

Organising in financial call centres

A report for UNI

Andrew Bibby

Discussion Paper

Organising in financial call centres

Contents

1.	Introduction	2
2.	Reaching call centre workers: recruitment and organising	4
	a) Management style and culture in call centres	4
	b) Union representation and collective agreements	5
	c) Putting resources into call centre organisation	6
	d) Finding the right way to reach potential members	8
	e) Using the opportunities of new technology	10
	f) Using industrial action	11
	g) Organising of call centre workers – some concluding comments	12
3.	Organising in call centres: the issues for negotiation	14
	a) What do members want?	14
	b) Pay	15
	c) Hours of work and shift patterns	17
	d) Employment status and rights	19
	e) Health and safety issues	20
	f) Surveillance, electronic monitoring and privacy	22
	g) Training	24
	h) Equal opportunities issues	25
	i) In conclusion: developing good practice	25
4.	Some current and future trends	27
	a) Virtual call centres	27
	b) The internationalisation of call centre operations	28
	c) Technological change, the internet and electronic commerce	29
5.	Conclusion	32
	a) Reaching call centre workers: recruitment and organising	32
	b) Organising in call centres: the issues for negotiation	33
	c) Some current and future trends	34

1. Introduction

The very rapid growth of call centres has been one of the most striking features of work life in many industrialised countries over the past few years.

Their development has changed the nature of white-collar work for the many people who spend their working days handling telephone calls in these purpose-built units. The old, often comfortably chaotic nature of office life has been replaced with a new discipline in the workplace, imposed by the demands of the automated call distribution (ACD) technology on which call centres are based.

Call centres have already played a considerable part in the restructuring of the banking and financial services sector, in particular by facilitating the development of telephone-based 'direct' banking and insurance.

Call centres are of course not the first or only structural change in the financial industry made possible by technology: the extensive relocation of back office functions which began in the 1960s and 1970s also made use of new technology to restructure banking and insurance operations. However call centres alter the nature of working life in a much more radical way than these previous changes. As a consequence call centres pose particular challenges and difficulties (but also possibilities) for trade unions.

Call centre technology can increase productivity in telephone call handling to an often astonishing degree. Automated call distribution, computer-telephony integration (such as the 'screen popping' of customer information to computer screens) and the use of standard scripts by staff mean that the time taken to deal with calls, and the 'free' time between calls, can be pared to the bare minimum. The technique of predictive dialling (the use of software to dial outbound calls automatically, transferring calls when they are answered to available members of staff) alone enables 'a day's work to be done in an hour', according to one call centre manager.

This technology-induced efficiency however requires the human agents themselves to submit to a highly controlled work regime. Call centres have evoked comparisons with the sort of assembly-line working in manufacturing associated with Henry Ford and Taylorism. Some have described call centres as the electronic assembly lines of the twenty-first century. The degree of surveillance necessary has also invited unfavourable comparisons, for example, with nineteenth century designs for prisons, or even (by one call centre worker) with Roman slave ships: "You feel like you are on a galley boat, being watched, answering calls every thirty seconds, monitored and told off if there are mistakes".¹

As the International Confederation of Free Trade Unions (ICFTU) has pointed out, trade unions ought to find call centres promising areas for recruitment and organisation: "Trade unions need to develop a strategy that aims at organising workers in the new call centres. It does not appear to be an impossible mission. The call centres are the modern version of mass production, usually

¹ Channel 4 TV (UK), Special Report, broadcast 14.12.99

fertile ground for the trade unions. Centres often employ several hundred operators in vast premises..."²

However, trade unions do have to recognise that the particular culture and management style of call centres means that old forms of organising will not necessarily be effective. Recruiting call centre workers into a trade union, especially where there is a deliberate anti-union strategy from management, is likely to require a combination of good old-fashioned organising techniques and some more contemporary marketing tools.

As this report hopes to demonstrate, there is now a considerable pool of experience among unions around the world to take advantage of.

This report has three main sections:

- In the first part, we will look in detail at possible approaches to recruitment and organising in financial call centres
- We will then explore some of the key issues for negotiation
- Finally, we will look briefly at some current and future trends in the call centre industry.

The report ends with a short conclusion.

² ICFTU, Call Centres – the new assembly lines, 1998

2. Reaching call centre workers: recruitment and organising

a) Management style and culture in call centres

Call centres originated in the United States, and management techniques from North America have been exported to the rest of the world along with the ACD technology. This means that, regardless of the country or the industrial sector, many call centres have the same attributes.

They include:

- An 'informal' work culture and management style, which does not emphasise differences of status or work hierarchy
- The organisation of individual workers into teams
- Competition between teams over call handling performance and, particularly, sales
- Very flat management structures, with only one or two layers of management
- As a consequence, very little opportunity for traditional career progression
- Very restricted opportunities for staff to talk to each other informally
- Very high turnover of staff
- High percentage of women workers; high percentage of young workers
- Weekend and evening operation, generally without additional premium payments. As a consequence, a wide range of part-time and shift working patterns
- A 'green field' approach to the call centre operation, which may extend to a deliberate attempt to exclude trade unions. Non-adherence to existing collective agreements which apply to other employees of the same company.
- The high use of agency staff by some employers, so that call centre staff may not be directly employed by the parent company

Trade unions need to mould their organising techniques and methods to fit with these characteristics of call centre life. This involves putting forward an image and message which is relevant to call centre workers, working in a highly structured but apparently informal working environment. Unions also need to bear in mind that many will be younger workers with no previous union experience. As one German union has warned, "Young workers often regard trade unions as overtaken by events and antiquated. They consider the unions have no solutions for the new conditions of customer-orientated service companies. Solutions from the industrial sector and union dispute settlement methods are considered inappropriate. Trade unions just disrupt flexible processes, it is felt".³

³ Source: DPG (Germany) CI questionnaire, 1999

What are the problems met most frequently in terms of the unionisation of call centre workers?

- The newness of the occupation
- No history of strong unionisation
- No developed professional qualification framework to establish a long-term career path
- The nature of the work which makes it difficult for workers to talk to each other
- High turnover of staff⁴

The task of organising call centres, in fact, may raise broader questions for trade unions: their methods used for recruitment, their marketing techniques and image, the means of communicating with members and of servicing members' needs, and also the effectiveness of their internal democratic life can all come in for scrutiny.

Put another way, this means that call centre organising can be important not just as a means of bringing non-unionised workers into the trade union movement, but also more fundamentally, as a way of helping unions to understand and redefine their role in the new 'information society' of the twenty-first century.

? *Trade unions must put forward an image and message relevant to call centre workers, working in a highly structured but apparently informal working environment*

b) Union representation and collective agreements

It is no coincidence that one British bank, Halifax plc, initially adopted the working name of 'greenfield' for its new Internet banking subsidiary. The idea of establishing direct banking and insurance services as new operations, starting from scratch both in terms of premises and in terms of employment conditions, has been followed in several countries. All too often, this has meant that staff working in the associated call centres have poorer terms and conditions than those of their colleagues elsewhere in the parent company. This may mean less sick leave and holiday entitlement, poorer arrangements for working overtime or anti-social shifts, and less access to corporate pension schemes.

The 'green field' mentality may also mean that, even where trade unions are recognised elsewhere in a company, they may not be recognised in call centres.

- In Germany, this has been the case, for example, with Citibank. Citibank's call centre in Duisburg was established outside the collective agreement for the banking sector. Among other things, the bank expected staff to accept a five hour increase in the working week, five days less annual holiday and a completely new salary structure which abolished the traditional thirteenth month holiday pay.
- In Ireland, the AIB (Allied Irish Bank) established its 24-hour direct banking service as a subsidiary to the parent company. The company initially did not recognise the union, the Irish Bank Officials Association
- In the UK, the pioneer telephone bank First Direct was initially established by its parent company (Midland, now HSBC) without union recognition.

⁴ Source: FUPT CFTD (France), Communications International questionnaire, 1999

In each of the above cases, as we shall see, unions have had to organise to reassert their voice.

A further issue is the trend in some countries away from collective bargaining towards the use of individual contracts. This development fits well with the management style and work culture of call centres. It individualises the nature of the relationship between employer and employee and offers an extra challenge to the task of trade unions in organising these workplaces.

Fortunately, these problematic developments are not the case everywhere. In France, the Fédération des Employés et Cadres (FEC-FO) has reported: "Phone banks are not generally made subsidiaries and the employees enjoy the same advantages as their bank colleagues"⁵. Similarly, in Scandinavia generally employees working in direct banking operations and call centres are satisfactorily incorporated within existing negotiated bank terms and conditions.

Negotiating for call centre workers in Italy

In Italy, call centre staff working within the banking sector are covered under the national sectoral agreement for the industry, negotiated between the unions and the Italian Bank Association. This means that (though their hours of work may be different from other bank staff) they can take advantage of the standard working terms and benefits which have historically been available to bank employees. Call centre staff receive the same pay as other bank workers, and can benefit from the same training entitlement (50 hours a year, 32 of which are paid).

Nevertheless, this arrangement had to be hard fought for by the unions. The banks themselves would have preferred to have categorised call centre staff as not engaged in banking work, and to have arranged for them to be covered instead under the standard national agreement for the commerce sector. This would have meant poorer terms and conditions for the staff affected.

Call centre staff joined other bank employees for a successful one day strike during 1999, at a time when negotiations for the new banking sectoral agreement were under discussion with employers' representatives. The strength of feeling among bank staff over attempts to revise their contracts helped the unions in these negotiations. Nevertheless, the sectoral agreement is up for further renegotiation and renewal in two years, and Italian unions anticipate that employers will press again in an attempt to remove some of their staff from its coverage.

Separate arrangements have been negotiated to cover call centre workers in the insurance sector.

? *Call centre workers in the banking and finance sector should enjoy the same conditions of service and benefits as their colleagues working in more traditional areas of the industry.*

c) Putting resources into call centre organisation

In a number of countries trade unions have undertaken specific initiatives and campaigns around call centre organisation.

⁵ Source: FIET Annual bank and insurance trade section meeting, 10-12 May 1999, collective bargaining reports

In Australia, the call centre industry was identified by the national union federation ACTU as a source of new union membership in its unions@work manifesto.

In Germany, a forum attended by about 200 call centre staff, experts and union representatives was organised jointly by the unions HBV, DPG and IG Medien in November 1998. The results of the discussions and working groups were subsequently published in the booklet *Arbeiten im Call Center*.

In Austria, the GPA union has produced a 46-page report 'Arbeit im Call Center', offering recommendations of good practice.

In the Netherlands, FNV-Bondgenoten started a special call centre project in 1998, looking at the level of unionisation within call centres and also researching the training needs of workers in areas such as health and safety. The initiative, which followed research by the University of Amsterdam, has already led to a number of employers approaching FNV to negotiate call centre conditions.

In the UK, representatives of trade unions recruiting in the banking and finance sector (including Unifi and MSF) have established a joint Financial Call Centres Forum. This meets approximately twice a year, and provides an opportunity to share information and experiences between unions.

Perhaps the most ambitious initiative yet undertaken was that of the 'Call Centre Action Day', organised for 4th November 1999 jointly by FIET and Communications International, prior to their merger into UNI. Recruitment leaflet templates were made available on the Internet to be adapted for individual national use. Leafleting of call centres was reported from many countries, including Australia, Sweden, Ireland, UK, Germany and France.

Whilst you are speaking to customers on behalf of your employer, we can speak to your employer on behalf of you...

Across the world, workers in call centres raise the same kind of issues:

- Health and safety
- Pay and benefits
- Stress, working time and workload
- Equal opportunities and training
- Harassment at work
- Poor working environment and equipment
- Respect and proper consultation
- Social benefits
- Child care facilities...

Today unions across the world are speaking to call centre workers with one simple message... Join the union for a better deal ⁶

? *Trade unions should put resources into recruiting and organising staff in call centres*

? *UNI should consider repeating the joint FIET/Communications International call centre campaign of 1999*

⁶ Text taken from the Call Centre Action Day leaflet, CI/FIET, November 1999

d) Finding the right way to reach potential members

The experience of trade unions who have tried organising in call centres suggests that a carefully planned recruitment strategy, executed with close and indeed almost military attention to detail, is likely to be much more successful than a more ad-hoc approach.

Clearly there are more opportunities if the union is given the chance by the employer to talk direct to employees. One of the most effective ways of recruiting call centre staff is to have union access to new employees during their induction training, and this should be negotiated as part of a union recognition agreement. However, even if this sort of facility is granted, the time available is likely to be very limited and needs to be used to the full.

In the UK, MSF's recognition by the large life and general insurance company CGU gave the union access to staff at the call centre in Bishopsbrigg, Scotland. MSF chose to use drama to push home its message.

MSF and CGU

Prior to MSF's organising effort, union membership at the 1000-strong call centre was low, with only one rep servicing the site. MSF arranged to hold a number of meetings in the staff canteen, each lasting about half an hour. The site rep arranged for staff to be given time off to attend (MSF members' time off was paid, non-members time off was without pay).

For the first eight minutes or so, the MSF regional officer with responsibility for CGU gave a brief presentation about the work of the union. This was followed by a piece of drama, performed by a professional company of three women specialising in theatre in the community. The play highlighted call centre life, such as the pressures of the work. After the play, staff split into small groups and were asked to join the union. Those that did were given a 'goodie bag', including union publications, a pen, key ring, wrist rest for keyboard use, mug mat and chocolate. From this initiative, 85 new members were recruited, and a team of ten union reps established.⁷

It is more likely, however, that the union will find itself kept firmly outside the call centre building.

In Ireland, the experience of the Irish Bank Officials Association (IBOA) in organising at AIB's 24-hour direct banking subsidiary demonstrates how a determined approach to recruitment can pay dividends.

⁷ Source: information from Rachael Maskell, MSF

IBOA and AIB 24-hour banking

AIB (Allied Irish Bank) set up a subsidiary to operate its direct banking service, opening a call centre with about 140 employees in the town of Naas west of Dublin. The bank established 24 Hour Banking as a non-union workplace, and did not approach IBOA for a formal recognition agreement. (The IBOA is recognised by the AIB elsewhere in its business).

The union responded by arranging an evening social, with free food and drink, in the town. Management concern about this initiative could perhaps be deduced from the fact that the company announced that it would be holding its *own* social event on the same evening; in response the IBOA simply brought forward the start time of its event. Whilst membership packages were made available, IBOA's Michael Bride says that no pressure was brought on staff to join. Nevertheless about thirty people did sign up.

The company offered limited recognition but continued to refuse full recognition, so that the principal concerns of the IBOA's new members were not addressed. As a result, IBOA was faced with the problem that some of its new members became disheartened and cancelled their membership. The union responded by agreeing to waive the call centre members' subscriptions. This was a move which was not without controversy within the union, but which succeeded in stemming the tide of resignations, and in addition gaining new members.

The IBOA continued to run training events and socials in Naas, covering everything from employment rights to interviewing skills. Following representations made to the company, the bank reversed a previous decision that the call centre staff would not be eligible for an IRE2000 Millennium evening extra payment. This proved an even greater boost to recruitment.

The IBOA received formal recognition from AIB 24-hour in February 2000, and now has over 80 members at the Naas call centre. The union is now turning its attention to three other direct banking operations in Ireland, and has plans to draw up a Charter for financial call centre workers.⁸

The IBOA was one of many UNI affiliates to use the FIET/CI Call Centre Day of Action initiative in November 1999 to leaflet call centre staff at their workplaces. However, this – perhaps the oldest trade union method of recruitment – is not necessarily as easy as it was in the past. Many call centres are located on private industrial estates, and staff often arrive and leave by car from secure car parks. Both the IBOA and Unifi (in the UK) report problems with security guards or police when attempting to leaflet particular sites.

There are a number of tactics for tackling access problems which can be learned from organising campaigns in other industries, including: where the company provides staff buses contacts with the drivers' unions and a union presence at pick-up points can help; where people drive cars to work it may be useful to track route home and find out if there are clusters of workers living in particular localities – leafleting local housing estates and schools, making contacts in local pubs and clubs can produce inside contacts; providing union branded sandwich bags to shops and burger vans etc where people buy lunch is another tried and tested method; and social events, especially for young people, can help build union networks.⁹

In Britain, the Trades Union Congress (TUC)'s New Unionism project has identified call centres as an important target. A range of tactics have been identified for reaching call centre staff, including arranging for union recruiters to be employed 'under cover' in target sites. The New Unionism approach is highly structured, involving among other things a detailed 'mapping the

⁸ Source: conversation with Michael Bride, January 2000

⁹ Contribution made at TUC (UK) New Unionism seminar "Organising telephone call centres", 13 November 1998

workplace' exercise where each employee's name and workstation is identified on a map. In a technique reminiscent of traditional election canvassing in Britain, each individual's likely sympathy towards a union is formally recorded, on a scale from 1-4.

The call centre work culture is one where informality, flexibility and teamwork are stressed by management. Not every company goes as far in terms of jokey rituals as the call centre where (according to one report) the team leader was expected to stand up and shout out 'sausages' each time a sale was made whilst colleagues undertook a celebratory 'Mexican wave' of the sort normally seen at football stadiums.¹⁰

Nevertheless, unions may be more successful in organising call centre staff if they also are prepared to adopt some of the same tactics as management. This was the approach adopted, for example, when the British union BIFU (now Unifi) was attempting to recruit workers at First Direct. A conference room was set up with a video, information about the union, a quiz and free gifts, such as biros, balloons and rulers.

- ? *Where possible, unions should seek access to new staff during their induction training.*
- ? *Recruitment campaigns are more likely to succeed when planned and executed with attention to detail. Campaigning techniques can be borrowed from management techniques in call centres.*

e) Using the opportunities of new technology

Unions in a number of countries are attempting to use new on-line means of communication to talk directly to call centre staff.

In New Zealand, the financial sector union FinSec has a dedicated web home page for call centre staff, which includes pay comparisons and health & safety information (<http://www.finsec.org.nz/campaigns.html>). FinSec promotes itself as "Your call centre union".

In Germany, the Internet and telephone advisory service for teleworkers, OnlineForumTelearbeit (OnForTe), ran an open chatroom on its web site during European Telework Week, in November 1999, one day of which was focused on call centre issues. OnForTe (www.onforte.de) is a joint initiative of the HBV, DPG and IG Medien unions, in association with Deutsche Telekom and the federal Ministry of Economy. OnForTe reports that the netchat initiative attracted considerable interest.

FNV Bondgenoten in Holland also makes use of the web, to provide a series of pages of information for call centre workers, regardless of whether or not they are FNV members (www.callcenters.fnv.nl).

¹⁰ Source: 'An assembly line in the head': work and employee relations in the call centre, Phil Taylor and Peter Bain.

The potential importance for unions of using electronic means of communication as a way of accessing members and would-be members led FIET to launch an 'on-line rights for on-line workers' campaign in 1998. The campaign, which is continuing under UNI, has as two of its demands:

- The right of free access by employees and by trade unions and works councils to corporate e-mail systems, so that employee members can receive information and communicate with their representatives.
- The right of free access to the Internet (and to corporate intranet networks) by employees, to enable them to access trade union web sites and other information relevant to their rights at work.

Nevertheless (and ironically given that call centre workers spend their working days using information and communications technology) the disciplined nature of call centre life does not necessarily mean that staff have easy access to email at work. The freedom to access the Internet is likely to be even more limited.

Another option made possible by technology is to reach call centre staff by setting up hotlines – using call centres!

In Australia, trade unions have invited unhappy call centre employees to ring a hotline number to report on poor practices in their places of work. This initiative has been called, in Australian parlance, 'dob-in-a-call-centre' [report a call centre].

? *Unions should maximise the possibilities of new technology for recruitment and organising purposes*

f) Using industrial action

More traditional forms of industrial action may also be necessary.

The shocking example of the Citibank call centre at Duisburg, Germany, which was set up outside the collective agreements for the banking sector, has already been mentioned. It has led to an ongoing dispute between the HBV and DAG unions and the Citibank management, which included limited strike action at the end of 1998.

Citibank has been accused by the unions of adopting 'wild west' methods of industrial relations at the plant. "Citibank managers see unions, collective agreements and social security of staff as the devil's handiwork," said one local union secretary. Duisburg is a large call centre which employs around 800 staff, and its opening coincided with the closure of several other back offices and call centres run by Citibank elsewhere in Germany, affecting more than a thousand workers. Unions point out that the bank sought incentives of 7.2 million Deutsche Mark (\$3.7m) from the state of Nordrheinland-Westphalia to 'create' these jobs.

The bank has retaliated to union action by sacking staff who participated in strike action. The union response has been to campaign for their reinstatement and for a pay agreement for the Duisburg staff, to encourage supporters to send postcards of protest to the company and to call for a boycott of the company. UNI has also offered international support for the union campaign.

One of the most successful industrial actions taken in relation to call centres was the one-day national strike organised by the UK Communication Workers Union CWU on November 22nd 1999, for staff working for the telecommunications company British Telecom. The strike followed attempts by the union to persuade the company to respond to staff concerns, including stress, a bullying management style, unachievable targets and the widespread use of agency (non-BT) staff.

The strike quickly led to an agreement with the company, in which BT pledged to develop a model of best practice for the call centre industry, to reduce its use of agency staff, to adopt a stress management programme and to revise staff performance criteria.

? ***More traditional forms of industrial action may also be necessary when campaigning better conditions in call centres***

g) Organising of call centre workers – some concluding comments

The degree of union membership found in call centres varies considerably, not just between countries but also within the same countries. Indeed there can sometimes be marked contrasts between well-organised and poorly-organised call centres within the same *company*.

This should encourage us not to fall prey to easy generalisations. As we saw above, there are particular features of call centre life which can appear to mitigate against strong levels of union organisation: management style, the use of part-time and/or agency workers, the numbers of young workers, and so on. However, in practice the picture is more complex.

As the academic writers Philip Taylor and Peter Bain point out, call centres may also employ sizeable numbers of workers who have previously worked in other occupations, where they have been union members. Taylor and Bain surveyed 345 employees at six financial call centres in the United Kingdom. They write, "When one considers both the composition of the workforce and the extent of trade union membership, there appears to be an interesting polarity. These are largely female workforces, composed on the one hand of many young workers with little if any employment history and who, if they join the union, are doing so for the first time. On the other hand, there are sizeable cohorts of more experienced workers with a trade union past. Such a profile contradicts the oft-used 'Generation X' stereotype of the call centre worker. This crude caricature portrays the call centre workforce as composed wholly of young workers who are individualised, atomised and antipathetic to trade unionism."¹¹

¹¹ Trade Unions and Call Centre Survey, Philip Taylor and Peter Bain for Finance Sector Unions, 2000

Finally, the power of the call centre management culture, with its stress on teamwork and flexibility, informality and an absence of hierarchy, can also be overstressed. It should not be assumed that staff automatically 'buy in' to this ideology. Nor does everyone like the rituals: the call centre management which went in for Mexican waves and shouts of 'sausages' has now changed its practice, after facing concerted ridicule from staff.

3. Organising in call centres: the issues for negotiation

a) What do members want?

In May 1999, FIET asked affiliate unions in the finance sector to identify the most important problems in call centres. A range of comments were received, of which these are a selection:

- From Landelijke Bedienden Centrale Nationaal Verbond voor Kaderpersoneel (LBC-NVK) and Centre Nationale des Employés (CNE) in Belgium: "Besides pay, flexibility in call centres is also a serious problem... [which] must be offset by a greater reduction in working hours. Problems of pressure of work and stress also arise."
- From OSPP in the Czech republic: "The union has to focus on special issues: working hours and conditions, overtime, extra pay etc"
- From Rahoitusalan Ammattiliitto/Finansförbundet-SUORA in Finland: "The most important problems are the pressure to work Saturdays and Sundays with inadequate compensation and pressure to reduce staffing.."
- From DAG in Germany: "Employee concerns are directed at working time models, further training and humane work organisation"
- From FIBA-CISL in Italy: "The most important problems are: the pace of work (undefined times, fixed times and part-time); working hours (definition of weekly working hours and their distribution); and salaries"
- From COMFIA-CC.OO. in Spain: "The recently signed collective contract has mitigated the worst problem – lack of regulation – but [the sector] still suffers from serious problems such as low pay, irregular working time and hours, insecure employment arrangements, shortage of training and lack of prospects for advancement".

From these remarks, it can be seen that, when it comes to call centres, finance unions in different countries are tackling very similar negotiating agendas. This section of the report will examine the issues one by one.

However as COMFIA-CCOO goes on to point out, any organising strategy has to be based on actions determined at the grassroots level.

So the question has to be, what are members (and non-members) in call centres themselves most concerned about? Traditionally pay has topped trade unions' list of priorities, but it has been suggested that may not be the case for call centres. Phil Martin of the Australian Services Union, for example, is reported as arguing that "the main concern is to get the manager off the workers back, and decent facilities – then people start thinking about pay".¹²

¹² Source: contribution made at TUC (UK) New Unionism seminar 'Organising telephone call centres', 13 November 1998

Philip Taylor and Peter Bain in the UK academic study already mentioned asked their surveyed call centre employees to list the three things which they most liked, and the three things they most disliked, about their job. Top of the 'likes' were "colleagues, workmates friendly etc" (46.7%), "assisting customers, customer contact, giving customers satisfaction etc" (40.4%) and "hours, shifts, flexible hours, part-time hours" (30.7%). The dislikes produced the following result:

Top Ten Dislikes ¹³	%
Targets, sales targets – unachievable etc.	39.5
Boring, monotonous, answering phone all day, repetitive, no variety	37.0
Management, supervisors – bad, dishonest, general treatment, lack of respect, understanding	34.6
Pressure – stress, not enough time between calls, overloaded, speed-up, understaffing	16.3
Hours, shifts – inflexible, expected to do overtime etc.	13.0
Breaks – not enough, not long enough	11.7
Lack of career opportunities/prospects/development	10.8
Monitoring, surveillance, having calls taped, big brother, scripts	9.6
Customers – difficult/abusive, contact with	8.1
Pay, basic pay, wages, salary	6.0

Pay is very low down this list. Yet nevertheless when Taylor and Bain asked the same group what should be trade unions' chief priority, 60% said that unions should prioritise questions of pay, salaries and bonuses. There seems a curious paradox here. What it might mean is that, for many people, trade unions are considered (erroneously) as being *only* concerned with pay issues. If this is the popular perception, it is one which unions may wish to challenge.

? ***Any organising strategy should start from the concerns and issues identified by the call centre staff themselves***

b) Pay

The major problem over pay in call centres can be stated very simply: it is that pay is low.

Whilst paying lip-service to the importance of developing good relations with their customers, most companies choose to pay their call centre staff, the people who are at the interface of this relationship with customers, very poorly.

Other pay-related issues for unions are:

- The disappearance of extra premia payments for working evenings, weekends, or public holidays
- The loss of direct pay comparisons with 'traditional' employees working for the same company

¹³ Source: Trade Unions and Call Centre Survey, Philip Taylor and Peter Bain for Finance Sector Unions, 2000

- The increase in performance-related pay and commission, based on sales targets ('everyone a salesperson in a call centre')

De Unie in the Netherlands has reported that pay in call centres in the finance sector can be 20%-30% below that applying to staff covered by the bank sector collective agreement.¹⁴

In Britain, unions point out that the search for low labour costs can encourage companies to seek out low-wage areas within a country. First Direct, which initially set up operations in Leeds, has recently opened a new centre in Hamilton, Scotland, where employment costs are over £2500 (\$4000) cheaper per employee. NatWest and Prudential Insurance are among other UK companies with different pay rates operating in different parts of the country.¹⁵

As we have seen, the unions in Germany have engaged in a protracted struggle against Citibank's unilateral imposition of new employment conditions, including poorer remuneration packages, at Duisburg. Pay was also one of the causes of an eight-day strike at a call centre near Strasbourg, France, in February 1998. The centre, run by a company Ceritex, operated on an outsourced basis from France Télécom. The hourly rate was increased as a result of the strike from FF46 (\$7) to FF49 (\$7.40) an hour.¹⁶

Performance-related pay tied to sales levels is frequently an important component of the overall remuneration paid to call centre staff, reflecting the increasing emphasis which bank and insurance companies are giving to selling, as opposed to simply customer service, in their telephone-led relationships with customers.

In Holland, FNV advises call centre staff to ensure that their bonus payments do not make up more than 10% of gross wages. A bonus is fine, as long as it really is a little something extra, says the union. So: 'Make sure that your basic wage is not too low'.

In line with the team-based culture in call centres, bonuses are frequently based on team, rather than individual, performance. This may seem a less invidious way of arranging payments; nevertheless, it can pit individual workers against their colleagues, since all will suffer if one person chooses to work at a less intense level or is ill. A more satisfactory approach for unions, apart from ensuring good basic pay levels, may be to seek to tie pay to demonstrable competences. This can also help to a limited extent to compensate for the low opportunities for traditional career progression in call centres.

¹⁴ Source: FIET Annual bank and insurance trade section meeting, 10-12 May 1999, collective bargaining reports.

¹⁵ Source: IDS Pay and Conditions survey 1998

¹⁶ Source: Le Monde, 3 April 1998, reported by Edward Sussex, UNI

DFL (Danish Insurance Union) Codan

DFL, the Danish Insurance Union, reports that it has successfully negotiated with Codan Insurance, a company partly owned by Royal & Sun Alliance, over a range of issues including bonus payment. Codan has developed two call centres servicing the whole country, each with about 45 employees.

According to Christian Sletten of the union, "Codan decided to introduce bonus payments in the call centres. What management wanted was to give call centre employees the chance to make extra money on top of their salary if they are able to meet certain sales demands...

"When we were presented with the original draft for a bonus payment system we were, more or less, satisfied. Nevertheless we had a few alterations. The management listened to our suggested and agreed to change the agreement accordingly.

"A year has gone by since the bonus payment system was introduced and management and the union are going to evaluate the agreement in the near future. According to employees in the call centres, the bonus payment system has been a success"¹⁷

One result of the low pay regime is that the call centre industry is now facing very high levels of staff turnover: 30%, 40% or even 50% annual 'churn' (staff turnover) rates are not unheard of. This is a matter of increasing concern for managements, and may open up some possibilities for negotiating pay levels.

? *Call centre workers are generally poorly paid. Extra premium payments for evening or weekend working may not be paid.*

? *Performance-related pay and commission based on sales targets are a common feature of call centre life. Where possible, it is usually more satisfactory to link pay levels to demonstrable competencies.*

? *High staff turnover rates in call centres offers a possible lever for unions negotiating to improve pay levels or structures.*

c) Hours of work and shift patterns

Direct banking and insurance services using telephone call centres are open for business much longer than was traditional in the sector, in many cases operating twenty-four a day, seven days a week.

This leads to major changes to working patterns. Among issues for trade unions are:

¹⁷ FIET, info 3, 1999]

- The disappearance in call centres of the 'normal' full-time working week, and its replacement by flexible and part-time working patterns
- A lack of control over shifts/hours to be worked
- Evening and/or weekend working treated no differently from other hours of work; working antisocial hours as an expectation of the job

Of course, flexible working hours can benefit individual workers as well as their employers, if it means for example that work can be fitted in more easily around home responsibilities, such as childcare, or other commitments (as in the case with student employees who are supplementing their income whilst at university). The category 'Hours, shifts, flexible hours, part-time hours' came third in the 'top ten likes' recorded by Taylor and Bain in their UK survey reported above. On the other hand, the same issues also featured fairly high in the list of 'top ten dislikes' as well.

Flexibility needs to be introduced by agreement, not management diktat.

In Spain, the Federación de Servicios (UGT) sectoral agreement on telemarketing, covering 1999 and 2000, includes provisions for irregular working hours. It includes, for example, the provision that no more than eleven days can be worked without a break, after which at least three days' break must be provided. The agreement also includes arrangements for overtime premium payments of 25%-80%, with the highest premia payable for night-time and public holiday working.

In the UK, an agreement between BIFU (now Unifi) and the Co-operative Bank covers flexible working at the bank's call centres. Core working hours in the centres are between 8am and 6pm Mon-Fri, and work outside these hours attracts premium payments. For example, the early morning hours between midnight and 6am attract a 40% premium; Saturday and Sunday working attracts a 35% premium. The agreement states that 'Subject to operational requirements, the Bank will make every effort to seek volunteers and/or accommodate individual requests to change hours'.

The Financial Services Direct Staff Charter, drawn up by MSF (UK) includes the following:

- Employees must have flexibility in the arrangement of working hours to ensure that they can lead normal, active social lives. Employees must have the ability to take time off away from work.
- Employers must ensure that they adequately resource direct operations and must accept that overtime ultimately leads to increased stress and burnout and increased levels of labour turnover.

Evening and weekend working raise issues of first aid provision and employee security, especially if staff are arriving for work or leaving work very late at night. This is particularly important given that a large percentage of the call centre staff may be women, who are more vulnerable to attack. Call centres located in isolated business parks away from public transport have a particular responsibility to ensure staff safety.

Extended hours of operation also raise questions of refreshment provision. Call centre canteens may be open only for day staff. What provision for drinks and food are provided for evening and night workers?

? *Flexible working hours can benefit employees as well as management, but must be introduced by agreement.*

? *Call centre staff need to have influence over the hours and shifts which they are asked to work. Shift rosters should be drawn up with adequate notice to staff.*

? *All the implications for staffing of 24 x 7 operating of call centres need to be adequately considered in advance.*

d) Employment status and rights

As already mentioned, there is widespread use in call centres in several countries of employment contracts less favourable than those traditionally offered by the parent company. It is not simply that pay may be lower: workers may also suffer from exclusion from pension or social insurance provisions, poorer sick pay or less holiday entitlement.

In addition, there is

- widespread use of agency staff, working alongside employees, but often for even less money or benefits
- widespread use of short-term contracts
- outsourcing of call centre management to third parties

The use of agency workers in call centres requires union attention. A number of large agency staffing companies, such as Manpower and Adecco, specifically train staff for call centre placement. Unions should be seeking to ensure that agency staff, as well as directly employed employees, are organised.

In the UK, both the agreement between BIFU (now Unifi) and the Co-operative Bank and that between Communications Workers Union and British Telecom tackled the issue of agency workers. In each case, the company undertook to reduce its dependence on agency staffing.

The business fashion for outsourcing is obviously a much broader issue than that simply of call centres. There is some limited evidence there that there may be a movement away from the outsourcing of call centre provision (for example, both French and Dutch unions in the telecommunications sector reported to Communications International in 1999 that call centres are being brought back in-house). However, market analysts Datamonitor suggest an opposite tendency, with outsourcing of call centre operations likely to increase over the next few years. According to Datamonitor, about 80,000 of the estimated 625,000 call centre agents in Europe (year 2000 figures) are working for outsourced call centre operations.

In Australia, a 1999 court judgment ruled that workers at a call centre operated by a subsidiary company of the national telecoms company Telstra but undertaking work for the parent company

should be bound by Telstra conditions of employment. The firm had effectively laid off hundreds of its own employees and then set up the subsidiary firm to do the same work at lower cost.

FNV Bondgenoten (Netherlands) offers a free contract checking service for members. The union says that, although agency staff in call centres are usually covered under the collective agreement for temporary agencies, there remain many call centre staff (both employees and agency workers) who are not covered by collective agreements and where only standard employment law applies.

? ***Unions should seek to organise and recruit agency staff***

e) Health and safety issues

Call centre staff face many of the same health & safety concerns as conventional office workers, but their working environment also raise a number of other issues.

Very poor attitudes to employee well-being can be found: one UK investigative TV programme, for example, reported the case of the call centre employee who suffered an epileptic fit at work and who found subsequently that his pay had been docked for the twenty minutes he was unconscious and the further time he was taken by ambulance to hospital. His bonus payment was also lost, because he no longer had 'perfect attendance'.¹⁸

In general, the pressures of the work and the requirement to meet call-handling targets can mean that health and safety issues do not receive the attention from employers which they require (or, for that matter, by unions either).

We can identify a number of health and safety issues which have specific relevance for call centres:

i) *Ventilation, lighting and heating*

Because of night-time and weekend working call centres may be occupied continuously, and ventilation, air filtering and heating systems need to be designed to cope with this level of use. Temporary screens erected in open-plan areas can interrupt airflow and cause pockets of stale air. Computers push out considerable quantities of heat, which has the effect of drying out the atmosphere.

ii) *Ergonomic design of telephone and computer equipment, chairs and desks; protection for workers using visual display units*

¹⁸ Channel 4 TV (UK), Special Report, broadcast 14.12.99

Good ergonomic design of workstations is generally recognised as vital to help avoid musculo-skeletal disorders such as repetitive strain injury (RSI). In the European Union, use of VDUs (monitor screens) is covered by a directive on display screen equipment. However, unions in a number of countries reported in a survey carried out by Communications International that the directive was not always well applied in call centres.

Larger screen monitors are becoming increasingly common in call centres. However, the larger the monitor, the larger the workstation space required in order to ensure that the monitor is the correct distance from the user.

iii) Noise at work

Call centre workers have reported that they are subjected both to sudden intense noise and to prolonged high levels of background noise.

In Denmark, the Telekommunikationsforbundet has reported that staff at TeleDanmark's call centres have experienced very loud noises through their headsets when taking customer calls. The noises come suddenly, without warning and can last several seconds. TeleDanmark engineers have tried without success to trace the cause of the noise.¹⁹

In the UK, a joint survey on noise at work from the TUC and the Royal National Institute for Deaf People found that 39% of call centre staff surveyed were concerned that the hearing was being damaged, and more than a quarter said that there were sometimes sudden loud bursts of noise. "One of the most disturbing aspects of the survey is the finding that the hearing of call centre workers may be being damaged by exposure to noise at work", it reported.²⁰

iv) Voice loss

Dysphonia (voice loss) can mean not simply the inability to speak, but also pain or tension when trying to speak. One specialist UK report suggests that call handlers can be at a higher risk of voice loss than conventional office workers.²¹

v) Work-related stress and bullying

Working in a call centre is by its very nature very stressful. The constant pressure to answer calls quickly, and to reduce the 'wrap-up' time between calls, can intensify the stress.

It has been argued that ideally call centre staff should spend about 60%-70% actually taking calls. Some companies aim for 80%, whilst some examples of 95%+ have been reported. Companies also typically set targets for average call duration and wrap-up time. Most call centres have electronic displays showing the number of calls waiting to be received.

These pressures on staff can be increased still further if employees also have sales targets which they are expected to meet. Bullying of employees by team leaders is a real danger in this environment.

¹⁹ Communication from Villy Langesen

²⁰ Indecent Exposure, RNID/Tuc, March 1999

²¹ Initial Advice regarding Call Centre Working Practices, HELA, Nov 1999

Good health and safety practice when using VDUs is for screen breaks to be regularly taken. The pressure of call centre working can mean either that breaks are not made available, or – if they are – that workers are ‘encouraged’ by the work culture to work on and not take them. In some call centres, employees must ask permission even to visit the toilet.

Breaks are valuable in helping to avoid eye-strain and headaches, and can actually enhance productivity. A ten minute break at least every two hours seems a minimum negotiating demand. GPA (Austria) calls for a ten-minute break every hour. This is the current practice, for example, in Germany at the Bausparkasse Schwäbisch-Hall.

One issue for unions to confront is the tendency of employers to see stress as a individual, rather than a collective, problem – as something which affects those workers who in some sense are not ‘up to the job’ and not an inevitable outcome of the work processes and organisation of call centre life. The emphasis should be on improving work methods to reduce the risk of stress, rather than simply dealing with problems after they have already occurred. In other words, stress should be treated in exactly the same way as other potential health hazards in the workplace.

The employer should be encouraged to see stress primarily as a result of the nature of the job, rather than as a result of someone's personal makeup. They should be discouraged from using terms like ‘stress management’, but rather encouraged to look at means of reducing workplace stress by improving working conditions and aspects of the job.²²

? ***Whilst superficially ‘clean’ working environments, call centres raise a series of health and safety issues and concerns, which unions should address. Stress is a particular health hazard in call centres.***

f) Surveillance, electronic monitoring and privacy

One software company has used the slogan ‘Total Control Made Easy’ to advertise its call centre package.²³ In general call centre technology gives employers the power to maintain quite astonishing levels of electronic surveillance and monitoring of their staff.

- Permanent electronic monitoring of each employee enables supervisors to know, for example, which of their staff are currently handling calls, who are waiting for new calls, who are taking breaks, etc. This electronic monitoring can also be undertaken remotely, in the case of home-based call centre staff.
- Supervisors are likely to have the facility to listen in secretly to conversations taking place. The recording of these telephone conversations may also be automatic.

According to Philip Taylor and Peter Bain in their survey of UK financial call centre staff, “There is no doubt that many workers do see the mechanisms of surveillance and monitoring as

²² On line advice, a negotiator's guide to good employment practice in call centres, UNISON (UK)

²³ The Guardian 21 Feb 1998, quoted by Edward Sussex, UNI]

contributing to the pressures of the job. Over one-third believed that having their calls taped contributed 'a great deal' or 'to some extent' to the pressures of the job.²⁴

The legal position regarding the actual recording of telephone calls may vary between countries. However, as the delivery of financial services by telephone has developed, there has been a growing tendency to maintain records of telephone conversations for security and auditing purposes. Unions should seek to ensure that this legitimate function is not abused by employers for unnecessary monitoring or harassing of staff.

GPA (Austria) points out that basic human rights to privacy of both employees and members of the public may be jeopardised by telephone conversation monitoring. The union calls where possible for call centre software to be adapted to remove automatic monitoring features. Where calls are monitored it argues for strict control of this process, so that:

- monitoring is only undertaken for training purposes
- the process gives staff greater confidence in the way they handle conversations
- monitoring is agreed in advance with the member of staff affected
- monitoring is undertaken from nearby and not from a centre elsewhere.²⁵

FNV Bondgenoten in the Netherlands has also focused on this issue. FNV recommends that monitoring is allowed only under the following conditions:

- monitoring allowed only when the purpose is known and acceptable
- collected data only used for that purpose; the employee must know he/she may be monitored
- listening in may only occur occasionally and not continuously; the employee must have access to recorded data to be able to correct inaccuracies
- tapes must be destroyed after a certain period.

The environment in call centres is hectic and demanding, staff should be able to operate in a 'blame free' culture where the atmosphere is supportive rather than punitive.²⁶

A related issue is the right of employees to be able to make personal calls from work. This was the focus of a European Court of Human Rights judgment (*Halford v UK*) brought under the European Convention on Human Rights, Article 8. The Court judgment found that the monitoring of phone calls made by Ms Halford (a senior policewoman) at work had violated the Convention, which states that "Everyone has the right to respect for his private and family life, his home and his correspondence".

The implication of the judgment is that employees must be offered facilities for making telephone calls at work free from monitoring. To quote the formal notice subsequently published by the British government (the government at the centre of the Court judgment) "It is not reasonable to expect that employees will never be contacted on a domestic matter in work time, or that the employee will never have reason to make personal calls from the office. One way of addressing this problem would be through the provision of payphones in the workplace, with an undertaking from the employer that these telephones would not be subject to private side monitoring or interception..."

²⁴ Source: Trade Unions and Call Centre Survey, Philip Taylor and Peter Bain for Finance Sector Unions, 2000

²⁵ GPA: Arbeit im Call Center, Vorschläge zur Gestaltung, Jan 1999

²⁶ On line advice, a negotiator's guide to good employment practice in call centres, UNISON (UK)

? *Call centre staff are subject to unacceptable levels of electronic surveillance and monitoring. Any such monitoring should be undertaken by employers overtly rather than covertly, and by prior agreement with unions.*

g) Training

Unions are rightly concerned to stress the importance of adequate vocational training for employees. In the call centre industry the issue of training has particular relevance given the following:

- The lack of career development, as a result of flat management structures
- Work patterns which are repetitive
- Work which is highly structured and does not lead to the acquisition of additional skills (for example, the use of scripted conversations)

Good training provision can be a key factor in retaining staff and maintaining their motivation. As the GPA, Austria, points out, good training helps maintain good levels of customer service. The union calls for training to be designed with the particular needs of the individual workers in mind.²⁷

An interesting example of direct participation by a union in training provision comes from New Zealand where the financial sector union FinSec is collaborating with other partners and with the Electrotechnology Industry Training Organisation to develop a 'National Certificate in Call Centre Operation'. Whilst some of the competency units in this Certificate are generic to office working, others are specific to call centre working. FinSec sees the qualification as helping call centre workers develop more portable careers.

In Germany, the HBV union has endorsed a similar initiative being operated by the Chamber of Commerce and Industry in Düsseldorf. The training programme, which was launched in early 2000, involves broad-based training in business administration, marketing, sales and communication skills. Call centre employees undertaking the training programme who pass their exams will have obtained transferable management and supervisory qualifications. HBV has called for the Düsseldorf pilot initiative to be rolled out across the whole country.

A European-wide project, funded by the EU Social Fund, is currently developing standards and qualifications for call centre workers and exploring the potential for computer based distance learning.

The project (which is running from June 1999 until December 2000) is co-ordinated by the European Federation of Direct Marketing Associations (FEDMA). UNI-Europa is responsible for co-ordinating national trade union input into the project.

At present, three EU member states (The Netherlands, Belgium and the United Kingdom) have nationally recognised training standards and qualifications for the industry. One aim of the project is to establish European standards for call centre qualification. The project aims to devise methods for structuring the core competencies needed, so that qualifications obtained in one European member state are recognised elsewhere.

The project has been established partly in recognition of the shortage of trained workers in the sector and the high levels of 'call centre burnout' among existing staff. More details are on the web site www.eurocallcentre.com

? *The issue of training has particular importance in the call centre industry, given the lack of career paths and the repetitive nature of the work being undertaken.*

h) Equal opportunities issues

The fact that many call centres employ more women than men reinforces the importance of ensuring that equal opportunities issues are high on trade union agendas. The issue of employee safety, especially for women working late at night, has already been discussed in this report.

Other possible issues for union involvement are:

- Encouraging the development of family-friendly working practices
- Flexible working patterns to be reached by negotiation, not imposed unilaterally
- Provision of childcare facilities on-site

Flexibility in working hours can, and should, be of benefit to employees as well as employers. However too often flexible work patterns seem designed simply to benefit the company.

Working non-standard hours may suit many people who are trying to fit their working lives around family caring commitments. However it is important that there is a degree of control by the individual. Typical call centre work patterns, including late night, early morning and weekend working make childcare difficult to organise, and this is especially the case if only short notice is given. Whilst it is true that the task of arranging staff rosters in call centres to deal with expected call levels can be a challenging one for management, this is not an excuse for last-minute ad-hoc arrangements. In France, the CFDT reports that one call centre, UNITE 15, publicises its rosters six weeks in advance.

The issue of working hours is particularly relevant in the case of virtual call centres, where calls are handled using ACD technology from home (see below).

? *The particular needs of women workers, often the majority of workers in a call centre, need to be addressed.*

i) In conclusion: developing good practice

In the light of their experience of organising in call centres, a number of unions have developed codes of good practice for the sector.

²⁷ GPA: Arbeit im Call Center, Vorschläge zur Gestaltung, Jan 1999

It may be appropriate to end this section by mentioning the model guidelines for call centre working published by the HBV, DPG and IG Medien (Germany) in their booklet *Arbeiten im Call Center*. The model guidelines are grouped together in eight categories:

- Stable employment relations
- Collective regulation of rules on standard working times
- Work, and workplaces, to conform to ergonomic standards
- Respect for individual autonomy in the organisation of work
- Qualitative performance measures rather than quantitative targets
- Training and career prospects
- Pay structures which acknowledge skills and knowledge
- Co-determination rights and union representation

4. Some current and future trends

a) Virtual call centres

The call centre image is of the large industrial shed, located on an out of town business park, where tens or hundreds of people are brought together to work. However the Automated Call Distribution technology which underpins call centre operation does not necessarily demand this way of working.

Using fast data telecommunications channels, it is also possible to operate a call centre service using workers based at workstations in their own homes. Limited use of home-based call centre staff has been reported in several countries.

A report in the UK has recently suggested that 'virtual call centres' like this may be an idea which will become increasingly attractive for companies.²⁸ The report considers a number of British case studies, including the Automobile Association (AA). This motorists' assistance service recently closed a conventional call centre in the north of England, replacing it with a team of home-based staff each equipped with ISDN lines and computer workstations. The company expects the number of home workers (currently over 50) to grow shortly to over 150.

According to the AA, home-based working has been introduced partly as a way of overcoming staff recruitment and retention problems. Another advantage for the firm is that the home workers are also required to work unpopular early morning and late afternoon shifts. The company says that productivity in handling calls has increased dramatically. It also says that home-based staff are more flexible in their hours of working, and can begin work very quickly when unexpected surges in call levels are received.

The British report also considers two examples from the financial sector, including Prudential Insurance which has been running a five-person home-based pilot linked to a conventional 100-person call centre.

There are additional costs involved in equipping individual homes with the necessary telecoms lines and equipment and this form of work organisation also poses management challenges in terms of worker supervision and team motivation. In the banking sector the development of virtual call centre working may also be held back by data security concerns (e, the fact that personal financial information would be accessible from private homes). These concerns would seem to apply less in the case of outbound telephone call handling, where calls are being made for marketing purposes. Security concerns would also seem less relevant for the insurance sector.

Virtual call centre working raises some significant additional issues and challenges for trade unions, not least in the area of membership recruitment and organisation. Home based workers face isolation, and may not be aware of the pay and employment conditions being made available

²⁸ Virtually There: The Evolution of Call Centres; The Institute for Employment Studies for Mitel, 1999

to staff working centrally. The demands of UNI's campaign for On-line rights for on-line workers are particularly relevant where staff are working from home.

"There is now a worrying movement in the industry to shift employees out of the centre and into their homes where they can be just as easily monitored.. Once they are dispersed from the workplace it makes it much harder for us to protect them." - Leigh Hubbard of the Victorian Trades Hall Council (Australia)²⁹

The general issues raised by home teleworking, which can have both advantages and disadvantages to the individual worker, have been investigated by several unions, and a number of guidelines for good practice have been developed. The subject has been examined in detail in the report Teleworking and Trade Union Strategy, published by FIET three years ago.

Home working has also been the subject of an ILO Convention passed in 1996. Article 4 of the Convention identifies, among other things, the following issues:

- The homeworkers' right to establish or join organisations of their own choosing and to participate in the activities of such organisations
- Protection against discrimination in employment and occupation
- Protection in the field of occupational safety and health
- Remuneration
- Statutory social security protection
- Access to training
- Minimum age for admission to employment or work
- Maternity protection

? ***Unions should monitor the development of virtual call centres closely. Home-based working needs to be voluntary, introduced only after adequate training and carefully monitored by trade unions.***

b) The internationalisation of call centre operations

The German banking unions fighting Citibank's call centre at Duisburg talked of the need to combat the bank's use of 'social dumping'. The prospect for social dumping (that is, moving work geographically to areas with low wages or poor social protection for workers) is much greater, however, at the international level.

There are already numerous examples of call centres being set up to handle international call handling. A number of computer companies, for example, handle marketing and technical hotline calls from across western Europe at a single call centre, where staff automatically answer incoming calls in the appropriate language. Ireland is a popular destination for pan-European call centres, where the industry has been developed with government financial support. The UK also has a number of call centres handling international calls, several based in London where a large

²⁹ The Age newspaper (Australia), 4 November 1999]

pool of native non-English speakers is available. This was the reason given by Air France, for example, which opened its pan-European reservations centre in London in 1999.

Despite the recent international merger and take-over activity in banking and insurance, there is as yet much less evidence of the internationalisation of call centres in the financial sector. It may be that it is felt that customers would be resistant to the idea that their bank or insurance adviser was located in another country. It is also true that most banks and insurers continue to operate on a national level, even where the companies are internationally owned. However, it could also be that the sector has simply been a little slower off the mark than other industries.

Perhaps the most worrying possibility from a trade union perspective is the idea that call handling work could migrate to much lower wage economies. Technically, it is not necessarily more difficult to route customer calls to, say, India or Mexico rather than to, say, Ireland. (There is already experience in the financial industry of using 'offshore' data processing workers in countries such as the Caribbean for work such as insurance claims processing.)

In this context, it is worth noting that GE Capital set up a wholly owned subsidiary GE Capital International Services (GECIS) in 1996, to offer back office processing services to international clients from a centre in Gurgaon near Delhi. GECIS says that this Indian subsidiary aims to offer 'Transaction Processing, Accounting Services and *Call Centres* [my italics] to service both GE and non-GE companies world-wide".

There are language and cultural reasons why call centres may be less prone to migration offshore than back office administration. Nevertheless if (as seems likely) call centres increasingly handle email and web based enquiries language issues will become less crucial. This is an issue which needs to be watched closely, and where international cooperation and solidarity between unions will be of practical relevance.

? ***The internationalisation of call centre operating raises challenges for trade unions at both ends of this process of work migration. Effective international cooperation and solidarity is necessary, to avoid social dumping.***

c) Technological change, the internet and electronic commerce

What is the likely future for call centres? Ironically - given that the industry is very young and has been expanding very fast - trade unions need to be conscious of longer-term technological developments which could threaten continued call centre development. Could it be the case that unions will be called upon in the next few years by their newly recruited members in call centres to defend their jobs from redundancy?

The growth of touchtone phones and interactive voice recognition (IVR) technology allows customers to use their phones to undertake basic transactions (such as obtaining a bank balance or paying a bill) automatically without the need for human mediation. The endless menus ('Press

1 if you are an existing customer') may not be liked by customers, but are cheap and efficient for companies.

As IVR has taken over this sort of routine enquiry handling, so the work of call centre staff has shifted noticeably from a customer service role to a customer sales role. Call centre staff are needed for adding value – or in other words, for using the opportunity to develop the relationship with a customer by trying to sell additional services. This suggests that handling of inbound calls may increasingly be automated, but that banks and insurers may want to further develop their use of outbound telephone calling (cold-calling) of customers.

The development of the internet, and in particular of on-line banking and insurance services, reinforces this trend. In many countries a customer can now not only check their bank balance over the Web, but can also compare car or household insurance quotes, arrange bank loans or even take out a house mortgage loan.

The take-up of Internet banking has been rapid in several countries, and the introduction in the next two years of Web-enabled third-generation mobile phones using Wireless application protocol (WAP) and of digital television will extend the opportunities for direct banking transactions by customers. Another likely development, the introduction of electronic purses based on smart card technology which can be loaded with e-cash from home computers, also puts the individual customer more in direct control of their finances. In each case, the implication is that call centres may become less utilised.

A recent survey by market analyst Datamonitor³⁰ suggests that the internet will indeed slow down the growth of call centres in Europe. Nevertheless Datamonitor maintains that the number of call centres will still be greater in 2003 than at present. Indeed the report predicts a compound annual growth rate over the next three years of 12%. By then it suggests that a total of 1.3m Europeans will be working in call centres.

However industry analysts also suggest that the nature of call centres will change in the years ahead. From being simply telephone call handling units they will be transformed into customer relationship centres, which deal not only with telephone conversations but also with other technologies, including customer contact by e-mail, web and digital TV. (It may be significant in this respect that one UK call centre operator Telecom Potential already prefers to describe itself as a 'customer interaction centre'.)

It is clear that the Internet will be an important means of communication with customers. Already some corporate web sites are equipped with 'call me' buttons, enabling customers who are visiting web sites to request that a telephone call is made to them at a time of their choice. More sophisticated refinements of this idea have already been under development for example, the facility whereby customers using the Internet can activate a live two-way video link through to a call centre agent was demonstrated by the US telecoms company MCI in 1998. Whether this sort of video link will really take off is a debatable point. What is not in doubt is that many companies need to improve their procedures for handling email communications with customers.

³⁰ European Call Centres in 2003, publ January 2000

The speed of technological change will undoubtedly have an effect on the call centre industry. It reinforces the importance of pressing for adequate training for call centre staff, to enable them to have the breadth of skills needed to be able to adapt to future change.

? *Call centres have grown very fast in recent years, but their future development is uncertain in the light of technological change and the expansion of the Internet. Adequate training is necessary to equip call centre staff to cope with future change.*

5. Conclusion

Call centres have played a central part of the restructuring of the banking and insurance industries in recent years, especially the development of 'direct' banking and insurance services. During this time, there has been a gradual shift from a straightforward customer service ethos to a more directly targeted sales approach. This trend will continue as customers increasingly use the Internet for their banking and insurance services, though ultimately the development of electronic delivery systems may cause companies to reassess their use of call centres.

Call centres offer considerable possibilities for trade union recruitment and organisation. This is despite the fact that some call centre managements have tried to adopt anti-union policies (even where there are recognition and negotiation agreements with parent banks or insurers). The current picture is mixed, with some financial call centres well organised and others almost entirely non-union.

There are now many examples, from around the world, of creative ways in which unions have approached the task of organising call centres. It is not the case that call centre staff necessarily consider unions irrelevant to their working lives, though it is true that unions need to focus on issues of direct day-to-day concern to them. This demands an understanding of the call centre working environment and the dominant work culture.

It can be argued that, if trade unions cannot demonstrate their relevance to the large numbers of people who now find themselves working together on the automated call distribution 'assembly lines' of the call centre factories, then frankly why do unions deserve to survive? Put more positively, the task of organising call centre workers can assist unions in identifying and if necessary redefining their role for the new century.

Action points identified in the report:

a) **Reaching call centre workers: recruitment and organising**

- ? *Trade unions must put forward an image and message relevant to call centre workers, working in a highly structured but apparently informal working environment*
- ? *Call centre workers in the banking and finance sector should enjoy the same conditions of service and benefits as their colleagues working in more traditional areas of the industry.*
- ? *Trade unions should put resources into recruiting and organising staff in call centres*

- ? *UNI should consider repeating the joint FIET/Communications International call centre campaign of 1999*
- ? *Where possible, unions should seek access to new staff during their induction training.*
- ? *Recruitment campaigns are more likely to succeed when planned and executed with attention to detail. Campaigning techniques can be borrowed from management techniques in call centres.*
- ? *Unions should maximise the possibilities of new technology for recruitment and organising purposes*
- ? *More traditional forms of industrial action may also be necessary when campaigning for better conditions in call centres*

b) Organising in call centres: the issues for negotiation

- ? *Any organising strategy should start from the concerns and issues identified by the call centre staff themselves*
- ? *Call centre workers are generally poorly paid. Extra premium payments for evening or weekend working may not be paid.*
- ? *Performance-related pay and commission based on sales targets are a common feature of call centre life. Where possible, it is usually more satisfactory to link pay levels to demonstrable competencies.*
- ? *High staff turnover rates in call centres offers a possible lever for unions negotiating to improve pay levels or structures.*
- ? *Flexible working hours can benefit employees as well as management, but must be introduced by agreement.*

- ? *Call centre staff need to have influence over the hours and shifts they are asked to work. Shift rosters should be drawn up with adequate notice to staff.*
- ? *All the implications for staffing of 24 x 7 operating of call centres need to be adequately considered in advance.*
- ? *Unions should seek to organise and recruit agency staff*
- ? *Whilst superficially 'clean' working environments, call centres raise a series of health and safety issues and concerns, which unions should address. Stress is a particular health hazard in call centres.*
- ? *Call centre staff are subject to unacceptable levels of electronic surveillance and monitoring. Any such monitoring should be undertaken by employers overtly rather than covertly, and by prior agreement with unions.*
- ? *The issue of training has particular importance in the call centre industry, given the lack of career paths and the repetitive nature of the work being undertaken.*
- ? *The particular needs of women workers, often the majority of workers in a call centre, need to be addressed.*

c) **Some current and future trends**

- ? *Unions should monitor the development of virtual call centres closely. Home-based working needs to be voluntary, introduced only after adequate training and carefully monitored by trade unions.*
- ? *The internationalisation of call centre operating raises challenges for trade unions at both ends of this process of work migration. Effective international cooperation and solidarity is necessary, to avoid social dumping.*
- ? *Call centres have grown very fast in recent years, but their future development is uncertain in the light of technological change and the expansion of the Internet. Adequate training is necessary to equip call centre staff to cope with future change.*