INNOVATION CALLING - COMPONENTS OF THE INNOVATIVE ORGANISATION: A CALL CENTRE PERSPECTIVE

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ABSTRACT

This paper presents a literature review that was carried out to understand and group the organisational characteristics that affect the front-line employees innovative ability to encourage incremental process innovation. The findings of the literature review identified six key organisational areas and subsequent components that were important to stimulating innovative ability. To understand how the organisational components could be related to a particular context they were discussed in relation to a mass production form of call centre that are focused on cost reduction and operational efficiency. It was found that by analysing the context in relation to the organisational components of an innovative organisation that it could be concluded that mass production call centres do not have the characteristics that are apparent of an innovative organisation, which leads to the identification of a wider research area that links types of call centre with their organisational characteristics and their innovative ability. The paper also identifies that the matter of front-line employees role in the organisational innovative ability of call centres is a research area that requires further empirical investigation in order that innovation can be used to support call centres move up the value chain.

Keywords: Innovation, call centres, organisational characteristics

INTRODUCTION

Innovation has been cited as being a key competitive factor for organisational success (Porter, 1990) and being more innovative can enable organisations to perform higher value of work. With innovation enabling organisations to create new market space through new or improved products, services and processes (Chan Kim and Mauborgne, 1999), leading to new value creation. The key challenge for organisations is to understand how their organisational characteristics affects the type of innovation that it can apply, with a wide typology of innovation that organisations can pursue; radical, incremental, product, process, technical and administrative (Damanpour, 1991) it is important to understand the type of innovation that this research concentrates on. It is argued that employees working in direct contact with any process will see areas for improvement due to the intimacy that they have with the process and that the front-line or shop floor employees are the prime resource for stimulating innovative ability within the area of incremental process innovation (Marr and Neely, 2004). Therefore, this paper will focus specifically on how incremental process innovation, both technical and administrative in nature, can be stimulated with a bottom up approach within a particular organisational context. This context is namely the call centre industry, this perspective has been chosen for this paper due to the fact that it has been identified that the call centre industry within the UK has to move up the value chain in order to survive in the face of offshore competition and becoming innovative is a key way to remain competitive. Mass production call centres have been selected to be studied for this particular paper due to that fact that the environment of these types of call centre have characteristics that are akin to the Taylorist factories of the past (Bain et al., 2002) so if this type of call centre can be discussed with regard to the innovative organisational characteristics, then areas can be identified for further empirical study.

LITERATURE REVIEW - COMPONENTS OF THE INNOVATIVE ORGANISATION

Scope of the Literature Review

A literature review was carried out in the area of the characteristics of an innovative organisation. Although much work has been carried out into the area of innovative organisations, these studies have often been narrowly focused on one particular organisational aspect rather than a holistic view of the components of the innovative organisation. Tidd et al. (2001) brought together a summary of the studies (45 studies in total) that focused on singular aspects of organisational innovation and developed a set of components of the innovative organisation. Where Tidd et al. used studies focusing on singular organisational aspects of the innovative organisation; this study aims to carry out a literature review using studies and literature based on multi-dimensional aspects of the innovative organisation. Therefore studies that discuss more than one factor of increasing the ability or stimulating an organisation to be innovative have been included in this initial piece of research work.

Methodology

When carrying out the literature review the organisational components that were mentioned in each of the studies and the relevant innovative characteristics that related to the areas under study were recorded. An overview section of the data collection method is shown in table 1.

Using the data collected, a grouping process was undertaken that identified six organisational areas that were common among many of the studies this was done by building upon the organisational excellence framework developed by Daft (2001) in which he outlines four categories regarding the organisational factors associated with organisational excellence; these are strategic orientation, top management, organisation design and corporate culture, these have been rephrased in this research work respectively as strategic alignment, leadership, organisational structure and organisational culture.

Table 1- Sample of data collection table

Jaskyte and Riobo (2004)	Merx-Chermin and Hijhof (2005)	Loewe and Dominiquini (2006)	Bessant et al. (2005)	Lemon and Sahota (2004)
Relationships with other organisations	Creativity process	Leadership and organisation	Triggering the process	Environment
Employees of an organisation	Motivation	Culture and values	Strategic choice and portfolio management	Mission, vision and values
Leadership	Leadership	People and skills	Implementation	Technology
Organisational culture	Organisational climate	Processes and tools	Innovation strategy	Knowledge structures
External environment	Organisational structure		Innovative organisation	Management style/Organisational structure
	Strategic alignment		Pro-active linkages	Employees
			Learning and capability development	Organisational memory

Two other categories human resources and innovation process were added, this is due to the fact that it has been said that employees are "the foundation stone of innovation" (Goffin and Mitchell, 2005:265) therefore it is essential to discuss the human resource role as a separate factor of the innovative organisation. The innovation process category has been added as an area that deals with the management of the innovation process, this means anything from stimulating ideas to implementing them and learning system to capture knowledge from past projects. Factors that are apparent in this category have been placed under categories such as 'support mechanisms' in other singular studies (Martins and Terblanche, 2003), however from the literature there is a wider view that an innovation process will drive and implement innovation as well as offering the appropriate support mechanisms. Table 2 shows the groups of organisational components and the subsequent innovative characteristics that have been derived from the initial literature review.

The aim of developing organisational component categories is to make the complex subject of interrelated organisational factors of innovation easier to identify and discuss. This allowed the literature within this area to be reviewed in a systematic fashion. There could, however, be some ambiguity and argument surrounding the interconnections and relationships between the categories and the factors but these relationships are not important at this point in the research.

The following review is concerned with the main components of the innovative organisation that have been identified through the execution of the literature review focusing on what characteristics of an organisation affect the innovative ability of a firm. Figure 1 has been developed from the discussion of the main drivers below.

Strategic alignment
To enable the firm to become an innovative organisation then there is a need to align the type and level of innovation with the corporate strategy (Davila et al., 2006), the key here is to understand that the needs of the organisation should drive the type of innovative company that the firm will become, and therefore setting an innovation strategy for the company. For example not all companies need to focus on radical product innovation, as this is not strategically important to a company who competes operational effectiveness (Treacy and Wiersema, 1993). Therefore, the type of innovation and subsequently the innovation strategy that comes from stimulating innovative capabilities will be different for particular firms depending on their individual strategic goals.

The corporate strategy that a company pursues is inherently designed with regard to the external environment that a firm operates within therefore the innovation strategy that the firm pursues will also be dependant on the nature of the external environment. This means that careful consideration has to be taken in monitoring the external environment and the impact it will have on the innovative abilities of the organisation (Ozsomer et al., 1997; Tidd 2001). It has been said that innovative organisations have an external focus that is oriented on both the internal and external customer (Tidd et al., 2001), and ensure that the customer focus is present from top to bottom through the organisation (Davila et al., 2006). But once these goals have been identified then there is a need for the strategy to be effectively communicated throughout the organisation so as to ensure that there is a shared sense of purpose in innovation that will be evident at all levels of the organisation (Tidd et al., 2001).

Organisational structure
The organisational structure with regard to innovation is a topic that is discussed frequently in studies carried out in the innovation theory field (Tuominen et al., 2004; Damanpour, 1996), and when it is related to how the organisation should be structured to enable more organisational innovativeness a number of key factors arise from the literature. Flexibility in the organisational structure is a key factor that is often cited as a driver to enable innovative capabilities (Chanal, 2004; Ozsomer et al., 1997; Lemon and Sahota, 2004; Amabile et al., 1996), with organisations encouraged to move away from rigid hierarchical structures (Lemon and Sahota, 2004). Thus, leading to decentralised, functionally differentiated organisations (Merx-Chermin and Hijhof, 2005; Damanpour, 1987; Ozsomer et al., 1997) that will result in an increase in innovative capacity. By altering the structure of the organisation in this way then this will allow more open channels of communication (Ozsomer et al., 1997) and will enable a more informal decision making style (Lemon and Sahota, 2004; Ozsomer et al., 1997) and these factors will also enable the organisation to be more innovative. However, the organisational structure of an organisation can be difficult to alter and will take substantial amounts of time and effort to achieve a restructuring programme such as business process reengineering (Hammer and Champy, 2001), therefore it might be applicable to try to encourage innovativeness within the organisational structure that is current within the firm, choosing the approach to innovation that best suits the organisational structure existing in the organisation (Tidd et al., 2001).

A factor that is within the organisational structure is that of resources, these have been identified, as significant to innovative ability due to the fact resources are essential for the development of new ideas into an innovation. The key issue with resources is the amount of 'slack' that a firm has, i.e. the difference between the resources that an organisation has and what it minimally requires to maintain operations (Damanpour, 1987), if a firm has a high level of organisational slack then these resources should be made available, there should be room for time and space to allow allocation of slack resources to focus on innovative behaviour such as new idea generation or development (Bessant

and Francis, 1999; Damanpour, 1987; Amabile et al., 1996). Therefore, even if the organisation has only limited resources there will be some type of slack and this should be used as time for innovative behaviour.

Like the factor of strategic alignment, the relationship between the external environment and the organisational structure also plays an important part in the development of organisation innovative abilities. The innovative organisation is one that scans the external environment (Lemon and Sahota, 2004; Bessant et al., 2005) and can adapt and stays ahead of events in its external environment (Jaskyte and Riobo, 2004), with complexity and uncertainty of the external environment playing a major role in how the firm will have to innovate (Ozsomer et al., 1997; Tidd, 2001). It means that once again the external environment will affect the innovative capabilities of an organisation, thus stressing the importance of firm context an a driver for the type of innovative behaviour that can be expected from a particular firm.

Table 2: Overview of findings from the literature review

Organisational Component	Innovative Characteristics	Evidence
Strategic Alignment	- Focused on the external environment - Development of an innovation strategy aligned with the corporate objectives - Strategic commitment to innovation - Effective communication of innovation strategy	Tidd et al., 2001; Davila et al., 2006; Ozsomer et al., 1997; Bessant et al., 2005
Organisational Structure	- Low degree of functionality - Flat hierarchical structures - High degree of flexibility - Adaptive to the external environment - High level of resource slack	Amabile et al., 1996; Bessant and Francis, 1999; Lemon and Sahota, 2004; Loewe and Dominiquini, 2006; Ozsomer et al., 1997; Damanpour, 1987; Merx-Chermin and Hijhof, 2005; Chanal, 2004; Tidd et al., 2001
Organisational Culture	- Time to develop ideas - Tolerating mistakes - Effective internal communication - Learning environment - Allow risk taking - Innovative as a way of life - Collaborative culture - Open culture - Support innovation and new ideas - Proactive problem identification and solving	Tidd et al., 2001; Goffin and Mitchell, 2005; Davila et al., 2006; Knox, 2002; Jaskyte and Riobo, 2004; Merx- Chermin and Hijhof, 2005; Hyland and Beckett, 2005; Loewe and Dominiquini, 2006; Bessant et al., 2005; Bessant and Francis, 1999; Amabile et al., 1996; Bessant et al., 2005
Leadership	- Commitment to innovation - Coaching - Empower employees - Participatory decision making - Democratic leadership style - Stimulating and motivating innovation - Support of new ideas	Damanpour, 1987; Merx-Chermin and Hijhof, 2005; Jaskyte and Riobo, 2004; Bronstein, 2005; Knox, 2002; Davila et al., 2006; Tidd et al., 2001
Human Resources	- Professionalism - Commitment to training and development - Cross-functional job rotation - Employee autonomy - Team based working - Broad knowledge base - Roles to facilitate innovation	Loewe and Dominiquini, 2006; Damanpour, 1987; Hyland and Beckett, 2005; Merx-Chermin and Hijhof, 2005; Goffin and Mitchell, 2005; Tidd et al., 2001; Amabile et al., 1996; Lemon and Sahota, 2004
Innovation Process	- Effective knowledge transfer system - Idea generation system - Creativity management - Goals and metrics for innovation - Reward system - Ideas implementation system - Motivation scheme - Risk and benefit identification system	Bessant and Francis, 1999; Chanal, 2004; Lemon and Sahota, 2004; Davila et al., 2006; Merx-Chermin and Hijhof, 2005; Hyland and Beckett, 2005; Goffin and Mitchell, 2005; Wood, 2003; Loewe and Dominiquini, 2006; Bessant et al., 2005; Amabile et al., 1996

Organisational culture

Many of the studies on the characteristics of innovative organisations highlight organisational culture as a main driver of innovativeness. One of the main features of an innovative organisational culture is a positive approach and support of new ideas (Tidd et al., 2001; Davila et al., 2006; Anonymous, 2003; Amabile et al., 1996) in this type of culture incentives are given for employees that search for new ideas, solutions and challenge the status quo of the organisation (Loewe and Dominiquini, 2006; Bessant et al., 2005; Bessant and Francis, 1999; Amabile et al., 1996). However, in order for this type of culture to survive there must be a tolerance of ideas failing and employees making mistakes in their new idea generation (Goffin and Mitchell, 2005; Jaskyte and Riobo, 2004). If employees feel they have a type of safety zone when proposing and developing new ideas then this will give them a feeling of greater freedom to come up with more radical suggestions that can inevitably lead to innovations. This mistake tolerating part of the organisational culture is linked to the approach an organisation has towards risk taking, it has been said that an innovative culture should have some level of risk taking (Hyland and Beckett, 2005; Amabile et al., 1996) to allow for new ideas to develop and resources to be given to allow development of ideas.

Therefore the culture should enable, support and tolerate new ideas and suggestions from all levels of employees. This can be achieved by having an open culture that supports innovative behaviour through collaborative free expression and exchange of knowledge throughout and

also out with the organisation (Hyland and Beckett, 2005; Loewe and Dominiquini, 2006). It has been identified that innovative organisations can co-ordinate its internal resources with that of external organisations such as suppliers, clients and customers, therefore developing strategic alliances that will drive the innovative capability of the organisation (Davila et al., 2006; Jaskyte and Riobo, 2004; Bessant et al., 2005). Communication within such an open and collaborative environment has also been identified as a component of the innovative organisation (Tidd et al., 2001; Goffin and Mitchell, 2005), communication is essential within the internal organisational structure to enable the strategic vision to be conveyed through the whole organisation, as well as to present the results or benefits of innovative behaviour being generated within the firm.

Although the studies have found that an open, collaborative and supportive environment that values innovative behaviour is one that will enable organisational innovativeness, it must be understood that an organisational culture is difficult to change. Organisational cultures are ingrained within a firm and are related to the organisations history, values and beliefs that are indoctrinated into the employees of that particular organisation. To change the organisational culture, would be a huge task for example a company that has always been risk adverse will find it immensely difficult to accept risk taking as part of a new organisational culture, it would need to be something that emerged through a vast change programme. It is argued that instead of altering the organisational culture dramatically, it should be the expectations of the type and level of innovation that can be expected for varying cultures that are changed. For example a culture that has a high level of external links with other companies might have a higher number of new ideas due to the interaction with other companies that could result in a radical innovation being developed that is totally new to the organisation, whereas a company that has little external links might be internally focused and that could result in fewer new ideas that are focused on incremental innovations that will improve existing operations.

Leadership

The leadership requires a top management commitment to innovation that will filter through the organisation as a whole (Tidd et al., 2001; Davila et al., 2006) to have this commitment to innovation the leadership of an innovative organisation must have the vision to inspire and motivate employees to become innovative. The leadership role must be to coach and empower the employees to have and develop new ideas and then support the adoption of the new ideas to enable it to become a successful innovation (Davila et al., 2006; Knox, 2002; Loewe and Dominiquini, 2006; Merx-Chermin and Hijhof, 2005; Damanpour, 1987). Managers must allow employees to develop their own ideas, therefore must permit employees to have time and permission to access people, places and capabilities that will help to develop these ideas (Hyland and Beckett, 2005), this is part of the coaching and empowerment role that the leadership team must take.

The style of management is intrinsically linked to the role of management, therefore the style of leadership will also affect the innovative abilities of an organisation, with democratic and participative leadership styles being identified as key to an innovative organisation (Amabile et al., 1996; Jaskyte and Riobo, 2004). This therefore highlights an important question, in that can organisations that adopt a different leadership style still innovate? If an autocratic leadership style is at the opposite end of the leadership spectrum from democratic leadership does this then mean that organisations that have autocratic management styles do not have the ability to innovate? Leadership is linked closely with the organisational culture and structure and it is therefore argued that once again it will be the characteristics of the innovation type that will be affected due to the leadership style.

Human resources

Management research often puts people at the heart of an organisation and this is also no exception in the innovation literature. Studies on work organisation and training and development are common themes within the literature on the innovative organisation. The literature stresses that key employees should have roles that stimulate innovation, perhaps such as an innovation manager who will oversee the whole innovation process (Tidd et al., 2001; Goffin and Mitchell, 2005). Aside from these key individuals, the literature also highlights that teamwork is fundamental to an innovative organisation, drawing together employees with different skills to ensure the right balance that will determine innovative capacity (Tidd et al., 2001; Goffin and Mitchell, 2005; Lemon and Sahota, 2004; Amabile et al., 1996). Job-rotation within these teams is also seen as an enabler of organisational innovativeness, with jobs being rotated cross-functionally to enable wide transfer of skills and knowledge through the organisation (Goffin and Mitchell, 2005).

The level of control that an employee has over their day-to-day tasks has also been found to affect the innovative capabilities of the firm, the level of both individual and team autonomy has an impact on how creative an employee can be in carrying out their job. The higher the level of autonomy an employee has then the higher the sense of ownership they will have over their work and ideas, thus leading to an increase in creative behaviour which is essential for developing new ideas (Goffin and Mitchell, 2005; Amabile et al., 1996).

However, for employees to feel that they have control and ownership in their jobs and new ideas, they need to be equipped with the correct tools and knowledge to enable them to develop. It has been found that innovative organisations have a long-term commitment to education and training, with the aim to increasing professionalism within the firm (Tidd et al., 2001). An increase in professionalism brings greater boundary spanning activities and a commitment to moving beyond the status quo to the firm, therefore increasing the chances of developing new ideas and innovation (Damanpour, 1987). However, training courses that enable employees to use innovation approaches, tools and techniques are also essential to developing innovative capabilities (Goffin and Mitchell, 2005; Loewe and Dominiquini, 2006), therefore there is a need to focus on training employees in the specific methods of innovation, creativity and innovative thinking.

Innovation process

The innovation process has not been identified as an explicit component within the literature on the innovative organisation, although extensive work has been done of the process of innovation in other literature (Goffin and Mitchell, 2005; Tidd et al., 2001), there were a number of components that are related to the process of generating and supporting the introduction of innovations or relating to innovation management, therefore these have been grouped under the heading of the innovation process. This means that innovation process here is describing the components that should be in place for the effective management of innovation.

One of the key factors identified for organisational innovativeness was the introduction of a process that enabled the development of goals and metrics for measuring innovative success (Davila et al., 2006; Goffin and Mitchell, 2005; Bessant and Francis, 1999) therefore enabling rewards and recognitions of innovation to be granted to employees of the organisation. Rewards and recognition systems are essential for stimulating an innovative capability in the organisation as they provide a motivational tool for employees to get involved in the process of innovation (Davila et al., 2006; Goffin and Mitchell, 2005; Wood, 2003; Merx-Chermin and Hijhof, 2005; Amabile et al., 1996). Although it

is stressed that large rewards should be avoided as this does not encourage teamwork and also gives the idea that large ideas are wanted (Wood, 2003).

Although these rewards and recognition systems will enable, to some extent, the generation of new ideas from employees it has also been identified that there is a need in innovative organisations for an effective idea-generation system that enables idea generation and development in a systematic way providing supporting tools and techniques to facilitate new ideas. This idea support system must be open to all types of employees to allow the generation of ideas from as many employees as possible, as part of the innovation process (Wood, 2003; Loewe and Dominiquini, 2006). As part of the idea generation phase of the innovation process, creativity is essential for new idea generation and should be used as a collective process to raise the innovative potential of the organisation (Merx-Chermin and Hijhof, 2005). However there is a real need for the tension between creativity and operational efficiency to be understood and managed, creativity without the ability to translate it into profits can be fun but it is unsustainable; profits without creativity if rewarding but only works in the short term (Davila et al., 2006; Hyland and Beckett, 2005) therefore this creative tension must be an integral part of the innovation process that allows idea-generation but also does not remove from the firms day-today business.

The next step in the innovation process has been identified as the assessment and prioritisation of ideas, taking into account factors such as the risk, potential benefits and the strategic fit of an idea, before it is further developed or implemented (Hyland and Beckett, 2005). The literature also states that there is a need for an idea implementation process since an idea is worth nothing if it is not implemented (Wood, 2003). New ideas are not an innovation unless they are implemented for organisational gain. Once a new idea had been implemented it has been identified that innovative organisations have a process and tools in place that will enable transfer of all types of knowledge from one innovation project to another (Chanal, 2004; Lemon and Sahota, 2004; Bessant and Francis, 1999).

It is argued here that the innovation process is the central factor that draws all of the other organisational components together into a systematic model that will enable the successful generation, analysis and implementation of innovation into an organisation. Therefore all of the organisational characteristics that have been discussed previously affect the innovation process of an organisation.
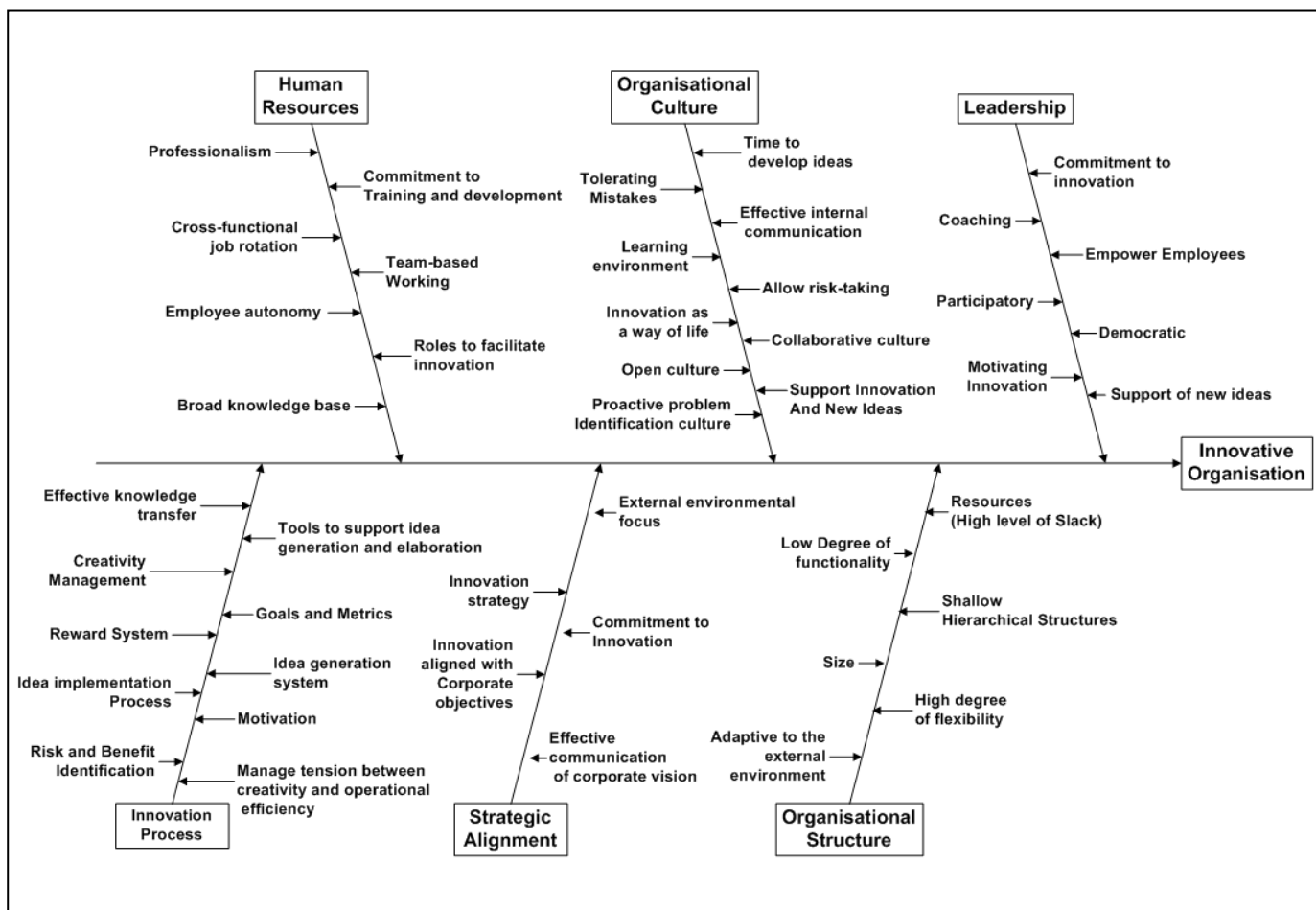

Figure 1 –Grouping of the Characteristics of the Innovative Organisation

There have been many authors that identify the organisational characteristics of the innovative organisation, but few actually say that all of these factors have to be present for the organisation to be innovative.

The aim of the diagram in figure 1 is to present the findings of the literature review in a simple and effective way, it does not aim to develop an understanding of the impact of the effects the factors might have on the innovative abilities of the organisation. What figure 1 provides is a model that will enabled future discussions on the research field concerning innovative organisations and ways in which organisations can become more innovative.

Figure 1 has been developed as a summary of the findings of the literature review what is key to understand is that this model is not aimed at being a best practice model but rather at being a tool to develop further understanding of the factors and how they affect organisational innovativeness. By using this model it is envisaged that it can be used to identify the organisational characteristics that are best suited to a particular industry/market or to a particular firm to enable innovative capability, this contextualisation of innovation theory research is a research need that has previously been identified from a earlier literature review by Tidd (2001) who highlight that *"the goal should be to identify the organisational configurations most suited to specific ... environments, rather than to seek a single ideal or best-practice model for any context."* (Tidd et al., 2001: 180), as all too often innovation theory is taken without considering the context of the area of study.

CONTEXTUALISING THE LITERATURE REVIEW FINDINGS

It is important to understand how the model in figure 1 can be used to discuss innovative organisational components within a particular environmental context, this will show how effective the model is in extending thinking about the organisational components that affect a specific situation.

The main aim of this paper is to use firm context to understand how the general innovation theory in the literature relates to specific organisational context. In the modern organisational environment, there are few types of companies that have environments can still be classed as Tayloristic in nature, however the call centre industry is one where the Tayloristic environment is apparent to a great extent (Bain et al., 2002). This type of environment is at extreme conflict with the identified characteristics of the innovative organisation therefore the focus of the research is to understand the link between the organisational characteristics identified from the preceding literature review and the call centre environment and to discuss the implications that the characteristics have on this context.

Call centre environment
Many call centres are either seen as a peripheral support tool to the organisation that has resulted in call centres being treated as non-strategic to the organisation. This has resulted in many call centre operations being outsourced (Datamonitor, 1998) to third party providers both within the UK and also to lower cost countries such as India (Taylor and Bain, 2005). This however, is strategy discussed at the higher corporate level this will affect the call centre operations strategy and subsequently the innovation strategy that call centre will then pursue.

From an initial review of the call centre literature (Malhotra and Mukherjee, 2002; Dean, 2002; Gilmore, 2001; Frenkel et al., 1998; Bain et al., 2002; Deery and Kinnie, 2002) is apparent that there are three main strategic tensions that exist in call centres these are cost, customer service and employee satisfaction. The focus of the strategic direction of the call centre is dependant on the overall corporate aims and strategy. For example if customer contact is seen as a necessary overhead that is not key to business success then the focus will be on rationalising operational costs. Work has been carried out in identifying the general 'production' strategies of call centres, drawing on studies carried out in the manufacturing industry Batt and Moynihan (2002) have put forward the three operations strategies for call centre operations. These strategies are identified as, mass production, mass customisation and professional service, although not new as these classifications have been identified and used in many studies concerning the general service research area (Schmenner, 2004; Silvestro et al., 1992).

In mass production call centres the strategic focus is on reducing costs resulting in agents having low pay with few career prospects, and the work is characterised as being repetitive, routine, simple services that are managed through the application of computer technology. Agents in this type of environment have strict performance targets that have to be met and are tightly controlled and monitored through the use of scripting and electronic surveillance technology. This operations model favours automation as a substitute for labour and is based on the principle of the 'engineering model' a reminder of the Taylorist factories of the past (Garson, 1988; Fernie and Metcalf, 1998; Taylor and Bain, 1999).

In the opposing strategic operating model for call centres of professional service, the strategic focus is on customer service and employee satisfaction where agents are challenged through the diverse nature of the work. Agents in this type of atmosphere are responsible for the required service level and have to make discrete decisions due to the fact that each service encounter is different. The services provided under this strategic model are complex and the agents therefore have to think for themselves this means that there is no scripting or monitoring, resulting in empowered agents that are trained to perform to high levels customer service (Frenkel et al., 1998; Leindner, 1996; Ashford and Humphrey, 1993).

The mass customisation operating strategy lies somewhere in between the other two models. The strategic focus of this operating model is aimed at rationalisation as well as keeping employees happy while delivering a high level of customer service. This model has sometimes been called the 'fun and surveillance' approach (Kinnie et al., 2000) or the 'low discretion, high commitment' strategy (Houlihan, 2002), where in a paradoxical relationship agents are treated as machines while they are being valued, where management have control over the service delivery to reduce costs while seeking initiative and flexibility from agents. The building of an atmosphere of trust while still using remote monitoring techniques to control the agents is also apparent in this operations strategy (Korczynski, 2002; Halliden and Monks, 2005; Kinnie at al., 2000; Hutchinson et al., 2000).

Therefore it can be seen that even within a particular industry there are a wide variety of organisational contexts that will impact the innovative ability of an organisation, each of these operating models have their own particular strategic need that has resulted in the specific organisational situations that support that need. It is the basis of the argument that all organisations can be innovative within their specific context, therefore how that context affects the innovative ability and the type of innovative activity generated needs to be understood.

The mass production call centre approach to innovation
For the purpose of this paper the environmental context that will be discussed in relation to the innovative organisation model (figure 1) is the mass product model of call centre operations, this is due to the fact that it would initially appear that this type of environment would be the least likely to be innovative, due to its strategy and its organisational structure and work environment.

Figure 2 shows the areas of the ideal innovative organisation model that will be an issue for mass production call centres, as can be seen almost all of the areas are highlighted on the diagram. This is due to the fact that the mass production approach to call centre operations is one that is thought to be in complete contrast to the components of the innovative organisation.
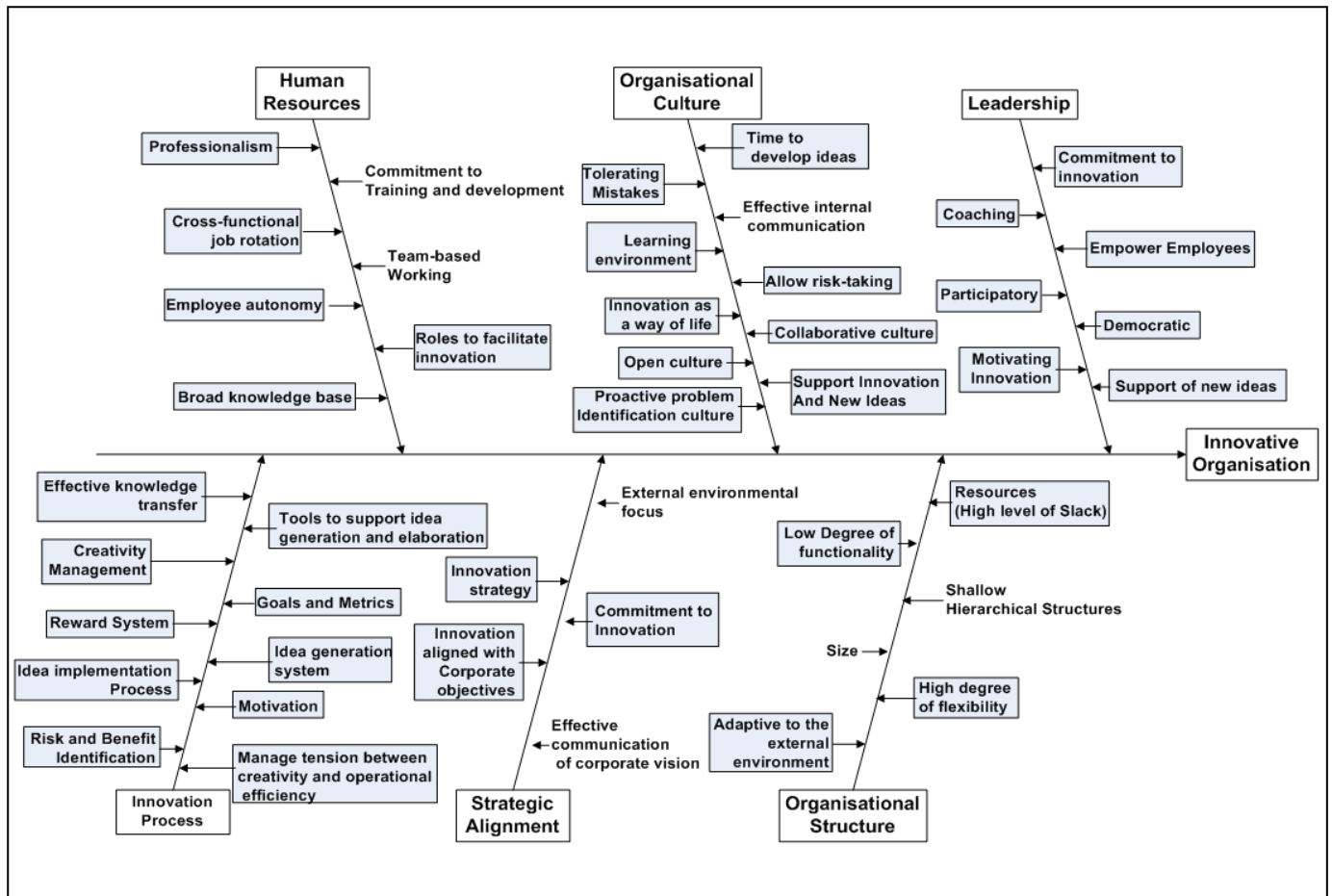
Human Resources
- Professionalism
- Cross-functional job rotation
- Employee autonomy
- Broad knowledge base
- Commitment to Training and development
- Team-based Working
- Roles to facilitate innovation

Organisational Culture
- Tolerating Mistakes
- Learning environment
- Innovation as a way of life
- Open culture
- Proactive problem Identification culture
- Time to develop ideas
- Effective internal communication
- Allow risk-taking
- Collaborative culture
- Support Innovation And New Ideas

Leadership
- Coaching
- Participatory
- Motivating Innovation
- Commitment to innovation
- Empower Employees
- Democratic
- Support of new ideas

Innovation Process
- Effective knowledge transfer
- Creativity Management
- Reward System
- Idea implementation Process
- Risk and Benefit Identification
- Tools to support idea generation and elaboration
- Goals and Metrics
- Idea generation system
- Motivation
- Manage tension between creativity and operational efficiency

Strategic Alignment
- External environmental focus
- Innovation strategy
- Innovation aligned with Corporate objectives
- Commitment to Innovation
- Effective communication of corporate vision

Organisational Structure
- Resources (High level of Slack)
- Low Degree of functionality
- Size
- Adaptive to the external environment
- Shallow Hierarchical Structures
- High degree of flexibility

→ **Innovative Organisation**

Figure 2 – Mass production approach to call centres areas of conern for innovative abilities

Strategic alignment

Rationalisation is the key strategic focus in mass production call centres (Bain et al., 2002 therefore to align the innovation strategy to the operational strategy the focus of the innovation strategy of these call centre types would be on operational improvements that aim to reduce the cost of the service interaction. For example to focus on new technology that will enable customers to be processed in less time or the adoption of interactive voice response/recognition (IVR) technologies to automate the service delivery (Calvert, 2004).

Organisational structure

Based on Mintzberg's (1979) classifications of organisational structures the mass production call centre model is based on the machine bureaucracy archetype (Adia and Chowdhury, 2004). These types of organisation have a structure designed like a complex machine with people seen as cogs in the machine (Tidd et al., 2001) resulting in specialisation of the parts to the point where they are easily interchangeable meaning that agents are easily replaced (Callaghan and Thompson, 2001; Wallace et al., 2000). The focus is on effective systems to simplify tasks and to make behaviours routine (Bowen and Lawler, 1992; Frenkel et al., 1998) and is usually controlled by computer systems (Fernie and Metcalf, 1998; Grebner et al., 2003). These organisations are rigid and inflexible in the face of change leading to a low level of adaptability (Burgers et al., 2000; Gilmore, 2001; Dti, 2004; Kinnie et al., 2000; Marr and Neely, 2004). Employees can become dissatisfied in this type of organisational structures, this has been seen in the high level of absenteeism that mass production call centre suffer (Clarkson and Hodgkinson, 2005; Lewig and Dollard, 2003; Bakker et al., 2003).

In these types of organisation innovation is seldom driven by employees or agents within the organisation, the innovation is more likely to be driven from specialists brought into the organisation in the form of consultants or systems designers (Tidd et al., 2001). This external focus is driven by the fact that agents are seen as interchangeable; therefore they are not seen as part of the competitive advantage and innovative ability of the call centre. The focus of innovative activity will be on the process or systems level of the call centre to make the service delivery more efficient, thus reinforcing the strategic focus on cost reduction.

Organisational culture

A culture of command and control prevails in the mass production call centre with agents being controlled and monitored to a high extent (Houlihan, 2001; Seddon, 2003; van den Broek, 2004; Taylor and Bain, 1999; Adia and Chowdhury, 2004; Callaghan and Thompson, 2001) with some call centres encountering management intimidation, resulting in defensive agents (Bain and Taylor, 2000; Houlihan, 2001; Wallace et al., 2000). The mass production call centre environment is target driven with a focus operational efficiency (Marr and Neely, 2004; Taylor and Bain, 1999; Taylor et al., 2002; Lewig and Dollard, 2003) the ensuing cost reduction strategy has resulted in a low pay, low skill and low commitment culture (Rose and Wright, 2005; Kinnie et al., 2002; Rosenthal, 2004; Frenkel et al., 1998; Houlihan, 2002).

This culture has resulted in management and agents not being encouraged to deviate from the standard way, this means that there is limited scope for challenging the status quo of the organisation or allowing risk taking which is key to creating an innovative environment (Amabile et al., 1996; Jaskyte and Riobo, 2004; Hyland and Beckett, 2005; Damanpour, 1987). The high demands placed on agents to achieve

operational performance targets due to the efficiency focus means that there is little time for employees to be detached from the phone line to develop any ideas that they might have (Hyland and Beckett, 2005; Bessant et al., 2005). The culture is not open, but is rather strict and rigid with agents feeling intimidated, this means that agents who have good ideas would be afraid to approach their manager or team-leader to discuss the idea.

Leadership

'Big brother' management exerting total control over the labour process, through high levels of tracking and monitoring is evident in mass production call centres (Taylor et al., 2002; Fernie and Metcalf, 1998; Adia and Chowdhury, 2004; Burgers et al., 2000; Taylor and Bain, 2000; Gilmore, 2001; Frenkel et al., 1998). This management style is driven by the rationalisation strategy, which results in the need for management to ensure adherence to standardisation with the objective of management to minimise costs. Therefore the focus of management is on operational efficiency (Burgers et al., 2000; Dean, 2002; Wallace et al., 2000; Staples et al., 2002) which leads to task focused management (Wallace et al., 2000; Gilmore, 2001), this focus on tasks mean that only the specific job get done and the agent will not think about extra 'tasks' such as coming up with new ideas or thinking about operational improvements.

It can be seen that the role of leadership in the mass production call centre is focused on monitoring and controlling agents to ensure that standards are being adhered to, so as to ensure cost minimisation. This type of leadership is not motivating innovation or empowering agents to be individuals (Knox, 2002; Merx-Chermin and Hijhof, 2005), therefore innovative behaviour would be difficult to stimulate from the agents level. The leadership style is autocratic and there is no participatory decision making (Jaskyte and Riobo, 2004) taking place under this form of leadership, this means that innovative behaviour is something that is not encouraged under this form of leadership. The traditional view in this type of leadership approach is that it is the responsibility of management alone to challenge the thinking and working practices not the call centre agents (Marr and Neely, 2004).

Human resources

Training is a means by which a common understanding of procedures and processes in the call centre can be achieved leading to increased job proficiency, with an emphasis on software and systems training (Adia and Chowdhury, 2004; Miciak and Desmarais, 2001; Frenkel et al., 1998). This focus on specific job training and the marked reluctance to take call-handlers off phones for any length of time constrains opportunities for meaningful job rotation and task variation (Taylor et al., 2003; van den Broek et al., 2004). As discussed in the leadership section, employee autonomy is low with agents following highly scripted routines (van den Broek et al., 2004; Bakker et al., 2003; Frenkel et al., 1998; Taylor and Bain, 2005; Houlihan, 2001). This lack of employee autonomy and limited scope of training means that there are few professional jobs within the call centre industry and agents do not receive professional training for their roles (Richardson and Marshall, 1999; Zapf et al., 2003), this means that a lack of professional development ensues in this environment.

Teams are an important part of modern human resources however teams in call centre operations are not based on the true principles of team based working but are often just administrative categories where supervisors still had control, with agents having little autonomy or there being little task interdependence (van den Broek et al., 2004; Korczynski, 2001; Batt, 1999).

This type of human resource strategy, which is based on task specialisation and low or no agent autonomy will not stimulate innovative ideas from the agents or even the management as the focus is so much on cost reduction and operation efficiency, that any time or deviation way from the phones is seen as lost time. Agents that have low autonomy over their jobs will not feel motivated to come up with new ideas or look for ways to improve their job or work processes, since workers that perceive themselves to be controlled will have lower levels of creativity, which is essential for innovative behaviour (Amabile et al., 1996). By training agents only in the key routines that they need to complete their tasks limits the innovative ability that they have due to the fact that they cannot understand the wider implications of their task on the overall process of customer interaction. These types of training programmes do not enable innovation due to their limited scope and the lack of professionalism also means that agents have a narrow view of their work environment which results in lower innovative abilities (Goffin and Mitchell, 2005).

Innovation process

In the call centre literature there is no mention of the innovation process, or any of the factors that make up the innovation process. The main reward and recognition processes are in place to reward agents for meeting 'production' targets not for being creative or coming up with new ideas. This reinforces the fact that the main strategy is to focus on efficiency targets and productivity measures (Rose and Wright, 2005).

The lack of innovation process means that there is not a structured way of developing any ideas that might arise within the organisation (Goffin and Mitchell, 2005). It also means that the call centre does not have a standard process for implementing new ideas or technology, which will result in individual processes being developed each time something new is brought into the call centre. This will result in the call centre being reactive to external changes rather than actively seeking out new ways of remaining competitive (Mudrak et al., 2005). If rewards are based solely on achieving operational efficiency targets then this is not encouraging an innovative organisation, as ideas need time to be developed into innovations and this is in contrast with the productivity approach (Goffin and Mitchell, 2005; Davila et al., 2006; Wood, 2002; Bessant and Francis, 1999).

CONCLUSIONS AND FURTHER WORK

This literature review has brought together two areas of research work; call centre and innovation, with the main conclusion being that there is a high level of conflict between what is presented in the respective areas. It can be concluded that in the mass production approach to call centres there are few organisational components that are akin to the innovative organisation. From the findings of the literature review it would appear that mass production call centre do not innovate. Conversely it is known, though contact with the industry that these types of call centre do innovate which leads to an important question 'how do mass production call centres innovate?' This initial literature review will lead into a broad research area that will aim to question the link between operations strategy and innovation type, with focused study aiming to distinguish between types of call centre, their organisational components and the effect on innovative ability, therefore the empirical work that will build on this literature review will aim to identify context specific innovation processes for the call centre industry.

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