



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

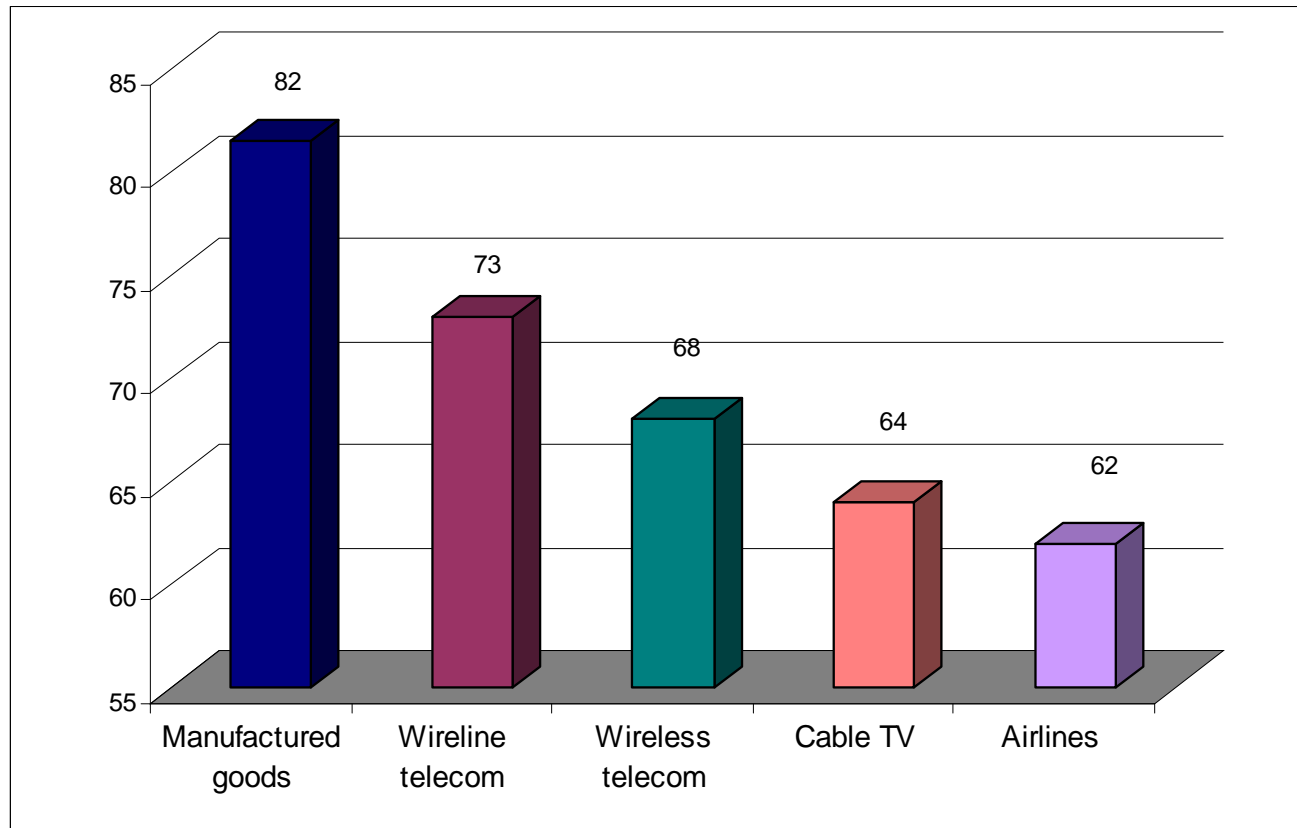


Why do US jobs continue to grow?

- ❑ 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



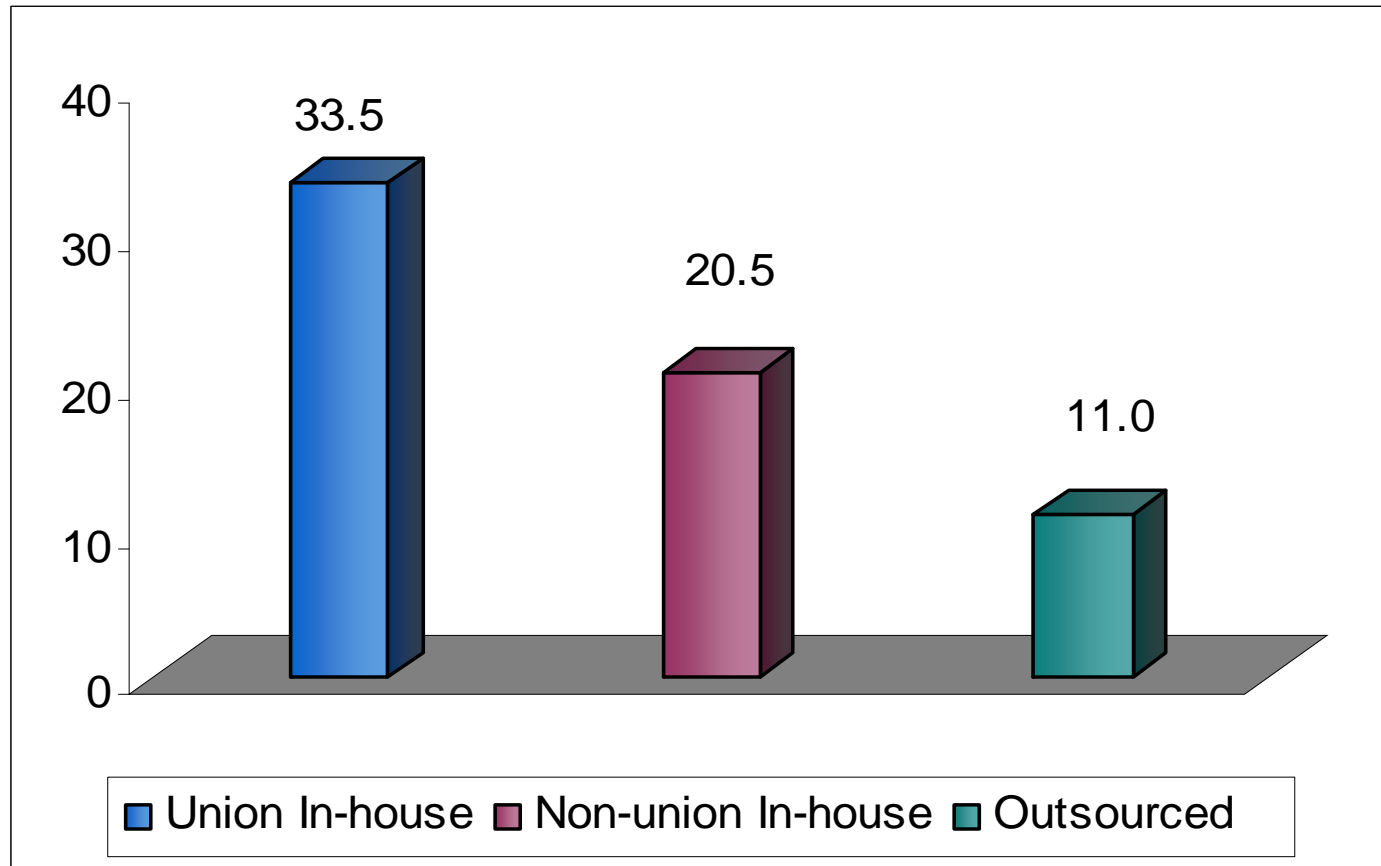
Similar problems - challenges across all countries

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



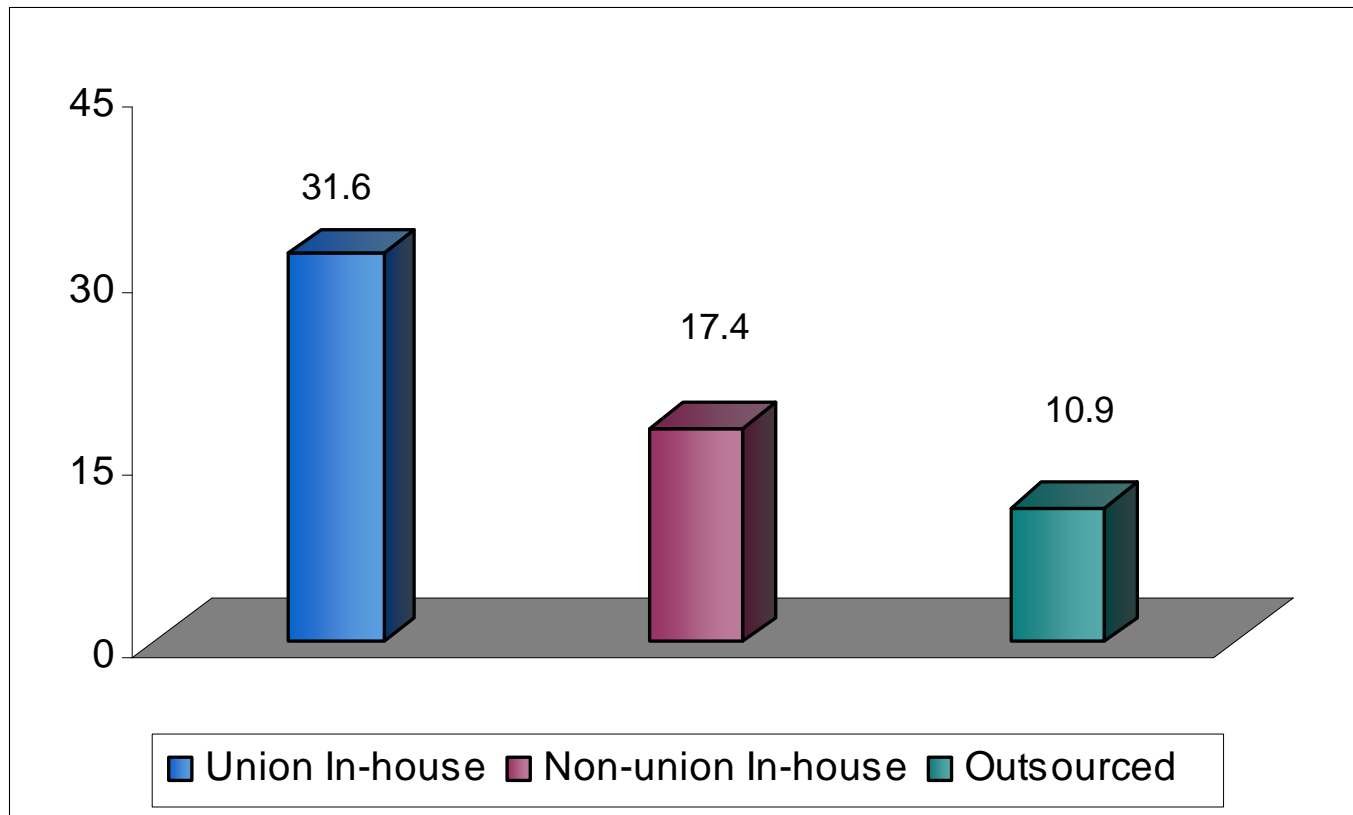
Days of Initial Training



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



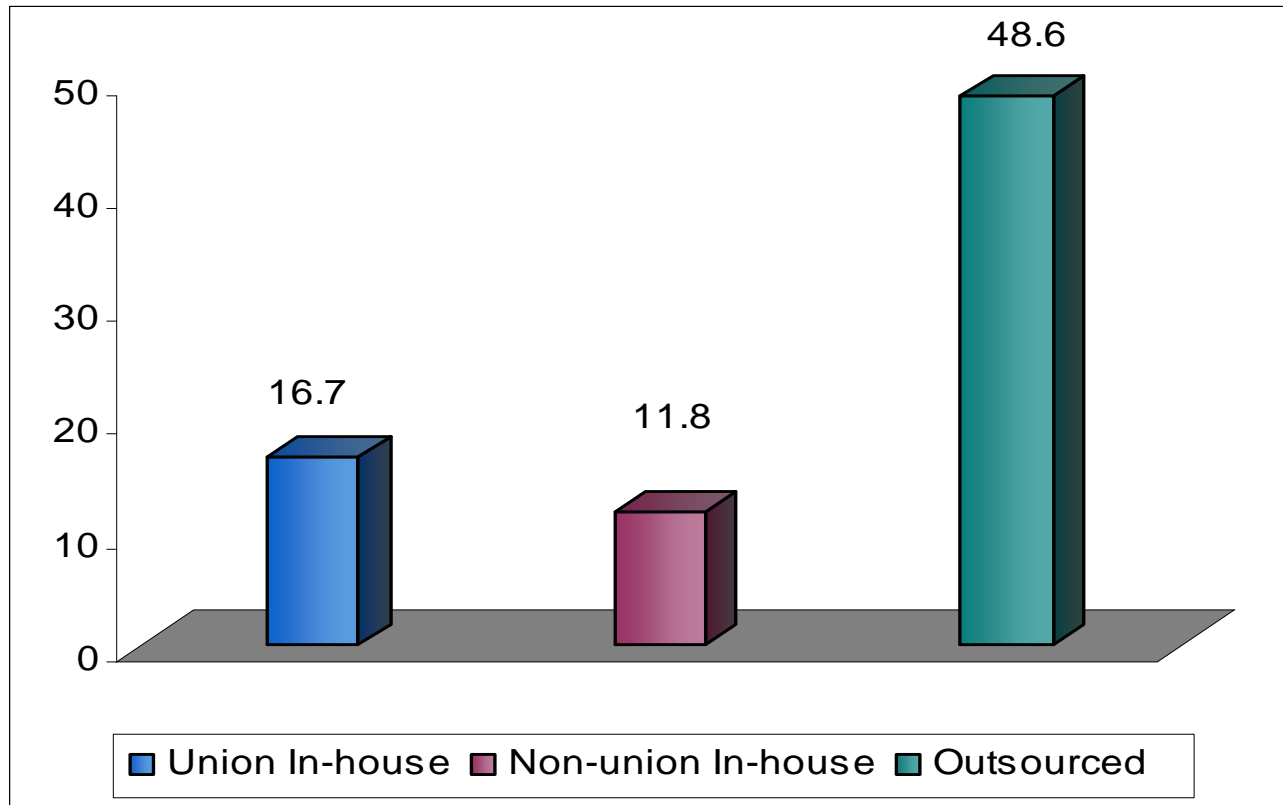
Weeks to Become Qualified on the Job



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



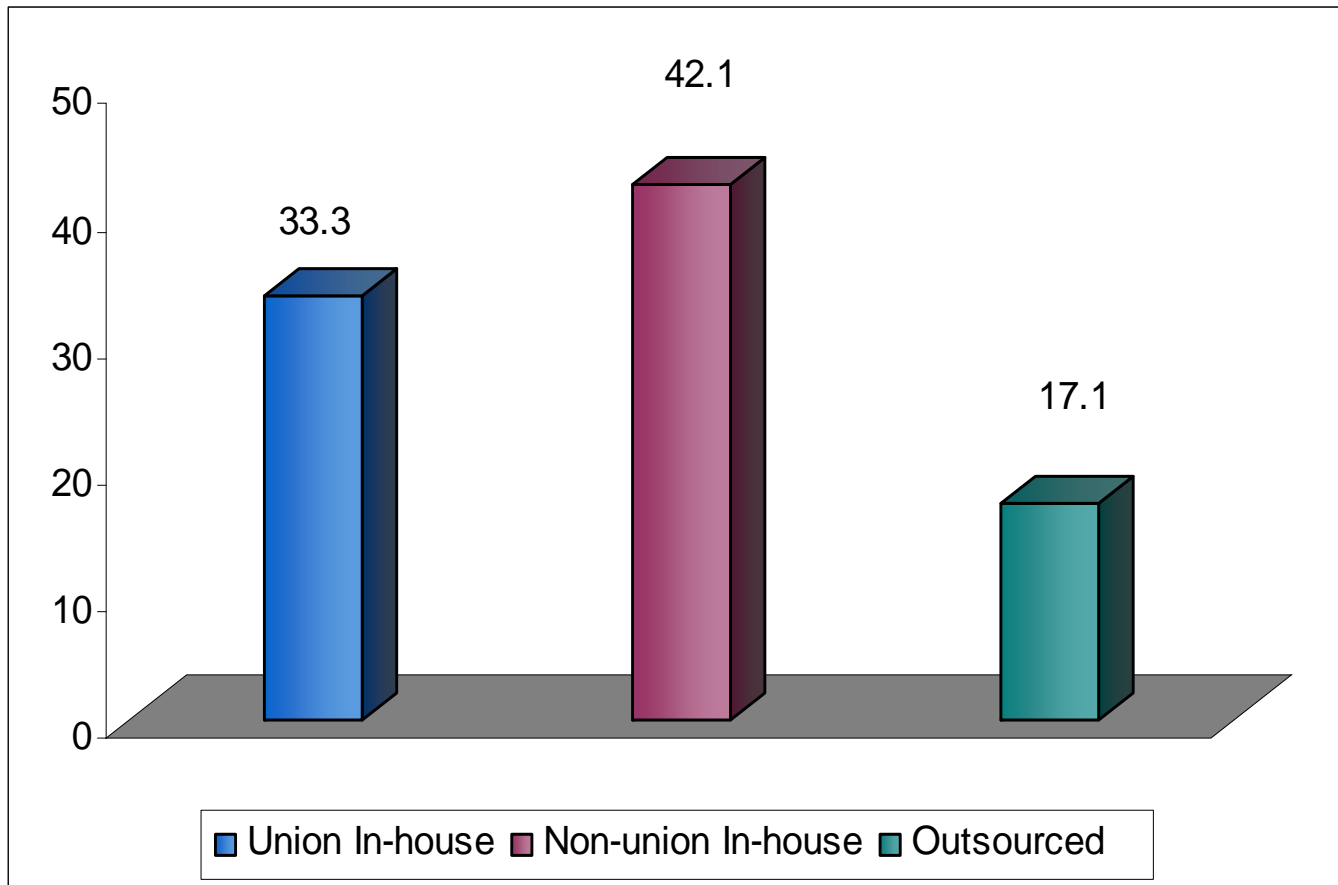
% Who Rely Heavily on Scripted Texts



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

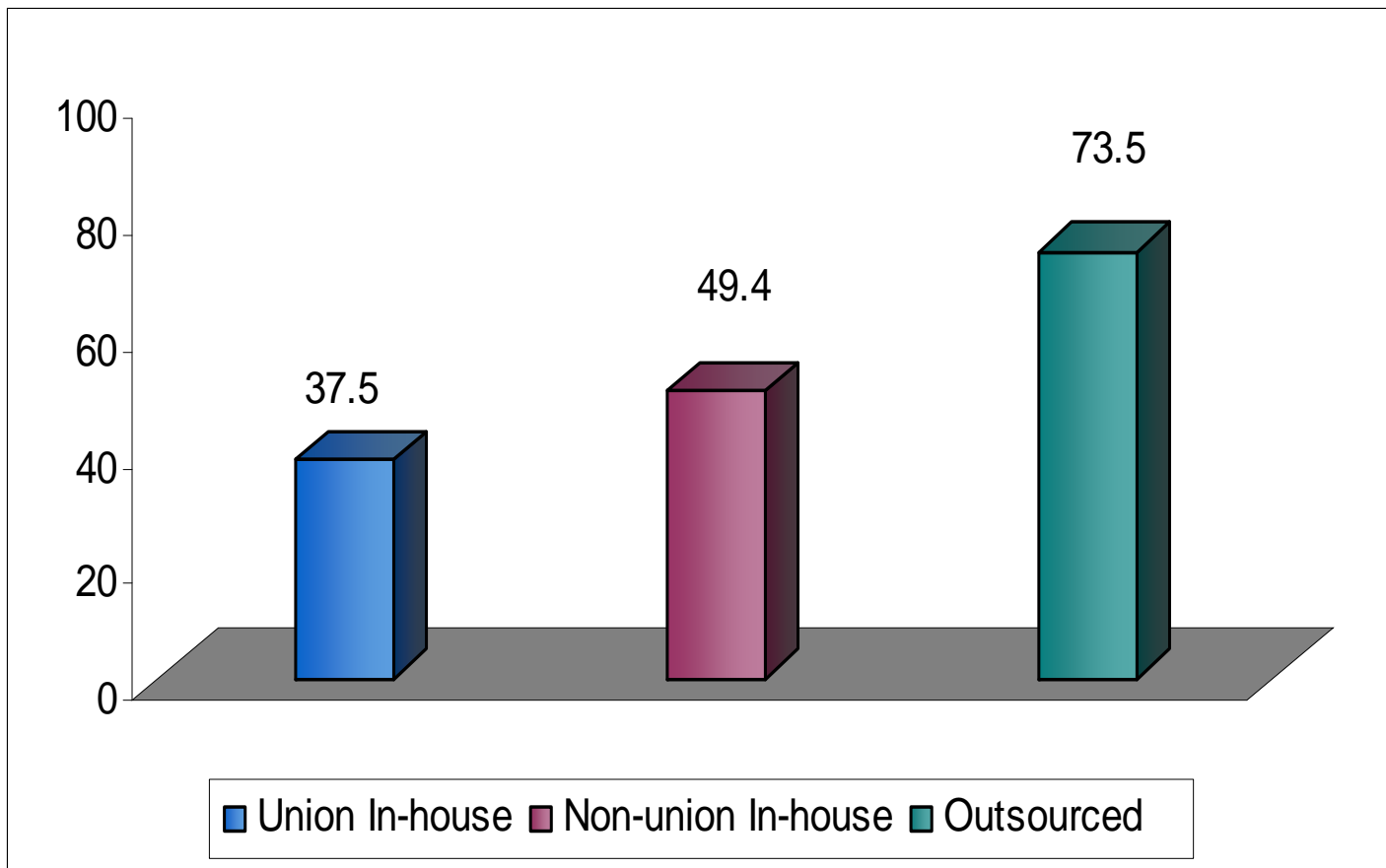


% with Considerable Discretion with Customers



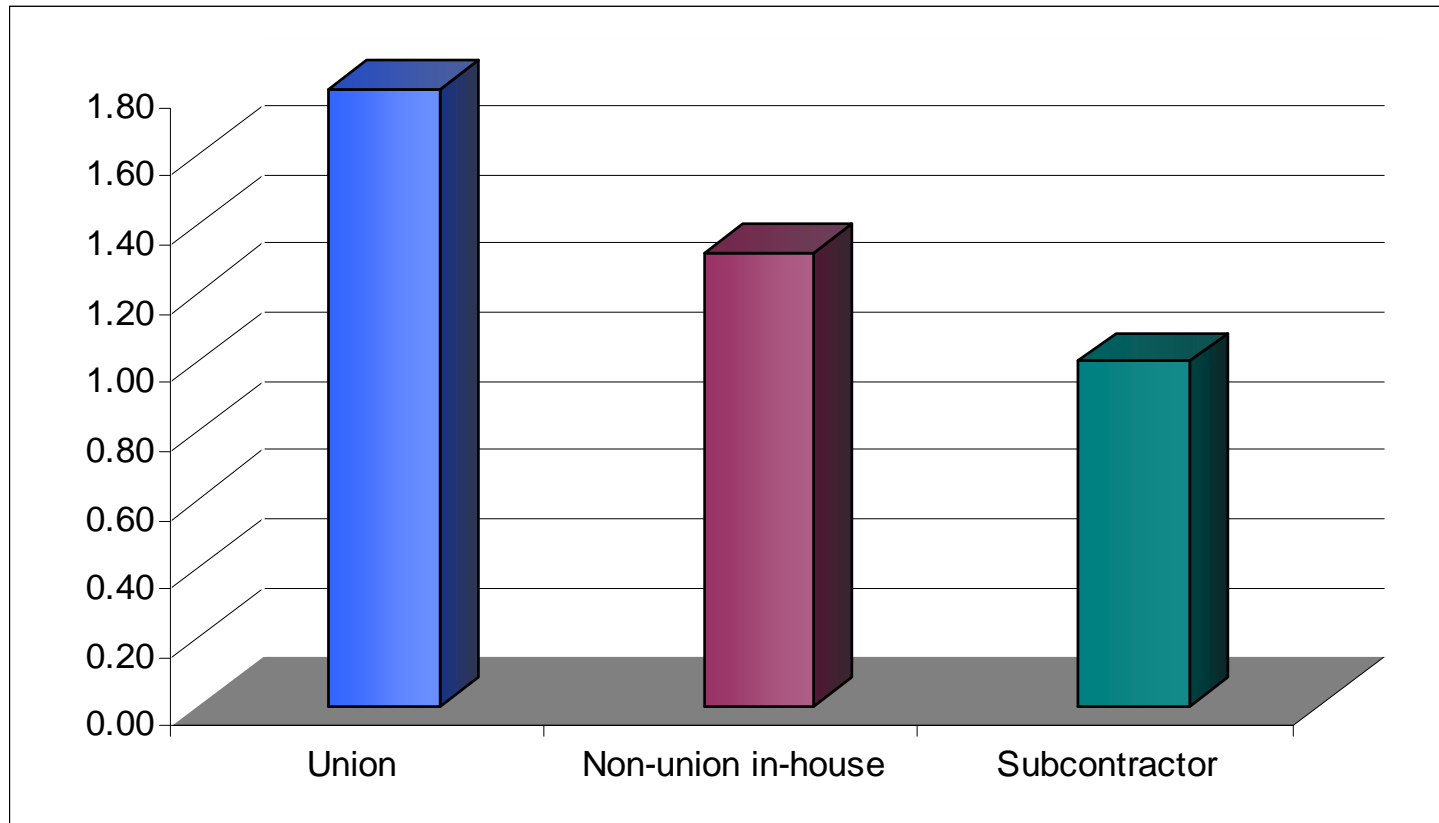


% Supervisor Monitoring





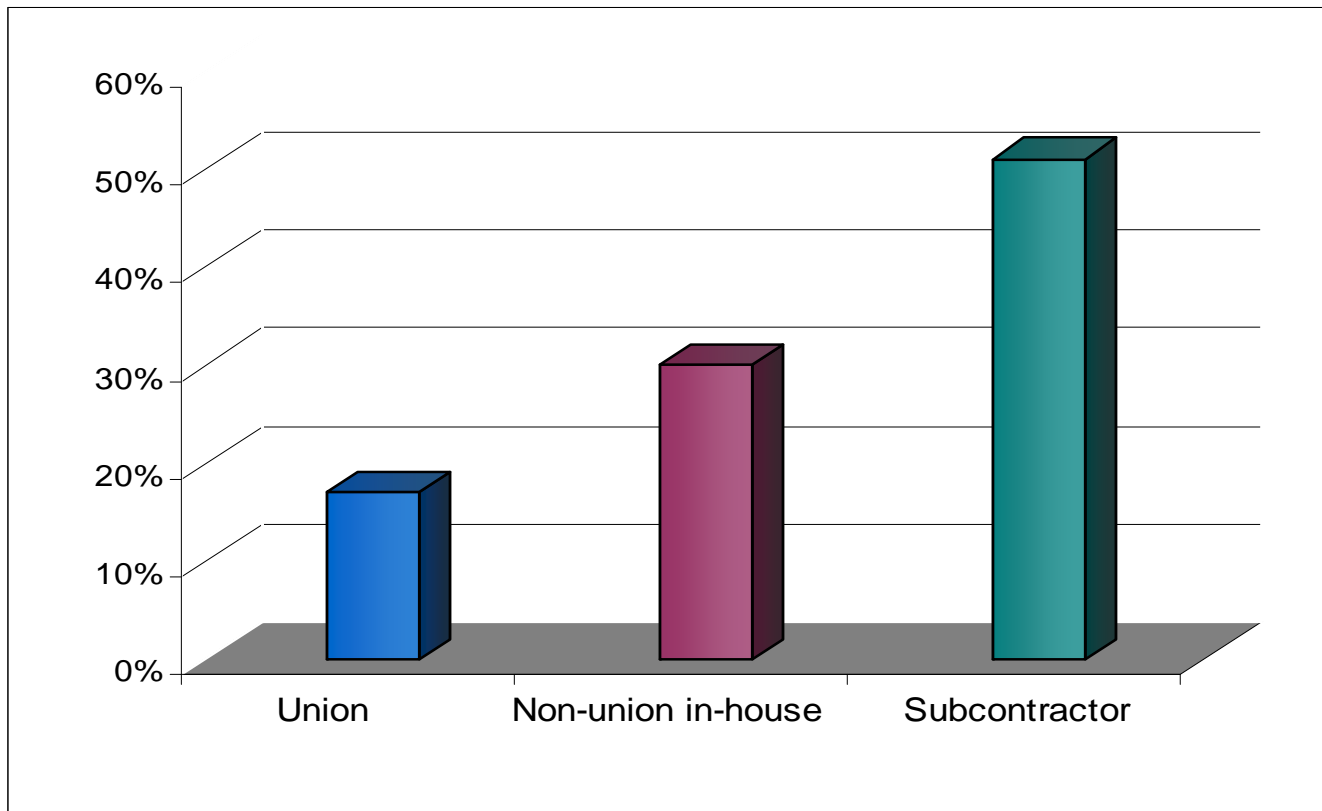
Total Compensation



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



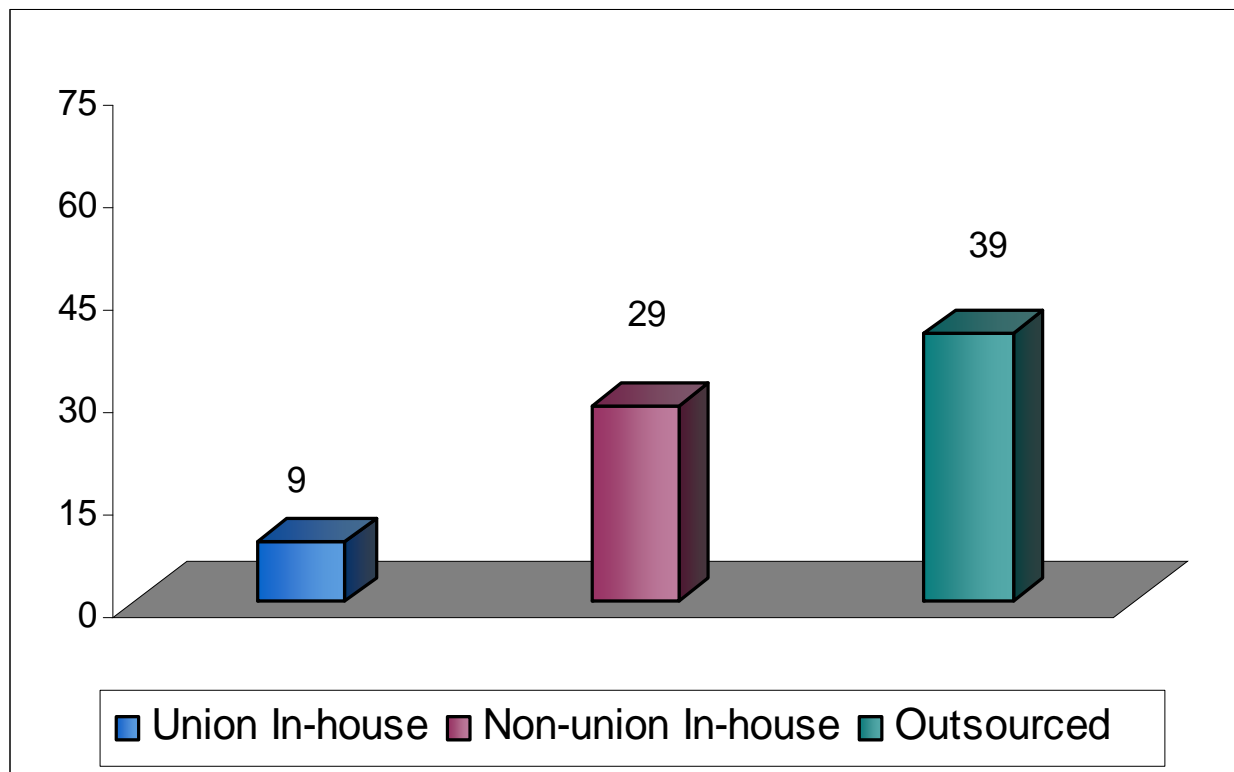
Total turnover: Quits, Dismissals, Layoffs



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



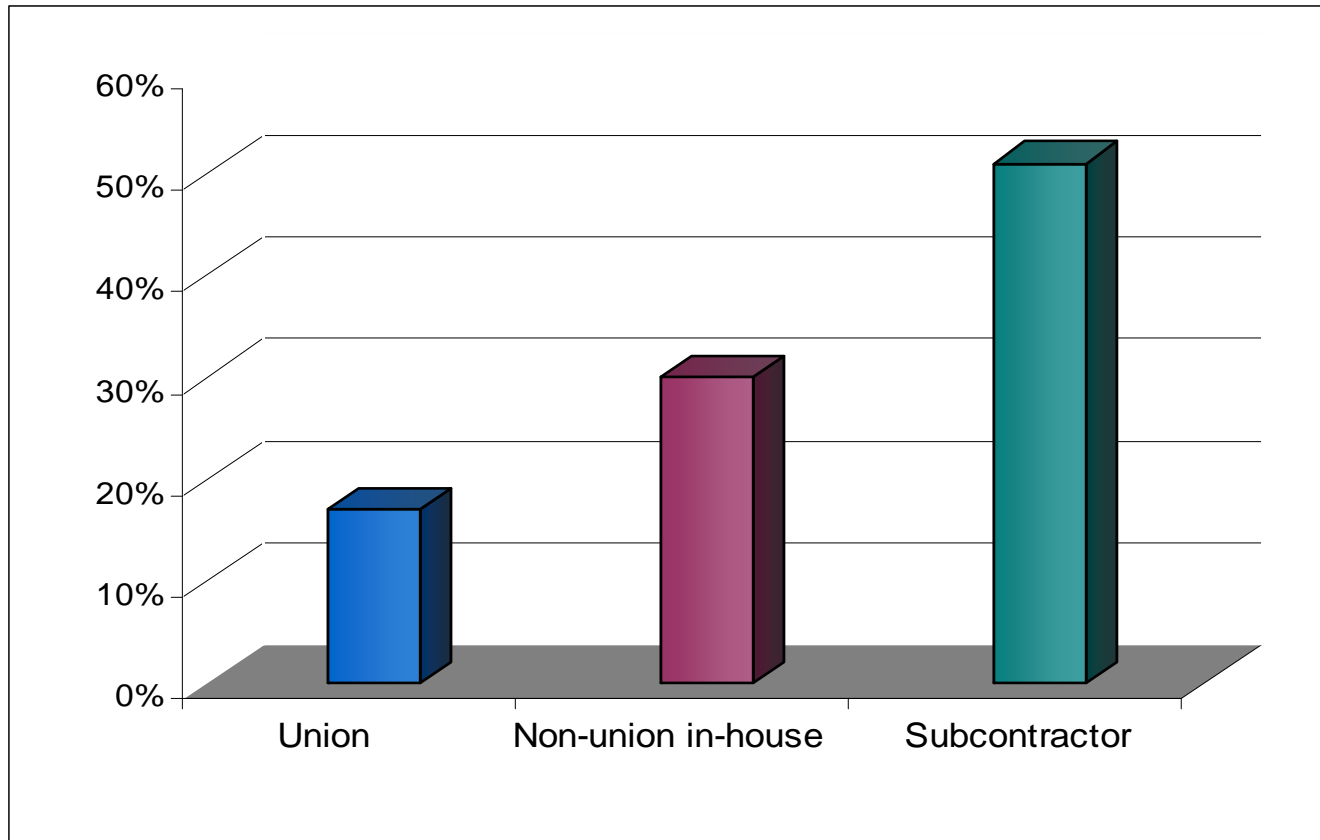
On-going challenges for unions and workers

- ❑ 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



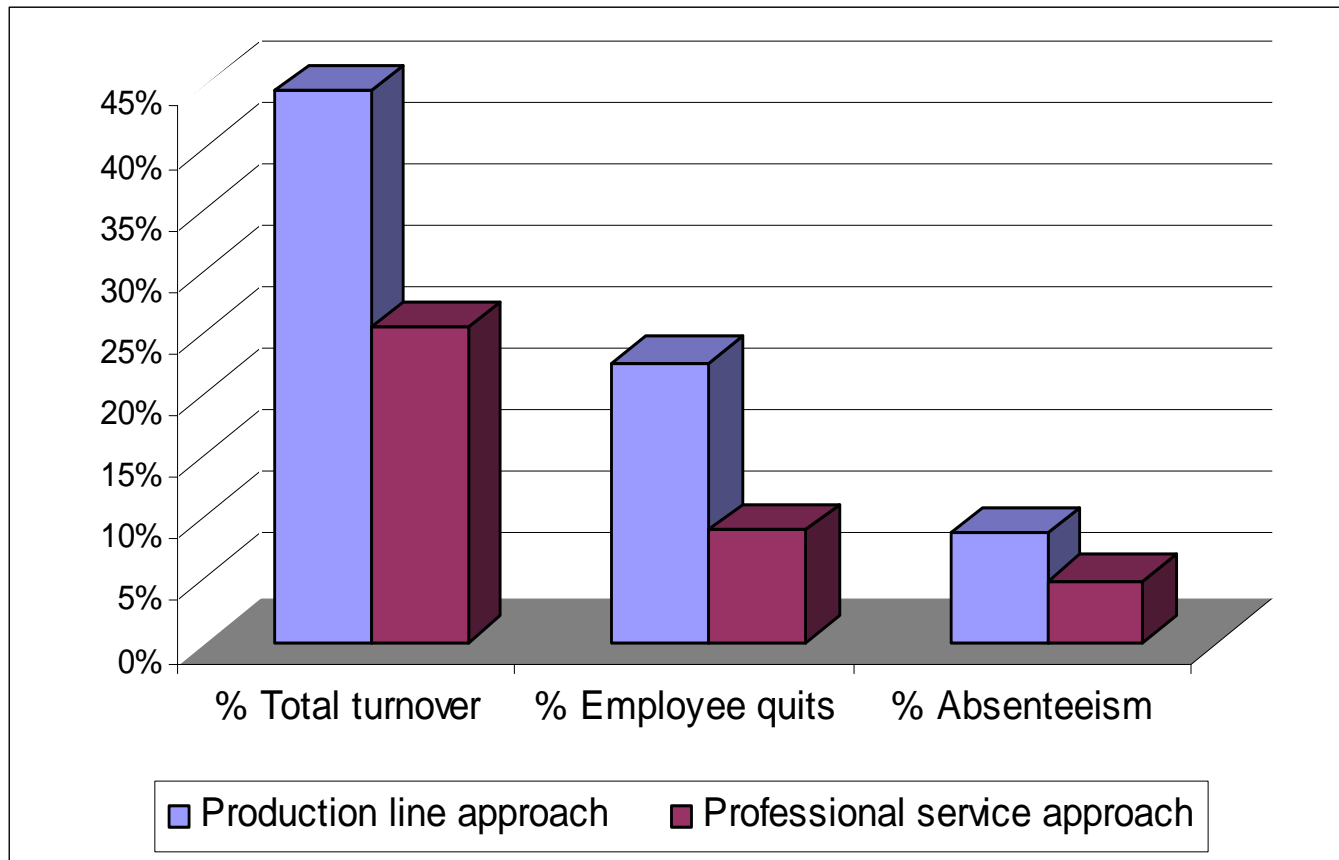
Management solutions:

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?