

Discussion Paper

Precarious employment in German Case studies

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Outline of the research project ESOPE (*Precarious Employment in Europe: A Comparative Study of Labour Market related Risks in Flexible Economies*):

The **aim** of the ESOPE project is *to contribute to an improved comparative understanding and evaluation of «precarious employment» as one of the main facets of social and socio-economic insecurity and risks in contemporary European societies*. By thus doing the project expects both to increase knowledge and to inform current policy debates on the interrelations between the modernisation of systems of social protection, the activation of employment policies, and the «quality of employment» in Europe. The **research questions** include:

- How is «precarious employment» understood and appraised in both scientific and policy terms in the five countries of our study (France, Germany, Italy, Spain and the United Kingdom) and also at the European and wider international levels?
- What are the main factors accounting for the actual incidence and forms of «precarious employment» and what is the relative importance of sectoral factors and State-based regulatory frameworks?
- What notion of «precarious employment» could be more appropriate in scientific as well as operational terms for understanding, measurement and policy making?

In order to achieve these purposes, the project is divided into three major **phases**: [1] literature review and comparative policy analysis; [2] two strands of empirical research through case studies of selected services sectors and of local innovative initiatives; and [3] drawing of policy implications and dissemination activities, including an important scientific seminar.

Members of the consortium:

- Departamento de Trabajo Social, Universidad Pública de Navarra (Pamplona, ES)
- ICAS Institute (Barcelona, ES)
- Economix Research and Consulting (Munich, D)
- Centre d'Etude de l'Emploi (Paris, FR)
- Centro di Ricerche Economiche e Sociali (Roma, IT)
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Preliminary remarks

This report rests on the analysis of a range of empirical studies carried out in the call centre sector as well as on an important number of interviews carried out the sector level as well as on the site level. It should be noted, that site-level in-depth analysis of call centres proved to be difficult, as many call centres are mostly unwilling to give an insight view of the working conditions in their call centre, especially if the working conditions were bad or were at least not accepting that interviews with employees were carried out. Interviewees at sector level were primarily trade-unionists, members of market associations, experts organising networks of employees' representatives, representatives of labour offices as well as scientists. At the site level a couple of interviews have been realised with call centre manager, human resource manager in call centres, call centre employees and a works councillor. Out of the interviews at site level (which cover 6 Call centres), we give the example of three different types of call centres: one inhouse call centre in the banking sector, an inhouse call centre in the telecommunication sector which also offers services as an external call centre and an external call centre which had to close down recently. While the inhouse call centre and the call centre representing both, an inhouse and an external call centre, are small, the external call centre was quite large. The whole report is designed as a sector case study and the findings of the site level interviews are integrated in the general analysis. Nevertheless, Chapters 7 and 8 will give an overview of the main data collected as well as on individual trajectories and the individual perception of working conditions and the lessons to be learned.

1. Definition and understanding of the sector

Call centres may be defined in the first place by the technology used and by the organisational form for providing the service. Thus, telecommunication by telephone constitutes a main characteristic of the task carried out in call centres on the technical side. The service itself may be characterised as "communication intensive" (Bittner et al., 2000). However, with innovations and rapid change in the information- and telecommunication technologies the typical tasks and tools in a call centres are increasingly encompassing work at the computer as well as internet technologies. Thus, call centres may also be regarded as a special form of telework. Call centres are an extremely heterogeneous "sector", the type of tasks and the qualifications needed vary significantly according to the quality of the information provided. But most importantly, the great majority call centres are organised within an already existing branch (e.g. car industry, financial services). Therefore, Bittner et al. are arguing, that call centres are to be understood as a special form of work and enterprise organisation rather than as a proper branch (Bittner et al. 2000, p. 15). This view is also shared by our interview partner from the German Direct Marketing Association. Finally, the trade unions have integrated call centres in the existing sectoral structure and they are treated as a transversal function, no special unit is dealing with call centres (Chapter 2.2).

Table 1
Distribution of Call Centres across sectors in 1998 and in 2001 (%), different studies

<i>Branch</i>	<i>1998 (CoPers in Computer Fachwissen)</i>	<i>2001 (profiTel, Benchmark study)</i>
Insurance sector	24.6	26
Financial Services	14.5	
Information and communication sector	19.1	13
Trade and distribution	11.6	13 (Trade)
Transportation / Tourism	.	7
Associations, organisations	.	4
Media sector	7.2	12
Industry	4.4	17 (industry and construction)
reservation services	4.4	.
Energy and Water Supply	2.9	.
Others	11.3	8

Source: Bittner et al. 2000, Biehler, Vogl 1999 and profiTel, Benchmarkstudie 2001

Although, available data rest on estimations, there is a clear indication that there is a concentration of call centres in the financial services and insurance sectors (Table 1). Call centre which are acting at the market as service companies cannot be attributed directly to any of these branches.

As already demonstrated, there are no reliable statistical data on call centres. In the classification of the Federal Statistical Office Call Centre and telephone marketing constitute a not quantified subcategory. Together with 28 other subcategories they are summed up under the title "Schreibbüros" in the value-added statistic (Dieckhoff 2001, p. 11). In particular, in-house call centres are not measured. Also the enterprise panel of the IAB and the ZEW have not specified call centres and have not included questions related to call centres in their questionnaires so far. One problem with measuring call centres consists in the fact that there are in-house call centres as well as independent call centre companies and that there is a high fluctuation among the latter.

Empirical studies trying to quantify the number of call centres and the volume of employees have been mainly carried out by consultancies (see an overview of the main studies in Bittner et al., 2000). The estimations of the present situation and future trends vary considerably (see chapter 3). It has been criticised by researchers that those studies in general can be regarded as representative and that the methodology used is in general not sufficiently transparent. Furthermore, estimations about the volume and structure of employment have been made by trade-unions and the German Direct Marketing Association as well as by regional development agencies (these latter estimations were gathered in Dieckhoff et al. 2001). All the data given in the following chapters can therefore only be understood as a row indication. In some cases the variation between the studies is so important that no statements can be made on the ground of the data.

2. Regulatory framework and policies

2.1 Sector-based economic and employment policies

In the first place, the technological development and improvements in the infrastructure have allowed the expansion of the call centres as increasingly other forms of telecommunication services are integrated in the work of call centres. Furthermore, the liberalisation of the telecommunication sector has been important for the development of call centre activities, as telecommunication costs constitute one of the basic factors.

Call centres as a “sector” constitute a field of policy only at the local and regional level, as some cities and *Länder*, like the cities Dortmund and Duisburg in North-Rhine Westphalia Bremen in Northern Germany and Mecklenburg-Vorpommern in Eastern Germany are actively promoting the setting up of call centres. In general, these cities and regions are facing a structural crisis and a high unemployment figures (see Chapter 3). However, it is questioned whether this type of economic promotion is sustainable, as call centres are by nature very mobile, and can easily leave their location once they don't get any further subsidies (Biehler, Vogl 1999).

In the case of Mecklenburg-Vorpommern, in addition to subsidies allocated by the *Land*, the local labour offices are cooperating at the level of the *Land* with the institution for the promotion of the economic development. According to our interview partner, the labour offices become already active, once a company decided to locate in their sub-region and are involved from the very beginning in the recruitment of staff. They also pay unemployed training in external training centres (mostly for a period of 12 weeks).

Nearly all *Länder* are promoting in different ways the setting up of call centres and in particular call centre networking. However, the instruments and budgets vary significantly. In Baden-Württemberg, the Ministry for Economic Development has set up a consultancy for customer care directed towards call centre start ups, in other *Länder* like in Bavaria or Saxony, networks rest on private initiative supported to a different degree by the *Länder*. In Niedersachsen in Northern Germany, the *Land* has initiated a network including not only call centre manager but also employees' and employers' representatives, training institutions, public agencies and the Chambers. Like in Niedersachsen, the *Land* North-Rhine-Westphalia was actively promoting the call centres (“Call Centre Offensive NRW”), but in both *Länder* these public initiatives came to an end (Tenzer, Tele-talk 4/2002). In particular in Eastern Germany, public funding is directed towards call centres. The volume of subsidies allocated to call centres depend on the budgets of the national and European structural and regional funds and the defined regional areas where they can attributed.

At the national level, further training has constituted a field of action, as certificated further training for call centre employees has been put in place with the aim to train unemployed for the work in call centres. However, the conception for this further training initiative has been questioned and it appears that it is not really accepted by the call centres (Chapter 5).

2.2. Industrial relations

2.2.1. Coverage by collective agreements, contents and the role of the unions and work-councils

As already stated, call centres are not organised as a sector. This is also true with regard to industrial relations. Consequently, there doesn't exist any general collective agreement covering call centres. This is also reflected in the organisation of the industrial parties, which have not adopted their structure to cover explicitly call centres.

On the employers' side there exist an industry associations, mainly the direct marketing association DDV (Deutscher Direktmarketing Verband) as well as different associations at the regional level (like Big Number in Bavaria) with the focus of their work resting on lobbying. Furthermore, the Call Centre Forum serves at a platform for the exchange of information. Although, the creation of an employer organisation for the external call centres is debated, there seems to be little consensus among the employers, as the heterogeneity of call centres is too high. On the union side, it has been decided to integrate "call centres" within the existing structure of the branches. Consequently, big trade-unions like the IG-Metall and the service sector union Verdi are concerned with call centres. However, they have not created an own organisational unit for call centres.

Existing collective agreements, which apply to inhouse call centres, can be found in branches like the financial services, mail order business, tourism, the print and the media industry, airports, and the telecommunications sector. However, sector level collective agreements at the regional level (*Flächentarifverträge*), in particular in case of framework agreements (*Manteltarifverträge*) are in general not enough specified to take special account of the interests of call centre employees. This is partly due to the fact, that many inhouse call centres have been created in the recent past. According to our interview partner, it is too risky for the trade unions to give a notice of termination to existing sectoral agreements in order to negotiate the specific conditions for call centre employees. But, some big companies (e.g. mail order business, insurance companies) have concluded their own collective agreements at the enterprise level (*Haustarifverträge*). In this type of collective agreements it is easier for trade-unions to defend particular interest of call centre employees (Menzler-Trott, Hasenmaile, 2001, p. 214, the authors cite some examples of enterprise level collective agreements). According to an expert, in enterprise level collective agreements in big companies (e.g. Telekom, IBM) call centre agent profiles with regard to the tasks and required skills have been fixed. In this context it is important to note that the large players

are setting standards, which according to an expert will be diffused in the medium and long term to smaller companies.

The regulation of the labour market by collective agreements (*Tarifverträge*) has indirectly a great impact on external market-oriented call centres, which are as a rule not covered by collective agreements. One of the driving force for outsourcing call centres activities are the possibilities to avoid collective agreements, in particular with regard to working time and wages. One example consists in the working time regulations set down in collective agreements covering banks, not allowing for evening and night work as well as for work on week-ends.

However, for outsourced call centres, which are belonging to the main company, it is not evident to escape the collective agreements. According to our interview partners, there are no collective agreements for external call centres operating at the market.

In case collective agreements do not exist, or in case they are not sufficiently specified, working conditions can be regulated by works council agreements as laid down in the Works Council Act. But, the precondition for this is the existence of a works council, which is not the case in many of the smaller external market-oriented call-centres (Menzler-Trott, Haisenmaile, 2001, p. 214). According to our interview partner from the German Direct Marketing Association, half of the 20 largest call centres have a works council. The trend towards the creation of works councils is reflecting a slowly evolving “stabilisation” in terms of collective relations. Our interview partners are identifying in this respect analogies to the development in the so-called “new economy”.

Experts and trade-unionists, as well as the literature (Leittretter 2000, p. 610 ff.) named the following fields which are regulated by works council agreements (listed according to their importance):

- variable wage elements (wage structure)
- Monitoring and surveillance
- Working time regulations
- Work organisation, time management
- Breaks
- Ergonomic design of workplaces

Some works council agreements also specify fields like training, but the influence of works council in this area is rather small, as well as recruitment and dismissal.

a) Wages

Wages and wage elements have the highest priority in works council agreements of external market-oriented call centres. Wages are in general individually negotiated in this type of call centres and the wage structures are far from being transparent.¹ The works council in these call centres are seeking to fix the basic

¹ Kutzner and Kock (2001) are giving the example of a call centre which is trying to forbid their employees to exchange information about wage levels.

criteria for the wage policy, e.g. in defining characteristics of tasks. In inhouse call centre with existing collective agreements works council often specify rules for the allocation of tasks to the wage grid as well as for the bonus system. These agreements are crucial for the employees as the general wage level in call centres is quite low (Chapter 5.5).

b) Performance control

Surveillance and monitoring play a crucial role in call centres. The taylorised type of work as well as modern information technologies allow for a high degree of control over the work. In general, efficiency control in call centres is done by online-monitoring either by using Automatic Call Dialling System or a special software. Performance control is a classical domain of regulation by works council agreements, also if it rests on the evaluation of technical data (Menzler Trott, Hasenmaile 2001, p. 234). In general, collective agreements and works council agreements are trying to limit the performance control of individuals. In some cases the technical data has to be collected in a form that an attribution to a particular person is not possible. In the example of one call centre it has been agreed that the employees are taping themselves instead of being taped by their team leader or supervisor (interview partner). However, in a range of call centres clandestine taping by supervisors (which is forbidden by law) or anonym "mystery calls" are still usual (see eg. case study on call centre C, Chapter 6). Even in case a works council agreement on performance control exists, it is not sure that these firm specific regulations are properly implemented. According to unions and experts the individual performance control and the surveillance of the employees' attitudes is widespread, in particular in external market-oriented call centres. According to experts the high level of control is strongly de-motivating employees and contributes to the high turnover rates. Furthermore it is questionable, whether this type of control is providing the right information to measure the efficiency of the work as there might be a trade-off between quantity (number of calls) and the quality of the service.

c) Working time arrangements

Working time regulations are crucial for the front-offices of call centres, as shift work is rather common (according to Isic, 1999, p. 204, the share of call centres operating with shift work amounts to 84%). About a third of the employees is working part-time, thus, the strictness of the shift plans is also very important, as they have in general to accommodate to external time constraints like in the case of women with children, students and dual job holders. Furthermore, according to experts and to unions, in some cases special working time arrangements may be used by the management to get rid off employees.

In case a collective agreement applies to the inhouse call centre or in case works councils exist in an external call centre, shift plans and other working time arrangements are collectively regulated. Those agreements then do not only fix the beginning and the end of the shift as well as night work but also foresee regulations in case the shift plans are changed.

d) Work organisation and time management

Agents in front-office call centre often carry out a highly taylorised work, with short cycles and a low level of autonomy at work and no time autonomy. Scientific studies as well as our different interview partners are unanimously reporting a very high degree of psychical strains and stress in particular with regard to call centre agents (see Chapter 5.4). Works council are negotiating - mainly in the context of the wage setting - the length of calls, the volume of time needed in order to prepare the call or to carry out special tasks after a call. However, according to the unions works council only have little influence on the work organisation and efficiency strategies of the company. These findings are confirmed by the traditional industrial sociology, showing that the companies are in general trying to keep their autonomy on the performance policies (Düll K., Bechtle 1988; Düll K., Bechtle 1991).

e) Breaks

The combination between the use of computer technology and the high degree of (often emotional) communication at the telephone is the main causes of the high psychical strains on agents. In the view of experts and unions existing regulations about breaks are based on the Act on computer work (*Bildschirmverordnung*) and are not taking account the additional strains in call centres (Chapter 5.4). But, works councils are mostly preoccupied to ensure that these breaks regulated by law are at least actually implemented.

f) Ergonomic design of the workplace

In many cases the ergonomic design of the workplace does not correspond to the standards resulting from scientific research. Deficiencies are reported by experts and by the unions to exist in regard to the environment (e.g. lighting, room), to the sitting position and the technical equipment (headset, screen, software, chap 5.4). The often bad working conditions in respect to ergonomic requirements are not only resulting from cost cutting strategies but are due in many cases to a lack of specific knowledge of the management in particular in external call centres which were set up only recently. Works councils only have limited co-determination rights in this area (Art. 90 and 91 of the Works Councils Act) and are experiencing major obstacles in taking influence. Furthermore, also works councils are often lacking specific know-how in ergonomics and dependent on the advice of external experts.

Unsurprisingly, many works councils have some difficulties in defending the interests of the employees, in particular in external call centres, where works council lack experience as they were only recently created. Therefore, the trade-unions, in particular the IG-Metall and Ver.di, are trying to inform and support works councils through networks. These networks exist in some cities and regions defining themselves as call centre cities like Dortmund and Duisburg in North-Rhine-Westphalia and Bremen. To give an example, the Land North-Rhine Westphalia is financing a network structure between academics and representatives (mostly employee representatives) (Kooperationstelle Wissenschaft und Arbeit at the Sozialforschungsstelle Dortmund). This institution is organising the "call centre talk" which brings together on a regularly basis trade-unionists, works councils, employees, academics, training institutions and local institutions

for the promotion of the economic development (Kutzner, Kock, 2002, p. 9). The focus of the call centre talk is to advise works councils and employees wishing to set up some form of employees' representative structure. To give another example, the network "telework and women" in Baden-Württemberg is bringing together works councils representatives, trade-unions and experts but also human resource manager of call centres. This network was created on the initiative of the trade-unions in the context of the multimedia initiative of the *Land*, but in contrast to the above mentioned "call centre talk" rests primarily on voluntary work.

Nevertheless, trade-unions encounter some structural difficulties to give support to works councils:

- The high fluctuation rate of the workforce in call centres is encompassing works councillors. Thus, there is little continuity in the contact between the trade-unionists and the works councillors.
- The employees in call centres are known as being rather individualistic and difficult to organise. Experts and unions are estimating that only about 10% to 15% of the employees in call centres are union members with major variations across branches and between companies.
- As already mentioned, the trade-unions have integrated call centres in their existing structures and are not treating them separately.

2.3.2. Employment status, nature and level of protection

Call centres are characterised by a high level of instability. This is not only linked to the fact that there is a high share of fixed-term contracts, but also to the high fluctuation rates and a low seniority which are to an important degree supply-side driven. Agents stay on average two to three years with the employer (Chap 5.4). There are major differences as regards employment instability between inhouse call centres and external market-oriented call centre, as well as in relation to the type of service offered and the complexity of the task carried out. In general, employees with unlimited contracts are protected by legal regulations (like the Employment Protection Act) and in some cases, by collective agreements (see above). In this case there are no differences between employees in call centre and other employees, independently whether they work part-time or full-time. Unlimited work contracts are more wide spread in inhouse call centre than in external call centre and in particular back office staff mostly hold an unlimited full-time contract. Furthermore, back office staff in inhouse call centre have often better working conditions and salaries than front-office workers, as they often have moved within the company and keep some achieved standards of their previous workplace. However, the share of employees detaining an unlimited contract is estimated to not exceed one third (Menzler-Trott, Hasenmaile 2001, p. 99) (Chap 5).

Employees with fixed-term contracts and the so-called "marginal employed" who are working only a few hours a week are less protected. The risk fixed-term employees have to bear is to not get the contract prolonged and in case they got

several fixed-term contract not to be entitled to an unlimited contract as foreseen by the law. This risk is higher in call centres than in other companies or organisational units as fixed-term employees are hired on a project basis making it more difficult to argue that the employee was carrying out the same task for a long period of time. Also dependent self-employed (Freie Mitarbeiter) are less well protected. They are mostly working on a project basis. There are no reliable figures of the share dependent self-employed (Chap. 5.2).

3. Economic activity and market structure

3.1 Dynamics, services and market structure

In Germany, call centres have gained some relevance since the 1970s in the retail sector (direct marketing, mail-order houses), in the telecommunications sector (telephone inquiry, Düll K et al. 1976) and in advertising (newspaper). In recent years, the number of call centres increased significantly. Especially, in the financial sector they have gained some importance at the market (direct banking). Most call centres were created in the 1990s (Bittner et al. 2000). The consulting company profiTel indicates that 80% of the call centres currently operating have been created from the beginnings of the 1990s.

At the beginning of this decade the number of call centres was reported to amount to 2,500 and this number is predicted to reach 3,600 in 2003 (according to an empirical study of the Call Centre Akademie Nord-Rhein Westfalen, Jahnke, Spielhagen, 2001). According to Datamonitor, the number of call centres was about 1,800 in 1998 and was predicted to amount to 4,3000 in 2003 and to 5,500 in 2005 (Teletalk 1/ 2002). Indeed, call centres experienced a sharp growth over the last years. According to the Benchmark-Study carried out by profiTel in 2001, the number of call centres increased by 20% between 2000 and 2001 and compared to the average for the period between 1998 and 2000, the number of call centres increased by 70%. This increase took place in both inbound and outbound call centres. The increase in the number of call centres is driven by the expansion of the number of calls. The German Direct Marketing Association assumes a number of 4,000 call centres for the year 2002 (on the basis of an analysis of job offers in newspapers). Those call centres are probably employing more than 200,000 persons (see Chapter 5.1). However, in the recent past the first call centres have become insolvent and first redundancies occurred.

One factor contributing to these dynamics results from the increased competition at the product market which is generating an expansion of customer orientated services like information services and after-sale services. In this respect call centre are increasingly evolving to customer care centres (Dieckhoff, 2001, p. 8). A further driving force has been cost reduction.

According to a study on call centres realised in 2000/2001 (Dieckhoff et al., 2001, p. 14),

- about 20% to 35 % of the call centres are set up with the aim to acquire new clients
- 50-60% of the call centres have their own customer care and after-sales services
- 10 to 20% of the call centres are carrying out other tasks.

According to telephone interviews carried out in 1997 by the German Direct Marketing association, nearly a third of the 5,000 biggest German companies in terms of turnovers stated to use call centres (cited in Dieckhoff et al. 2001, p. 14):

- 45% of which pursued the aim to enhance the customer care service
- 24% of which to optimise the sales and distribution activities
- 21% of which to acquire new clients
- 11% of which to reduce costs.

Thus, basically call centres are created in order to expand the service activities and / or to reduce costs (Chap 4).

Two types of outsourced call centres need to be distinguished. Firstly, those which have been outsourced by the main company and belong to 100% to this company and secondly, the call centres which have been created independently ("third party provider"). Thus, one has basically to distinguish call centres that are functionally integrated and organised either as a department of the main company or as a profit centre with an independent legal status on the one hand side and call centres carrying out tasks for a number of companies and thus acting at the market on the other hand. Functionally integrated call centres are increasingly involved in other functions of the company, as marketing, sales or even construction. Thus, call centres are also set up e.g. by the car industry. This type of call centres, as the example of the call centre of BMW demonstrates, is demanding a higher qualification level and a sound knowledge of the product and the whole value-added-chain. Consequently, learning periods are relatively long and the employees have rather stable employment contracts and a relatively good pay (Biehler, Vogl, 1999). The creation of this kind of call centres has to be viewed in the context of the reorganisation and optimisation of processes and the aim to increase the efficiency. In contrast, in the case of direct banking cost reduction is the driving force for outsourcing. The particularity of these call centres is that they are carrying out main economic activities of their mother companies. The products of direct banks are more standardised. Therefore, the qualification level of the employees is on average lower than in the mother company. Furthermore, wages are below the collectively agreed wages in the bank sector and the working conditions, in particular with regard to working time, are worse. However, in the recent past works councils were created in direct banks and some collective agreements at the firm level were concluded.

Call centres offering their service to several companies at the market may be classified as market-oriented call centres. This type of call centres is carrying out more often outbound activities. In case the call centres are providing standardised services, mostly in the area of marketing, the cost pressures are high and wages and working conditions, in particular regulations concerning the working

time, are becoming an important competitive factors. In addition to wages and working-time regulations also rents of real estates are decisive.

The available empirical data only allows the distinction between inhouse call centres and external service companies. The following table gives an overview of the results of the main empirical investigations.

Table 2

Share of inhouse and external call centres in Germany 1998/99, in %

	<i>Inhouse-Call Centre</i>	<i>External Call Centre</i>
GfK Gesellschaft für Kommunikation	62	35
ProfiTel study 1999	74	26
Michel Medienforschung und Beratung MMB study	64	36
Emnid study (*)	50-60	40-50
Call Centre Akademie NRW (in 2000)	56	44

Source: Bittner et al. 2000, p. 23, Jahnke, Spielhagen 2001

(*) This study rests on 152 interviews with experts, associations and official institutions applying the Delphi method.

External call centres tend to be larger (on average 83 seats) than inhouse call centres (59 seats) (according to an empirical investigation conducted for the Call Centre Akademie NRW). Inhouse call centres are more often carrying out inbound activities (70% of the calls), while 56% of the tasks in external call centres are outbound activities (Jahnke, Spielhagen 2001).

There are indications that outsourced services tend to be functionally re-internalise. Our interview partner from the German Direct Marketing Association was estimating that in 2002, about 90% of all call centres were functionally integrated (including those which are outsourced, but belongs to 100% to the main company). This general trend can also be observed by the trade unions. One of the reasons for this trend may be that companies have realised that more in depth information about the company and the products are needed in order to provide high quality services. Another reason consists, according to our interview partner from the employers' side, in the fact that companies may have realised that the cost reduction strategy of outsourcing services to cheap "call centres" may lower the service quality and harm the client's trust. Our interview partner states that in particular call centres offering highly standardised services were facing a crisis. One important cause for the problems call centres are facing are linked to the high fluctuation of the workforce as well as to organisational problems. The gap between the increasing customers' expectations in regard to the quality of the service and the actually provided services is widening according the call centre benchmark study 2001 carried out by ProfiTel (e.g. has the average waiting time for a customer to be put through lengthened and the share of customer hanging up has increased) (Radtke, Teletalk 11/2001). The efficiency

of many call centres needs to be improved according to the author from ProfiTel Consulting, a consulting company for call centres. The cost pressure is calling for the need for more controlling of the cost and productivity, so the advice of the author.

Our interview partner from the unions observes, that call centres with the aim to sell (direct marketing) are relatively spoken losing importance as more qualitative, information oriented services are expanding. In contrast to the expectations of the sector, people apparently attach some value to see and touch the product or value some face-to-face communication. In general terms it can be assumed that face-to-face contacts still are important as the communication volume and density increases with the improvement and innovations in the telecommunication and information technologies (Vogler-Ludwig, Düll, N. et al., 2000).

Nevertheless, according to an expert external call centres may still experience some dynamics in providing services to SMEs. The trend, however, will be to offer a wider range of services, including office services and consultation. A further possibility for external call centres to expand their markets may consist in services directly offered to individuals as e.g. in the area tele-medicine. A further area for expanding call centre activities (mainly inhouse activities) may be expected according to an expert in relation with the development of e-government.

With regard to the development of the type of tasks and employment dynamics in call centres, the following trends may be discerned according to our interview partners:

- rationalisation of highly standardised tasks (mobile agents, voice recognising computers, etc.)
- more integrated tasks (“unified messaging”, but also consulting)

3.4 competition at the regional and international level

Interestingly, in contrast to the assumption that with the use of telecommunication and information technologies the location of the workplace is becoming less important, it can be observed – at least in West Germany, that call centres are not typically created in rural regions etc., as students represent a typical category of the workforce (Dieckhoff et al. 2001, on the grounds of interviews with regional economic development agencies). In case the services provided by a call centre are more complex and several services are inter linked, wage costs and rents are less a competitive factor: the qualification level of the workforce is on average higher and personal contacts with the client company are more important and thus the geographical location of the call centre is also dependent on the client companies. This can be demonstrated by the fact that, despite higher wage costs and higher rents, the Frankfurt and the Munich regions as one of the most prosperous and dynamic German metropolitan regions are attracting call centres. Obviously, location factors like the pool of qualified workforce and the direct contact to the main companies might offset a high wage level.

Nevertheless, there is a severe competition between regions and cities as regards the setting up of call centres. In general, call centres can easily relocate. Our interview partner from the local network (Call centre talk) in Dortmund in North-Rhine-Westphalia regarded the possibility to relocate call centres to Eastern Germany, where wages are lower and real estates are cheaper and more public subsidies are allocated, as an important threat. He added, that many call centres had already several locations. One of our interview partners on the employers' side explained that without subsidies, there would be no major differences between unit labour costs between Eastern and Western Germany.

Our interview partner from the trade unions in Bavaria, however, did not observe an intense competition between Bavaria and Eastern Germany as regards call centres. Bavaria is the one of the *Länder* with the lowest unemployment rate in Germany and especially in the metropolitan area of Munich there is nearly full-employment, but actually the city faces a crisis in the multimedia industry linked to the crisis of Kirch-group which also affects call centres (see also eg. call centre C). .

A further competitive advantage of Mecklenburg-Vorpommern in the North of East Germany rests on the small importance of dialect in the spoken German. This argument holds also true for Bremen. However, the importance of dialects should not be overestimated.

Table 3

Number of call centres and employees by regions in 2002, estimations

<i>Land</i>	<i>Number of call centres</i>	<i>Number of seats</i>	<i>Number of agents</i>	<i>of Average wage in Euro(*)</i>	<i>Employment volume in the region (Dec 2001) (***)</i>	<i>Unemployment rates (Dec 2001)</i>
Baden-Württemberg	-	-	-	-	4.91 Mio	5.8
Bayern	300	30,000	50,000 (own estimation)	-	5.88 Mio	6,6
Berlin	120	4,800	8,200	1,600	1.47 Mio	18,2
Brandenburg	23	3,600	5,760	1,022	1.15 Mio	18,6
Bremen	50	2,500	4,000	1,430 1,400 1,700	280,000	12,1
Hamburg	241	-	12,000	-	799,000	9,6
Hessen	-	-	30,000 in 1999 (**)	-	2.751	7,6
Mecklenburg-Vorpommern	34	3,500	7,000	940 - 1,227	780,000	19,6
Niedersachsen	134	4,000	10,000	1,330-1,738	3.42 Mio	10,2
Nordrhein-Westfalen	100	-	14,000	1,330 1,738	7.61Mio	9,9
Rheinland-Pfalz	30	-	3,000	1,533 2,045	1.8 Mio	7,9
Saarland	26	-	4,000	1,278 1,738	450,000	9,7
Sachsen	104	4,500	-	1,227 1,534	1.91 Mio	19,2
Sachsen-Anhalt	18	3,000	7,500	1,022 1,533	1.06 Mio	20,2
Schleswig-Holstein	50	5,000	7,000	1,200	1.24 Mio	9,9
Thüringen	30	-	3,500	1,330 - 1,840	1.1 Mio	16,6

Source: Tenzer, Teletalk 4/2002, Federal Employment Office, Federal Statistical Office

(*) Probably monthly full-time gross wages, unfortunately, the study doesn't specify how these wages are calculated

(**) Dieckhoff 2001, p. 24

(***) Erwerbstätige in 2,000, Labour Force Survey

But also within a region, competition between cities is reported. Biehler and Vogl give the example of the already mentioned setting up of a call centre of the Citibank in Duisburg which engendered the closing down of call centres in Bochum and in Gelsenkirchen (and thus in the same region) as well as in Bremen and in Cologne.

In the view of experts and trade unions, international competition is regarded to be less important than it thought to be, as the command of the German lan-

guage is often decisive. However, a new development is now taking place: according to our interview partner from the employers' side, there is an emerging competition of newly created call centres in East and South-Eastern Europe, in particular in Turkey and Poland. Call centres operating for the German market in these countries are profiting from persons who grew up in Germany and went back to their countries of origin or had other opportunities to acquire a good command of the German language. Furthermore, some big players like airplane companies are organising their call centres over Europe (mainly in Ireland) and over the world in accordance to the different shifts. In this way, the companies are respecting local collective agreements by globalising the numerical flexibility strategy, so an expert.

4. Flexibility and human resources strategies and management

4.1 Type of organisational flexibility

4.1.1 Productive and functional flexibility

During the 1980s call centres have been set up departing from a central office for telephone calls and can be regarded as a result of reorganisation strategies of large service companies and large manufacturers (Menzler-Trott, Hasenmaile 2001, p.23 f.). Basically, companies have pursued two different objectives. In some cases, the setting up of a call centre has eased the reduction of well-paid professional staff in the traditional areas of the companies, as can be observed in the case of banks and insurance companies. The second objective for setting up a call centre consist in the intensification of the contact with the customer (D'Alessio, Oberbeck; Dieckhoff et al. 2001, Bittner et al. 2000) (see more details in Chap 3.1).

As has been demonstrated, these strategies first led to the creation of inhouse call centres. In the context of reorganisation, companies soon went further to develop strategies of productive flexibilisation. Companies have begun to externalise services either in setting up own independent call centres or by outsourcing the services to a market-oriented call centre. External call centres can be regarded in many cases as suppliers to large companies. It should be noted, that according to experts external call centres will increasingly be providing services to SMEs as well as directly to the customer. At the same time, a trend towards re-integrating call centres in the main company as inhouse call centres can be observed, as a higher service quality is achieved in many cases in inhouse call centres (more profound knowledge of the product, higher confidence of the customer, see also Chap. 3).

While strategies of productive flexibilisation have played a crucial role for the development of call centres, functional flexibilisation has up to now played only a minor role in human resource strategies. In general, the work organisation in call

centres can be described as Tayloristic. There is a strict separation between agents in front offices and the staff in back offices and between inbound and outbound activities. Only in the recent past, first attempts were made to partly overcome the division of work by mixing inbound and outbound activities, by introducing job rotation between front and back offices and by creating semi-autonomous groups. However, these first attempts still have the character of pilot projects (Bittner et al., 2000, p. 48 f.; Haas in Scherrer 2000, Bienemann et al. 2002, p. 85f.).

4.1.2 Numerical and temporal flexibility

Numerical flexibility has always been a focus of the human resource strategy in call centres. This is due to the high variations in the demand for the services provided. Major variations on the demand side can be observed at different level, cyclical, seasonal as well as during the working day. Especially, the demand for inbound activities is rather stochastic. A second reason lies on the supply-side, as call centres are often offering their services 24 hours a day (Bittner et al. 2000).

At the beginning of the expansion phase call centres experienced in the 1990s, numerical flexibility was reached by employing staff on fixed-term contracts and hiring “marginal employed” (*geringfügig Beschäftigte*), dependent self-employed (*freie Mitarbeiter*) as well as temporary agency workers. The share of part-timers has always been high. (Bittner et al. 2000, p. 42).

Since the end of the 1990s, a stabilisation in the human resource policies in call centres is observed by all our interview partners, including the trade-unions. In particular in-house call centres of large companies tend to achieve numerical flexibility by combining core workforce and peripheral workers. Peripheral workers are typically students working on fixed-term part-time contracts (see the importance of contract forms in Chap 5.2).

The pressure for temporal flexibility is said to decline, as many companies have realised that there is not sufficient demand during the night and are either reducing the number of hours they provide the service or are reducing the staff during the night shifts. The need for less temporal flexibility is contributing to the stabilisation of the human resource policies (Menzler-Trott, Hasenmaile 2001, p. 221). However, according to experts the services in the evening hours up to 10 or 11 p.m. as well as on week-ends will still increase. Therefore, call centres will continue to operate with shift work (according to Isic et al. 1999, 84% of call centre employees are working in shifts).

4.2 Access to training and career prospects

During the creation phase and the expansion phase of call centres the human resource management was primarily concerned with recruitment and the realisation of numerical and temporal flexibility (part-time work, fixed-term contracts,

etc.). Call centres were recruiting in the first place workers with an intermediate educational level (10 years of school) having completed initial professional training, mainly in commercial professions. Students were employed as auxiliary workers. Training in this phase was exclusively firm-specific and reduced to a minimum.

The career prospects of call centre agents are poor, in particular if they are carrying out inbound activities. This is largely due to the implementation of lean management concepts (agents – team leader – supervisors – management, in some cases there are also project managers). Only few agents have the opportunity to fulfil tasks with more responsibility, and generally they were overqualified for their jobs as agents or in case of some former students got the qualification to move to management positions. Only in recent years, a growing awareness of the management of the importance of qualification and career planning can be observed. This is linked to the growing pressure on the quality of the services – as has already been demonstrated, call centres are increasingly facing problems due to bad service quality. Furthermore, call centres have realised that their efficiency records suffer from the very high fluctuation rates of the workforce. Part of this fluctuation is demand side driven (numerical flexibility), but an important part is linked to bad employment and working conditions, as a great number of call centre agents are not satisfied in terms of salary, working conditions and career prospects and are therefore looking for other opportunities. Call centres are now seeking to increase their core workforce and are beginning to develop adequate human resource strategies to bind a part the qualified workforce. However, it is too early to identify a clear concept.

5. Employment patterns and profiles

5.1 Employment volume and structure

5.1.1 Employment volume and dynamics

There are only rough estimations about the volume of employees in call centres. According to the Call Centre Benchmark Study, in 2000, about 200,000 persons were working in call centres, while a recently published study of the Call Centre Akademie Nordrhein Westfalen departs from a volume of 280,000 agents and adding all other employees like technical staff and clerks from a volume of 320,000 employees (Jahnke, Spielhagen 2001).

A sharp growth in the number of workplaces as well as in the number employees in call centre can be recorded over the 1990s. A newly created call centre is on average doubling its staff every two years (Teletalk 11/2001). The number of persons working in a call centre is much higher than the number of workplaces as call centres normally implement a shift system and some of the employees are working part-time. The volume of workplaces and of staff seems to have tripled between 1996 and 2001. However, the dynamics has slowed down. The

following table gives an overview of different estimations published by trade-unions.

Table 4

Number of workplaces and employees in call centres

<i>Year</i>	<i>Workplaces</i>	<i>Employees</i>
1996	ca. 45,000	90,000 – 135,000
1997	ca. 61,000	121,000 – 183,000
1998	ca. 80,000	160,000 – 240,000
1999	ca. 99,000	198,000 – 297,000
2000	ca. 119,000	238,000 – 357,000
2001	ca. 138,000	276,000 – 414,000

Source: Michalke F., Handlungsanleitung für Betriebs- und Personalräte. In: Gewerkschaftliche Praxis 1-2, p. 22-46; 1999

It has to be noted that call centres have been used to reorganise staff and to realise rationalisation potentials. According to Oberlindober (2000 cited in Dieckhoff 2001, p.9), about 100,000 persons lost their jobs as a consequence of outsourcing call centre activities. As has already been demonstrated (Chap 3) rationalisation of standardised tasks in call centres can be expected in the coming years.

5.1.2 Employment structure by age

Most empirical studies show that the employees in call centres are in general young and rarely exceed the age of 40 (Dieckhoff 2000, p. 9). These findings were confirmed by our interview partners. It is argued that the use of new technologies, in particular computer technologies, and the fact that most call centres have now existed only since a couple of years implies on average a young age of the workforce. Actually, the workforce in external call centres has found to be younger than in internal call centres (Bittner et al. 2000). According to Bittner et al., women in call centres tend to be younger than men (Table 5).

Table 5

Age structure of the employees in call centres (in %),

<i>Age</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>
20-24	5	19	12
25-29	23	30	27
30-34	39	19	28
35-39	19	14	17
40-44	11	10	10
45-49	1	4	3
50-54	2	4	3

Source: Bittner et al 2000 on the grounds of an empirical investigation of the wage and career structure by Thieme, Ceyp in 1997.

The specific age structure of call centres can also be explained by the high share of students.

5.1.3 Employment structure by gender

It is generally postulated, that call centres offer jobs typically for women. According to the different studies the share of women varies between 50% and 70%. The share of women is particularly high in external call centres, providing standardised services and being concentrated on inbound activities. In these cases their share may even exceed 80%. According to Michalke (1999), the share of female employees in call centres was particularly high in whole sale trade, mail-order businesses, editions and media companies as well as in tourism. On the contrary, their shares were below average in marketing and financial services and especially in IT services.

D'Alessio and Oberbeck (1999) postulate that call centres offer interesting opportunities to women with young children, due to flexible working hours. However, according to our interview partner from the trade-unions as well as to an expert on working conditions, this hypothesis holds not true, as the working time and the shifts are strictly regulated leaving little scope for flexibility. Moreover, women with children have external time constraints and cannot be regarded as a flexible workforce for the employers' needs. But night or evening shifts might indeed suit to some women with young children. Only in the case of highly standardised work women have the opportunity to be marginal employed and to work only a few hours a week (*geringfügig beschäftigt*). Marginal employment is regarded by a number of women with children as a flexible employment opportunity. The alternative for those women is often not to be in the labour force.

According to the employers' view, the share of women in call centres is high as women are said to have better communicative skills than men. However, it can also be argued, that call centres are offering typical jobs for women, characterised by bad working conditions and low wages (the share of women is typically high in this kind of sector, as for example the occupational profiles in retail trade demonstrates) (Bittner et al., 2000). The hypothesis of a discrimination of the call centre labour market by gender is confirmed by the fact that the share of women is high among at the lowest level of the hierarchy (often exceeding 70%) but low at the supervisor and management level (about 30%). But, according to Bittner et al. (2001, p. 41) a share of 30% of women in supervisor and management functions still is above the average of the economy.

5.1.4 Employment distribution by occupation and skills level

Occupation and Skills

The tasks performed in call centres vary significantly according to the sector (e.g. financial services, travel agencies, mail-order businesses; marketing companies, etc.) as well as according to the degree of complexity of the provided services. There are also differences between front-offices and back-offices as well

as between inbound and outbound or mixed activities. However, whether the task is carried out in inhouse and or in external call centres is less decisive.

The literature reveals that call centre agents are predominantly executing inbound activities (Bittner et al. 2000, Dieckhoff et al. 2001). This general finding is also confirmed by a recently published study on working conditions in call centres, which was realised with the participation of 374 agents in 9 call centres in Frankfurt a.M. area. Inbound activities were carried out by 54% of the sample, outbound activities by 12% and the 34% was fulfilling mixed tasks (Flake, 2002).

Most of the standardised services are provided in the context of inbound activities (like inquiries), however, the distinction between inbound and outbound activities taken for itself does not satisfyingly give an indication on the complexity of the service. To give an example, some hotlines are giving information and advice on technically difficult problems or in the area of medicine. Although financial services dealt with in call centres might be more standardised, only persons with specific skills in financial services are able to give the right information and advice. An in-depth analysis of the tasks in relation to the service provided lacks a statistical basis, but some conclusions can be drawn from a study carried out by the Bundesinstitut für Berufsbildung (Federal Institute for vocational and further training) encompassing 253 employees in 15 call centres in Mecklenburg-Vorpommern (Eastern Germany) and completed by a questionnaire answered by 31 call centres and experts). According to this study agents are primarily giving information and are dealing with complaints, followed by professional advice and sales activities (Kruschl et al., BWP 3/2000, p. 31).

In general terms, call centres cannot be regarded as a typical labour-market for low-skilled. However, the skills level of the employees varies according to the complexity of the service provided.

The literature review as well as our interviews with experts give some indication that also in case highly standardised services are provided, the agents normally have an intermediate education level (*Mittlere Reife* which can be obtained after 10 years of school) and have often completed vocational training within the dual training system. Women have typically an intermediate certified skill level in a commercial profession, while men have commonly acquired technical skills and are often craftsmen (Dieckhoff et al., 2001, p.32; the authors are giving more concrete examples). Call centres providing more complex services, in particular call centres of insurance companies, are employing more often persons with a university-entrance qualification (*Abitur*) or even with a university degree.

According to different empirical studies, the share of persons detaining a university entrance qualification (*Abitur*) varies between 27% and 30% (Michalke 1999, p. 28 and ProfiTel Benchmark Study of 1998, cited in Dieckhoff et al. 2001, p. 35). The share of employees with a university degree is estimated by ProfiTel to amount to 9%. The high share of employees with a university entrance qualification can be explained by the relatively high share of students working in call centres, with shares often amounting to 10% and in some external call centres to above 50% (D'Alessio, Oberbeck 1998, p. 167). In general, an intermediate or

high skills level is more important in back-offices than in front offices, but as already mentioned also work in front-offices might require at least an intermediate skills level (Dieckhoff et al, 2001, p. 34).

It is generally acknowledged, that communicative skills are important: a nice voice, a good reactivity and good skills in conflict management are required (D'Alessio, Oberbeck, 1999, Kruschel, Paulini-Schlottau 2000, p. 32, Dieckhoff et al. 2001, p. 28).

Training

In most call-centres the employees are trained by the company in order to do the specific job. The focus of the training lies on sales and telephone training and normally includes basic technical skills (like how to use head sets and a specific software programme) as well as knowledge about the product or the service. Structured and more encompassing training courses are in general only realised in inhouse call centres of large service industries. In particular, do these training courses include skills in law, marketing and accounting (Kruschel, Paulini-Schlottau BWP 3/2000, p. 32).

Training is also given by independent training centres. The Chambers of Commerce and Industry are offering a certificated further training course for call centre agents as well as for call centre team leaders. Training in external training centres (including the certificated call centre agent course) occurs mainly on the initiative of the Public Employment Offices and is aiming to integrated unemployed into the labour market. While these measures have gained some importance in Eastern Germany, our interview partners do not confirm a high relevance of these training measures in Western Germany. According to our interview partners in Western Germany, only a small proportion of call centre employees had done any external specific training and the reception of the certified call centre agent course is obviously quite bad on the employers' side. According to the Federal Institute for vocational and further training (BiBB), the external training offered by the training centres which vary between 150 and 640 hours are not leading to a clear qualification profile (Kruschl, Paulini-Schlottau BWP 3/2000, p. 33). However, it should be noted that there are regional differences in West-Germany with regard to the quality of the training provided. Thus, in North-Rhine-Westphalia the "call centre academy" seems to have gained some importance. Finally it should be noted that according to experts, the certificated training for call centre team leaders is benefiting from a good image.

As no common qualification profile needed for the work in call centres can be detected, there is no specific initial vocational training for call centre agents. Experts are generally not favouring the development of an initial vocational training course for call centres, as the specific skills vary too much across the sectors. It is debated, whether specific skills related to call centres should be introduced into existing initial vocational training courses. It has to be noted that call centres are engaged in initial professional training within the dual system. Thus according to a study of the Federal Institute for Vocational and Further Training BiBB, which analysed the training in 1,320 companies, including 92 call centres, in the multimedia sector, fairs, consultancies, the IT-sector and the crafts sec-

tors, half of the call centres were reporting to have signed vocational training contracts in a number of professions (Schöngen, BWP 2/2002, p. 40-42).

5.2 Contractual modalities

According to an empirical study of the Gesellschaft für Kommunikationsforschung, the share of part-time workers in call centres is markedly above the average of the economy. While in 1997, in West Germany 97% of the men and 56% the women hold a full-time contract, only 28% of employees in external call centres were working on a full-time basis. In inhouse call centres the respective figure was higher and amounted to 41%.

Table 6

Working time arrangements and types contracts in call centres, structure of employees in %, 1997

	<i>Type of call centre</i>		<i>Total</i>
	<i>Inhouse call-centre</i>	<i>External call centre</i>	
Full-Time	41	28	35
Part-time	47	29	37
Auxiliary workers; marginal employed	3	16	10
Independent workers / self-employed	1	4	3
Not specified	8	23	15

Source: Bittner et al. 2000, on the grounds of Gesellschaft für Kommunikationsforschung, Call Center Studie 1998

According to the already mentioned empirical study of the consultant Thieme and Cey on the wage and career structure in call centres carried in 1997, 80% of the women employed in call centres worked part-time and 18% of the men did (Bittner et al., 2000). The high share of part-time employment in call centres cannot be fully explain by the high shares of female employment. The high share of students is also explaining this structure. But, according to call-centre manager the high share of part-time is also linked to the working conditions, as working at the telephone can only be efficiently carried out during five or six hours a day.

The empirical study carried out by profiTel in 1998, states that 45% of the employees in Inbound Call Centres were detaining a full-time work contract and 34% were part-timers, 10% were self-employed and 9% were marginally employed.

There is only little information on the volume of fixed-term contracts available. A study conducted in 9 call centres revealed that 80% of the employees detained an unlimited work contract d'Alessio and Oberbeck (1999). It should be noted that a share of 20% of fixed-term contracts is still high compared to the average

of the economy (7% in Western Germany and 13% in Eastern Germany, Düll K., Düll N., 2002). Our interview partners (experts and unions) all stated, that, in particular in external call centres, temporary contracts were widely used. In general, an employee entering a call centre will only get a temporary contract. While inhouse call centres are using fixed-term contracts in order to enhance the numerical flexibility, it seems that fixed-term contracts constitute a basic feature of the human resource management in external call centres, in particular if they carry out a great deal of work by projects. Students are typically working on fixed-term contracts.

Marginal employment (the so-called 325 Euro jobs) only play a minor role in call centres. According to an empirical study on the basis of a small sample of call centres in Bremen the share of marginal employed in inhouse call centre amounted only to about 2% and in external call centres to about 6%, while the share was 13% for the whole economy. However, the estimations of the different studies vary quite significantly. According to experts, marginal employment is not attractive to employers as the firm-specific training investments are too high.

There is no data on the share of freelancers and dependent self-employed in call centres. Typically, freelancer work on a project basis. In general, they are qualified workers.

5.3 Employment stability

In general, the fluctuation rate in call centres is far above the average of the economy and the average stay with the company is quite short (Menzler-Trott, Hasenmaile 2001, p.120, Leittretter 2000, p. 6125). The benchmark study carried out by ProfiTel assumes a fluctuation rate of 20% in inhouse call centres and of 30% in external call centres (Radtke, Teletalk 11/2001). In particular cases the fluctuation rate can even attain 80% (Menzler-Trott, Hasenmaile 2001, p. 120). On average employees are staying three to five years with the employer, and thus far above the economy-wide average. These periods tend to be shorter in external call centres than in inhouse call centres (Menzler-Trott, Hasenmaile 2001, p. 94). These findings are also confirmed by the by a study in work medicine: 41% of the interviewed employees were working less than one year for the call centre and 14% longer than 5 years (Isic 2002, p. 35).

There are a number of reasons for both the high fluctuation rates and the low tenures. One reason consists in the relatively high share of fixed-term contracts. Company oriented call centres conclude in general more stable working contracts, while part-time work, marginal employment, dependent self-employment and temporary contracts is more common in market-oriented call centres; this is reflected in the respective fluctuation rates (Biehler, Vogl, 1999). A further reason consists in the fact that many students are employed in call centres. Thus, part of this fluctuation is due to the numerical flexibility strategies of the call centres. However, fluctuation rates are also high because of the bad working conditions in call centres marked by a comparable low wages for a qualified workforce, a high level of stress, a high level of control and a low level of auton-

omy at work as well as bad career opportunities. The employees are often regarding their work in call centres as a transitional period and are looking for other employment opportunities. This is in particular true in the case of students, but also for persons re-entering the labour market, like women returner. According to experts, agents in call centres applying for other jobs have quite good chances as they proved to have good communicative skills and are used to work under stress. Furthermore, as the workforce in call centres is generally young and skilled, the chances of this group of persons at the labour market are quite good. Call centres may represent a more durable employment opportunity to dual job holders. Thus, one of the experts stressed that the profile of call centre agents is encompassing artists and the like.

However, it should be noted that there are major regional differences. While it appears to us, that call centres are often representing a transitional labour market, in particular those specialised in standardised services with a low level of complexity, in Western Germany and in particular in the more dynamic regions, the “precariousness trap” linked to work in call centres is a more serious problem in East German regions marked by high unemployment figures and little economic dynamics. While in Mecklenburg-Vorpommern, a region with high unemployment figures in Eastern Germany, unemployed are one of the target groups for recruiting call centre personnel, call centre employees in Western Germany were not typically previously unemployed, however, it has to be noted that many were previously not economically active, like women returner or students. According to an expert, labour offices in Baden-Württemberg were at the beginning quite successful in mediating unemployed but have practically no chances anymore to do so, as employers are very reluctant to employ unemployed. They prefer to employ women returner or dual job holders as they assume that they have better social and communicative skills. The fluctuation in the call centres in Mecklenburg-Vorpommern is estimated to be quite high. However, in contrast to the situation in North-Rhine-Westphalia, Bavaria or Baden-Württemberg, call centre employees more often change between call centres or become unemployed. According to our interview partner, a part of those were leaving the call centre because of the very bad working conditions.

5.4 Working conditions

As has already been demonstrated call centre work is in most cases characterised by tasks with short cycles, low level of autonomy at work and a low autonomy of time management as well as a high degree of control (Chapter 2.3.1). This typology of work and working conditions is predominant in the case of call centre agents carrying out inbound activities and providing highly standardised services. The working conditions in call centres specialised in more complex services (e.g. technical hotlines, outbound activities linked to more differentiated customer care services) need to be looked at in a more differentiated way. In general, work in front-offices leads to high psychical strains, including emotional strains as well as time pressure (D’Alessio, Oberbeck 1999, Dieckhoff et al.

2001). These general observations are confirmed by a recent study in work psychology and work medicine. In the context of this study the working conditions of 250 employees in 14 call centres of different branches were analysed (RKW Verbundprojekt 2002). Half of the agents were dealing with 7 to 10 calls an hour and another quarter with 11 to 15 calls, 6% even had to deal with 25 calls an hour. A third of the calls were lasting between 3 and 5 minutes and a quarter between 5 to 7 minutes, 13% of the calls were shorter than three minutes. A comparison of the complexity of the tasks as well as of the autonomy at work, including time autonomy, between call centre agents and 60 employees with a comparable skills level in the city administration and in banks revealed a significantly lower complexity of the task and a dramatically lower autonomy at work in call centres, while the degree of psychosomatic problems of call centre employees was by far higher (Isic et al., 1999, p. 205). High psychical strains for call centre agents have also been identified by the above mentioned study in work medicine (Bolm-Andorff et al. 2002, p. 45f.). Furthermore, physical strains are resulting from deficiencies in the ergonomic design of the workplaces (Chapter 2.3.1). Bad working conditions are linked to too little space, a bad design of chairs and tables, bad lighting and screens of low quality. Also the type of software used leads to particular strains (Flake et al. 2002, p. 19-34). Further strains are related to the shifts implying that the employees have no individual work place, as agents are often assigned a different workplace each day as a result of a high numerical and time flexibility. It is generally assumed that two to three employees can be attributed to one workplace (Dieckhoff 2001, p. 24). Furthermore, experts are reporting sexual harassment on the part of the clients and mobbing.

5.5 Wage levels

In general terms, wages of call centre agents are below the average wages of employees in service sector professions requiring a comparable skills level. However, the wages of call centre agents vary significantly across the sectors (e.g. being much lower in mail-order businesses than in direct banks), across regions and in relation to the complexity of the task. While Moreover, there are differences between inhouse call centre where wages are more often collectively regulated and external market-oriented call centres (Chapter 2.3). However, it has been showed that in some firm-specific collective agreements wages for carrying out standardised inbound activities are at a low level (eg. the collectively agreed wage for such an agent in a mail-order company is below the level of a sales person in retail trade, Menzler-Trott, 2001).

There is only little information on the wage levels available. According to an explorative study carried out by the SOFI Institute at the end of the 1990s, hourly wages of agents in external call centres (direct banks) ranged between DM 15 and DM 22 (corresponding to 7.7 and 11.2 Euro), while inhouse call centres paid hourly wages between DM 26 and DM 28 (13.3 to 14.3 Euro; D'Alessio, Oberbeck 1999, p. 176, 177). An empirical investigation of the Gesellschaft für Konsumforschung brought about comparable results. According to this study average monthly wages of full-time agents in external call centres amounted to

DM 3,150 (1,600 Euro) and in inhouse call centres to DM 4,450 (2,272 Euro). While in inhouse call centres a quarter of the agents earned DM 4,000 (2,042 Euro) a month, only 6% of the agents in external call centres did (quoted by Bittner et al., 2000). According to the unions, gross monthly wages of agents just starting the job only rarely exceeds Euro 2,000. One of our interviewed experts assumed wages of agents to vary often between 1,500 and 2,000 Euro. According to a study carried out by a unionist, in 2000 monthly gross wages of agents ranged between 1,780 Euro and 2,800 Euros and of team leaders between 2,800 and 3,800 Euro. Call centre agents are earning about a third of the income a project leaders get and about a fourth of a call centre managers' earning (Menzler-Trott, Hasenmaile, 2001, p. 84). According to a study on the wages structure and career opportunities carried out by Thieme and Voss in 2001, the monthly gross average wage of agents amounted to 1970 Euro and represented half of the earnings of project leaders and to slightly more than third of a call centre managers' income (DDV, Teletalk 1/2002). The collected data by regions published in the call centre managers' journal teletalk is indicating even lower wages of call centre agents in most *Länder* than the above mentioned studies (Table 3 Chapt 3). Interestingly, the German Direct Marketing Association is advising his members to pay markedly higher wages.

As already shown, in external call centres the wage structure is in general not transparent. In particular, there is no information on the share of bonus pay elements available (Menzler-Trott, Haisenmaile 2001, p. 84).

This has been confirmed at site level. The in-depth analysis of three different types of call centres revealed, that major differences existed in respect to wages. While the wages in two of the analysed call centres ranged at the bottom of the national wage scale and where slightly above the average wages in retail trade, wages of call centre agents in the bank were paid above the level of the highest collectively agreed wage (außertarifliche Bezahlung). In this respect Call Centre A represents an exception in the call centre landscape, however, it demonstrate that where information with a high quality content is provided wages tend to be significantly higher.

6. Example of employment and working conditions in different types of call centres

6.1 Call Centre A

General Information

Call centre A is an in-house call centre of Germany's leading promotional bank and is owned by the State. The bank plays an active role in the business areas of investment finance and financial cooperation with developing countries. The area of investment finance the two main pillars of activities are the support to SMEs (loan programmes and equity finance) and housing (construction, modernisation

and energy conservation). Furthermore, the bank is mandated by legislation to promote exports.

The call centre was set up in 1999. Before its creation call centre work was integrated in the different departments corresponding to the different types of financing programmes. The creation of the call centre followed the logic of increasing productivity by concentrating the information services. This internal reorganisation was also meant to give the persons in charge of programme design and programme management more time to concentrate on their initial tasks and to be in this way more productive. An expansion of services for the client, like a friendly and sound information service is representing an important objective. Furthermore, the creation of the call centre was sought to resolve delimitation problems between different departments and units of the bank.

25 employees are working in the call centre, dealing on average with 1,000 calls a day. The call centre has 20 seats (5 employees are teleworkers, see below).

The call centre is located in the building of the bank in Frankfurt. The call centre manager stressed that the direct contact between the other departments of the bank and the call centre agents was crucial for getting the information they need, especially, as an intense flow of informal information was important.

The call centre agents only carry out inbound activities. About 50% of the incoming calls are individual clients wishing to get informed on the housing financing programmes. Another 25% of the call centre' clients are other banks, 20% were enterprises and tax consultants and other consultants being interested in the SME financial programmes and the remaining 5% of incoming calls are done by the press, Ministries and others. The type of information and the degree of standardisation or specialisation vary significantly as individuals with no background information as well as bank specialists are calling.

The preparation and set up phase

The works council insisted from the very beginning, that it would accept working conditions "typical" for call centres. The choice of the call centre manager, himself an employee of the bank, was accepted by the works council and fully corresponded to its expectations. According to a works council representative, the choice of the right call centre manager is crucial for the acceptance of installing a call centre. The designed call centre manager had get himself informed of the situation in other call centres. This information and visit of other call centre was intended to both: filter out good organisation of a call centre and to avoid too bad working conditions.

Flexibility strategy

In the view of the call centre manager, the number of staff will remain at the same level in the coming years, as the call centre has reached its optimal size.

As there are variations in the volume of calls during the year, due to the introduction of new big credit and other financial programmes and due to the fact that clients seeking to get informed about housing mostly do so in Spring time,

the call centre faces the problem to adopt the right flexibility strategy. Overtime is not conceivable, as call centre agents have a natural limit of how many hours a day they can be on the phone. Thus also work intensification is not a solution. Externalising a number of calls within the bank is not feasible as the other units don't have time resources, as they experience peaks at the same period. Two different strategies have been adopted in the recent past. First, the call centre employed students during the peak periods. The problem with students, in the call centre managers' view, was that they need a lot of training, but stay only a few months. Thus, the call centre manager decided to externalise activities to an external call centre. This external call centre is employing persons having completed a bank apprenticeship.

Employees structure

All call centre agents were recruited internally. They have between two and ten years experience in the same bank. The staff is gender biased: only 7 of the 25 employees are men. About three quarter are full time employees and a quarter is working part-time. The call centre manager definitely prefer full-time worker as the information input for the employee is the same for part-timers and full-timers, it is thus more efficient to employ full-time employees.

Approximately, half of the employees have completed an apprenticeship in banking, but also former clerk are now working in the call centre. Among the call centre agents some also have a university degree, but not in business administration. In this respect it is important to note, that for a person with a university degree working in a bank it is regarded as normal to have studied business administration or at least economics. Especially, for the clerks, but also for many others of the agents this new job within the bank represented an upgrading. This was confirmed by both, the call centre manager and the works councillor.

Training

To start with, call centre agents get inhouse training over a period of three months. During that time the agent is visiting nearly each department and unit of the bank in order to get to know the people who will inform him about new programmes and to get the basic information needed. Further knowledge is acquired by experience ("learning by doing"). The call centre agent can participate in the training programme of the bank. The further training programme includes communication training.

Working conditions and work organisation

The call centre has a flat hierarchy: besides of the call centre manager, there are two administrators carrying out technical and statistical tasks (monitoring), the rest being call centre agents.

Teleworking is possible on the employees' request. At the time of the field research, 5 call centre agents are teleworkers. In general, they are asked to come to the office on a regularly once or twice a year to ensure a minimum of personnel contacts with colleagues of the call centre and of the other units. The call centre manager (who is at the same time the personnel manager) is rather criti-

cal in regard to this form of work as he has the impression that teleworkers are less motivated than the rest of the staff.

The call centre is offering its service 12 hours a day (from 7.30 a.m. to 7.30 p.m.) from Monday to Friday. The peak of the calls is between 9 a.m. am 11.30 a.m. The working time is not organised in two shifts but gradually: different groups call agents commence their work at different times, with a 30 minute spell between the different groups. The same procedure applies in the afternoon, every 30 minutes a new group of employees is leaving.

The length of a normal working day is 8.5 hours with a one-hour-break. On average is working about 6 hours a day on the phone, the rest of the time he is answering written requests and is getting himself informed.

The agent has a great deal of autonomy, as he can decide himself how long it takes him to do additional work after a call, or at what time of the day he going himself to get informed. It is the call centre agent who decides whether he takes up the following incoming or whether he needs some time to o other work. This autonomy is fixed in the works council agreement. We were told that this was not usual for a number call centres.

The breaks are not strictly regulated (the works council agreement just states, that the agent is allowed to have a break every hour, the length is not specified). In the call centre managers' view the smoker have here an advantage as they leave the room and take a "real short break". However, according to the call centre manager, there are conflicts arising between the agents as regards the number and length of breaks.

There is no direct performance control. Only the average length of the calls are measured, but is not personalised (see works council agreement below).

According to information gathered by the central personnel management of the bank, call centre agents tend to be more often on sickness leave.

The 20 seats are in the same office. The call centre manager got himself informed about the design of work places in different call centres and opted for a compromise between minimising noise and encouraging communication. The call centre has bought high quality equipment, also with regard to reducing noise. Indeed, noise is perceived as representing the main problem.

The work in the call centre is perceived by all main actors as engendering a high level of stress.

A relatively high pay level is compensating for the high level of stress. Call centre agents are paid above the highest collectively agreed wage (*außertariflicher Bereich*). However, it should be noted, that most of the agents were already paid above the highest collectively agreed wage before working in the call centre. Nevertheless, many of them could even increase their wage.

Human Resource Management

The call centre manager fulfils also the function of a personnel manager. The central personnel department leaves him a great deal of autonomy, however, as regard rules and programmes designed on a bank-wide level, like further training, the call centre employees are fully entitled to participate. Thus, central personnel management is relevant for the call centre employees.

The fluctuation is at a very low level and is not higher than in other units. Reasons for fluctuation are, e.g. pregnancy. Initially, it was planned, that call centre agents would work for a period of two years in the call centre and would then be reintegrated in the rest of the bank. However, most of the agents stay for a significantly period of time and are in some cases already four years in the call centre. As most of the call centre agents were upgraded in terms of pay (justified by the higher level of stress) it may cause some problems to reintegrate them. However, the bank has no experience up to date, as this didn't occur up to now.

An important aspect for the human resource management is the capacity to work in teams. Thus, the communication skills encompass not only friendliness on the phone and the capacity to deal also with conflicts and difficult requests but also communication with colleagues, within the call centre, but also with colleagues from the other units of the bank. In order to foster the capacity to work in teams, a seminar for all call centre agents is organised once a year for 2.5 days (partly on the week-end).

Industrial relations

The works council (Personalrat) holds a powerful position in the bank. The bank is covered by the collective agreement of the banking sector. It is important to note, that even employees with wages above the highest level of collectively agreed wages are often unionised.¹ Thus, also the union representatives are concerned with the call centre issue.

In order to regulate the working conditions of the call centre agents, a works council agreement has been signed (see below). According to a works council representative, the industrial relations with respect to the internal call centre can be described as good. Due to the powerful works council the working conditions and pay of the agents are largely above average of call centres as well shown below.

The main conflict at present doesn't concern the working conditions but the flexibility strategy. In the view of the works council seasonally outsourcing to an external call centre is unacceptable. Its main criticism is directed towards a worse quality of the service linked to lower information standard, the lacking corporate identity with the bank and finally the lack of influence of the bank in regard to the performance control of the external call centre's agents. The works council is in favour of increasing the number of inhouse staff. If this was not

¹ According to our interviewee from the works council

possible on a regularly basis, our interviewee from the works council would prefer to employ students rather than to externalise the service.

In the works council agreement, the definition of the call centre employees it covers, is given in respect to the technology used (automatic call distribution). This agreement is dealing with the following points:

- recruitment is done on the basis of applications submitted by interested
- The work in the call centre is fixed for a period
- Working hours a day. The beginning and the end of work each are negotiated on an individual basis in accordance with the working time arrangements of the whole team.
- Every hour the call centre agent (called “consultant” in the agreement) may take a break.
- The call centre agent should not be longer than 6 hours a day on the phone. He should be left enough time to get himself informed, etc.
- The taping and listening of calls is forbidden, however with one exception: For training purposes, listening to calls is allowed and the agent needs to be aware of it. The exact time of the listening has to be agreed between the coach and the agent. Also taping is allowed for training purposes. After the training the taped call has to be eliminated.
- The monitoring of calls has to be anonymous. Only the works council can individualise the monitoring.
- Length of initial training. The agent has to get appropriate further training if technical or other changes affecting his work are implemented.
- The noise has to be minimised, an air conditioning system has to be installed. Further minimum requirements for the technical equipment are laid down.

With regard to specific regulations concerning the work at the computer, the call centre agents are covered by the specific works council agreements for the whole bank on the use of computer technology.

6.2 Call Centre B

General Information

The following inhouse call centre was founded in 1999. This call centre is both: an inhouse call centre and an external call centre. The company in which the call centre is integrated is operating in the telecommunication sector and offers technical solutions in the area of telephony for both enterprises (and in particular call centre) and individuals. Thus, the inhouse call centre partly deals with requests concerning the company’s own products but is also acting as an external call centre. It offers services such as the management of the donation hotlines for television events and the handling of call phones related to games and lotteries. The company is also introducing telesales as a new business area. Our interview partner was the personnel manager.

In spite of the current recession, our interviewee predicted a positive future development of the market. He believes that as customers become more and more demanding good customer service will play an even larger role in the future. In his opinion, clients using an external call centre, search for the following benefits:

- High competency level and quality
- Availability from 8 am to 8 pm
- Low costs of the customer service with savings coming from the infrastructure and the outsourcing of personnel

The call centre has two subsidiaries, one in Munich and one in Düsseldorf, Germany's two most expensive towns (especially in regard to real estates). Our interviewee insisted that the advantages, such as the good image and the fact that both cities are renowned as telecommunication centres in Germany, outweigh. We also assume, that the local labour market may play an important role as it may offer an important pool of the persons having the required technical qualification profile.

Employee Structure

There are 80 employees in total (including Marketing, Distribution and Technical Support, etc.) with 14 employees working in the call centre. One employee works on a 325 Euro basis ("marginal employment"), two employees are students and the other 11 employees work full-time.

Most of the call centre agents are female and the average age is about 31. Call agents need to have a commercial apprenticeship and computer knowledge. Language skills are not mandatory since most of the clients are German speakers.

The personnel manager describes a typical profile of a call centre agent as someone who is persistent, able to cope with a hectic environment and of course, a good communicator. In addition, an agent tends to be extraverted and self-confident.

Work Organisation

The call centre personnel work in two shifts, one from 8 am to 4 pm and the other from 12 o'clock to 8 pm. Between 8 am and 5 pm, 8 seats are always occupied. The most incoming calls are between 3 pm and 5 pm.

The call centre agents know that their supervisor can listen to their telephone conversation at any time and this is also a clause in the employee's contract. A newcomer is controlled almost daily in the first two months. Thereafter employees are controlled every 1 or 2 weeks. If there are no incoming calls or outbound calls to make, the call centre agents have to do administrative work.

The supervisor is responsible for the team's efficiency and quality level and that all post gets done on the same day.

Working Conditions

The entry salary of an agent amounts to 1 800 to 2 000 Euros. Employees can achieve a bonus for concluded telesales.

Employees working full-time have to work 40 hours per week. They have a 30 min break on an 8-hrs-day and may take a comfort break. There is one office for 12 employees and the employer provided for a kitchen and coffee-making facilities.

It should be stated that this company has no Works Council.

Recruitment

The company uses the local Employment Office to recruit new agents for the call centre. The local employment office organises twice a year annual job fairs specialised in call centre personnel. In addition the company makes use of the Internet, with the preferred website being: <http://www.jobber.de>

Fluctuation

Only four call centre agents of the crew that started in 1999 are still with the company. Most call centre agents leave the company after 1 to 1 ½ year(s). The high fluctuation rate and all its consequences (integration of new personnel, training needs, etc.) definitely represent a challenge for the company.

The personnel manager stated that one reason for the high fluctuation is the low salary level, which is just a little higher than in the retail trade. Then there are the working shifts and the fact that people who start in the late shift (12 am to 8 pm) cannot change into the morning shift (8 am to 4 pm), which is the preferred one, especially by mothers.

Even more important is that the job does not offer great career prospects. There is only one management position, that of a supervisor. In the past, new employees were offered a salary increase after 2 months with the company. However, today a salary increase can only be authorized once the employee has had his annual review meeting with his supervisor. This is most likely due to the downturn in the economy.

Career choices of former call agents

Most agents who are leaving the company do not continue to work in a call centre but rather choose an office job where their computer skills are an advantage.

Qualification policy

In the opinion of the personnel manager you need the following capacities as a call centre agent:

- to overcome one's inhibitions at the phone
- computer literacy
- management of complaints

Therefore, he is convinced that an apprenticeship (extending over two years) would be very useful. It should be noted, that in most cases apprenticeships in Germany last three to three and a half years. Only in very few sectors like building and retail trade having anyway a low wage level and with comparatively weak unions do two-years trainingships exist.

6.3 Call Centre C

6.3.1. General information

As call centre C went bankrupt recently, we could not carry out interviews with a personnel manager. We got basic information on the call centre from former employees as well as from an expert from the trade unions. The trade unions never entered this call centres, nor did the call centre have any works councils, nevertheless, the expert was well informed about a couple of call centres having the same main client and offering the same type of work at the analysed location.

Description of the call centre

Call centre C is an external call centre that was created in the 1990s and that went bankrupt in the recent past. The call centre was described by our interview partners as a typical “new economy company”. The activities encompassed inbound and outbound activities. The main client of the call centre was a company of the multimedia sector (pay TV). A local trade union expert explained to us, that the call centres operating for the same big client were in an extremely intense competition. Several of these call centres went bankrupt in the recent past, of which call centre C.

Location

The call centre was located in Munich, Germany’s most expensive and prosperous city. Two further locations were in Hamburg in Krefeld. It appears that for the choice of the location two factors might have been decisive: the two big towns both have a huge number of students and, in particular both are centres of the multimedia sector (the call centre’s clients).

Employee Structure

The company employed between 300 and 400 employees of which 70 % to 80% were students and can thus be regarded as a large call centre.

Work organisation

The working schedule for the student employees was organised at the beginning of each month for the month. Students benefited from a flexible working time, which means that they could work full-time during the semester holidays and on an hourly basis throughout the semester. Working hours were Monday to Sunday between 8 am and 8 pm and hours worked per day were also flexible. The main

objective was to always have an adequate number of employees to cope with the workload at hand.

The integration programme for the new agents was organised in groups and covered aspects such as customer service, inbound and outbound telephone calls as well as cold sales calls and the so-called mystery calls to assess the performance of other (external) call centre agents.

In this call centre telephone calls were systematically controlled but results were not shared with the call agents. At other times, the supervisor assessed the performance of the agent with the help of an evaluation checklist. These results were shared with the agent and it was discussed how to improve his individual performance.

In the following section the experience of two former employees of call Centre C will be shown. One of the respondents also had experience in a further call centre.

6.3.2 The Experience of the call centre agent Ms. G

Agent's profile:

After completing the Realschule (secondary school equivalent) Ms. G. started to work in retail trade. Thereafter, she has spent 9 months in call centre C (see above). She was introduced to the call centre's manager by an acquaintance. To work as a call centre agent meant for her an improvement. She described her time working at the call centre as "cool", "funny" and "easy living". The benefits for her were that there were mainly young people, she liked to be on the phone and she could earn money without any apprenticeship. Even if she preferred the job as a call centre agent more to a job in retail trade, she insisted that, working as a call centre agent was just a transitional solution. Her career aspiration is to become an articulated clerk and she has started the apprenticeship this autumn.

Call agent prerequisites

The only assumed attribute she could think about was "speaking without a dialect". In her opinion, an apprenticeship or special detectable skills were not necessary at all.

Work Organisation

The respondent told us that the call centre used to make mystery calls to control the performance of their call centre agents. As Mrs G herself carried out "mystery calls" in order to "monitor" the work of a call centre in the telecommunication sector, she was aware of the moments when she got a "mystery calls". She felt disturbed by that, but had to try to give her best in this situation.

Work Conditions

She said that the working conditions in a call centre (especially hours of work, the fact that you can sit down and the salary) are better than in the retail trade sector.

Employees had to fill in a reporting sheet indicating the total working time and the duration of the total comfort breaks. However they were allowed to take a comfort break every hour. During their comfort breaks they had to check out their telephone line and were requested to get back to work by their supervisors after 7 minutes.

The general aspects of the work described by the agent as the most challenging were:

- Inadequate lighting
- Outbound activities / cold acquisitions
- The background noise

The fact that telephone calls were controlled and evaluated systematically did not bother the agent at all.

Qualification through the job and career choices

The interviewee doesn't think that she got any working knowledge during her time at the call centre. Her training was organised by the clients of the call centre and were specialised and oriented to their needs. She could not even use her acquired computer literacy because they worked with specific software.

For this reasons she doesn't believe that her experience in the call centre has helped her to find an apprenticeship place.

6.3.3 Experiences of call centre agent H

Agent's Profile

After completing the university entrance qualification (*Abitur*), the interview partner started to study architecture. Throughout his studies he has worked for two call centres. He had chosen to work as a call centre agent because of the flexible working hours which allowed him to balance his study and work life and simply because the money was good. In both cases his friends had introduced him to the call centre's manager after which he got the job. He spent 1 year in call centre D and another year in call centre C. The agent was dismissed for personal reasons from call centre D and resigned from call centre C because he didn't like to make cold acquisitions. The interviewee dropped out of his studies later on and is working today as a television editor.

Call agent prerequisites

The interviewee believes that the secret of success for call centre agents is to be flexible, friendly and to have a comforting telephone voice.

Types of call centres

Call Centre D

Call centre D is an in-house call centre of the financial institution of an automotive company, located in Munich. At the time our interviewee worked there, the call centre was employing 20 agents of which 10 were full-time and 10 were students. Full-time employees accounted for 75% of total hours worked, students for 25 %.

Call Centre C

See information above

Work Organisation

Call Centre C

There were 3 offices on each floor with roughly 25 people per office. The group was broken up into smaller sub-groups of 5 individuals each, working together at the same office table. There were 2 supervisors per office, i.e. a span of control of 1:12.

Call Centre D

There were 20 to 25 people in the office. If there were no telephone calls to handle, employees, particularly those working on a long-term contract, completed administrative tasks. There was a short 1:1 integration programme for new agents, which focused mainly on product training (teleshopping) and was usually organised by their colleagues.

Work Conditions

The agent stated that the salary paid was adequate and comparable to the average student's salary.

The general aspects of the work described by the agent as being the most challenging were:

- Customers' Complaints management
- Being non-stop on the phone for 8 hours
- The busy times, in particular the Christmas season

The interviewee perceived the working conditions as generally poor and described the call centre work as a modern (service sector) type of assembly-line work.

Call Centre C

At call centre C there were no extras at all, which can probably be traced back to the fact that the company had no Works Council (*Betriebsrat*). The fact that telephone calls were controlled and evaluated systematically did not bother the agent at all. However, he perceived the ergonomic conditions as below average. There was no air conditioning and the rooms were sticky and hot.

Employees had to fill in a reporting sheet indicating the time they have worked and the duration of the total comfort breaks. However they were allowed to take every hour a comfort break.

Call Centre D

The agent benefited from extras such as a Christmas bonus. It should be stated that this company had a Works Council (*Betriebsrat*). Telephone calls were not controlled and the ergonomic conditions were described as satisfying. Employees were allowed to take comfort breaks at their own discretion and had not to report them on their reporting sheets.

Career choices

The interviewee stressed the fact that his job as a call centre agent has not helped him to find his new job as a television editor. People outside the call centre industry have difficulties to understand the call centres' "reference letter". In his opinion, he has not acquired any useful skills while working as a call centre agent apart from "how to make a telephone call" and he clearly states that this experience plays no further role in his life. He does not understand how anybody would like to work for longer than a year in a call centre.

7. Conclusions

Most call centres were set up during the 1990s and have experienced a highly dynamic development over the last years, however, the dynamics slowed down in the recent past. Call centres have to be understood as a specific type of work organisation rather than as a sector. Thus, call centres differ significantly in accordance to the type of the information provided and the quality of services.

The tasks carried out in call centres are increasingly characterised by "new" services in addition to traditional telephony and the use of new information and telecommunication technologies (multi-media work places, telework).

Cost reduction and an expansion of services directed towards the consumer are the driving forces for setting up of call centres. Externalisation strategies, however, have proved in some cases to be not efficient. Thus, a trend towards re-integrating call centres in the main companies can be observed. At the same time, there are still opportunities for market-oriented call centres to expand, even though the call centre boom seems to have come to an end. It has been postulated that the services provided by market-oriented call centre will tend in the future to be more diversified. Standardised inbound activities will diminish

according to expert, as the technological development will allow for rationalisation of work.

While strategies of external flexibilisation have played a crucial role for the development of call centres, functional flexibility has up to now only played a minor role in human resource strategies. The work organisation in call centres may be described as taylorised. Accordingly, human resource management appear to be “old-fashioned” with a high level of direct control and little autonomy at work. A study conducted in the 1970s in the call centre for telephone inquiries of the Deutsche Bundespost show common features with the human resource management in today’s call centres. Bad human resource management is now recognised by some call centre managers and experts to lower the efficiency, but human resource strategies boosting the motivation and productivity of the employees are developed only very slowly.

Furthermore, bad working conditions, in particular a high level of stress in all types of call centres, low wages and poor career opportunities in external call centres offering standardised services are characterising the jobs in call centres.

A further feature of call centres is the comparatively high share of fixed-term contracts and part-time contracts (between 20 and 30 hours a week). This is a result of the prevailing strategy of numerical flexibility and time flexibility. The high share of part-time work is also linked to the type of work, as the productivity of a call centre agent is assumed in many cases to be lower if working full-time. The high fluctuation rates are representing a problem for the call centres as it engenders inefficiencies.

Market-oriented call centres are not covered by collective agreements. However, industrial relation structures have been emerging since the end of the 1990s, as works councils have been set up in a growing number of call centres. In inhouse call centres collective agreements and works councils agreements exist more often, however, as regards collective agreements they are often not sufficiently specified for call centre agents. Furthermore, call centre agents are only rarely unionised. However, all in all a trend towards a “stabilisation “ of call centres in terms of industrial relations can be observed.

To conclude, the above mentioned features of jobs in call centres are indicating that precarious employment is widespread in call centres. Although, major differences could be observed between inhouse call centre and external call centre as inhouse call centre as well as between call centres providing highly complex information and those offering standardised information. Furthermore, working conditions were found to be much better in call centres that had a works council.

The workforce is young with a relatively high share of students. Furthermore, the share of women in call centres is quite high. Moreover, there are indications that some call centre agents are dual job holders. In general call centre do not offer jobs for unskilled workers. The type of information and linked to it of qualifications needed are increasingly specific to the different sectors.

Call centres represent a transitional labour market for most agents. However, major regional differences are recorded. In the context of high unemployment figures and poor prospects for the economic development like in Eastern German regions call centres offer instable workplaces which do mostly not represent a bridge towards stable employment.

It seems that at least external call centres offering low-level information services rely on the supply of students and other persons regarding call centres as a transitional phase and accepting therefore bad working conditions. Especially, for students are jobs in a call centre offering some advantages like a flexible time organisation compensating for other bad working conditions. But also women returner, second job holder, and persons changing the sector (e.g. from restaurants via call centre to clerks) may be interested to work in call centres for a limited period of time.

Finally, it should be noted that at least in Western Germany, where the bulk of the call centres are located, the function of transitional labour markets may have two contradictory effects on call centres: on the one hand, the supply of cheap labour accepting bad working conditions is high, on the other hand it induces high fluctuation rates, leading to efficiency losses in the work organisation and a bad quality of services.

ANNEX

Interview partners

Trade unions	1 representative and call centre expert from the service sector trade-union (Verdi) at the level of the <i>Land</i> . Information given on sector and on site level.
Employees	4 former employees
Networks	1 person in charge of a regional telework network bringing together in particular trade-unionists, works councils, employees and personnel management 1 person in charge for the organisation of a local network of works councillors, employees and trade-unions
Market Association	1 representative of the German Direct Marketing Association,
Call centre manager	2 manager of two call centres
Works Council	1 works council at site level
Human Resource Manager	2 human resource manager at site level
Labour Office	1 persons in charge of the cooperation with the economic development agency at the local level, in Eastern Germany 1 expert in the South of Germany at site level
Experts	1 expert carrying out work on working conditions in call centres on behalf of a union-oriented foundation

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