



UNIVERSITY PHONE CENTER CASE

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OVERVIEW

Abstract

This case examines the impact of organizational change on employee motivation and organizational culture. Specifically, the Annual Giving Department in a state public university must make changes that will allow it to reach higher fund-raising goals in the Phone Center. The Phone Center was running smoothly until Robert Kinbote, the new assistant director, was hired and began to alter the rules and atmosphere of the department. Now, the supervisors and their direct reports are dissatisfied with the work environment. Phone Supervisor Rachel, in particular, is clashing with Robert and is conflicted about how to handle the situation.

Main Topics

Leadership, Human resource administration

Secondary Topic

Organizational culture

Teaching Purpose

To examine the fit among leadership styles, organizational goals, and employee motivation, and how change can clash with the culture and impact employee morale.

The Organization

The case examines a phone center in a fund-raising department at a state university.

Main Characters

- Amelia McKenzie, Director of Annual Giving
- Robert Kinbote, Assistant Director of Annual Giving
- Rachel Hewett, Phone Center Supervisor

BACKGROUND

The University of Southern Phone Center is a subdivision of the Annual Giving Department, the functional area in charge of university fund-raising. The Phone Center employs university students who call up to 40,000 alumni each year to solicit donations, which account for the majority of all pledges made each year. The Phone Center is an intimate organization with a small number of student fund-raisers and supervisors. Team morale is especially important because callers have to enthusiastically sell the idea of donating to the university to get results. The Phone Center has fund-raising goals that must be met each year. Goals include a total donation target, the number of alums who donate, and increasing donation amounts of previous donors.

PHONE CENTER ENVIRONMENT

Until six months ago, the Phone Center consisted of a hierarchy of positions that was quite simple: director of annual giving (Amelia), Phone Center supervisors (Rachel, Jesse, Christine, and Jeremy), and fund-raisers (various university students). Daily shifts at the Phone Center were managed by one of the four supervisors, each of them working three shifts per week. Amelia oversaw the supervisors, who in turn submitted a nightly report and attended a weekly meeting. Before beginning the application process for a position as supervisor, students had to be fund-raisers for at least two consecutive semesters. Therefore, each of the four student supervisors had previously done fund-raising for the Phone Center and knew what it took to get results.

The supervisors were given the autonomy to create motivational techniques and incentives for success, monitor calls and coach fund-raisers, and set goals and follow-up schedules with each of the fund-raisers who worked under them. Amelia trusted the supervisors to use their discretion on discipline, attendance, and coaching matters. She relied on them to follow Phone Center policies to the best of their knowledge. Amelia worked during the days, but since the students also made calls in the evening, it became the student supervisors' responsibility to do all of the statistical reporting from the shift and to keep track of attendance and time cards. Because the supervisors had autonomy and independence, their work procedures and expectations were not strictly defined and they exercised creativity in decision making and coaching.

There was a strong rapport among Amelia, the supervisors, and the student fund-raisers. When hired, students were introduced to everyone and socially integrated into the department. Introductions and "get to know you" games were organized at the beginning of every shift. There was friendly competition between teams when games were played and between individuals when bonus incentives were at stake. The supervisors developed the games and competitions to address the areas that could be improved in the Phone Center and the goals they were trying to meet in fund-raising.

The Phone Center truly had a team environment. Supervisors and fund-raisers helped one another by acknowledging good work, giving one another advice on how to handle difficult questions and refusals from alumni, and quizzing one another on university facts. The supervisors often implemented role-play situations before shifts began in order to simulate common situations that fund-raisers ran into while on the phones for a specific fund. Unless trustees (those alumni who pledge more than \$2,000 per year) were in the building, the dress code was always casual in the Phone Center. It was designed to have a fun, youthful atmosphere. Students were encouraged to take time to establish rapport with alumni by inviting them to hear university speakers, participate in tours, or attend sporting events in addition to asking for their financial support.

Fund-raisers were allowed a fifteen-minute break for every four hours they worked, but the structure of the breaks was flexible. The break could be taken any time after an hour into the shift, and the fund-raisers were given the option of not taking their break if they were "on a roll on the phones." If that were the case, they could leave fifteen minutes early at the end of their shift. If a fund-raiser were struggling in the middle of a shift, a supervisor would usually pull him or her off the phones for a break and talk about new ideas to try on the phone. Overall, the flexible timing of the breaks created a positive atmosphere for the student workers and helped them better meet their goals.

When the fund-raisers met major project goals, the supervisors would plan Phone Center events such as trips to the bowling alley, a movie night, dinner at a restaurant, or a pizza party to reward them for their hard work. On pizza party nights or for the holiday party, the Phone Center would be closed the last two hours of the shift for the celebration. Supervisors also organized weekend outings for the staff to increase morale and keep the Phone Center a fun place for students to work.

Overall, the Phone Center usually met but didn't exceed its annual goals. The goals were set in collaboration between Amelia and the executive board and were considered realistic financial targets. However, the economic downturn and decreasing endowment were making it essential for the university to acquire additional external funding. This was putting pressure on the Annual Giving Department and the Phone Center to raise their goals and bring in more alumni donations. At the same time, Amelia's job responsibilities were increasing and she found it difficult to manage all aspects of her job.

NEW STRUCTURE AND ASSISTANT DIRECTOR

In order to provide stronger oversight to the Phone Center and help it reach higher goals, Amelia and the executive board created the position of assistant director of annual giving. This decision changed the managerial design and organization structure of the Phone Center. The main duty of the new assistant director was to oversee the management of the Phone Center, thus

relieving Amelia of direct supervision of the Phone Center staff. This in turn allowed her to focus on higher-level fund-raising issues.

Robert was hired as the assistant director. He was a university alum who had previously worked as a fund-raiser and a supervisor in the Phone Center before graduating. Rachel and Jesse, two of the senior student supervisors, had worked with Robert and considered him a friend. Robert had been their supervisor when they were first-year students, and they had been equals with Robert when all three were hired to supervisor positions. Rachel and Jesse were excited that the assistant director would be someone they knew and respected. They remembered Robert being relaxed, laid-back, and respectful. They also remembered that he was the first to volunteer to leave a shift if there were not enough fund-raisers signed up to warrant two supervisors on the shift. Robert did not take his job as supervisor too seriously and had just done what he needed to do to get his paycheck. He was fun to be around, but not really a strong leader. They assumed he would be the same old Robert.

According to the new structure and job description of assistant director, Robert was going to be at five of the seven weekly Phone Center calling shifts to direct the fund-raisers and the supervisors, adding another layer of management. The student supervisors, Rachel, Jesse, Christine, and Jeremy, were now to complete the regular nightly report and meet weekly with Robert instead of Amelia. Robert also would directly supervise them during a shift. This was a major change in the work environment that gave them less autonomy and discretion. The supervisors now felt that they had to look over their shoulders when Robert was on a shift. Figure 1 depicts the new structure.

It was immediately clear that Robert's leadership style was much different from Amelia's. Robert was very strict, and his number one priority was raising the most money possible on each shift. Incentives, creativity, and entertainment were far down on his list of priorities. The supervisors, on the other hand, were accustomed to creating a fun environment where employees would want to raise as much money as possible. They liked to inspire, not

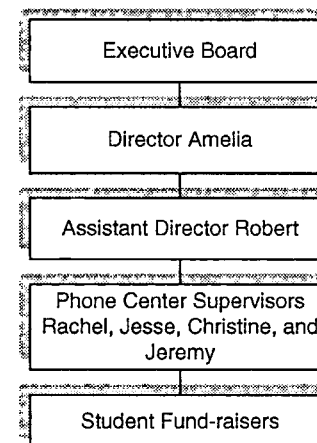


FIGURE 1 New Phone Center Organizational Structure

mandate. Robert's style clearly clashed with the Phone Center's culture and the preferences and expectations of the supervisors and fund-raisers.

CONFLICT BETWEEN RACHEL AND ROBERT

One of the supervisors, Rachel, was the most dissatisfied with Robert's leadership and management approach. Rachel was the most experienced supervisor on the team. Although they had worked together well in the past, Robert wanted nothing to do with Rachel's ideas for creative innovations. For example, Rachel had suggested splitting up the fund-raisers into mixed teams of top fund-raisers and struggling fund-raisers to compete in a "Survivor" game. Robert, however, wanted to see all the callers in their seats before the shift started, and he didn't want any of them to be out of their seats except on their breaks. Rachel's ideas for the game would not work very well in an environment in which the fund-raisers were not allowed out of their seats to celebrate pledges or to participate in a game or activity.

Rachel was disappointed that Robert was not allowing the supervisors as much freedom or creativity in decision making as they formerly had. This freedom allowed them to create motivational games, competitions, or incentives while keeping up morale so fund-raisers were excited to come to work. Before Robert came into the office, the supervisors used team games such as "The Amazing Race," Phone Center Monopoly, bingo, basketball, and "hot potato" to keep the fund-raisers excited about participation, upgrades in gifts from the last amount an alum had given, and credit card gifts. Now, Robert insisted that the supervisors should not be out of their seats to play a game after getting a pledge because that was wasting good time during which successful fund-raisers could be soliciting another pledge.

Robert also cut back on the fund-raisers' break time and was inflexible about how that time was to be used. He did not trust the fund-raisers to take their break when they felt they needed it. Instead, he insisted that every fund-raiser take his or her break at exactly 7:30, and if they were on a call at that time, then they didn't get their full ten minutes. Rachel remembered how much she needed breaks when she was a fund-raiser, and she was angry with Robert for taking five minutes away from their break and their freedom of when to take it.

Robert refused to close the Phone Center for outings as a reward for meeting project goals; he also thought that bringing in food for break time would make fund-raisers lose their focus. He wanted the Phone Center to be about business and making money. As a result, the fund-raisers didn't seem as excited about getting a pledge because the games and incentives they were used to were nearly eliminated. Rachel felt as though she was letting the fund-raisers down rather than rewarding them for their hard work and motivating them to get back on the phones. Rachel now felt that her job was not fun, exciting, or rewarding anymore, and she started dreading going to work. With the supervisors having less freedom to create fun activities in the Phone Center, morale was negatively affected across the board.

CENTRALIZED DECISION MAKING AND AUTHORITY

Robert believed that he knew what was best for the Phone Center. After all, he was now responsible for its fiscal success in fund-raising. Robert wanted to take advantage of the skills of his best fund-raisers in order to get the best statistics every night. To him, this meant they needed to work nearly every shift and stay on the phones the entire time to make the most contacts possible. The supervisors thought that Robert should also focus on what made his best fund-raisers as good as they were: skill development with help and coaching from supervisors.

Robert's method was to constantly monitor fund-raisers to ensure that they were doing their best on every single call. Robert was not afraid of using the fear of getting caught using the incorrect techniques on the phone to make certain that the fund-raisers were always acting with a view to bringing in a profit. The supervisors believed that the fund-raisers should not always be in fear of losing their job and should be able to express their own styles and try different techniques in phone conversations, connecting with alumni and positively reflecting the university. Robert thought that the fund-raisers' paychecks were the motivation for them to do well because he could always take them away by firing them. The supervisors believed that fund-raisers needed motivation that went beyond the hourly wage by involving fun, friendly competition, prizes, bonus incentives, and rewards. Robert often said, "This is one of the best-paying jobs in town for students. Isn't that enough? That should be all they need."

After about a month with the new structure in place, Rachel, Jesse, Christine, and Jeremy were informed in a weekly meeting that three new student supervisors would be hired instead of the one or two additions that were previously planned for the next semester. This brought with it the stipulation that each supervisor would now be supervising two shifts per week instead of three and would be in the role of student fund-raiser one shift per week (thus replacing one supervisor shift with one calling shift each week).

All four supervisors were shocked because Robert had not even brought up this idea before, so they had had no time to digest it. Robert made this decision without considering input from Rachel, Jesse, Christine, or Jeremy, even though they used to be equals in the organization. Rachel was especially hurt because this was her third year as a supervisor, and Amelia had always listened to her opinions and input before making a big decision like this that would affect her position. There was immediate tension in the room because the supervisors felt robbed: they had worked hard as fund-raisers and, through the interview process, advanced to supervisors so they would graduate to higher responsibilities than just the phones. Rachel asked Robert why he had made this decision, and he stated that supervisors should be some of his best fund-raisers because of their training, and the whole point of the Phone Center was to raise money. Rachel understood that fund-raising was the main reason that the Phone Center had been created, but she also knew

that alumni outreach and education were equally important in gaining alumni support. She believed that Robert was interested only in money and not in the talented people who were working for the Phone Center.

With these new rules in place, the boundaries concerning interaction between supervisors and fund-raisers broke down. The lines of authority had become unclear. This was because the supervisors were in the position of being the fund-raisers' equals one shift per week and their supervisors with authority over them two shifts per week. Rachel was uneasy and nervous because she needed to prove that what she was coaching the fund-raisers to do two nights per week would bring her success also (practicing what she preached, so to speak). Moreover, because Rachel had only one night of calling statistics per week; a bad night on the phone could be detrimental to her weekly stats, which could tarnish her credibility in the eyes of the student fund-raisers she coached. Rachel felt as though she had been demoted by having to work one shift per week at a lower level in the department hierarchy than what she was hired to do. Jesse, Christine, and Jeremy told her they felt the same way, but they didn't want to stand up to Robert and risk losing their jobs or making Robert dislike them for questioning his authority.

Rachel was very unhappy in her position as supervisor, and she knew she could not hide her discontent while coaching the fund-raisers or working with fellow supervisors. She tried to leave her bad attitude at the door before she walked into the Phone Center, but she knew she just was not being as effective in doing her job as she once was. Rachel believed that her options were (a) to quit because she was no longer as respected or effective in her position; (b) go over Robert's head to Amelia and express her concerns professionally, explain her unhappiness, and see what Amelia could do to remedy the situation; or (c) try and mediate with Robert in a private meeting.

Rachel did not want to give up the job she had worked so hard at for three years, but she knew she would not be effective or happy if she stayed under these circumstances. Rachel knew that Amelia had faith in Robert and that just because his management style was different from Amelia's didn't mean that he was wrong. Rachel did not want to look like a tattletale to Amelia, and she did not want to make it look like she could not adapt to new situations. Rachel also knew that a meeting with Robert would prove to be difficult because he was set in his ways and saw her as being below him in the hierarchy. If she did choose to meet privately with Robert, she would have a difficult time keeping emotions out of the conversation. Rachel didn't know what to do.

Discussion Questions

1. What are the strengths and weaknesses of Robert's versus Amelia's leadership styles?
2. Describe the approach to motivation that appears to work best for the student fund-raisers. How does Robert's style conflict with this approach?

3. Do you think that Robert was hired to bring about change? How could Robert and Amelia have better prepared the Phone Center for the changes in leadership and culture?
4. What action steps do you suggest for Rachel? How can she balance her desire to excel at her job with her dissatisfaction with the new management style?
5. What needs to be done to improve the morale of the Phone Center staff before it's too late? How can the Annual Giving Department reach its higher goals?