

Bunts, Singles, and Hitting for a Home Run

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Under a Federal consent decree designed to eliminate the former national telephone monopoly, AT&T was divested of its local bell operating companies in 1983. Seven Regional Holding Companies, RHCs, including U S WEST, Inc., were created. Each RHC owns a Regional Bell Operating Company (RBOC) to provide telephone services. To prevent the re-emergence of telephone monopolies, the consent decree prohibited the RBOCs from several activities. Although some of these restrictions have been lifted, the RBOCs are currently prohibited from manufacturing telecommunications equipment, from providing long-distance service, from conducting research and development, and from providing video programming in their local service areas.

US WEST, Inc. includes both an RBOC-U S WEST Communications and four much smaller unregulated subsidiaries involved in international ventures, cellular communications, financial services, and marketing resources (such as Yellow Pages). A total of 63,707 people were employed by U S WEST, Inc. at the end of 1992, and about 39,600 of these were covered by contracts with CWA and IBEW.¹ Most of the unionized workers are represented by CWA, but about 700 are covered by IBEW contracts.

Almost all of the unionized workers are employed by US WEST Communications. The one exception is U S WEST Direct, a subsidiary that publishes White and Yellow Page directories and employs about 500 union workers.

U S WEST Communications operates in 14 western States. It is made up of three regions, which were formerly Bell Operating

"W3 will be extremely sensitive to our existing customers, because we know that our greatest strength lies in holding onto our \$8 billion revenue stream."

Tom Bystrzycki
Vice President
MaSS Mfuktsand Operations
US WEST Communications

¹Michael H. Cimini, Susan L. Behrmann, and Eric M. Johnson, "Labor-Management Bargaining in 1992," *Monthly*, vol. 116, no. 1, January 1993, p. 25.

Companies. The Eastern Region, formerly Northwestern Bell, includes Minnesota, Iowa, Nebraska, and North and South Dakota. The **central** region, formerly Mountain Bell, includes Idaho, Montana, Wyoming, Colorado, New Mexico, Utah, and **Arizona**. The Western region, formerly Pacific Northwest Bell, includes Washington and Oregon.

U S WEST is highly profitable **with** what **was**, **until** recently, a guaranteed revenue stream **from** its regulated telephone monopoly. Although the company reported a **net** loss of \$614 million due **to** a change in accounting for projected **retiree** health care and disability payments in 1992, profitability returned in 1993.² During the first six months of 1993, U S WEST, Inc. earned \$586.9 million in income, up 2.9 percent **from** the first half of 1992, and earnings per share of \$1.41, up **from** **\$1.39** the previous year.³ The company has steadily **increased** dividends and the value of the company's stock has more **than** doubled since divestiture.

The future earnings growth of US WEST Communications is threatened by saturation of telephone markets and increasing competition for local telephone service. Eight billion of the corporation's \$10 billion **total** revenues in 1992 came from basic telephone services provided by US WEST Communications. Regulators in 35 States allow long-distance companies **to** compete for intra-State **toll traffic**, and new technology will soon make it easier for customers **to choose** long-distance **carriers**, rather **than staying with** the local RBOC. **At the same time that they face increasing** competition **from** long-distance companies, a September 1992 FCC ruling requires the RBOCs **to allow** competitive **access** providers (independent telecommunications companies) **access to their** networks, by allowing them to co-locate their equipment in the RBOC central office switching facilities. Other competitors

include cellular companies and cable television companies (see box I-1). These competitors **can** offer lower **cost services** both because they use simpler, less expensive technology, and because they have lower labor **costs (most are nonunion)**.

Residential customers served by the Home and Personal Services Division (HPS) generated \$3 billion of U S WEST Communications' \$8 billion in 1992 revenues. The company's customer surveys show **that a large** percentage of residential customers would switch **to another** company if it were available because they are dissatisfied **with current service**. Management estimates **that the cost** of wooing back a customer who has left the RBOC **is four times as high as** keeping **that** customer in the **first** place.

U S WEST, Inc. has responded **to growing** competition for residential customers with a three-pronged strategy: improving customer service; reducing unit costs, both through work reorganization and by downsizing; and entering **new** markets. The **most** important **new** markets involve moving beyond basic telephone **services to** broadband transmissions of interactive audio and video messages (see box I-1.)

Front-line workers in HPS are critical, not only to the new service quality and productivity partnership, but also to sales of new products. Customer contact workers in HPS sell voice messaging, caller identification, and other enhanced telephone services. New products such as these generated approximately \$136 million in 1992, a 30 percent increase over 1991.⁴

PRESSURE ON THE WORKERS

U S WEST's initial approach **to** managing **its** customer contact workers involved all three parts of the strategy mentioned above. About three-fourths of customer contact workers are employed

² U S WEST Annual Report, 1992, p. 5.

³ U S WEST, Inc., "Second Quarter Report, Quarter ended June 30, 1993," p. 1.

⁴ US WEST Annual Report, 1992, p. 5.

by the Home and Personal Services Division, which employs about 5600 people overall. Although after divestiture, customer sales and service was increasingly important, and although national forecasts⁵ project substantial job growth in telecommunications sales personnel over the 1991-2005 period, the Home and Personal Services Division reduced its workforce through attrition during 1989 and 1990.

In addition to downsizing, HPS tried a variety of approaches to increasing the productivity of its customer contact employees. These included measuring worker performance using narrowly defined performance indicators and restructuring jobs. Although these approaches did not improve business results, they did increase stress levels in the workforce, which, combined with a change in management in HPS and strong, active unions, ultimately led to a partnership.

The functions of customer contact personnel at U S WEST have changed over time.⁶ Prior to the unification of three former Bell companies into U S WEST Communications in 1987, the structure of the business offices in the 14-State region varied. Some split sales and collections into different jobs, whereas in others these two functions were combined in a universal customer service representative (CSR). With formation of HPS as a single entity in 1987, the company decided to standardize the split between sales and payments. Business offices, also called customer service units, were divided into two groups—Residential Marketing Centers (RMCS), where CSRS focused on sales, and Credit Management Centers (CMCs) staffed by credit consultants

(CCs) who focused on billing, defaults, and past due accounts (see figure 3-1).⁷

The company's decision to standardize the CC job and the CMCs reflects the traditional approach to work organization in the regulated telephone industry, which aims at improving efficiency by specializing each workers' tasks.⁸ The decision also resulted partly from worker dissatisfaction.⁹ Some CSRs were unhappy with the pressure to quickly sell a variety of products and with the lack of timely information and training to help them sell. They also disliked the pressure to stay available to a constant stream of incoming customer calls routed to each worker by the Automated Call Distribution (ACD) system.

In addition to meeting sales quotas, CSRS were expected not to deviate from weekly work schedules (even if the deviation involved spending more time with a customer when the worker was supposed to be on a scheduled lunch break), to negotiate collections according to complex guidelines, to minimize both the length of each call and the paperwork time needed away from customers after each call, and to answer a variety of questions regarding bills and service. First- and second-level supervisors measured workers compliance with these expectations by listening in on phone calls with employees and by checking computerized databases to see the status of each workers' sales and collections activities and their compliance with work schedules. Supervisors also verbally instructed workers to return quickly from breaks and to remain available to calls from the ACD. The company's expectations of the

⁵George **Silvestri** and John **Lukasiewica**, "Occupational Employment Projections," *Monthly Labor Review*, vol. 114, no. 4, November 1991, p. 65 and "Industry Output and Job Growth Slow into Next Century," *Ibid.*, p. 53.

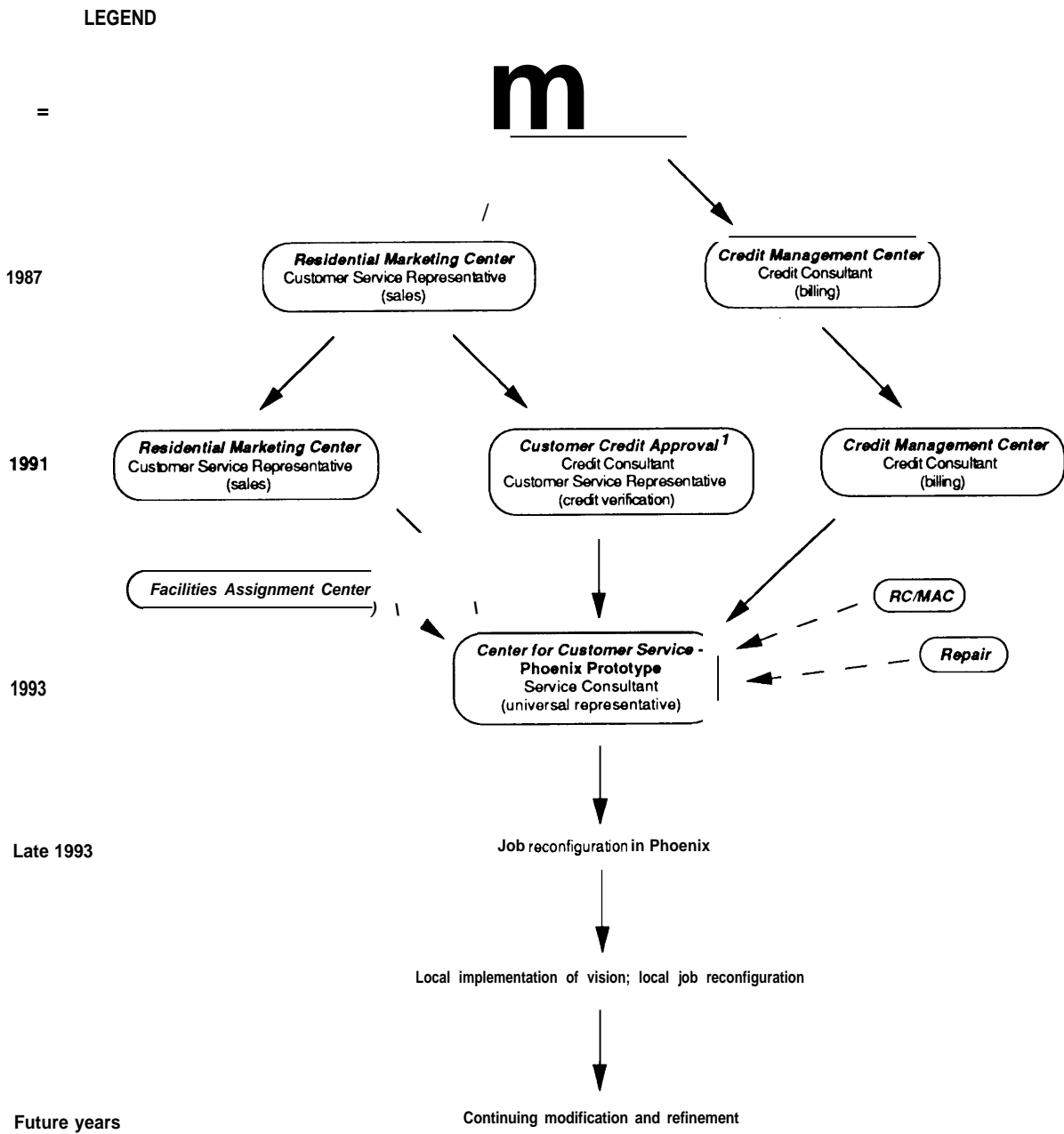
⁶Based in large part on a telephone interview with Rita **Dozal**, Director, Core Strategies, Home and Personal Services, U S WEST Communications, April 20, 1993.

⁷More recently, HPS has created yet another specialized customer contact job, which involves credit screening. This is discussed further below.

⁸Rose **Batt**, "Work Reorganization and Labor Relations in Telecommunications Services: A Case Study of BellSouth Corporation" unpublished paper, June 1993, p. 14.

⁹Linda **Armbruster**, CWA Co-chair, Job Design Team, **personal** communication April 15, 1993.

Figure 3-1. Evolution of Corporate Business Units, Job Titles, and Job Functions



¹ Various names have been used including customer Credit Bureau and Customer Credit Authorization Center.

SOURCE: Office of Technology Assessment.

workers were reinforced in semi-annual performance appraisals. Workers who failed to meet standards were put on a plan of action, which required either improving their numerical performance or facing the possibility of dismissal.

In 1987, the new CC job was expected to be easier and less stressful than the CSR job, because the CCs would not be expected to meet sales quotas, and because they would spend less time being available to customers. The company thought that the CCs would spend more time making outbound calls to customers whose bills were in arrears and in processing accounts by computer and paper records. In the late 1980s, HPS was also focusing primarily on sales. Because the CCs would not generate revenues through sales, and because the job was expected to be less stressful, the new job was given a lower rate of pay than the CSR job. In some locations, workers were given a choice between the two jobs. However, in other locations, depending on staffing needs, workers were simply assigned to the new job. Some workers were required to continue doing sales work in the RMC, while others were assigned to do collections work in the new CMCs.

Following its creation in 1987, the CC job quickly changed from the initial vision. Customers with payment problems did not wait for a call from U S WEST, and soon CCs were accepting a stream of inbound calls, as well as initiating calls to obtain payments.

By 1991, HPS was in trouble on many of its business performance measures, and it was apparent that its overall management strategy was having unintended consequences. For example, when performance appraisals for both supervisors and front-line workers were based on minimizing

the average length of time of incoming customer calls, some business office managers directed the CSRs to telephone the business office and immediately hang up to bring down the average call length.¹⁰ And the separation of the RMC and CMC did not work as expected. The CSRs found themselves answering billing inquiries from those to whom they were trying to sell additional services, and the pressure to sell resulted in sales to persons that the CSRs suspected were likely to be poor credit risks.

Due to such sales and the lack of any credit screening process for new customers, HPS found that uncollectible payments, representing bills that remained unpaid for months, had tripled over the previous five years, reaching a peak of nearly \$61 million in 1991. New employees were applying for transfers almost as soon as they were eligible to transfer to another job title (usually after six months).¹¹ The job was viewed as an undesirable but necessary stepping stone toward better work in U S WEST. Absenteeism was high, in part because of the pressures on the workers. The high turnover and absenteeism, combined with downsizing, caused HPS' access, or availability to customers, to decline. The company changed the measure from average length of incoming customer calls to percentage of calls answered within 60 seconds. By whatever measure, availability to customers was declining each year, and in 1991, only 50 percent of calls, on average, were answered within 60 seconds.

As a result of a new focus on collections and the joint union-management partnership, the jobs of customer contact workers changed again in 1992, and are currently in a state of flux. The jobs as they existed in downtown Phoenix in early 1993 are described in box 3-1.

¹⁰ Winnie Nelson, Service Quality Consultant, U S WEST, "Understanding the Abolishment of Annual Performance Appraisals: A Summary of Dr. W. Edward Deming's Theories Applied to Annual Performance Appraisals in Home and Personal Services," unpublished paper, Phoenix, Arizona, no date, p. 5.

¹¹ Karla Crabb, Area Vice President, CWA Local 7019, personal communication, Dec. 8, 1993.

Box 3-1: Current Customer Contact Jobs at U S WEST Inc.

In 1991, the Home and Personal Services Division (HPS) of U S WEST, Inc. created a new, specialized customer contact job, establishing Customer Credit Approval (CCA) groups, where customer contact workers checked the credit histories of new telephone customers and handled some of the billing-related questions that had been directed to Customer Service Representatives (CSRs). As a result, in Phoenix and other large cities there are now three specialized customer contact jobs. They are: the traditional CSR, who works in a Residential Marketing Center (RMC); the Credit Consultant (CC), who works on payments in a Credit Management Center (CMC); and a group of workers that runs credit checks in a Customer Credit Authorization Center (CCA).¹

In the RMC, CSRs sit in sound-dampening cubicles, answering phone calls.² Each CSR has a computer terminal at his or her workstation. A sign overhead indicates how many customer calls are waiting for a response. On busy days, there maybe as many as 100 calls in queue, while slow days may see the number drop to zero. CSRs perform a variety of tasks, including new service and change of service orders, responding to billing inquiries, and arranging for disconnections and transfers of service. Billing inquiries and new service orders are the most frequent tasks. The complexity of the work is revealed in the steps needed to respond to new service orders. The CSR must access different computer databases, give a full disclosure of the alternative longdistance carriers, update credit information (such as the customer's place of employment), determine the customer's needs, sell additional services if possible, set the service delivery date (this may require checking a computer database), quote the correct prices, assign a phone number (which sometimes requires a call to the Facilities Assignment Center (FAC) to obtain a number), verify the order with the customer, and, finally, send the order for new service through a computer to various workers in the Network and Technology Services division, who establish service.

¹ Even where State regulatory commissions have not approved creation of CCAs, this specialized job exists. For example, in Des Moines, Iowa, specialized Credit Consultants run credit checks after service has been established, working in a Credit Verification Center (CVC).

² The following paragraphs are based on the minutes of the Job Design Team, a site visit to U S WEST's downtown Phoenix office, on Feb. 18, 1993, and interviews with CSRs.

UNION AND COMPANY PRESSURES CONVERGE

Customer contact workers, both nationally¹² and at U S WEST, have reported high stress levels. This results from pressure to sell; increasing work volumes; myriad, narrowly-defined performance measures; and a feeling of having no control over their work. At U S WEST Communications, the downsizing in 1989 and 1990 added to already large work volumes. High sellers are currently rewarded by sales incentives ranging

from mugs to Thanksgiving dinners (each additional volume in sales would add one more item—such as a pumpkin pie—to a free dinner), which some unionists refer to as trash and trinkets. Workers feel they have little control over their work, because the Automated Call Distribution system (ACD) automatically routes a new call to each CSR as soon as he or she is off the line with a customer.

In the late 1980s, union activists employed by AT&T began to organize national marketing

¹² *Charley Richardson*, "Impacts of Changing Technology in the Telephone Industry: Presentation and Initial Analysis of the Responses to a Questionnaire Distributed at the CWA Commercial Marketing Sector Conference," unpublished mimeo from CWA, no date.

Box 3-1: Current Customer Contact Jobs at U S WEST Inc.-Continued

In the CMC, CCS accept incoming calls and make outbound calls to customers with payment problems. Atypical incoming call is from a customer who is unable to meet payment terms on an overdue bill. The CC accesses computerized billing systems to check the customer's balances and negotiates new terms. The new payment schedule, and any payments received, must be entered into the computer. The CC job changed dramatically during 1992. Today, the CC is allowed to negotiate the payment terms with the customer.³ In the past, the CCS were evaluated on the number of errors they made in adjusting customer balances accurately. However, because such errors were due primarily to variables under the control of management, such as the quality of training, HPS discontinued this and all other annual performance appraisals in early 1992.⁴

In the CCA, customer contact workers accept incoming calls from customers requesting new service, as well as transfers from CSRS who have determined that the potential customer has no prior credit history with U S WEST. The worker obtains information from the customer, and checks this information with computerized credit bureaus. Although the process seems straightforward, it is made difficult by the fact that customers will sometimes invent new names and addresses as they seek telephone service. If the worker is unable to verify the identity of the potential customer, the worker directs the customer to fax, or bring in person, proof of identification. These customer contact workers are sometimes jokingly referred to as the Sherlock Holmes group, because they try to separate fact from fiction.

Despite some changes in the jobs as a result of the work of the joint process improvement teams, some workers interviewed in early 1993 still reported stressful working conditions. One CSR described her job as having golden handcuffs, referring to the relatively high pay and benefits combined with the constant pressure from first-line supervisors to receive more customer calls.

³ Rita Dozal, Director, Core Strategies, Home and Personal Services, U S WEST Communications, Personal communication, Feb. 25, 1993.

⁴ Winnie Neison, "Understanding the Abolishment of Annual Performance Appraisals: A Summary of Dr. W. Edward Deming's Theories Applied to Annual Performance Appraisals at Home and Personal Services," unpublished mimeo, Phoenix, Ariz., no date, p. 3.

conferences, held in conjunction with CWA'S annual conventions, to discuss the problems caused by sales pressures, monitoring of workers, and other job pressures. CWA Local 7777, in Denver, agreed to host a marketing conference in the fall of 1990. Because of the local's location, and because of the high levels of dissatisfaction among U S WEST customer contact workers, this conference included a separate breakout meeting for U S WEST workers. The U S WEST group

decided to mobilize against what they perceived as the sweatshop conditions in the business offices, putting pressure on U S WEST Communications in preparation for contract negotiations in 1992.¹⁴

As union discontent grew, the company launched a nationwide search for a new manager of HPS, who could turn the division around. Jane Evans assumed the post of Vice President and General Manager of HPS in April 1991. Evans

¹³ George Kohl, Research Director, Economist, and Debbie Goldman, Research Economist, Communication KIII-@IOM Workers of America, interview, Feb. 17, 1993.

¹⁴ Karla Crabb, Area Vice President CWA Local 7019, interview, Dec. 8, 1992.

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expressed her desire to work with the union and soon joined the Employee Involvement Quality Council (EIQC), a joint union-management board overseeing all employee involvement activities in HPS. At Jane Evans' first EIQC meeting, in June of 1991, the unions sent her a bouquet of black balloons and asked her to change the "sweatshop" conditions in the RMC and CMC. Her response was to ask the union representatives to the EIQC¹⁵ to become her partners in changing those conditions.

That summer, Evans called top management together, and they agreed to focus their efforts on reducing uncollectible and improving availability to customers. Working with Lockridge Associates, a Boston consulting firm, Evans decided to try to make incremental improvements in work processes, rather than trying to completely overhaul HPS. She and the consultants dubbed these incremental process improvements Bunts and Singles, because of their focus on small achievements, rather than on home runs. She and other top HPS managers began to create joint worker-manager process improvement teams. However, the unions had no formal role in these teams.

CWA and IBEW were hesitant to accept Evans' proposal of a partnership. The local presidents on the EIQC were concerned about the future of their members' jobs and wages in the face of increasing competition and felt that participation in making incremental process improvements might eliminate their jobs.¹⁶ They also wanted to ensure that nothing they did with HPS would weaken the job and wage protections that they had obtained throughout US WEST Communications in their 1989 contract. They consulted with their union bargaining agents who had negotiated the 1989 contract, and then created an ad hoc committee to help them draw up guidelines for a joint process that would benefit the union as well as the company.

At a September 1991 EIQC meeting, the local presidents brought the guidelines to Evans, with the full expectation that there would be no partnership because she would not agree to what they thought were impossible demands. These included a guarantee that no workers would be laid off or downgraded because of the Bunts and Singles processes. The local presidents also wanted to be sure that the other union locals and rank-and-file union members were in support of such a partnership, and stated that there would be no formal partnership without a ratification process.

To the unions' surprise, Evans agreed to meet every demand. On the critical issue of employment security, Evans had already taken a different approach from the rest of U S WEST Communications. She believed she could reduce costs through work reorganization (primarily through the Bunts and Singles process), and that if downsizing were necessary, it could be handled through attrition, given the high turnover rates in HPS. As discussed further in chapter 4, HPS stabilized staffing levels in 1991 and added positions in 1992.

On Nov. 6, 1991, the company and unions agreed to a Memo of Understanding formally initiating a joint union-management Operation Bunts and Singles (see table 3-1.) The following day, the union members of the EIQC presented the memo to a meeting of all local union presidents and the company and union bargaining agents who had negotiated the 1989 contract. The local presidents took the proposed memo back to their locals, and all of the CWA and IBEW locals voted to support it. After this ratification process, the memo took force. As shown in table 3-1, the agreement assured that there would be no layoffs or pay downgrades as a result of the process, that the terms of the collective bargaining agreement would not be changed, and that the unions would

¹⁵ At that time, and currently, the union members were Reed Roberts, President of the Phoenix 1st, Karla Floyd, President of the Portland local, Randy Warner, President of the Salt Lake City local, and Jim Mahoney, President of the St. Paul, Minnesota local.

¹⁶ This paragraph is based on a conversation with Reed Roberts, President, CWA Local 7719, June 17, 1993.

Table 3-1. The HPS-CWA-IBEW Memo of Understanding

MEMO OF UNDERSTANDING
NOVEMBER 6, 1991
RE: Operation Bunts & Singles

The Home and Personal Services Market Unit has asked CWA to enter into a joint process to redefine the work done by the H&PS Service Representatives, Credit Consultants and their support groups based on customer needs. As that work is redefined, the jobs as they exist today may be redefined as well.

As a condition of Union participation, H&PS has agreed to the following parameters:

All activities related to Bunts&Singles will be done jointly including, but not limited to, Union involvement at all levels of aspects of the process, the collection and sharing of data and equal input into the decision making process.

As part of this process, no activities will be permitted which violate or circumvent the collective bargaining process and/or agreements.

While we will continue to discuss issues such as benchmarks and appraisal systems in an effort to ensure equity for those who work at H&PS, it is clearly understood that those decisions will not be negotiated.

H&PS guaranteed that no bargaining unit positions will be eliminated, downgraded or surplusd because of Bunts and Singles, nor will the pay or seniority status of any bargaining unit employee be negatively affected.

All CWA/IBEW Locals will have equal access to all activities and information to ensure that their input is included as part of the process and their participation-where desired-ensured.

A joint, center point of contact will be established to ensure timely, ongoing communications with the Locals, and the managers.

As part of this process, the H&PS EIQC will contract with Change Agents appointed by the Locals to handle overviews and assist with the process, All Union participants on all teams will be appointed by the Locals they will represent. Once appointed, they will contract with the Unionists appointed by District 7 to the H&PS Employee Involvement Quality Council regarding this contract as well as Union Parameters, expectations and goals, established by the District 7 EIQ policy.

The term of this contract shall be for one year (September 1992) at which time the parties, in conjunction with the Bargaining Agents, will decide on the renewal of this agreement.

Source: Home and Personal Services, U S WEST Communications

be partners with the company in redefining the work to improve customer service.

As a result of the Memo of Understanding, which was renewed on Jan. 11, 1993, and is now in force until January 1994, the process improvement teams that had already been created were made joint union-management committees.

With strong support from both top management and the unions, Operation Bunts and Singles grew rapidly. An important part of the operation was monthly “group grope” meetings, which

were later renamed sharing rallies, where the process improvement teams met with other teams to share their successes and learn from each other. As discussed in chapter 4, there are now 32 joint committees working to improve a variety of processes in HPS.

Because of HPS interest in reducing uncollectible revenues, 13 joint Bunts and Singles teams have worked to achieve this objective. For example, in the summer of 1991, the company had already created a Credit Culture process



Employees participate in a skit as part of Operation Bunts and Singles, the joint union-management agreement to make incremental improvements in work processes.

improvement team to look into the feasibility of running credit checks on new customers. Initially, this team had many management representatives and just one union member. The team helped create the first Customer Credit Authorization Center (CCA) in downtown Phoenix. Workers there check computerized credit bureau information as well as company payment records to determine what level of service to provide to new customers (see box 3-1). Following the signing of the Memo of Understanding, and the decision to expand the CCAs beyond the initial one in Phoenix, the Credit Culture team was restructured to include equal numbers of company and union representatives (each party appointed its own team members) and to be led by union and company co-chairs. As a joint entity, the team helped expand the CCAs to major cities in all States where regulatory commissions allow them.

THE JOB DESIGN TEAM: PROCESS

While most of the Bunts and Singles teams looked at specific elements of the jobs of HPS employees, the joint Job Design Team (JDT) took

a more global approach, which sometimes incorporated the process improvements from the other teams and at other times rejected them as they developed a clean sheet job redesign.

In early 1992, HPS appointed six management representatives to the JDT, while CWA and IBEW appointed eight union representatives. Both union and management team members had front-line experience in customer contact jobs. CWA chose Linda Armbruster, a steward from Local 7777 in Denver, while HPS appointed April Hunter, a labor relations manager, as co-chairs of the team. At the JDT's first meeting, on Jan. 21 and 22, 1992, Jane Evans and Reed Roberts, President of CWA Local 7019 and a member of the EIQC, spoke to the new group about the EIQC'S goals for the job redesign.

Redesigning the work of customer contact employees took much longer than expected, because of the time required to build trust between unionists and managers. Although the EIQC hoped that the JDT would have a new job or jobs in place in time for contract negotiations in August of 1992, the team's work took much longer. It was not until December 1992 that the JDT finalized its vision of the redesigned jobs and began planning to disseminate that vision throughout the company and the unions.

Two facilitators helped build trust on the job design team as it met throughout 1992 and in early 1993. Kevin Boyle from CWA brought seven years of experience and training in joint union-management processes to the JDT, while Winnie Nelson, a US WEST Service Quality Consultant, brought technical expertise in methods of quality improvement.

By its third meeting, in February 1992, the JDT had established its purpose:

CWA, IBEW(and H&PS through mutual cooperation, creativity, trust and employee involvement will jointly design satisfying, safe, and secure customer contact jobs which will give valued employees an environment to provide

Table 3-2. Goals of the Job Design Team

JOB DESIGN GOALS
Effective and up to date technology and tools to support the worker and enhance education and skills.
All existing (2-92) CMC, RMC, and TMC offices are open with potential for additional locations and personnel doing the work we design.
A safe job in an ergonomically sound workplace:
Communication-one system for U S WEST.
Each employee will assess their own needs for career and job development and have resources available to fulfill those needs.
HPS employees are multi-skilled with highest wages to match the high skills of the customer contact employees.
Diversity of work is built into the job.
Employees will have flexibility to meet family and personal needs.
All occupational jobs that we as a Job Design Team design will be bargained for regardless of the environment in which they reside and through our collective efforts non-members will recognize the added value of Union membership, thereby encouraging 100% membership.
Employees have unlimited decision-making power which enables them to provide superior customer service.
No sub-contracted customer contact jobs within HPS.
Reward systems promote continuous improvement.

Source: Home and Personal Services Division. U S WEST Communications

*superior customer service resulting in the growth of our business and our unions.*¹⁷

The JDT also developed a list of goals for the redesign (see table 3-2) reflecting both the unions' concerns about employment security and the unions' and company's mutual desire to improve the quality of customer service. The group slowly developed the ability to reach decisions by consensus.¹⁸ *Meeting locations rotated to minimize* travel time for the members who came from throughout the 14-state region,

and the team visited RMCS, CMCS, and CCAS in each city where it met.

Two events in early 1992 greatly helped build the trust between union and management members of the JDT. First, the company decided to eliminate individual performance appraisals, and Winnie Nelson, the company co-facilitator of the team, wrote and widely disseminated a paper explaining this decision.¹⁹ Second, the JDT began to move toward a job redesign that would integrate the sales and collections tasks that had

¹⁷ Job Design Team, Minutes from Feb. 27-28, Colorado-Westin Hotel, Denver, Colo., unpublished mimeo.

¹⁸ April Hunter, Customer Sales Manager, U S WEST Communications, "WeekTen Written Assignment" unpublished paper for Decision Making Course, University of Phoenix, Jan. 22, 1993, p. 2.

¹⁹ Winnie Nelson, "Undem~fig the Abolishment of Annual Performance Appraisals," no date, op. cit.

been split in 1987. This direction confirmed Jane Evans' belief that collections, and hence the work of CCS, was important, and she decided to upgrade the wages of CCS to the CSR level. The upgrade was made even before the collective bargaining talks scheduled for August of that year, because data showed that the joint process improvement teams had already increased company revenues (see ch. 4) to the point that HPS had the additional funds needed to make the pay upgrade. These actions resolved issues the union had been unhappy about for years, and made union and management members of the JDT aware that their joint decisions would be taken seriously.

The JDT took a Socio-Technical Systems (STS)²⁰ approach to job redesign, identifying the technical and social systems within which all of the customer contact workers-CSRs, CCS, and Telemarketing Sales Representatives-operated. The technical systems included an extensive list of tools used on the job. The social environment included the workers' primary relationships with the customers and secondary relationships within the company. The JDT then mapped each step in the work process of CSRS and CCS, and analyzed variances to identify sources of quality problems.

The team learned that technological variances that they could not control greatly affected their ability to serve the customer.²¹ For example, When the call routing system continues to direct calls after the office is supposed to be closed in the evening, it forces CSRS to work late. When it occasionally doesn't open up on time in the morning, the call routing system makes customers angry. When the SONAR database is slow,

both the CSR and the customer become irritated, the CSR maybe required to take notes on paper, and overall customer response is slowed. When it is down entirely, some CSRS, who are unfamiliar with paper procedures, may not be able to issue a service order at all. Other CSRS can process an order, but the lack of the database prevents the service order from being transmitted to the network group. Breakdowns and slowdowns in other databases cause similar problems for CCS.

The JDT did not try to fix the existing variances, leaving that task to the joint process improvement teams (see ch. 4). Instead, the JDT tried to identify both improved technological systems and the skills and resources workers would need to provide high-quality customer service despite at least some inevitable variances.²² As the of work of the JDT became more complex, the group split into four subteams focusing on technology, training, work design, and variances and impacts.

Although the technology subgroup of the JDT left most correction of existing software systems to other joint process teams, in one case the subgroup helped to improve a new software system before it was implemented.²³ In 1992, as Customer Credit Authorization centers were being expanded to other cities based on the success of the Phoenix trial, workers in these centers were required to use separate computer terminals to check credit bureau databases. As part of the company's planned deployment of Intelligent Work Stations (IWS) throughout the 14-State region, a new credit checking program, called BACAS, was purchased. Although BACAS was

²⁰ST^S originated in the work of Trist and others who reorganized work in British coal mining in the 1950s and 1% OS. The STS perspective considers organizations to be made up of people (the social system) using tools, techniques and knowledge (the technical system) to produce goods or services valued by customers (who are part of the organization's external environment). William A. Pasmore, *Designing Effective Organizations: The Sociotechnical Systems Perspective* (New York: John Wiley and Sons, 1988), p. 1. In theory, STS seeks a joint optimum between people and technology, but in practice those versed in STS sometimes lack the technical knowledge to optimize the technology side of this joint optimum. J. Alic, op. cit., 1990, p. 308.

²¹Job Design Team "Meeting Minutes, June 23-26,1992," unpublished memo from U S WEST.

²²April Hunter, "Week Ten Written Assignment," 1993, op. cit., p. 1.

²³This parataph is based written materials provided by David DOW, Steward, CWA Local 7908, and member of the technology subgroup of the JDT

purchased because it would allow the integration of the credit checking function with other work processes on a single IWS terminal, as originally written, BACAS was poorly integrated with these other databases. In addition, BACAS did not allow workers to override the credit rating it assigned. Through discussions in the JDT and the EIQC, the company and union agreed to let the JDT make the final decision on whether or not BACAS would be implemented, and arranged for a joint union-management team to develop and implement trials and refinements of BACAS. As a result of those trials, the software was revised to better integrate with existing computerized databases, and to provide information to workers, helping them make a credit decision, rather than dictating that decision to them. The JDT then approved company-wide implementation of BACAS, a process that took place during 1993.

THE JOB DESIGN TEAM'S VISION: THE SERVICE CONSULTANT

Rather than develop a single, uniform new job or jobs, the JDT chose to present a vision of the new marketing worker, or, as they called it, the Service Consultant. By using the STS approach, they had developed an ideal technical system and an ideal organizational system, involving a broader restructuring of several jobs in addition to the CSRs and CCS. Their ideal technical system was expensive, while the ideal organizational system called for a radical change in the traditional relationships between front-line marketing workers and their first- and second-level supervisors. Finally, the JDT saw that, with rapid technological and organizational change, the optimum design of 1992 might not be appropriate by 1997. Because they realized that such drastic changes in technology, work organization, and labor-management relationships could not occur uni-

formly throughout HPS, they chose to develop a vision.

The JDT's vision seeks to overcome two of the greatest problems felt by workers in the current jobs—strict supervision and lack of diversity.²⁴ The Service Consultant (SC) job would operate in a universal work environment, somewhat like that of CSRS before 1987, but would differ in that the SC would continually choose which types of calls to respond to, and, ideally, from what geographical region those calls would be taken. The envisioned work unit would be a team with a common commitment to respond to changing customer demand throughout the day. For example, current CSRs often face a flood of new service orders on Monday mornings, as customers have moved into new houses on the weekends. In the redesigned job, all of the workers—including those who now do only collections work—would know of the flood of calls. Thus, the work could be better distributed. At the same time, a SC who felt for whatever reason that she or he was incapable of dealing with those requests on a Monday morning could instead run credit checks or answer billing inquiries.

The key to the greater variety in the new job is a work distributor, which would both accept all incoming calls initially and provide real-time data on the types of calls coming in to each SC. The work distributor would be an interactive form of today's Automated Call Distributor, which would allow feedback from the worker, rather than simply directing work at the worker. In the vision, the SC would log on to the work distributor, indicating what types of call he or she would accept. Depending on the SC's choices and customer demand, the SC could change the types of calls being accepted throughout the workday. Current CCS, who chose in 1987 not to do sales work would not be forced to do so as Service

²⁴ The following discussion is drawn from a presentation by the JDT and written materials from their Dec. 8-9, 1992 meeting in Tucson, Ariz.

Consultants.²⁵ However, they could help respond to a Monday morning flood of new service orders by providing dial tone with the aid of new technology included in the vision. After providing dial tone, the SC would notify an outbound sales group, such as the current Telemarketing Center in Denver, who would call the customer to verify that the needed services were present and try to sell more products and services.

The work distributor is important not only to the greater variety of tasks, but also to optimizing the work of the Service Consultants. The JDT learned that many calls coming into the RMCS, CMCS, and CCAs were misdirected calls that should have gone elsewhere in the company. The work distributor will catch such misdirects and direct them to the correct place, thus minimizing the drain on the customer contact workers' time.

The Job Design Team's vision affects several other jobs (see table 3-3). As noted, the SC would have the ability to establish dial tone, as well as other types of telephone service that are currently provided by translation specialists in the Recent Change/Memory Administration Center (RC/MAC). The SC would be able to assign phone numbers to customers, a function currently performed by plant line assigners in the Facilities Assignment Center (FAC). In addition, the SCS are to have the technological capability to talk directly with technicians in the field, bypassing the dispatchers. In the vision, this capability would only be used in special cases, such as when a customer has just returned home to receive the technician, and the technician is still in the neighborhood. Finally, the Service Consultant would be able to perform simple repair tests for the customer, a function now performed by Maintenance Loop Testers (MLT) who are part of US WEST Communication's Network and Technology Services division.

SUMMARY: CHANGING CUSTOMER CONTACT JOBS, CHANGING COMPETITIVE STRATEGY

As shown in figure 3-1, customer contact jobs at U S WEST had become increasingly specialized since 1987, due to specialization of jobs combined with centralization of work. When marketing offices served small localities, workers could handle a variety of marketing and billing tasks. Now that a few offices serve whole States or multi-State regions, workers perform specialized functions, handling only marketing, billing, or credit verification (see box 3-1). The Bunts and Singles process began to reverse that trend toward narrow, specialized jobs by encouraging workers to take a broader view of how best to serve customers through the process improvement teams. Implementation of the JDT's vision (see ch. 4) will make an even more dramatic change, adding much more variety to the work. CSRS will be part of a work unit that handles more than marketing, providing end-to-end telephone service to customers. They will interact with, and perform some of the functions of, a variety of technical and support personnel, making their work more satisfying while improving customer service.

In addition to adopting a competitive strategy that relies more heavily on worker and union participation, the company is aggressively entering new markets. In early 1993, U S WEST, Inc. announced plans to invest \$2.2 billion that year, and a total of up to \$13 billion over the next five years, in a broadband transmission network within its 14-State service territory.²⁶ A few months later, in May 1993, the corporation announced plans to purchase 25 percent of Time Warner Entertainment, which includes cable holdings, a movie studio, and the HBO cable channel, for a price of \$2.5 billion.

²⁵ Similarly, current CSRS who do not do billing work would not be required to in the vision. However, they would know of incoming bill questions, and might choose to help out if there were a large number of such questions coming in.

²⁶ Jim Grisenti, U S WEST Communications, "Gathering Storm: Competition Comes to Local Exchange," *WEST To&Y*, vol. 6, no. 6, March 8, 1993, p. 1a.

Table 3-3. The Job Design Team's Vision

A new "universal" work environment

The new environment calls for a "work unit" concept, with cross-functional front-line and support teams working together to meet all of the needs of residential customers in a specific geographic area.

Although these teams may span different departments (e.g., HPS and NTS), they have a common customer focus and shared goals.

The customer interface

Customers will still contact the front-line employees or Service Consultants through today's channels (e.g., by telephone, via correspondence). As new technologies become available (soft dial tone fallbacks, voice response applications), the front-line workers will serve customers through these channels as well.

Service Consultants are advocates for customers

Service consultants are self-determining and autonomous in their work assignments, staffing, and training. The service consultant receives real-time data on total work unit performance and customer account activity. This provides flexibility, allowing the service consultant to make proactive decisions on how to best provide superior customer service and meet the current customer demand and operational needs in the work unit.

Service Consultants decide distribution of work

In the new environment, service consultants choose the specific types of customer calls they want to work on and have the skills and training to handle. Ultimately, the work will be distributed based on the type of systems log-on used by the Service Consultant.

Outbound calling for sales and service

To ensure availability to customers, some orders will be processed simply to provide dial tone. These orders could be handled by new employees learning the technical functions of the job prior to learning the sales function, or by Service Consultants who are primarily billing experts. These orders will flow to an outbound sales group that will call back after service was established to ensure customer satisfaction and explore sales opportunities.

Improved cross-functional coordination

Employees in all departments associated with service orders or repair tickets will have improved access to each other. This will improve coordination, improve response times, and provide "seamless" customer service.

Expanded role for team leaders

As decision-making and accountability structures move toward the front line, management roles will migrate toward team resource roles. Ultimately, union and management personnel will provide requested feedback, career counseling, and act as sounding boards for decisions, rather than being involved in direct, day-to-day supervision of the group.

A "learning" workplace

As discretionary authority moves to the front line, additional skills in information handling, reasoning, computation, data analysis, and computer competency will be needed. This calls for a new learning paradigm, where training and teaming are integral parts of the work environment. Training will be immediately available, continuous, and provided by subject matter experts at the point where the transaction is taking place.

Technology: a key front-line tool

New technologies will support service consultants, be flexible, and provide immediate, real-time information. Technology will be used as a tool to meet customers' needs and service consultants will be involved in technological decisions that affect their jobs,

Front line provides input to other departments

Two-way communication channels and suggestion systems will be implemented to ensure all departments have a direct feedback link to front-line ideas, issues, concerns. In addition, interdepartmental calls to the front line will not impact incoming customer calls.

Source: Adapted from Don Baltzer and Lisa Greene, "Union and HPS Leadership Support Job Design Vision" U S WEST Today: Special Bulletin, Vol. 6, No. 1, pp. 1-3.