Consequences of Workforce Blending: Evidence from Call Centres

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The primary objective of this paper is to analyze the determinants of nonstandard work arrangements, and the consequences of their integration into the workforce at the organizational level of analysis. To this end, we address two research questions in this paper. First, what factors determine the workforce flexibility firms choose to adopt? Second, how do these choices affect organizational performance (e.g. quit rates, absenteeism)? We analyze data collected from call centre managers located in the US and Canada using a telephone survey. Call centres are appropriate sites for this study because reliance on non-standard workers, outsourcing and offshoring opportunities are commonplace in the service sector and thus, provides an ideal opportunity to examine how various configurations of workforce flexibility affect organizational performance.
Regional Responses to Global Economic Crisis: Revisiting the Case of Italian Industrial Districts

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Throughout the 1990s and 2000s, localities and regions adopted labor market policies organized around sectorally-focused and industry-driven strategies modeled on Italian industrial districts. The applicability of industrial district models in North America has long been subject to debate. This paper revisits some of these original industrial districts in light of the recent global contraction in demand for the specialized exports produced by the regions. In particular, the paper analyzes the consequences for the local labor market of the industrial district institutional frameworks formed in response to initial research in the 1970s and 1980s. Evidence from the industrial districts in Marche indicate a tension between the sustained success of export-oriented manufacturing and the lock-in produced by entrenched institutional forms with mixed results for the local labor market.
Call centres are high on the list of service industry jobs that have been outsourced and relocated to India. Conditions of employment in such call centres are unique. Though call centre employees live and work in India, they are required to organise their lives in terms of American or European time, celebrations and communication styles to put their customers “at ease.” Moreover, these call centres advertise a Western lifestyle combined with a handsome salary to the young adults, luring them to join the industry. Once on the job, the employees are trained to work in an environment where they not only adopt English language pseudonyms and talk with the “right accent,” but also experience glimpses of the advertised Western lifestyle through training, the office atmosphere and various socialisation practices. Hence, the working hours, training processes and work ethic all encourage a particular way of life not the norm in Indian workplaces in particular, nor Indian society, at large. Such labour expectations influence the lifestyles, social behaviours and identities of these employees. Based on the qualitative analysis of information collected from fieldwork conducted with New Delhi call centre employees and employers, I argue that international call centres in India are active sites of globalisation causing various socio-economic changes and influencing identities of their young adult employees. Hence, this thesis provides an in-depth micro-level analysis of the role of the service sector workplaces - active participants in the process of globalisation - as vehicles for socio-economic change among young adult employees, in India.
In a study aimed at generating baseline data about workers in the Philippine call center and business process outsourcing (BPO) industry, particularly, their employment terms and conditions and attitudes to trade unions as well as the context and possibilities of trade union organizing in that industry, Sale and Bool (2005) noted that labor standards on hours of work were generally being met. But night work during the prohibited interval for women employees, who constituted the majority in the survey, remained widespread. While the workers were young, night shifts adversely affected the health of a substantial number. 3 out of 4 workers in the sample encountered moderate to heavy work pressure, and 1 out of 2 was neither happy nor unhappy at the workplace. Majority of the respondents were in customer service. A big majority received ₱15,000 or less by way of average monthly take home pay. Majority had general knowledge about trade unions, despite their young age and notwithstanding that almost all were non-members. Nearly 2 out of 3 workers considered salary/wage negotiation as the most important role of trade unions. 51% were interested to join an affordable, principled and efficient workplace union. They concluded that it is possible to organize workplace trade unions in the call center and BPO industry. Organizing efforts should be industry-based rather than firm-based, due to the attrition rate and the prevalence of definite or fixed-period employment.

Later, Bool (2007) explored the potential of unionism in the country’s call centers by looking at employees’ predisposition to unionization taking into consideration their working conditions and socio-demographic factors. Employing probability proportional to size (PPS) sampling technique, the size of the sample was established using the Sloven formula at ± 10% margin of error at 95% confidence interval or one hundred (100) respondents from randomly chosen Metro Manila call centers – Sykes Asia, Inc., Convergys Corporation and eTelecare International. Data were gathered through self-administration of survey questionnaire that captured respondents’ socio-demographic characteristics and conditions of employment. The data were analyzed using statistical tools on descriptive and causal research. The study disclosed that the predisposition to join a union is a function of the following factors or independent variables: (1) average monthly income, (2) function or purpose of communication at work, (3) availability of company rules and regulations, (4) age and (5) knowledge about trade union. Based on the study, call center employees are predisposed to join a trade union if (1) they have...
lower monthly income, (2) the purpose of communication mechanisms at work is to merely inform, (3) availability of company rules and regulations is lesser, (4) they are younger and (5) they have greater knowledge about trade union.

In a 2008 study, the authors took a closer look at the model for employee voluntary turnover developed by James March and Herbert Simon (1958) and cited by Kochan (1980). Based on the model, turnover is affected by two factors – ease of leaving and desirability of leaving a firm. Ease of leaving is primarily determined by alternative employment opportunities outside the firm. This means that the more attractive the labor market outside, the higher the probability of leaving. The desire to leave is a function of dissatisfaction at the current job, that is the higher the dissatisfaction level, the greater the probability of leaving. However, if there is opportunity to voice out employee dissatisfaction that would lead to changes in work conditions, employees might choose the “voice” rather than the “exit” option. Building on information generated from their previous studies and using data on turnover from call centers, the authors attempted to determine and explain the relationship between turnover and voice.

In this paper, the authors delve into turnover, voice, risks and collaboration in Philippine call centers. Blake (2008), citing March and Shapiro, explains that decision makers in organizations tend to be risk-averse if organizational performance is just above target level, while they tend to be risk-takers if organizational performance is just below or well above target level. When targets are being met (or not) are call centers and their employees risk-takers (or risk-averse)? The extent of risk-taking (or risk-aversion) could be examined via Himmelman’s matrix of strategies for working together. Himmelman (2002) argues that networking, coordinating, cooperating and collaborating are different forms of working together, but each may be regarded as a developmental stage in a relationship. As in a continuum, the more organizations engage in turf wars (taking greater risks in the process), the closer they are to networking and, beyond that, competing. The higher levels of time, trust and turf shared among organizations, the closer they get to collaboration (and lesser risks). Are voice regimes in call centers (if any) types of working together, i.e., networking, coordinating, cooperating or collaborating? What are the factors contributing to their success or failure? Do they affect turnover? Do they make unions superfluous as there is none in the industry thus far? Are public policy reforms necessary? What techniques or approaches are proper for non-unionized workplaces? These are some issues that the present descriptive and correlational study hopes to address through an analysis of relevant provisions of the Labor Code of the Philippines (including the implementing rules) and call center data on income, turnover and voice mechanisms, among others.

Selected References


Sale, J. and Bool, L. (2005, June 29-30). *Context and Possibilities of Trade Union Organizing in the Philippine Call Center and Business Process Outsourcing Industry: A Survey Report*. Paper prepared for the Union Network International (UNI) – Philippine Liaison Committee (PLC) for the UNI-APRO Forum on Outsourcing/Offshoring, Taipei (paper was presented by Umali, J.). [The paper was also presented at the International Labor Office (ILO) – Employers Confederation of the Philippines (ECOP) Call Center Consultation Workshop, RCBC Plaza, Makati, Philippines held on June 16, 2005.]