

DO POPULAR PEOPLE PERFORM?

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ABSTRACT

Are popular people good performers? This is the driving question behind this study of workplace behavior and performance. The literature suggests that popular people, those who hold central positions in a social network, will also have high levels of individual work performance in a customer service setting (Hogans, 1971; Hurley, 1998; Stevens & Macintosh, 2002). However, after analyzing social network data from 128 employees in a call center, the data show that popular people, those holding a central role in the friendship network, are likely to underperform their colleagues in technical work and sales performance. Implications for employee selection and management of customer service employees are discussed.

INTRODUCTION

With recent attention on social networking activities, both real and virtual relationships have received increasing attention in the literature (Verbeke and Wuyts, 2007; Burt, 2007). Particular attention has been paid to the role of social network position and its correlation with many individual level variables (Bowler & Brass, 2006; Thompson, 2005). Yet, little empirical work has been reported on the relationship between an individual's social network position and his or her work performance in a customer service setting. This is somewhat surprising as data from the U.S. Bureau of Labor Statistics (2003) show that the "service-providing industries are expected to account for approximately 15.7 million new wage and salary jobs generated over the 2006-2016 period, while goods-producing industries will see overall job loss."

The intent of this study is to review the literature on network position and employee performance and empirically test if the number of close personal ties an employee has at work influences the employee's customer service performance. This study is one step to help researchers and working managers better understand the importance of relationships at work and their influence on employee performance in the context of customer service delivery.

LITERATURE REVIEW

Social network analysis is the study of relational structures and their impact on performance (Scott, 2001). Research in social network analysis has developed

incrementally from its early roots in the study of social structures of immigrants in the 1930s and the application of graph theory and network structure in the 1960s and 1970s. (Scott, 2001). As this perspective focuses on relationships rather than the individual or organizational characteristics, this perspective provides a unique and fresh approach to the study of individual behavior in organizations. It also provides an enlightening look into the outcomes of management practice in customer service settings.

Using the social network perspective, recent research in management has focused on the outcomes of relationships between people at work (Lambert, Eby, & Reeves, 2006; Seibert, Kramer, & Liden, 2001; Verbeke & Wuyts, 2007). Social network ties have been correlated with the performance and receipt of interpersonal citizenship behavior (Bowler & Brass, 2006). Network position has been positively correlated with increases in performance in knowledge-based work (Cross & Cumming, 2004). Individual performance and information sharing has been correlated with participation in social circles (Verbeke & Wuyts, 2007) and social networks have been found to impact career success (Seibert et al., 2001). Applying this perspective to team settings, research has also been able to link the social network position of team members to team performance (Marks, Dechurch, Mathieu, Panzer, & Alonso, 2005). This research evidence suggests that both the number and quality of an individual's social network ties positively influences their work-related outcomes.

However, this research is not consistent in its findings. A study of MBA students found that centrality in friendship networks did not correlate with individual grade or team grade performance (Baldwin, Bedell, & Johnson, 1997). Another study found that network benefits are only available to certain people in network positions. For example, Burt (2007) found that the social networking phenomenon of brokering of information is most beneficial with direct ties and not effective with indirect ties. Orpen (1996) found that network behavior and career success is not a direct relationship but is moderated by dependency.

Because research results have not been consistent, there is a need to further explore the relationship between social network position and work outcomes. This exploration should help managers be more cognizant of relationships at work. Improving our understanding of employee relationships and their impact on performance is particularly critical in managing front line customer service employees. As observed in the literature, the "new economics of service" seem to be that "frontline workers and customers need to be the center of management concern" (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994).

Yet, the literature has been slow to respond to this call for action. Despite the "long run of service dominance, we still find two things to be true. One, key indicators of customer satisfaction with services confirm that in direct phrasing, 'Service stinks.' Second, the academic management literature still offers little in the way of comprehensive treatment of the differences (between) managing service organizations and managing good producing organizations" (Bowen & Hallowell, 2002). Could it be

that we have not yet helped managers identify the processes that will improve performance in customer service settings?

In an effort to discover the contextual limits around whether or not an individual's position in the social network will influence his or her work performance, our attention now turns to a leading method of customer service delivery in today's work environment. In many settings, customer service and sales interactions are delivered completely online or over the telephone. With the explosion of social networking online and the growing call center industry, it is equally likely that an individual who calls a help center for assistance will speak with a customer service representative or salesperson working in a call center in a small town in the USA or a small town in India.

This being the case, it is imperative that managers discover which relational characteristics lead to an employee appropriately managing customer service interactions over the telephone and whether or not these relationships are different than those that are desirable in face to face interactions. It could be that in face to face interactions, an employee, who has many links to others in a social network, will be able to relate to many different types of people. These links in the social network will provide the employee with a wealth of experience that can be leveraged into conversations about experiences that can enhance a conversation with a customer or client. Additionally, the large number of relationships an individual has will likely improve his or her ability to rely on those relationships for answers or guidance when they are needed.

Alternatively, in a customer service setting, many organizations use scripts to guide a call center employee through the customer service or sales experience. When a call is received, there are protocols established and conversation scripts to guide the employee's conversation with the customer. Normally these scripts and protocols are based on past experiences with customers that have led to positive outcomes. It is then imperative to hire employees that follow company's protocols and processes.

This is a challenging paradox for managers. They may desire to hire individuals with a large number of network ties as they will likely build ties with customers and clients. Yet, if an employee has a large number of social network ties, the employee will likely spend time nurturing these ties and increasing the number of ties the employee has at work. The employee may also be less likely to follow scripts provided by the organization and more likely to rely on his or her own network ties as he or she refers to experiences and relationships that engage customers and clients in conversation. This effort to build network ties can actually damage the revenue of the call center as many call center business models are based on increasing the calls handled per minute.

Based on the venue, it would seem that managers would look for employees with social networks that fit the work environment. If the customer service interaction is in a face to face environment, the employer would want someone who is engaging and has a large network of individuals to rely on. These network connections would provide the customer service employee with the experiences necessary to engage in conversations with a large variety of potential customers and clients. However, if the venue engages customers or clients through telephone conversations or online, these characteristics

may cause the individual to deviate from scripts and protocols adding valuable time to the interaction and unscripted conversations that may or may not be beneficial to the customer service process. Due to the controlled and scripted nature of call center customer service and sales, we would expect that individuals who have many close network ties will underperform their peers.

Hypothesis: The number of an employee's close positive network ties will negatively correlate with the employee's work performance in a call center customer-service or sales setting.

METHODS AND ANALYSIS

To collect data for this analysis, the researcher administered a survey to employees in a call center in the southeast United States. Each employee received paid time off the telephone to complete the survey (n=128 of N=200 employees). Employee responses were then combined with performance data from the call center.

Dependent Variables

To test the hypothesis, the researcher employed the dependent variables of technical work performance and sales revenue per call. These measures are often used in call centers as direct measures of employee performance.

The first dependent variable was collected by the call center through trained evaluators listening to calls received by the employee. Several times per month, each employee is observed by a supervisor to measure the technical compliance of an employee's responses to customers. The average rating of these observations is used as the first dependent variable "Technical Rating." The dependent variable was measured two months following the collection of survey data.

The second dependent variable was collected by the organization as well. This dependent variable "Revenue Per Call" divides the total revenue generated by the employee by the number of calls taken by the employee. This variable is calculated by month. This data was also collected two months following the initial survey. Both dependent variables were provided by the call center.

Independent Variables

The independent variable was collected by employing the roster method of social network data collection (Scott, 2001). Each employee was given a roster of all employees in the organization and asked to check one of the following items for each employee: Distant: I don't enjoy spending time with this person; Less Than Close: I don't mind working with this person; Close: I enjoy working with this person; or Especially Close: This is one of my closest contacts. As this analysis focuses on those individuals in the network with especially strong ties, the predictor variable is a summary count of all the peers who identified the employee as being especially close to him or her.

Control Variables

In addition to the predictor and outcome variables, each respondent completed the LMX7 scale (Graen, Novak, & Sommerkamp, 1982). This is the only item in the analysis that was provided by the employee thus removing many of the challenges faced by common methods bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003) (other challenges related to validity are discussed in the limitations section below). The LMX7 scale was included. This is a seven item scale that measures the quality of the relationship of the supervisor and the subordinate. As noted in a meta-analysis “LMX7 is by far the most frequently used LMX measure” (Gerstner & Day, 1997). Following the meta-analysis, the authors concluded, “one implication of these findings is that LMX7 appears to provide the soundest psychometric properties of all available LMX measures”. It is included to control for any influence of the relationship between the individual employee and his or her supervisor on the employee’s behavior and work performance. Sample items from this scale include “I have enough confidence in my supervisor that I would defend and justify his/her decision if he/she were not present to do so” and “How would you characterize you’re working relationship with your supervisor?”

A second control variable in the analysis is the number of peers that rated the employee as “Distant” as described above. This variable is included as a control to remove some of the influence that negative relationships at work could have on employee’s work performance.

RESULTS

Table I shows the correlations between all variables included in the study. Some interesting correlations include the negative correlation between LMX7 and “Indegree Distant” and the negative correlation between both dependent variables “Revenue/Call” and “Tech Rating.”

It is expected that LMX7 and “Indegree Distant” would be negatively correlated. LMX7 measures the strength of a positive relationship between a supervisor and an employee and “Indegree Distant” is a summative measure of the number of negative relationships a particular employee has in the work setting. While in some instances employees may have a strong and positive relationship with their supervisor and negative relationships with others, in these data this correlation suggests that they are negatively correlated. Thus, in these data, if an employee does not get along well with his or her supervisor, the employee does not get along well with others.

Both dependent variables are significantly negatively correlated with “Indegree Closeness.” Thus, if an employee has many close contacts in the work setting, there is a negative impact on the employee’s work performance. This provides initial support for the hypothesis developed in this paper. Table I follows with the descriptive statistics including the mean, standard deviation, and correlations coefficients of the variables used in this study.

In addition to the correlations between the variables, the study variables were checked for correlations with the demographic variables of age, education, and sex. The only statistically significant correlations were a positive correlation between age and indegree close ($\alpha=.236$, $P<.01$) and a negative correlation between education and technical work compliance ($\alpha= -.286$, $P<.01$). To check for the influence of these variables on the analysis, the author completed the statistical analysis presented in Table II adding the variables of age and education as controls. This analysis showed there was no change in the statistical significance in the change in R^2 by including or excluding age and education in the analysis. As this paper does not present a theoretical reason to include them, therefore, education and age were excluded from the analysis shown in Table II.

TABLE I: DESCRIPTIVE STATISTICS AND CORRELATIONS

Variable	Mean	Standard Deviation	1	2	3	4
Indegree Distant	3.92	3.29				
LMX7	3.79	0.81	-.175*			
Indegree Close	8.21	5.41	-.013	-.053		
Revenue/Call	28.55	11.11	-.062	.139	-.221**	
Tech Rating	3.39	1.22	.077	.081	-.181*	.028

n=128 (cases excluded listwise)

*Significant correlation at the $P=.05$ level (1 tailed)

**Significant correlation at the $P=.01$ level (1 tailed)

The LMX7 scale alpha coefficient for reliability is .885

The hypothesis being tested is that the number of an employee's close positive network ties will negatively correlate with the employee's work performance in a call center customer-service or sales setting. To test the hypothesis, the researcher employed hierarchical linear regression. In Model 1: Step 1, the researcher regressed the dependent variable of "Revenue/ Call" on the control variables ("LMX7" and "Indegree Distant"). This analysis shows the effects of each control variable on the dependent variable without any effect from the independent variable of "Indegree Closeness."

In Model 1: Step 2, the independent variable of "Indegree Closeness" was added to the regression equation to see if it contributed a significant increase in the explanatory power of the regression model. If it does statistically increase the model's explanatory power, the hypothesis is supported regarding this independent variable.

In Model 2, Steps 1 and 2 are repeated with the dependent variable "Technical Rating". The regression results are shown in Table II below. If the hypothesis is supported, the results would show that there is a significant increase in the explanatory power of the linear regression model when the predictor variable "Indegree Closeness" is added to models I and II in step II.

TABLE II: REGRESSION RESULTS

Variable	Model 1		Model 2	
	Step 1 β	Step 2 β	Step 1 β	Step 2 β
Indegree Distant	-.039	-.044	.094	.090
LMX7	.132		.097	.087
Indegree Close		-.215*		-.175*
R ²	.021	.067	.015	.046
Adjusted R ²	.005	.044	-.001	.023
Change in R ²		.046**		.030***

n=128 (cases excluded listwise)

* β Statistically significant at the level of $p < .05$

**Significant significant change in $F = 3.957$, $P < .05$

***Statistically significant change in $F = 6.113$, $P < .05$

Both models 1 and 2 show that the addition of the independent variable “Indegree Close” in Step 2 explains a statistically significant amount of the variance in the dependent variables “Revenue/Call” and “Technical Rating” above the variance explained by the control variables (“LMX7 and Indegree Distant”). Additionally the betas of the independent variable in each model (“Indegree Close”) are negative. Therefore, the hypothesis of this paper is supported in both models. In this context, the higher number of strong positive relationships an individual has in a call center setting (as identified by his or her peers), the lower their technical work compliance and revenue per call. Indeed, in this telephone-based customer service setting, popular people underperformed their peers.

LIMITATIONS

While efforts were made to assure that proper and adequate research methods were used to complete the study, this research project is limited by the fact that data were collected from one call center at one location. While limiting the study to one location allowed the use of social network data collection process, it also limits our ability to make generalized statements about the results. These findings may or may not be the same if this study were to be performed in a different geographic location or in call center managed by another company.

As the data were collected using different methods (peer ratings, individual performance measures, and a self-report scale), the threat of common method bias is lower than it would be if the variables were collected using the same instrument (Podsakoff et al., 2003). Yet, there are likely validity issues in measuring each of the conceptual variables in the model. It could be that individuals in the organization have their own perception of the terms “Close,” “Distant,” and “Especially Close.” These perceptual differences could cause rating inconsistencies between peer raters. Also, there is not a method in this data set to collect the type of call received by the employee.

If an employee received a significant portion of negative calls or complaining costumers the imbalance could inordinately affect call outcomes.

IMPLICATIONS FOR MANAGERS

The data in this study suggest that popularity (as defined by holding a central position in the social network) is negatively correlated with technical work and sales performance in a telephone sales environment. This finding goes against traditional thought regarding the skills and training necessary for sales professionals. Often sales professionals are selected by their ability to appeal to people and engage them in conversation. However, the study found that those who develop many positive relationships at work are not the most productive employees.

This realization may impact the practice of call center management. Often call center managers require face to face interviews between themselves and potential employees. These interviews reveal the future employee's ability to interact in a face to face setting and engage the manager in conversation. Often employees in this setting sell themselves to the manager by discussing their credentials and past work history. While the potential employee's work history and credential may be of some importance, it may mislead the manager into considering skills that are unneeded in a call center work environment. The skills needed in a face to face setting may actually hurt future sales and technical work performance in a call center setting.

Managers may find better results if they did not meet future employees face to face but simply rated them on their ability to follow a script and respond to prescribed responses via the telephone. Call center managers could also review how they train current employees, how they handle employee discipline, and how they make retention decisions. It may be that employees who are social and get along well with their peers are the ones that need to be retrained, refocused, or replaced.

In this study popular people did not outperform their peers. Yet, more research is needed to explore the reasons behind this phenomenon and what managers can do to improve work performance in call center employees. It could be that managers who work with call center employees need to develop a new profile of an effective employee and implement new selection, training, and management practices to increase sales and technical performance. It may be that this research encourages practicing managers and researchers to take a broader look at lower level sales and customer service personnel and the range of relationships that influence their performance. As our economy becomes more and more service-based, managers will need to be equipped with the skills, techniques, and perspectives that will help deliver quality service using mediums and methods yet unexplored. It is our hope that this research encourages such questions in practice and in research.

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