

Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Unicall: Recommendations for Better Risk Management and Human Resource Management Strategy

Name : Ankit Patel

Student Number : 1704764

Module Title : Managing in Complex Environments: Strategies,
Insights and Solutions

Lecturer Name : Dr. Stephen Sommerville
Mrs. Mary March

University Name : University Of Wales Trinity Saint David
London Campus

Executive Summary

This report is based on one case study on problems faced by a famous bank, which is known as Unibank that was established in the nineteenth century that soon became traditional high street bank spread across many regions. The bank primarily offers two main types of services, namely personal services related to banking and financial sectors to customers and small business units. Further the company operates through varied subsidiaries that offer various additional services like insurance, mortgages, share dealing to name a few. The starting of this report states the introduction to bank and varied issues faced by them that is having a big-time impact on overall sales and profitability owing to decreasing customer as well as employee satisfaction. The primary objective of this report is to identify various problems like lack of employee and operational efficiency to formulate corrective measures. For example, a bank could hire additional staff for handling heavy call flow so as customers are not required for waiting for the longest time for receiving services. Later part of this report states literature review that lays down the foundation for completing the study based on research done on this similar topic. A further section of this report gives this company certain recommendations based on various problems which were observed in given case study. These recommendations would help Unibank to correct their problem, thereby having a positive impact on overall sales and productivity of the bank, which would assist them in gaining competitive advantage over other competitors. The data for this report is collected through employing extensive secondary research through various academic publications and corporate websites and other third-party sources. The collected data is then analyzed and presented in well-defined qualitative paragraphs that state varied problems which the bank faces and in depth necessary for formulating corrective strategies.

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Introduction

This report is made based on a business case study of a leading UK based telephone banking service called Unicall that is also a division of Unibank. Unibank was established in late nineteen centuries in West Midlands that has a widespread presence in many regions. Soon after establishment, Unibank acquired tag by a leading traditional high street bank that offers various services. The bank operates through two major segments: Personal banking and financial services for small business as well as individual customers. Further the bank also operates through subsidiaries that offers a wide range of services such as personal insurance, mortgages, share dealing to name a few. However, these business units are managed and operated from the high street concern of the bank. However, owing to the increasing presence of new entrants that has intensified competition prevailing in the same market, the bank decided to diversify their business by starting a call-center named Unicall that offers telephone banking services which was started during mid-1990s. This telephone banking service operates with a dedicated workforce of around 200 employees that works 24*7 in four different shifts. In concern of this case study, it discusses issues in customer satisfaction besides stating various issues and challenges in staff satisfaction that is increasingly affecting overall bank's performance. Although bank telephone services were highly appreciated and well received by their customers that has increased call flow with increasing number of calls. However, the bank was unable to handle effectively the increasing call flow that has impacted overall customer satisfaction. Further, this has directly affected staff satisfaction leading to further deteriorate in the bank's overall productivity and performance and telephone banking services started by them.

Besides above-mentioned problems, the bank also faced varied other problems soon after operation for about six months. For example, a major problem the banks face is increasing customer waiting time owing to increasing call flow, wherein more customers have to wait to get banking services on call. The further severe problem of using computer and other systems has largely affected the ability of staff to extract correct and necessary, appropriate information for effectively handling customer queries and grievances. This has affected overall customer satisfaction, thereby having an impact on the bank's profitability and margin of sales. In addition, owing to increasing calls fall the employees started replying rudely to customers that has further decreased satisfaction derived from the bank's various services.

However, owing to decreasing customer and employee satisfaction, the bank undertook necessary corrective measure. For instance, the bank started promoting their new service called Uniline which is basically a simple online banking system for realizing the benefits of the services of online banking and reduce the pressure on their existing staff. Moreover, the company faces large problem of further employee layoff at Unicall. Primarily, this is because increasing competition in financial and personal banking wherein most operations are outsourced by them to international destinations thereby resulting in increasing losses of jobs. In addition, in coming years, it is expected that Uniline would take over majority of businesses of Unicall further decreasing employee count (Pibream & Corbridge, 2010).

Analysis of issues

Risk Management

The first major issue that the organization faces from a strategic viewpoint is a lack of proper risk management for the Unicall project. The organizational changes that were implemented in the organization were due to many different reasons. These reasons include shifts in their business, accommodation of growth, expansion of markets, concerns of financial aspects etc. The changes that were undertaken by the organization, including shifting their organization to a new location did create lots of difficulties for both their customers and employees and created situations of havoc in certain instances. These changes had various negative impacts on their employees and even their customers. This clearly indicates that the organization was not able to identify the potential risks to the project and prepare a risk mitigation strategy for the same. Some of the key risks that the organization has faced in its Unicall project can be given as follows:

After introduction of Unicall, their customers had to call the call center for resolving even smallest of their issues. Opening a new account in their bank is also related to this aspect that can be deemed as unnecessary as they could easily perform the same task by visiting respective branches of the bank. But as most local branches were shut down, they were required for calling the organization Unicall for asking solutions of such minor issues. This has long term impact on the level of satisfaction derived from the customers. This resulted in hike of levels of dissatisfaction of their customers. Customer satisfaction is one of the most important aspects of any organization. In accordance to a study which was conducted and was published by Babakus et al. (2004), satisfaction of customers is perhaps the most significant and vital any organization. Any decrease in customer satisfaction could have large scale impact on sales and revenue. According to Hennig-Thurau and Klee (1997), Customer satisfaction is defined as an evaluation of perceived and expected performance of the product and services. Further Gustafsson, Johnson and Roos, (2005) states that customer satisfaction is a real time process how customer evaluated the ongoing use and performance of products and services (Hanif, 2010). This directly impacts the bottom line and profitability of the company, thereby decreasing their prospect of further growth to varying national and international markets. Further, according to them, having more satisfied customer helps them in gaining a competitive edge over other competitions which operates in similar market

based on their customers leading to enhancement in profitability and market shares. Further, according to another study conducted in Sweden that states impact of customer satisfaction on different aspects of an organization such as market share, brand reputation and overall profitability of the company. According to Boulding et al 1993, he gave two distinguished concepts of customer satisfaction that is transaction specific and cumulative satisfaction. However, one of the significant impacts of customer satisfaction could be noticeable in the increasing profitability of the company. According to Fornell 1992, enhanced customer satisfaction increases brand loyalty wherein customer makes repeated purchase that ultimately enhances firm profitability which is required for long term market expansion and survival. Further, according to Reichheld and Sasser 1990, highly satisfied and delighted customers are more willing to paying for varied benefits they received even in increase in price of the goods besides lowering cost of future transaction of customers (Anderson, Fornell, & Lehmann, 1994).

Based on the analysis of the secondary sources, customer satisfaction is highly important for the organization. However, the issue here is that there is a lack of adequate amount of staff, which can handle customer calls in an efficient manner so that the waiting time for the customers is low. The issue is further aggravated by other issues in systems concerned with the operations of the organization such as branch staff are also required to call Unicall representatives, the software system of Unicall is not efficient etc.

Further, certain issues were also faced by their employees. During the introduction and implementing changes, certain elements were not appropriately considered. A significant element here is the amount of workforce which would be required for the change to be successful. The organization failed to determine the overall number of employees, which would be required for the organization Unicall to function and operate efficiently. After introduction of Unicall, their services were deemed satisfactory and as such more of their customer preferred the services offered by them. This resulted in an increase of workload which was beyond the levels of expectations of the organization. This gradually led to increase and overload of work for the employees who were present. As the flow of calls from their customers increased, the workload on their employees hiked to a greater level. This did not only result in physical stress on the employees, but also developed mental stresses because of the continuous flow of calls from their customers which they were to answer.

Another issue faced by the employee is the unavailability of appropriate software and hardware system that makes it difficult for employees to extract the right information in the correct place and at the correct time. This has a direct impact on quality and time in which varied services are delivered to customers leading to increase in waiting time and decrease customer satisfaction due to their inefficiency of companies to effectively address varied grievances and complaints of the customer. This directly affects overall sales and profitability of the company leading to decrease the prospect of further growth of other national as well as international markets. Further the according to the software manager, the company has an inappropriate monitoring system that monitors varied types of customer calls with different types of enquiry handling that takes up more 50% time for solving customer complaints as employees are not able to extract the right type of information. In addition, different employees answered varied customer question in different manner further confusing customers about the problem they faced. The whole problem lays with the system that use that delays every activity, thereby decreasing customer satisfaction through increase waiting time for solving their queries. In accordance to a study which was conducted, waiting time is a significant factor that either increases or decreases customer satisfaction. For instance, if customers have to wait more for the service being delivered, the customer might get frustrated that will directly impact their levels of satisfaction. The customer might switch to other competitors operating in the market, thereby decreasing the company's profitability and margin of sales. This has a large-scale impact on overall mental as well as physical health of the employees. Based on the case's analyses, it can be observed that the employees at Unicall operate under higher stress levels because of heavy workload, inefficient operational systems and lack in factors of motivation like performance-based pay structure.

In accordance with a study which was conducted by Tuten and Neidermeyer (2001), employees of call-centers are among those people having higher levels of stress owing to different reasons like a high rate of turnover, absenteeism, staff satisfaction, satisfaction of customers and overall organizational performance. A call center provides various services like inbound call services, outbound call services that handle customer grievances (Tuten & Neidermeyer, 2004). An agent in call-centers are prone to various stress situations which arises because of factors like varying job natures, intensity of work, their deadlines and targets and quality issues and conflicts. In accordance to a study which was published by Belt and Colleagues" (2000), agents working in call center for financial, IT and third-party services have a high degree of stress that arises due to

exclusive and continued working on the phone and dealing with customers. This affects employees overall mental health and physical health (Rizvi, 2008).

In concerns of United Kingdom, they can be considered as fastest expanding financial hubs of the world, including various international banks from around 50 countries across the globe. However, the UK strength lies in their competitiveness and competitive position of their services in financial sector owing to large trading and capital activities and flow in the economy. In accordance with some data published by TheCityUK, there are around 150 financial service firms which holds around USD 2.3 trillion (GBP 1.4 trillion) assets. Further overall services of financial aspects and related companies as of 2013 contributed around 12.6% of total GDP. The industry employees a large work force of around 1.16 million people working across 1 financial services and related firms (export.gov, 2017). Moreover, the banking industry's future will largely be dependent on the nation's rate of growth in the near future that would have major implications for overall demand of the country's sectors dealing with financial and banking aspects. However, ongoing political disputes and rapid changes in financial policies are tending to have notable impacts on the overall financial sector of the UK (Rehman, 2015).

Another crucial issue faced by the employees is lack of knowledge and abilities in employees that has impacted the quality of service being delivered to their customers. The root of the whole problem lies in their staffs that can't effectively handle customer grievances that has impacted their services as well as overall satisfaction derived from varied services offered by the bank. This has a large-scale impact on their sales and profitability wherein customers are continuously switching to local players that provide same as well as additional services in quicker and faster way. The further bank couldn't effectively train their employees to handle customer complaints and issues that further worsen the situation. According to Mckinsey's (2006), the talented and capable workforce is the major sources of competitive advantage over other competitions and source of advantage in the global market. Further, according to Meyer and Allen (1991), training is also a significant and crucial activity necessary for enhancing their employees' skills necessary for performing activities and task allotted in much better and enhances way beneficial for both organization and its employees' personal growth. Without formal training, employees can't gain new information required for performing jib besides staying updated with the latest development in their field. Hence training is utmost important for employees because they can be considered as

bloodstream and the face of the company. Hence, as far as Unibank is concerned, the company needs to design and implement a proper training system and a program that would assist in enhancing knowledge and skills required for effectively handling customer problems and issues (CIPD, 2016).

Another major issue is facing in terms of the upper level of management, namely the managers, supervisors and other employers. It is the responsibility for the organization to take necessary measures for identification of certain practices and measures which are not ethical and thus take the necessary appropriate actions against them. In accordance to various canalizations from secondary sources, it is found that having effective systems for monitoring the practices and actions of employees assist in identifying if any unethical practices and actions are undertaken by employees and to implement appropriate measures against such practices. Failures in doing so would result in rise of many different issues in workspaces. It can be observed that some of their employees utilize certain specific methods through which all of their calls could be redirected to one specific number belonging to them. Also, the unpopular or new members of staff and employees were overburdened. The organization lacks appropriate systems for monitoring and identifying such practices which are not ethical. Hence the victims do not realize that in fact they are the individuals who are actually and busy in doing their tasks and still are involved in backlogs. This unethical practice also adds up on inappropriate and rude behaviors of their employees and members of staff which was the sole cause of many complaints filed from their customers. Hence this can certainly be considered that implementation and utilization of an appropriate system for monitoring the actions and practices of employees would assist in identifying such unethical practices by employees and undertake necessary, appropriate measures to resolve the issues resulting from such practices and also work towards promoting ethical practices and codes of conduct in their organization.

Risk Management Model		Probability		
		Low	Medium	High
Impact	Severe/Critical	Substantial management required	Must monitor and manage risks	Extensive management crucial
	Moderate	May accept risks but monitor them	Management effort useful	Management effort required
	Limited/Minor	Accept risks	Accept risks but monitor them	Monitor and manage risks

Diagram 1- Risk Management Model (The Habitable Planet, 2017)

Here Unibank major risk management issues relate to customer satisfaction and employee satisfaction, which can be categorized according to the risk management model:

- Lower customer satisfaction because of closure of branches: Severe impact with moderate probability
- Lower customer satisfaction due to lower turnover of employees: Severe impact with high probability
- Unavailability of appropriate hardware and software system: Moderate impact with high probability
- Employee dissatisfaction due to working under high stress working conditions: Moderate impact with moderate probability
- Under performance of work due to lack of proper knowledge among employees: Low impact with high probability
- Irregular updating of skills of the workforce: Limited impact with moderate probability.

Based on the above discussion, it is clear that the major issue that the organization faces are a lack of risk management planning as the organization was not able to foresee the unexpected outcomes of the change that it implemented in the form of Unicall. Therefore, the organization is required to implement a risk management framework in order to be able to identify and address risks that are posed to the project. The ideal framework for risk management that the organization can use is given as follows; the tabular representation of the same is given in

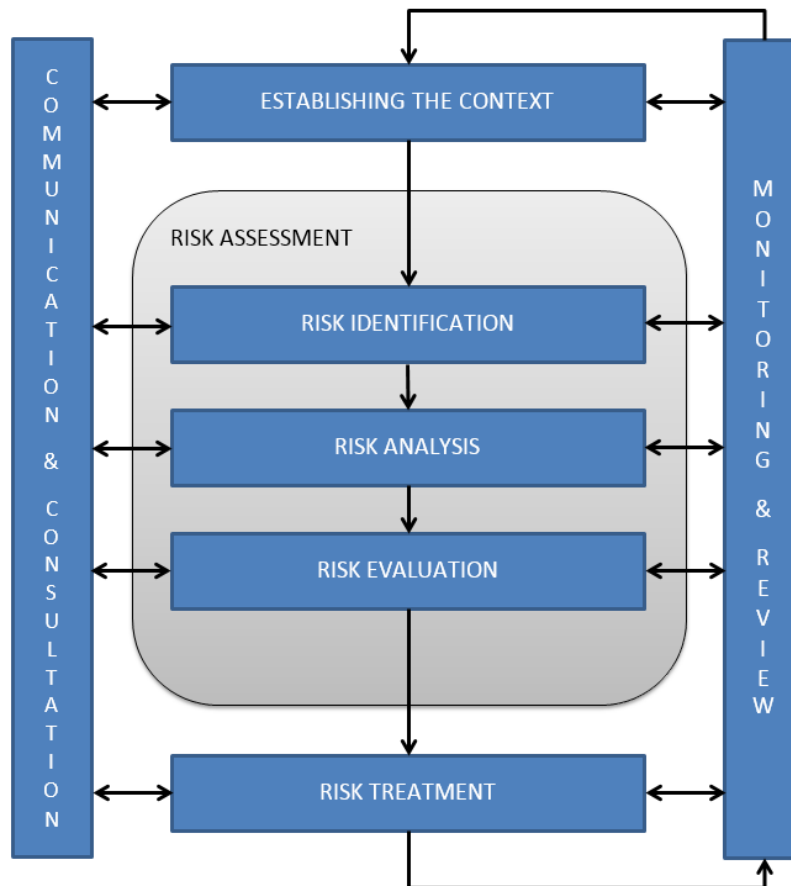


Diagram 2– Risk Management Process (Risk Integration Management, 2017).

Step1: Establishing Context

Before any risk management strategy is formulated, it is of utmost important to identify and understand the context of risk in which it exists. As far as the bank is concerned, they should clearly define and establish relationship between change implemented and its effect on their employees as well as customers they serve. The bank could establish risk content by considering

following two contexts: Strategic context that defines the business environment in which bank operates and organizational context that defines the mission, goals and objectives of the bank.

Step2: Identification of risk

Once risk has been defined by varied context, the next step is to identify risk with identifying all possible consequences owing to such risk. As far as the bank is concerned, they could identify risk by formulating following questions:

1. What could be extreme consequences?

Here bank could identify and list all possible risk and things which could go wrong that might be the result of systematically working by each level of competition, activity or stage that will help banks to anticipate what might happen at each level and step in the context of identified risk.

2. How and why things went wrong?

Here bank needs to identify and list all possible causes and anticipate different scenarios besides giving a detailed description of risk or incident.

3. The third question that bank needs to answer is the likelihood of occurrence of identifying varied risk in every step and process?

4. Lastly the bank needs to answer what could be the consequences of such repetitive occurrence of risk?

As far as the bank is concerned, they are exposed to financial, physical as well as ethical and legal risk.

Step3: Analyzing and evaluation of risk

The third step of risk management framework is analyzing and evaluating risk based on varied criteria to prioritize and formulate strategy accordingly. Basically, this step involves identifying likelihood and consequences of each of the identified risks besides identifying their potential consequences and adverse effect, thereby helping to prioritize on the basis of their impact so as to take corrective measures accordingly. The degree of risk is analyzed and estimated by combining three factors, that is likelihood, consequences and prioritization which are shown in the table.

Evaluating risk involved identifying and comparing the varied risk in different process and activities with already defines risk criteria which helps them to decide whether to accept or mitigate risk. For instance, if certain risk falls into a low or acceptable category, in such cases risk could be accepted without any further steps to minimize the impact of such risk. However, the bank is required to timely identifying and monitored risk so as to avoid any big impact. If any risk doesn't fall into an acceptable range, then such risk should be timely and effectively treated using varied treatment and corrective measures as mentioned in step.

1. The risk evaluating criteria for bank is given in **Table 1**-Risk likelihood (ACT Government, 2017).
2. The table showing the potential impact of the risks can be given as per **Table 2** – Risk Impact (ACT Government, 2017).
3. Risk priority

The risk priority scale determines the nature of the risk and the action required. They are indicators to assist in the decision making of what action is warranted for the risks. The risk matrix showing a combination of risk likelihood and potential impact in order to determine the priority can be given as per **Table 3**-Risk Priority (ACT Government, 2017).

4. Risk priority key

Table 4- Risk Priority Key (ACT Government, 2017).

Step4: Treating the identified risk

This step is concerned with identifying and defining different range of options available for treating varied risk besides evaluating such risk and formulating plans for the same. In simple word, this step is concerned with identifying most appropriate method to mitigate risk so as to achieve the desired outcome.

However, the selected method of risk treatment should be proportionate to significance of risk as well as the overall cost of treatment and potential benefit of the treatment method adopted for the same.

The various treatments available for banks are as follows:

1. Accepting risk

In this method bank will accept the identified risk without any further treatment for the same.

2. Avoiding risk

This is about bank deciding whether to avoid risk or to choose alternative courses of action that will help banks to minimize the impact of risk thereby helping them to achieve their outcomes and goals.

3. Reducing risk

This is one of the most commonly used treatment methods for minimizing the impact of risk through adopting varied methods. For instance, the bank could design and implement training programs for employees to enhance their skills for serving their customer grievances effectively.

4. Transferring of risk

This involves minimizing risk through transferring or sharing risk with third party sources. For instance, the bank could outsource some of their activities to third party which will help them to serve their customers on time.

Hence the bank could adopt above mentioned treatment option for treating risk.

Step 5: Monitoring and periodic review of risk

This step is concerned with periodic monitoring and review of risk management policies and plan implemented to minimize impact of risk. This is a continuous ongoing process that primarily aims to capture, use and maintained date regarding different types of risk. This plays a very important role as many factors tend to change with time and process, whereas certain factors remain static hence timely monitoring helps in identification and thereby taking corrective steps accordingly.

Thus, using the risk management framework as described in the above discussion, Unicall can analyses the issues that it faces from a risk management perspective and formulate its strategy to mitigate the same.

Human Resource Management Strategy

The other major set of issues that Unicall faces is found to be from the perspective of its human resource management strategy. Human resource management strategy aims to align the human resource management of the organization with the strategic objective of the organization. A well developed and effectively implemented human resource management strategy works across the organization in order to ensure that all the human resources of the organization interact with and understand the strategic goals of the organization. It helps in ensuring co-operation of the human resources in the achievement of the strategic objectives by ensuring appropriate motivational techniques and policy implementations (CompareHRIS, 2017).

It is however noted in an analysis of the case of Unicall that the human resource management strategy and practices were not in line with the organizational strategic objectives and presented several issues at Unicall which can be analyzed and discussed as follows:

The first major issue at Unicall was that it was unable to predict the human resource requirements that the operations will require in order to ensure a balance between customer satisfaction as well as employee satisfaction. Eventually, the organization was unable to handle the high level of calls placed to Unicall by the customers of the bank due to lack of sufficient amount of human resources. This also resulted into overburdening of the existing employees of Unicall which led to physical as well as mental stress to them.

In order to avoid non-prediction issues of human resources and their requirements in Unicall there is one model, namely “HR value chain” which can be subdivided into the HRM activities & the HRM outcomes. HRM activities basically ensure about day to day recruitment, training, compensation along with the succession planning. These mentioned activities can be measured with the help of HR metrics or efficiency metric. So, in this human resource model, they can hire cheaper manpower along with the faster training for them in order to mitigate the risk of physical and mental stress to other workforce/employees. Moreover, in HRM outcomes, they are completely into recruitment, training and compensation for achieving the certain goals and outcome along with keeping employee satisfaction at a priority level (Ulrich & Brockbank, 2005).

Another element which the organization failed to properly forecast was the necessary systems which were required for smooth completion of various organizational operations. Failure in having

done so resulted in delay of answering and providing solutions to the continuous calls from their customers. This also resulted in inability of supervisors to identify unethical actions and practices of their employees in the workspace due to which the specific victims were unknowingly even more overburdened while the employees responsible for undertaking such practices were at ease as it was not possible to identify these issues. Inability to forecast the necessary systems for the changes in the organization also led to failure in achieving their organizational objectives and goals which are a bit more complex as compared to others.

Another notable issue was concerned with unpredictability in strategic planning for the changes in the organization. They failed to formulate proper strategic planning for the change's various aspects which was to be implemented. The organization firstly failed for formulating strategies for the purpose of the services that were to be introduced through the change which was to be implemented to their customers. On introduction of Unicall, many local branches of the bank were shut down. But appropriate strategic planning was not made by the organization for services offered by the branches of the bank which were shut down. One outcome of this was that, services which those customers enjoyed from visiting those branches would now be available only by calling the call-center. One simple example is the instances wherein the customers want to open a new bank account. Earlier this was done by visiting the bank's local branches which was more ease for them. But as those branches were shut down the customers now had to make calls to the call-center operatives who can be deemed as unnecessary as convenience would be to carry out such activates by visiting the bank's branches.

Another failure of strategic planning is based on setting up the salary structure of employees. Having a pay structure which is based on employees' performance and levels of skills is very helpful as it also serves as a factor of motivation while gaining loyalty and trust from the employees. The salary structure established in the organization was not concerned with levels of performance of their employees. The pay scale was a constant one which did not include any bonuses or incentives. Because of this, many employees felt that organization is not concerned with their respective performances in the workspace and their levels of skills. Thus, many young employees thought that they should be paid more as their levels of performance are enhanced as compared to the rest while it is not done so. This resulted in demotivation in employees for

performing their level best in their organizational tasks which again led to degradation of providing services to their customers.

When the employees are not satisfied with the salary structure or if they are not feeling properly compensated for the work then their moral will naturally decrease. Therefore, the HRM should ensure that the working staff/employees are properly compensated with the help of payroll software accordingly. HRM should ensure that, the salary structured should be in accordance with the levels of performances and tasks along with the bonuses, rewards and incentives to the employees (Eskildsen & Nussler, 2000).

One more significant failure in strategic planning is formulating and implementing plans for providing necessary programs for development and training to their employees. Their employees hence lacked the necessary knowledge and skills which are required for performing their tasks effectively. The negative effects of this failure other than delay in services can be clearly identified as some complaints faced by organization from their customers are on basis of inappropriate and rude behaviors of their employees and members of staff along with different aspects of inflexibilities in times of dealing with issues and problems of accounts that are a bit complex and the facts which portrays the situations wherein different customer services representatives or operators give different solutions and answers to questions and inquiries that are same or similar. This issue also includes apparent inabilities of some employees for being unable for performing perform certain measures for extracting accurate, useful data related to inquiries that are quite simple and the time required to perform such types of interrogations.

One of the fundamental functions of an organization is arrangement of training and development program for the employees of an organization. Arrangement of such training programs may help employees to enhance their skills and knowledge in order to perform a task. Here, HRM should schedule the appropriate training sessions and arrangement of experts etc. (Edgar & Geare, 2005).

For the organization, it is very important to properly handle and manage calls from their customers. The employees are also responsible for providing the appropriate solutions to the queries of their customers. Some of the groups of employees at the organization Unicall have been able to figure out a method by which they can get their own calls redirected to any other member of the group so that effectively only one person in the entire group is working. In some situations, this is also

used for over burdening unpopular or new employees or members of staff who unknowingly falls victims in this type of redirection which leads to increased pressure on particular persons as well as increase the waiting time for the customers.

After the introduction of the Unicall system, the operational method of the organization was such that the staff at the branch too was required to contact the Unicall staff for simple banking operations such as opening a new account. This makes entire operations of the bank troublesome wherein employees had to wait a longer period of time for delivering services to their customers. This directly impacts overall; satisfaction of customers as well as employees that are ultimately affecting overall productivity and market position of the company. Hence, the employees working at different branch of the bank across cities have to keep on calling their teleservices for delivering even small services to the customer. In addition, the staff started behaving rudely with the customers owing to heavy call flow and repeated calls to their Teleservices department. Further their inflexibilities in the time of dealing with issues and problems of accounts that are a bit complex as well as the facts which portrays the situations wherein different customer service representatives or operators are engaged in giving different solutions and answers to questions and inquiries that are same or similar. Hence this can be considered as a major area that bank needs to effectively address so as to remain in the market for a long time through serving an increasing number of customers required for profitable business.

Further Unicall has a structured payer system where the pay is on a basis of the fixed base amount and increased in various levels which the organization determines. However, the issue here involves this payment system is not on the basis of their employees' performances and which do not provide any incentive for the employees for working in an efficient manner. Thus, the organization witnesses a low level of employee satisfaction, especially amongst the young employees that are highly efficient and better at their work in comparisons with older employees, yet they get paid less as compared to the older employees.

Besides customer satisfaction, employee satisfaction is another vital aspect that any organization irrespective of industry in which they operate has to effectively manage and taken care of. Employee satisfaction is essential for any business that directly impacts customer satisfaction leading to higher sales and profits. In addition, employee satisfaction also affects overall company's rate of attrition. It is the primary responsibility of the employer to provide all sorts of

provisions and facilities that enhances employee satisfaction. According to Branhman (2005), any businesses having a high degree of employee satisfaction also have 86% higher customer ratings, 44% higher revenues and profitability besides having 76% better employee retention rate. Further, according to Timpe (1986), providing various avenues and opportunities for personal as well as professional growth is a major contributor of employee satisfaction. Further, according to them, giving employees challenging role and frequent job rotation is also a factor which helps them in enhancing their abilities and skills leading to higher satisfaction and retention of employees (Gregory).

In accordance to a study which was conducted by Chi and Gursoy (2009), a direct relationship was said to exist between the satisfaction of customers and employee satisfaction which also affects the organization's financial performances owing to increasing efficiency of employees to serve firm customer leading to higher sales and profitability. In accordance to a study conducted by Sears Roebuck & Co, according to them five-point improvement in firm employee attitude leads to around 1.3 increases in customer satisfaction. This in turn enhances the company's revenue by almost 0.5%. Further, according to another study by Brooks (2000), they state that on the basis of industry and type of business, around 40 to 80% of customer satisfaction and loyalty is largely dependent on relationship between employees' attitude and customer related variables such as perceived quality of products and services offered by the firm. Hence, more the employee satisfied, more is the revenue and profitability of the company (Bulgarella, 2005).

Based on the discussion as given above, the organization faces significant issues related to its human resource management strategy. It is therefore highly critical for the organization to implement an effective human resource management strategy in order to resolve these issues. An ideal framework to create an effective human resource management strategy can be given as follows, the graphical representation of the framework is given as per **Diagram 2** – Human Resource Management Strategy (CompareHRIS, 2017).

1. Defining and establishing business strategy

This step of the framework involves defining and in depth understanding of business goals and objectives besides analyzing strategic decisions and options of the bank. This would help them to formulate HR strategy accordingly.

2. Creation of HR scenarios

This step involves identifying people implications for each of the varied strategic options identified in the above step. For instance, one of the issues faced by the company is a shortage of manpower that is affecting their efficiency of serving customers. Hence the bank could plan recruitment for hiring additional problem that would reduce customer waiting time.

3. Assessing man power demand

This step of the framework involves forecasting and assessing skill human resource required for varied business activities besides measuring staff turnover and other aspect of business such as mergers and expansion that would require additional manpower for the same.

4. Assessing supply of manpower

This step involves conducting internal analysis of human potential available with the company as of now besides evaluating and assessing external factors such as demographics and availability of manpower in the city in which they operate.

5. Assessment of cultural implications of business strategy adopted by the company

This step is basically concerned with assessing the cultural implication of strategies adopted by the company. For instant, assessing how people interact and perform in a team, how is political and social dimensions to name a few will help banks to devise HR strategy accordingly.

6. Designing initial strategic HR forecast

This step involves formulating initial HR forecast based on the previous step. This will help banks to understand several manpower required for achieving their goals and objectives.

7. Formulating an HR plan

The last step of HR framework is to devise HR plan for the same that will help banks to allocate human resources accordingly. This involves varying aspect, such as training needs as well as recruitment needs. In simple word this involves devising an HR plan that will help them to make best use of human resources available with them. However, the HR plan should be highly dynamic

and should be competitive enough. This involves formulating plans for compensation paid, working hours, health and safety of employees to name a few (CIPD, 2016).

This will help banks to reduce or minimized the risk associated with people or human resource of the company.

Recommendations

Based on in-depth above-mentioned case study and findings, following are certain recommendations for the company which can be utilized for solving problem of customer and employee satisfaction.

- Unicall has to follow the appropriate risk management process in order to keep the goals and objectives of the company on track, for example, creating the risk register, identification of the risks, identification of the opportunities, determination of likelihood and impact of the risks, determination of risk responses, estimation of the risks and finally reviewing and reporting of the risks etc.
- In accordance with a survey the risk associated with the customer dissatisfaction can be mitigated by keeping the digital transformation in order to keep the positive experience among the customers (Tuttle, 2015).
- The risk associated with the employee satisfaction can be managed by the employee engagement as a part of risk management, which basically includes participation of employees in organizational alignment, assigning the appropriate role, arrangement of learning and development programs etc. (Ono, 2017).
- HRM should ensure that the working staff/employees are properly compensated with the help of payroll software in order to manage effective payroll action
- HRM should ensure that, the salary structured should be in accordance with the levels of performances and tasks along with the bonuses, rewards and incentives to the employees
- The company should recruit more potential staff and employees to handle heavy call flow so as to effectively handle customer grievances. This will have a positive impact on firm efficiency in serving their customers leading to higher customer satisfaction.

- The company should redesign and implement better software solution for call management at Unicall. This would help them to serve customers in better way leading to higher sales and profitability required for sustaining highly competitive market.
- Further Unibank should improvise their operational methodology in order to ensure that the operations as effective. One of the areas where efficiency can be improved by changing the operations can be to remove the redundancy in the branch and Unicall operations so that the branch staff should be required to contact the Unicall team in order to perform the banking operations.
- Further the company could upgrade and adopt the latest technology that would improvise their operations, thereby increasing their efficiency of serving customers required for profitable businesses.
- One of the strategies that companies should adopt is designing and implementing best deployment strategy that would ultimately enhance employee satisfaction.
- Further the company should design appropriate pay and compensation system according to experience and capabilities of the employees so as to make sure they retain employees.
- In addition, the company could design and implement better appreciation and reward system that will motivate employees to work further so as to enhanced overall productivity of employees as well as the overall organization.

Conclusion

Based on the above analysis of Unibank case study of problems faced by them, it could be concluded that the bank faces a large number of problems that are increasingly affecting their operational abilities and overall productivity and performance of the bank. It is recommended that the organization should implement a proper risk management plan in order to identify and assess the risks that are posed to the Unicall project and prepare strategies to mitigate the same. It is also identified that the organization had implemented the Unicall project without having a proper strategic human resource management plan in place. Hence, the organization must also devise and implements a strategic HRM plan as outlined in the report.

The further actions as recommended for the organization to take includes an in-depth risk analysis of the risks posed by the Unicall project along with the creation and implementation of a strategic HRM plan. The timeline that is recommended for the organization to implement these recommendations is 6 months wherein the organization can create two separate teams for each of these broad recommendations i.e. Risk management and Strategic HRM. The teams should first identify the requirements of the organization from the risk and the HRM point of view, analyze the methods using which these requirements can be achieved and finally implement the same in the organization. In this manner, the organization will be able to resolve these risks and strategic HRM related issues that they face and ensure that the Unicall operations are managed in an effective and efficient manner.

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Appendix

Diagrams

Diagram 1 - Risk Management Process

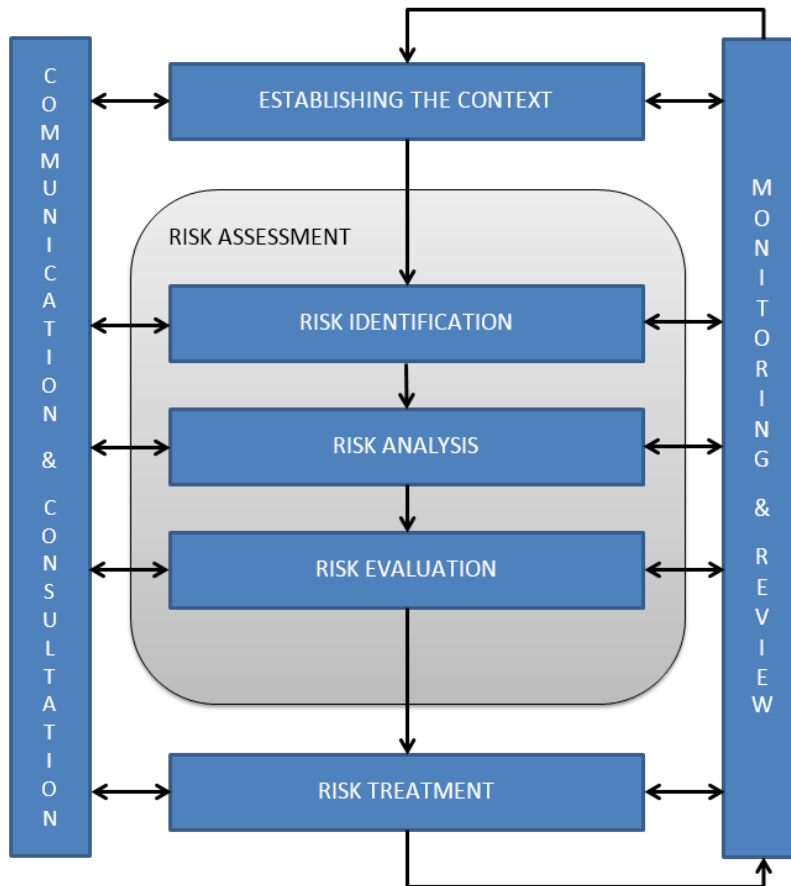


Diagram 1- Risk Management Process (Risk Integration Management, 2017).

Diagram 2- Human Resource Management Strategy

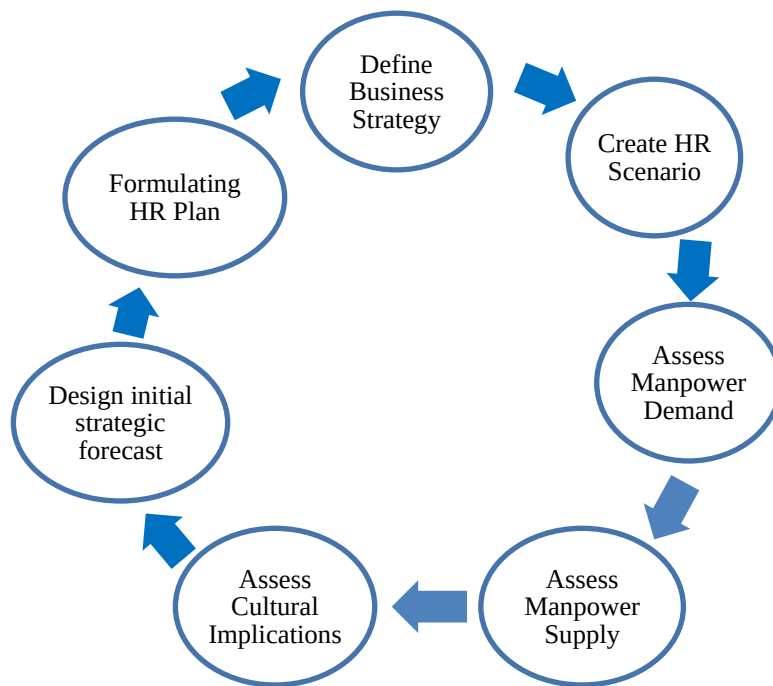


Diagram 2 - Human Resource Management Strategy (CompareHRIS, 2017).

Tables

Tables 1: Question – what is the likelihood of the risk event occurring?

Rating	LIKELIHOOD
	The potential for problems to occur in a year
5	ALMOST CERTAIN: Mostly will occur many times during varied activities
4	LIKELY: high probability which are likely to occur at least once a year
3	POSSIBLE: reasonable with likelihood of occurring in at least once in five year
2	UNLIKELY: plausible, could occur over a five to ten-year period
1	RARE: very unlikely but not impossible, unlikely over a ten-year period

Table 1- Risk Likelihood (ACT Government, 2017).

Table 2: Question: Possible impact of Risk?

Rating	POTENTIAL IMPACT
	In terms of the objectives of the club
5	CATASTROPHIC: Most of the business objectives would be achieved or at least will be affected highly
4	MAJOR: Either one or most of the objectives get affected largely.
3	MODERATE: Here some of the business objectives get affected
2	MINOR: easily remedied wherein some of the objectives could be easily achieved without much impact.
1	NEGLIGIBLE: very small impact which is usually rectified by small corrective measures.

Table 2 - Risk Impact (ACT Government, 2017).

Table 3: Question: what are the risk priorities?

		POTENTIAL IMPACT				
		5 Catastrophic	4 Major	3 Moderate	2 Minor	1 Negligible
LIKELIHOOD	5 Almost certain	Extreme (1)	Extreme (1)	Major (2)	Major (2)	Medium (3)
	4 Likely	Extreme (1)	Extreme (1)	Major (2)	Medium (3)	Minor (4)
	3 Possible	Extreme (1)	Major (2)	Major (2)	Medium (3)	Minor (4)
	2 Unlikely	Major (2)	Major (2)	Medium (3)	Minor (4)	Minor (4)
	1 Rare	Medium (3)	Medium (3)	Minor (4)	Minor (4)	Minor (4)

Table 3 - Risk Priorities (ACT Government, 2017).

Table 4: Question: What could be the key of Risk Priorities?

Extreme	Extreme risks that are likely to arise and have potentially serious consequences requiring urgent attention
Major	Major risks that are likely to arise and have potentially serious consequences requiring urgent attention or investigation
Medium	Medium risks that are likely to arise or have serious consequences requiring attention
Minor	Minor risks and low consequences that may be managed by routine procedures

Table 4 - Risk Priority Key (ACT Government, 2017).