AN ASSESSMENT OF THE WORK-RELATED FACTORS THAT CAUSE JOB STRESS IN AN OUTSOURCING COMPANY: A STUDY OF ETELECARE INC.

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APPROVAL SHEET

This thesis entitled, "An Assessment of the Work-Related Factors that Cause Job Stress in an Outsourcing Company: A Study of eTelecare Inc.", prepared by Evan Mae B. Cavizo in partial fulfillment of the requirements for the degree of Bachelor of Arts in Organizational Communication is approved.

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" The cynicism that is so endemic in the first three years turns slowly and surprisingly into nostalgia. Which by March creates an embryonic feeling of regret. Of wasted time. Of chances lost. Of carefree feelings none of them will ever know again".

Erich Segal (The Class)

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Abstract

Before the 1980s ended a recession began which continued well into the 1990s. Governments were striving to reduce budget deficits and thereby were squeezing more and more out of business. The world witnessed sweeping changes. One of the ways to respond to global competition was for the organization to become 'leaner and meaner'. Becoming meaner and leaner can be achieved by processes like downsizing, reorganizations, relocations of personnel, redesign of jobs, and outsourcing.

Outsourcing is the strategic use of outside resources to perform activities traditionally handled by internal staff and resources. Outsourcing companies are booming around the globe but are more popularly known as call centers or customer service centers. The Philippines has already attracted several U.S. based call centers to set-up back-office operations in the country. But while call centers and other back-office operations have provided badly needed jobs to many Filipinos, there is a certain concern that the nature of work in call centers is causing a much pressure and strain on its' employees.

In a desire to explain the presence of job stress in outsourcing companies, the researcher focused on a particular call center or customer-oriented organization. The study aimed to answer the main question "What are the work factors that cause job stress in an outsourcing company?" This research aimed to identify and describe how work-related factors in an outsourcing company eventually lead to job stress. Due to limited time and resources the author focused on a particular organization, eTelecare Inc, for this research.

eTelecare was founded in 1999 with the strategy to provide superior value for US clients and the vision to be the world leader in quality outsourced contact center services. Among its' founders are Jim Franke, Derek Holley, Bill McLaughlin and Patrick Bevill who are experts in the call center industry and have all worked for Fortune 500 companies. It offers a wide range of customer contact services from customer care, sales and marketing, research, and value added services. eTelecare's Philippine headquarters is located in Libis, Quezon City, a 300-seat call center. By locating its' call centers in the Philippines, eTelecare takes advantage of the highly-educated, English-speaking labor force to offer high quality customer service associates (CSAs) at prices below U.S. service bureaus.

Using Jack Maxwell Wood's Job Stress Model, the author focused only on the work-related factors that lead to job stress. Work-related stressors included in this study are unrealistic task demands or factors intrinsic to the job, role conflicts, interpersonal

conflicts, career progress, and organizational culture and climate. Under the five factors are also components that were used to study each factor.

The author employed the interview method and non-participant observation as the data collection methods. The examination and analysis of these components, using the illustrative method, revealed that the five (5) work-related factors reinforce each other further intensifying work pressure and strain on employees.

Findings revealed that eTelecare has a task/achievement culture that encourages creativity, decision-making and risk-taking. Yet, to survive in such culture, it is important to handle conflict effectively and be prepared to give and take criticism constructively, for when things go wrong, everyone tends to blame someone else.

It was also found that factors intrinsic to the job appear that appear to cause stress on employees include shift work, long hours of work, work overload, and the constant use of various computer-aided technologies

From the research, it was learned that the responsibility for decision-making about their jobs can be stressful at times because they can be blamed for the consequences of the situation since they make the decisions.

Findings also revealed that the nature of the superior-subordinate relationship can be stressful at times. This is because Team Leaders are the ones in charge of performance appraisals of their subordinates. Their evaluations are important because these employees can either get promoted or demoted with their evaluations. Maintaining professionalism and these performance appraisals have hindered interpersonal relations between superior and subordinate. Superiors are pressured to consider the livelihood and feelings of the employees, while subordinates are always conscious and careful whenever their superiors are around.

Findings also show that the frustration of not being promoted and the threat of the young population can induce extreme stress on the part of employees. Furthermore, promotions on eTelecare are fewer and require mastery of job performance. The process of being evaluated and appraised is also a stressful experience for most employees.

In the aforementioned results, it may be inferred that work stress generally involves both the organization and its employees. A host of issues can act as potential stressors throughout one's working life. Moreover, the results also revealed that the five (5) work-related factors reinforce each other further intensifying work pressure and strain on employees. Thus, there is a need to address these issues and stressors to avoid negative consequences on the individual and the organization.

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CHAPTER I

INTRODUCTION

Background of the Study

Over the past three decades there has been a growing belief in all sectors of employment and in government that the experience of stress at work has undesirable consequences for the health and safety of individuals and for the health of their organizations. This belief has been reflected both in public and media interest and in increasing concern voiced by the trades unions, and professional and scientific bodies. In fact, the 1992 UN report called Job Stress "The 20th Century Epidemic"— while the World Health Organization called job stress a "World Wide Epidemic" (Lunde-Jensen, 1994).

The concept of job stress as a threat to the organization and its' employees started out in the 1980s. It was discovered that there was a substantial personal cost for many individual employees, both managers and shop floor workers. This cost was captured by a single word, *stress*. Indeed, stress is somewhat like the concept of infatuation: everyone knows what the term means, but no two people would define it the same way. The various definitions of stress all point in the same general direction but continue along different paths. Hans Selye, the grand master of stress research and theory, said that "Stress, like relativity is a scientific concept which has suffered from the mixed blessing of being too well known and too little understood" (1980, p. 127). But to those whose ability to cope with day-to-day matters is at crisis point, the concept of stress is no longer a casual one; for them, stress can be translated into a four-letter wood – *pain* (Cooper, Cooper, & Eaker, 1988).

Stress in the workplace was costly to the business sector in the 1980s. For example, the estimated cost of stress to the American industry is from $200 to $300 billion dollars due to absenteeism, diminished productivity, employee turnover, accidents, direct medical, legal, and insurance fees, and workman's compensation awards (Karasek & Theorell, 1990). In the United Kingdom, stress-related absences were 10 times more costly than all other industrial relations disputes put together. In terms of sickness, absence, and premature death or retirement due to alcoholism, stress costs the U.K. economy a staggering £2 billion per annum. Heart disease in industry, the single biggest killer, is estimated by the British Heart Foundation to cost an average U.K. company of 10,000 employees some 73,000 lost working days each year; additional costs include the annual death of 42 employees between 35 and 64 years of age and lost value in products or services of more than £2.5 million. Of all absence in the United Kingdom, 21% was due to stress related heart disease (Gibson, 1993). Similarly, in Norway, the economic costs of work-related sickness and accidents amount to more than 10% of the gross national product, a high proportion of which is considered stress related (Leigh, Markowitz, and Landrigan, 1997).

For the next ten years, it is likely to get worse. Stress is primarily caused by the fundamentals of change, lack of control, and high workload. The buildup and aftermath of the recession, increasing cross-national mergers, increasing international competition, and joint ventures between organizations across national boundaries will lead inevitably to a variety of "re's": reorganizations, relocations of personnel, redesign of jobs, and reallocations of roles and responsibilities. *Change* will be the byword of the new millennium, with its accompanying job insecurities, corporate culture clashes, and

significantly different styles of managerial leadership – in other words, massive organizational change and inevitable stress. In addition, change will bring with it an increased workload as companies try to compete with other international economic arenas. This will mean fewer people performing more work, putting enormous pressure on them.

The reengineering efforts and streamlining of companies over the years has resulted to outsourcing. Outsourcing is the strategic use of outside resources to perform activities traditionally handled by internal staff and resources. It is a management strategy by which an organization outsources major, non-core or less important functions to specialized service providers.

The process of outsourcing involves an outsourcer and a customer/client. The client is an organization that has decided to outsource its non-core functions or competencies. Whereas, an outsourcer by the very nature of its core competencies are experts in arranging value back to an organization's functions, experts in reducing costs or experts on both aspects.

Outsourcing companies are booming around the globe but are more popularly known as call centers or customer service centers. Call centers have emerged as *the* critical link between a company and its customers. The result has been that the call center industry in most countries is growing at an annual rate of over 20% per year. But according to Brad Cleveland, president of Incoming Calls Management Institute (ICMI), the growth rate of call centers in the Philippines has risen up to 100% in a span of two years (http://www.outsourcing.com)

The Philippines has already attracted several U.S. based call centers to set-up back-office operations in the country. These U.S. based call-centers come to take advantage of lower labor costs, but also bank on Filipinos' high-computer literacy and affinity for all things American, which manifests itself in anything from a U.S.-style legal system to family packs of chocolate-chip cookies and reruns of favorite American shows.

In the last few decades, Filipinos' English skills have helped them fan out across the globe as nurses, household helpers and seamen, and their ease with U.S. culture has helped armies of migrating Filipinos settle in comfortably across the Pacific.

But this asset has, until a few years ago, meant little in the home job market. Dean Jorge Bocobo, a physicist and sometime newspaper columnist, says the country has invested for years in a U.S.-style education in its schools. "It's only now that we can reap the advantage of that," he says (http://www.wsj.com).

But while call centers and other back-office operations have provided badly needed jobs to many Filipinos, there is a certain concern that the nature of work in call centers is causing a high turnover rate and job dissatisfaction among its employees.

Since call centers rely heavily on new technologies and computer-aided technology, employees are always required to adapt to these new technologies. New technologies and computer-aided systems alter the ways that people perform their work. Ultimately, new technology is introduced to maximize performance potential and replace physical activity with cognitive activity. This leaves people to deal with important, unpredictable and random occurrences, while machines deal with repetitive, predictable and non-random activities. This means that as people 'partner' these technologies, the

potential for unique forms of stress exists in the workplace, in addition to the pressures and strains of living and working.

In a desire to explain the presence of job stress in outsourcing companies, the researcher will focus on a particular call center or customer-oriented organization.

Statement of the Problem

Although there is an abundance of literature on the phenomenon of job stress, there is a dearth in knowledge of job stress in outsourcing companies.

Main Problem: What are the work factors that cause job stress in an outsourcing company?

Specific Problems:

1. What organizational culture factors lead to job stress in an outsourcing company?
2. What are the task demands or factors intrinsic to the job that lead to job stress in an outsourcing company?
3. What are the working conditions that lead to job stress in an outsourcing company?
4. What are the role dynamics that lead to job stress in an outsourcing company?
5. What are the interpersonal conflicts that lead to job stress in an outsourcing company?

6. What are the career development factors that lead to job stress in an outsourcing company?

Objectives of the Study

Main Objective: To determine the work factors that cause job stress in an outsourcing company.

Specific Objectives:

1. To determine the organizational culture factors that lead to job stress in an outsourcing company.
2. To determine the task demands or factors intrinsic to the job that lead to job stress in an outsourcing company.
3. To determine the working conditions that lead to job stress in an outsourcing company.
4. To determine the role dynamics that lead to job stress in an outsourcing company.
5. To determine the interpersonal conflicts that lead to job stress in an outsourcing company.
6. To determine the career development factors that lead to job stress in an outsourcing company.

Scope and Limitation of the Study

Due to the limited amount of time and resources, this study will focus on a particular organization, specifically an outsourcing company. The context of this study will only involve job stress not social or environmental stress. It would also mean that the

researcher would only look at the work factors and exclude non-work and personal factors that lead to job stress. The potential consequences for the individual and the organization will also not be the concern of the researcher anymore.

The author would also like to take note of the fact that since only one organization will be studied for this research, it would mean that the findings may not necessarily reflect the same processes and experiences in other outsourcing companies and other types of organizations.

The data that will be gathered for this study will also be limited to interviews with middle level management and frontliners of the chosen organization, since these people are the ones directly involved in the outsourcing relationship.

Significance of the Study

Although a great deal has been written in recent years about the consequences of stress on the individual and the organization, less attention has been focused on the factors that cause stress. In this research, an attempt will be made to redress the balance while highlighting stressful work situations. Knowing the sources of stress may help managers of organizations to identify these factors so that they can address these factors immediately. Awareness of the sources of stress also means that organizations may be able to employ a pro-active approach in dealing with job stress in the future.

For the past several years, there have been studies with regard to the process of outsourcing and the nature of outsourcing relationships. Therefore, this paper serves as a valuable resource in examining a different perspective in outsourcing, those issues affecting the employees of outsourcing companies or call centers. It will be an essential source of material for students, academicians, and researchers and for all those who wish

to improve their knowledge and understanding of outsourcing. The results of this study can also be useful for students of Organizational Communication to validate knowledge generated by studies done before and to encourage students to find new perspectives in different types of organizations for future studies.

Lastly, the management of stress in the work environment can be successful only when organizations and people understand the source of unwanted strain or pressure. Therefore, identification of the factors that have a negative impact on performance and well being is an essential part of a stress management programme. This is main objective of this study.

CHAPTER II

REVIEW OF RELATED LITERATURE

Many ... have reached the top of the success ladder but are beginning to see it may be leaning against the wrong wall.
SAM KEEN (1999).

Whenever people talk about stress, it is usually in terms of pressure or strain they are feeling from something around them or to them. Doctors talk about being under stress because of their work schedules and the nature of their work. Social workers talk about the strain of dealing and helping people who have special needs. Students talk about the pressure of meeting deadlines and examinations.

In each case, it is clear that several other terms could be substituted easily for the term stress. It is therefore necessary to define what stress is, and offer what research over the past decade has shown to be its primary resources. This will help lay the foundation for an in-depth study of stress in later chapters.

STRESS

Stress is derived from the Latin word *stringere*, meaning to draw tight, and was used in the 17th century to describe hardships or affliction. During the late 18th century, stress denoted "force, pressure, strain or strong effort," referring primarily to an individual or to an individual's organs or mental powers (Hinkle, 1974).

Early definitions of strain and load used in physics and engineering came to influence one concept of how stress affects individuals. Under the meaning of this

concept, external forces (load) are seen as exerting pressure on an individual, producing strain. Proponents of this view claim that people can measure the stress to which an individual is subjected in the same way people can measure physical strain on a machine or bridge or any physical object.

Views on Stress, Distress, and Eustress

For most people, the terms *stress* and *distress* are interchangeable in many situations because they believe that stress is something bad. According to Selye (Hinkle, 1974), distress is "damaging or unpleasant stress." When people express these terms, stress is likely to be the same as anxiety, fear, worry, or agitation. The core of the psychological experience is negative, painful, something to be avoided.

Selye also introduced the term *eustress.*, which are related to pleasurable and satisfying experiences. This is related to satisfying experiences even when pressured. This is more of a positive stress. Studies show that eustress heightens awareness, increases mental alertness, and often leads to superior cognitive and behavioral performance. Eustress may supply the arousing motivation for one individual to create a work of art, another an urgently needed medicine, another a scientific theory. It is, in other words, challenge – stress to be sought out and used as an ally for personal and professional growth.

Formal Definitions of Stress

Walter Cannon (Hinle, 1974), a noted Harvard physiologist, probably introduced stress terminology to the scientific community. Cannon contributed the idea of **homeostasis**, the tendency of organisms to maintain a stable internal environment. Homeostasis is not a steady state, though. It is a dynamic oscillatory state; that is, it

exhibits pendulum swings between need and fulfillment (Goldstein, 1995). Cannon investigated mechanisms of emergency preparedness, the fight-or-flight response. He showed that this response involves a complex interaction between sympathetic nervous system arousal and hormonal secretions from the adrenal glands. Still, the key to Cannon's use of the term stress may have been his observation that organisms tend to "bounce back" or "resist" deforming influences from external forces (Hinkle, 1974). In other words, the organism tries to maintain balance when it is confronted with stress.

In contemporary scientific literature, stress has at least three distinct meanings. First, it may refer to any event or environmental stimulus that causes a person to feel tense or aroused. In this sense, stress is something *external*.

Second, stress may refer to a subjective response. In this sense, stress is the *internal* mental state of tension or arousal. It is the interpretative, emotive, defensive, and coping processes occurring inside a person. Such processes may promote growth. They may also produce mental strain.

Finally, stress may be the body's *physical reaction* to demand or damaging intrusions. This is the sense in which both Cannon and Selye used the term. Demand promotes a natural arousal of the body to a higher level of activity. The function of these physical reactions is probably to support behavioral and psychological efforts at coping. Conditions of chronic stress may bring about negative states, including exhaustion, disease, and death. On the positive side, it is clear that some good can come up from physiological challenge. This comes from evidence that repeated exposures to arousing stressors may lead to **physiological toughness**. Dienstbier (1989) defines physiological

toughness as "increased capacity for responding to stress plus increased resistance to the potential physical damage that stress can produce."

Stress as External Cause

When speaking of stress as an external stimulus, it is more appropriate to talk of **stressors**. The concept of stressors is similar to the notion of force in engineering. An engineer might calculate the forces exerted by cars on a bridge or the pressure of wind against a tall building. The demands people experience daily are the forces that wear on them: too much work, too little money, too many creditors, the arrival of a baby, the excitement of a new job and so on. These are stressors, not stress. Just as a bridge must withstand the load of cars and trucks, individuals must have a means of meeting or resisting the external stressors. Individuals do this through coping strategies or defensive reactions.

JOB STRESS

Because this research focuses on job stress, it is also important to determine the important aspects of **job stress**. First, work stress generally involves both the organization and its employees. Job stress is not a private matter for the employee to deal with alone and in isolation. Employees may transport personal and family problems to the job, but work problems also spill over to the home (Rousseau, 1978).

Second, job stress produces negative effects for both the organization and the employee. For the organization, the results are disorganization, disruptions in normal operations, lowered performance and productivity, and lower margins of profit. For the employee, the effects are threefold: increased physical health problems, psychological distress, and behavioral changes. Problems with health may not so much be related to the

onset of a specific disease but to the quiet and gradual loss of health. Psychological distress usually comes with loss of job satisfaction and several negative emotions. The resulting changes in behavior tend to affect both productivity within the company and lifestyle outside the workplace.

Third, job stress requires both organizational and personal solutions (Hinkle, 1974)` Employee assistance programs that focus solely on the employee perpetuate the myth that job stress is the worker's problem and the worker's fault. Removing job stress also requires intervention and change in the organizational and personal intervention strategies.

Defining Job Stress

One definition of job stress focuses on job features that pose a threat to the worker (Lee and Ashfort, 1996). Threat may due to excessive job demands insufficient supplies to meet worker's needs, or the possibility of loss. When the job requires too much work in too short a time, job overload exists. Supply deficits concern things employees expect from their jobs: adequate salary, job satisfaction, and promotion of growth in the job. A threat of loss may include demotions, unattractive relocations, or outright severance from the job (Hinkle, 1974).

The Costs of Work Stress

A major concern in different sectors of society today is the immense personal and economic loss from job stress and from unsafe conditions on the job. The U.S. federal government reported that 6, 220 job fatalities occurred in 1995 (Stout, Jenkins, & Pizatella, 1996). During 1992, in addition to more than 6000 fatalities, 60,3000 deaths occurred due to occupational illnesses – foe example, lung diseases and lead poisoning

(Leigh et al., 1997). Among the total of 6.8 million job-related illnesses and injuries, there were about 865,000 occupational illnesses (Stout et al., 1996).

Beyond the incalculable costs of loss of life, occupational illnesses and injuries represent great loss of productivity for the industry, loss of wages for the worker, and distress for many who must now contemplate a future without meaningful work and wages, and a future that has been compromised with failing health. The direct costs of injuries and illnesses totaled $65 billion in 1992 (Leigh et al., 1997). Indirect costs including lost wages add another $106 billion loss. The total cost -- $171 billion annually – calculates at $468 million dollars lost each business day. As Leigh and his colleagues pointed out, these annual losses are as great as losses from cardiovascular disease ($164 billion), or from cancer ($171 billion), and 6 times the loss from AIDS-related illnesses ($30 billion).

Although data are hard to come by, it is widely believed that acute reactive stress contributes to many job-related accidents and fatalities (Leigh et al., 1997). The World Health Organization estimates that Asian workers lose10% of their total work hours through abseentism (Stout et al., 1996). Probably, 2 out of three workers, on any given day, calls in sick because of stress-related problems. One recent estimate suggests that stress-related claims cost nearly 20% of a company's annual earnings (Gibson, 1997).

SYMPTOMS OF JOB STRESS

Terry Beehr and John Newman (1978) reviewed many job stress studies and concluded that three negative personal outcomes result from work stress: mental health symptoms, physical health symptoms, and behavioral symptoms. The following sections summarize some of these symptoms, but the list will probably change in the future.

Psychological Symptoms of Job Stress

Psychological distress and mental disturbance bear an important relation to work conditions. This is evident from the inclusion of an occupational-stress category in the *Diagnostic and Statistical Manual of Mental Disorders*, Fourth edition (Sauter, Murphy, & Hurrell, 1990). The following symptoms occur in various occupational settings as a result of work stress include anxiety, tension, confusion, and irritability; feelings of frustration, anger, and resentment; emotional hypersensitivity and hyperactivity; suppression of feelings, withdrawal, and depression; reduced effectiveness in communication; feelings of isolation and alienation; boredom and job dissatisfaction; mental fatigue, lower intellectual functioning, and loss of concentration; loss of spontaneity and creativity; and lowered self esteem.

Perhaps the most predictable consequence of job stress is job dissatisfaction. The employee feels little motivation to go to work, to do a good job while at work, or to stay on the job. Other symptoms occur at different stages on the road to job dissatisfaction and vary from one person to another. Current research on workplace motivation is beginning to integrate systems variables with human factors to obtain a better balance between job demands and job satisfaction

Anxiety, tension, anger, and resentment are among the more commonly reported symptoms. Some people find job pressure so great they increase their psychological disturbance and gradually become depressed. This may occur after the employee tried but failed to correct the stress situation. When this occurs often, the outcome may be *learned helplessness*, which prevents the employee from making changes even when it is within

his or her power to do so. On the other hand, some employees probably never try because they bring a load of learned helplessness to the job.

Physical Symptoms of Job Stress

One of the alleged outcomes of unmanaged stress is a gradual deterioration in physical health. Before clinical pathology appears, however, several physical symptoms give warning of something wrong. A few of the identified physical symptoms include increased heart rate, blood pressure, and potential cardiovascular disease; increased secretions of stress hormones (for example, adrenaline and noradrenaline); gastrointestinal disorders such as irritable bowel syndrome, colitis, and ulcers; increased frequency of bodily injuries and accidents; physical fatigue, and possible chronic fatigue syndrome; respiratory problems, including aggravation of existing conditions; skin disorders; headaches, low back pain, and muscular tension; sleep disturbances; and impaired immune function, including possible increased risk of cancer (Gibson, 1997).

Adequate research exists to verify the effects of work stress on the cardiovascular and gastrointestinal systems. Links to physical fatigue, bodily injuries, and sleep disturbances are also well verifies. The remaining disorders are not as reliably established as resulting from work stress.

Stress also comes from unsafe work environments. The National Institute for Occupational Safety and Health (NIOSH) lists the ten leading work-related diseases or injuries as follows: occupational lung diseases; muscoloskeletal injuries; occupational cancers; severe occupational traumatic injuries; cardiovascular diease; disorders of reproduction; neurotoxic disorders; noise-induced loss of hearing; dermatologic

conditions; and psychological disorders (Levi, 1990). Among the psychological outcomes of working in unsafe, hazardous, or dangerous occupations is a general increase in stress, depression, and smoking, as well as lower trust of management (Rousseau, 1978).

One problem in making the work-stress-health connection clear-cut is that employment is that employees bring physical health problems to the job. These problems may be related to high-risk behaviors in the social environment. Work conditions may intensify a health problem and make it visible, but then the job may get the blame. James House (1987) argues that current research does not provide a strong convincing picture of the relationship between stress and disease, because research fails to consider the etiology of chronic disease. Further, as noted earlier many affective, especially negative affect, are most important to stress and health. However, these negative affective variables have not been adequately reflected in job stress research.

Behavioral Symptoms of Job Stress

Several behavioral symptoms reveal job stress. These include procrastination, work avoidance, and absenteeism; lowered performance and productivity; increased alcohol and drug use and abuse; outright sabotage on the job; overeating as escape, leading to obesity; undereating as a withdrawal and sudden weight loss, probably combined with signs of depression; increased risk-taking behavior, including reckless driving and gambling; aggression, vandalism, and stealing; deteriorating relationships with family and friends; and suicide or attempted suicide

Procrastination is often disguised as busywork. The comment " just getting organized" may be a mere cover up to avoid doing something bothersome. Work stress

frequently combines with other problems such as alcoholism and drug abuse. There is evidence that alcohol dependence and abuse are more frequently linked with certain occupations – for example, construction and transportation (Rousseau, 1978).

Behavioral Symptoms with Organizational Impact

Work stress has a major a major impact on employee mental and physical health, but it also affects the organization. Stress is associated with poor job performance, absenteeism, and accident proneness. The employees experience low job involvement and feel a loss of sense of responsibility to the job. The employee also displays a lack of concern for the organization and for colleagues. The final outcome may be the employee's leaving the job. A cautionary note about absenteeism is necessary. Rosseau (1978) conducted a meta-analysis of 72 studies on absenteeism to resolve inconsistencies reported in previous studies. They found that the only significant correlates of absenteeism were work environment and organizational variables, including control policies (warnings, incentives, dismissals, and so forth). Demographic and psychological factors did not predict absenteeism.

Although there is an abundance of literature on the phenomenon of stress, there is a dearth in knowledge of the nature of outsourcing. To fully understand the role of job stress in outsourcing companies, it is therefore necessary for the author of this paper to lay the basics facts about outsourcing.

OUTSOURCING

Outsourcing has become one of the strategic buzzwords of the 1990's, following in the wake of downsizing and re-engineering. The truth though, is that outsourcing has its roots in a strategy quite removed from both of the previous mentioned concepts.

Downsizing and re-engineering are both strategies often born from a lack of internal ability of companies to attain sustainable growth. The main consequence has been a series of staff reductions, resulting in multi tasking due to a loss of internal expertise. This has spread the resources of companies very thinly with regard to peripheral activities, which include all service functions that are still closely linked with the successful management of the business as a whole.

The new game strategy of a return to core competencies, has included for many companies a move towards outsourcing of IT, catering, logistics and for the past few years, control and maintenance of electronic test and measuring equipment.

Outsourcing is a strategy employed by organizations all over the world. It is the use of outside resources to perform activities for an organization traditionally handled by internal staff and resources (www.outsourcing.com). It allows a service provider (**outsourcer**) to provide a target client (**organization**) with goods and services, which were once part of the organization's functions. Companies have always hired special contractors for particular types of work, or to level-off peaks and valleys in their workload. Forming partnerships with firms whose capabilities complement their own have been done for decades.

Core competencies are the capabilities of the organization that truly distinguish it from its competitors. They are the capabilities upon which the success of the company,

both today and in the future, depends. Core competencies are those factors that give an organization its clear leadership position – as seen by its customers. The key to understanding core competencies is an understanding of what business the firm is in, what its customers perceive as its core competencies, and knowing how to map these core competencies into enrichment-based solutions for customers (www.corbettassociates.com). Success is based on reengineering the organization to focus on customer enrichment. The agile competitor uses outsourcing to increase the scope of goods and services supplied to the customer (www.corbettassociates.com).

In the process of outsourcing, an organization goes through three major phases: Phase I is the Internal Analysis and Evaluation; Phase II is the Needs Assessment and Outsourcer Selection; and Phase III is the Implementation and Management

In Phase 1 of the process of outsourcing, senior management examines the need for outsourcing and develops a strategy to implement it. This process is mostly conducted internally and by the highest level of the organization. In developing a strategy there are several factors to consider. First, is to clarify the goals of the organization and of outsourcing does not run counter to them. The second factor is to correctly identify the areas to outsource. Meaning, the organization must define and differentiate the core competencies of the organization and the functions of business that are not core. An organization should outsource its non-core functions so that it can focus on its core competencies (www.outsourcing.com). The last factor to consider is employee support and morale. From the beginning of the strategy, communication with employees should be done openly and honestly.

Phase 2 is the research phase in which the organization learns about its specific need, and find out which qualified service providers or outsourcers will be best to meet its needs. There are four steps in this phase: the research of organizational needs; writing the request for proposal; assessing and selection of organization; and negotiating the contract.

First, the organization attempts to identify its' the needs and researches about other companies who have outsourced the same kind of function. The Outsourcing Institute suggests that the organization form a team of people to help ask the right question and analyze the information gathered. Team members with expertise on the areas of human resources, legal and finance, and procurement are usually hired.

Second, after having researched the organizations specific needs and wants, the next step would be to ask several outsourcers for a proposal. This is done by issuing a request for proposal or RPF. In the request, the organization should stipulate requirements in complete and measurable terms and describe the relationship the organization is looking for. Outsourcers to assess the organization, just as the organization will use the proposals to assess potential outsourcers will use the RPF.

Third, the organization evaluates and makes a selection. The organization should form a team to review the proposals. The team should identify which outsourcer comes close to meeting the organization's needs. Alongside assessing the outsourcer's proposal, the reputation and the capabilities of the outsourcer should also be scrutinized.

And last is the negotiation of a contract. Once the outsourcer is chosen, the organization negotiates and signs a contract.

After Phase 2 is Phase 3 which involves the creation of a system that allows the parties involved to monitor and evaluate performance, identify and communicate issues, and resolve issues quickly and fairly.

According to a survey of companies, ranging from small (under 499 employees) to very large (over 10,000 employees), by the Outsourcing Institute (www.outsourcing.com), the three areas most companies outsource are: iformation technology; operations; and logistics. Information Technology includes maintenance, training, applications development, consulting and reengineering, mainframe data centers. Operations include administration, customer service, finance, human resources, real estate and physical plants, sales and marketing. While logistics are distribution and transportation

There are different options of outsourcing. These are divided into body shop, project management, and totals outsourcing.

Body shop outsourcing refers to a situation where the organization uses outsourcing as a means to of meeting short-term demands. For example, a shortage in manpower within the organization is a catalyst for body shop outsourcing agreements (www.ism.ferris.edu/students/o).

On the other hand, project management outsourcing is employed for all of part of a particular special project of an organization. An example would be an organization hires an outsourcer to handle the schematization of a major conference of an organization.

Lastly, total outsourcing represents an ambitious endeavor. As the name suggests, the outsourcer is given full responsibility of selected areas minus the administration. This is like handling the keys of the kingdom to the outsourcer (www.ism.ferris.edu/students/o). This captures the essence of the virtual organization, typically a small, core organization that outsources major business functions (Robbins, 1998).

To increase the scope of services supplied to the customer is just one of the many reasons why many organizations choose outsourcing. The Outsourcing Institute (www.outsourcing.com), from a survey of over three hundred US corporations, lists the top ten reasons companies outsource.

First is to accelerate reengineering benefits. Reengineering aims to improve "in critical measures" (www.outsourcing.com) the performance of the organization in terms of quality, cost, service, and speed. This need for an increase in efficiency may come into direct conflict with the need of the organization to focus and invest more in its core competencies. As such, the organization's non-core internal functions are continually put on the back burner (www.outsourcing.com). This, then, could prove disadvantageous for the organization since its system becomes less efficient and productive. By outsourcing its non-core function to an outsourcer, the organization can focus on its core capabilities and, thus, begin to enjoy the benefits of reengineering.

Next reason is to have access to world class capabilities. Outsourcers or service providers make extensive investments in technology, personnel training, and methodologies. Their experiences in the field provide them broad expertise. By accessing

this specialization and expertise, a client organization is given the competitive edge and helping it to avoid the cost of coping with technology and training.

Third is cash infusion. Outsourcing often involves the transfer of certain assets from the customer (organization) to the outsourcer. Equipment, facilities, etc. used in operations have value and are sold to the outsourcer. In turn, the outsourcer uses these assets to provide services back to the customer.

Fourth reason is the free resources for other purposes. Every organization has its limits on the resources available to it. Outsourcing gives the organization the freedom to redirect its resources from non-core activities toward those that would best serve the organization.

Next on the list is when a function is difficult to manage or out of control. When a certain function is deemed by management to be difficult or out of control, outsourcing may help to alleviate the problem. But, it is important to remember that outsourcing should not be taken as an excuse to wash management's hands of a poorly managed, costly, or misunderstood function.

Another reason is to improve company focus. Freed from devoting energy to areas that are not in its expertise, the organization can focus its resources in meeting its core needs.

Seventh is to make capital funds available. Within an organization, there is tremendous competition for capital funds. More often than not, non-core capital investments are hard to justify when compared to those that are directly related to producing a product or providing a service. Outsourcing helps to reduce the need to

invest in non-core functions. Instead of acquiring the resources, the organization through outsourcing shifts burden to the outsourcer.

Next is to reduce operating costs. Organizations that try to shoulder all the expenses by themselves inevitably passes the cost to their customers. An outsourcer's lower cost structure reduces the organization's operating costs and increases its competitive edge. The organization can offer lower costs for their services and products.

Next is to reduce risks. An organization takes risks in every investment that it does. Different factors such as market, competition, technologies and financial conditions all change quickly. Keeping up with these changes require a significant investment and, thus, extremely risky. Outsourcers provide investments on behalf of their customers. Shared investments mean shared risks.

And the last reason is when resources are not available internally. Organizations outsource because they do not have access to resources required within them.

Outsourcing is evolving continually. Concurrently with this evolution, the benefits and rewards of outsourcing become increasingly evident, for both the client organization and the outsourcer.

The concept of outsourcing represents as long-term, results-oriented relationship between two organizations. As organizations outsource more and more of their processes, it is the relationship that becomes the most strategic asset. An asset becomes a liability if not managed well. Therefore, managing the outsourcing relationships successfully is imperative for the parties involved to fully enjoy the benefits of outsourcing.

According to a study conducted by the Outsourcing Institute, outsourcing relationships may be viewed as a range or continuum (www.outsourcing.com). At one extreme are market-like relationships, wherein an organization has a wide array of outsourcer choices capable of performing the work needed. This is a short-contract nature and the organization has the capacity to switch to another outsourcer, at the end of the contract, for future work of the same type with little or no inconvenience. At the other extreme of the continuum are long term partnership agreements, in which the organization contracts repeatedly with the same outsourcer and develops an interdependent beneficial relationship that lasts for a very long time. Situated in the middle of this continuum are intermediate relationships. This defines a relationship that must endure and remain reasonably amicable until a major piece of work is completed.

Outsourcing is growing at rapid rate in the United States, Europe, and Asia because organizations see outsourcing as a way to achieve strategic goals, reduce costs, improve customer satisfaction and provide efficiency and effectiveness improvements (www.outsourcing.com). Like any decision in an organization, outsourcing requires effective management from the outset of the outsourcing evaluation through the life of the relationship.

There are several critical factors in managing an outsourcing relationship. These factors can be categorized in to three main factors: sound contract, shared vision and culture-fit, and communication.

The first goal of the contracting process is to develop a good working relationship between the outsourcer and the organization. If this goal is met, then the ensuing

discussions result in a document (the contract) that maximizes the parties' ability to reap the rewards of outsourcing and minimize the risk to each party. The contract is only deliverable from the outsourcing negotiating process. It is vital that the contract reflects a meeting of minds regarding all issues – most importantly, those of scope, performance, and pricing. Since each aspect of the outsourcing relationship is governed by the contract, both the organization and the outsourcer need to agree on everything. According to the Outsourcing Institute, both parties should also think of every possible contingency to cover the contract (www.outsourcing.com). Lastly, the parties need to agree on how to resolve disputes after the contract is signed.

Since most outsourcing relationships span many years, to prosper, there must be "culture-fit" that exists between parties involved. This means that the two must relatively have similar ways of approaching problems, similar sets of value, and similar sets of criteria in terms of how to manage the business of outsourcing (www.corbettaassociates.com). An outsourcing relationship encounters many problems on the way to finishing a problem, a shared approach to problem solving avoids unnecessary conflicts over what method to use. In connection, good personal chemistry among key staff people is another determinant to the success of the relationship (dss.cba.uni.edu/SShome.tml). Shared vision and mutual objectives between the outsourcer and the organization are essential to the success of the alliance. This means that both parties must contribute to a process of mutual disclosure and consensual agreements, and continue to evolve a working relationship based on common goals (www.outsourcing.com).

Michael Corbett in his report recommends that organizations should pay special attention to using wide-range of emerging electronic communications tools to enhance their ability to manage outsourcing relationships.

Technology and its ability to make much of the work of today's modern organization "placeless" has enabled much of what is happening with outsourcing. It is no longer necessary to put people in physical proximity in order to coordinate and integrate their activities. At the same time, technology is a powerful tool for managing the relationship between the organizations.

Videoconferencing, advanced teleconferencing, collaborative interactive tools, email, web pages can all be used to improve communications between the organizations. Technology makes it possible for individuals across both organizations located around the world to have real-time access to the same information and to communicate and exchange information in ways superior to what we use to achieve within the vertically integrated, self-sufficient organization (www.outsourcing.com).

CHAPTER III

FRAMEWORK

Theoretical Framework

Over the years, many occupational stress researchers have put forth "models" of the process by which stress in the work environment impact employees. Models are useful primarily because they allow researchers to put their findings into some meaningful context. If not for theoretical models, most of the research would be of the "shotgun" variety, resulting in little scientific progress. The author of this study, however, takes note of the fact that any attempt to model human behavior in any form is incomplete. Thus, it is best to think of all models as "approximations" of the processes they are trying to describe.

The Theoretical Framework of this study is based upon Wood's Job Stress Model. Jack Maxwell Wood's Job Stress Model is an interactive model of Job Stress focusing on the different sources of job stress and the consequences of these stressors for individuals and the organization.

Simply put, **stressors** are the things that cause stress. For example, one study of stress experienced by executives around the world reports that managers in mature industrialized countries worry about losing their jobs, family and social pressures, lack of autonomy and poorly trained subordinates (Levi, 1990). In contrast, managers in developing and recently industrialized countries worry about work overloads, interpersonal relations, competition for promotion and lack of autonomy. It is important for a manager to understand and be able to recognize these and other potential stressors

for they are the root causes of job-related stress. In turn, job-related stress influence work attitudes and behavior. Wood's Job Stress Model shows (See Figure 1) three categories of stressors that can act in this fashion: work, non-work, and personal factors.

Work-Related Stressors

Work-related stress arises from many sources. Common work-related stressors that managers should be able to spot are unrealistic task demands or factors intrinsic to the job, role conflicts, interpersonal conflicts, career progress, and organizational culture and climate.

Non-Work Factors

Non-Work stressors normally arise from family, economic and personal affairs. These stressors are further intensified when combined with work pressures. For instance, in the very best of times, young managers face the inevitable conflict between organizational and family demands during the early development of their careers. But during a crisis of this sort, problems increase in geometrical proportion as individuals strive to cope with basic economic and security needs. Under normal circumstances, individuals find home a refuge from the competitive and demanding environment at work a place where they get support and comfort. But when there is a career crisis (or stress from job insecurity, as many employees now face), tensions of the job are not left behind and soon affect the family and home environment in ways that may imperil this last "sanctuary." It may be very difficult, then, for a spouse to provide the supportive domestic scene that a worker requires when the spouse is feeling insecure or is worried about the family's economic, educational, and social future.

Not only it is difficult for a housebound wife to support her breadwinning husband and at the same time cope with family demands, but increasingly, women are seeking full-time careers themselves. According to the U.S. Department of Labor, a "typical American family" with a working husband, a homemaker wife, and two children mow makes up only 7% of the nation's families. In the United Kingdom, nearly 65% of all women now work, mostly full-time. Many psychologists and sociologists claim that dual-career family development is the primary culprit in the very large increase in the divorce rate over the past 10 years in the United States and countries in Western Europe.

This dual-career culture creates problems especially for women, because they are expected by men to work the "double shift," pursue a job, and manage the home (Cooper & Lewis, 1994). Women, and society at large, are discovering the myth of the New Man, who seems to exist only in the wishful thinking of women's magazine journalists. The dual-career family model also creates problems for men as well. For example, many managers and executives are expected, as part of their job, to be mobile, to be readily available for job transfers both within and between countries. Indeed, a man's promotional prospects might depend wholly on availability and willingness to accept geographic career moves. In the late 1980s and 1990s when women themselves began to pursue full-time careers, as opposed to part-time work, the prospects pf professional men being available for rapid redeployment decreased substantially. In the past, these men had, with exceptions, accepted promotional moves almost without family discussion. Now, however, such decisions will create major obstacles for both breadwinners in the family. We are already seeing this happen throughout Europe and the United States, and it is particularly exacerbated by the fact that corporations have not adapted to this

changing social phenomenon. Currently, few organizations have facilities to help dual-career members of family units, particularly by career-break schemes or flexible working years.

Personal factors and stress

The final set of stressors includes personal factors, such as individual needs, capabilities and personality. These are properties of the individual that influence how he or she perceives and responds to stress emanating from work and non-work sources. Stress can reach a destructive state more with low self-esteem. Further, people who perceive a good fit between job requirements and personal skills have a higher tolerance for stress than do those who feel less competent as a result of a person-job mismatch (Cooper & Lewis, 1994).

Potential Consequences

It is inevitable that stress impacts the health of an individual. Because stress is a potential source of both anxiety and frustration, the physiological and/or psychological health of the individual will also suffer in the long run (Wood, 1998). Effects of job stress on health can lead to several health problems, ranging from heart attack, stroke, migraine, and also drug problems, alcohol addiction, overeating, depression and muscle aches, among others.

Stress also impacts the organization. These may involve a change from regular attendance to absenteeism, from punctuality to tardiness, from diligent work to careless work, or from cooperation to hostility of employees. Organizational performance is also affected due to absences and dissatisfaction of workers. The work performance of the employees will be of poor quality and the organization becomes unproductive.

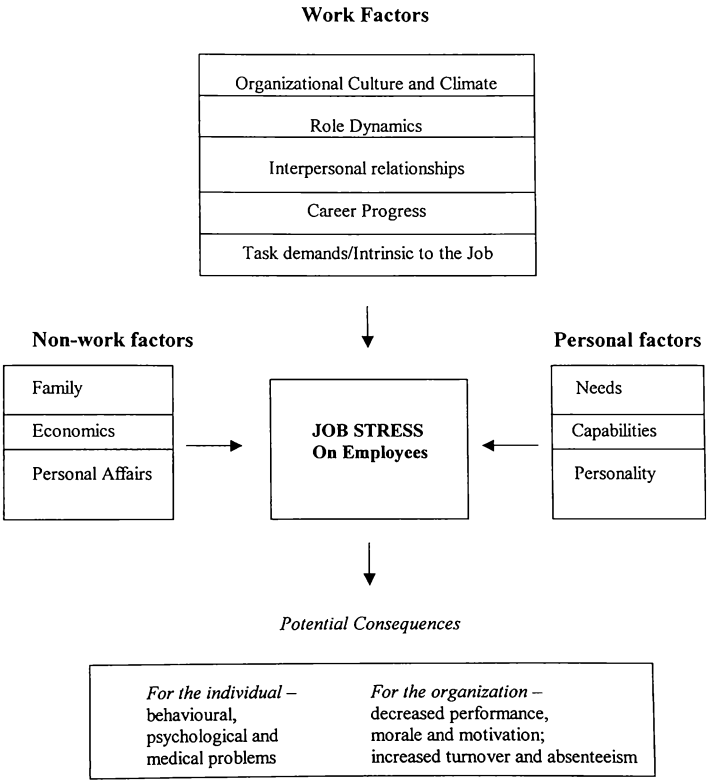


Figure 1. Wood's Job Stress Model

Theoretical Framework

Conceptual Framework

Based upon the theoretical model, the conceptual framework (see Fig. 2) illustrates in detail the stressors that are job related.

During the 1980s, much research in the workplace stress suggested five major sources of pressure at work (Wood, 1998). Although each of these stressors can be found implicated in an individual's stress profile, or, indeed, in an organization's profile, these factors vary in the degree to which they are found to be casually linked to stress in a particular job or organization (Levi, 1990).

Work Factors

- *Organizational Culture and Climate* – situations in which individuals do not have a sense of belonging and in which they lack adequate opportunities to participate; situations in which individuals feel that their behavior is unduly restricted and in which they feel that they are not included in office communications and consultations. An example situation is when organizational workers feel that they do not have a sense of freedom and autonomy within the organization because of the rigid and strict structure of the organization.

Organizational Culture and Climate will be analyzed through the following:

1. Background of the organization
2. The ways in which people interact
3. The norms, self image, and dominant values
4. Expectations of the organization on its employees and rules of the organizational game

- *Unrealistic task demands* – situations in which people are asked to do much in light of the available time or their abilities or are asked to do too little and are left without sufficient challenge. An example is the workload of assembly line workers, firefighters, air traffic controllers, the ambulance service, and pilots who must deal with periods of inactivity and the need to spring into action on demand or when a crisis happens.

Task demands will be analyzed through the following categories:

1. Working Conditions
2. Shift Work
3. Long Hours
4. Work Overload
5. New Technology

- *Role conflicts* – situations in which a person's role in an organization is not clearly defined and understood and when expectations placed on an individual are also conflicting and not clear. For example, having to deal with the demands of meeting high and perhaps unrealistic production targets while satisfying product quality demand.

Role in the organization will be analyzed in the following categories:

1. Role Ambiguity
2. Role Conflict
3. Responsibility

- *Interpersonal conflicts* – situations in which people experience upsetting relationships with others or must work with others who are experiencing such

relationships. For example, having to deal with 'difficult' or abrasive personalities within the organization or workgroup such as the Team Leader.

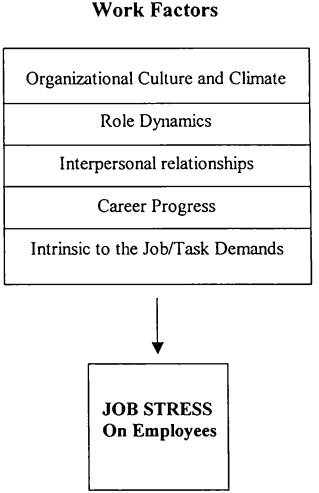
Interpersonal Relationships will be analyzed through the following categories:

1. Relationships With Colleagues
2. Relationships With
3. Relationships With Subordinates

- *Career developments* – situations in which career progress comes to fast and people feel they cannot perform to expectations, or it comes too slow and people feel their careers are blocked for some reason. For example, For example, women managers who are clustered at the lower levels of the organization instead of being promoted causes career stress on women.

Career Development will be analyzed through the following categories:

1. Job Security
2. Job Performance



Figures 2. Conceptual Framework

Operational Framework

For the purpose of this study, the five major factors of work-related stress presented earlier in the conceptual framework will be used as a basis to form the categories, which will be used to analyze the stressful work situations in the chosen organization. The operational framework is illustrated in detail with these key components in Figure 3.

Organizational Culture and Climate will be analyzed through the following:

1. *Background of the organization* – includes history and ownership, size, technology employed and nature of business, external environment and product market in which the organization operates, and its' people, particularly founders and leaders
2. *The ways in which people interact* – appropriate terms of address, the organizational jargon, acceptable forms of behavior and dress.
3. The *norms* that govern how work is organized and conducted (like in reporting arrangements, preference for written or verbal forms of communication), *self image, dominant values, and*
4. *Expectations of the organization* on its employees and r*ules of the organizational game* – rules for "getting along" in the organization like what it considers to be a "good employee" or an "effective" manager.

Task demands will be analyzed through the following categories:

1. *Working Conditions* – each occupation has its own potential environmental sources of stress. The design or physical setting of the workplace may be a source of stress.
2. *Shift Work* – many workers today have jobs requiring them to work in shifts, some of which go around the clock.
3. *Long Hours* – due to deadlines or time pressures, workers are required to work for many hours.
4. *Work Overload* – two different types of work overload will be used to analyze this category, which are **quantitative overload** and **qualitative overload**.
5. *New Technology* – introduction of new technology into a working environment requires management and workers alike to adapt to new equipment, systems, and ways of working.

Role in the organization will be analyzed in the following categories:

1. *Role Ambiguity* – an individual may experience role ambiguity when he or she does not have a clear picture of work objectives, coworkers' expectations, and the scope and responsibilities of his or her job.
2. *Role Conflict* – an individual can be torn by conflicting job demands, doing things he or she really does not want to do or things not considered to be part of the job.
3. *Responsibility* – in an organization there are two types of responsibility, which are that for people and that for things.

Interpersonal Relationships will be analyzed through the following categories:

1. *Relationships With Colleagues* – because most people spend so much time at work, relationships with coworkers can provide valuable support or, conversely, can be a significant source of stress.
2. *Relationships With Boss* – relationships of workers to an immediate boss can affect the emotional stability of workers.
3. *Relationships With Subordinates* – the way in which a manager supervises the work of others has always been considered as a critical feature of any job.

Career Development will be analyzed through the following categories:

1. *Job Security* – for many workers, career progression is of overriding importance. Job opportunities may become fewer, younger competition is threatening, and old knowledge may become obsolete.
2. *Job Performance* – the process of being evaluated and appraised can also be a stressful experience to workers.

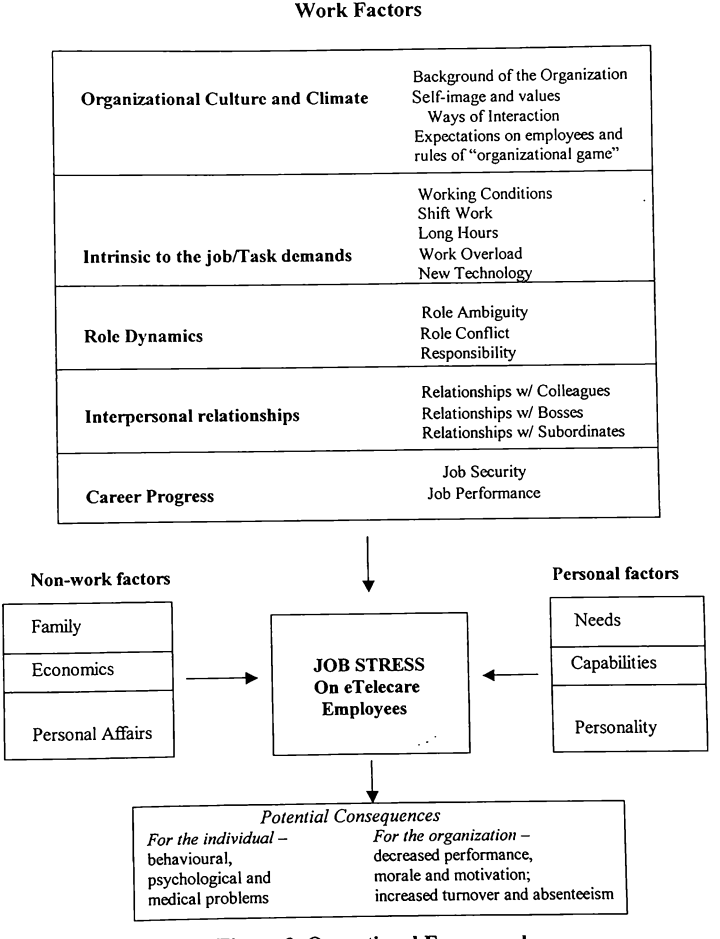


Figure 3. Operational Framework

CHAPTER IV

METHODOLOGY

Research Design

This study is qualitative in orientation. It employed a descriptive design of research. It focuses on how work-related situations and conditions eventually lead to job stress on the employees of eTelecare. It will try to establish the idea that the organization has unique work factors and situations that eventually lead to pressure and strain on employees. It will also desire to explain how the work-related factors affect one another further intensifying the pressure on employees and the tension in work situations.

This study can be categorized under the basic research because it aims to advance fundamental knowledge not only on the issues in the corporate world but also about stress. It focuses on supporting Jack Maxwell's Job Stress Theory that explains how work-related factors reinforce each other and eventually lead to job stress. The findings may also serve as a guide for the organization to rectify and amend some areas that need improvement while enhancing the positive areas within the company.

Data Collection Methods

To gather significant information regarding work stress on eTelecare, the author decided to use the following research methods.

First-hand data will be from the eTelecare employees under study. The researcher employed the interview method. This method is a question and answer session that encourages the participants for a free flowing exchange of ideas and perceptions. The

objective of conducting interviews with eTelecare employees is to gather information on the perceptions and experiences of employees and to validate whether work-related factors cause job stress. The key informants are Ms. Diana Lambino and Mr. Wenceslao Serrano. The author also conducted formal interviews with two Human Resources Officers to determine the different aspects of eTelecare such as the self-image, values, working conditions, and career opportunities. The main objective of the interviews with the HR Officers is to identify specific work situations, conditions, policies and expectations on employees that eventually lead to job stress. The HR Officers will be addressed in this study as HR Officer 1 and HR Officer 2 because they wanted to remain anonymous. It is also the goal of the author to know whether the management recognizes these stressful work situations and to identify the steps taken by the management to address these problems. The author also conducted a formal interview with Mr. Peter Mikhalev, Vice President of Program Management of eTelecare, to determine the background and history of eTelecare. The main objective of this particular interview is to determine the organizational culture and climate on eTelecare and to validate whether it leads to job stress. Mr. Patrick Bevill, Vice President of Information Technology of eTelecare, provided some additional information about the state-of-the-art equipment that the company uses as well as its' effects on the employees. The main objective of this interview is to determine to what extent technology has affected employees' health, performance and job satisfaction.

Non-participant observation was also employed for this study. Non-participant observation is a qualitative method wherein the person conducting the research observes and interacts in the field setting for a short period of time. The main objective of this

research method is for the author to further examine the work situations and conditions on eTelecare and to determine whether these work situations and conditions cause stress on the employees. Employing this method may further support or refute the data gathered from the interviews.

Tools for Data Analysis

Qualitative analysis was employed in sorting and interpreting the interviews of the key informants in eTelecare. Illustrative analysis was used to evaluate whether evidence validates the components of the framework and the theory. The data from the interviews and the non-participant observations of the researcher were used to analyze the five (5) work-related factors that cause job stress.

CHAPTER V

DATA PRESENTATION AND ANALYSIS

A. DATA PRESENTATION

The presentation of data will be sorted according to the data collection methods employed by the author to study the factors that cause job stress on eTelecare. The author used the framework as a guide for the interviews and for the presentation and analysis of data.

Interviews

1.) Organizational Culture and Climate

Background of the Organization

According to Mr. Peter Mikhalev, Vice President of Program Management of eTelecare, eTelecare Inc. was born out world experience of real and dissatisfaction with the traditional call center experience. It was because of the poor training, the management of complex technology, the escalating costs, and the decreasing quality of US-based call centers that the founders of eTelecare recognized unique opportunity to build their own call center.

eTelecare was founded in 1999 with the strategy to provide superior value for US clients and the vision to be the world leader in quality outsourced contact center services. Among its' founders are Jim Franke, Derek Holley, Bill McLaughlin and Patrick Bevill who are experts in the call center industry and have all worked for Fortune 500

companies. The Corporate office is located in Los Angeles, California, and the operational contact centers are located throughout the Philippines.

eTelecare provides outsourced call center management services and customer relationship management programs for voice and electronic channels to U.S. Fortune 500 companies. It offers a wide range of customer contact services from customer care, sales and marketing, research, and value added services. eTelecare employs the state-of-the-art telecommunication and call center technologies, including: a toll quality private network between the U.S. and the Philippines, Computer Telephony Integration (CTI), and the latest customer handling software.

About ninety five percent (95%) of the employees of eTelecare are called Customer Service Associates (CSAs) because they all contribute to the outsourcing functions of their clients. Every one also has a chance to talk with clients because it requires full teamwork on the part of the company. The Human Resources Department, the Information Technology Systems Department and the technical support staff are also called CSAs because they have contact with the some of the clients depending on the needs of the clients.

eTelecare's Philippine headquarters is located in Libis, Quezon City, a 300-seat call center. Four other call centers will be operating in the Philippines soon and employing more than 6000 people. By locating its' call centers in the Philippines, eTelecare takes advantage of the highly-educated, English-speaking labor force to offer high quality customer service associates (CSAs) at prices below U.S. service bureaus.

Customer calls from the U.S. are terminated at eTelecare's Los Angeles headquarters - then routed to the Philippines through a private network and terrestrial lines.

Self-image and Values

eTelecare's mission is to provide higher quality and better value than its' competitors. The company hires 100% university graduates, employs the latest technology, and manages quality with a proprietary Performance Management Process. It provides this level of superior quality at a price below its U.S. competitors. The result is higher quality at a lower price, or put another way *Superior Value.*

eTelecare uses a four-step Performance Management System to create a culture focused on quality, high performance, and continuous improvement. The system involves clear goals, constant coaching, and regular feedback and evaluation.

eTelecare believes in values that promote teamwork and good performance such as flexibility, initiative, support, integrity, and dedication. Opening communication lines and encouraging high participation of employees in decision-making promote a non-hierarchical structure within the workplace.

Ways in which People Interact

Communication is a very important factor in the call center industry. eTelecare utilizes various communication channels such as face-to-face meetings, faxes, phones, and electronic mails to communicate constantly with their clients and with one another.

According to Mr. Peter Mikhalev eTelecare employees are all required to speak in English once inside the premises. When talking with clients, employees are also required to string their words more smoothly. Mr. Peter Mikhalev noted that Americans speak more smoothly while English-speaking Filipinos usually pronounce words more carefully. With this reason, employees are required to practice that American accent so as not to confuse clients. Good speaking skills also entails the proper articulation, inflection, vocabulary and the ability to adapt one's language to that of the other person.

According to HR Officer 1 of eTelecare, the usual complaints of clients are that of the accent of the CSAs. This is why Associates are required to participate in a role-playing situation where in they hypothetically speak with prospective clients using the American accent for fifteen minutes everyday before they actually start working. This role-playing is initiated by the Team Leaders.

Terms of address within the organization tend to be informal except when speaking with superiors. Phrases like "for a while" and "may I know who's speaking?" are tabooed, instead the employees strictly required to say "please hold' and "who's on the line?" when talking with clients. CSAs are required by the company to use a standard greeting and to establish rapport with clients.

Expectations on Employees and Rules of "Organizational Game"

According to HR Officer 1, since all Customer Service Associates have university degrees, it is expected of them to be thoughtful problem-solvers. Furthermore, all Associates are expected to answer questions from clients without having to consult much

from the technical support staff. eTelecare Associates are also expected to practice the American accent at all times. Agents receive four (4) weeks of in-depth training on core skills, including communications, customer service, and sales. eTelecare's Quality Monitoring team evaluates the calls of all CSAs each month to ensure that Associates provide high quality customer care.

To boost work performance eTelecare gives special awards to employees who have exceptional skills and have shown good performance every month. Recognitions and awards include Trailblazer Award, Innovation Award, Culture and Values Award, and Highflyer Award.

2.) Factors Intrinsic to the Job

Working Conditions

According to HR Officer 1, the physical surroundings of eTelecare affect the mood and overall mental state of employees. This is why eTelecare provides a comfortable and safe environment to enhance worker performance. The factors that the management considers important are illumination, temperature, and space arrangements.

According to HR Officer 2 who also happens to be a Team Leader, the special feature in eTelecare is that the main room where the Customer Service Associates are assigned has no windows. This is because windows lose energy, provide inadequate lighting, let in noise and dirt, encourage daydreaming, and waste space. However, Hr Officer 2 also noted that all workers express a reference for working in environments with windows, so they provided another room with windows where CSAs take their break called the *Break Out*.

The main room where the CSAs are assigned has fluorescent lights. According to HR Officer 1 fluorescent lights minimize shadows, thereby improving visual and manipulative performance, and they also provide better diffusion of light. The walls are painted with light gray color because it improves illumination. According to HR Officer 1, better lighting actually improves performance up to a certain point. She explained that the first few weeks whenever fluorescent lights are newly installed indicate the highest performance ratings of employees, while the remaining weeks indicate a decline in work performance. That is why the fluorescent lights are changed at about every two (2) months. HR Officer 1 also emphasized that in other rooms with windows, accidents occur less frequently during the night shift than during the day because of greater reliance in artificial lighting. Also, most accidents occur at dusk while the transition to artificial lighting is being made.

The biggest problem that eTelecare employees experience in terms of its physical conditions is the cold temperature in the workplace. According to HR Officer 2, cold can be a stressor whenever workers perform the most difficult tasks. In the recent findings of the Human Resources Department of eTelecare, CSAs who had to make decisions in a room temperature of 22 or 4 degrees Celsius would talk more informally and liberally with clients often resulting to arguments, and more conservative in responding to commands of the management. The Department also concluded that cold results to short-term memory for some employees. In addition to effects on the body, another problem with the cold temperature is its effects on employee attendance and health. HR Officer 1 explained that though work performance is best at night shifts, more CSAs assigned to night shifts show a declination of health because of the exposure to extreme cold

temperatures. This is further emphasized with the fact that most absences at eTelecare occur during night shifts.

With regard to space arrangement, eTelecare uses open space lay out to promote teamwork. Desks are placed in a large, open space separated only by cubicles. This approach according to HR Officer 2 has a number of advantages, including more useable space; the ability to exchange information quickly; ease in communication among employees; and greater flexibility in reorganizing the office. But according to HR Officer 2, there are also problems with eTelecare's approach to its office design like greater amount of noise and distraction, a decreased interest in work, and a general lack of confidentiality. In addition, workers report more health complaints in the open space arrangement.

Shift Work

eTelecare is a 24 x 7 call center, open for twenty-four hours and seven days a week. To facilitate the needs of the clients and increase profitability, employees are required to work shifts. Employees are required to work for eight (8) hours everyday in a specific time, and then after every month, the time that the employees are required to go to work also changes. For example, employees who worked for the month of March between 2:00 pm – 10:00 pm will work between 10:00 pm – 6:00 am for the month of April. According to Mr. Peter Mikhalev, this type of job rotation is still under consideration because the constant changing of work schedules is actually creating some problems for employees and the company as well.

HR Officer 2 admitted that the need to work shifts is a source of stress for employees of eTelecare. This is because employees are required to engage in work activity at a time of the day when they should be sleeping. Conversely, they must try to sleep at the time of the day when normally they would be active and alert. Therefore job rotation makes it hard for employees to adapt to their new sleeping habits and work arrangements. Consequently, shift working has a biological and an emotional impact on the individual due to the disturbances to the sleep/wake cycle, temperature and adrenaline rhythm. The disturbance of nocturnal sleep leads to daytime fatigues and sleepiness impairs motivation and vigilance, thereby affecting the performance level and safety of the individual. HR Officer 2 also adds that aside from lower levels of alertness, employees show low levels of concentration and vigour, and higher levels of confusion and fatigue.

It is not only the individual who is at risk because of this work shifts. According to Mr. Peter Mikhalev, customers and clients also serviced by shift workers also suffer negative consequences in terms of poor performances and mistakes. In turn organizational performance and profitability also suffers.

Long Hours

The long working hours required by the company appear to take on employee health. Aside from work shifts, employees are also forced to work extra hours to evaluate and study the work done, to research about the developments of the clients' functions, and to prepare for the work next day. According to HR Officer 2, the constant changes of the American industry and the trends in the US economy, eTelecare employees should

always be aware of the things that could affect their tasks. But with adapting to very long hours of work also brings fatigue to employees. This is why eTelecare provides several benefits for employees who work overtime. Aside from overtime pay, and free food called **eTellemeal**, employees are given free massage once a week, and the *Break Out* room has equipment and games boards for the employees to enjoy like playstation, Laser Quest, and Dance Revolution. Nevertheless, fatigue and sleepiness are still experienced by eTelecare employees.

Work Overload

HR Officer 1 admitted that both physical and mental overloads are sources of fatigue in the company. She explains that eTelecare employees have too many tasks to complete in a specified period of time that causes problems in the part of employees (quantitative overload). Aside from researching, preparing and evaluating the profile and functions of several clients, CSAs are also required to deal with the customers of their clients and answer all the queries of the customers, deal with complaints and orders, make decisions instantly that are fool-proof, and report back to the management and the clients. The various tasks that CSAs have to do and the responsibility of decision-making have resulted to poor work motivation and absenteeism on some employees.

According to HR Officer 2 some employees do not feel capable of doing the prescribed task especially when it comes to decision-making. The decisions that employees make do have impact on the functions and business of the clients that is why CSAs have to be careful in making decisions. This major responsibility is linked to low-levels of self-esteem among eTelecare employees. The employees who struggles to do a

job that is too difficult (qualitative overload) is likely to end up working long hours because he or she will take more time to complete the task to a satisfactory end. HR Officer 1 also admits that Team Leaders experience more work overload and fatigue as well. HR Officer 1 also explains that employees experience more stress because employees are required to become 'multi-skilled', so that maximum use is made of the costly investment in new technology (that is, in plant and equipment). Therefore, 'qualitative overload' can become a source of stress.

New Technology

Because eTelecare is a customer-oriented company that relies heavily on new technology to maximize performance potential, employees need to work 'with' and 'for' computers at work. Solutions to their clients are approached in different forms in order to meet the diverse needs of individual clients. Some solutions rely on traditional call center performance management, and still others rely on highly skilled consulting personnel. But most of the time, solutions rely on the latest technology such as eCRM.

Customer Relationship Management (eCRM) is a totally new approach to interfacing with customers aimed at maximizing customer value. The key to eCRM is leveraging technology and customer information to target and customize the clients' approach to its' individual customers. eTelecare has the latest eCRM technology, as well as the technical and functional experience to help its' clients implement and run world-class eCRM programs.

eTelecare provides all the major touch points for its clients including telephone, eMail, web chat, voice over Internet (VoIP), and fax. This means customers have the flexibility to contact the CSAs based on their preferences. This is a key component to any successful customer-centric organization. Aside from these technologies, CSAs are also exposed to multi-media training; computerized decision support systems; advanced manufacturing technology (AMT); computer aided design (CAD); computer telephone integration (CTI); interactive voice response; and computer-based monitoring.

According to Mr. Patrick Bevill, Vice President of Information Technology of eTelecare, since people 'partner' these technologies, the potential for unique forms of stress exists in the workplace, in addition to the pressures and strains of living and working. Ultimately, new technology is introduced to maximize performance potential and replace physical activity with cognitive activity. Mr. Patrick Bevill explains that this approach leaves employees to deal with important, unpredictable and random occurrences, while machines deal with repetitive, predictable and non-random activities. The intention is for 'machines' to take over the mundane, boring and routine tasks. However, technological advances have also created some negative consequences for employees.

The demands of new technology would mean that cognitive skills are given more importance than manual dexterity skills, therefore giving greater levels of responsibility and workload to CSAs. According to HR Officer 2, workers must adapt to each novel situation or condition, and engage in education and training in order to cope with the new and ever changing demands. Training is vital, but the 'leaner' workforce can experience

pressure when trying to attend training sessions. HR Officer 1 explains that eTelecare is trying to address the problem of overlearning and fatigue of employees. This is because the continuous training and computer-based monitoring appear to cause fatigue and greater pressure on employees.

3.) Role Dynamics

Role Ambiguity

Ms. Diana Jane B. Lambino, an employee of eTelecare for almost one year, explains that she does have a clear knowledge of her role in the company and her tasks. She expounds on her tasks and the importance of decision-making in everything that she does from using technology as well as problem solving. According Ms. Lambino the training that eTelecare provides helps her in meeting her tasks as well as the company's goals, and helps her in knowing immediately her mistakes and areas of improvement.

Mr. Wenceslao R. Serrano, an employee of eTelecare for almost two years, also said that the continuous training and constant coaching of team leaders on CSAs provide employees clear objectives, goals, and information about their clients and their tasks. He also explained that even though workload can be very difficult he enjoys his work very much because of the dynamic nature and process of outsourcing. He also said that his role in the decision-making with regard to business and functions of the client makes him feel even more vital to the success of the company.

Role Conflict

Both employees explained that their jobs do not have opposing demands or incompatible goals. Though they have many difficult tasks on their jobs to the point that they experience work overload, at least they have clear goals and continuous training to remind and guide them on their everyday work.

Responsibility

Ms. Diana Lambino and Mr. Wenceslao Serrano both said that pressure is great because of their responsibilities for their clients' work. Being responsible for their client's work and performance demands that more time is spent interacting with others. Attending meetings and having to meet deadlines create even more strain and pressure for both of them because they have to be very prepared and still have to rush quality work presentation. They also said that the responsibility for 'things', that is equipment, is less stressful than their responsibility for people. This is because continuous training on how to handle the equipment and technology provides them the ability to take good care of such things. Furthermore, the Information Technology Systems Department conducts constant assessment on the conditions of the equipment checking to see if there are malfunctions and fixing any problems when the need arises.

4.) Interpersonal Relationships

Relationships With Colleagues

Ms. Diana Lambino and Mr. Wenceslao Serrano said that they have no problems with regard to her relationships with her colleagues. They claimed that teamwork is very evident within the workplace. High trust and support between employees make their work even less difficult. They said that group training and clubs within the company make them feel closer to one another. Organizations within eTelecare are the *Angels in E-Outreach, The Outdoor Club, and The Company of eTelecare Dancers.* These clubs promote interpersonal relations and a venue for the employees hobbies and skills.

Relationships With Boss

According to Ms. Diana Lambino, she has problems with her Team Leader. She explained that her boss who has a technical background is sometimes more oriented towards the tasks and the equipment than the employees. She said that her boss would always give out comments on areas that she need improvement but would rarely praise her for her efforts. Her boss also evaluates her use of equipment more often than her performance. She feels pressured by the constant evaluation and the little support that her superior shows. Ms Lambino expressed her desire for a more person-oriented superior. She also said that besides work she knows nothing much about her superior.

Mr. Wenceslao Serrano, on the other hand, says that he has no problems with his superior. Constant coaching and training with his boss has strengthened their working

relations and interpersonal relationship. He and his boss are also members of the Outdoor Club that is why they have contact with one another aside from work.

Relationships With Subordinates

Ms. Arlee de Guzman who is a Team Leader says that she has good interpersonal relationships with her subordinates. She is a member of the Outdoor Club, and the Company of eTelecare Dancers. She explains that relationships with her subordinates became even easier when she joined these groups because most of her subordinates are members of these clubs too. She said that understanding the work needs and perceptions of her employees help her in her strategies of communicating with them. She also said that relationships with female employees are easier to build than male employees. She explains that communicating with male employees require her to make some adjustments in her approach. Communication is always direct to the point and brief. She said that in her experience female employees need more performance appraisal focusing on their good points elaborately. On the other hand, male employees accept more criticisms more lightly but must be done in a professional manner and must be done in private conversations or consultations.

HR Officer 1 explained that most Team Leaders have good interpersonal relationships with their subordinates because they have been trained to manage their teams effectively. Moreover, the Teams are changed every six (6) months so that everyone has a chance to work with others. With this, Team Leaders have a chance to build and strengthen relationships with different personalities making their work a constant training and learning on how deal with different people in any kind of situation.

5.) Career Development

Job Security

According to Ms. Diana Lambino career opportunity is limited on eTelecare. She feels that promotion is restricted from her and even fears of losing her job soon. She said that the fact that she is a bit older than most CSAs and even on some Team Leaders is a major problem. The constant recruitment of fresh graduates on eTelecare means that the population is very young. Ms. Lambino fears that the company will have to replace her for a much younger and brighter employee. Work on eTelecare is based on a contract signing between the employees and the management. The contract ends for every six (6) months and the management then evaluates and chooses the employees who are qualified for another six (6) months. Ms. Lambino's contract is about to end this May 2002 and she fears that she will not be offered another one.

Mr. Wenceslao Serrano, on the other hand, says that there are job opportunities for him on eTelecare. He explains that he can also work for the Information Technology Systems Department or the Human Resources Department in the near future. He also believes that he could be the next Team Leader on eTelecare.

Ms. Pamela Wu admits that job opportunities on eTelecare are very tough but are very rewarding. She explains it is the policy of the company that an employee must survive three to five years of being a Customer Service Associate before becoming a Team Leader, and must pass the rigorous evaluations and performance assessments by the management. She also clarified that seniority within the company does not mean

immediate promotion for employees; it is based on the over-all performance throughout the years. She also claimed that not all employees are equipped with the skills of being a Team Leader even with constant training. They might be very efficient and vital to the company's success but they are just not fit to be Team Leaders. This is the reason why some employees are not offered job promotions and they remain as CSAs but with higher salaries. Ms. Pamela Wu explained that most employees would probably get promotions on 2003 because the other eTelecare operations offices will be opened at that time.

Job Performance

Ms. Diana Lambino says that the process of being evaluated adds to the pressure of her job performance most of the time. She particularly dislikes the computer based monitoring of eTelecare. Surveillance, regulation, control, and reporting of processes, procedures and persons are achieved by eTelecare's computer monitoring. The computer based monitoring of eTelecare collects, stores, analyzes and reports about employees' activities in real-time or on a daily basis. Feedback is given in real time through computer-generated reports. She said that computer monitoring is an invasion of privacy. She also claimed that computer monitoring emphasizes on quantity rather than work quality. She fears that she might lose her job because the computer monitoring has given her more negative feedback than positive ones.

Mr. Wenceslao Serrano also admits that computer monitoring on eTelecare is stressful. He claimed that no matter how great his efforts are, computer-based monitoring shows that his job performance is of average only. He also said that performance appraisals are better when done by Team Leaders.

Non-participant Observation

The author visited eTelecare five (5) times to observe the working conditions and situations inside the company. Since eTelecare operates twenty-four (24) hours a days, seven (7) days a week, the author was present on different shift works or work time to observe possible differences in work situations and on employee relationships and job performance.

1.) Organizational Culture and Climate

Background of the Organization

The popularity of eTelecare as one of the top outsourcing companies in the U.S. and the Philippines is the main reason why the author chose the company for this research. eTelecare has become a world leader in outsourced contact center services in a span of three (3) years. There have been a few outsourcing companies here in the Philippines since 1995 like People Support and Ambergris Solutions, but eTelecare's popularity and success started other U.S-based companies to build their operations headquarters in the Philippines too. From two percent (2%) in 1998, the number of outsourcing companies jumped to one hundred percent (100%) in 2001 from the apparent success of eTelecare.

Because of the stiff competition in the call center business, eTelecare has to continuously upgrade its facilities and hire the most qualified employees to ensure quality service to its' clients and remain as the world leader in the business. The author has observed that eTelecare's background and reputation can be stressful to employees

because they are required to work doubly harder at all times to maintain that reputation and offer better service than its' competitors.

Self-image and Values

Since eTelecare is known for hiring 100% university graduates and providing superior quality at a price below its U.S. competitors, employees are constantly under strict supervision to maintain *Superior Value*. This self-image seems to add more pressure on employees because it is their responsibility to strengthen and uphold the company's reputation.

The author has observed that teamwork, as one the values of eTelecare, has promoted friendship and support among employees in and out of the workplace. Still, since eTelecare is focused on high performance and continuous improvement, constant evaluation and performance appraisal can be stressful on employees.

Ways in which people interact

The author has observed that some employees are having difficulty in communicating with their clients because of the differences in accent. Whenever an employee is encountering communication problems with his or her clients, the employee would immediately press a button to ask for the assistance of the Team Leader or the technical support staff. This happened several times during the author's visits to the company. The employees are especially having difficulty communicating with European clients.

The author has also observed that the role-playing situation takes about thirty to forty-five minutes sometimes instead of the standard fifteen minutes. This is because some employees have difficulty in their accents when speaking in English, so they have to practice it until they get the hang of it again.

Expectations on Employees and Rules of "Organizational Game"

The most difficult thing that employees are expected to do is to project a positive impression of the organization and listen to complaints of clients with patience and empathy no matter how the clients' treat them. The researcher has observed that even when some clients tend to harsh on the employees, the employees struggle to be patient and be pleasant to the clients.

2.) Factors Intrinsic to the Job

Working Conditions

True enough, eTelecare has comfortable and spacious rooms that have good lighting and lacking on windows. The office design matches Ms. Pamela Wu's descriptions. The *Break Out Room* is indeed very relaxing, more of an entertainment room for employees. The researcher would also like to take note that the room temperature on the main room was really cold when the researcher visited the company during late hours that is why most employees wore jackets that time.

Shift Work

The author has observed that there were more employees who were late for work on the night and early morning shifts than the morning and afternoon shifts. During the night and early morning shifts, the researcher visited the *Break Out Room* where the employees take their breaks. It was quiet inside the room and most employees were taking naps or just drinking coffee. The computer games and other forms of entertainment provided by the management were not even used. There was an electronic device indicating whether an employees' break time was over. Whenever their names appear to indicate that they should get back to work, they had negative reactions and comments about the device, the time, workload or their Team Leaders.

The author also noticed that employees during the morning and afternoon shift were more energetic and active on their jobs. Few employees took afternoon naps inside the Break Out Room and more employees were having animated conversations and were even using the computer games particularly the Dance Revolution.

Long Hours

The author has observed by looking at the time cards of the some employees that most of them usually work from ten to twelve hours instead of the usual eight hours. This is because of the performance evaluation and also the research and preparation for the next day. The researcher also observed that employees seem to look relieved when they

are finally going home. Some of them utter the word 'finally' when they have finished all their work.

Workload

Ms. Pamela Wu showed the researcher a list of the tasks of the employees. The researcher noticed that aside from researching, preparing and evaluating the profile and functions of several clients, CSAs are also required to deal with the customers of their clients and answer all the queries of the customers, deal with complaints and orders, make decisions instantly that are fool-proof, and report back to the management and the clients. Through all of this they are also evaluated at whatever they do. It is no wonder why most employees work for longer hours. They have to finish everything in just a short time and they also have to prepare for the next day's work.

New Technology

The importance of the use of technology is very apparent within the company during the visits of the researcher. The author noticed that aside from the dynamic job of the Customer Service Associates, Team Leaders and the technical support staff were making rounds on the main room checking the equipment used by the employees. Whenever computer problems or incidents occur, the technical support staff was quick to respond to the situation but they tend to crowd the area and distract other employees. CSAs would also check their equipment first before starting their work.

3.) Role Dynamics

Role Ambiguity

The author has observed that CSAs seem to have a clear knowledge of their tasks especially with their Team Leaders to remind them of what to do. They seem to know the flow of their work that starts with the preparation, to role-playing situation, then checking the equipment, then they start their work, and after all of this they undergo performance evaluations and research and preparation again for the next day.

Role Conflict

The researcher was not able to observe if there were incompatible goals or opposing demands on the CSAs.

Responsibility

The researcher observed that CSAs have major responsibilities. They are responsible for the technology they use, the performance or quality service of eTelecare, and the work and functions of their clients. These responsibilities mean that CSAs must ensure that everything is in order and give their best efforts because the success of their work is the success of the company and their failure is the failure of the company also.

4.) Interpersonal Relationships

Relationships With Colleagues

Indeed teamwork is evident within eTelecare. The author was able to observe group training in preparation for the functions of a new client. The moves of the CSAs were all coordinated and they seem to be comfortable with each other. At the *Break Out Room*, the author also observed that employees seem to have be having fun talking and bonding with their colleagues.

Relationships With Boss

The author observed that relationships with the Team Leaders tend to be different. Employees are more careful and cautious, probably because they know that they are being evaluated all the time. They tend to more conscious of what they are doing whenever Team Leaders are checking them out.

Relationships With Subordinates

The author observed that as much as Team Leaders try to act no different with the CSAs, a certain amount of formality exists between the two groups. It is also hard to maintain informal relationships within eTelecare because they have too much work to do and they have to maintain professionalism at all times.

During the night shift, some employees were still not present, so some Team Leaders had to take their seats for a while and fill in for the workload of employees. When some of the employees finally arrived they were taken aside by their Team Leaders

for a while and a short discussion on the situation occurred. The author believes that the employees were reprimanded for their tardiness through the actions of the Team Leaders and the behavior and reactions of the employees. The author would also like to take note that her presence inside the premises could possibly affect the way that the Team Leaders reprimanded the employees.

5.) Career Development

Job Security

The researcher has observed that most of the CSAs on eTelecare are very young. Even the Team Leaders are quite young. The researcher concludes that since the nature of work on eTelecare is very dynamic and requires high energy and stamina, younger people have bigger chances of adapting to this line of work.

Job Performance

The researcher has observed that the constant coaching and monitoring of Team Leaders adds to the pressure on CSA. They tend to be more conscious of the Team Leaders' presence. The researcher though was not able to observe the computer monitoring and its' effects on employee performance.

B. DATA ANALYSIS

The data presented above will be analyzed using the illustrative method. Work-related factors that cause job stress will be analyzed using the five (5) factors in the framework.

The analysis of the data presentation is based upon the operational framework. The factors that will be analyzed include unrealistic task demands or factors intrinsic to the job, role conflicts, interpersonal conflicts, career progress, and organizational structure and climate.

Organizational Culture and Climate

The organizational culture of eTelecare is a task/achievement culture. It is a task culture because of the emphasis placed on accomplishing a given task and the energy directed toward securing necessary task-related resources and skills. It is a task culture because it is a team culture, in that commitment to specific task bonds and energizes the individuals. Also, relevant experience is highly valued and often more important than personal power or power of position. However, this type of culture makes high demands on individuals and can be exhausting.

The company also reflects a typical American type of work place. The American type of culture is strictly followed because the clients are also foreign-based companies, and the employees must therefore be aware of the values and trends of the foreign business industry.

Expectations on employees are very high because they are university graduates. Decision-making without the help from the technical support staff must be effective and employees are expected to handle complaints and inquiries of clients with patience.

Factors Intrinsic to the Job

The changing nature of the workplace from work schedules to task demands and the constant use of various computer-aided technologies can be threatening for eTelecare employees. Factors intrinsic to the job appear to take a toll on employee health and performance motivation. It is also interesting to take note of the fact that such factors affect one another adding more pressure to employees. For example, work overload causes longer hours of work while new technology causes work overload. The most interesting thing is the effect of new technology on the employees. Though new technology has various benefits for the organization and it would mean easier access to information, technological advances in eTelecare appear to cause more pressure and fatigue among employees. Continuous training and constant evaluation on employees also mean added pressure to work at a very, very high standard in eTelecare for survival.

Role Dynamics

With the continuous training on every employee and coaching of team leaders on CSAs, it can be found that eTelecare employees have clear goals and objectives with regard to their tasks. Stress is kept at a minimum because the person's role in the organization is clearly defined and understood, and the expectations on the individual are also clear and non-conflicting. However, the responsibility for decision-making about

their jobs is a major stressor. When problems occur it can be stressful because they can be blamed for the consequences of the situation since they make the decisions. Responsibility for people is acknowledged as more stressful than responsibility for equipment.

Interpersonal Relations

Relationships between work colleagues on eTelecare are generated through teamwork and support. These supportive relationships are less likely to create rivalries among employees. It is also acknowledged that working relationships, interpersonal trust and social support between supervisor and subordinate contribute significantly to feelings about job stress and job satisfaction. Performance appraisal and recognition are beneficial to superior-subordinate relationships but Team Leaders must be cautious on their approach and should consider the employees' gender, livelihood, and feelings. Thus the nature of the superior-subordinate relationship is potentially stressful.

Career Development

It can be seen that lack of job security, fear of job loss, and numerous performance appraisals all create pressure and strain on employees. Younger competition is threatening and job opportunities are fewer and require mastery of job performance. Computer-based monitoring is also seen as a threat to the jobs on the employees and pressure to work doubly harder. This computer-based monitoring results in work overload, job dissatisfaction at work and increased stress levels.

CHAPTER VI

CONCLUSION

This chapter summarizes the study and presents its findings gathered from the data. Based on the findings, recommendations have been proposed.

Summary

Before the 1980s ended a recession began which continued well into the 1990s. Governments were striving to reduce budget deficits and thereby were squeezing more and more out of business. The world witnessed sweeping changes. One of the ways to respond to global competition was for the organization to become 'leaner and meaner'. Becoming meaner and leaner can be achieved by processes like downsizing, reorganizations, relocations of personnel, redesign of jobs, and outsourcing.

Outsourcing is the strategic use of outside resources to perform activities traditionally handled by internal staff and resources. Outsourcing companies are booming around the globe but are more popularly known as call centers or customer service centers. The Philippines has already attracted several U.S. based call centers to set-up back-office operations in the country. But while call centers and other back-office operations have provided badly needed jobs to many Filipinos, there is a certain concern that the nature of work in call centers is causing a much pressure and strain on its' employees.

In a desire to explain the presence of job stress in outsourcing companies, the researcher focused on a particular call center or customer-oriented organization. The study aimed to answer the main question "What are the work factors that cause job stress in an outsourcing company?" This research aimed to identify and describe how work-

related factors in an outsourcing company eventually lead to job stress. Due to limited time and resources the author focused on a particular organization, eTelecare Inc., for this research.

The Theoretical Framework of this study is based upon Wood's Job Stress Model. Jack Maxwell Wood's Job Stress Model is an interactive model of Job Stress focusing on the different sources of job stress and the consequences of these stressors for individuals and the organization. For this study, the author focused only on the work-related factors that lead to job stress. Work-related stressors included in this study are unrealistic task demands or factors intrinsic to the job, role conflicts, interpersonal conflicts, career progress, and organizational culture and climate. Under the five factors are also components that were used to study each factor.

To study the work-related stressors, the author employed a descriptive design of research. Highly qualitative in orientation, this study can be categorized under the basic research. The author employed the interview method and non-participant observation as the data collection methods.

The examination and analysis of these components, using the illustrative method, revealed that the five (5) work-related factors reinforce each other further intensifying work pressure and strain on employees. It was also found out that work stress generally involves both the organization and its employees. Job stress is not a private matter for the employee to deal with alone and in isolation. Job stress produces negative effects for both the organization and the employee. For the organization, the results are disorganization, disruptions in normal operations, lowered performance and productivity, and lower margins of profit. For the employee, the effects are threefold: increased physical health

problems, psychological distress, and behavioral changes. The resulting changes in behavior tend to affect both productivity within the company and lifestyle outside the workplace.

Findings

The analysis of the five (5) work-related factors on eTelecare shows that these factors reinforce each other. The analysis also shows that these work-related factors eventually lead to job stress.

eTelecare has a task/achievement culture that tends to encourage creativity and autonomy. However, to survive in such culture, it is important to handle conflict effectively and be prepared to give and take criticism constructively, for when things go wrong, everyone tends to blame someone else. This adds pressure on the responsibility for effective decision-making on the part of the employees. The American type of culture that eTelecare employs means that employees are forced to adapt to the culture and policies set by the organization and the background of their foreign clients. Thus, it can be concluded that the organizational culture and climate factors on eTelecare are stressors.

Factors intrinsic to the job that appear to cause stress on employees include shift work, long hours of work, work overload, and the constant use of various computer-aided technologies. When these factors combine, employees experience more pressure and strain. Technological advances in eTelecare appear to help employees in their work but also cause more pressure and fatigue among employee especially with the constant

feedback and computer-based evaluations that they always have to go through. With this, we can conclude that factors intrinsic to the job are stressors.

eTelecare employees have clear goals and objectives with regard to their roles and tasks. This is due to the constant training and coaching of Team Leaders on employees. However, the responsibility for decision-making about their jobs can be stressful at times because they can be blamed for the consequences of the situation since they make the decisions. It only shows that among the role dynamics factors, responsibility is the only stressor.

Since eTelecare values teamwork, supportive relationships among colleagues are beneficial and are less likely to create rivalries among employees. But the nature of the superior-subordinate relationship can be stressful at times. This is because Team Leaders are the ones in charge of performance appraisals of their subordinates. Their evaluations are important because these employees can either get promoted or demoted with their evaluations. Maintaining professionalism and these performance appraisals have hindered interpersonal relations between superior and subordinate. Superiors are pressured to consider the livelihood and feelings of the employees, while subordinates are always conscious and careful whenever their superiors are around. Thus, we can conclude that among the interpersonal relationship factors, the superior-subordinate relationship is a stressor.

The frustration of not being promoted and the threat of the young population can induce extreme stress on the part of employees. Furthermore, promotions are fewer and require mastery of job performance.

The process of being evaluated and appraised is also a stressful experience for most employees. The computer-based monitoring is acknowledged as the major stressor on the employees' job security to the point of increasing their fears of job loss. Thus, career development factors are stressors.

Recommendations

Research evidence suggests that stress-related problems are complex. Both the organization and individuals employees, perhaps working in a team or work group, should be encouraged to actively manage stress in order to eliminate or minimize the stressor problem at source. Therefore, it is recommended that stress on eTelecare should be addressed by adopting three approaches:

- The first approach is to identify and eliminate, reduce or control the sources of stress.
- The second approach is that eTelecare management should help employees or work groups to recognize their response to stress and the symptoms of stress. Thereby, they can respond in a way without risking themselves and the organization. The aim of this approach is to develop stress resistance and adaptive coping strategies through education and training.
- The third approach is for the organization to assist in the cure and rehabilitation of stressed employees.

Specific recommendations of the author addressed on the five (5) work- related factors include:

- ETelecare should discard the existing stress programs since these programs are insufficient in addressing the problems of the employees with regard to stress.
- There should be a supportive and open climate and culture, and the style of management must be compatible with the goals and aims of the organization.
- Necessary information should provide to employees such as questions concerning layoffs, transfer, promotions and demotions, changes in jobs, pay, and benefits.
- There is a need to follow guidelines provided for minimizing the negative impact of shift-working and long hours of work.
- Improving physical conditions of the work environment to prevent critical situations or accidents.
- Providing career development appraisal, including the use of self-assessment tools and psychological testing.
- Offering individual counseling by internal staff or external services.
- Promoting interpersonal and social kills, as well as leadership skills
- Employing time management and anger management trainings and techniques.
- Teaching relaxation training, meditation, and yoga.

For Organizational Communication researchers, the author recommends the following:

- The next researcher can supplement the research with quantitative methods such as surveys to measure the extent of these work-related factors present in the organization.
- The next researcher can use the other sources of stress such as non-work factors and personal factors or a combination of both in studying job stress.

- The next researcher can include the consequences of stressors in the workplace or the symptoms of work stress.
- The next researcher can study job stress in another outsourcing company because perceptions and experiences may be different.

For the Stress Researchers:

- The researcher can try to study different types of stress such as social stress and environmental stress.
- The researcher can study job stress on different types of organizations such as Telemarketing companies, non-government organizations (NGOs), hospitals, and schools.

For the Outsourcing Researchers:

- The researcher can try to study different issues with regard to outsourcing.
- The researcher can focus more on employee behavior and the effects of the nature of work and culture on employees in an outsourcing company.

For the General researchers:

* A group of researchers can attempt to study job stress in a specific company, and each researcher can focus on a specific factor. The results of their study can be collated on a single research paper and they can probably create a more detailed study on job stress and they can probably come up with pro-active approaches in dealing with job stress.

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APpendices

Interview Guide for HR Officers:

Organizational Culture

1. What is the culture inside eTelecare?
2. What are the values and objectives of eTelecare?
3. What are your tasks as an HR officer?
4. What are your expectations on the employees?
5. What are the expectations of the management on the employees? Have these expectations been met? How often?
6. Do you have any rewards or recognition for people who have met the managements' expectations? Give some examples.

Factors Intrinsic to the Job

1. What is the overall physical design/setting on eTelecare?
2. Do you have any special features? Why such features?
3. Have you experienced changing some parts of the working conditions or settings in the office because these features were not fit for the workers' performance and health? Cite some cases.
4. Why did you employ the shiftworking?
5. What are the advantages and disadvantages of shiftworking on the employees' behavior, health and work performance?
6. What are the advantages and disadvantages of shiftworking on the companys' performance in the field and the market?
7. Do workers work for more than eight hours? Why?
8. What are the advantages and disadvantages of long hours on the employees' behavior, health and work performance?
9. What are the advantages and disadvantages of long hours on the companys' performance in the field and the market?
10. What has the management done to remedy problems due to the long working hours and shiftworking?

11. Do the employees have a balanced workload? Are there instances when employees experience work overload? Why?
12. What are the facilities and equipment on eTelecare?
13. What are the effects of using new technology on employees? How do they respond to such facilities and equipment?

Role Dynamics

1. Have there been any instances wherein employees have complained that they do not have clear knowledge of their tasks, goals or the expectations of the company? If yes, please give the details.
2. Have there been any instances wherein employees have complained that they have conflicting tasks, or goals? If yes, give specific details.
3. Do you think that the employees have handled their responsibilities pretty well? Why or why not?

Interpersonal Relationships

1. Do you think that your employees get along with each other? Why?
2. Is there competition or rivalries among employees? Why?
3. Do you think that employees get along very well with their Team Leaders? Why?
4. As Team Leaders, do you have good relationships with your subordinates? Have there been any problems at all? Why or Why not?

Career Development

1. Does the company provide career opportunities for employees? In what areas?
2. How long does it take before one gets promoted? What are the requirements?
3. Do younger employees have bigger chances of getting promoted than older employees? Why or why not?
4. What are the effects of computer-based monitoring and constant appraisal on employees?

Interview Guide for Employees/Customer Service Associates (CSAs)

Organizational Culture

1. How long have you been working for eTelecare?
2. What is the culture inside the company?
3. Have you adapted well with the culture of the company? Why or why not?

Factors Intrinsic to the Job

1. How well do you like the physical setting or design of the office?
2. Do you approve of the shiftworking schedule of the company? Why or why not?
3. Have you experienced problems with regard to shiftworking? If yes, in what areas?
4. How long do you usually work?
5. Have there been instances wherein you had to work long hours? Why? What did you feel or how do you perceive long working hours on your part?
6. What has the management done to remedy problems due to the long working hours and shiftworking?
7. Do you have a balanced workload? Are there instances when you have experienced work overload? Why?
8. What are the facilities and equipment on eTelecare?
9. What are the advantages of using new technology?
10. How well do you respond to such technology?
11. Do you think that new technology has lessened your workload? Why or why not?

Role Dynamics

1. Do you have a clear knowledge of your tasks, goals or the expectations of the company? If yes, please give the details. If no, why?

2. Have there been any instances wherein you had conflicting tasks, or goals? If yes, give specific details. If no, why?
4. Do you think that you can handle your responsibilities pretty well? Why or why not?
5. What is less difficult, your responsibility over your clients or the new technology and equipment?

Interpersonal Relationships

1. Do you get along with your colleagues pretty well? Why or why not?
2. Is there competition or rivalries among employees? Why?
3. Do you get along very well with your Team Leaders? Why or why not?

Career Development

1. Does the company provide career opportunities for employees? In what areas?
2. How long does it take before one gets promoted? What are the requirements?
3. What is your perception of the performance appraisals by the Team Leaders?
4. What is your perception of the computer-based monitoring of the company? How does it affect your job performance?

Interview Guide for the Vice President of Program Management of eTelecare

1. What is eTelecare?
2. What is the history of eTelecare?
3. Who are the founders of eTelecare?
4. What are the services offered by eTelecare?
5. Why choose Philippines to build your back-office operations?
6. What are the values on eTelecare?
7. What is the mission of eTelecare?
8. What are your requirements for hiring people?
9. Why do you need 100% university graduates?
10. How do employees interact with each other?
11. What is the language used when communicating with clients, with Team Leaders, with colleagues?
12. What are the appropriate terms of address or organizational jargon on the company?
13. What are the expectations of the management on the employees?
14. What is the overall culture and climate within eTelecare?

Interview with Vice President of Information Technology of eTelecare

1. What are the new equipment and facilities of eTelecare?
2. What are the advantages or disadvantages of using such technologies?
3. How do these technologies actually help in the work process or functions of eTelecare?
4. How do employees adapt with these new technologies?
5. Have you noticed how do employees respond to such technologies? DO they have a clear knowledge and skill on how to use and take care of these equipment and facilities?
6. Have there been any problems with regard to employees' usage of such things? Cite examples or give details.
7. What is the computer-based monitoring of eTelecare?
8. What are the effects of this type of monitoring on the employees' behavior? attitude? satisfaction? careers?

Non-participant Observation Guide

1. What is the background and reputation eTelecare?
2. Is teamwork as a value evident within the workplace? Look for specific instances wherein teamwork is evident.
3. Observe during role-playing situation as to how employees adapted well with the accent. Are there any difficulties or problems? Did the role-playing situation exceeded over the 15 minute rule?
4. Observe during the actual transaction as to how employees communicated with clients? Are there any difficulties or problems?
5. How do employees respond to communication problems with clients? Give specific details.
6. Validate whether the physical conditions are the same as what the HR officer described.
7. Observe whether physical design or setting provides good ambiance on employees.
8. Observe during shiftworking hours the changes of behavior, performance, and motivation.
9. Compare the differences in employee alert level, motivation, performance during the morning shift, night, and early morning shift.
10. Observe whether employees will work for just eight hours or more than the time required.
11. Get the list of the tasks of employees and validate whether they can accomplish these things within eight hours.
12. Observe the employees while they are using the equipment and facilities. Observe whether they have a clear knowledge and skills in using the facilities. Are there any problems?
13. Observe whether employees have a clear knowledge of their tasks and goals.
14. Observe whether employees seem to have problems with conflicting task demands.

15. Observe whether employees are able to handle their responsibilities with clients and equipment very well? Cite details or problems that will occur.
16. Observe group trainings and see whether employees have good working relationships with each other.
17. Observe informal situations and see whether employees have good personal relationships with each other.
18. Observe relationships between superior and subordinates. Are there any changes in behavior when communicating with superiors than with their colleagues?
19. Observe whether the age bracket of most employees.
20. Observe whether Team Leaders are younger or a bit older.
21. Observe the computer-based evaluation on the employees. How well did the employees' responded?
22. Observe during the performance appraisal of Team Leaders on the employees? How well did the employees' reacted to the recommendations and evaluations?