

Work, Employment & Society

<http://wes.sagepub.com>

Back-Office Service Work: Bureaucracy Challenged?

Marek Korczynski

Work Employment Society 2004; 18; 97

DOI: 10.1177/0950017004040764

The online version of this article can be found at:
<http://wes.sagepub.com/cgi/content/abstract/18/1/97>

Published by:



<http://www.sagepublications.com>

On behalf of:



[British Sociological Association](#)

Additional services and information for *Work, Employment & Society* can be found at:

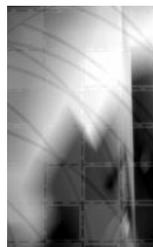
Email Alerts: <http://wes.sagepub.com/cgi/alerts>

Subscriptions: <http://wes.sagepub.com/subscriptions>

Reprints: <http://www.sagepub.com/journalsReprints.nav>

Permissions: <http://www.sagepub.co.uk/journalsPermissions.nav>

Citations <http://wes.sagepub.com/cgi/content/refs/18/1/97>



Back-office service work: bureaucracy challenged?

■ **Marek Korczynski**

Loughborough University Business School, UK

ABSTRACT

Much of the current literature on service work has focused on front-line, customer-facing jobs. Research and theory suggest that while the way in which this work is organized is to a significant degree underpinned by rationalization, there is also an important customer-oriented strand in the organization of front-line work. This begs the question of how work is organized in *back-office* service work, i.e. service jobs involving work with and for the front-line staff but in which there is no direct interface with customers. Are these jobs also organized as a 'customer-oriented bureaucracy' or are they subject to more straightforward bureaucratization? This article reports on case studies of two types of back-office work – staff in the back office to a call centre in an insurance firm, and staff in the back office to a mobile sales force in two financial service firms. The organization of work is examined systematically across the dimensions of work tasks, form of control, affect in relation to the customer and lateral relations with the front-line staff. It is concluded that to a significant degree back-office work in the three firms is organized according to bureaucratic principles. The conclusion argues that these results are likely to be typical for much of back-office service work.

KEY WORDS

back-office / bureaucracy / control / customer / labour process / sales / service / work organization

Introduction

A considerable amount of recent industrial sociology research has focused on service work. Within this literature the main focus has been on jobs which involve direct contact with service-recipients (here labelled

'customers') and a number of authors have developed theoretical approaches to the study of front-line service work that highlight the distinctiveness of this form of work. These authors have highlighted the difficulties involved in the simple application of bureaucratic principles of work organization to jobs involving direct customer contact (Herzenberg et al., 1998). Offe's (1985) work can be seen as pre-figuring these approaches. He argued that it was difficult to simply bureaucratize front-line work because:

On the one hand, the particularity, individuality, contingency and variability (of the situations and needs of clients ...) must be preserved... On the other hand, service labour must ultimately bring about a state of affairs which conforms to certain general rules. The definition of service labour ... draws attention to the processes of individuation and differentiation on the one hand and coordination and standardization requirements on the other. (Offe, 1985: 105–6)

Korczynski (2002; Korczynski et al., 2000) has developed these ideas by arguing that much of contemporary service work is best analysed in relation to an ideal-type of the customer-oriented bureaucracy. The idea is that contemporary service work tends to be underpinned by dual logics of rationalization and of customer-orientation, and that these logics potentially frequently lie in contradiction to each other. Kerst and Holtgrewe (2001) suggest another theoretical way of looking at this idea of dual logics underpinning service work. They argue that it is useful to see call centres and front-line service work more generally, as acting in a boundary-spanning role (Thompson, 1967), between the producing organization and its customers.¹

Although this focus on front-line service work is welcome, one of the consequences has been that back-office service work (where there is no direct customer contact) has tended to be marginalized in the discussion of the nature of work in the service economy. While front-line work might be becoming increasingly important for management because of competition around service quality (Lash and Urry, 1994), this should not mean that research should forget back-office service work. An earlier raft of research on back-office service work established that much of this work had been organized in a highly bureaucratic manner (Crompton and Jones, 1984; Sturdy, 1992). The possibility must be considered that the organization of back-office service work may be moving away from this bureaucratic past. Du Gay (du Gay, 1996; du Gay and Salaman, 1992) suggests that this is happening because the culture of the customer is coming to colonize organizational life: the organization, and its members, come to follow the dictates of the sovereign customer and 'frequently this means the supplanting of bureaucratic principles by market relations' (du Gay and Salaman, 1992: 616). Du Gay's arguments have been subject to the criticism that they suggest too strong a rupture from bureaucracy and also because he fails to provide evidence to back up his claims (Fournier and Grey, 1999). A more tempered and more plausible version of du Gay's arguments for back-office work would be to suggest that as the impact of the customer within organization life becomes stronger, so jobs beyond the front line may also come to

Table 1 Dimensions of work organization for back-office service work as bureaucracy and as customer-oriented bureaucracy

<i>Dimension</i>	<i>Bureaucracy</i>	<i>Customer-oriented bureaucracy</i>
Work tasks	Routinization for efficient task completion	Routinization and customer-orientation
Form of control	Process measurement	Process measurement and customer-related norms
Affect in relation to customer	Impersonal	Rationalized emotional labour
Relationship with front-line staff	Potentially fraught, with work underpinned by differing logics	More harmonious, with work underpinned by similar logics

be organized in ways underpinned by the dual logics of customer-orientation and bureaucratization.

Table 1 lays out the differences in the organization of back-office service work pertaining to ideal-types of bureaucracy and customer-oriented bureaucracy, respectively. Four key dimensions of work organization are used in this table, and are used as the organizing device for the presentation of research findings in this article: organization of work tasks, form of control, affect in relation to the customer, and relationships with front-line staff. These dimensions encompass the traditional labour-management dyad focus of labour process analysis (work tasks and control) with the 'customer-worker-management' triangle focus of a new wave of service work research (Leidner, 1993). The table shows that within the logic of the ideal-type of bureaucracy, back-office service work will have routinized work tasks, and control based on bureaucratic process measurement (Edwards, 1979). The service workers will be expected to work in an impersonal way with regard to customers, and their relations with the front-line staff are likely to be potentially fraught because of the clash between working under a bureaucratic logic and working under a more customer-oriented logic. The right-hand column of the table shows that back-office work within the logic of the customer-oriented bureaucracy will be organized in rather different ways. Work tasks will be organized not just to gain efficient task completion but also to help create a relationship with customers, and control rests not only on (increasingly incomplete) bureaucratic process measurement but also on the operation of internalized customer-related norms. Rather than being impersonal towards customers, the staff will be expected to display rationalized emotional labour towards customers, and their relations with front-line staff are likely to be more harmonious because both sets of workers work within the dual logics of customer-orientation and bureaucratization. This article presents data along these four dimensions to allow a

consideration of how far back-office service work conforms to a straightforwardly bureaucratic model.

Research sites and research methods

The first research site was INSCO, a large Australian-owned insurance firm employing several thousand staff. The research focused on the section dealing with claims, alterations and maintenance of mass-customized insurance products. This section functioned as a back office to a call centre handling direct customer queries. The job title for the main work in this section had recently become 'customer service provider'. In this article they are referred to as the claims staff – which is how they referred to themselves. One hundred claims staff worked in the section studied. They received written correspondence from customers and received written queries passed on by call-centre staff on behalf of customers. The research also covered two other back-office sites – at ADBK and CBK. ADBK is an Australian-owned bank with 2500 staff, while CBK is a US-owned multinational bank, with a total of over 80,000 staff worldwide. The research focused on the back-office staff whose job it was to analyse the credit-worthiness of the mortgage applications forwarded by mobile sales staff on behalf of customers. The main job title for this work was 'approval officer'. A total of 30 approval officers worked in the sections of the banks that were studied. A union was recognized at INSCO, but it had a negligible office-floor presence, and was not perceived by management, staff or union officials as having any significant influence on the overall nature of work organization. There was no union recognition for the approval officers at the two banks. All three research sites were in the same large Australian city.

Research involved interviews with management and staff, observations of the labour process and related meetings, and analysis of relevant documentation. A researcher was present in the INSCO workplace for four weeks. In the study of INSCO, interviews took place with ten managers, 14 staff and one union official. Fourteen meetings were observed and 58 documents, including minutes of team meetings, were examined. Of the claims staff interviewed, just over half were women. In the section as a whole, 60 percent of the claims staff were women. A researcher was present in the ADBK workplace for two weeks and in the CBK workplace for two weeks. Across these two smaller sites a total of ten managers, and 15 staff were interviewed. Twelve meetings were observed and 27 documents were examined. Of the approval officers interviewed, just less than one-quarter were women. This reflected the overall gender composition of the workforce. Interviews in the three sites typically lasted between 60 and 75 minutes. Interviews, which were semi-structured in nature, focused on how the work was organized. The interview data were recorded by researchers taking verbatim notes during the interview and adding detail to these notes immediately after the interview.

Research findings

This section systematically goes through each of the dimensions of work organization discussed in the introduction: work tasks, form of control, affect in relation to the customer, and relationship with front-line staff. Overall, there were broad similarities in findings across the three sites. Where there were significant differences (mainly between INSCO on the one hand and approval officers in the two banks on the other) these are outlined under the appropriate sub-heading.

Work tasks

In all three of the sites, the primary basis of the division of labour was the bureaucratic one of efficient task completion. The most significant variation from this had been short-lived and had occurred at INSCO a few months prior to the research. Here, the bureaucratic division of labour had been challenged by HRM initiatives that had sought to develop wider skills among the claim staff. However, the bureaucratic drive for efficiency, in part internalized by staff, had come to reassert the traditional bureaucratic basis of the division of labour.

Under the aegis of a senior management vision of a 'learning organization' underpinned by 'multi-skilled' workers in 'self-directed work teams', management had reorganized the back-office section such that workers were placed in multi-skilled positions where they were expected to work on all aspects of claims, alterations and maintenance. Within the teaming concept, workers were placed in teams dealing with customers from particular geographical areas of the country. These teams met weekly and took decisions relating to the organization of the work system within their team. Within these task-based participation structures workers gradually contributed to an increasing routinization of work tasks against a background of increasing backlogs and increased pressure to deliver quantitative efficiency. There were still hierarchically appointed team leaders who occasionally, but not always, acted as chairpersons in these team meetings. These team leaders played a significant role in directing discussions. For instance, in one team meeting observed, the team leader interjected in the middle of a discussion: 'the issue of quality has got worse. We've got to set ourselves some discipline. We often talk about this at our meeting, but nothing happens. We need to address it'. The first agenda item in these meetings tended to be the 'state of the backlog'. This referred to the large number of outstanding customer queries (either direct letters or messages forwarded via the call centre). Over time, a regular agenda item came to be 'backlog busters' where ideas to bring the backlog under control were discussed. Also discussed in these team meetings were ways in which to address 'quality', which related to cutting the number of errors in correspondence sent out to customers. Both 'backlog busters' and 'quality' team discussions led to an increasing standardization and routinization of work tasks. A typical directive relating to workers' correspondence with customers within the minutes of team meetings read:

Letter address must be written in capitals with no commas and include the State (NSW or Victoria).

Date must not include th/rd/st.

No more '&'. 'And' must be written instead.

The discussion of backlog busters eventually led to suggestions that the multi-skilled structure of including claims, alterations and maintenance tasks in one role should be abandoned, with people instead assigned to specialist narrow roles regarding only one of claims, alterations and maintenance. Ultimately this suggestion was put to a vote of workers in the section, and there was a clear vote in favour of moving towards narrow roles. This led to a re-organization, with workers operating at the time of the research in one of three specialist teams – claims, alterations and maintenance.

Not surprisingly, given the pattern of routinization, the work was experienced as monotonous. A range of responses in interviews shows this:

Most of the work is routine. There is no scope for creativity.

There is no creativity, even writing your own letters, they've got a formula.

The work has become more monotonous.

A management document implicitly acknowledged the high degree of routinization in the work by noting that 'repetitive work may cause a decrease in attention to details'. One worker noted that the reversion to specialist narrow roles meant that it was no longer possible to relate the work to a distinct customer:

We no longer deal with customer from end to end. I prefer working on someone exclusively, but you get used to it.

Instead, work was organized on a daily basis into 'batches', which had to be 'cleared'. The occasional queries that did arise which could not be fitted into one of the standardized formulae established were passed on to an expert role in each team, titled 'expert service provider'. Senior management was aware of the process of ongoing application of routinization, and in a management meeting, one manager expressed concern that 'our people are choosing to be very hard on themselves'.

The job of the approval officers at ADBK and CBK was to check that the mortgage applications recommended by the front-line sales staff were appropriately creditworthy. This involved the approval officers checking the applications against the company's policies and procedures. Frequently, this was a routine task – as expressed in a number of comments from approval officers at both banks:

The job is tedious; applications are pretty standard... If you do it for two or three years it will drive you barmy unless you are a soldier ant.

The job is quite simple and mundane.

We operate like a production factory.

However, it was also consistently noted that ‘the job has definitely changed, it has become less of a sausage shop’. There used to be a system of the supervisor acting as the expert worker to whom complex cases were passed, but this had created ‘bottlenecks’ in the approval process, as the supervisor occasionally became faced with a relatively large number of complex cases arriving at once. Because of this there was a reorganization. A CBK officer noted that ‘it used to be dictatorial. But there is now more delegated authority to remove the bottlenecks that occurred at peak loads.... A problem of the past was that there was not enough authority on the floor’. Interviewees further noted that ‘approval officers don’t always just follow policy’. One officer at CBK gave an example to back this up:

Some things they do aren’t in policy. For example owners of a business give themselves a wage, so to help the application the approval officer can reduce the loss of the business by the amount of the wages. This sort of thing is not written in policy but most officers tend to do it.

The increasing complexity of the information that had to be processed meant that there were increasing areas of discretion for the approval officers in their work. Similarly, the increasing number of policies and procedures that flowed from the increasing number of products marketed to customers meant that it was difficult to identify the existence of one clear, unambiguous set of policies. This further allowed some discretion for the approval officers. Although they had some discretion in dealing with the more complex cases that used to be reserved for the expert positions, it was still a common refrain for officers to state that ‘the job is simple’.

Form of control

Control can be thought of as ‘the ability of ... managers to obtain desired work behaviour from workers’ (Edwards, 1979: 17). Control in all of the sites followed the bureaucratic pattern of the quantitative measurement of the work processes. There was, at best, a negligible role for control operating through internalized customer-related norms. At ADBK and CBK, the approval officers were measured on, and assessed against, their ability to process a set number of mortgage applications to a specified degree of accuracy. At CBK the standard expected was to process seven applications per day. This standard was an active part of management policy. The supervisor was aware that ‘two of them are struggling at the moment’ against this standard and that this would be addressed within the ongoing performance appraisal system. Similarly, quality checks on applications processed were systematically pursued and acted on. At CBK, a proportion of the applications were checked at the bank’s central credit department. According to a supervisor, this meant that ‘we can see who are the main culprits if there is a problem’. Consistent mistakes would also be addressed in performance appraisals, potentially leading to a decrease in the discretion of an officer, in terms of a lowering of the dollar size of applications

that they were authorized to process. At ADBK this process of quality checking meant that the approval officers were conscious that 'it's easy for an approver to get their limits reduced but hard to get them increased'.

At INSCO, the routinization of work tasks was accompanied by a strengthening of the application of bureaucratic control based on measurement of work processes. The staff teams that management had set up came together to set up their section's overall 'business plan' for the year. One of the items in the section's business plan was to 'develop productivity measures by June 30'. Further to this, the team minutes show the team inviting time and motion studies to be conducted in their section, so that standard times could be set for the main tasks involved in dealing with customer queries. The minutes of the meeting reassured that:

... we are not monitoring coffee, questions from colleagues and recovery time. Probably 15 percent of time is lost to this. The formula will take this into account. Monitoring against the set standards will not occur individually but as a team.

These productivity measures, introduced on the back of the time and motion studies, were being used to assess performance. At the time of the research, it was ambiguous whether this form of control operated at the level of the team or the individual. Despite the wording of the minute above, one of the two managers in the section was subtly but effectively undermining this by sending out around teams, on a daily basis, a breakdown of the previous day's performance (in terms of queries processed) of each individual. This manager stated that he had pushed for the distribution of daily individualized statistics through 'guided democracy' in team meetings 'to give them what they wanted'. His aim was that 'the reports help push under-performers', referring to the process of individuals at the lower range of performance pushing themselves to improve on the basis of the team's gaze. A minority of workers were comfortable with the system. One stated that:

From the figures each morning, we see what the others get. It creates good competition. Everyone's a winner, we all focus on reducing the backlog.

However, the majority were more critical:

I do not agree with it. I perceive it as a process-line widget job. I never anticipated counting widgets every day. I didn't want stats thrown at me. I did not raise it at the team meeting, I did not want to be perceived of as different.

The daily reports mean that we can be accountable for every minute. I haven't been watched like this my whole life. I wouldn't mind if we were paid extra for it.

In terms of the overall system of control there was, at best, a negligible role for control operating through internalized customer-related norms. Unlike the situation for many front-line service jobs, management in the sites did not seek to recruit people to the back-office jobs on the basis of their customer-related norms. The recruitment process for approval officers emphasized the ability of people to undertake the technical aspects of the job, namely the analysis of

mortgage credit applications. As such, the background of the approval officers tended to be either experience in another credit analysis role, or an educational qualification related to finance. At INSCO, the main criteria for selection, guided by the senior management vision of becoming a 'learning organization' was that applicants should be graduates who could demonstrate self-management and proactive character traits. Unlike recruitment for many front-line jobs, there was no expectation that applicants should have experience of direct customer-contact jobs. Similarly, there was little use by management of a customer-related rhetoric in ongoing meetings or in performance appraisals. Only one manager in the sites, at INSCO, used the approach, common to many front-line managers, of attempting to inculcate customer-related norms by asking workers 'to step inside the customer's shoes, and think about what they will be wanting'.

Although there were only isolated attempts to inculcate customer-related norms on a day-to-day basis in the sites, at INSCO and CBK, management did employ a rhetoric of customer orientation away from the labour process. At INSCO, there was a significant attempt to use and develop customer-related norms in the annual business process planning three-day meetings that the back-office claims teams took part in. These planning meetings had been set up as part of the overall management vision of an empowered learning organization. Management had identified eight steps in this business planning process. Three of these steps related to the use and development of customer-related norms. The first step involved addressing the question: 'who is the customer?'. The third and fourth steps asked the staff to consider, 'what is the customer's situation' and 'what will we do for the customer'. At CBK, management used a rhetoric of customer-orientation in their formal espousing of a 'total quality to service' approach. Management strategy documents at this site referred to the essence of 'total service quality' revolving around 'customer focus' and the generation of a culture in which staff 'adopt the customer's perspective'. In both of these cases these marginalized instances of formal management rhetoric did little to affect the lived culture on the office floor. Neither staff nor managers who were interviewed made reference to these forms of rhetoric. Nor were these forms of rhetoric used in the meetings that were observed.

Affect in relation to customers

In all of the sites there was an active policy of shielding the back-office staff from direct interaction with customers. At CBK and ABK management pursued this policy partly to help the efficiency of bureaucratic batch processing. At ADBK, this purely back-office scope for approval officers made the role different from the previous branch roles, which had combined both sales and credit analysis. As one approval officer put it, 'we don't have direct contact with clients, compared with the normal role in the branch. We just do the credit analysis and pass it on'. Further, the sales staff in the two banks actively discouraged contact between 'their' customers and the approval officers. As a manager

at CBK noted, 'the sales staff don't like them talking to clients, so they don't tend to'. At INSCO part of the approach to dealing with the backlog involved minimizing the already little direct contact that the staff had with customers on the phone. The aim was to maximize the internal bureaucratic batch-processing system and to avoid outside interference into this by direct customer intrusion, which would divert staff away from the batch system towards spending extra time following up a query from a specific customer. At a team meeting the issue of interruptions through customer calls was raised. A claims worker suggested that it was 'reasonable for the customer to talk to the name on the letter they receive', but the chair of the meeting rounded off the discussion by stating that given the size of the backlog it was important that customers directed their calls to the call centre first.

In keeping with a weak degree of affect in relation to customers, the lack of direct customer contact tended not to be reported in a negative way. 'We're not supposed to deal with customers, so we rarely do', observed one approval officer at CBK in a matter-of-fact manner. Indeed, one approval officer at CBK viewed the lack of customer contact as a positive aspect: 'I like it in my area. We cop no abuse. We rarely talk to customers'. As one claims worker at INSCO put it in the context of the bureaucratic focus on batch processing to beat the backlog, 'phone calls can be an annoyance'. Another noted that 'we try to keep an arm's length from the customer in terms of phone calls'.

The lack of affect directed towards customers was also evident in the language that was used in discussing customers and their applications and queries. Overall, the back-office staff in each of the sites tended to use abstract, disembodied language in discussing customers – in sharp contrast to the tendency for front-line staff to talk about customers in specific, embodied terms (see Korczynski, 2002). The front-line sales staff at CBK tended to use personal language, referring to the customer as an embodied individual person. The contrast in language with the back-office approval officers came out in the selection of customer application files that the researchers were able to inspect. In these files, the approval officers consistently referred to the customers as 'the applicant' and used impersonal, non-emotional language in describing the reasons behind the decision whether to approve or decline a mortgage application. For instance, a typical comment in one file was that, 'the applicant is employed on a casual basis only, even though the work is ongoing. Applicant also fails capacity on requested lend'. This abstract, non-emotional approach of approval officers was noted by a sales trainer at ADBK who stated, 'remember the approval officers don't know the client from a bar of soap. They are looking for objective, verifiable information'. Files also occasionally had comments from the sales staff in reply to the approval officers' impersonal comments. These tended to stress the specific individual personality of the customer, often using language suggesting a degree of emotional attachment. On one file, a sales worker wrote, 'I believe after speaking with them [the customers] that they show the ability and commitment to save... that is the type of people they are'. In another file, a sales worker wrote 'Mr Brown is a conservative person preferring to purchase

a modest home ... as he has a great fear of extending himself'. Another file contained this exchange between a sales worker who uses the language of an embodied customer and an approver who uses the language of abstraction:

Sales staff: Trevor [customer referred to by first name] has found a new property. Can we capacity test at 35%?

Approval officer: No, applicant is unemployed.

The impersonal nature of the way in which approval officers related to customers was also evident in a phone conversation (between an approval officer and a front-line sales worker) that was observed. 'Look', said the approval officer, 'I'm a neutral party in this so don't take it out on me'. The lack of affect of the back-office approval officers towards customers also came out strongly in an internal company survey conducted by management to ascertain the main problems that the sales staff were encountering with the approval section. The main problem that the sales staff highlighted in this survey was 'the lack of empathy' that the approval officers had for customers.

At INSCO the degree of abstraction of the claims staff from embodied customers was noted with some concern in the minutes of a team meeting, and by a team leader in an interview. The minutes stated that 'there has been concern of late that with the new workflow tracking system [see description immediately following], team members are becoming more worried about figures than about customers'. In an interview, the team leader stated that:

There is very little direct contact with customers. The attitude up here is that we should not speak to customers. I think it's the wrong attitude. It encourages them to see it just as a piece of paper, they lose that personal contact.

Indeed, the claims staff's interaction with the customer was becoming more abstracted than is suggested by the phrase, 'just a piece of paper'. This was because the recently introduced 'workflow tracking system' had even taken away the customer's presence as a piece of paper with an inked signature and had replaced it, through scanning, as an abstract electronic image on the computer screen. As an expert worker noted, 'Claims staff will lose accountability of their own. No longer will they say "I have 25 files", it'll be just "there are files in the queue".' Overall at INSCO the abstract disembodied language used in relation to customers came over most starkly with reference to the customer queries that were outstanding. As noted above, these queries were collectively known as 'the backlog'. The existence of the backlog, the size of the backlog, and measures to address the backlog were central motifs on the office floor at the time of the research. The language of the backlog was used on a daily, even hourly, basis by claims staff and their supervisors and managers. This is a language that is impersonal and abstracted from individual embodied customers. It is a language rather that relates to internal bureaucratic procedures. Overall, therefore, there were no significant management requirements for emotional or aesthetic labour with regard to the customer.²

Relations with front-line staff

There was considerable friction in the relations between the back-office approval officers and the front-line sales staff at both ADBK and CBK. While the approval officer's work was organized according to bureaucratic principles with an internal focus of operational efficiency, the work of the sales staff was subject to much fewer bureaucratic pressures. Sales workers effectively functioned as arm's-length contractors and held a sales-related customer focus. The sales staff's work was dependent on the approval officers for applications to go through, and therefore for commission to be earned. This meant that the two sets of workers were in a relationship of structured antagonism. As an approval officer at ADBK put it:

Sales staff think that a deal is a deal but we don't. We're not their number-one fans. We get in touch with them via mobile phones to check things. It's not total animosity, don't get me wrong. We've got our jobs and they have theirs.

A significant proportion of the sales staff viewed the approval officers with something close to contempt, and the approval officers were similarly contemptuous of many sales workers. One sales worker at CBK noted that 'there has always been a gap between the sales staff and the approval officers – it's us and them.... It has been paper-warfare'. Another sales worker at this firm captured a feeling among a significant portion of the sales staff by saying that 'the approval officers think we're cowboys'. Sales staff came to believe that 'approvers are our enemy'. Part of the texture of this antagonism related to the fact that the dominant modes of expression in the front line and the back-office work were different. In the front-line sales jobs, the main medium of communication in the main part of the role, i.e. in the interactions with customers, was verbal. Sales workers had meetings and phone conversations with customers which revolved around talking and listening, with only occasional pauses to make a written note, or to fill in part of an application form for a customer. By contrast, the main mode of expression for the approval officers, in the main part of their job, i.e. the processing of the customer's application, was the written word. Indeed, the written word, and its carrier, the file, can be regarded as the quintessential bureaucratic mode of communication. As du Puy (1999: 56) puts it, 'the key symbolic word in the ... world of bureaucracies might well be "file"'. The clash between these differing modes of expression became manifest in the approval officers' frequent complaint that the sales staff failed to put forward applications with properly entered (written) information. In an internal company of approval officers at CBK, 30 percent of approval officers expressed themselves either very dissatisfied or dissatisfied with the (written) information supplied by the sales staff in applications. Only 2 percent of staff stated that they were very satisfied or satisfied.

At CBK, an approval officer estimated that around '80 percent of the approval officer's decisions are accepted by the sales staff, but 20 percent lead to dissatisfaction and some fights'. He also stated that 'some sales workers try

to push us into accepting deals. They don't work properly'. This referred to the practice of some sales workers who tried to call on the senior manager in charge of both sets of workers to intercede on their behalf in trying to persuade an approval officer to approve a mortgage application. This form of intervention was strongly disliked by approval officers. 'We don't like intervention by the senior manager', said an approval officer at ADBK. Another highlighted how they tried to resist such intervention. 'We feel a bit of pressure. I maybe say to him [the senior manager] that it's outside of our jurisdiction to approve, it's something that needs to be done at Head Office'. The approval officers' antagonism can be understood as resistance to a challenge to their judgement but also as a typical response of bureaucratic officials when the rational-legal authority of policies and procedures is challenged – particularly when this challenge involves the use of hierarchical official authority.

Relations between the back-office staff and the front-line call centre staff at INSCO were underpinned by a milder degree of friction than existed at the two banks. One claims worker observed that:

There is a general feeling of 'them and us'. The call centre has a better understanding of what the customer wants. We just get their version, not the full picture. Some team members don't have the urgency [to deal with customer queries forwarded by the call centre] that comes from direct customer contact.

This is the expected friction that arrives in the inter-relationship between a back-office structured as a bureaucracy and a front line organized more along the lines of a customer-oriented bureaucracy. The quotation refers to gaps in communication – 'we don't get the full picture' – that arise because of the differing dominant modes of expression in the two types of work. In the call centre the main mode of communication is oral, while the work of the back-office staff primarily involves communication of the written word – the reading of the customer's letters, or the call centre workers' notes on behalf of customers, and the writing of a letter in response. The friction between the back-office staff and the call centre staff manifest through different modes of communication was also apparent at a meeting of staff and middle managers from both sections. One claims worker pointed out to the call centre staff and managers that:

I phone the call centre four or five times a day, trying to find out the information that is missing on the action sheets [the customer queries passed on by the call centre agents].... I want more information on the sheets. It saves a phone call.

A call centre manager enquired whether this was a problem with a specific individual call centre worker. 'No', said the back-office worker, 'the problem is with all of you' – thus highlighting the systemic nature of the friction and miscommunications between the front line and the back-office. The quotation at the start of this paragraph also notes the relative imperviousness of the back-office, bureaucratically structured staff to act in customer-oriented ways – 'some teams don't have the urgency that comes from direct customer contact'.

Strict segmentation of the back office from the front line, and the bureaucratic organization of the back office, therefore, led to systematic forms of lateral conflict between the front-line staff and the back-office staff in the research sites. At one level, this had clear dysfunctions for management aims – particularly in terms of the failures in communication between the two areas. At another level, however, this structured antagonism may have served management interests through it acting as a form of ‘conflict dispersion’ (Burawoy, 1979: 67). Just as Burawoy observed that conflict between management and labour was dispersed by the competitive relations pertaining between workers under a piece rate system, so it may be that the structured antagonism between back office and front line lessens and disperses potential conflict between service workers and management. Indeed, at ADBK and CBK it was clearly the case that, for the approval officers, conflict at work centred predominantly on the lateral conflict with the front-line sales workers.

Table 2 summarizes the findings from the research sites against the four dimensions of work organization that were the focus of the study. The left-hand column outlines these dimensions within a bureaucratic ideal-type, and the right-hand column details the research findings. The table shows that the organization of the back-office service work in the three sites had significant commonalities with a bureaucratic form of work organization.

Conclusion

In two important types of back-office service work the research findings clearly indicate the existence of a bureaucratized form of work organization. There are good empirical and theoretical grounds to believe that these findings from three

Table 2 Research findings in relation to dimensions of bureaucratic work organization

<i>Bureaucracy ideal-type</i>	<i>Findings at the research sites</i>
Routinized work tasks for efficient task completion	Routinized for task-efficiency at INSCO (after HRM challenge dissipated). Routinized with some scope for discretion at ADBK and CBK.
Control based on measurement of work process	In all three sites, control functioned primarily through measurement of work processes. Negligible role for norms relating to the customer.
Impersonal regarding customers	In all three sites, back-office staff related in a largely impersonal way to customers.
Friction between back-office and more customer-oriented front office	A high degree of friction at ADBK and CBK. Milder friction at INSCO.

Australian financial services institutions may be typical of much back-office service work in Anglo-Saxon economies. Regarding the empirical evidence on the organization of back-office service work, a number of relevant points can be made. A first point is that there is little convincing research to show an unambiguous movement *away* from bureaucratic work organization. Given the lack of research showing a significant change in the organization of back-office service work over the last decade, it seems reasonable to hold to the findings of an earlier raft of research which highlighted the significant degree to which back-office service work had been organized in a bureaucratic manner. Further, the limited recent research on back-office service work tends to demonstrate that bureaucratization is alive and well. A case in point is Poynter's (1999: ch. 4) research on back-office work in a major UK bank, which highlighted the continued routinization of this work. Further, Batt's (2000) survey research on call-centre work and related back-office work in the USA found that the back-office work was organized predominantly along the lines of the bureaucratic 'classic mass production' model (p. 540).

It is also possible to make a strong theoretical case that the bureaucratic organization of back-office service work is likely to have endured. While many management fads come and go with predictable frequency, Total Quality Management (TQM) and Business Process Reengineering (BPR) are two key management approaches to the restructuring of work that appear to have had the most impact in the last decade and a half. They are also approaches in which the management prescriptive literature highlights their application to back-office service environments (Hammer and Champy, 1995). The key point to make about these approaches is that they have a strong rationalizing, essentially bureaucratic, logic at their heart. This is despite the rhetoric employed by authors regarding how the approaches transcend the bureaucratic past. Johansson et al.'s (1993: 7) evaluation of TQM highlights that, 'despite the application of TQM principles³, most Western companies remain *highly bureaucratic*'. Korczynski's (2003) discussion of TQM also highlights how management tries to use TQM in such a way as to link a strong formal rationalizing logic with a value or substantive rationality of serving the customer. In the back-office environment the discourse of the customer is more likely to be used by management as a way to *legitimize* rationalization rather than as a means to move away from rationalization. In this important sense, the logic of du Gay's argument (outlined in the introduction) is misplaced. Critical analyses of BPR similarly highlight that BPR may involve a re-organizing of work along processes rather than according to a strict department-centred logic. However, what results is not so much a de-bureaucratization but rather a re-bureaucratization organized around processes rather than around departments. As Blair et al. (1998) point out, BPR does not represent a significant rupture in management thinking. The essential bureaucratic approach to organizing work remains untouched. This means that inasmuch as TQM and BPR initiatives have restructured back-office service work in the last 15 years, it is likely that they have done little to fundamentally reconfigure this work away from a bureaucratic model.

Further, the arguments concerning why front-line service work may be organized along the lines of a customer-oriented bureaucracy rather than a simple bureaucracy, do not translate theoretically to the back-office environment. This is because the existence of customer interaction within the labour process is the central point from which Offe's ideas and the idea of the customer-oriented bureaucracy are extrapolated. Without the customer interaction in the labour process the logic of these arguments fall away. The arguments rest on the assumption that consumption and production occur simultaneously within the labour process of the service interaction, and that, therefore, the simple bureaucratization of production becomes highly problematic without the rigorous bureaucratization of consumption. The argument continues that rigorously bureaucratized consumption is increasingly difficult to achieve as service quality enters the terrain of competition between service firms. As Fuller and Smith (1991) note, customers tend to be 'idiosyncratic' in their expectations of, actions within, and evaluations of service work. If, however, as is the case with back-office service work, there is no simultaneous consumption and production within the labour process, then the essential problematic for the bureaucratization of production is removed. Lash and Urry (1994: 203) suggest that back-office service work and front-line service work are likely to have different forms of 'governance structures'. By implication, they are likely to have different forms of work organization.

Therefore, there are strong empirical and theoretical grounds for believing that this article's findings of continued bureaucratization are likely to be reproduced in many other back-office settings.

Notes

- 1 Note that in the case of call centres there are also studies which stress the importance of Taylorist features of work organization (Bain and Taylor, 1999; Callaghan and Thompson, 2001; Mulholland, 2002). Korczynski (2002: 90–6, 116–7) provides an overview of these debates in relation to call centres.
- 2 This does not mean that these back-office jobs did not involve forms of embodied emotional and aesthetic labour, but rather that the embodiment demanded of them did not pertain to customers.
- 3 It might be added because of its principles.

References

- Bain, P. and Taylor, P. (1999) "An Assembly Line in the Head", *Industrial Relations Journal* 30(2): 101–17.
- Batt, R. (2000) 'Strategic Segmentation in Front-Line Services', *International Journal of Human Resource Management* 11(3): 540–61.
- Blair, H., Taylor, S. and Randle, K. (1998) 'A Pernicious Panacea – a Critical Evaluation of Business Reengineering', *New Technology, Work and Employment* 13(2): 116–28.

- Burawoy, M. (1979) *Manufacturing Consent*. Chicago: University of Chicago Press.
- Callaghan, G. and Thompson, P. (2001) 'Edwards Revisited: Technical Control and Call Centres', *Economic and Industrial Democracy* 22: 13–27.
- Crompton, R. and Jones, G. (1984) *White Collar Proletariat*. London: Macmillan.
- Du Gay, P. (1996) *Consumption and Identity at Work*. London: Sage.
- Du Gay, P. and Salaman, G. (1992) 'The Cult(ure) of the Customer', *Journal of Management Studies* 29: 615–33.
- Du Puy, F. (1999) *The Customer's Victory*. Basingstoke: Macmillan.
- Edwards, R. (1979) *Contested Terrain*. London: Heinemann.
- Fournier, V. and Grey, C. (1999) 'Too Much, Too Little, and Too Often: A Critique of du Gay's Analysis of Enterprise', *Organization* 6(1): 107–22.
- Fuller, L. and Smith, V. (1991) 'Consumers' Reports: Management by Customers in a Changing Economy', *Work, Employment and Society* 5(1): 1–16.
- Hammer, M. and Champy, J. (1995) *Reengineering the Corporation: A Manifesto for Business Revolution*. London: Nicholas Brealey.
- Herzenberg, S., Alic, J. and Wial, H. (1998) *New Rules for a New Economy: Employment and Opportunity in Postindustrial America*. Ithaca, NY: Cornell University Press.
- Johansson, H., McHugh, P., Pendlebury, A. and Wheeler, W. (1993) *Business Process Reengineering*. London: John Wiley.
- Kerst, C. and Holtgrewe, U. (2001) 'Flexibility and Customer Orientation: Where Does the Slack Come From?', paper presented at the Work, Employment and Society conference, University of Nottingham, September.
- Korczynski, M. (2002) *Human Resource Management in Service Work*. Basingstoke: Palgrave.
- Korczynski, M. (2003) 'Industrial Relations and Consumer Capitalism', in P. Ackers and A. Wilkinson (eds) *Understanding Work and Employment*. Oxford: Oxford University Press.
- Korczynski, M., Shire, K., Frenkel, S. and Tam, M. (2000) 'Service Work in Consumer Capitalism', *Work, Employment and Society* 14(4): 669–87.
- Lash, S. and Urry, J. (1994) *Economies of Signs and Space*. London: Sage.
- Leidner, R. (1993). *Fast Food, Fast Talk*. Berkeley: University of California Press.
- Mulholland, K. (2002) 'Gender, Emotional Labour and Teamworking in a Call Centre', *Personnel Review* 31(3): 283–303.
- Offe, C. (1985) *Disorganized Capitalism*. Cambridge: Polity Press.
- Poynter, G. (1999) *Restructuring in the Service Industries*. London: Mansell.
- Sturdy, A. (1992) 'Clerical Consent' in A. Sturdy, D. Knights and H. Willmott (eds) *Skill and Consent*. London: Routledge.
- Thompson, J. (1967) *Organizations in Action*. New York: McGraw-Hill.

Acknowledgements

Thanks to Steve Frenkel, Leigh Donoghue, May Tam and Karen Shire who also contributed to the research upon which this article is based. The research was funded by the Australian Research Council and by Accenture.

Marek Korczynski

Marek Korczynski is a Reader in Employment Relations at Loughborough University Business School. He has published extensively on service and sales work. His books in this area are *Human Resource Management in Service Work* (Palgrave/Macmillan) and, with Frenkel, S., Shire, K. and Tam, M. *On the Front Line* (Cornell University Press).

Address: Loughborough Business School, Loughborough, LE11 3TU

E-mail: m.korczynski@lboro.ac.uk

Date submitted December 2002

Date accepted July 2003