

(a) Explain *one* advantage and *one* disadvantage to British firms of offshoring.

[4 marks]

Advantages for British firms:

- the British firms can concentrate on and develop their core activities
- the British firms contract the call centres. Therefore all responsibility for employment and dismissal falls on a different firm, legally detached from the British firms
- the lower employee costs should be reflected in lower prices for consumers and can generate greater sales, or simply higher profits for the owners
- labour laws could be a lot more flexible abroad than in Great Britain, and therefore employment and dismissal is simpler
- if the British firms are not satisfied with the performance of the sub-contractors the contract can be terminated and the contractor can be easily replaced
- if the offshore workers are properly trained and motivated, customers should get a better service than if their calls were to be answered by less willing labour at home
- *accept any other relevant point.*

Disadvantages for British firms:

- other costs might increase, since some of the workers in managerial positions will need to travel overseas from time to time to check on / appraise the call centre operations
- the firm might not have the same degree of control over workers as if they were home based
- it might be difficult to ensure consistent good quality of service
- quality control has to be done over the telephone or internet, which is not the same as doing it face to face
- negative publicity at home
- the loss of goodwill
- possible negative effects on other stakeholders and suppliers
- *accept any other relevant point.*

[3 to 4 marks]

One relevant advantage and one relevant disadvantage are clearly explained. Award [3 marks] for either an advantage or disadvantage that is clearly explained with the other only briefly described.

[1 to 2 marks]

Either one advantage or one disadvantage is explained, or both the advantage and disadvantage are listed but not explained.

(b) (i) Describe *two* objectives of a trade union.

[2 marks]

- Unions have the objective of protecting rights of workers in terms of pay and in terms of better working conditions. They do this by negotiating with management as a group. Workers who group together (“unionize”) have greater power than if each tries to bargain for his rights individually.
- Acting as a channel of communication between the employees and the employers.
- Providing assistance to individual members with grievances and disciplinary matter.
- *Any other relevant function.*

[2 marks]

A description of two appropriate objectives of a trade union.

[1 mark]

A description of one appropriate objective or a list is provided for two objectives.

(ii) Examine how a call centre trade union could affect the employees.

[6 marks]

Unions could bargain with employers in order to obtain the following benefits:

- workers could be given more achievable targets, lowering quotas on calls and mails
- working hours could be limited given the stress and monotony of the job
- more breaks could be introduced
- better pay
- the union might come up with social entertainment or activities that might improve the well being of the employees.

The trade union could also affect the employees in a negative way. The action could limit the desire of firms to use India as a call centre base, and might take the business elsewhere. By forcing demands on the companies, the workers might find that the jobs are no longer available. Fewer employment opportunities will be available for local people.

Industrial action of a different type might be called for and some people might not like to participate, since their jobs might be at stake if they do. Membership cost money. Moreover, tension between the employees can rise.

[5 to 6 marks]

A detailed and balanced examination of the potential impact of a trade union with consideration of both positive and negative effects. There is appropriate reference to the context of a call centre.

[3 to 4 marks]

Some examination of the potential impact of a trade union though this may lack detail, depth or balance, particularly at the lower end of the range. The answer may lack reference to the context of the call centre for *[3 marks]*.

[1 to 2 marks]

A limited and essentially descriptive answer.

- (c) **Using appropriate motivational theories analyse the methods used by call centres to get the best performance from their employees.**

[8 marks]

Maslow's contribution was the theory about human behaviour and satisfaction of needs. He believed that needs are satisfied in a certain way, with lower order needs being satisfied first – physiological, security and love and belonging needs. Once they are satisfied these needs do not longer motivate the employees and the employees will be looking at ways of satisfying their higher level of needs – like self esteem and self actualisation. However, if the lower level of needs are not satisfied, the employees will not be able to move up towards the fulfilment of the higher levels of needs

Herzberg sustained that in an employment situation, management can offer an environment that just supplies what the worker needs to perform efficiently, without which discomfort will set in. These are called the hygiene factors. Workers are not motivated by them. These factors provide dissatisfaction. To motivate workers the 'motivators' should be provided. These motivators correspond to Maslow's higher level of needs and to the nature of the job itself.

It can be argued that the lower levels of needs are satisfied and the hygiene factors are provided given the information of good salaries, cafes – (a place to relax and socialise), popcorn machines etc. Moreover, if we accept the view that the organisation provides career opportunities, one can argue that the higher level of needs – self esteem – are fulfilled (a chance for development and promotion) and some motivators' are provided. At the call centres workers are led to believe that management is taking care of them by giving them a variety of things such as coffee and popcorn and investing in the work environment. Some workers might be satisfied with this attention and respond positively to the stimulus.

However, information is also provided about 'Burning out', exploitation, work monotony, quotas, lack of job security and so on. One can therefore argue that even the lower of level of needs and the hygiene factors are not provided. If people like Vinita have to sacrifice their career to stay in the job, then it is doubtful that she will reach self actualization.

In terms of Herzberg, call centres have paid a lot of attention to the hygiene factors, but not to the motivational ones. A possible reason for this is that there is no real interest in having highly committed participative, workers who take pride in sharing in the decision-making process.

Theory X/Y

McGregor introduced the theory of management based on the management perceptions of employees. Workers can be perceived and lazy, dislike work, need to be told what to do and who are generally not committed to their jobs. Those workers are motivated by financial rewards. These are referred to as Theory X workers, a term coined by McGregor, when he referred to Taylor's scientific management. McGregor also sustained that workers can be perceived as theory Y - workers who identify with the organisations' objectives, like to get involved and want to participate in relevant decision-making. These employees are not motivated by money. but more by the nature of the job itself. It seems that the call centers are using a variety of Theory X ideas, keeping workers happy with things such as pay and working environment. The firms do not need workers to think creatively. They actually want them to obediently follow rules. Targets are set high, so that workers will push themselves to achieve these higher targets. Again, given the quotas and the constant monitoring /control, one can argue that the call centre management perception of the employees is of Type X. These practices will not motivate the Y type employees.

Mayo

This theorist discovered through a variety of experiments, that workers productivity increased when they were considered by management and their ideas were listened to. They felt part of a team, and regardless of whether the working condition improved or deteriorated, they responded with higher productivity to a stimulus, regardless of its quality, which to them was interpreted as "management cares".

The motivation techniques applied by management may or may not be seen as motivator. It seems that workers are nevertheless accepting the jobs. The possible involvement of the trade union might indicate that the level of dissatisfaction is increasing.

[7 to 8 marks]

A clear and well balanced examination of methods used to improve the performance of the workers with appropriate reference to and application of the work of more than one theorist. Appropriate reference is made to the case study.

[5 to 6 marks]

A clear examination of methods used to improve the performance of the workers with some reference to and application of the work of at least one theorist. The analysis may not be well balanced. Some reference is made to the case study though this may be limited at the lower end of the range.

[3 to 4 marks]

The answer describes some methods used by call centres to improve performance though it may lack depth and is mostly descriptive. A reference may not be made to the case study.

[1 to 2 marks]

A limited and essentially descriptive answer.