Call Centers and Low Wage Employment in International Comparison

Workshop “Emerging Patterns of Employment, Union Representation and Job Design”

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Contents

- The Project: Low Wage Employment in Europe and the USA – Opportunity in the Workplace
  - Framework and contents
  - The call center studies

- "Brief benchmark": Low wages in German call centers?
  - In general and differentiated by gender
The European Study: Low Wage Employment in Europe and the USA – Opportunity in the Workplace

- Funded by Russell Sage Foundation (July 2004 - August 2006)
- 5 European teams
  - Denmark
  - France
  - Germany
  - Netherlands
  - United Kingdom
- Focus: (variation of) job quality in target occupations at the lower end of wage scales and the impact of institutions
Contents of the study

Country specific analysis:
Development, structure and institutional framework of low wage employment

Company case studies in five industries
(including the role of outsourcing and TWA)

hotels  hospitals  retail trade  food processing  call centers
Call Centers and Low Wage Employment

What have been done so far?

- **Common agreements upon**
  - Contents of the national overview papers (including definitions)
  - Issues of the national industry reports
  - The case study design
    - Sub-sectors
    - Selection criteria (e.g. size, common and national contrasts)
    - Interview guidelines

- **First drafts of overview papers and industry reports**

- **Getting access to companies and carrying out the first case studies** (to be completed up to February 2006)
The European call center studies

- Sub-sectors: financial services and utilities (intended: at least one multinational)
- In-house call centers and subcontractors - mainly performing inbound calls
- Size > 20 employees
- Common contrast: complexity of tasks (low vs. medium-complex)
- Further variations: union, collective agreements, works councils etc.
Median and low wages in Germany

Our findings for Germany

- Based on calculations with the Employee Panel of the Federal Employment Service 2002
- Median full-time hourly wage in Germany = 14.53 Euro
  - Men: 15.76 Euro
  - Women: 12.42 Euro
- Low wage threshold (according to OECD-definition of two thirds of national median wages) = 9.69 Euro
  - Men: 10.51 Euro
  - Women: 8.28 Euro
Low wages in German call centers?

- **Mean wage in German call centers** *(according to the results of the GCC-survey)* = 11.30 Euro

- “Benchmark” of call center wages based on a comparison with our results on full-time median wages
  - 77.8% of *overall* median wage
  - 71.7% of *male* median wage
  - 91.0% of *female* median wage
Conclusions

- For German women, call center work tends to be not so bad (*in terms of remuneration*)
- The more so as most of the call center jobs are related to longer part-time or even full-time employment
- In other service industries the share of mini-jobs (*marginal part-time jobs with monthly earnings of up to 400 Euro*) is significantly higher – e.g.
  - commercial cleaning: 47 %
  - retail trade: 26 %