



Cornell University
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The global call center industry: What challenges? What solutions?

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Today's talk

- ❑ What does the global call center industry look like?
 - Findings from the global call center project (19 countries)
(www.globalcallcenter.org)
- ❑ Trends in employment, management practices
- ❑ What common challenges do workers & unions face?
- ❑ What impact do unions have?
- ❑ What solutions should we pursue?



Global call center project: Participating countries

❑ North America

- Canada, US

❑ Europe & Middle East

- Austria, Denmark, England, France, Germany, Ireland, Israel, Netherlands, Poland, Spain, Sweden

❑ South America, Asia, Africa

- Brazil, China, India, Japan, South Africa, South Korea



International workplace survey

□ Participation

- 19 countries, 2,600 centers
- Centers employed about 500,000 workers

□ Survey content

- Industry location, markets
- Work organization, HR practices
- Turnover, absenteeism, service quality
- Union representation



Global trends: Across all countries

Call centers are:

- ❑ Recent development everywhere
 - Most call centers are new (less than 10 years old)

- ❑ Viewed as economic development strategy
 - Solution to unemployment

- ❑ Similar lead sector users in each country:
 - Telecommunications, Financial services



Global trends: Across all countries

- Employment is large & growing everywhere
 - 3% of workforce in US, 1-2% in Europe

- Most centers: serve domestic, not international market
 - Over 85% in all countries except India, Ireland, Canada

- 75% centers, 55% workers: ‘in-house’ (not outsourced)



Is off-shoring a threat to US call center jobs?

Employment of call center workers (2008)

| Country | Total CC jobs | Jobs serving US |
|---------------|---------------|-----------------|
| India | 280,000 | 180,000 |
| Canada | 400,000 | 100,000 |
| Philippines | 160,000 | 100,000 |
| Total | 840,000 | 380,000 |
| United States | 4,000,000 | 4,000,000 |

- ❑ Offshore centers serving US = about 10% of total
- ❑ What kind of work tends to get sent off-shore? Most simple tasks



US employment trends: Selected call center jobs

| Occupation | 1997-9 | 2004-7 | % change |
|-----------------------|-----------|-----------|----------|
| Telephone Operators | 50,820 | 23,840 | -53.1% |
| Switchboard Ops | 248,570 | 160,200 | -35.6% |
| Order Clerks | 376,430 | 255,670 | -32.1% |
| Telemarketers | 485,650 | 354,000 | -27.1% |
| Reservation Agents | 222,340 | 167,390 | -24.7% |
| Credit Authorizers | 82,900 | 67,480 | -18.6% |
| Collections Reps | 383,090 | 409,570 | 6.9% |
| New Accounts Clerks | 69,790 | 88,880 | 27.4% |
| Customer Service Reps | 1,789,620 | 2,193,430 | 22.6% |

Call center jobs as % of US workforce: Stable over at about 3%

The more complex, higher paying jobs are increasing

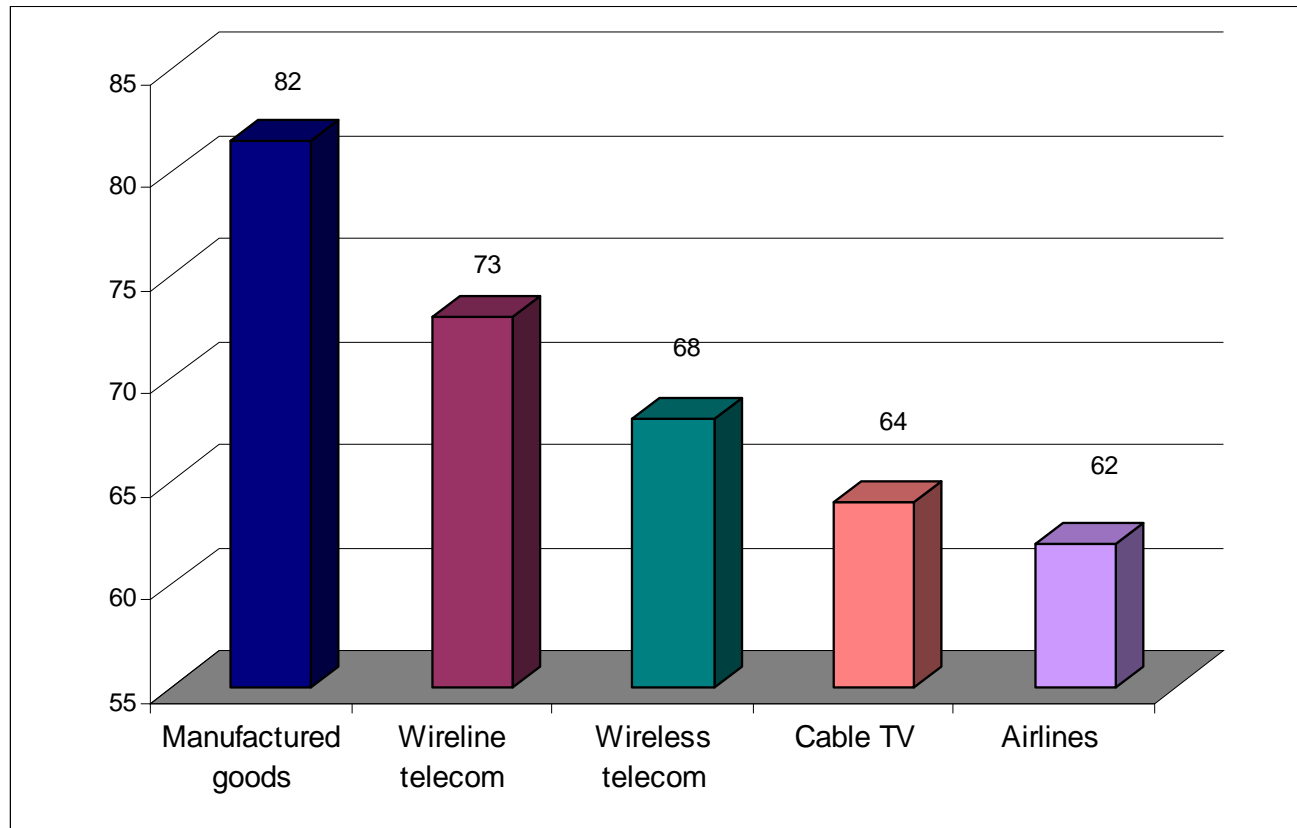


Why do US jobs continue to grow?

- ❑ Companies need more customer service centers
- ❑ IT technology has eliminated only simple tasks
- ❑ On-line self-servicing still requires additional help
- ❑ Consumers are dissatisfied with service quality
- ❑ Consumers angry about off-shoring service, complications
- ❑ Companies that care about quality tend to keep jobs in-house



Customer satisfaction rates: Selected industries (2008)



American Customer Satisfaction Survey www.acsi.org



Similar problems - challenges across all countries

Most centers focus more on low costs than high quality

Result for workers

- ❑ High standardization (Ave. call handling time: 195 seconds)
- ❑ ‘Call’ centers are not ‘multi-channel’

- ❑ Electronic monitoring is pervasive
 - Creates mistrust
 - Creates flat organizations with dead-end jobs

- ❑ Turnover and absenteeism are high



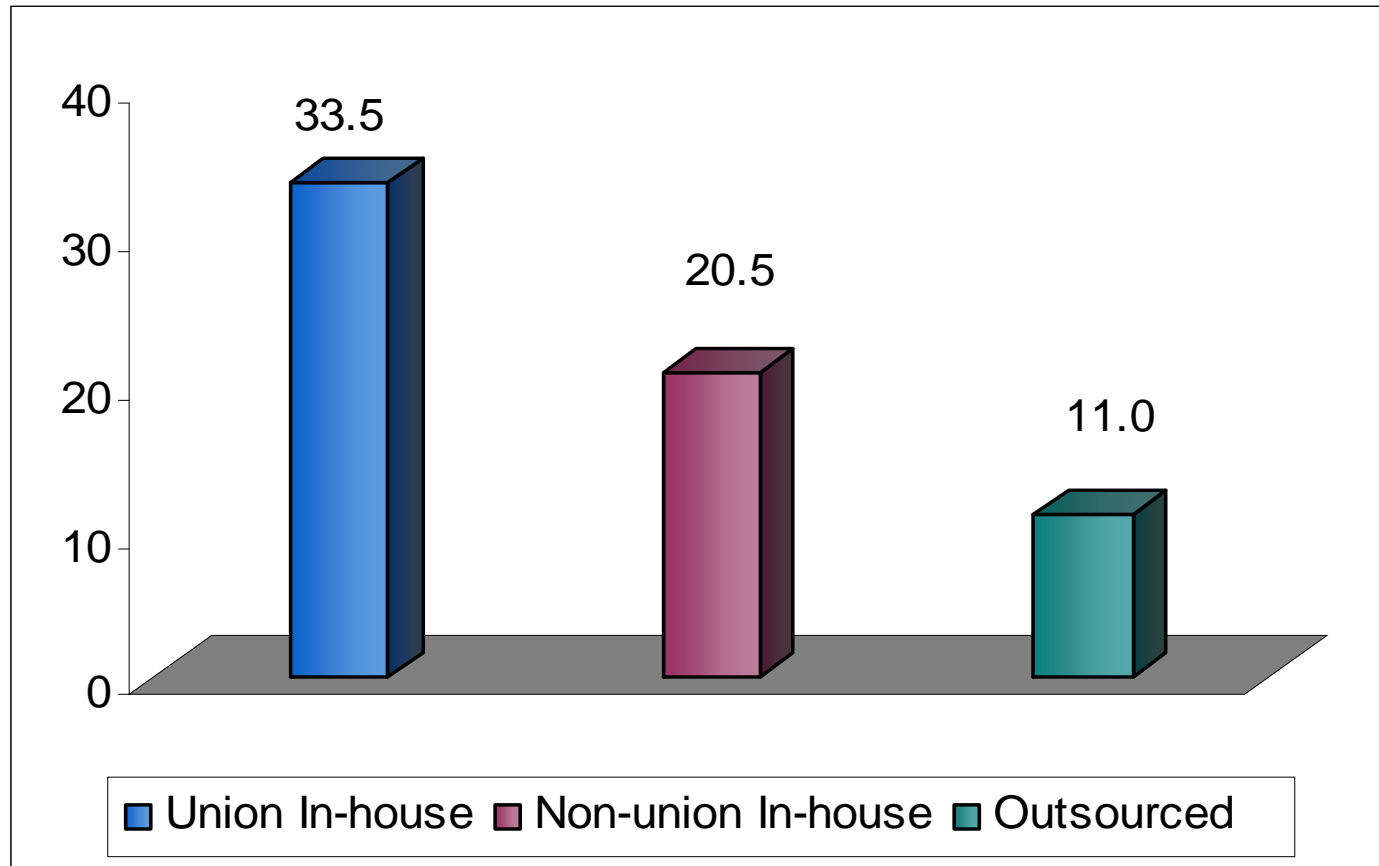
Similar problems - challenges across all countries

In every country, subcontractors offer worse jobs:

- ❑ Less discretion with customers, more scripting
- ❑ More performance monitoring
- ❑ Lower wages and benefits
- ❑ More use of part-time and temporary workers
- ❑ Lower levels of union representation
- ❑ Higher quits and dismissals



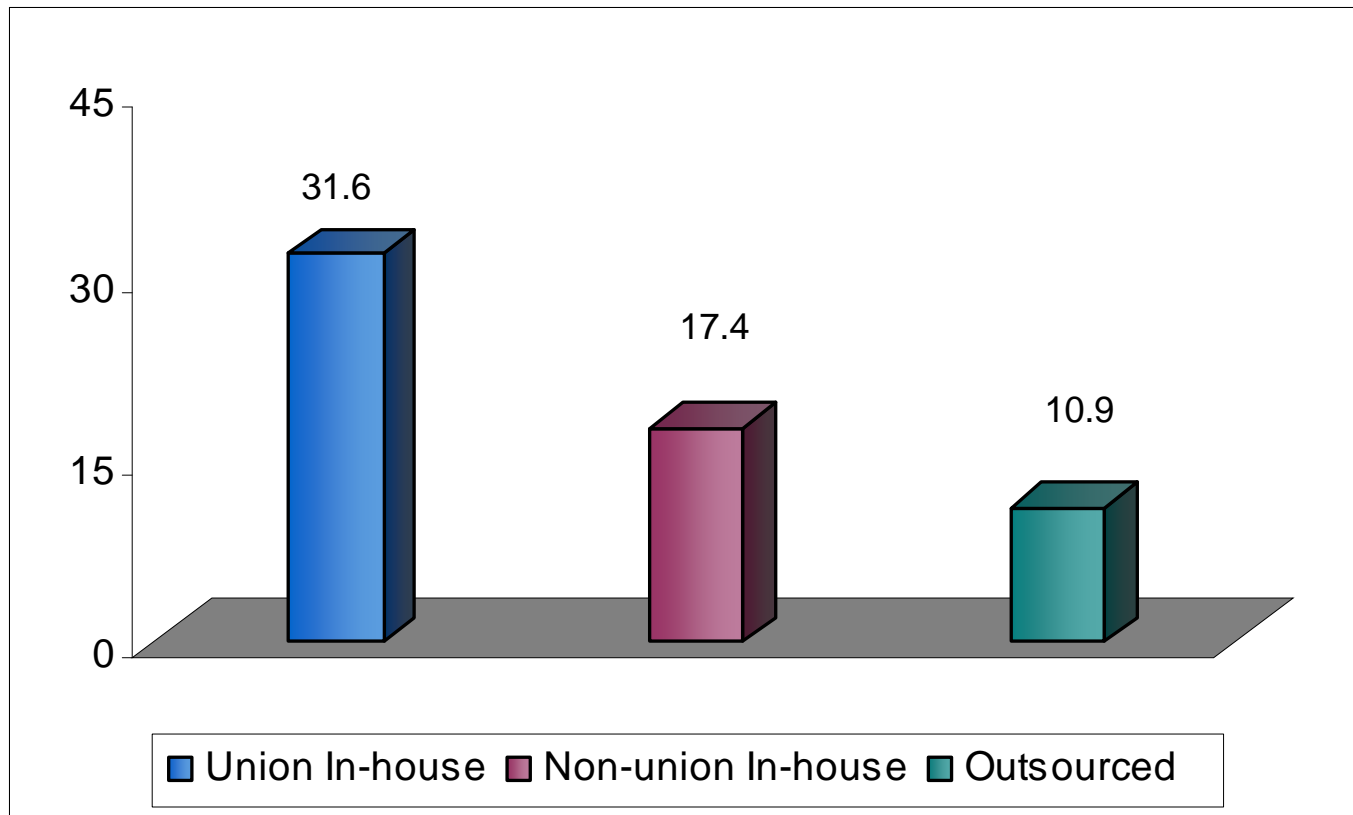
Days of Initial Training



Source: US National Report: Global Call Center Survey, www.globalcallcenter.org



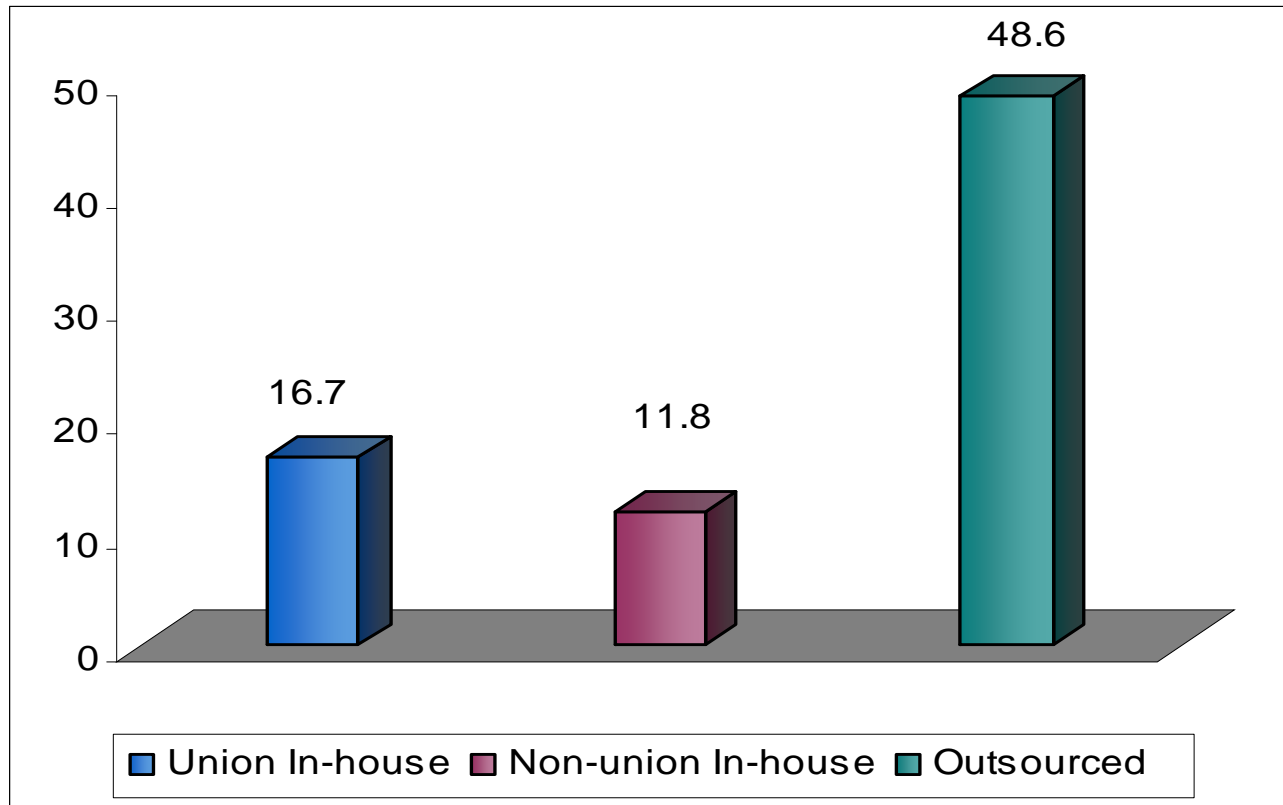
Weeks to Become Qualified on the Job



Source: US National Report: Global Call Center Survey, www.globalcallcenter.org



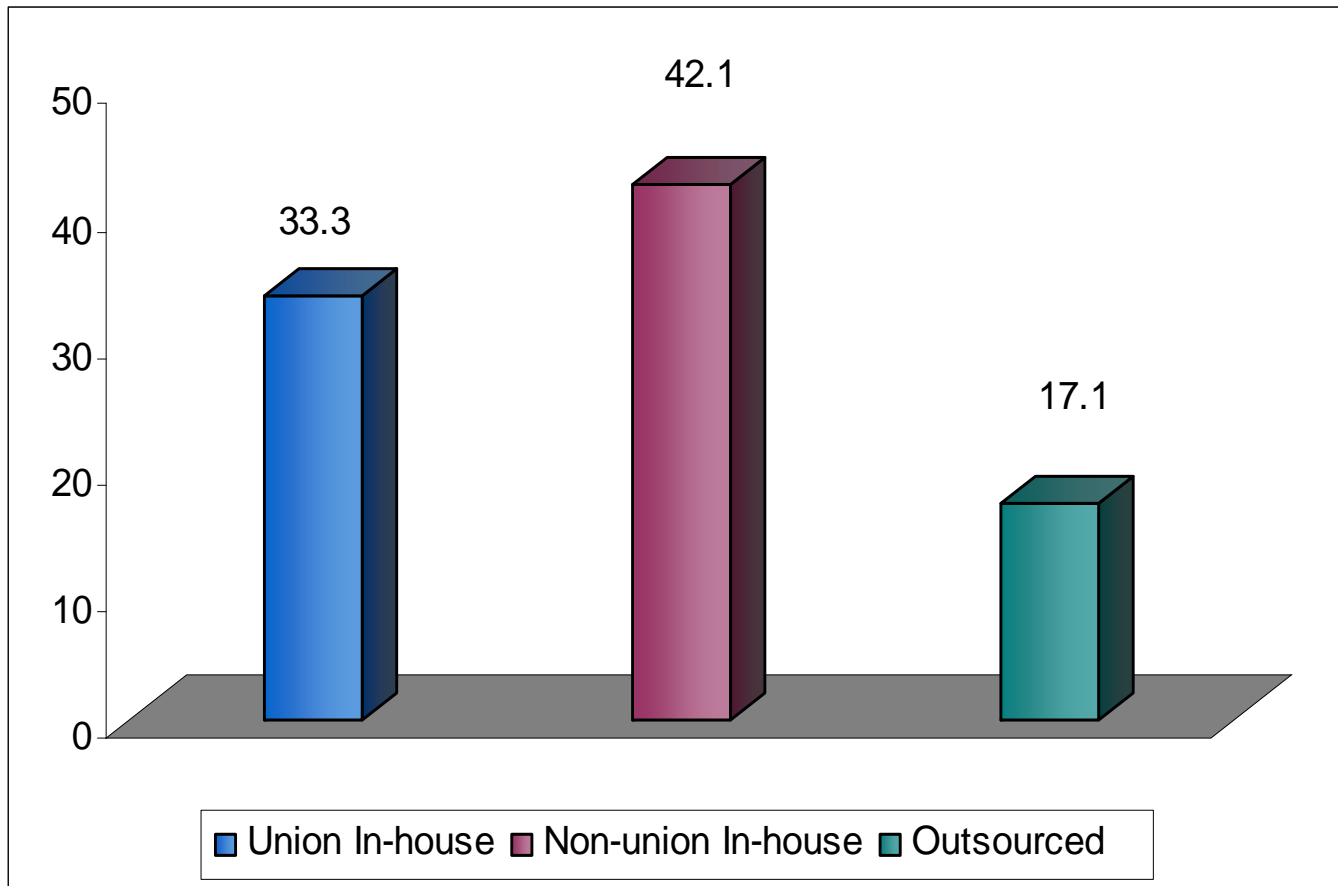
% Who Rely Heavily on Scripted Texts



Source: US National Report: Global Call Center Survey, www.globalcallcenter.org

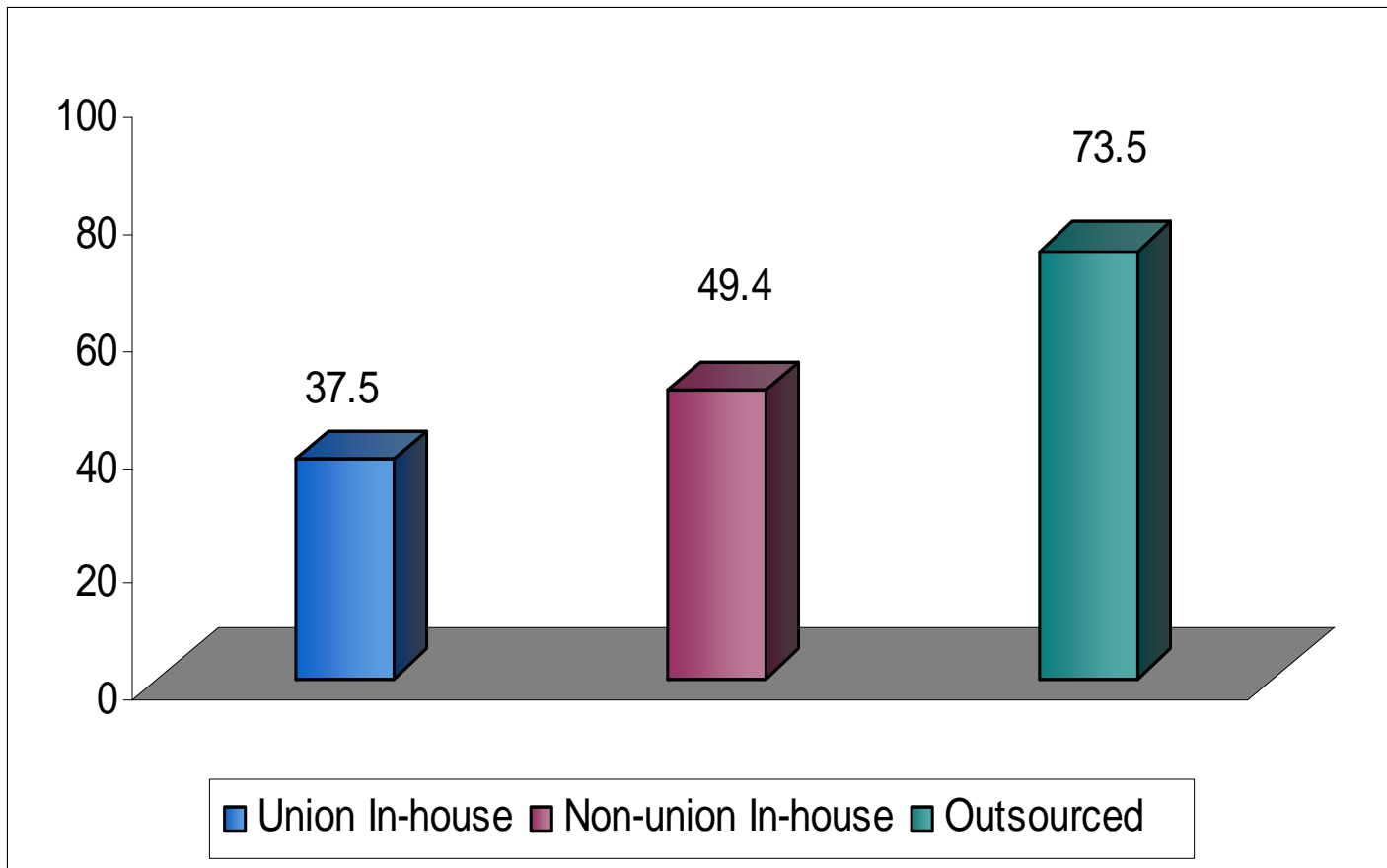


% with Considerable Discretion with Customers



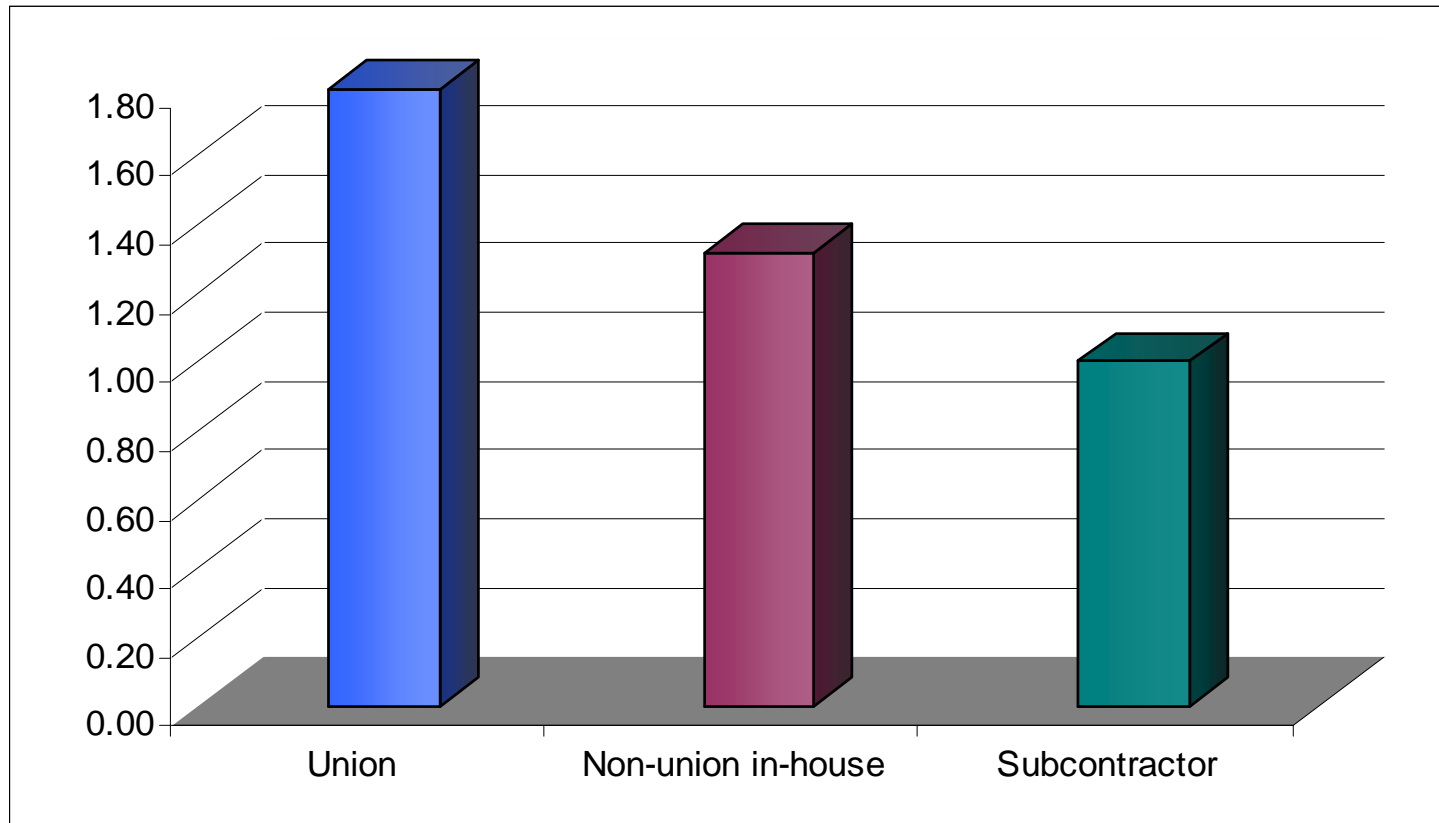


% Supervisor Monitoring





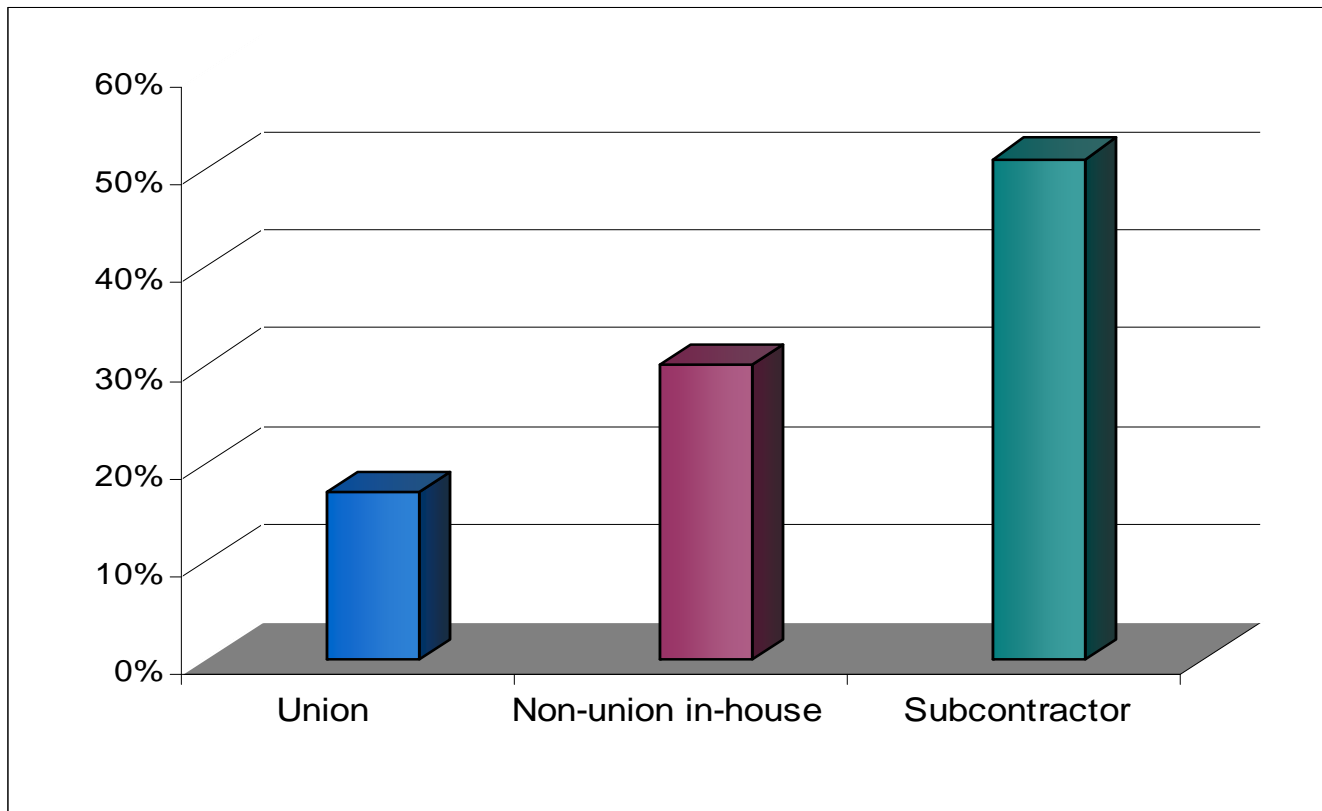
Total Compensation



Source: US National Report: Global Call Center Survey, www.globalcallcenter.org



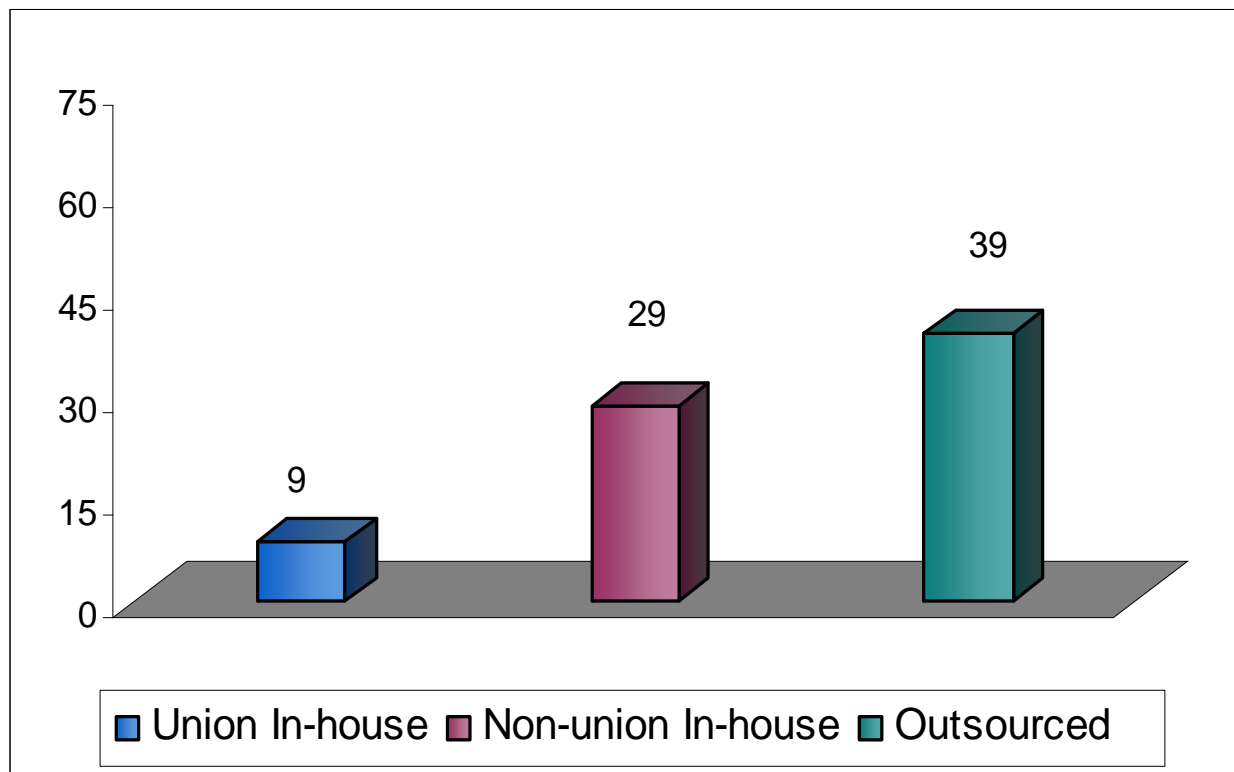
Total turnover: Quits, Dismissals, Layoffs



Source: US National Report: Global Call Center Survey, www.globalcallcenter.org



% of Workers with Less than 1 Year Tenure



Source: US National Report: Global Call Center Survey, www.globalcallcenter.org



What have unions accomplished in call centers?

- ❑ Higher pay and benefits
- ❑ More investment in training
- ❑ Limits on performance monitoring and its use
- ❑ Negotiated rules for sales quotas
- ❑ Negotiated formulas for incentive pay



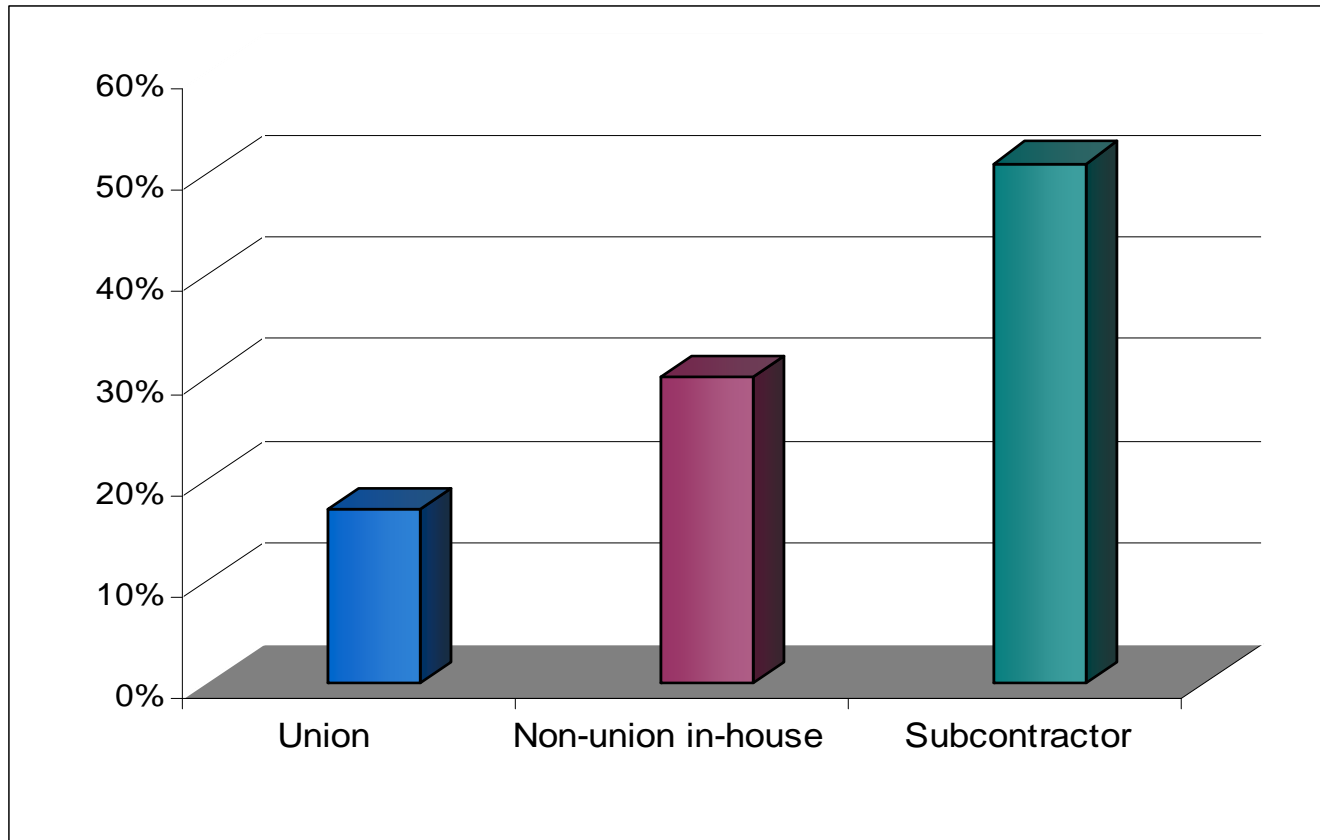
On-going challenges for unions and workers

- ❑ Performance monitoring and it's use
- ❑ Incentive pay systems: What is the right formula?
- ❑ Too many conflicting performance measures used
- ❑ Unreasonable sales quotas
- ❑ Inflexible work schedules

- ❑ Result: The high turnover workplace



Total turnover: Quits, Dismissals, Layoffs



Source: US National Report: Global Call Center Survey, www.globalcallcenter.org



Is high turnover a problem for management?

High turnover causes:

- ❑ Poor customer service
- ❑ Lower productivity
- ❑ Higher costs of recruitment and training
- ❑ Higher churn – disruptive of daily routines
- ❑ Harder jobs for managers



Is high turnover a problem for unions & workers?

High turnover:

- ❑ Lowers trust among workers
- ❑ Lowers ability to rely on each other for help
- ❑ Lowers union membership & participation
- ❑ Makes it hard to build union leadership
- ❑ Makes it hard build capacity for mobilization
- ❑ Undermines union power



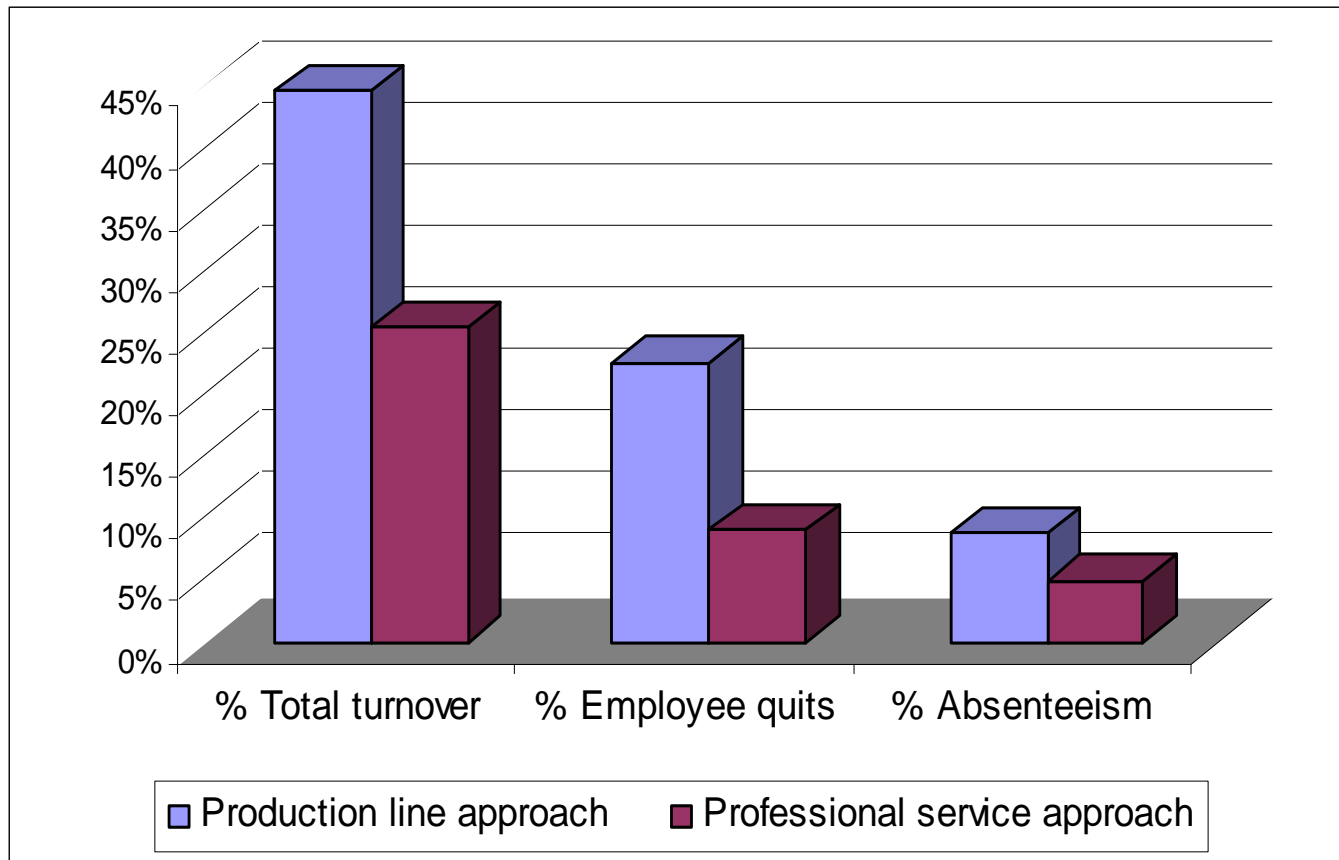
Management solutions:

Adopt a professional model of customer service

- ❑ Invest in on-going training and development
- ❑ Reorganize work
 - More discretion to respond to customers
 - Less focus on call handling time
 - More use of groups and teams to solve problems
- ❑ Reduce intensity of performance monitoring
 - Build environment of trust
- ❑ Improve scheduling flexibility: Work-family balance



Production line vs. Professional Service Approach



Source: US National Report: Global Call Center Survey, www.globalcallcenter.org



Union solutions? Questions for Roundtable

- ❑ What was the most surprising finding from the presentation?
- ❑ What are the most important areas for contract negotiations to address the needs of call center & retail workers?
- ❑ What are three things that CWA members can do *independently of employers* to help call center & retail workers and build the union?