



NO TIME TO TALK!

By Samia M. Siha and Douglas N. Hales



Peer reviewed

Samia M. Siha ssiha@coles2.kennesaw.edu is an Associate Professor of Decision Sciences, Kennesaw State University. Douglas N. Hales dhailes@uri.edu is an Assistant Professor, College of Business Administration, University of Rhode Island.

ABSTRACT

This case deals with several operations issues, such as standard time, corporate values/ethics vs. personal values/ethics, and effective performance measures.

Joan Welch is an operator who works for a telecommunication company. She spends much of her time on the phone answering customers' questions and responding to their concerns. Her average time spent on the phone with her customers is above the "standard time." Unlike her, other operators cut customers short, or even hang up in order to keep the length of the call at or below the standard time. Joan was fired for low performance and her story became a hot topic for the media. Teaching notes follow the case.

No Time to Talk!

As Joan Welch hung up the phone, she sighed, but a little smile showed on her face. She had been talking with an elderly lady for about 45 minutes. The elderly woman was quite slow and couldn't hear well, and Joan had to repeat the information more than once. Moreover, the elderly woman had asked about a certain sales promotion that Joan had to go through several screens to find.

Joan was a customer service associate for "WE LOVE TO TALK" (WLTT) Telephone Company. She had been known among her peers as a patient and compassionate person. She had been raised by her grandmother, who was now 88 years old, and this gave her a great deal of appreciation for the elderly.

As soon as she hung up, her supervisor, July McCollum, called her. Joan pulled herself out of her seat and went to meet her. She knew something was wrong. Earlier, she had received a warning regarding her spending a long time on the phone with the customers. Her average time on the phone had been consistently longer than the "standard time."

Company Policy

The WLTT Telephone Company prided itself on its quality of customer service. Its motto, which was everywhere displayed, was, "OUR CUSTOMERS ARE OUR ASSETS." One of the performance measures of quality of service is the time the customer has to wait on the phone before a customer service representative responds. To measure this, the company forecasted the number of customer calls for every shift (based on historical data), and they calculated the average "standard time" needed to respond to a customer's request. Based on this information they scheduled the proper number of operators. Having the "right" number of operators spend the "standard time" or less on the phone with the customer assured the good service that WLTT Company guaranteed.

The standard time was calculated by timing a random number of customer service representatives when they were performing their duties (i.e. answering customer questions, responding to customer concerns, discussing billing questions and helping customers place long distance or international calls). The timing process was done automatically through a computerized system. The average time was calculated after normalization and allowance factors were applied to compensate for the time of the day and any other control variables. This process was done periodically.

Applying the Policy

When Joan Welch entered Ms. McCollum's office she felt uneasy. Without asking Joan to sit down, Ms. McCollum informed her that her competency and ability to perform her job were questionable. She proceeded to tell her that for the past three months, her average time had consistently exceeded the standard time. Since the WLTT Company did not keep operators who were not performing, she would have to be discharged from her duties.

Joan Welch walked back to her station with her head down, feeling betrayed by the company that she had served for five years. She loved her job and her customers and had always gone the extra mile to answer their questions and respond to their concerns. She had never cut a customer short or hung up on him or her, a practice that some other operators used to keep their time close to or less than the "standard time." Joan felt that she had always been faithful to her customers and the company.

A Media Reaction

A friend of Joan's who knew a TV reporter at the local news channel, Channel 2 News, decided to tell the story to the public. Channel 2 News reported the case of "an energetic, faithful phone company operator who had been fired because she gave her customers the great service they deserved and refused to compromise her integrity. The 'WE LOVE TO TALK' company that proclaimed "Our Customers Are Our Assets" had fallen short of this claim."

A Board Meeting

Mr. Jerry Johnson, CEO of WLTT Company was distressed about the negative TV coverage and asked for a board meeting to review many of the company policies. The use of standard time as a performance measure was one of them. There were many other issues to discuss at the meeting, such as the employees' ethical values, their personal values, the "fairness" of performance measures, and the recent media reaction.

The Meeting was scheduled for 10:00AM. Mr. Johnson was jogging as usual at 6:00 AM, but that day, he was dragging his feet because he had a lot on his mind.

TEACHING NOTES

Case Overview

Ms. Joan Welch has worked for "WE LOVE TO TALK" Company for five years. Ms. Welch likes her job, her customers, and she treats her customers, particularly the elderly, with a great deal of compassion.

Joan spends much of her time on the phone answering customers' questions and responding to their concerns. Her average time spent on the phone with her customers is above the "standard time". Her peers on the other hand, cut customers short, or even hang up, in order to keep the length of the call at or below the standard time. Because she spent an unacceptably high amount of time answering customers' phone questions, Joan was fired for low performance.

A reporter at a local TV channel made Ms. Joan's case public. The board of WLTTTC Company met to discuss many issues, among them, the employees' ethical and personal values, the "fairness" of performance measures and the recent media reaction.

Objectives

This case presents an ethical dilemma. It also deals with control and evaluation issues. The concept of behavior substitution is defined here:

"Behavior substitution refers to a phenomenon when people substitute activities that do not lead to a goal accomplishment for activities that do lead to goal accomplishment because the wrong activities are being rewarded. Managers, like most people, tend to focus more of their attention on those behaviors that are clearly measurable than on those that are not." Wheelen and Hunger, *Concepts in Strategic Management and Business Policy*, 8th Ed., 2000 Prentice Hall, p. 258.

Students will be engaged in discussing issues like:

1. What happens when the control measures contradict the best interests of the company?
2. The appropriateness of standard time in a service company.
3. The employees' discretion in their jobs.
4. The employees' responsibility toward company policy.
5. The employees' responsibility toward their professional and personal ethical values.
6. The ethics of the coworkers who cut off the customers' call.
7. The behavior substitution phenomenon in evaluation and control

Teaching The Case

Intended Courses and Levels

The case is intended for teaching at both undergraduate and graduate level in the following courses:

- Operations Management
- Service Management
- Business Ethics
- Organization Behavior

Introduction and Warm-up: (5-10 min.)

Students can be given the case in advance or be given the opportunity to read it in class for approximately 2-5 minutes. To warm the class up, start by determining the sentiment of the class. Ask, "Was WLTT Company justified in firing Ms. Welch?" Encourage students to explain why they answered yes or no. Students will bring up issues such as fairness, equity, company policy, and the importance of standards.

In-depth Discussion: (20-25 min.)

1. *What are the objectives of having "standards" in a service company?*

Try to have a short discussion on the usage of standard time in service. Ask the students for examples of this practice. Use of "standards" is essential, and should be a means to achieve the company's goal. You may want to discuss the difficulties of obtaining "standards."

2. *Is it the responsibility of the employee to completely follow the company's policy?*

Try to take the opposite position here. Ask students why or why not. Some may say, "of course, company policy should be followed. However, it could be discussed with the supervisor."

3. *Should an employee take the initiative to convey his or her own ethical values and/or standard?*

This is a controversial question. First, discuss what is ethical and what is not ethical. Ask students for examples. Some students will have a strong opinion toward personal values and others may take the opposite position. Be prepared to respond, and know where to draw the line.

4. *Are the company's policies consistent with their desired goals?*

Companies put policies in place to protect themselves and also to satisfy customers. WLTT Company wants their employees to work efficiently and effectively. The company also enforced this policy to make sure that customers are not put on hold for long periods of time (refer to the *note to OM instructors* below.) But are the institutional measures sabotaging their desired goals?

5. *How would you describe coworker behavior?*

Answers here will vary. Some students may believe they are following the "rules." Others may consider them unethical. Here is an opportunity to explain the

concept of “behavior substitution.” Employees perform according to their measurement system.

6. Was Ms. McCollum’s decision justified? Why or why not?

Ms. McCollum applied the policy blindly. She did not take the time to investigate the case. However, she should not be blamed if she was not empowered by her superior to do so.

7. How should the company modify its “standard time” policy?

Students will have various opinions, some practical and some not. Listen to each opinion and analyze it. The standard time could be treated as a guideline and not as a fixed standard that every one has to meet. Recorded samples of phone calls could help to better understand the process. Preparing scripts for operators and having the information easily accessible on the computer screen could be another way to decrease the variability.

8. Should the company give Joan another chance?

This is a difficult issue. If she returned it would set a precedent. Thereafter, every dismissed employee could run to the media, exaggerate his/her story and twist the employer’s arm to rehire him or her. On the other hand, Joan’s return would send a message to employees that if they contravened company policy while acting in good faith, their actions would be judged appropriately. Moreover, ignoring public opinion would make the company look bad.

9. How should Mr. Johnson handle the negative media coverage?

He needs to assure his board, his stockholders, his stakeholders and customers that WLTT Company cares very much about customers and their satisfaction. They still believe in their motto, “Our customers are our assets.” Moreover, he should acknowledge that their employees are very important to their success as a telecommunications company, and that they value the improvements that employees make to their processes. He needs to explain how they are going to change their measures regarding employee performance to better reflect their values.

A Special Note to Operations Management Instructors

If this case is taught within OM course, the following discussion may be helpful:

1. **Interpretation of "standard time":** It appears that the supervisor in this case has misinterpreted "standard time". The way the case calculates standard time is as an "average of random telephone call lengths". This means (as Deming says) that an average, by definition, is that 50 percent is above average, and 50 percent is below the average. As long as the company calculates standard time as an average, approximately 50 percent of the phone calls are going to be above the standard, and 50 percent will be below the standard. This may make

the operator's longer calls OK. The supervisor is currently incorrectly interpreting the "standard time" as the 'maximum allowable time'. If she continues to interpret standard time this way, standard time will become a moving target -- gradually decreasing the average until it is below one minute or less (which is ludicrous). This may help to drive home the problem of using averages as standards, and may help teach students how to properly interpret averages and variances. Also, as we know, meaningful averages occur over a number of data points (not just one operator). As long as the call center average for all operators remains the same (and are normally distributed) -- the longer calls of one operator are meaningless and expected.

2. **Use of Measurements:** I have heard operators getting around this standard by having customers call back, admitting to a customer that they can spend more time on a customer's problem if they call back. The way I have heard companies check this is to count the number of calls before and after instituting "standard time." So, both the average call time and number of calls should be used simultaneously. Instead, companies encourage this behavior by rewarding the larger number of calls.
3. **Utilization:** If all operators are constantly busy, longer call times may present a problem. However, an operator who is not consistently busy and spends a longer time on each call will never affect the company's performance.

Conclusion: (5 min.)

As a conclusion to this discussion, ask the class to take a vote: should Ms. Joan Welch be given a second chance?

At this point most students will want to give Joan a second chance. They may recall their own frustration when they call their phone company and someone hangs up on them rather than solves their problem.



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