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Call Centres Between Service Orientation and Efficiency:
“The Polyphony of Telephony”


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Abstract

Call Centres are not an industry of their own, but a specific type of work organisation which can be realised under various conditions: as a part of already existing companies, through outsourcing or in the shape of independent service providers. It is one of the central objectives of call centres to handle customer contacts by phone as efficiently and economically as possible, by concentrating them in specific organisational units. Call centres tend to be characterised by a pronounced division of labour within companies or between companies, respectively. In many cases, this is also reflected in the organisation of operations. Tasks tend to be highly standardised, frequently monotonous and with a short time allowed for completion. It is against this background that call centre work is often described as a form of “neo-Taylorism” of service activities. At the same time, call centres are claimed to provide excellent service. There can be no doubt that in the area of so-called “interactive service work” social competences and technical skills of the employees have an important impact on the quality of services rendered.

This paper focuses on the question of how call centres manage the dilemma between economic efficiency and service goals, and discusses its impact on human resource management strategies, the quality of work and employee satisfaction. It shows that workplace quality in call centres differs considerably in practice. Despite these intricate framework conditions, starting points for an improved work design and collectively agreed regulation exist and may be turned to good use.

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1 Introduction

In many countries, call centres count among those business areas wherein employment has grown most significantly over the past years. It is important to note in this context that call centres do not constitute an industry, but a specific form of work organisation. Telephone customer enquiries, which formerly used to be scattered among the specialist departments of companies, are transferred “centrally” into a call centre. Very frequently, the goals behind this decision are intensified customer orientation on the one hand, and a cost-effective and efficient handling of customer communication on the other hand. The establishment of call centres entails a new intra- or inter-departmental division of labour, which is often characterised by standardised and fragmented work tasks. Given this characteristic, call centres are often “called” a prototype of “neo-Taylorist” work organisation in the service sector.

Call centres may be either departments within existing companies or new, independent companies that work for one or several principals. Only in the case of the last-named, so-called external service providers can we speak of an (emerging) new industry. The so-called in-house call centres, by contrast, are scattered among many industries, such as e.g. banks, insurance companies, tourist establishments etc. The manifold shapes and practical manifestations of call centres make it almost impossible to trace their quantitative development by means of existing statistics. Furthermore, the available data usually rely on estimates, which in part differ strongly from one other.

Workplace quality in call centres is often rated low. In this context, it is, inter alia, often referred to the frequently low wages, unfavourable working hours (shift and night work), narrow decisional scope and extremely high workloads of call centre agents.

At the same time, however, call centres are the companies’ hinge and hub, their umbilical cord, as it were, towards customers. In so far, call centre work is interactive service work, characterised by the decisive influence which the personnel’s behaviour and competency exert on the quality of services rendered. It is hardly possible for the management to directly influence individual interactions. Rather, management has to design framework conditions so that employees will behave in the interest of “their” company. “Commitment” and “control” are the two poles between which personnel management strategies at call centres move.

How do call centres master the balancing act between cost efficiency and excellent service quality in practice? What implications does this have on HRM strategies, workplace quality and employee job satisfaction? What are the odds for improved work design and regulation? In the following, these questions will be discussed against the background of results yielded by an empirical investigation of German call centres, in the framework of which, inter alia, company case studies involving 18
call centres and a written survey of all in all 650 call centre agents of 14 companies were carried out.\(^1\)

In *Part 2*, a short overview of the spread and distribution of call centres in Europe will be given. *Part 3* will be devoted to the special features of call centre work. In *Part 4*, various aspects of workplace quality at call centres will be in the light of analysis. *Part 5* will be centred around the question in how far there are systematic connections between HR management strategies and structural characteristics of the companies. In *Part 6*, we will consider the prospects and perspectives of work at call centres, showing that the prevailing pessimism as to the poor designability of working conditions at call centres seems inappropriate.

## 2 Call Centres in Europe

Data on the development and distribution of call centres are principally fraught with insecurities and thus inconsistencies, because there is not even a uniform and precise definition of what is to be understood by the term of “call centre”. Call centre activities doubtlessly revolve around the handling of telephone enquiries, but it is an issue under debate where exactly the line to traditional telephone desks or switchboards is to be drawn. A frequently used differentiation criterion is the aspect that call centres avail themselves of modern technical equipment, such as an ACD installation (Automatic Call Distribution), which distributes inbound calls criterion-based and automatically among attending agents, and CTI (Computer Telephone Integration), which safeguards the direct availability of customer data on the screen. However, the definition criteria serving as guiding principles in each concrete case as well as the basis on which information is definitely given, often remain in the dark. Furthermore, the statistical registration of call centres is only insufficient, which is due to their utilisation in many industries.

It may therefore hardly surprise that multi-source quantitative data on their distribution and development partly differ to a large extent: For example, figures on the number of call centres existing in Germany in the year 2000 vary between 2,450 (Datamonitor) and 4,000 (ProfiTel 1999), and the respective employee figures ranged between 148,000 (Datamonitor) and 357,000 (Gemini Consulting 1999).

According to information provided by *Datamonitor* for the year 2000, the number of call centre workplaces in 13 European countries\(^2\) was at 736,700. The United Kingdom accounted for 243,000 or 37 %, resp., followed by Germany at 148,000 or 18 %, resp., and France at 104,900 or 14 %, resp. The Netherlands occupies the...
fourth rank, accounting for 57,000 jobs, whereas significantly lower values and rates are indicated for the other countries (cf. EIRR 2000a).

Again for the year 2000, the number of call centres in the United Kingdom was estimated at approx. 5,000, and thus at a figure twice the respective value of Germany and France (approx. 2,500 call centres each). Furthermore, Datamonitor mentions Spain and Italy as growth markets accounting for 5 and 4 %, resp., of the European call centre market, whereas the distribution of call centres in Portugal, Greece and in the Scandinavian countries was still estimated to be relatively weak, at least for the year 2000 (cf. Chart 1).

**Chart 1: Number and growth of call centres in selected European countries**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
<td>290</td>
<td>335</td>
<td>380</td>
<td>400</td>
<td>420</td>
<td>441</td>
<td>9 %</td>
</tr>
<tr>
<td>F</td>
<td>1,840</td>
<td>2,140</td>
<td>2,420</td>
<td>2,610</td>
<td>2,800</td>
<td>2,968</td>
<td>10 %</td>
</tr>
<tr>
<td>D</td>
<td>1,600</td>
<td>2,030</td>
<td>2,450</td>
<td>2,875</td>
<td>3,300</td>
<td>3,729</td>
<td>18 %</td>
</tr>
<tr>
<td>I</td>
<td>620</td>
<td>820</td>
<td>1,020</td>
<td>1,190</td>
<td>1,360</td>
<td>1,510</td>
<td>20 %</td>
</tr>
<tr>
<td>NL</td>
<td>830</td>
<td>910</td>
<td>990</td>
<td>1,045</td>
<td>1,100</td>
<td>1,144</td>
<td>7 %</td>
</tr>
<tr>
<td>N</td>
<td>250</td>
<td>285</td>
<td>320</td>
<td>340</td>
<td>360</td>
<td>382</td>
<td>9 %</td>
</tr>
<tr>
<td>E</td>
<td>710</td>
<td>850</td>
<td>1,010</td>
<td>1,150</td>
<td>1,290</td>
<td>1,419</td>
<td>15 %</td>
</tr>
<tr>
<td>S</td>
<td>520</td>
<td>575</td>
<td>630</td>
<td>665</td>
<td>700</td>
<td>728</td>
<td>7 %</td>
</tr>
<tr>
<td>UK</td>
<td>4,130</td>
<td>4,630</td>
<td>5,050</td>
<td>5,210</td>
<td>5,370</td>
<td>5,531</td>
<td>6 %</td>
</tr>
</tbody>
</table>

Source: EIRR 2000a: 19 (based on Datamonitor)

The sectors in which call centres operate are fairly standard throughout Europe. They include telecommunications, banking, insurance, financial services, telemarketing, mail order, travel and information technology maintenance. Call centres tend to cluster around towns, as this is often where a parent company may be located (although not even technical reasons would require such neighbourhood). Industrial conurbations tend to offer the advantage that a bigger workforce with required qualifications is available (cf. EIRR 2000a: 14). However, in some countries, a reverse tendency can be observed – namely the targeted localisation of call centres in structurally weak rural areas with high unemployment rates, which is partly also supported by public aid programmes.
3 Particularities of Call Centre Work

Call centres tend to be characterised by a pronounced division of labour. This reflects their basic philosophy of removing customer contacts from the case handling process, concentrating them into specific organisational units and dealing with them solely by telephone to the largest possible extent. Tasks are highly standardised, frequently monotonous (e.g. they involve giving the same information or taking the same orders all the time) and with only few time allowed for completion. In various call centres, there are even scripts that “pre-scribe” the exact words to be used at each stage of the call process. What is more, tasks are usually allocated externally, either via the ACD system or by supervisors or team managers. Individual calls are put through automatically to particular workstations, thereby virtually eliminating any need for co-operation among employees. All this is further compounded by the fact that call centre agents are usually allocated operational tasks, whereas team leaders and/or the management are primarily responsible for planning and performance monitoring. In many cases, such monitoring is very rigid, since ACD technology allows employers to control every aspect of employee performance (e.g., number and length of calls, frequency of breaks, length of follow-up and post-processing time).

It is against this background that call centre work is often described as a form of “neo-Taylorism” haunting service activities (cf. D’Alessio/Oberbeck 1999; MacDonald/Siarinni 1996: 6). However, neo-Taylorist forms of work organisation are by no means the only way of processing telephone enquiries rapidly and efficiently – particularly because they are the root of many stress-creating factors, as has been shown by various studies carried out by occupational psychologists. To this effect, studies by Scherrer (2001) and Metz/Rohte/Degener (2001) have demonstrated that monotonous tasks and those allowing little scope for personal initiative and decision-making give rise to increased stress. This may well be one of the reasons for the partly high turnover rates and motivation problems among call centre workers.

As the many sociological publications, which have recently grown in number (cf. e.g. Batt 1999; Kinnie/Hutchinson/Purcell 2000; Frenkel et al. 1999; Korczynski 2001; Taylor/Bain 1999; Wray-Biss 2001), and also our own project results illustrate, it seems, however, inappropriate to lump all call centres together. Call centres are far from being altogether and easily characterised by badly paid, monotonous and simple service work. We should beware of such simplification for two principal reasons: First, the type and complexity of services rendered by call centre employees vary considerably. They range from simple telephone directory information via the recording of orders and the settlement of bank transactions down to demanding customer consultancy services and skilled clerical operations, and even medical as

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3 On average across all sectors, calls to call centres last no longer than three minutes, so that many agents deal with several hundred calls in a day (cf. ProfiTel 1998: 20). In one FREQUENZ call centre, the length of the average call is as low as 45 seconds.
well as legal specialist advice. Second, different HRM designs and differences in workplace quality are even found at call centres with similar service offers.

4 Job Quality and Job Satisfaction

Job quality is generally impacted by numerous factors, whose statistical significance and direction of effect may partly exhibit case-related differences (cf. for example Meisenheimer II 1998: 23f.). The European Commission (2001: 65) gives the following definition: “Job quality is a relative concept regarding a job-worker-relationship, which takes into account both objective characteristics related to the job and the match between worker characteristics, on the one hand, and job requirements, on the other. It also involves subjective evaluation of these characteristics by the respective worker on the basis of his or her characteristics, experience, and expectations. In the absence of a single composite indicator of job quality, an empirical analysis of job quality necessarily has to be based on data on both objective job and worker characteristics and subjective evaluations of the job-worker match.”

In the following, we will try to do justice to this complex kaleidoscope of job quality by including in our considerations – as far as possible – both objective working conditions at call centres and their employees’ subjective evaluations. Most data refer to the results of the FREQUENZ project – both from the 18 company case studies and from the survey of 650 call centre agents in 14 companies. Although neither of the two surveys may be deemed representative, their results are nevertheless remarkable – in particular because a like employee survey had not existed before, at least not for Germany. The results from the company case studies coincide in many aspects with those of other, similar studies.

In the following analysis, we will concentrate on some central aspects of job quality in call centres (pay, working time, workload, work contents, opportunities for further training and advancement, demonstrating how broad a spectrum of shapes can be found in these fields.

4.1 Overall Satisfaction

The overall job satisfaction of call centre agents who took part in our employee survey as part of the FREQUENZ project was at 73.4 %, whereby 14.6 % stated that they were very satisfied, and 58.8 % that they were satisfied. The dissatisfaction rate, by contrast, was only 8.3 % (of which 1.4 % indicated that they were very dissatisfied).

4 The employee survey was prepared in the Business Council and implemented as well as analysed by our project partner, B+S Management Consultants. All findings cited here are taken from John/Schmitz 2002. The work also presents the full questionnaire, which comprises altogether 93 questions.
The categories selected for the FREQUENZ survey are not directly comparable with the classification chosen for a study of the European Commission (2001: 66) (high – medium – low overall satisfaction), however, they point into a similar direction: In Europe, the rate of employees with low overall job satisfaction is indicated at 7.7 %, the share of those with high job satisfaction amounts to 50.9 %.

A differentiated analysis of the results yielded by the FREQUENZ survey of call centre agents shows that a considerable spread or dispersion of satisfaction values in the various companies lingers behind the – on average – relatively high overall satisfaction of respondents. The lowest values were at 45.5 %, whereas in the company with the highest satisfaction rate as much as 84.6 % of the respondents stated that they were all in all satisfied or even very satisfied (cf. John/Schmitz 2002: 34).

4.2 Pay

Call centre work is generally considered to be an area with relatively low remuneration. This does not only apply to Germany, but also to many other European countries (cf. EIRR 2000a: 15). In the call centres covered by our study, the average entry-level salary of call centre agents in full-time employment amounted to 1.693 € gross per month, which corresponds to an hourly wage of approx. 10 €. Set against other industries in Germany, this figure is slightly below average, yet it is not extraordinarily low. However, the spread between the companies is extremely wide: Earnings in the call centre with the best pay were at a rate of 3.272 € per month or a good 19 € per hour, resp., and were thus a good three times as high as earnings at the call centre with the lowest pay (1.035 € per month or a good 6 € per hour) (cf. Chart 2). Important influencing factors for the level of remuneration are the company background (in-house call centre versus subsidiary or external service provider, respectively), the existence of a collective bargaining agreement as well as the type of service rendered (and – as a German particularity – the question of whether a call centre is located in East or West Germany).

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5 The empirical results of the European Commission are based on data from the European Community Household Panel (ECHP, 1994-1996) with more than 120,000 observations per year. Cf. European Commission 2001: 65.
Chart 2: Monthly gross pay of new full-time agents in the FREQUENZ call centres (n = 18)

<table>
<thead>
<tr>
<th>Call Centre Type</th>
<th>Average in €</th>
<th>Margin from ... to ... in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>All call centres</td>
<td>1,693</td>
<td>1,035 bis 3,272</td>
</tr>
<tr>
<td>West Germany</td>
<td>1,806</td>
<td>1,251 bis 3,272</td>
</tr>
<tr>
<td>East Germany</td>
<td>1,128</td>
<td>1,035 bis 1,251</td>
</tr>
<tr>
<td>Independent service providers</td>
<td>1,549</td>
<td>1,319 bis 1,790</td>
</tr>
<tr>
<td>In-house call centres</td>
<td>1,784</td>
<td>1,035 bis 3,272</td>
</tr>
<tr>
<td>Inbound call centres</td>
<td>1,710</td>
<td>1,035 bis 3,272</td>
</tr>
<tr>
<td>Outbound call centres</td>
<td>1,555</td>
<td>1,319 bis 1,790</td>
</tr>
</tbody>
</table>

Source: Own compilation © IAT 2002

In line with the extreme spread of earnings at the call centres involved in the FREQUENZ study, the wage satisfaction rates in the various companies vary considerably, ranging between 6.1 % and 72.3 % (cf. John/Schmitz 2002: 34). On average, only 8.0 % of the respondents stated that they were very satisfied with their income, and 34.5 % indicated at least that they were satisfied. The share of those who claimed that they were dissatisfied with their wage level, amounted to as much as 29.3 % (of whom 7.1 % were very dissatisfied).

4.3 Working Time

Call centres are generally considered a field of work with a large share of part-time workers. According to data compiled by EIRR (2000a: 14), the part-time rate of call-centre employees in France is approx. 40 %, in Germany it amounts to 45 %, and in the Netherlands it varies between as much as 80 and 90 %.6

In the 18 FREQUENZ companies, the average part-time share is 43 %. As can be expected, there are considerable gender-specific differences: The female part-time rate amounts to 56 % and is thus noticeably higher than male part-time contribution (27 %).

In many cases, the part-time rates differ considerably between the various call centres (cf. Chart 3). Our sample encompasses both call centres that employ full-time workers, either exclusively or predominantly, and call centres which place their

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6 At a cross-country level, it is often assumed that the workforce in call centres is predominantly made up of middle-aged female workers and students (cf. EIRR 2000a: 14). In the call centres taking part in our study, the average female rate was indeed at just under 56 %, and in 10 call centres women even accounted for more than 70 % of the entire workforce. By contrast, the student share in the workforce amounted to only 17 %, and 10 companies even did not employ any students.
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stakes almost exclusively on part-time work – apart from the managerial level. What should be emphasised in this context is that the high part-time rate of above 80% is consistently found only in call centres which provide comparatively simple services, such as telephone directory information and order intake. Inversely it can be rightly concluded that the more complex and qualified the services provided, the higher the rate of full-time agents.

**Chart 3:** Ratio of part-time workers in the FREQUENZ-call centres

(n = 18)

![Chart 3](image)

Source: Own compilation © IAT 2002

Furthermore, call centres are generally deemed a work area with strongly extended operating times, compared with other industries. Our sample, however, is comprised of only few call centres that work around the clock, all the more since they deploy only few workers at night. Working-time organisation tends to be flexible, because one important goal is to adjust personnel deployment as perfectly as possible to the (expected) call volume, which might be a reason for the relatively high part-time share among employees. In contrast, for example, to commerce activities in Germany, where a similar goal is pursued, extremely short individual working times (marginal part-time – the so-called 325 € jobs) have a considerably lesser importance in call centres. As we see it, this has to do with the fact that many call centres invest considerably into job familiarisation and in their employees’ professional training (cf. 4.5). They do so for the sake of quality assurance and enhancement, which would not pay off in the case of only short-time deployments of personnel.

The question in how far call-centre employees experience the often flexible working times as a strain and burden naturally depends to a large extent on whether they can influence the location of their working time and on the notification period within which
actual working times are announced. Apart from individual exceptions, this period is at least two weeks in the FREQUENZ call centres, and it is normally possible to swap shifts with colleagues. Surprisingly for us, working-time satisfaction among those agents who took part in the employee survey forming part of the FREQUENZ study was above-average, compared with other aspects tested for satisfaction (31.1 % very satisfied and 45.2 % satisfied) (cf. John/Schmitz 2002: 61). However, the share of those satisfied with their working time varied extremely among the companies involved, ranging between 39.3 % and 100 % (cf. John/Schmitz 2002: 34).

4.4 Workloads and Work Contents

In Section 3, we have already laid out the specific strains and burdens often characterising work at call centres: monotony, “one-sided” workloads, marked non-autonomy as well as extensive possibilities of control.

The results of the survey also show that the room for manoeuvre of call centre agents is rather limited: Only 22.1 % of the respondents agreed fully or mostly with the statement that they had a say in the allocation of work. The share of those who themselves state that they have the possibility to co-design their direct work environment, is only slightly higher, amounting to 27.3 % (cf. John/Schmitz 2002:57). Leaving aside longer periods for follow-up and post-processing work or other telephone-related work tasks, these are the general features of work at call centres – quite independent of the sophistication level of the services rendered by the respective company: „However, even in the most quality driven call centre it is difficult to escape the conclusion that the labour process is intrinsically demanding, repetitive and, frequently, stressful.” (Taylor/Bain 1999: 110)

The FREQUENZ employee survey did not contain direct questions on the agents’ satisfaction with work organisation. However, a regression analysis of survey results has revealed that out of altogether seven influencing factors, the feature of autonomous work processes exerts the biggest influence (23 %) on employee motivation (cf. John/Schmitz 2002: 13).

4.5 Training and Career Development Opportunities

It is often assumed that the education levels of call-centre workers are relatively low (cf. EIRR 2000a: 14). For Germany at least, this cannot be confirmed. Regarding the 12 call centres involved in our sample with pertinent data available to us, 91 % of the employees had undergone and completed a vocational training. Other studies come to similar results (cf. Baumeister 2001; Böse/Flieger 1999: 186). At the same time, many call centres indicate that applicants’ social-communicative skills weigh heavier in personnel recruitment than does technical knowledge. As our company case studies of 18 call centres have revealed, most companies organise more or less comprehensive break-in periods for new employees, and they offer on-the-job
training as well as coaching measures. In this context, Holtgrewe/Kerst (2001: 16) rightly draw attention to the fact that call centres offer „a considerable amount of organisational reflection and investment for quality management for subordinate and medium-qualified labour“.

In tendency, this is also corroborated by the results of the employee survey: Altogether 62.6% of the agents stated that training and coaching measures were implemented in their companies on a regular basis, and 65.9% agreed with the statement that the breaking in of new employees was prepared and implemented with care. Once again, however, there are considerable differences between the various companies: The rates of agreement vary between 4.3% and 92.8%. Furthermore, the share of those who enunciated a big interest in further training and in the acceptance of more responsibility was extremely high at 80.6%.

The Achilles’ heel of call centre work is doubtlessly the rather limited career opportunities. This circumstance is often due to the “flat hierarchies” of the companies (15 of 18 call centres operate with three hierarchical levels: agents, team leaders/supervisors, management), and the low level of work differentiation. Only 27.7% of the employees stated that they had good career prospects in their company (cf. John/Schmitz 2002: 56). Since the rise to leadership positions is open to only a small number of agents, and since the possibilities to change over to other corporate areas are very limited, too, some call centres have created an additional management level featuring deputy team leaders. Other companies place more emphasis on the so-called horizontal competence careers. These are characterised by the assumption of additional tasks, e.g. in the areas of job familiarisation and training, or quality control. Such approaches can alleviate the problem of weaker career opportunities, but on no account can they remedy and eliminate it completely.

4.6 Design Options

Job quality at call centres is by no means always as poor as it is often claimed to be. As our evaluations have shown, there are very different shapes as regards working conditions and their framework, e.g. in the fields of remuneration, working times, qualification and career prospects.

However, relatively few differences in issues such as work loads and work contents are to be observed. This is due to the fact that – in spite of providing different services - a major share of the work to be accomplished consists in the handling of telephone enquiries in all call centres. Obviously, the work-organisational decision to bundle the handling of customer enquiries in a call centre and to leave follow-up and post-processing activities, such as clerical operations either to the back office or to other corporate departments, almost inevitably to a certain one-sidedness in the agents’ work experience.
To avoid this, a more comprehensive work design or a more integrative task handling seems to be required – i.e. in a certain sense, by taking back the possibly exaggerated division of labour going along with the establishment or enlisting of call centres. There are various possibilities to this effect, which all revolve around a reduction of the telephone-centred time. Instead, agents are supposed to take over other work tasks involving the same or even a higher level of qualification. This may be the handling and processing of intricate enquiries by e-mail, fax, letter or SMS, which is gaining importance in many companies due to their gradual development into so-called “customer care centres”. However, this also requires specific employee training. Not every call centre agent, who does a „good phone job“ is, for instance, also able to draw up and write a flawless letter.

Other rather comprehensive design options are geared towards involving call centre agents more strongly in planning, steering and controlling tasks, in order to alleviate the division of labour towards the back office or also towards other departments of the company, and in order to introduce partly autonomous teamwork with larger scopes of decision for call centre agents (cf. Mola/Zimmermann 2002: 23).

The combination of telephone enquiry handling with other non-telephone-centred tasks might not only reduce employees’ “one-sided”, monotonous workload and lead to more interesting work contents, but it could also bring a big advantage for the companies: The often highly sophisticated personnel planning procedure would be facilitated in this manner. So far, call centres have often considerably invested into more and more differentiated systems enabling them to predict fluctuations in the volume of work over the course of a day or a week as precisely as possible and helping them to deploy the appropriate number of workers. Nevertheless, however, this is often not possible in practice, as the companies themselves state. If employees have more tasks than the mere reception of phone calls, a precise adjustment of personnel deployment to fluctuations in the volume of calls will no longer be required.

Such a strategy is being implemented in a specific manner in one of the FREQUENZ companies, namely in the virtual call centre of a health insurance company: There, the case-handling clerks of selected offices are each responsible for dealing with telephone enquiries as part of their working time. There is no open-plan office with many telephone work stations, but the employees do their call-centre work at their normal place of work. In our view, this is a trend-setting approach, which might also be of interest for other companies that place their stakes on high service quality.

As regards the question of future work organisation, the companies face a “decision of general principle” in the vast area of tension between service orientation and
efficiency: The more standardised and specialised the work at call centres, the greater the odds that rationalisation potential will be exploited. At the same time, employee job satisfaction and motivation will be affected detrimentally, and so will service quality: “By placing too much emphasis on quantity, and keeping staff levels to a minimum, management may directly undermine customer service.” (Knights/McCabe 1998: 182f)

Different foci are noticeable within, depending on the companies’ strategic orientation: “When efficiency is more important, the service delivery is standardized and staff have a transactional relationship with the organization. When service is more important, high involvement strategies are preferred.” (Wallace/Eagleson/Waldersee 2000: 178).

5 Different Types of Personnel Management

The manifold HRM procedures implemented by the call centres taking part in the FREQUENZ project might lead to conclude that each company follows its own individual pathway in this respect and that there are no common features or systematic connections between specific measures. However, there are certain shared characteristics as there are differences. They can be condensed into three basic types of HRM strategy, which can be distinguished from each other quite reliably.8

Of all the variables that were brought to bear on the typification (cf. for more details Schietinger 2002; Bittner/Schietinger/Weinkopf 2002), some have proved to be “strong” criteria, distinguishing all three HRM types from one another, or being characteristic of at least one type, whereas others are spread more noticeably across all types. The factor which obviously exerts the strongest influence is the type of service, for which reason we have based our classification on the prominence of this characteristic. Our main distinction is between the two poles “complex” on the hand, and “mass” on the other hand. To characterise the third type in the middle of the following chart, we have chosen the description “demanding and flexible”. As Chart 4 shows, the three types appear in different prominence also as regards a range of other criteria.9

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8 This is especially true of the two “pole-side” types comprising five call centres each which are also intrinsically homogeneous. In the medium type by contrast, which encompasses the remaining eight call centres, some features differ in prominence. However, they are distributed very differently so that a further subdivision of this type did not seem useful.

9 Our typification bears a strong resemblance to two further typifications developed at the University of Duisburg (cf. Gundtof/Holtgrewe 2000: 184f.; Kerst/Holtgrewe 2001: 11ff.). Wallace/Eagleson/Waldersee (2000: 180) also distinguish in their study between “transaction centers” (high efficiency, low service level), “sales centers” (balance between service and efficiency) and “solutions centers”: “Here the focus is completely on the customer in terms of access, personalised attention and quality of advice.”
Upon establishing this typology, we have intentionally left aside the structural characteristics of call centres. However, if these are included in a second step, it becomes clear that at least some of their features correlate strongly with the various types of personnel management. Obviously, the company’s background plays a major part in the type of HRM pathways pursued:

- The type “complex” exclusively comprises call centres that have developed from “traditional” industries, such as the insurance business and the chemical industry. The call centres represented in this group are all in-house call centres. Each of them was founded as part of an existing company organisation and aims at speeding up and improving the company’s reaction to changed requirements in customer communication. The recruitment of agents is effected mainly from the already existing workforce. Moreover, the clear focus of all of these call centres is on inbound telephony.

- The type “mass” encompasses all those call centres providing rather simple and standardised telephone services, which have been rendered for decades: telephone directory enquiries, mail orders or telephone operator services. However, it is not necessarily that “traditional” companies take over these tasks. New companies may just as well have been called into being in the wake of
outsourcing processes or in terms of a new corporate establishment. Consequently, we come across both in-house call centres and external service providers in this category. Furthermore, the category contains call centres with a focus on either inbound or outbound activities.

- In the medium type “demanding and flexible”, we mainly come across call centres which provide services to new industry segments or which render novel services, respectively - such as, for example direct banking, EDP support or telemarketing. It is the characteristic of these call centres that they are either external service providers or in-house call centres that form part of an outsourced company. None of these companies is protected by collective bargaining agreements. Usually, they do not have a work council in their firm, and if they have one, it has been set up recently. The conditions of work are often worse than in companies of the type “complex”.

It is in particular “hard criteria” - such as employment structure, set-up and process structures of work organisation and the wage level - which contribute to the distinction of HRM types. Hardly any differences can, however, be detected in matters of personnel development and leadership. This finding and the heterogeneity of the “medium group” lead us to assume that there is definitely room for manoeuvre when it comes to the design of HR management in call centres – scope which exists largely independent of all further framework conditions.

6 Designability of Call Centre Work and Industrial Relations

Call centres are a new work field which is still under construction and thus teems with “work in progress”. Such circumstances make specific demands on trade unions: As we have underlined before, call centres are not an autonomous industry, but a form of organisation gaining ground in very different industries and contexts. In the case of an industry-related organisation of trade unions like in Germany, the question about competence and responsibility scopes comes into play. Another difficulty lies in the fact that call centres are often founded in order to undermine collectively agreed standards of the source or parent company, and in order to provide services at a lower cost. Even if a new collective bargaining agreement is concluded, it will often be worse than its counterparts from other work areas, as the example of a German mail-order company in our sample shows.

Exhibiting a form of neo-Taylorist division of labour in the service sector, call centres stand against the trend towards cooperative forms of work increasingly found in many industrial sectors. The often both high and one-sided workloads are closely linked with the removal of telephone enquiry handling from the specialist departments of companies. In order to bring about a change, it would be necessary to reduce the strong division of labour, which would, however, call into question the entire organisational concept of “call centralisation”.

Despite these manifold particularities which complicate the exertion of trade union influence, it would, however, be completely presumptuous in our opinion to call this sector non-designable. Call centres are not in every case the “sweat shops” or “dark satanic mills” of the 21st century, where workers are exploited recklessly, as this is claimed in some publications (cf. e.g. Fernie/Metcalf 1998; Knights/McCabe 1998). It is obvious that the companies, too, are looking for suitable solutions to predicaments in many areas, and the die for the market's future development is not yet cast.

Against this background, there are indeed opportunities for trade unions and works councils: They might exert influence on the future design of call centre jobs, e.g. as regards health and safety at work, working times and shift systems, qualification and opportunities for career development, employment contracts and remuneration.

The odds for an improvement of working conditions at call centres are not bad, because, all in all, a trend towards higher-quality services can be detected: As regards extremely standardised and monotonous services (such as simple enquiry services) indications are that they will be automated in the future, or partly even transferred to the customers themselves, which will doubtlessly entail a reduction of call-centre jobs in such fields. In other more qualified areas, the trend towards an integration of further communication paths as well as the customers’ increasing demands on service quality are starting points helping to reduce one-sided workloads and to render work at call centres more challenging and varied. In Section 4.6, we have already given a brief sketch of how such changes in work organisation might be shaped.

An important contribution is, without doubt, the regulation of call centres by means of collective bargaining agreements. Trade unions estimate the rate of call centres with such collective agreements to be approx. 50 to 60 % in Germany (cf. Meier 1999), however, with a rather declining tendency. The comparatively still high share of call centres bound by collective agreements might be due to the relatively high number of in-house call centres found in Germany. As the results of our survey also show, this type of call centre often offers better working conditions and higher wages than outsourced or newly established companies. This shows that works councils should continue trying to avoid the outsourcing of call centres with as much persistence as possible.

Trade unions and works councils are not without opportunities in the newly established call centres, either. This is all the more since, according to our impression, the share of mere “job-doers” among call centre employees who are not interested in unionisation is declining rather than increasing, at least in Germany. A good starting point would be the determination of minimum conditions which must on no account be undercut – for example, in the framework of a collective bargaining agreement for call centre employees.

Such a collective agreement which contains arrangements on working-time flexibility, the promotion of stable employment and on overtime remuneration was concluded,
for example, for the call centres and telemarketing companies in Sweden in February 2001. An important objective consists in neutralising unhealthy competition in the call centre sector, which leads to bad working conditions (cf. www.eiro.eurolfound.ie). Many call centres in Belgium, Denmark, Austria and Spain are meanwhile also subject to one or another form of collectively bargained and agreed regulation (cf. EIRR 2000a: 14; EIRR 2000b).

In order to fulfil the tasks and requirements of call centres in all their heterogeneity, such collective agreements might be supplemented by industry- or company-specific (more favourable) arrangements. For example, the Union of Service Trade Unions in Germany, ver.di, has been undertaking efforts for quite a while to conclude a collective agreement for direct banks.

We see further important starting points for trade unions and works councils in the field of training and in the development of job-related technical standards for call-centre work, of which there are already first promising signs, at least in Germany. An important driving force in this respect is the special feature of interactive service work, which resides in the fact that service quality depends to a large extent on the performance of individual employees. As the manifold activities in the selection of suitable employees, their training as well as maintenance of and increase in motivation staged by many call centres show, managers have often come to realise the central importance of the “human factor”.

In our view, customers might also be a good coalition partner in several aspects and respects. Even if this does not necessarily apply to the issue of operating times – many companies justify the extension of service times into the late evening, the night or the weekend by customer expectations to this effect – it is still to be assumed that such a coalition might bear fruit with respect to the quality of services rendered over the telephone. Poorly trained and low-paid, dissatisfied and unmotivated personnel will hardly offer the top-notch services which customers increasingly demand and expect. This is certainly a driving force for the improvement of working conditions in call centres whose power should not be underestimated and which trade unions and works councils could turn to good use.

The fact that the lack of suitable personnel for call centres is bemoaned in wide areas should also constitute a good starting point for companies to increasingly strive for improved working conditions and more interesting work contents – in order not to see their personnel follow the “call” of other employers and move away into other industries.
Bibliography


# ANNEX: Call centres involved in the FREQUENZ-study

<table>
<thead>
<tr>
<th>Company*</th>
<th>Type of call centre</th>
<th>Main direction of calls</th>
<th>Sector</th>
<th>Number of employees</th>
<th>Services</th>
<th>Year of foundation</th>
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<td>Hotline for technical equipment</td>
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* all company names made anonymous