cent from the regional centre

indicated that they have not suffered from guilt since downsizing has occurred.

According to the literature these very strong findings indicate that employees who have

experienced downsizing may have perceived the process to have been managed fairly.

Brockner (1988) found that perceptions of fairness may assist to reduce the occurrence of negative reactions. Low levels of guilt could be further attributed to role within the organisation and not feeling responsible for management decisions affecting changes to staffing.

4.6   MANAGING FUTURE CHANGE

QUESTION 16

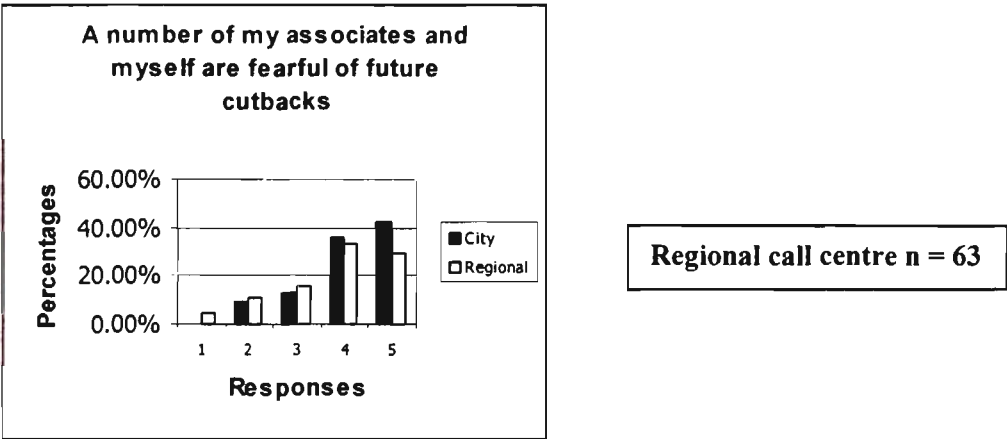A number of my associates and myself are fearful of future cutbacks

Figure 4.9   Fear Of Future Cutbacks

In the city location 35 per cent agreed and 42 per cent of respondents strongly agreed with the statement. With a total of 77 per cent supporting the statement it indicates that staff are experiencing fear in relation to staff reductions and the implication it will have for them personally. Sixty one per cent of regional staff also gave a very strong response; 29 per cent strongly agreeing with the statement. Given that a large percentage of employees are fearful of future cutbacks it would be useful information for management to have when planning for future changes.

QUESTION 17

If future cutbacks were to occur I am confident that the percentage of people who remain behind will be enough to do the work
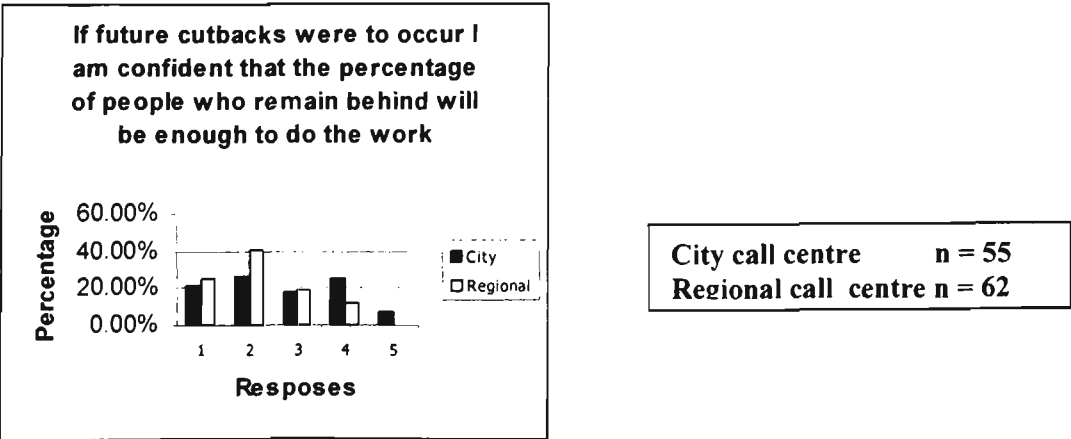
Figure 4.10   Sufficient Staff Will Be Retained

The results from both of the call centres indicate that staff are not confident that the percentage of people who remain will be enough to do the work. Forty seven per cent of employees from the city call centre disagreed with the statement. In contrast a 65 per cent result from the regional centre indicates that employees are experiencing greater levels of uncertainty than city co-workers in regards to the matter.

According to the literature one of the effects of staff reductions is that there are fewer staff around who can do the work (Doherty, Bank & Vinnicombe 1996). The strong response seems to indicate that respondents are aware of this and may be feeling some concern. Regional staff may be feeling more concern because of fewer jobs being available and the amount of work increasing after staff reductions.

4.7   SECURITY

QUESTION 24

I expect to be employed by this organisation beyond the year 2000

Regional call centre n = 62
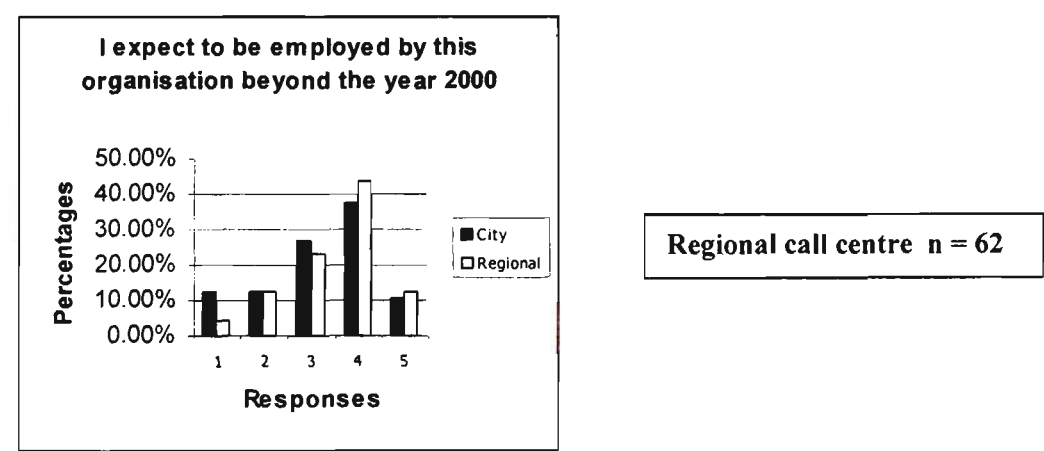
Figure 4.11   Continuing Employment

Employees from both of the call centres responded positively to the statement illustrating their expectation to be employed beyond 2000. Forty seven per cent of city staff agreed; 10 per cent strongly agreeing with the statement. In the regional centre a slightly higher positive response was recorded. Fifty five per cent agreed with 12 per cent strongly agreeing.

Twenty six per cent of city call centre employees gave a neutral response suggesting

that call centre staff might not know what the future holds for their call centre, or know what employment opportunities might exist due to further privatisation of the organisation beyond 2000. The staff who agreed with the statement suggest that the majority of employees feel confident about future employment possibilities and expect to be employed within their call centre or the organisation beyond 2000. Similarly the regional centre gave a slightly higher agree response with 12 per cent strongly agreeing and 37 per cent agreeing indicating their level of self-confidence about future employment opportunities within the organisation.

QUESTION 35

I am concerned about the government's desire to privatise this organisation

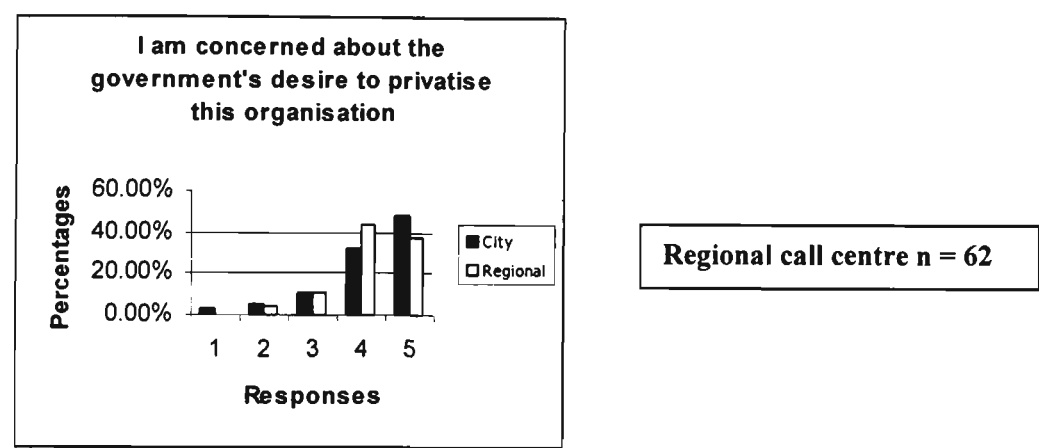Regional call centre n = 62

Figure 4.12 Concern About Privatisation

Employee responses in the city call centre indicate a strong trend towards staff being concerned about the government's desire to privatise Telstra. Eighty per cent of employees from the city call centre supported the statement. Thirty two per cent of employees agreed with the statement and a further 48 per cent strongly agreed. Again staff from the regional centre gave a very strong response; 80 per cent agreed of which 37 per cent strongly agreed. Staff concern could be based upon variables such as reduced employment possibilities, increased competition within the industry and an uncertain career path.

QUESTION 9

Employees from both call centres have indicated that they are feeling insecure in their

present positions. In the city call centre a very high negative response was recorded with 72 per cent of employees disagreeing, including 39 per cent who strongly disagreed with the statement. Similarly, regional centre employees illustrated a strong

I feel secure in my present position

(bar chart: y-axis Percentages 0.0% to 40.0%, x-axis Responses 1 2 3 4 5, legend City / Regional)
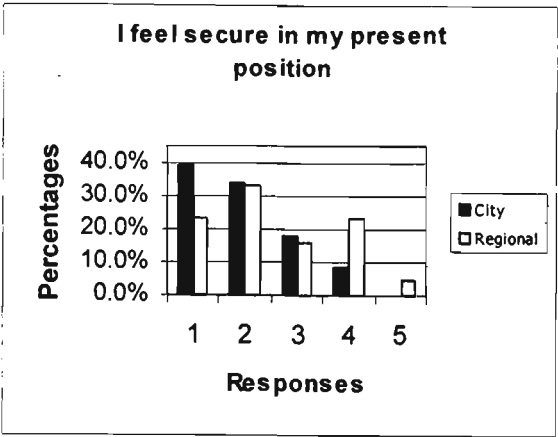
Figure 4.13 Security

negative response. A total of 55 per cent of respondents disagreed with the statement of which 23 per cent strongly disagreed. The negative responses to the statement suggest that a lowering of staff morale/satisfaction is being experienced within both centres as staff have indicated strong feelings of insecurity. To some degree this conflicts with the results of question 24 (Figure 4.9) where the results suggest that staff expect to be employed in the new millennium.
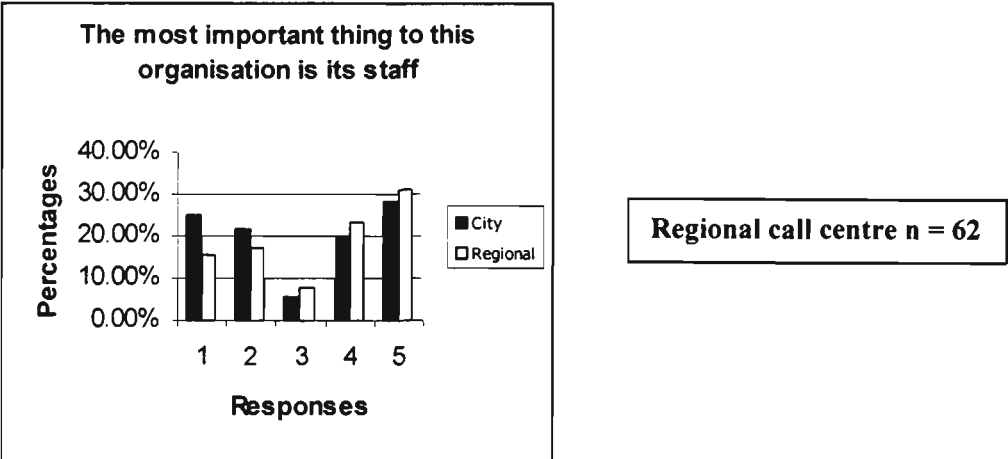
Factors that could contribute to feelings of job insecurity could include further privatisation of the organisation and lowering of employee numbers.

4.8 RELATIONSHIPS

Greenhalgh (1983) asserts that after downsizing has occurred employees believe that management will no longer value them. A total of 46 per cent of city staff disagreed, with 25 per cent strongly disagreeing. In contrast, a combined positive score of 47 per cent, of which 28 per cent of respondents strongly agreed with the statement emphasises the value that staff place upon their presence within the organisation. Further analysis of this data may indicate reasons for this result. Length of service for instance is a variable that could be a contributive factor and could be investigated in a later study.

In contrast to the city location, respondents from the regional location responded positively towards the statement. A positive result of 54 per cent of which 31 per cent agreed strongly was given. These results indicate that respondents highly value their presence within the organisation.

QUESTION 33

The most important thing to this organisation is its staff

Regional call centre n = 62

Figure 4.14 Importance of Staff

4.9   PERFORMANCE PRESSURE

QUESTION 11

I am more productive in my job than I was in 1990

City call centre   n = 55
Regional call centre n = 47
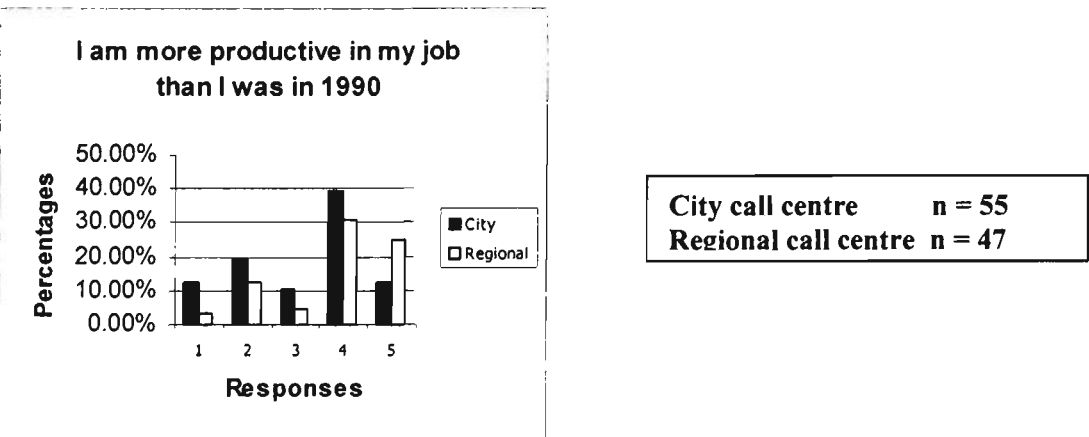
Figure 4.15 Increased Productivity

Fifty one per cent of city centre employees agreed, 12 per cent of these strongly (See Figure 4.15). Regional centre responses indicated similar results with 56 per cent agreeing, 25 per cent of these strongly. Employees could be working harder because of changed working conditions since downsizing or because of pressure to retain their current position. According to the literature, both of the results are unexpected because

individual employees perceive their productivity to have increased but the literature Predicts a lowering in job productivity will occur as result of downsizing (Brockner 1993).

QUESTION 36

My individual workload has increased following staff cuts

Regional call centre n = 61
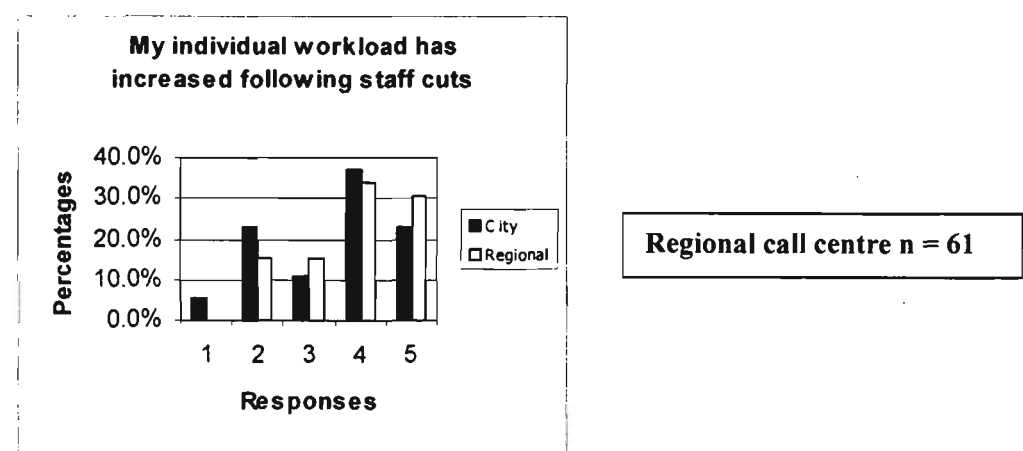
Figure 4.16 Working Harder

With 60 per cent of city centre staff agreeing with the statement and 63 per cent of regional employees agreeing the results indicate that there has been an increase in the expectation of the amount of work staff are required to do since downsizing. The results compliment the findings of Doherty, Bank and Vinnicombe (1996) who found that increased workloads result from downsizing.

QUESTION 14

There is more pressure on me to work harder than 6 years ago

Regional call centre n = 61

Figure 4.17 Pressure To Work Harder
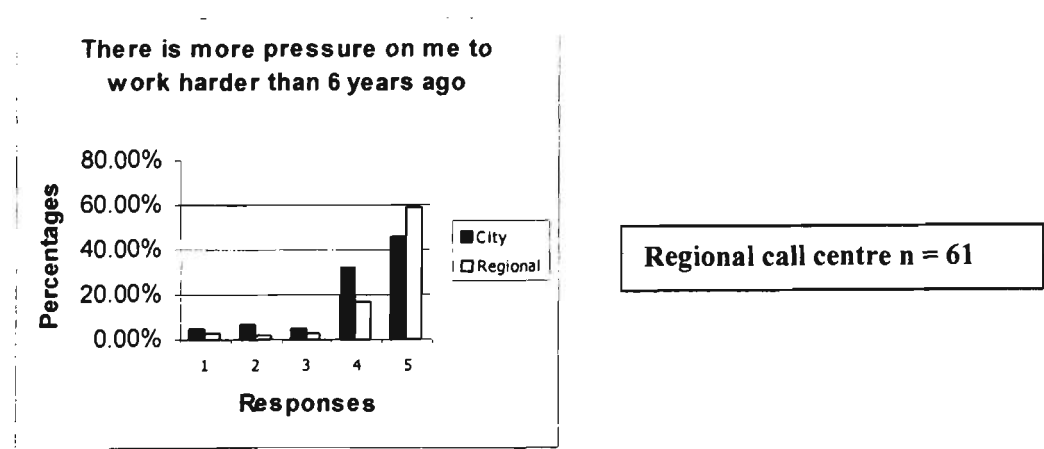
With 78 per cent of city centre employees agreeing with the statetment; 46 per cent of them strongly agreeing the results indicate that a large percentage of employees are feeling more pressure to work harder than they did six years ago. Similarly, regional call centre respondents indicated a high positive response to the statement, with 59 per cent strongly agreeing and 17 per cent agreeing with the statement. Reasons for this could be attributed to increased competition within the industry, the need for the organisation to remain at the forefront within the industry, pressure to retain jobs and fewer people being around to do the work after staff reductions have taken place. Research in other organisations has found that as a result of downsizing there are fewer people around to do the work thus demands increase (Tombaugh and White 1990).

4.10 HOPE FOR THE FUTURE

QUESTION FOUR

There is an opportunity of career advancement for me within this organisation

City call centre   n = 54
Regional call centre n = 62
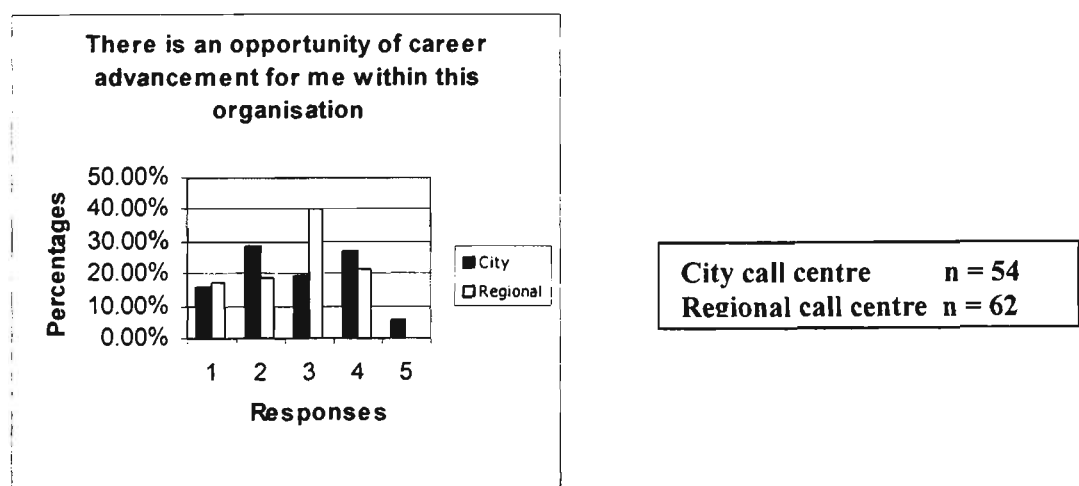
Figure 4.18 Career Advancement

Mixed responses to the statement were received from the city call centre. Forty four per cent with 16 per cent strongly disagreeing indicates a strong negative response. In contrast 31 per cent agreed. Possible explanations for this disparity could be due to variables such as an employee's role within the organisation and having access to knowledge about known opportunities. A neutral response of 19 per cent from respondents indicates that some staff may not know about opportunities for career development.

Similarly respondents from the regional centre gave a very strong neutral response to the statement. The high 40 per cent result indicates that staff in this centre may be experiencing uncertainty regarding future promotional opportunities as a result of staff reductions. Opportunities for career advancement may not be known to staff indicating that further explanation is required. In addition to the neutral response, 21 per cent of respondents agreed with the statement reflecting the positive attitude that some respondents have towards career advancement within the organisation.
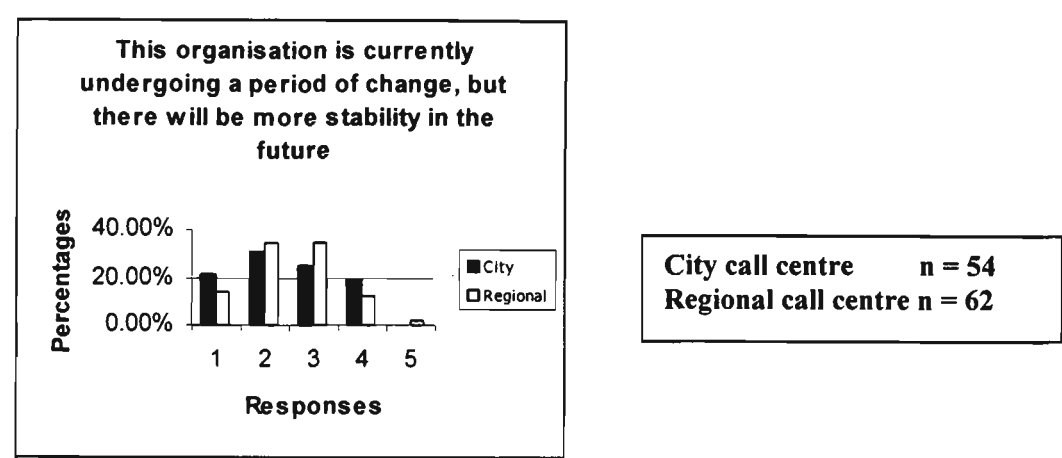
QUESTION 39

Figure 4.19 Future Will Be More Stable After Change

The results from the two call centres indicate that both groups do not foresee organisational stability being achieved in the future. Fifty one per cent of city staff disagreed with 21 per cent strongly disagreeing with the statement. Twenty five per cent gave a neutral response. In the regional centre 48 per cent of employees disagreed, 14 per cent strongly disagreeing. Thirty four per cent gave a neutral response. This response is understandable considering that future privatisation of the organisation at the time of completing the questionnaire had been undecided by the Senate. Until a Senate decision has been made employees cannot be expected to know what the future holds regarding organisational stability.

QUESTION 40

Overall in both call centres employees gave very strong responses demonstrating that

they agree with the statement. In the city location 52 per cent of staff agreed, 10 per cent strongly. The regional centre staff gave a slightly higher response of 63 per cent;

There will be less opportunity for promotion in the future

Regional call centre n = 61
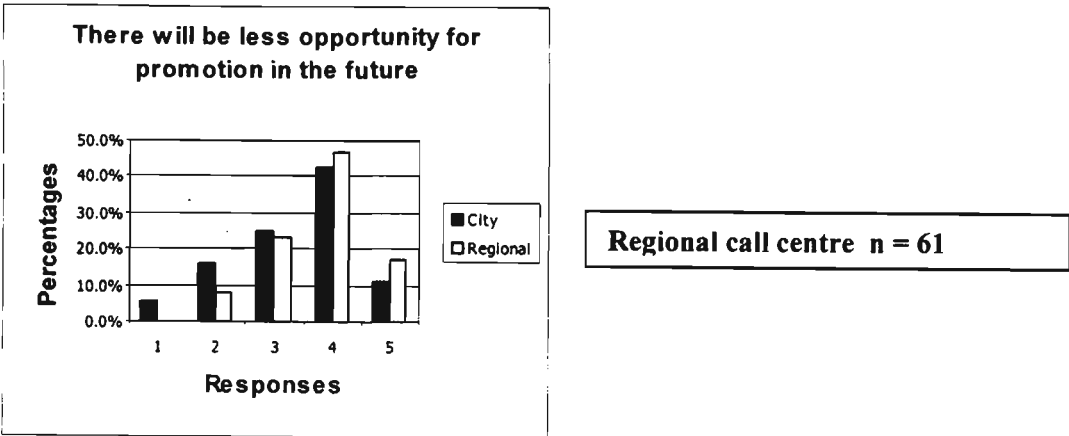
Figure 4.20 Fewer Promotional Opportunities

17 per cent strongly agreeing. This strong trend indicates that employees are aware of changes within the industry. Future privatisation of the organisation combined with uncertainty about the future may make employees aware of the possibility of fewer jobs being available. In the city location 25 per cent of respondents gave a neutral response suggesting that perhaps respondents do not know if there will be promotion opportunities available for staff to take up in the future.

4.11 CONTENTMENT

QUESTION 7

I would prefer to work in the private sector

City call centre   n = 54
Regional call centre n = 63

Figure 4.21 Preference Is Private Sector

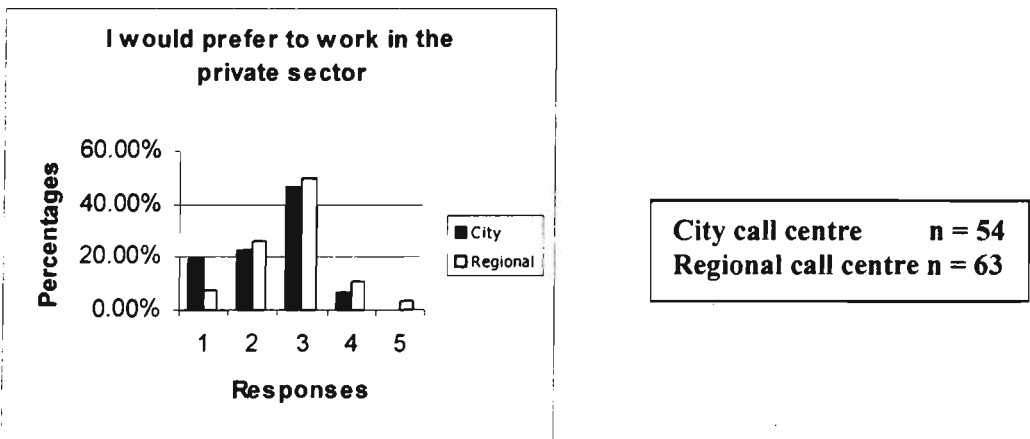Employees from both centres disagreed with the statement. City centre employees gave a strong response of 42 per cent, with 19 per cent strongly disagreeing. Regional centre respondents gave similar responses with 44 per cent disagreeing, 10 per cent strongly. In addition to these figures a large number of employees from both of the call centres have given a neutral response to the statement. In the city location the neutral response was 46 per cent and in the regional location the response was a slightly higher result of 50 per cent. These figures indicate that respondents may prefer to work in the private sector or are uncertain about what opportunities exist outside of the organisation. When respondents were completing the questionnaire Telstra was partially privatised and could have been seen to be private sector employees. Now that privatisation is happening this will be the situation for remaining staff.

QUESTION 27
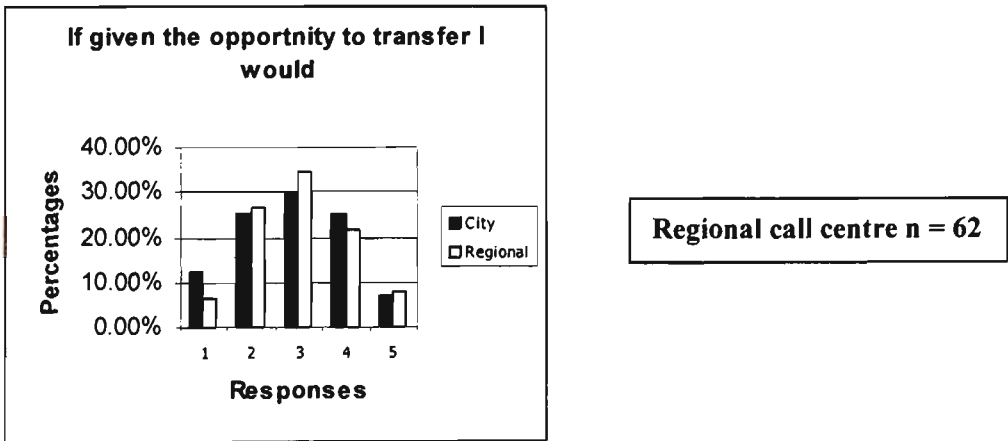
Figure 4.22   Opportunity To Transfer

In the city centre 37 per cent disagreed and 32 per cent agreed with the statement. Reasons for the disparity could be that employees are satisfied in their present position or desire a new employment opportunity.

In the regional centre a similar figure of 32 per cent disagreed with the statement and 34 per cent gave a neutral response. Employees in a regional centre might not want to transfer if given the opportunity for those reasons mentioned for the city location. In

addition variables such as longer travelling distances and possibly having to move to another regional area might prove too difficult to manage. Investigating the sex of respondents against this statement indicates that in the city call centre of those who disagreed with the statement 38 per cent are female and 10 per cent are male.

In the regional call centre 32 per cent of females disagreed with the statement. The neutral response of 34 per cent indicates that some employees are either unsure about whether opportunities to transfer will exist in the future or if they would want to accept a transfer if offered one.

4.12   LEVEL OF COMPETITION
QUESTION 1

The level of competition in the Telecommunications sector is decreasing

Percentages:
60.00%
40.00%
20.00%
0.00%

Legend:
■City
□Regional

Responses: 1 2 3 4 5
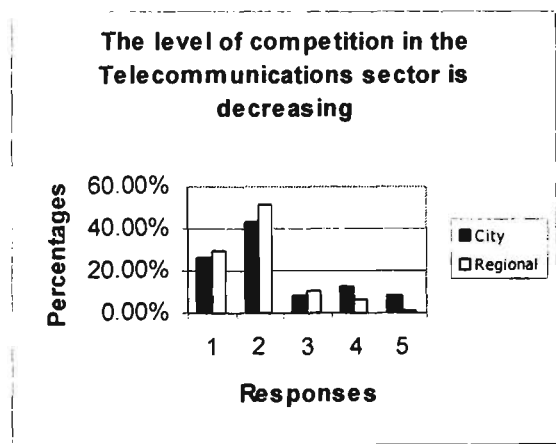
Figure 4.23 Decrease In Competition

Overall there was a very strong negative reaction to this statement from staff at both call centres. In the city call centre 68 per cent of respondents disagreed with 26 per cent of these strongly disagreeing. Eighty per cent disagreed in the regional centre, with 52 per cent disagreeing strongly. The results indicate that employees are aware of increased competition within the Telecommunications sector at present. Telstra informs employees, shareholders and the public that competition has increased within the industry (Telstra Annual Review 1998).

4.13   EMPLOYEE SATISFACTION

The responses from both call centres indicate that employees have very strong, positive

QUESTION 21

I am satisfied with my current position and would like to remain here for some time

Regional call centre n = 62

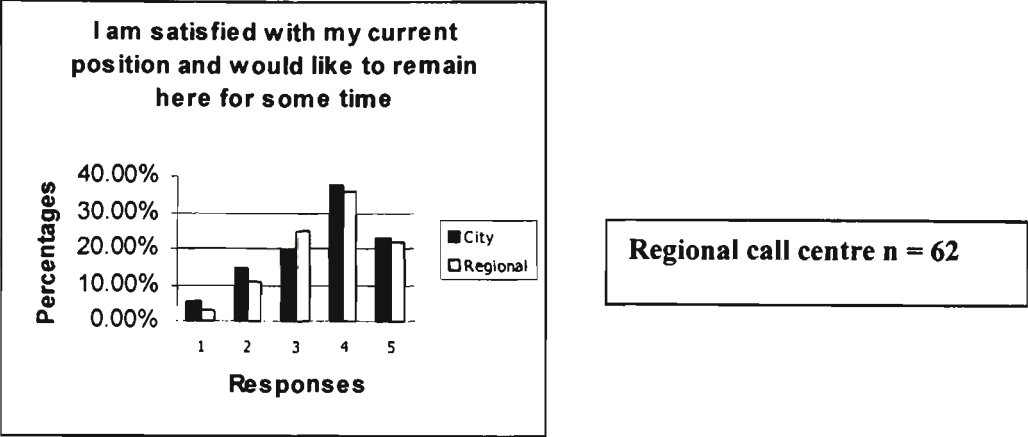**Figure 4.24 Job Satisfaction**

feelings towards the organisation and want to remain in their current position. In the city centre 60 per cent agreed, 23 per cent strongly. In the regional centre 76 per cent agreed, 21 per cent strongly. The positive result indicates that respondents feel good about their current position and are experiencing satisfaction.

4.14   OTHER RESULTS

This section includes the results of questions that did not record as significant a result as previously reviewed findings.   Questions have been grouped into variable grouping. The graphs and details that indicate whether respondents answered "Not Applicable" or "Not Answered" are listed in the Appendix. In the following tables all percentages have rounded to the nearest whole number. The Code:

Q. No. = Question Number, C.C. = City Centre, R.C. = Regional Centre, DA = Disagree (disagree and strongly disagree combined), N = Neutral, A. = Agree (agree and strongly agree combined) has been used.

DEALING WITH CHANGES

Employees from both call centres felt that customers were more demanding than they had been in the past and this was felt more strongly by regional centre staff.   Strong neutral scores were recorded from both centres and this may indicate that staff are rarely consulted on change and hence are not in a position to state their degree of agreement or disagreement with the statement.   Generally staff who did record their

response indicated that consultation did result in feeling empowered.

Table 4.4 Dealing With Changes

Q. No.	Question	Call Centre	DA %	N %	A %	Percent of respondents who did not answer question
3	Customers are more demanding than they used to be	C.C.	24	16	60	
		R.C.	13	17	70	
30	I feel empowered when consulted about change	C.C.	30	36	32	2
		R.C.	17	50	28	5
37	I try to understand the value of change	C.C.	2	14	84	
		R.C.	2	9	86	3
44	I expect to be offered early retirement	C.C.	34	35	28	3
		R.C.	31	33	20	16

Employees recorded strong responses concerning their efforts to understand the value of change. Similar feelings were expressed in responses to questions 16 and 17 regarding future change. Seventy seven per cent of city employees and 61 per cent of regional employees indicated fear of future cutbacks. Forty seven per cent of city and 65 per cent of regional staff recorded a lack of confidence in respect to enough people remaining to manage workloads. Specifically, this is of concern when combined with employees' beliefs that customers are becoming more demanding.

Both centres recorded that a number of respondents are unable to either agree or disagree with the statement relating to the expectation of being offered early retirement. Until the government makes a decision regarding the continuing privatisation of Telstra those employees who are in the position to retire early may need to wait until they are given more information.

MANAGING FUTURE CHANGE

Table 4.5 Managing Future Change

Q. No.	Question	Call Centre	DA %	N %	A %	Percent of respondents who did not answer question
26	The performance development plan has improved relationship with supervisor	C.C.	52	11	36	1
		R.C.	26	31	40	3

The feelings relating to the performance development plan improving an employee's relationship with their supervisor were mixed. The staff from the regional call centre indicated the strongest positive response suggesting that the performance development plan has brought about positive changes in this area of staff relations. Staff from the city centre disagreed strongly with 52 per cent disagreeing with the statement.

PERSONAL SECURITY

Table 4.6 Personal Security

Q. No.	Question	Call Centre	DA %	N %	A %	Percent of respondents who did not answer question
41	I will stay in my present job for the rest of my career	C.C.	32	23	45	
		R.C.	34	34	27	5

Forty five per cent of city centre employees agreed to staying in their present job for the rest of their career. A lower response of twenty seven per cent from regional employees indicated that they would remain in their present job permanently.

This indicates different feelings to those expressed in question 23 for city centre staff. Fifty seven per cent of respondents indicated they would leave the organisation if an

opportunity arose. A high response of 52 per cent from regional staff confirms that they would also depart. Regional employees do not foresee themselves staying in their present job for the rest of their career and they would also leave if an opportunity presented itself.

HOPE FOR THE FUTURE

Table 4.7 Hope For The Future

Q. No.	Question	Call Centre	DA %	N %	A %	Percent of respondents who did not answer question
31	There is ample opportunity for me to increase my skill level through Training and Development	C.C. R.C.	41 26	22 19	37 52	3
32	No terms, however favourable could compensate for compulsory redundancy	C.C. R.C.	12 13	21 30	63 55	4 2
34	I see change as a personal challenge	C.C. R.C.	16 5	23 26	61 65	4
43	I will actively seek a new job outside of the organisation	C.C. R.C.	32 34	23 34	43 27	2 5
42	I will actively seek a new job inside of the organisation	C.C. R.C.	46 30	32 47	20 16	2 7
45	Better pay and benefits would compensate for a lack of future promotion opportunities	C.C. R.C.	17 17	12 17	71 63	3

A mixed result was recorded from the city call centre indicating that employees do not feel that there is ample opportunity for Training and Development. In contrast to this result, the regional centre recorded a strong score of 52 per cent agreeing with the statement.

Employees from both centres felt that no terms, however favorable could compensate for compulsory redundancy. This was experienced more strongly by city centre staff than by regional centre employees. Staff from both centres saw change as a personal challenge. City centre employees gave a stronger response to seeking a new job outside of the organisaton than did regional employees. The high neutral score recorded from the regional centre to the statement may indicate that staff felt inept to record their degree of agree or disagreement with the statement. In a regional location there may be fewer positions available for staff to choose from within the organisation and this could help to explain the high neutral response.

The feelings from the city centre concerning actively seeking a new job outside of the organisation were strong. This score conflicts with the findings for Question 21 that indicate that city centre staff are satisfied with their current position and would like to remain with the organisation for some time.

Staff from both centres refrained from making a direct statement. Reasons for this could include waiting to see how future cutbacks and privatisation impact on staffing.

A strong positive reaction from both centres favours monetary compensation in exchange for fewer future promotion opportunities.

EMPLOYEE SATISFACTION

The results recorded from both centres indicated that staff did not feel that their current level of satisfaction was high. Further investigation of role and whether employees work full or part-time would add greater meaning to the results.

Table 4.8 Employee Satisfaction

Q. No.	Question	Call Centre	DA %	N %	A %	Percent of respondents who did not answer question
28	My current level of satisfaction is high	C.C.	54	16	30	
		R.C.	44	19	34	3

OTHER QUESTIONS NOT GROUPED INTO THEMES

COMPETITION

A strong positive response to the statement was received from employees at the city centre and in contrast a strong negative result was recorded by the regional centre.

Table 4.9 Level Of Competition

Q. No.	Question	Call Centre	DA %	N %	A %	Percent of respondents who did not answer question
2	This organisation is facing a battle with competitors to survive	C.C.	28	12	60	
		R.C.	45	20	35	

These feelings indicate that the perceptions of employees differ significantly in matters relating to survival of the organisation from one call centre to another.

REWARDS

A strong neutral response from regional centre staff may indicate that staff may not be informed about remuneration packages offered by other employees and whether benefits at redundancy are equitable to those of other organisations. City centre staff gave a strong indication that if given the opportunity, they would accept a Redundancy package. The feelings for both centres concerning level of remuneration was strong for both centres.

Table 4.10 Rewards

Q.No.	Question	Call Centre	DA %	N %	A %	Percent of respondents who did not answer question
6	I believe that my remumeration package is similar to that offered by other employers	C.C. R.C.	25 8	30 48	38 33	7 11
20	Benefits at redundancy are equitable to those of other organisations	C.C. R.C.	25 3	38 59	32 22	5 16
15	If given the opportunity, I would accept a Redundancy package	C.C. R.C.	36 31	21 23	42 30	1 16
22	I am happy with my level of remumeration	C.C. R.C.	27 11	28 34	42 50	3 5

RECOGNITION

Table 4.11 Recognition

Q. No.	Question	Call Centre	DA %	N %	A %	Percent of respondents who did not answer question
8	My immediate supervisor/manager recognises my contribution to the organisation	C.C. R.C.	38 25	25 16	37 58	 1
29	I am given the opportunity to express my views and my contributions are taken into account when change occurs	C.C. R.C.	61 48	14 22	25 27	 3

A total of 37 per cent of city centre staff and 58 per cent of regional staff demonstrated that their immediate supervisor/manager recognised their contribution to the organisation. Sixty one per cent of city staff and 48 per cent of regional staff felt that they are not given the opportunity to express views and their contributions are not taken into account when change occurs. The very strong results indicate that staff perceive that their views are not recognised during times of change.

STAFF PARTICIPATION

Table 4.12 Staff Participation

Q. No.	Question	Call Centre	DA %	N %	A %	Percent of respondents who did not answer question
10	I am informed of what will happen in the future to this organisation	C.C.	63	16	21	
		R.C.	51	19	28	2
18	I would like to be able to participate in the selection of new staff	C.C.	21	43	34	2
		R.C.	11	34	45	10

The feelings from both centres concerning being informed of what will happen in the future to this organisation was very strong. The high negative score for both centres suggest that staff may not be informed of future changes to the organisation. The high neutral score recorded for the city centre may indicate that staff may not feel confident, nor feel that they have the skills to participate in the selection of new staff. A total of 45 per cent of regional staff demonstrated that they would like to be involved in the selection of new employees. The result suggests that regional staff may feel that they can participate in the staff selection process.

FEELINGS REGARDING THE ORGANISATION

Overall the findings demonstrate that staff have mixed reactions to the statement. City

centre staff strongly disagreed with the statement and in contrast regional centre staff indicated a strong positive trend in support of the question. The negative score from the city centre may be of concern to management because not recommending an organisation to a close friend could be viewed as an indicator of weak commitment to the organisation.

Table 4.13 Feelings Regarding The Organisation

Q. No.	Question	Call Centre	DA %	N %	A %	Percent of respondents who did not answer question
12	I would recommend this organisation to a close friend	C.C.	48	18	34	
		R.C.	22	30	44	4

CHAPTER FIVE

DISCUSSIONS AND CONCLUSIONS

5.1   INTRODUCTION

5.2   HYPOTHESIS REVIEW

In this section the results of the research will be discussed. Testing and discussion of each hypothesis will be presented. Figures that have been referenced are located in Appendix D.

Both the city and the regional call centres have experienced downsizing and change in response to internal and external factors. Added to this fact the government has plans to fully privatise the organisation and this will create additional changes for management to address. Therefore the following hypotheses are submitted for testing.

5.2.1   HYPOTHESIS 1

The level of commitment and loyalty of call centre staff will be high/positive.

This hypothesis is not confirmed by the data.

Writers such as Brockner, De Witt (1990), Lynn (1989), McClelland and Wilmont (1990), Littler, Wiesner and Vermeulen (1997) and Savery, Travaglione and Firns (1998) indicate that one of the negative effects of downsizing on employees is a lowering in employee commitment. Respondents from both call centres were asked to comment on their perceived levels of commitment and whether it had improved in their experience. The findings from this study show that the perceived level of commitment and loyalty of employees at both call centres is not high. Both centres recorded high negative responses to Question 5 suggesting that commitment is low.

Brockner 1986 and 1987 found that if survivors of downsizing perceived the management process of downsizing to be fair then this could lead to an increase in the incidence of positive reactions to the process. Brockner et al. (1992) found that employees who have experienced the most pressure in the downsizing process are those who have shown a high degree of commitment to the organisation prior to downsizing and perceive the procedures to be unjust.

The literature states that there is a link between commitment and individuals not wanting to leave an organisation for personal gain or self-interest (King & Ehrhard 1997). Fifty six per cent of city respondents and 52 per cent of regional staff agreed that they would leave the organisation if another opportunity presented itself (Question 23). A breakdown of age of respondents from both call centres indicate that only a small percentage who state they would depart are at an age where they would do so in order to retire. The majority of employees it would appear, are indicating that would depart because for reasons related to job/pay improvement.

Job security has been found to be a component that affects organisational commitment (Ashford et al., 1989; Morris 1993; Yousef 1997 and Laabs 1996). Laabs (1996) found that commitment could be affected by how long employees perceive they will continue working with their firm. This finding is also supported by Savery, Travaglione and Firns (1998) who found that commitment measures correlate with propensity to remain with the orgnaisation. It could also be argued that employees who feel satisfied that their job is secure are more committed to their organisation (Ashford et al., 1989 and Morris et al., 1993). Ashford et al (1989) conducted research and found that job insecurity leads to a reduction in commitment.

In the study of Telstra, 72 per cent of city centre employees and 56 per cent of regional respondents stated that they did not feel secure in their present position (Question 9). In both centres staff are feeling insecure in their positions and according to the research this could contribute to low employee commitment.

Results of research by Ali et al. (1992) show that a correlation exists between loyalty and staff absenteeism. Less loyal staff are more likely to have higher rates of absenteeism than more loyal staff. Savery, Travaglione and Firns (1998) found that lower commitment to work leads to higher absenteeism.

5.2.2 HYPOTHESIS 2

Both call centres have experienced downsizing. This study explored whether staff reductions had impacted on workloads.

Workloads of call centre staff will have increased.

This hypothesis is supported by the data.

When staff from both call centres were asked to answer whether their individual workload had increased following staff cuts (Question 36) a total of 60 per cent of city call centre staff agreed with the statement and 63 per cent agreed in the regional call centre. The findings for both of the call centres indicate very strong results positively supporting the statement.

Previous research by Greenhalgh, Lawrence and Sutton (1988) and Imberban (1989) supports the findings of staff being expected to increase their work after downsizing. Lyn (1989) noted that having to perform more tasks with less assistance could lead to stress related disorders, such as burnout.

For those organisations that use a workforce reduction strategy the work is not necessarily lowered for those who remain. An increase in job workloads can result in feelings of stress, dissatisfaction and planning to depart from the organisation. It also has the potential to alter levels of commitment (Kozlowski et al. 1993; Tombaugh & White 1990). Furthermore employees may connect these experiences to weaknesses in

leadership, communication, feedback and to unclear performance standards (Tombaugh & White 1990).

Staff from both call centres gave very strong positve responses regarding increased pressure to work harder than they did six years ago (Question 14). This result compliments the findings of call centre employees who stated that their workload has increased following staff cuts (Question 36). In the city call centre, 78 per cent of respondents agreed, of which 46 per cent strongly agreed. In the regional centre a total of 74 per cent of employees agreed, of which 57 per cent strongly agreed.

In the past few years the Telecommunications industry has changed. Competition within the industry has increased and a wider range of products and services are available of which call centre staff must have knowledge. There is added pressure for carriers such as Telstra, to provide excellent customer service. In order to meet the demands of customers, Telstra has developed a policy that guarantees excellent customer service (Telstra Customer Service Guarantee 1999). The added pressure that call staff are experiencing to work harder could be a result of changes within Telstra and within the industry.

5.2.3 HYPOTHESIS 3

Staff satisfaction will be low.

This hypothesis is supported by the data.

The hypothesis can be supported by the data if a range of questions and factors are taken into consideration when examining the hypothesis. The feelings from both centres concerning them being satisfied with their current position and desiring to remain with the organisation for some time (Question 21) was strong. However the overall results from both call centres indicate that negative responses outweigh positive statements.

An individual recommending the organisation that she/he works for to a close friend (Question 12) can be seen as an indicator of staff satisfaction. Forty eight per cent of city employees gave a negative response whereas 44 per cent of regional employees responded positively to the statement.

Both city and regional employees indicated that they perceive that fewer people will remain to do the work if future cutbacks were to occur (Question 16). An increase in workloads for survivors of downsizing has the potential to alter levels of staff satisfaction (Kozlowski et al., 1993; Tombaugh & White, 1990).

Financial reward can be regarded an indicator of staff satisfaction. The feelings from both centres concerning being given better pay and benefits as compensation for a lack of future promotion opportunities was strong (Question 45). A decrease in promtion opportunites after downsizing can occur after downsizing and can result in an increase in negative feelings (Littler, Wisener & Vermeulen 1997).

Staff satisfaction is impacted by the communication process (Davy et al. 1991). A negative trend was shown in the results to Question 19. Fifty one percent of city employees disagreed with the statement and a slightly lower response of 44 per cent was given by regional staff. The literature indicates that involving employees in the process of downsizing promotes the sense of procedural fairness as does justifying the process (Daly et al. 1991). Other research has positively connected justification to procedural fairness and intention to remain in an organisation (Daly and Geyer 1994). This study indicates that employees perceive that they will not be informed in enough time to prepare themselves for staff reductions and this can lead to lower staff satisfaction. The findings point to communication shortfall between management and employees.

Job security has been found to affect job satisfaction. (Ashford et al., 1989; Lim,1996; Yousef; 1997). In the city call centre, there is a strong indication that employees are experiencing fear regarding future future privatisation (Question 35). Both centres

recorded very strong results concerning their feelings about the issue. Employees cannot exercise control over this matter, the outcome and how it will affect the tenure of their present position and future employment within the organisation. According to the literature and the results of the study present job insecurity among city and regional call centre staff may partially explain why staff satisfaction is low. Increased workloads can contribute to altered levels of staff satisfaction.

5.3 MANAGING FUTURE CHANGE

The results indicate that call centre employees are experiencing negative feelings towards future change. In both call centres the majority of respondents have indicated being fearful of future cutbacks; 57 per cent of city centre respondents and 61 per cent of regional employees gave a negative response (Question 16). Forty seven per cent of city call centre employees and 55 per cent of regional respondents expect to not be employed beyond the year 2000 (Question 24). Forty seven per cent of city call centre employees and 65 per cent of regional respondents indicate that they do not know whether there will be enough people left to do the work after downsizing (Question 17). Greenhalgh and Rosenblatt (1984) found that job insecurity is connected to reduced work effort, intention to depart and unwillingness to change.

5.4 HOPE FOR THE FUTURE

Employees know there will be more organisational change in the future. The government has given permission for a further 16 per cent of Telstra to be privatised. Reduction of staff numbers will occur within the next few years. With 77 per cent of city call centre employees being fearful of future cutbacks and 61 per cent of regional employees also experiencing fear these call centre staff are indicating negative reactions to future change (Question 16).

The feelings from both centres concerning there being organisational stability in the future was strong (Question 39). A strong response from the city centre (Question 41) recorded that 45 per cent of staff would actively seek a new job outside of the organisation. These results could indicate that respondents feel uncertain about career

progression, the psychological contract and their status (Greenhalgh and Rosenblatt, 1984).

5.5   LEVEL OF COMPETITION

Sixty eight per cent of city call centre employees and a high 80 per cent of regional employees indicated that are aware of increased competition within the industry (Question 1). Increased competition is demonstrated by more carriers competing within the industry since deregulation and by Telstra investing in new products and services such as 'Big Pond' and improving services to rural locations for example (Telstra Annual Review 1998).

5.6   EMPLOYEE SATISFACTION

Sixty per cent of city call centre staff have indicated that they are satisfied with their current position and wish to remain with the organisation for some time; similarly 56 per cent of regional employees agreed with the statement (Question 21). However, job dissatisfaction can result when the amount of work that remains for survivors after downsizing is not reduced and in turn this can lead to changed commitment and intention to depart (Kozlowski et al., 1993; Tombaugh & White 1990). The results from both call centres indicate that 57 per cent of city call centre employees and 65 per cent of regional employees are not confident that the percentage of people who remain behind after downsizing will be enough to do the work (Question 17). This result contributes to an understanding of why those employees who were surveyed could experience employee dissatisfaction.

5.7   DEALING WITH CHANGES

Fifty eight per cent of city call centre employees and a high 70 per cent of regional respondents stated that customers are more demanding than they used to be (Question 3). Forty eight per cent of city call centre employees agreed to feeling threatened when change is introduced; in contrast 26 per cent of regional staff agreed with the statement (Question 13). The literature states that all survivors can experience insecurity that stems from uncertainty and one-sided changes that are made to individuals' psychological contracts (Thornhill & Saunders 1997).

5.8   SECURITY

Forty three per cent of staff from the city call centre agreed that they would stay in their present job for the rest of their career and in contrast 34 per cent of those surveyed from the regional centre disagreed with the statement (Question 4). These results do not conclusively demonstrate employee security. However, the results for feelings of job insecurity indicate that call centre employees who were surveyed are experiencing job insecurity (Question 9). A high 72 per cent of city call centre employees indicated that do not feel secure in their present position; a slightly lower result of 55 per cent was received from the regional centre. In other studies it has been found that job insecurity is connected to decreased work effort, intending to depart from the organisation and unwillingness to change (Greenhalgh & Rosenblatt 1984).

5.9   PERFORMANCE PRESSURE

In response to global competition that forms the direction of the communication market, Telstra endeavours to improve efficiency and deliver innovative and competitively priced new products and services for its customers (Telstra Annual Review 1998). A strong positive response from both call centres indicates that employees feel more pressured to work harder than they had to a few years ago (Question 14). This may be partly explained because increased global competition has occurred over the past few years in the communication market. Turnbull and Wass (1997) note that intensifying work can lead to employees feeling more pressured and can reduce staff morale.

5.10   REWARDS

In the city call centre 41 per cent of staff agreed that they would accept a redundancy package if given the opportunity and in the regional centre 31 per cent agreed with the statement (Question 5). In the city location 1 per cent of employees gave a positive response to the statement and is aged 56-65; 9 per cent are aged 56-65 years. Fourteen per cent of respondents who agreed have worked for 11-20 years and 9 per cent of employees for over 20 years.

For those who agreed with the statement in the regional location 0 per cent is aged 56-65 and 1 per cent is aged 56-65 years. Eight per cent have worked for the organisation for 11-20 years and 0 per cent for over 20 years. These results indicate that a small percentage of people would accept a redundancy package because they are close to retirement. Overall the results show employees surveyed would accept a redundancy package for financial reasons.

The literature states that a substantial level of managerial influence could be implemented in the case where early retirements and a voluntary approach to redundancy is taken in organisations (Turnball & Wass 1997). In the downsizing process by using selection criteria an organisation can exercise some influence over the employees that they want to retain (Turnbull (1988) in Thornhill & Saunders (1997).

5.11   STAFF PARTICIPATION

Mixed results were received from both call centres regarding being informed about what will happen in the future to the organisation (Question 10) and participating in the selection of new staff (Question 18). Involving staff in the downsizing process so that they perceive the procedures used to be fair has been shown in other studies to decrease negative survivor responses (Brockner 1988). Equipping survivors with new skills in the new employment contract can assist employees to build confidence in decision making processes (Laabs 1996).

5.12   FEELING REGARDING THE ORGANISATION

The feelings from both centres regarding recommending the organisation to a close friend (Question 12) were strong. A breakdown of Age for city centre respondents indicates that 39 per cent are most likely to disagree with the statement, are aged between 46-55 and have worked in the organisation for 5-10 years. In the Regional group 39 per cent employees who are most likely to agree with the statement are aged between 46-55 and have worked in the organisation for 3-4 years years. The contrasting results suggest that people's different feelings could be influenced by location.

5.13 CONCLUSION

Hypothesis one was that 'The level of commitment and loyalty of call centre staff will be high/positive'. This was refuted by the findings. This result is similar to that found in the literature. Other studies have indicated that perceived low levels of commitment/loyalty can be experienced as a result of downsizing and organisational change. Organisations can take an approach to downsizing that considers the impact of the procedures used and their effect upon survivors.

When a proactive approach to downsizing is taken it is insinuated that the planning of the different stages of downsizing will occur. In addition, it takes into consideration consequences from a personal and organisational viewpoint. Issues to consider during the planning of downsizing can include giving staff advanced notice of when reductions are likely to occur, who will be involved, when it will occur, what changes to job descriptions will result and how employees will be affected personally.

Other studies have found that there is a link between loyalty and staff absenteeism and that lower commitment leads to higher absenteeism. A more in depth study would need to be undertaken to explore the correlation between absenteeism and lower levels of commitment and loyalty within the organisation and their impact on call centre staff.

Hypothesis Two was that, 'In call centres, call centre staff will have increased workloads'. This statement is applicable only to those employees who were surveyed. It is acknowledged in some instances that management may perceive increased workloads as being positive. However in this study, as in the literature, perceived increase in workloads is viewed as being a negative result of downsizing because it can negatively affect staff morale, can be linked to increases in absenteeism, stress, dissatisfaction, changes in commitment and intention to leave the organisation.

Conducting future research would provide a deeper understanding of issues that result from increased workloads. Examining factors such as expansion of work duties post downsizing, skills of employees, level of experience, mobility of employees,

perceptions of fairness regarding job enlargement for survivors and job insecurity could provide useful insights for management.

Hypothesis Three was that 'As downsizing has occurred, staff satisfaction levels will be low'. This hypothesis was confirmed by the findings. The results indicate that some employees are experiencing negative feelings regarding job security, career advancement and personal preparation for downsizing. In the literature these variables have been linked to an increase in staff dissatisfaction.

To address the uncertainty that staff might be experiencing about the future of the organisation, management in organisations can implement organisational procedures before, during and after downsizing that are perceived to be fair. This involves employees perceiving the equity of redundancy outcomes to be fair (Daly & Geyer, 1994); using procedures that are viewed as being impartial to reduce negative outcomes of survivors (Brockner et al; 1990) and treating employees fairly during the downsizing process. Designing career management programs to address the negative downsizing outcome of there being less opportunities for career advancement after redundancy can assist survivors to manage this element of change.

This study will hold significance for Telstra if it is able to take into consideration the findings for the two call centres and other studies as it manages the downsizing process over the next few years. By taking an approach that considers the possible consequences for both survivors and the organisation Telstra can note the effects of downsizing on employee commitment/loyalty, workload and satisfaction.

5.14 VALUE

The importance of the study for Telstra is that it indicates that as a result of downsizing staff commitment/loyalty has been lowered; staff perceive their workloads have increased and staff satisfaction levels have been found to be low in some instances. The main reasons for lowering of commitment/loyalty are perceived job insecurity and desire to leave the organisatiion.

This study indicates that a large number of employees feel that their workload has increased, that they are stressed and would leave the organisation if an opportunity should arise. It is known in organisations that employees who are stressed and who take time off work can be costly for organisations in terms of dollars and loss of working hours.

Departure of skilled and experienced staff from an organisation can have damaging consequences as these departures can mean that good workers leave, taking their skills, knowledge and experience with them. Hiring and inducting new staff can be expensive for organisations. New employees take time to settle in and to reach full productivity and this can also be expensive.

Staff dissatisfaction can lead to decreased staff morale. Thornhill and Gibbons (1995) found that repeated use of a staff reduction strategy could have negative results on staff morale. Positive contributions to employee satisfaction include procedural fairness, involvement of employees in all the stages of downsizing, communication of changes and justification for staff reductions.

The results of this study establish a basis for more extensive studies to be conducted comparing these results with those of other call centres from both city and regional areas as well as deeper analysis of data gathered.

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APPENDICES

LETTER OF APPROVAL APPENDIX A

Telstra

10 December 1997

Operator Services

Level 8, 360 Elizabeth Street
Melbourne Vic 3000
Australia

Postal Address:
Locked Bag 5763
Melbourne Vic 8100

Telephone 03 9693 4100
Facsimile 03 9663 3037

Maureen Vipond
6 Wheeler Street
PASCOE VALE SOUTH   Vic 3044

Dear Maureen,

As requested in your letter of 24 November, I write to confirm our offer to you to carry out research in both a country and metropolitan Operator Services Call Centre as part of your Masters in Training and Change Management.

As discussed with Allison McEwan today, I will alert my incumbent of your intention to carry out your studies.

Good luck!

Yours sincerely,

Andrew Day
Managing Director
Operator Services

THANKYOU NOTE TO CALL CENTRE STAFF APPENDIX B

It is with great gratitude that I would like to thank you all for your participation in the questionnaire that was distributed to you during October 1998.

The thesis has been nearly completed and the findings will be made available through executive management Operator Services.

Any individual desiring to discuss any matters in relation to this thesis can do so through normal channels.

Yours Truly,

Maureen Vipond

QUESTIONNAIRE APPENDIX   C

All answers will be <u>completely confidential.</u>

Please indicate whether you agree or disagree with the following statements.
The survey should take about ten minutes to complete.

Section 1

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The level of competition in the Telecommunications sector is decreasing.	1	2	3	4	5
2	This organisation is facing a battle with competitors to survive.	1	2	3	4	5
3	Customers are more demanding than they used to be.	1	2	3	4	5
4	There is an opportunity of career advancement for me within this organisation.	1	2	3	4	5
5	The level of commitment/morale has improved over the past 6 years.	1	2	3	4	5
6	I believe that my remuneration package is similar to that offered by other employers.	1	2	3	4	5
7	I would prefer to work in the private sector.	1	2	3	4	5
8	My immediate supervisor/manager recognises my contribution to the organisation.	1	2	3	4	5

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
9	I feel secure in my present position.	1	2	3	4	5
10	I am informed of what will happen in the future within this organisation.	1	2	3	4	5
11	I am more productive in my job than I was in 1990.	1	2	3	4	5
12	I would recommend this organisation to a close friend.	1	2	3	4	5
13	I feel threatened when change is introduced.	1	2	3	4	5
14	There is more pressure on me to work harder than 6 years ago.	1	2	3	4	5
15	If given the opportunity, I would accept a Voluntary Departure Package.	1	2	3	4	5
16	A number of my associates and myself are fearful of future cutbacks.	1	2	3	4	5
17	If future cutbacks were to occur I am confident that the percentage of people who remain behind will be enough to do the work.	1	2	3	4	5
18	I would like to be able to participate in the selection of new staff.	1	2	3	4	5
19	If future cutbacks were to occur my colleagues and myself are confident that we will be given enough time to prepare ourselves.	1	2	3	4	5

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
20	Benefits at redundancy are equitable to those of other organisations.	1	2	3	4	5
21	I am satisfied with my current position and would like to remain here for some time.	1	2	3	4	5
22	I am happy with my current level of remuneration.	1	2	3	4	5
23	I would consider leaving this organisation if an opportunity arose.	1	2	3	4	5
24	I expect to be employed by this organisation beyond the year 2000.	1	2	3	4	5
25	I have suffered stress following staff cuts.	1	2	3	4	5
26	The performance development plan has improved my relationship with my current supervisor.	1	2	3	4	5
27	If given the opportunity to transfer I would.	1	2	3	4	5
28	My current level of satisfaction is high.	1	2	3	4	5
29	I am given the opportunity to express my views and my contributions are taken into account when change occurs.	1	2	3	4	5
30	I feel empowered when consulted about change.	1	2	3	4	5

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
31	There is ample opportunity for me to increase my skill level through Training and Development courses.	1	2	3	4	5
32	No terms, however favourable could compensate for compulsory redundancy.	1	2	3	4	5
33	The most important thing to this organisation is its staff.	1	2	3	4	5
34	I see change as a personal challenge.	1	2	3	4	5
35	I am concerned about government's desire to privatise this organisation.	1	2	3	4	5
36	My individual workload has increased following staff cuts.	1	2	3	4	5
37	I try to understand the value of change.	1	2	3	4	5
38	I have suffered guilt following staff cuts.	1	2	3	4	5
39	This organisation is currently undergoing a period of change, but there will be more stability in the future.	1	2	3	4	5
40	There will be less opportunity for promotion in the future.	1	2	3	4	5
41	I will stay in my present job for the rest of my career.	1	2	3	4	5
42	I will actively seek a new job inside the organisation.	1	2	3	4	5

		Strongly Disagree	Disagree	Neutral	Strongly Agree	Agree
43	I will actively seek a new job outside of the organisation.	1	2	3	4	5
44	I expect to be offered early retirement.	1	2	3	4	5
45	Better pay and benefits would compensate for a lack of future promotion opportunities.	1	2	3	4	5

PERSONAL DETAILS

1. Your Gender?

1. Male

2. Your Age

1. Under 25
2. 26-35
3. 36-45
4. 46-55
5. 56-65
6. Over 65

3. How long have you worked for Telstra?

1. Less than 1 year
2. 1-2 years
3. 3-4 years
4. 5-10 years
5. 11-20 years
6. Over 20 years

4. Which of the following categories best describes your current position?

1. Senior Management
2. Management
3. Supervisory
4. Clerical
5. Customer Service

THANK YOU FOR YOUR CO-OPERATION REGARDING FILLING IN THIS QUESTIONNAIRE.

APPENDIX D

Appendix D includes graphs for questions 1-45. In the event where a respondent did not answer a question or perceived that the question was not applicable a figure has been recorded.

The level of competition in the Telecommunications sector is decreasing
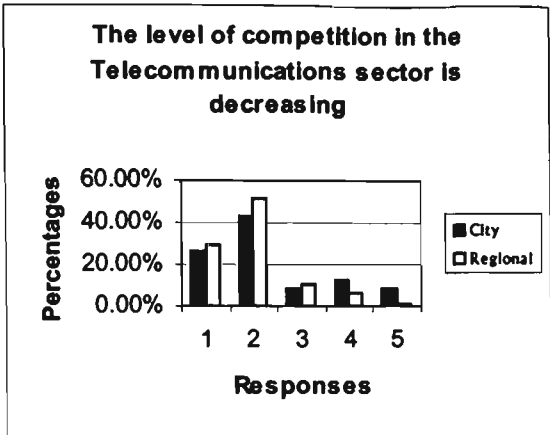
Competition is decreasing

QUESTION 2

This organisation is facing a battle with competitors to survive
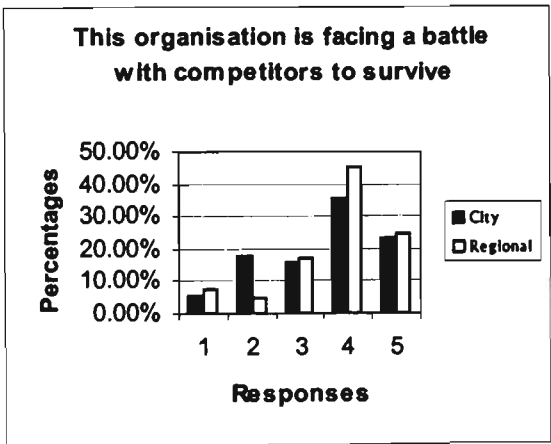
Organisation is facing difficulty with competitor to survive

QUESTION 3
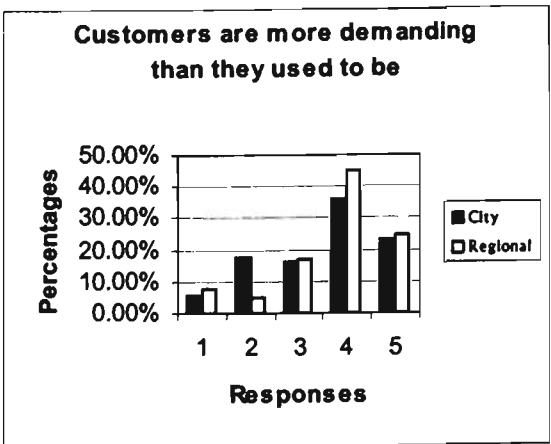
Customers are more demanding than they used to be

Customers are more demanding

There is an opportunity of career advancement for me within this organisation
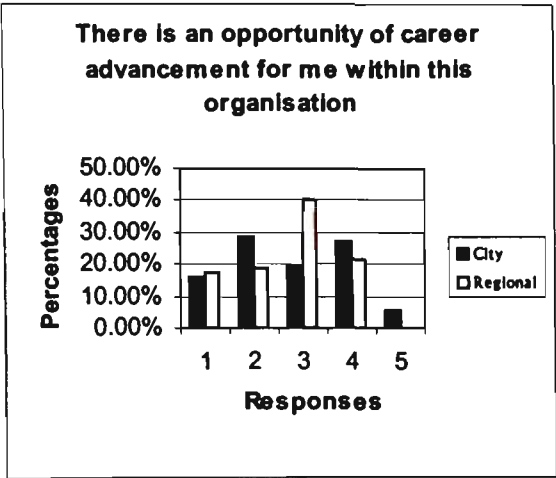
| City Call Centre | Not Answered = 2 |
| Regional Call Centre | Not Applicable = 2 |

Opportunity of career advancement exists within organisation

QUESTION 5

The level of commitment/morale has improved in my experience
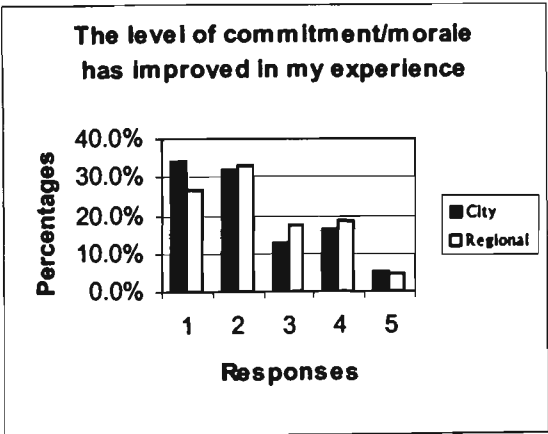
Level of commitment/morale has improved

QUESTION 6

I believe that my remuneration package is similar to that offered by other employers
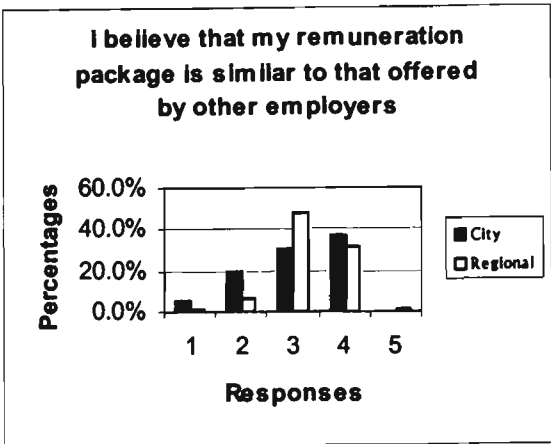
City Call Centre	Not Answered = 4
City Call Centre	Not Applicable = 1
Regional Call Centre	Not Applicable = 6
Regional Call Centre	Not Answered = 1

Employee believes that remuneration package similar to that offered by other employers

I would prefer to work in the private sector
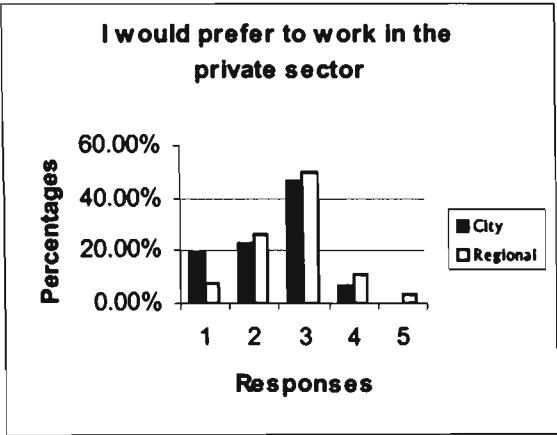
City Call Centre   Not Applicable = 2
Regional Call Centre Not Answered   = 1

Employees prefer to work in the private sector

My immediate supervisor/manager recognises my contribution to the organisation
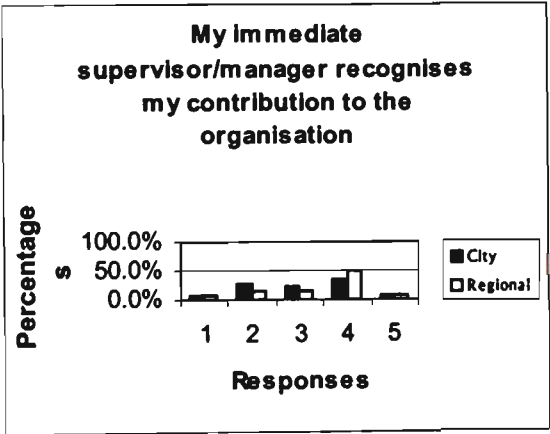
Regional Call Centre Not Answered = 1

Immediate supervisor recognises employee contribution

I feel secure in my present position
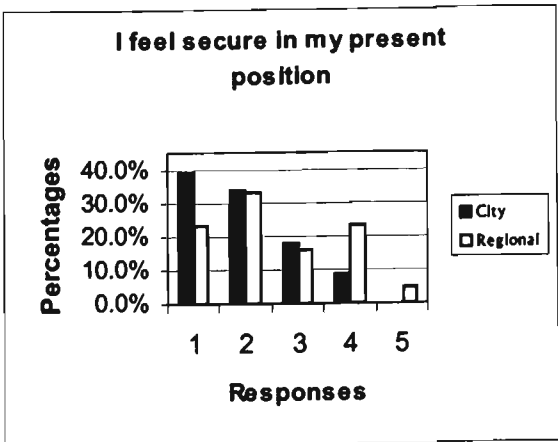
Feel secure in present position

QUESTION 10

I am informed of what will happen in the future within this organisation
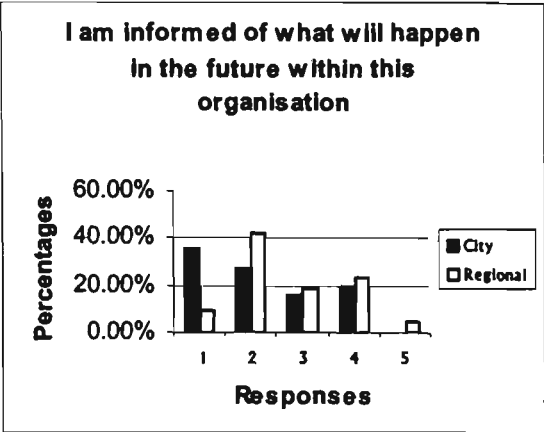
Regional Call Centre Not Answered = 1

Employee informed of what will happen in the future

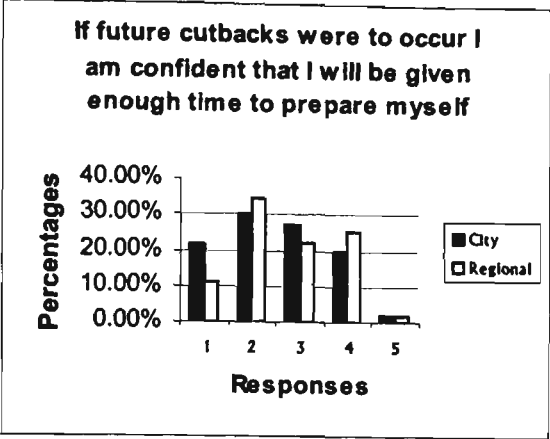## QUESTION 11

I am more productive in my job than I was in 1990
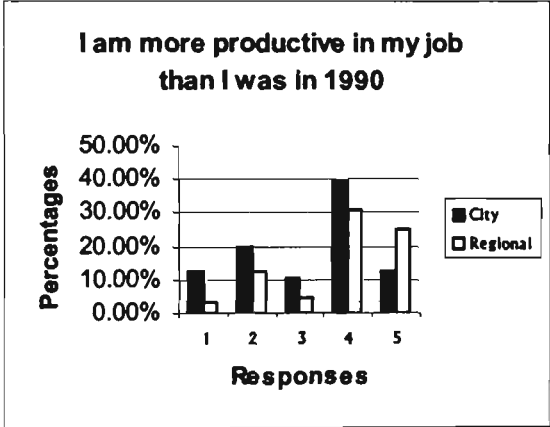
City Call Centre   Not Applicable =   1
Regional Call Centre Not Applicable = 15
Regional Call Centre Not Answered =   2

Greater job productivity than in 1990

QUESTION 12

I would recommend this organisation to a close friend
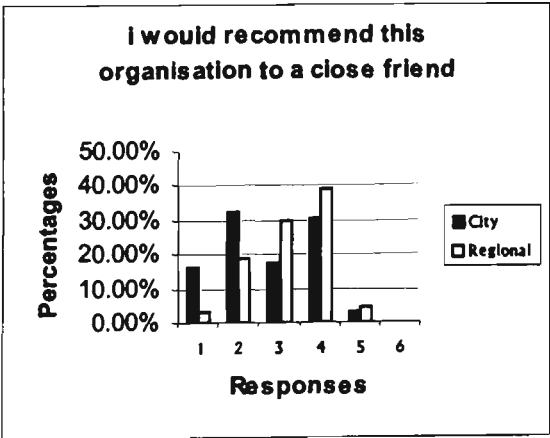
Regional Call Centre Not Applicable = 1
Regional Call Centre Not Answered = 2

Would recommend this organisation to a close friend

QUESTION 13

I feel threatened when change is introduced
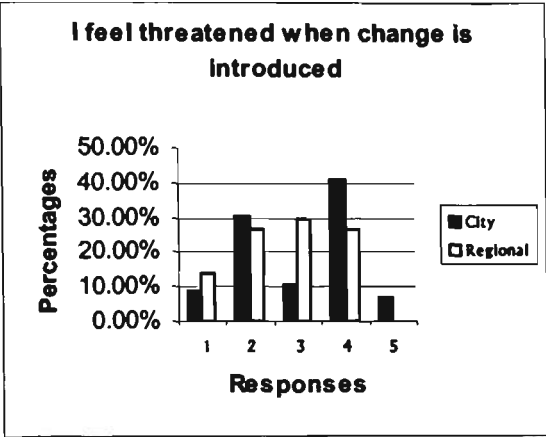
| City Call Centre | Not Applicable = 1 |
| Regional Call Centre | Not Answered = 2 |

I feel threatened when change is introduced

QUESTION 14
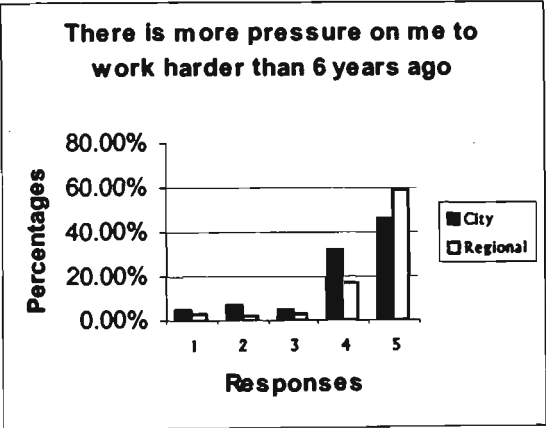
| Regional Call Centre Not Answered = 2 |
| Regional Call Centre Not Applicable = 1 |

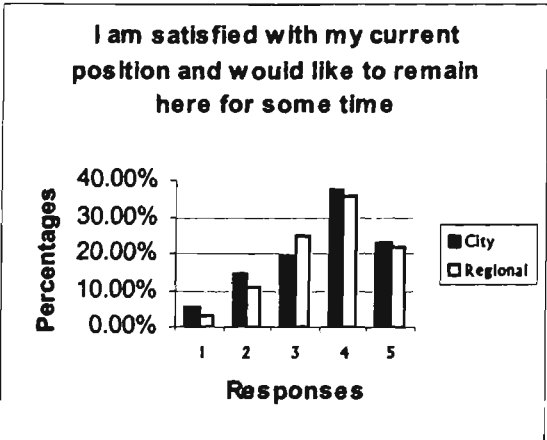More pressure to work harder than 6 years ago

QUESTION 15
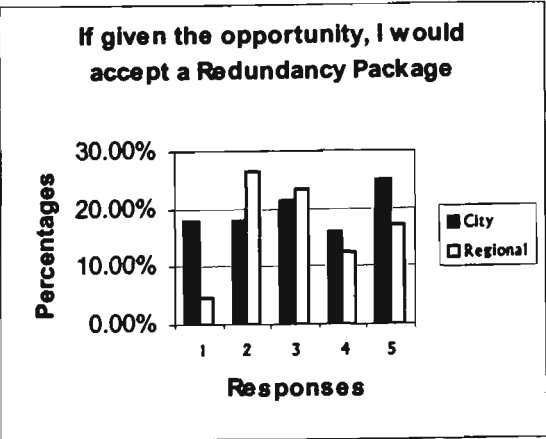
City Call Centre	Not Applicable = 2
Regional Call Centre	Not Applicable = 8
Regional Call Centre	Not Answered = 2

Would accept a Redundancy Package

QUESTION 16
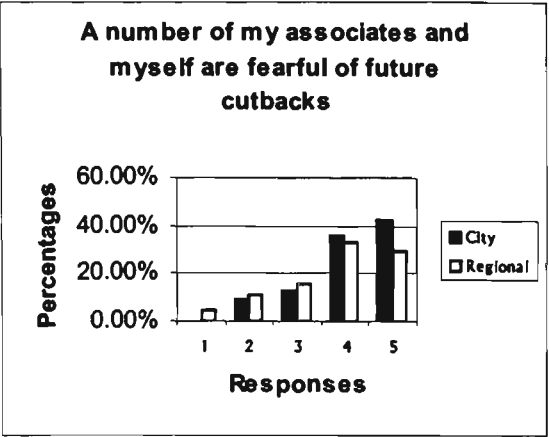
A number of my associates and myself are fearful of future cutbacks

Fear of future cutbacks

Regional Call Centre Not Applicable = 1

QUESTION 17

If future cutbacks were to occur I am confident that the percentage of people who remain behind will be enough to do the work
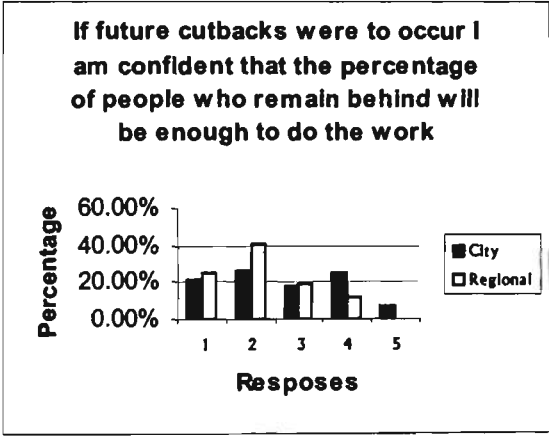
Percentage of people who remain after cutbacks will be enough to do the work

City Call Centre   Not Answered = 1
Regional Call Centre Not Answered = 2

QUESTION 18

I would like to be able to participate in the selection of new staff

Participation in the selection of new staff
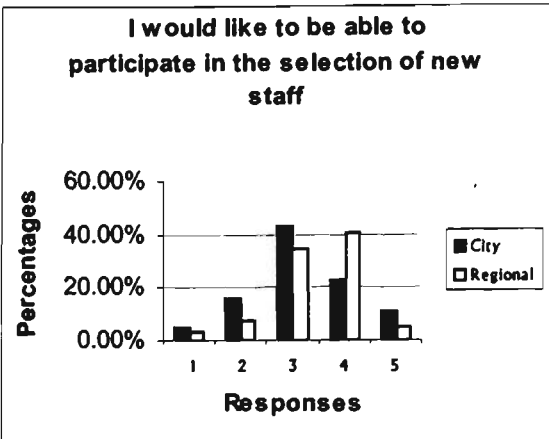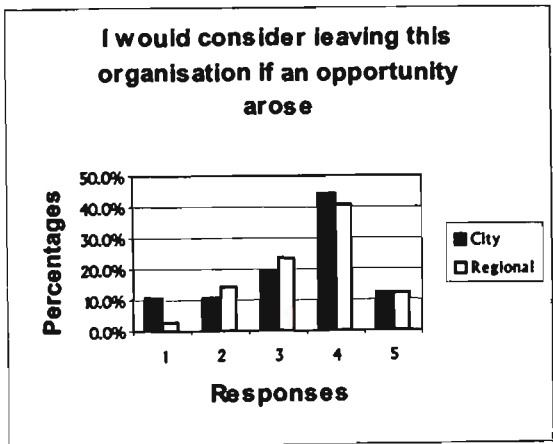
City Call Centre   Not Applicable = 1
Regional Call Centre Not Applicable = 4
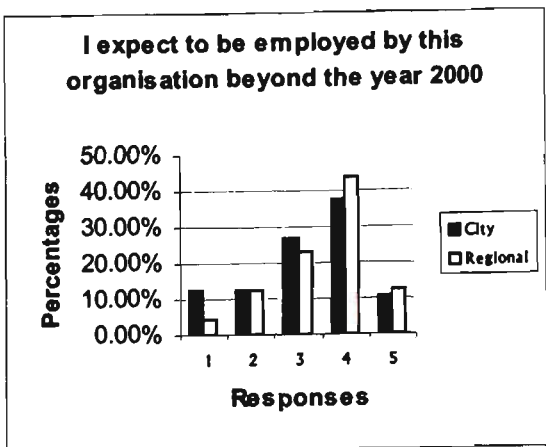Regional Call Centre Not Answered = 2

QUESTION 19

If future cutbacks were to occur I am confident that I will be given enough time to prepare myself

Regional Centre Not Applicable = 3
Regional Centre Not Answered = 1

Employee confident that there will be given enough time to prepare for cutbacks

QUESTION 20
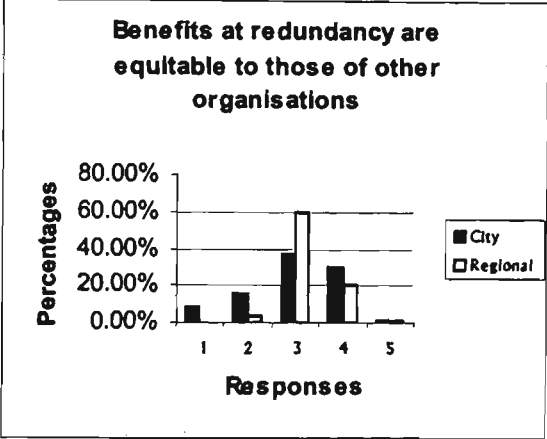
Benefits at redundancy are equitable to those of other organisations

City Call Centre   Not Applicable = 2
Regional Call Centre Not Applicable = 8
Regional Call Centre Not Answered = 2

Benefits at redundancy are equitable to those of other organisations

QUESTION 21

I am satisfied with my current position and would like to remain here for some time

Regional Call Centre Not Answered = 2

Satisfaction with current position and desire to remain in organisation

QUESTION 22
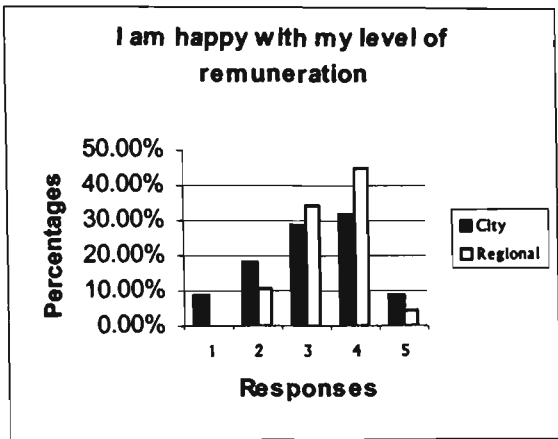
I am happy with my level of remuneration

City Call Centre   Not Applicable = 1
Regional Call Centre Not Applicable = 1
Regional Call Centre Not Answered = 2

Happy with level of remuneration

QUESTION 23

I would consider leaving this organisation if an opportunity arose

City Call Centre   Not Answered = 1
Regional Call Centre Not Applicable = 2
Regional Call Centre Not Answered = 2

Employee would consider leaving this organisation if an opportunity arose

QUESTION 24

I expect to be employed by this organisation beyond the year 2000

Regional Call Centre Not Answered = 2

Employee expects to be employed by this organisation beyond the year 2000

I have suffered stress following staff cuts
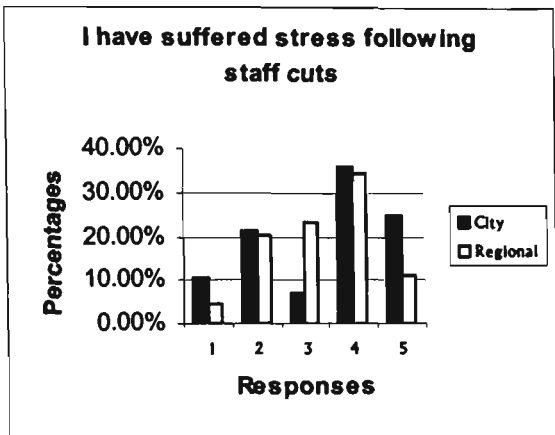
Regional Call Centre Not Applicable = 1
Regional Call Centre Not Answered = 2

Staff stress following staff cuts

QUESTION 26

The performance development plan has improved my relationship with my current supervisor
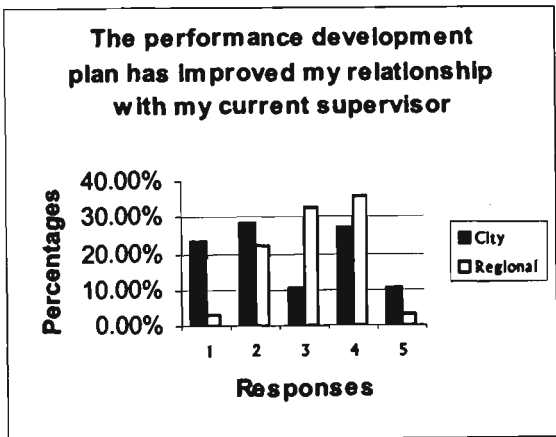
City Call Centre   Not Answered = 1
Regional Call Centre Not Answered = 2

Performance development plan has improved relationship with current supervisor

QUESTION 27
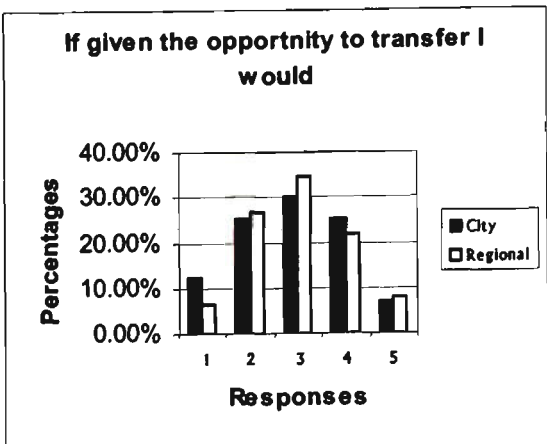
If given the opportnity to transfer I would

Regional Call Centre Not Answered = 2

Opportunity to transfer

My current level of satisfaction is high

Current level of satisfaction is high

Regional Call Centre Not Answered = 2

QUESTION 29

I am given the opportunity to express my views and my contributions are taken into account when change occurs
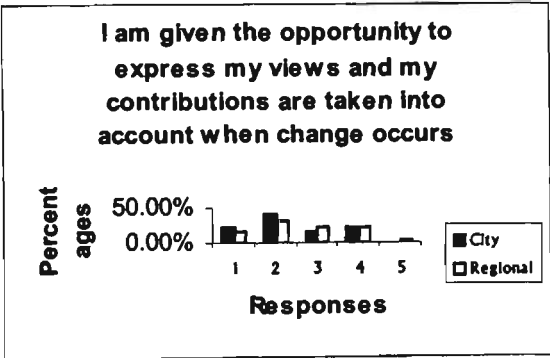
City Call Centre   Not Answered = 1
Regional Call Centre Not Answered = 2

Opportunity to express views and contributions are taken into account when change occurs
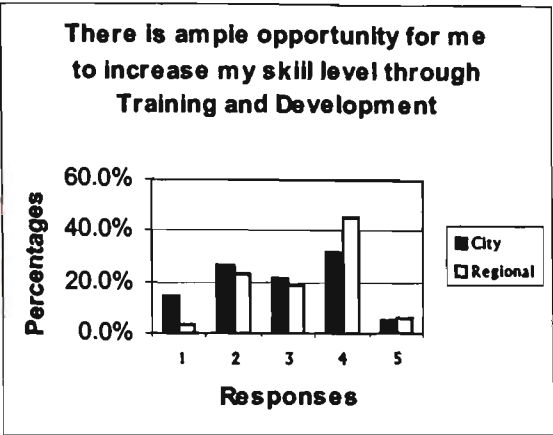
QUESTION 30
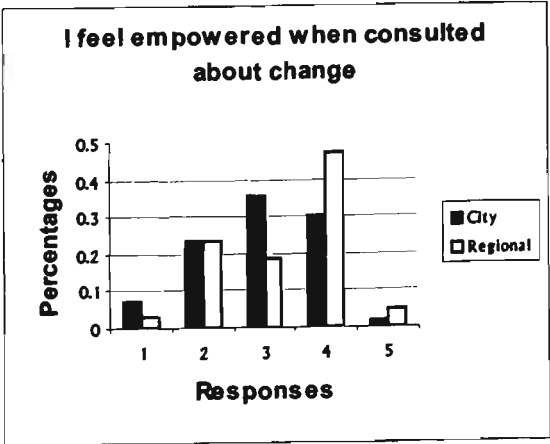
I feel empowered when consulted about change

City Call Centre   Not Applicable = 1
Regional Call Centre Not Applicable = 1
Regional Call Centre Not Answered = 2

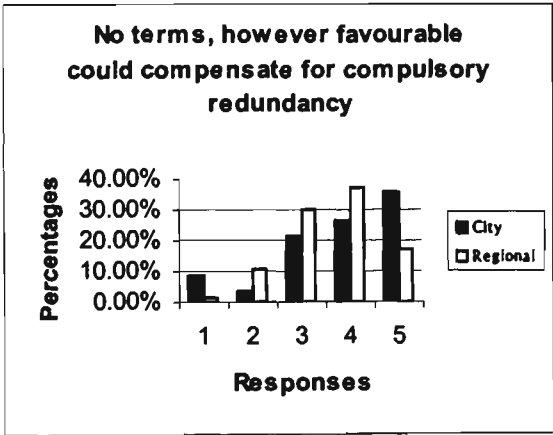Employee feels empowered with consulted about change

There is ample opportunity for me to increase my skill level through Training and Development

Ample opportunity to increase skill level through Training and Development

Regional Call Centre Not Answered = 2

QUESTION 32

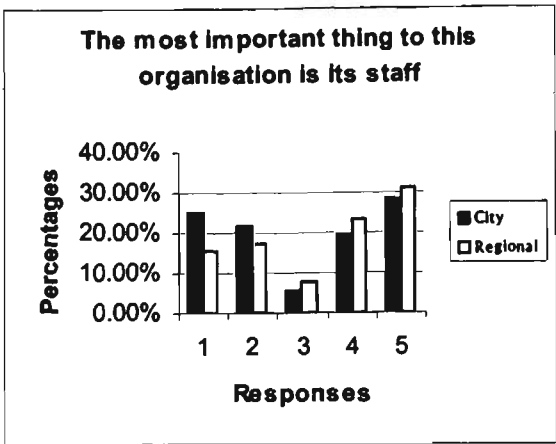**No terms, however favourable could compensate for compulsory redundancy**

City Call Centre   Not Answered = 2
Regional Call Centre Not Answered = 2

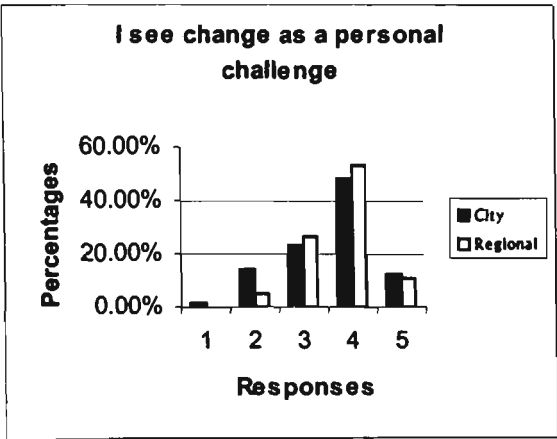No terms, however favourable could compensate for compulsory redundancy

QUESTION 33

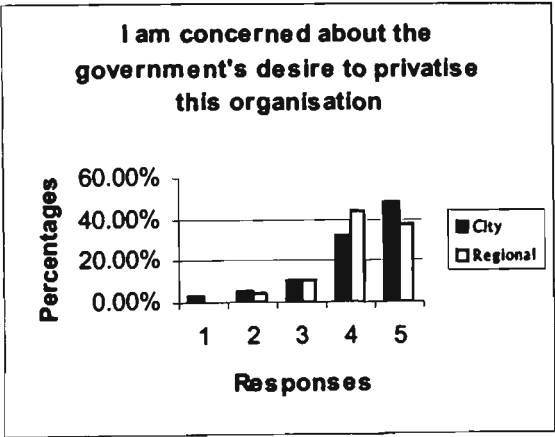**The most important thing to this organisation is its staff**

Regional Call Centre Not Answered = 2

Most important thing to this organisation is its staff

I see change as a personal challenge

See change as a personal challenge

Regional Call Centre Not Answered = 2

QUESTION 35

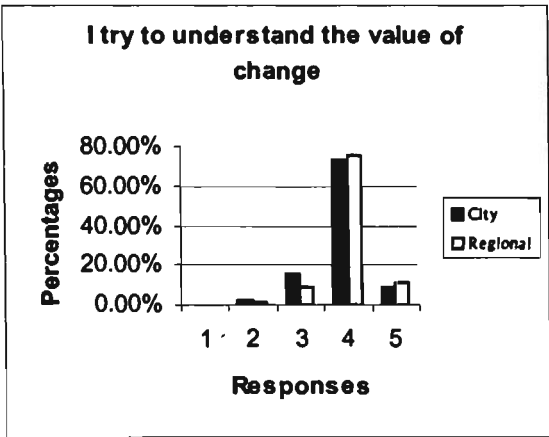**I am concerned about the government's desire to privatise this organisation**

Concern about the government's desire to privatise this organisation
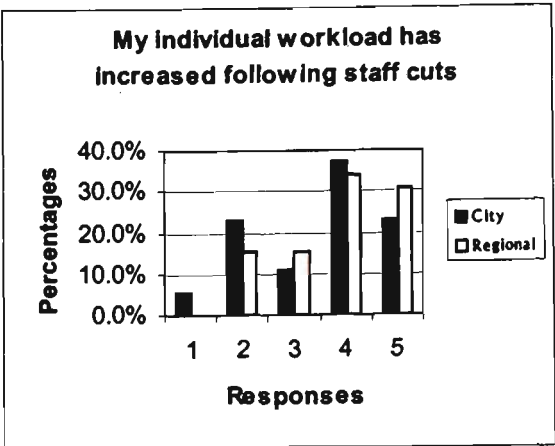
Regional Call Centre Not Answered = 2

QUESTION 36

My individual workload has increased following staff cuts

Individual workload has increased following staff cuts

Regional Call Centre Not Applicable = 1
Regional Call Centre Not Answered = 2

I try to understand the value of change

Percentages — 80.00%, 60.00%, 40.00%, 20.00%, 0.00%

Responses — 1 2 3 4 5

■ City
□ Regional

Regional Call Centre Not Answered = 2

Try to understand the value of change

QUESTION 38
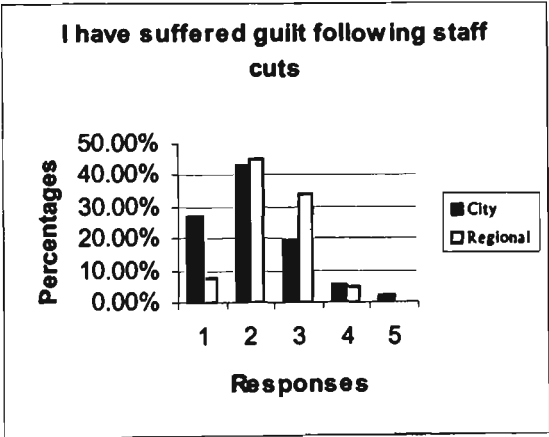
I have suffered guilt following staff cuts

Percentages — 50.00%, 40.00%, 30.00%, 20.00%, 10.00%, 0.00%

Responses — 1 2 3 4 5

■ City
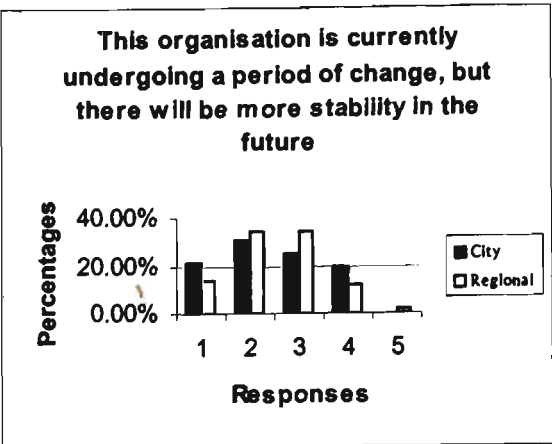□ Regional

City Call Centre   Not Answered = 2
Regional Call Centre Not Applicable = 2
Regional Call Centre Not Answered = 2

Employee suffered guilt following staff cuts

QUESTION 39

This organisation is currently undergoing a period of change, but there will be more stability in the future

Percentages — 40.00%, 20.00%, 0.00%

Responses — 1 2 3 4 5

■ City
□ Regional

City Call Centre   Not Answered = 2
Reginal Call Centre Not Answered = 2

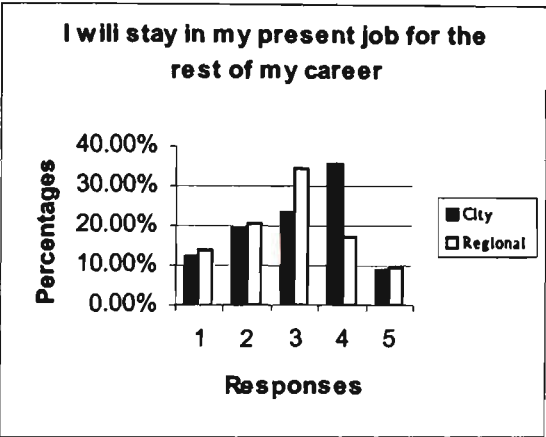Organisation currently undergoing a period of change, but more stability in the future

There will be less opportunity for promotion in the future
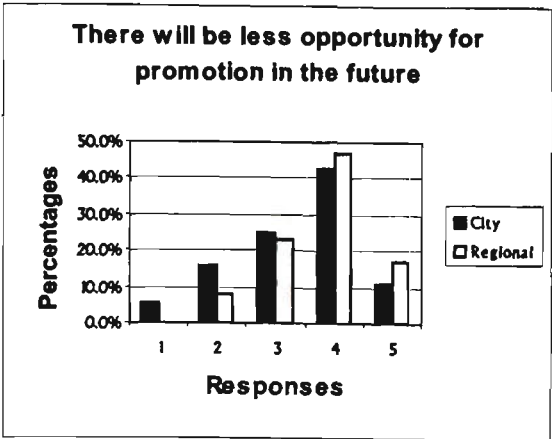
Regional Call Centre Not Applicable = 1
Regional Call Centre Not Answered = 2
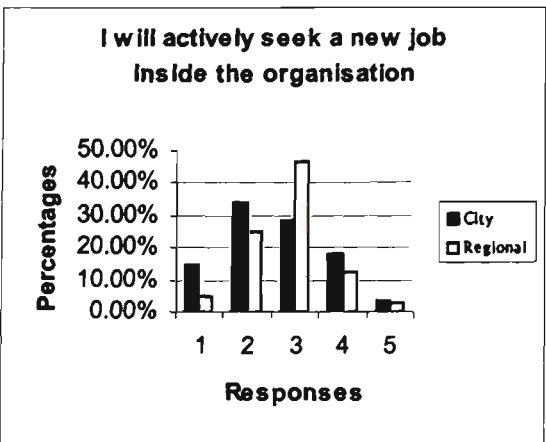
There will be less opportunity for promotion in the future

QUESTION 41

I will stay in my present job for the rest of my career

Regional Call Centre Not Applicable = 1
Regional Call Centre Not Answered = 2

Individual will stay in present job for rest of career

QUESTION 42

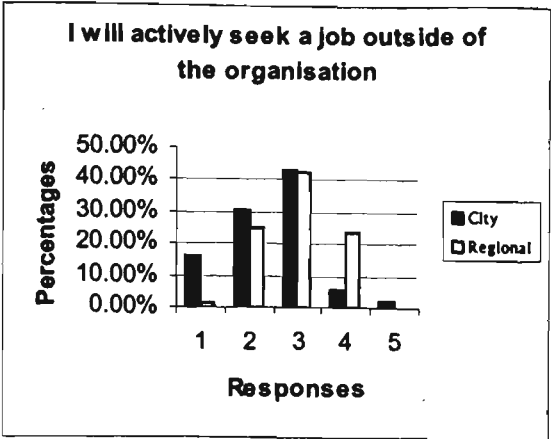## I will actively seek a new job inside the organisation

City Call Centre   Not Answered = 1
Regional Call Centre Not Applicable = 2
Regional Call Centre Not Answered = 2

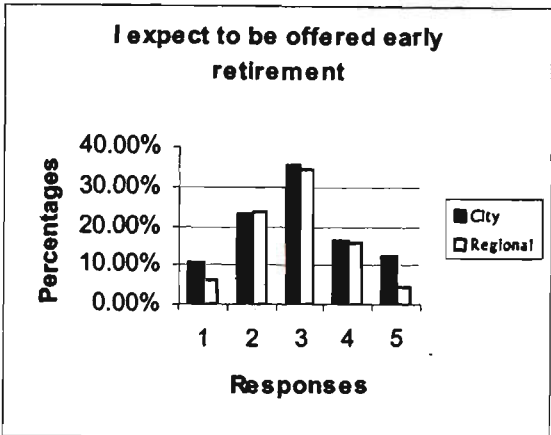Individual will actively seek a new job inside the organisation

QUESTION 43

I will actively seek a job outside of the organisation

Percentages — 50.00%, 40.00%, 30.00%, 20.00%, 10.00%, 0.00%

Responses — 1 2 3 4 5

■ City
□ Regional

City Call Centre   Not Applicable = 1
Regional Call Centre Not Answered = 2

Individual will actively seek a job outside of the organisation

QUESTION 44

I expect to be offered early retirement

Percentages — 40.00%, 30.00%, 20.00%, 10.00%, 0.00%
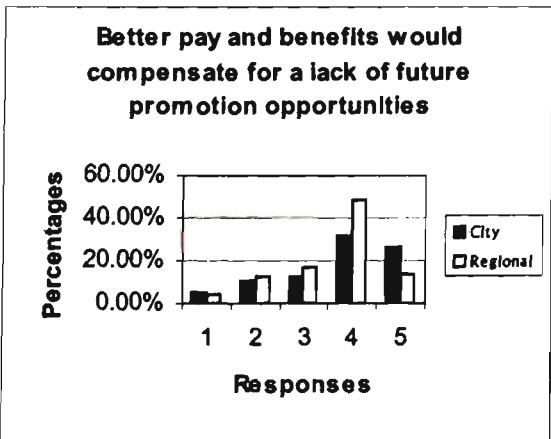
Responses — 1 2 3 4 5

■ City
□ Regional

City Call Centre   Not Answered = 1
Regional Call Centre Not Applicable = 7
Regional Call Centre Not Answered = 2

Expect to be offered early retirement

QUESTION 45

Better pay and benefits would compensate for a lack of future promotion opportunities

Percentages — 60.00%, 40.00%, 20.00%, 0.00%

Responses — 1 2 3 4 5

■ City
□ Regional

Regional Call Centre Not Answered = 2

Better pay and benefits would compensate for a lack of future promotion opportunities