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Customer Service and the Disempowered Client: Business Process Reengineering in a Public Welfare Agency

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Abstract

This paper presents a case study of business process reengineering in the San Diego County Family Resource Centers (USA), which process applications for food stamps, welfare (TANF) and Medicaid. Reengineering is supposed to improve customer service and organizational efficiency by using information technology and worker empowerment. In this case we find that reengineering has led to deteriorating service for clients and the deprofessionalization of the quasi-professional caseworkers. Our findings contribute to the sociology of interactive service work by building on insights regarding the contradictory logics at the heart of the service encounter: rationalization to achieve quantitative efficiency versus customer-orientation aimed at creating satisfied customers. We argue that because reengineering happened in a context of disempowered welfare clients, that cost reductions were emphasized over improved customer service.

Keywords

Business process reengineering, customer service, interactive service work, labour process, public sector, welfare, work intensification, worker empowerment

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Since the 1980s there has been an international movement to reform the public sector in the image of the private sector (Lynn, 2006). Public agencies are increasingly managed according to private sector metrics such as performance targets, cost-cutting and efficiency goals. Models of reform include approaches developed specifically for the public sector – “reinventing government” in the US (Frederickson, 1996) and “new public management” in the UK and elsewhere (McLaughlin et al., 2002) – and some borrowed from the private sector, most notably business process reengineering and lean. In the UK there is a small but growing critical literature by labor process scholars on business process reengineering and lean in public services, showing that public sector workers typically experience these initiatives as an assault on their autonomy, creativity, and the meaningfulness of their everyday work (Blair et al., 1998; Harrington et al., 1998; Leverment et al., 1998; Carter et al., 2013a; Carter et al., 2013b). In the US there is a dearth of critical research on restructuring in public agencies – despite the fact that the study of interactive service work was pioneered by US sociologists (Hochschild, 1983; Leidner, 1993; Macdonald and Sirianni, 1996b). Leidner (1993) introduced the concept of interactive service work as part of her broader theory of how labor process dynamics are complicated by the presence of customers or clients, depending on how the interests of managers, workers and customers/clients align in particular contexts.

Thus far, the critical literature on restructuring in the public sector and the literature on interactive service work remain isolated from each other. We combine the two literatures here and introduce the concept of the disempowered welfare client in our analysis of a case study of business process reengineering in the San Diego County Family Resource Centers, part of the US Health and Human Services Agency. Consistent with much of the findings from the British literature on reengineering and lean initiatives, our findings reveal the neotaylorization and

deprofessionalization of quasi-professional public employees through a fragmentation of the worker/client relationship, dramatic work intensification (despite the rhetoric of empowerment), deteriorating service and increased dissatisfaction among clients. However, we note a number of studies showing that teamwork, lean and reengineering can be implemented in distinct ways, with variable outcomes for workers, depending on managerial priorities and orientations (Appelbaum and Batt, 1994; Kochan et al., 1997; Bacon and Blyton, 2000; Vidal, 2007). We thus go beyond the studies of reengineering in the UK, which argued that business process reengineering and lean are merely smokescreens for work intensification, by bringing the customer/client into the analysis. We argue that in the present case rationalization was allowed to completely overwhelm any attempt to improve customer service because the clients are disempowered welfare recipients.

We begin by reviewing the literature on business process reengineering and then turn to the literature on interactive service work. We next discuss our methods. Finally, we document how reengineering has been implemented in San Diego's Family Resource Centers based on a survey of 342 workers and in-depth interviews with 24 of them. Our case study of San Diego County is important because business process reengineering is being rolled out in welfare agencies across the USA, having already been implemented in Florida, Indiana, New Mexico, Oregon, Pennsylvania, Texas, Washington and Utah (Supplemental Nutrition Assistance Program (SNAP) Modernization Workgroup, 2011).

Business Process Reengineering

The goal of reengineering, according to founders Michael Hammer and James Champy (2001:35), is to achieve significant improvements in service, quality and speed, all the while

reducing costs. Reengineering proposes to leverage technology to make radical changes in the work process, eliminating unneeded activities and dramatically reorganizing core processes via information technology. Reengineering emphasizes shifts from functional departments to process flows and from discrete tasks to multidimensional teamwork (Grint, 1994). Thus, like lean production (Vidal, 2007), reengineering is a form of neotaylorism that aims to develop improved process flows to be managed by empowered workers. As Hammer and Champy (2001: 74-5) stated, management “must also give [employees] the authority to make the decisions to get it done... People working in a reengineered process are, of necessity, empowered.” Where reengineering differs from lean is that the former emphasizes the role of information and communication technology in playing a central role facilitating the redesign of work processes (Willmott, 1994), has a top-down focus (Blair et al., 1998) and aims for radical change, whereas lean emphasizes relatively low-tech solutions driven from the bottom-up in order to achieve continuous, incremental change.

A small number of studies on reengineering in the public sector have been conducted in the UK. At the National Health Service, Leverment et al. (1998) documented a shift from patients being admitted to one area for the duration of their rehabilitation in a musculo-skeletal ward, to being divided into two wards: acute and rehabilitation. The result was that nurses could no longer care for patients throughout the duration of their stay. In a large public sector service organization, Blair et al. (1998) found that the main emphasis of reengineering was delaying and staff reduction, leading to work intensification for the remaining staff. Harrington et al. (1998) found that under reengineering in a social security agency the contradiction between the top-down approach and goal of worker empowerment was managed in the favor of the former, leading to centralization of key aspects of the caseworkers’ jobs through automation, which

reduced worker autonomy. Similar findings have been documented under the application of lean to the UK public sector. Carter et al. (2013b) conducted a study on HM Revenue & Customs tax processing centers, finding the main outcome nearly identical to the foregoing studies on reengineering: staff reduction, which had the effect of deteriorating customer service and damaging workers' ethos of public service. In a companion study, Carter et al. (2013a) found statistically significant correlations between work intensification after lean restructuring and mental fatigue, stress and headaches.

While these findings suggest that reengineering and its sibling lean, by their very nature, emphasize work intensification and technical solutions over training and employee involvement, and indeed may effectively be smokescreens for work intensification, other findings from the private sector show variation in how these systems are implemented. Albizu and Olazaran (2006) studied reengineering in 20 European firms and found instances where managers implemented reengineering in a more negotiated way, including positive changes in worker participation and human resource practices. Similarly, a number of other studies on lean and teamwork in the US and Europe have found variation in how these systems are implemented, ranging from work intensification to little change in daily routines to substantive forms of employee involvement (Appelbaum and Batt, 1994; Kochan et al., 1997; Bacon and Blyton, 2000; Vidal, 2007).

The main explanation for variations in how teamwork, reengineering and lean are implemented refers to managerial priorities and orientations (Appelbaum and Batt, 1994; Kochan et al., 1997; Bacon and Blyton, 2000; Vidal, 2007). While there may be many contextual, cultural and individual sources of variation in managerial priorities, in the context of front-line service work, the power of the customer may play a central role.

Interactive service work with different types of customer/client

Fuller and Smith (1991) argued that bureaucratic forms of control are not suitable for ensuring consistent service because customers can be idiosyncratic, with varying needs. The alternative method they highlighted was the use of customer feedback to control workers, effectively using customers as a tool for controlling labor. To generalize these issues, Leidner (1993) introduced the concept of interactive service work, consisting of a triangle of power between managers, workers and service recipients. Lopez (1996) added that in some cases, such as when the customers are large retailers, managers may not be able to subordinate customer interests to managerial interests, further complicating the alignment of interests in interactive service power triangle. In the free market narrative of the customer *qua* mythical sovereign, customers are always powerful enough to either control workers for managers or to override the wishes of managers, depending on their immediate interests, but in reality not all customers are willing to play such a role (Bolton and Houlihan, 2005) and customer power will vary by service context.

One implication of the theory of the interactive service triangle that has not yet been explored in the literature is how the power of customers may influence managerial priorities. Within the interactive service labor process, managers face inherently conflicting priorities: rationalization to ensure consistent service or empowering workers to provide individualized service (Leidner, 1993; Macdonald and Sirianni, 1996a; Taylor and Bain, 1999; Korczynski, 2009). Combining this theory of the interactive labor process as inherently contradictory with the theory of the power triangle suggests that the power of customers may be central to how the “quantity/quality dilemma” (Taylor and Bain, 1999) is resolved. Batt’s (2000) finding that call centers provide high-involvement work systems for high-value customers but not for lower-value customers is suggestive in this regard. However, there has been virtually no attempt to theorize

the interactive service labor process where customers are disempowered and how such a client base may affect the implementation of customer-oriented models of work organization. In a review of the literature on “workers and their customers and clients,” every study that McCammon and Griffen (2000) is discussed, save one, focused on high or increasing levels of customer power. The one exception was Heimer and Steven’s (1997) study of hospital social workers, which found that wealthy clients were more able than poor clients to leverage social worker influence into better treatment from the hospital.

The case study and methods

In 2005, San Diego County invested \$744 million in a computerized case management system to facilitate switching from paper to electronic files as required by state law. In order to “align with the new system” and capitalize on the new technology, the County planned a business process reengineering project, designed in consultation with the UC San Diego Center for Management Science in Health. There are three main programs that clients access at the Centers. *CalFresh* (known nationally as SNAP – Supplemental Nutritional Assistance Program) provides food stamps. *CALWorks* (known nationally as TANF – Temporary Assistance for Needy Families) provides cash assistance to indigent families. *Medi-Cal*, free or low-cost medical coverage for the poor, blind and disabled, is the largest program in terms of number of recipients.

Reengineering began with a process mapping exercise that identified, across the three programs, “28 individual decision points and 8 interacting pathways with 6 possible outcomes” (Fontanesi, 2010). Having identified “decisional complexity” and “rigid staff assignments and variable client demand” as the central problems, reengineering focused on transforming from system of “single-program specialty workers” managing individual caseloads, to a “task-based

eligibility process” with “multi-program knowledge workers” organized in “Task Groups” and “managing tasks as a team,” with the goals of process standardization across Centers and same-day processing of applications (Forrester, 2010). Additionally, a call center, called ACCESS, was implemented to handle client inquiries and reduce traffic in the Centers. Reengineering was rolled out across nine of the ten Centers in 2009, with the pilot project at a first Center in April, five additional Centers in July, and the final three Centers in October (the tenth Center, which serves mostly homeless clients, was not reengineered).

In the spring of 2011, we surveyed 342 eligibility workers, titled “Human Service Specialists,” and clerical staff, or “Office Assistants,” and conducted in-depth interviews with 24 of them to find out about their work lives.² We created a survey based on our review of reports and articles on the San Diego County welfare system and speaking with worker advocates. We held two focus groups with five workers in each to test the questions. Revisions were made based on this testing procedure. To gather feedback on survey results and potential recommendations we conducted a final focus group with 12 workers. Importantly, 224 respondents were eligibility workers who had been at their jobs for more than three years, prior to the implementation of reengineering, and therefore, had a basis for comparing work conditions before and after its implementation. All statistics we present below for our study on employee assessment of reengineering are restricted to this long-term group of eligibility workers. Following the survey, we created an interview guide for in-depth interviews to delve more deeply into the issues raised in the survey. These interviews lasted about one hour, and were conducted at a site chosen by the worker outside of work hours. Twenty-four in-depth interviews were conducted with workers from nine Centers and ACCESS.

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As of July 2010, there were 1,134 eligibility workers and clerical staff in the Centers and ACCESS, 342 of whom participated in the survey. This is response rate of 30% of all eligibility workers and 30% of all clerical staff. Considering that the survey took place at work (during lunch hour) without management approval, this is a reasonably good response rate. Of course, given that it is a non-random sample there is a potential for selection bias, although this could run in either direction. On the one hand, we gained access to workers through the employees' union, the Service Employees International Union (SEIU), which could introduce some bias toward more disgruntled workers. Representatives of the union made the initial contact with workers and invited them to attend closed-door meetings during their lunch break (a regular procedure at their worksites). Our researchers informed attendees of the purpose of the study, risks, benefits, confidentiality, and provided contact information for questions. The survey took approximately 20 minutes to complete. After the survey, workers were also asked to inform their co-workers of the opportunity to participate in our study. On the other hand, we were told that management at some worksites discouraged taking the survey and some workers were afraid to take the survey, suggesting potential bias against disgruntled workers taking it. In addition, workers were offered free lunch, which attracted non-union members to the meetings. While bias in the sample may be a limitation of the study, whatever the distribution of sentiment in the total population the survey does provide evidence of substantial worker dissatisfaction with the reengineered workplace. Additionally, this evidence is supported by triangulation with rich data from in-depth interviews (spanning nine Centers and ACCESS) on the reengineered routines and their effects, and supplementary evidence on client outcomes from a study conducted by the Supportive Parents Information Network (2010).

Findings

We provide extensive evidence that reengineering was implemented by County managers with an emphasis on work intensification and quantitative metrics at the expense of service quality. We attempt to move beyond existing explanations – that reengineering and lean are fundamentally forms of work intensification (Blair et al., 1998; Harrington et al., 1998; Carter et al., 2013a; Carter et al., 2013b) – by bringing the customer/client into the analysis. Our explanation is that cost cutting was allowed to completely overwhelm any attempt to improve customer service because the clients are disempowered welfare recipients. In the absence of managerial admissions that cost cutting was prioritized over customer service or a comparative analysis of organizations serving customers of different levels of power, we have to rely on other forms of evidence to support our argument. We show that the San Diego County reengineering plan was conceived to achieve a balance between rationalization and customer service. We follow this with extensive evidence that (a) according to workers and clients, outcomes were tilted in favor of cost cutting against worker empowerment or client satisfaction, and (b) management deemed reengineering to be highly successful.

Stated goals of the reengineering project

A Health and Human Service Agency document, entitled “Eligibility Continuous Improvement (CI)/Business Process Reengineering (BPR) Project,” was leaked to our research team.

According to this document, the project involved a commitment “to drastically changing the way in which we perform eligibility determination services ... and enhancing customer service.”

More specifically, the document specified four goals: “maximize use of taxpayer dollars”; ensure “that applications are processed timely and accurately”; “increase customer satisfaction”; and

“most significantly ... enhance the performance and job satisfaction of the eligibility and administrative support staff.” The document also noted a need to achieve a “balance between customization and standardization,” noting that preparation for reengineering would be guided by, in addition to efficiency goals, identifying a “customer driven objective.”

Disempowered public welfare clients and deteriorating service

The San Diego County Family Resource Center clients are some of the most vulnerable people in the country, with a typical client being a single mother who is an ethnic minority living in extreme poverty. CalFresh recipients must make less than 130% of the Federal poverty line. According to County data from 2013, 78% of recipients are minorities, 53% are female and 50% are children. CalWorks recipients must make less than \$576 per month for an individual (\$1,387 for a family of four). San Diego recipients are 84% minority, 56% female, and 75% children. For Medi-Cal, although we do not have specifics on San Diego County, data from California for 2011 show that Medi-Cal recipients statewide are 56% female, 52% children, and 80% minority; nearly 50% do not speak English as their primary language.

The workers we surveyed felt strongly that reengineering has deteriorated service for their clients, with 72-75% reporting that wait times, service, and relationships with clients have all worsened under reengineering. The central problem identified by workers was a switch from a caseworker system to a task-based system, whereby workers are no longer responsible for a certain number of clients throughout the process, but rather for a small aspect of the process (e.g. initial applications or quarterly reports or renewals). Whereas clients were formally assigned to a specific caseworker and a specific office, after reengineering they can go to any office under a “No Wrong Door Policy” and will be seen by the next available staff member assigned to the

particular part of the process in question. While this, along with the call center, was meant to increase efficiency and allow the client more access to the system, clients end up lost with no one in charge of or held accountable for their case. This has left the clients confused and distressed and workers demoralized. As one worker explained:

Before, we used to have clients who were *your* clients, who...you would get to know. They would know you; they would call you. And they would either trust you or not trust you. Sometimes they would request 'I don't want that worker, change my worker.' But I think you were able to build a relationship with the client and get to know them a little bit better, but now you don't really get to know the client. They come in, you do the intake, you ask for their verifications and you get rid of the case. You do the next person, and you do the same thing.

Another eligibility worker discussed a further issue with the task-based system:

I caught a case once that should have been closed months earlier, but they were still getting money. They just fell through the cracks, and it goes both ways. Cases get closed before they should because that task wasn't on anybody's desk, and workers don't care, because 'I'm just doing my task.' They're not concerned with anything else in the case.

Reengineering has discouraged accountability and job engagement.

The deterioration of customer service after reengineering was confirmed by the SPIN (2010) study, which found that in the first ten months of 2009 the county's noncompliance rate with the 30-day application processing time limits was 45.2% versus 12.1% for the state as a

whole. Our own analysis of local and state data through the end of 2010, based on cases resolved per total caseload, showed that the County continued to process food-stamps applications at a rate far below the state average, with a slight decline, even after reengineering was fully implemented (see Figure 1). In October 2009, the SPIN researchers rated the Centers on customer service. On “Procedure,” 10 received an “F” and three a “D.” On “Client-Staff Interaction,” eight received an “F,” four a “D,” and one a “C.”

[INSERT FIGURE 1 ABOUT HERE]

It should be noted that the SPIN study reports that 48% of respondents felt they were negatively treated by Center staff versus 24% treated positively and 10% neutrally. We do not want to downplay this finding. Indeed, our research also found some hostility between clients and workers, something that ran in both directions; workers also complained of rude clients, who would get frustrated and yell at the workers, sometimes becoming physical. In fact, almost a quarter of workers in our survey reported being regularly treated with hostility and disrespect by clients. These complexities result from the fraught triangular relationship between disempowered clients, workers in an intensified labor process, and management focused on cost-cutting and having little economic reason to be concerned with the well-being of its clients or workforce. What is clear from our research is that reengineering has exacerbated rather than ameliorated this situation. Our study found many caring workers who wanted to treat their clients with decency, but they were under extreme pressure to get through their workload and under reengineering were given a fixed amount of time with each client along with unscheduled work (follow-up, on-line trainings, case notes, etc). For example, a call center worker told a story of

when she encountered a woman with a child who needed cancer treatments. This woman was awaiting Medi-Cal approval, but had one document remaining to be processed before the child could get the required treatment. The ACCESS worker took 25 minutes to finish the call and she “got harassed for that” by management. This same worker also said of the system:

It’s not people oriented. It’s not service oriented. Sometimes we have to deal with the human spirit and human need. I don’t want to be harassed by my supervisor for doing that. I don’t want to be rude and brush off the customer. So how do we win here?

Cost reduction over process improvement and customer-service: Speedup and quantity metrics

The County credits reengineering with creating new efficiencies, but the outcomes they are referring to have little to do with the actual reengineering of processes to improve operational efficiency. Instead, they are mainly concerned with cost reduction via work intensification, supplemented by quantitative metrics that actually work against improving service quality. The main outcome was a far greater number of clients being dealt with by the same number of workers. This can be argued to be an efficiency improvement from purely quantitative perspective, but only if one ignores the fact that clients – and the workers – overwhelmingly report deteriorating service.

In response to criticism from the media and local activists that San Diego County had the lowest rate of eligible residents receiving food stamps of the nation’s major metropolitan areas, the County instituted reengineering and launched a campaign to broadly advertise and encourage applications to the food stamps program. Along with the recession, this resulted in an astounding increase in cases per staff member over the following years. An analysis of publicly available

CalWORKs and food stamps program data, combined with staffing information provided by the County, allows for a comparison of applications with staffing over a 10-year period.

[INSERT FIGURE 2 ABOUT HERE]

Figure 2 shows average new applications per month and average total (new and pending) applications per month for CalWORKS and food stamps, alongside the number of employees: eligibility workers, who make determinations on applications, and their clerical staff. While the monthly average of new applications for the two programs rose 97% and total monthly applications rose 234% over the decade, eligibility workers serving those clients rose by only 1%. In fact, because many eligibility workers were transferred out of the Family Resource Centers into the newly established call center, there was actually a 9% *decrease* in eligibility workers in the Centers where applications were processed. Over the same period, there was a 6% reduction in clerical staff (counting those at ACCESS) and a 10% decrease in clerical staff at the Centers.

The most salient issue that arose from our study is the tremendous increase in workload, and the resulting deterioration in workers' ability to perform their jobs well and to experience job satisfaction. In response to an open-ended question on the survey asking, "What aspect of your work most affects your job satisfaction?" the most common answer was "Workload." In response to the open-ended question, "What improvement would you most like to see?" the most common answer was "an increase in staffing." A "reduction in workload" was a clear second. These two answers together accounted for 126 workers – almost half of those who wrote in an answer (256), compared to 19 who responded with an increase in pay or benefits. Even for workers who

clearly needed more pay (which was far below the County median) and better benefits (which had been cut recently), workload was their primary concern.

In addition to the advertising campaign, some of the technology implemented under reengineering indeed made food stamps more accessible, as one respondent explained:

You no longer just have to come to the FRCs [Family Resource Centers] – you can apply online, you can call the phone number and apply, you can do a telephone interview. You no longer have to show up and wait in line and be there at the FRC. Now what has that done to our workload? It has tripled our workload.

Compounding the increase in number of cases was the fact that, due to the recession, the cases also became more complex and time-consuming. We asked workers who had been at their jobs four years or longer how the recession impacted their work. Not only did workers note a drastic uptake in cases with 94% of respondents saying that the number of cases increased and 85% saying that it increased *significantly*, but they also said cases were more complex. Eighty-eight percent of respondents felt that the complexity of cases increased, with 68% saying it increased *significantly*.

In terms of the increased complexity, workers pointed out that with the recession many people applying for assistance had recently lost their jobs and had many more assets than the average pre-recession applicant. Applicants now sometimes had a house in foreclosure, and quickly dwindling savings or other accounts. Workers said there were also more *families* needing aid due to the recession, which means more people on the applications. All of this added up to more verifications, paperwork and time per case, as the workers still needed to review, process and follow-up on every case, which became virtually impossible. This combination of increased

numbers and complexity of cases contributed to deteriorating service for clients.

Further, it was clear from our survey that workers disagreed with management that reengineering provides a solution to increased workload. Only 5% of workers thought reengineering had led to a decrease in work, while 82% reported that reengineering resulted in an increase in workload. Under reengineering, workers felt a lack of control over the scheduling of their day. Adding to the stress and pressure, workers were constantly being interrupted from assigned tasks to deal with other emerging situations or non-scheduled demands. Because the facilities were so understaffed and had a “Same Day” policy, where every applicant who walks in the door before 5:00pm must be seen that day, workers were commonly called to attend to new clients preventing them from finishing their work for the day – leading to a sense of disorder and inability to focus on completing work at hand. With reengineering, management also relied more heavily on online trainings, as opposed to in-person, scheduled workshops. While these trainings may be important, workers were expected to complete them without being provided specific time to do so, resulting in widespread “clicking through” training screens, undermining the whole venture and leaving workers less prepared.

A second issue in terms of cost-cutting versus increased operational efficiency was a managerial emphasis on quantitative metrics, which actually worked against service improvement. The ACCESS call center was widely criticized because the wait times averaged 30 minutes for the calls that were actually answered, with almost 85% of calls (over 350,000 a month) going to a recording asking the client to call back at a later time (inTelegy, 2012). As a result, time on the phone became the singular focus of management. One ACCESS employee said “We are eligibility workers, not just phone staff. There are issues we can address, concerns right then and there, but we are rushed off the phone.” Indeed, three-quarters of ACCESS

workers (74%) believed they are usually or always evaluated based on call volume, while only one-third (32%) felt they are usually or always evaluated based on the quality of their work or ability to resolve cases. The emphasis on volume at the expense of quality undermines the purpose of ACCESS - to relieve pressure on the Family Resource Centers – since callers often cannot be helped quickly and end up back at the Family Resource Centers. In addition, more workers were being transferred from the Family Resource Centers to ACCESS to relieve wait call times, thereby reducing the number of eligibility workers who could complete cases and solve problems.

The focus on wait times at ACCESS compared to those at the Family Resource Centers was in part due to the monitoring technology inherent in the phone system. A red light appeared in the supervisors' office if a worker spent more than 15 minutes on a call, prompting the supervisor to send an email to the worker or visit the worker's station. Further, almost half (47%) of ACCESS workers responded that they are never or rarely given adequate time between calls to attend to their own needs for such things as using the restroom or getting a drink. In addition, 56% of employees usually or always felt micromanaged on the job. As one worker explained, "At [the Center], if I wanted to help someone coming in the door, I could do that. I did not have someone looking over my shoulder."

Technology over people

The workers agreed that technology can be useful, for example by imaging files so they are always easily available. But the way technology has been used in reengineering has not brought about the promised efficiency, and has in some cases exacerbated workers' loss of control of their casework. Seventy-five percent of eligibility workers reported the efficiency of work

organization worsened since reengineering was implemented. One interview participant said about reengineering:

It changed everything. You know it may be working for a corporation, but we are not a corporation. We work differently. They thought it was going to go smoother and that there would be less problems and paperwork. But there are more problems. There is more paperwork.

In addition, only 7% of eligibility workers felt that the implementation of reengineering made their technical/computer problems better. More than half (52%) believed that technical/computer problems worsened since reengineering was implemented. In regards to the loss of documents, 78% said that the problem worsened. “I think it’s really bad,” said one respondent, “you can’t find anything on any of the cases. Everything gets lost.”

Now, some of the problems had to do with technical glitches that may be worked out over time. This was in part due to the fact that the County implemented technology before it functioned adequately. Most workers reported that the document scanning system, DORES, went down multiple times a week, for hours at a time, bringing the entire processing of files to a halt. Another major area of complaint from both workers and clients was that the computer case-management system, actually issued erroneous, and often multiple notices to clients about their cases. This caused extra visits to the Centers and confusion and frustration for both clients and workers. But the underlying problem was the way in which management emphasized technological solutions over empowering their workers through training and increased decision-making authority. Eligibility decisions are supposed to be made only by a trained human being, yet both workers and clients reported that the technology often interfered with, rather than

facilitated, this process.

Dissatisfied and deprofessionalized workers

Some level of stress may be endemic to social work, but stress levels skyrocketed with reengineering. As one eligibility worker explained, “It’s very hard work, very demanding; emotionally as well as psychologically.” Eighty-two percent of eligibility workers who had been at their jobs for over three years reported that stress levels are worse since the implementation of reengineering; fully two-thirds reported that stress levels are *much* worse, while only 3% of eligibility workers reported an improvement in stress with reengineering. Another eligibility worker lamented, “I am sad to see so much protection (by management) and not looking at what workers are going through, the stress levels. People walk off job, they quit, they are crying in the restrooms.” Workers felt that they clearly communicated their complaints about the stress caused by the new system to management (through monthly meetings between management and the union as well as directly to supervisors), and that management’s response was to deny the problem

Based on the survey data presented in Figure 3, overall stress levels, as well as specific indicators of stress, were very high. Strikingly, 40% of eligibility workers reported *always* feeling stressed because of their job, and another 26% reported *usually* feeling stressed because of their job. Morale was low and health indicators of stress were high, as seen in the following figure. Over 90% of respondents reported experiencing stress symptoms related to their job.

[FIGURE 3 ABOUT HERE]

About two-thirds felt pressure not to take legally-mandated breaks at least sometimes, and 40% felt this pressure most of the time. As hourly employees, many were working through their lunch hour and overtime, even when they were unpaid for these hours. Over half of the Center workers felt pressure not to take a lunch at least some of the time – and these are unionized employees.

The increased stress was not due simply to work intensification, but to an arguably more insidious outcome of reengineering: their deprofessionalization under the fragmentation of their work. Among the 224 eligibility workers who have been there over three years and are therefore able to compare the work environment pre and post-reengineering, the large majority report that *none* of the reengineering goals have been accomplished. More than 80% of eligibility workers surveyed felt that since reengineering was instituted they had less autonomy, and more than 70% reported decreased efficiency, client service, and job satisfaction. In fact, the majority report that reengineering has worsened *every* aspect of work and service they were surveyed about. As Figure 4 shows, for eleven of the fourteen categories, over 70% feel that outcomes have worsened since reengineering, and in *no* aspect do more than 11% report any improvement.

[FIGURE 4 ABOUT HERE]

The interviews paint a similar picture. As one interviewee said:

...and then there was reengineering. That happened and it made some really drastic changes.

They took away all the caseloads. They imaged everything and now you really don't have any control over your work.

Previously, workers were responsible for their assigned clients from start to finish. Under the task-based model, they input a certain piece of data and pass the case on. As a result, employee investment in their work declined. As one eligibility worker put it, “Before, we had pride in our work.” Eligibility workers’ visions of themselves as professionals have been undermined by a sense of becoming simply an assembly-line worker.

The fact that workers were not performing the job that they dedicated their lives to may also have impacted their state of mind. Common answers to the open-ended question, “What most affects your job satisfaction?” were such things as, “Being able to take care of clients and follow thru with them,” “working directly with clients,” and “feeling like I am making a difference in helping the public.” As one worker described, “I used to love my job. I was helping people get services they needed. Now I just do changes. That’s it. How can I like my job when it’s only updating addresses?”

Management’s assessment of reengineering

Instead of investing resources into expanded staffing in response to the growing number of applicants, the County used reengineering to justify a speedup in work by claiming increased efficiency. According to the Executive Summary of the *Eligibility Business Process Reengineering Final Evaluation Report* by UCSD’s Center for Management Science in Health (Fontanesi, 2010) “The Eligibility Business Process Reengineering project met or exceeded initial goals including:

1. Improving Productivity by 39% (original goal was 20-25%)
2. Improving Client Satisfaction by 22%
3. Reducing unit costs by 18.5% (original goal was 15%)

4. Achieving an adjusted cost-offset of \$33,187,262.40 in 2009.”

The data on client satisfaction are dubious, at best. The report does not state how many clients were surveyed or how they were surveyed. The only information provided is that “Data was [sic] obtained through direct observation of client intake at four” Centers. The presented data, referred to as “Qualitative data – Satisfaction surveys,” present measures on “Registration, Time waiting, and Staff” regarding intake. There is no further explanation of what questions were actually asked. The overall “pre” score is 2.73 (out of 5) and the overall “post” score is 3.3, which, by our calculation, yields a 21% increase. The report simply presents a single table on these data, with no discussion other than a single comment: “client satisfaction increased under the new system as reflected in table 20.” In other words, the entire 50 page “Final Evaluation Report” dedicates a single table to client satisfaction, without any discussion of the sampling procedure or the questions asked. The remainder of the 50 pages and 19 tables are dedicated to showing cost savings.

The report states that from early 2008 to the end of 2009, productivity rose by 39% as measured by cases processed per day per full time employee. In 2009 alone the report calculated that reengineering effectively saved the County over \$33 million dollars in “adjusted cost offsets” by raising the applications per employee ratio. In fact, the following year there was actually a 3% decline in eligibility workers, with a continued sharp increase in applications due to the recession, so the savings for 2010 should have been even higher. However, while the UCSD report and the County credited the increased productivity to reengineering, the full system was not even implemented in the first pilot Center until April 2009, in five more Centers until July 2009, and in the three largest offices until October of that year. ACCESS began operations

on a small scale in March 2009 but was not fully functional until the fall. This suggests that increased productivity was due to an increase in client load, not reengineering. Yet, San Diego County continued to publicize these data in presentations encouraging other counties to adopt their own reengineering model.

Despite the County's trumpeting of how successful its reengineering project was, the constraints to its approach became manifest, when, in 2012, the County hired a private consultant to evaluate the functioning of the eligibility system. The consultant, who was paid \$72,000, found what the advocates and workers had been telling the County for free – the system was broken: it was understaffed and it had too many “hand-offs” (inTelegy, 2012). Much of what the consultant recommended was purchasing more technology, including over 50 additional trunk lines, self-scanning workstations, and self-check-in kiosks for every office. However, the consultant also recommended hiring more staff, which the County has followed through with, most likely also in response to union negotiations and bad publicity (including, perhaps, pressure generated by earlier public reports on our research: Esbenshade et al., 2011). Many of these new staff members have been assigned to the call center – the focus of “improvement” and the worksite where workers have the least autonomy, are the most effectively monitored and have the least meaningful contact with clients. But a significant number have also been assigned to the Centers. The hiring of new staff in the Centers constitutes recognition that reengineering, implemented with an emphasis on technology and cost reduction to the neglect of process improvement and customer service, could not sustain the efficiency improvements that management claimed. While the new hires will likely decrease work intensification, it remains to be seen whether maintaining the existing reengineered system with a few added technological fixes with some additional workers will solve the underlying problems of a technical/quantity

focus and apparently lack of regard for the service quality provided to disempowered welfare clients.

Conclusion

This paper has shown that business process reengineering was implemented in the San Diego County Family Resource Centers in a way that emphasized cost reductions over process improvement and technology over worker empowerment. The outcome was the deterioration of service for clients and the deprofessionalization of the quasi-professional caseworkers. We presented quantitative and qualitative data showing that reengineering resulted in widespread dissatisfaction among both clients and workers, with the latter experiencing reduced autonomy and declining job satisfaction. The irony, of course, is that what is lost is precisely what the architects of the business reengineering process reengineering model (Hammer and Champy, 2001), and of this specific reengineering project, claim the process will enhance: customer satisfaction and worker empowerment and morale. While some scholars have argued that work intensification is a natural outcome of reengineering and kindred approaches like lean (Blair et al., 1998; Harrington et al.; Carter et al., 2013a; Carter et al., 2013b), we propose a different explanation.

Research has shown that teamwork (Appelbaum and Batt, 1994; Bacon and Blyton, 2000), lean (Kochan et al., 1997; Vidal, 2007) and reengineering (Albizu and Olazaran, 2006) can all be implemented in differing ways with varying outcomes for workers, depending on managerial orientations and priorities. A key insight from the sociology of interactive service work is that managers face contradictory pressures as to whether they should attempt to rationalize the service interaction and focus on quantitative efficiency or empower workers to

deliver customized services to idiosyncratic customers (Leidner, 1993; Macdonald and Sirianni, 1996a; Taylor and Bain, 1999; Korczynski, 2009). In the context of interactive service work, the power of the customer plays an important role in constraining managerial prerogative (Lopez, 1996) and, we argue here, in shaping the orientations and priorities of management. Specifically, reengineering was able to be implemented in a way that emphasized rationalization and quantitative efficiency, even to the clear determinant of customer service, because the clients in this case were disempowered public welfare clients – poverty-stricken individuals and families, mostly of color, in need of opportunities for food, medical care and a job. Short of the County managers admitting this, the most direct evidence to support our explanation would be a comparative study showing that more powerful customers were able to influence managerial priorities. We note that such influence is assumed within the free market narrative of the customer as mythical sovereign (Bolton and Houlihan, 2005). And we believe the evidence we present is sufficiently rich and compelling to support our argument, demonstrating that reengineering has taken one of the main functions of the Health and Human Services Agency – to help residents access needed services – and completely undermined the human element of the caseworker-client relationship, to the detriment of workers and clients. While based only on a case study of a single organization, our findings provide evidence in support of the working hypothesis that where customers are disempowered, there will be a strong tendency for the contradiction in the service interaction to be managed in favor of rationalization at the expense of customer service. Future research using comparative case studies would be particularly useful in further investigating this hypothesis.

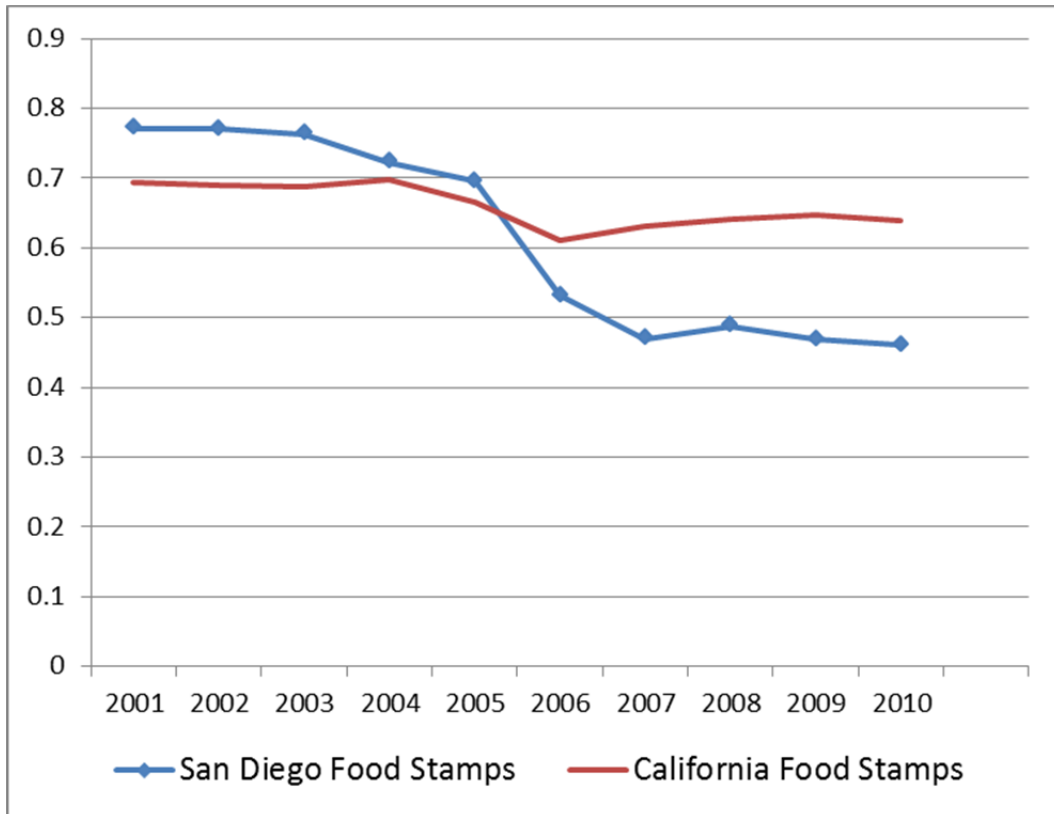
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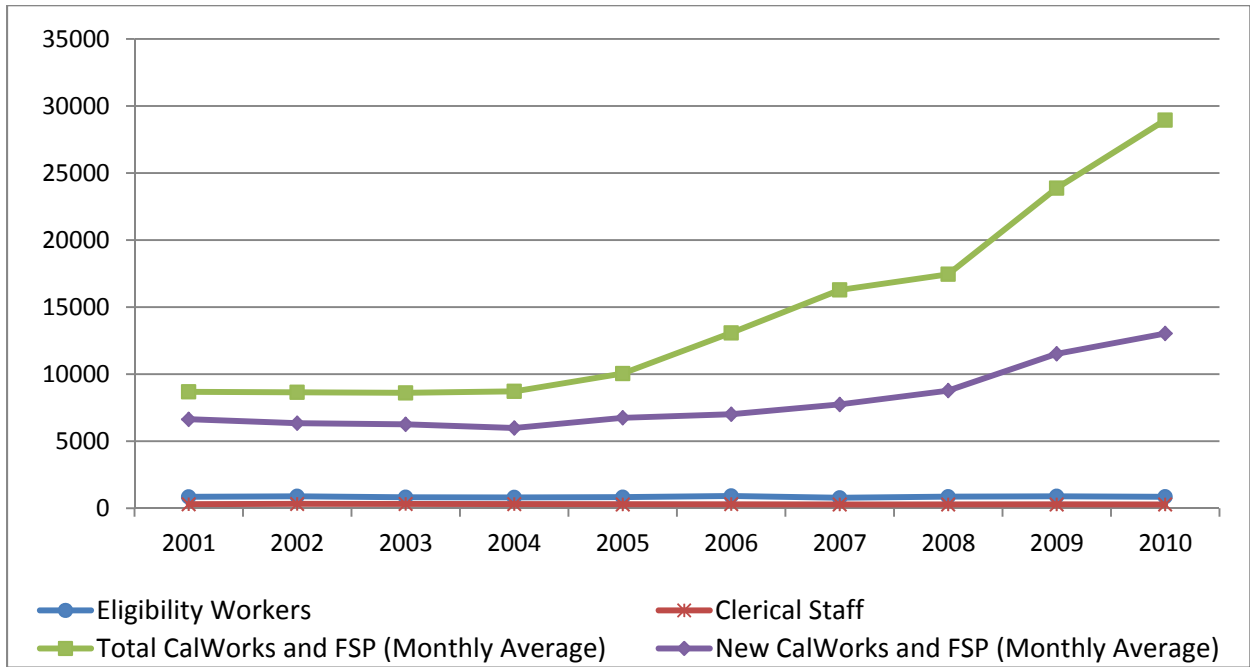
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Figure 1: Percentage of Food Stamps Cases Resolved out of Total Cases, Monthly Averages for San Diego County and the state of California, 2001-2010



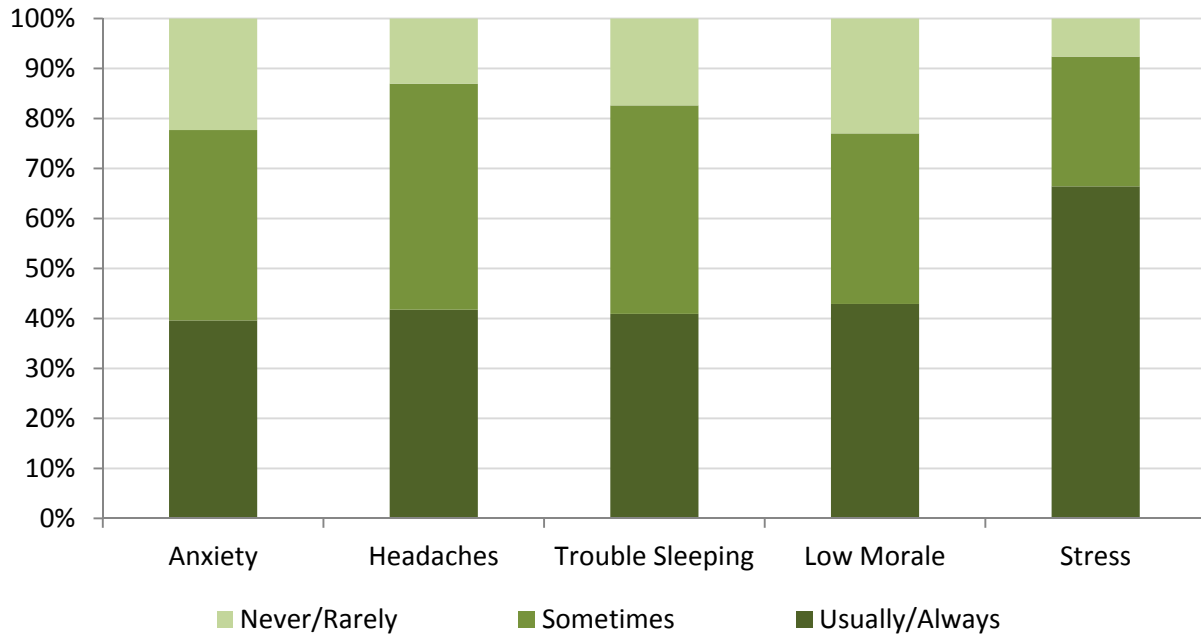
Source: Table DFA 296 from the California State website: <http://www.dss.cahwnet.gov/research>. Ratio is “Disposed of” divided by “Total/Month.”

Figure 2: Food Stamps and CalWORKS Applications vs. Staffing Levels, 2001-2010



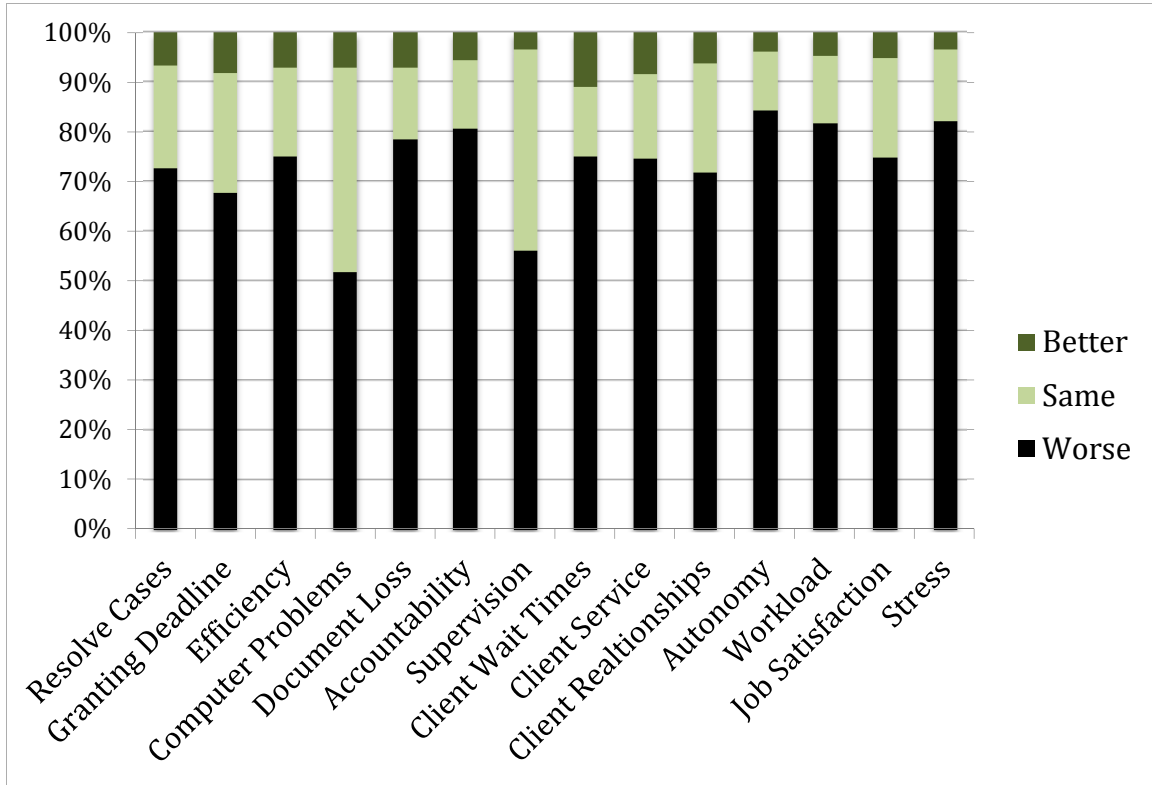
Source: Staffing numbers provided by San Diego County HHSA and represent July 1st of each year. Application numbers are taken from tables DFA 296 and CA 237 CW (by averaging every month for each year) available on the California State website: <http://www.dss.cahwnet.gov/research>

Figure 3: How often do you experience the following due to your job?



Source: Author's survey of 342 eligibility workers in San Diego County Family Resource Centers.

Figure 4: How have the following work-related factors changed since business process reengineering?



Source: Author's survey of 342 eligibility workers in San Diego County Family Resource Centers.