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# The Canadian Contact Centre Industry:

Strategy, Work Organization  
& Human Resource Management

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The Global Call Centre Industry Project




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# OVERVIEW


The past decade has seen enormous growth in the contact centre segment of the Canadian economy. In part due to re-engineering, restructuring, and outsourcing, as well as the technological advances that have facilitated growth, this emerging industry is experiencing considerable changes. Widespread diversity in this sector is now evident – both in terms of employment practices and employee outcomes (e.g. turnover, absenteeism, and tenure). Despite this dynamic growth and increasing heterogeneity, relatively little is known about this emerging industry. This report is a first step in creating a systematic understanding about employment practices in contact centres, and about outcomes of interest to both firms and the workforce.

In this report, we present important data for Canadian contact centre managers. The results are based on survey responses from 406 contact centres and site visits to contact centres located across Canada. We collected data on hiring practices, technology use, location decision criteria, and work design from contact centres that serve a broad array of industries – financial services, telecommunications, retail, information technology (IT), technical support services, hospitality, manufacturing, print and media, public and non-profit sectors. We analyzed management and employment practices from multiple perspectives including regional, organizational characteristics (inhouse, outsourced, union, and non-union), and the type of service work performed by the contact centre.

We address the following questions:

-  How do management practices differ across ownership structures and by type of work centres perform?
-  What strategies contribute to lower turnover, absenteeism, and better job quality?
-  What are the pay levels and compensation strategies used for employees and managers?

 What new technologies and innovative work practices are being adopted?

 To what extent do economic development agencies, employer networks, and training institutions provide support to contact centres?

We also present findings on the types of management practices that are associated with better performance. Achieving competitive success in contact centres is a difficult task. Managers strive to achieve higher levels of quality and customer service while controlling costs. Although technologies create efficient methods for handling service interactions, customers often become frustrated by overly standardized menus and procedures, and in turn may take their frustration out on customer service representatives. Similarly, many employees find contact centre jobs to be routine, boring, and stressful, leading to high levels of employee dissatisfaction, absenteeism, and ultimately, turnover. Employee dissatisfaction may also reduce service quality and customer satisfaction.

At the same time, another dilemma presents itself for contact centre managers. Contact centre jobs are often portrayed as low-skilled or clerical in nature, yet in many cases they require considerable knowledge and skill. Frontline employees confront on-going changes in product and service offerings, pricing and packaging, legal regulations, work methods, and technical processes. These employees need to regularly upgrade their knowledge and skills in order to serve customers well. Thus, a constant cycle of turnover, new recruitment, training, and time spent going up the learning curve is costly to employers.

This study, conducted by a research team from the Sauder School of Business at the University of British Columbia (UBC) and the Richard Ivey School of Business at the University of Western Ontario (UWO), is part of the Global Call Centre Project, the first large-scale international study of work and human resource practices in call centres coordinated by Rosemary Batt, David Holman, and Ursula Holtgrewe.<sup>1</sup>

<sup>1</sup> Other countries participating in the Global Call Centre Project (see [www.globalcallcenter.org](http://www.globalcallcenter.org)) include Australia, Austria, Brazil, China, Denmark, France, Germany, India, Ireland, Israel, Japan, the Netherlands, the Philippines, Poland, South Africa, South Korea, Spain, Sweden, the United Kingdom, and the United States. Each country conducted a survey similar to the one that informs this report, and has prepared a report similar to this one documenting the findings from that country. A comprehensive international report entitled “The Global Call Centre Report: International Perspectives on Management and Employment” is available at [www.gccproject-canada.com](http://www.gccproject-canada.com).

The English version of the survey was administered in Canada by the Survey Research Institute at Cornell University. The executive director, Yasamin Miller, along with Emily Nester and Jose Delgado, gave countless hours to ensure the accuracy of the data. The French version of the survey was administered by NRG. Valuable research assistance was provided by Maïke Schmudlach, Patrick Ma, and Chloe Lee. We thank UBC Media Group, Florence Lee, and Anita Pan for designing and producing this report. To obtain copies of this report, please go to [www.gccproject-canada.com](http://www.gccproject-canada.com).

We also thank the Social Sciences and Humanities Research Council of Canada (SSHRC), the Inter-University Research Centre on Globalization and Work (CRIMT), the Sauder School of Business at UBC, and the Richard Ivey

School of Business at UWO for their generous funding and support for this study. The help of Rosemary Batt, David Holman, Maeve Houlihan, and Hyunji Kwon in clarifying findings in this report is greatly appreciated.

This project benefited greatly from the support of Contact Centre Canada, and provincial contact centre associations including the British Columbia Contact Centre Association, the Alberta Contact Centre Association, the Saskatchewan Contact Centre Association, the Manitoba Customer Contact Association, and Contact NB. In other provinces and cities, we benefited from generous expertise provided by economic development officials. Our gratitude also goes to the managers who generously gave their time to complete the survey.



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# EXECUTIVE SUMMARY

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Our summary highlights the important similarities and differences in our sample, by regional and organizational characteristics, that may affect the type of employment system that management adopts, and in turn, employee outcomes.

## Geographical Distribution:

The contact centres in our sample are distributed across Canada with the largest centres concentrated in the Maritimes and the majority located in Ontario.

## Organizational and Market Characteristics:

Inhouse centres, that is, centres serving the customers of the parent company, represent 62.3 percent of the centres in this study, and outsourced centres, those operated by subcontractors to serve customers of one or several companies, represent 37.7 percent. In this study, 19.9 percent of centres are unionized. Union presence is more common in inhouse centres than in outsourced centres: 8.9 percent of outsourced centres are unionized while 26.6 percent of inhouse centres are unionized. The centres in our sample serve a largely national and international market with 33.1 percent of centres handling calls from an international market, and a sizeable subset of those solely handling calls destined for and originating from U.S. customers. The average size of centres in this study is 142.9 seats, but the size of the typical centre included in this study (that is, half are larger and half are smaller), is much smaller at 55.0 seats.

## Workforce Characteristics, Skills and Training:

In this study, women constitute 69.1 percent of the customer service workforce. 54.1 percent have completed some post-secondary education. The average select rate (percentage of applicants hired) is 29.6 percent. Annually, newly hired agents receive an average of 26.2 days of initial training, and 8.7 days of ongoing training. Upon hiring, it takes an average of 21.5 weeks for an agent to perform competently. The hiring cost incurred by recruiting, screening, and selecting a new employee averages \$3,495 (CAD). The average tenure of a customer service representative is 5.7 years.

## Operational Characteristics:

Across all centres in our study, the workforce handles, on average, 99.5 customers per day, with an average call handling time of 5.5 minutes. The majority of centres (50.6%) operate on an extended hours schedule (open more than twelve hours per day) as opposed to a twenty-four hours per day, seven days a week schedule. Contact centres are moving from voice-only to multi-channel centres and 26.1 percent have adopted voice over internet protocol (VoIP) technology.

## Turnover and Absenteeism:

Total turnover including quits, dismissals, promotions within the business, and retirements averaged 29.9 percent. The average quit rate annually is 14.2 percent while the average dismissal rate is 6.2 percent. Outsourced centres experience quit rates twice that of their inhouse counterparts – 20.8 percent compared to 10.3 percent. Non-union centres report the highest dismissal rates (7.1%) whereas unionized centres report the lowest (2.4%). On average, 5.8 percent of agents are absent annually. Agents employed in centres that operate twenty-four hours per day, seven days a week have an absenteeism rate (6.4%) that is almost twice that of centres operating within business hours (3.8%).

## Strategies Associated with Lower Turnover:

Several strategies are associated with lower turnover rates. Contact centres with at least 30.0 percent of the workforce in problem-solving teams had 43.0 percent lower quit rates than those with less than 30.0 percent of the workforce in these teams (quit rates of 16.9% v. 11.5%). Centres with at least 30.0 percent of employees in self-directed teams have 70.0 percent lower average quit rates than those with less than 30.0 percent of workers in these teams (quit rates of 16.5% v. 9.2%).

## Unions, Turnover and Absenteeism:

Non-union centres have twice the average turnover rates (including quits, dismissals, promotions within the business, and retirements) of unionized centres in comparable markets: 33.6 percent compared to 16.1 percent. Non-union centres have over three times (16.5%) the average quit rates of unionized

centres (5.0%). No significant differences in the percent of agents absent on a daily basis exist between union and non-union centres.

### **Customer Service Representative (CSR) and Managerial Compensation:**

In this study, annual pay includes base pay and variable pay (individual and group-based incentive pay), and excludes overtime pay. On average, agents earn \$31,468 (CAD) annually, with agents employed in unionized centres earning 36.0 percent more than their non-union counterparts. Considering variable pay, 30.1 percent of centres use individual-based incentives whereas 27.8 percent offer group-based incentives. Full-time agents receive a comprehensive set of benefits, but only 5.3 percent of centres offer daycare benefits. The typical manager (excluding supervisors and team leaders) earns an average salary of \$59,017 (CAD). Managers receive an average of 8.9 percent of annual pay based on individual-based incentive pay and 3.1 percent consists of group-based incentive pay.

### **Economic Development and Employer Networks:**

Contact centres make an important contribution to the economies of the cities or towns where they are located. Municipal and provincial governments often offer incentives to attract firms. These incentives may include site location assistance, tax incentives, and special loans. Sixty percent of the centres in our study have received at least one type of incentive, and 25.5 percent have received two or more. Despite these

efforts, 45.7 percent of contact centre managers reported that the presence of a skilled workforce was the primary reason for the location of their contact centre.

### **Canada in the Global Context:**

In many ways, our findings show that contact centres in Canada share some similarities with their counterparts in other countries participating in the Global Call Centre Project. The majority of contact centres operating in Canada are inhouse, non-union, and handle inbound calls, while the frontline service workforce employed in these centres is predominantly female.

At the same time, some important differences are present in the emerging Canadian contact centre industry (Holman, Batt & Holtgrewe, 2007). First, along with India and Ireland, Canada is a major recipient of contact centre work from the U.S., with approximately 30.0 percent of centres in this study serving U.S. customers. The presence of a skilled workforce, the cost savings associated with a national health care system, proximity to the U.S., common time zones, and although it is not the current case, a historically low exchange rate when compared with the U.S., contribute to Canada's attractiveness as a destination for global outsourcing. Second, across all of the centres in the global study, 40.0 percent are covered by a collective agreement (Holman, Batt & Holtgrewe, 2007). Only 19.9 percent of centres in Canada have union representation, well below the average for the global study. At the same time, union presence in Canadian centres still has an effect on employee outcomes (e.g. pay, tenure, and turnover).

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# I. INDUSTRY OVERVIEW

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This study is part of the first large scale international survey of work and human resource practices in the emerging contact centre industry. The results of the Canadian study are based on telephone interviews with managers responsible for daily operations in 406 contact centres, representing 333 organizations. We administered the survey over the period of a year beginning in February 2005 and ending in February 2006, and achieved a response rate of 70.0 percent. The survey sample came from a database we developed from several sources, including the membership lists of contact centre associations and extensive research.<sup>2</sup> Site visits to contact centres and interviews with managers, supervisors, and customer service representatives from across Canada informed the interpretation of the survey results.

Accurately gauging the size of the Canadian workforce employed in contact centres is difficult in part because studies use various methodologies and definitions. For example, in 2001, a study of the Canadian Contact Centre Industry undertaken by Human Resources Development Canada (HRDC) estimated the size of the contact centre workforce to be roughly 500,000, or 3.4 percent of the Canadian working population (HRDC, 2002). In 2004, according to estimates from the Labour Force Survey, Canadian contact centres employed 112,000 individuals (Statistics Canada, 2005). Datamonitor, meanwhile, estimated agent positions at 248,000 (Datamonitor, 2006).

Despite these widely varying figures, contact centres are employing a growing segment of the Canadian workforce. In 2005, Statistics Canada reported that contact centre employment increased

fivefold between 1987 and 2004. This figure may underestimate the expansion because the “Business Support Services” category in the North American Industry Classification System (NAICS) may exclude many inhouse and even outsourced contact centres (Statistics Canada, 2005).

This growth presents challenges for contact centre managers in Canada. In combination, the transformation of contact centres from cost to profit centres, and pressures from less expensive offshore markets for customer service work, increase the importance of human resource management for remaining competitive in the near future.

In an effort to provide a fine grained analysis of the Canadian contact centre industry, we use the following categories where appropriate to present our findings. We examine similarities and differences that may affect the type of employment systems by regional and organizational characteristics: (1) the nature of work, (2) size, (3) ownership characteristics (inhouse/outsourced), and (4) union status.

We also examine how employment system choices around selection criteria, training, models of work organization, and types of employment contracts affect both contact centre operations and employee outcomes such as turnover, absenteeism, and tenure. Throughout this report, we include references to the U.S. Call Center Industry Report 2004: National Benchmarking Report, also produced as part of the Global Call Centre Project, in order to compare and contrast the Canadian findings with the U.S. findings (Batt, Doellgast & Kwon, 2005).

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<sup>2</sup> At the time we undertook this study, a comprehensive and validated list of all contact centres operating in Canada did not exist. For the purposes of survey administration, a random sample was compiled from the membership of provincial contact centre associations, Contact Centre Canada (the federal sector council), and from extensive research.

# Geographical Distribution

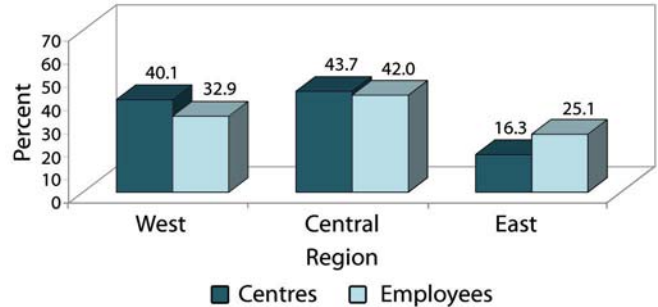
The contact centres included in our sample represent ten provinces. A breakdown of our sample illustrates the provincial distribution of centres and the percentage of the workforce employed by those centres (Figure 1). For example, contact centres in Nova Scotia represent 4.4 percent of the centres in our study and those centres employ 10.0 percent of the customer service representative (CSR) workforce.

For analytical purposes, we evaluate regional similarities and differences throughout this report by grouping contact centres into three categories based on geographic location: West (British Columbia, Alberta, Saskatchewan, and Manitoba), Central (Ontario and Québec), and East (Nova Scotia, Newfoundland, New Brunswick, and Prince Edward Island).

Figure 2 presents the distribution of contact centres by region. This is consistent with the concentration of the Canadian population by region (Statistics Canada, 2001). Although the balance of centres in our study are located in Central Canada, those located in Eastern Canada employ a greater proportion of employees.

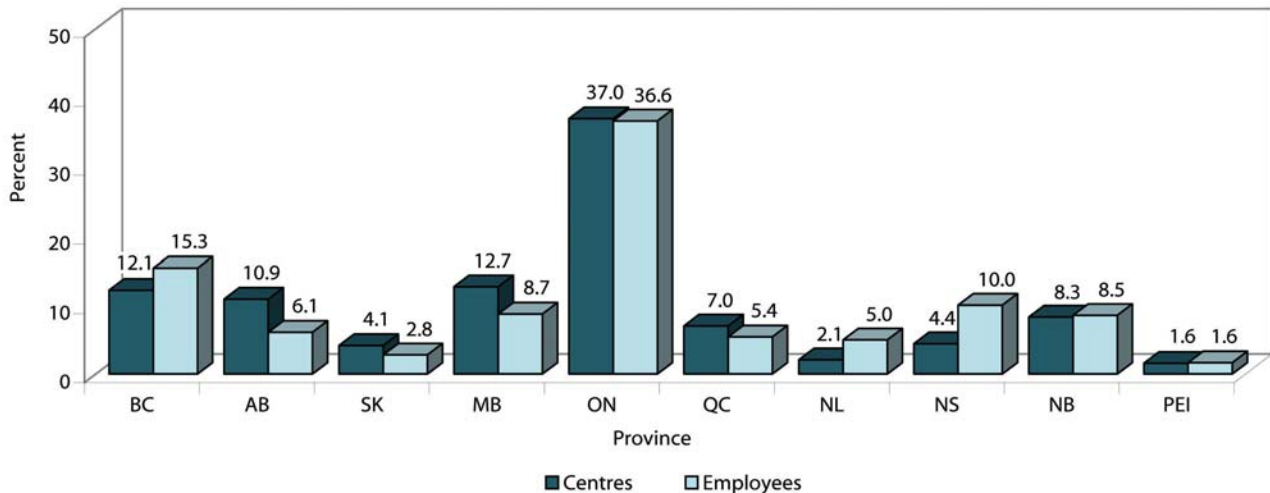
In our study, the average contact centre was 12.6 years old in 2006. Centres in Eastern Canada are significantly younger (9.6 years) than centres in Central Canada (13.7 years).

**Figure 2: Distribution of Centres and the CSR Workforce by Region**



This pattern is understandable given New Brunswick's well-documented efforts to attract contact centre work from the U.S. and other parts of Canada during the mid-1990s (Savoie, 2001). Two factors at that time converged to create an opportunity for large scale U.S. investment in Canadian contact centres: the very low (in historical terms) value of the Canadian dollar (around 65-70 U.S. cents to the Canadian dollar) and the aggressive marketing of Canada as an ideal location for investment by provincial economic development agencies. Lower labour costs related to the exchange rate and universal healthcare, and access to a skilled multi-lingual workforce are among some of the explanations for this trend that emerged in our interviews. We provide additional detail on these provincial economic development strategies in the last section of this report.

**Figure 1: Distribution of Centres and the CSR Workforce by Province**

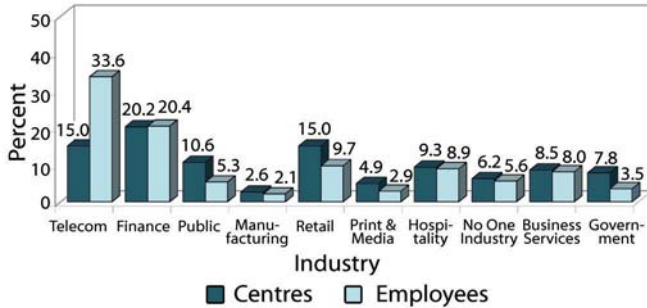


# Industry and Organizational Characteristics

## Industry:

The contact centres in our study serve a broad array of industries. It is difficult to create an accurate picture within existing industry categorizations for several reasons (Figure 3).

**Figure 3: Distribution of Centres by Industry**



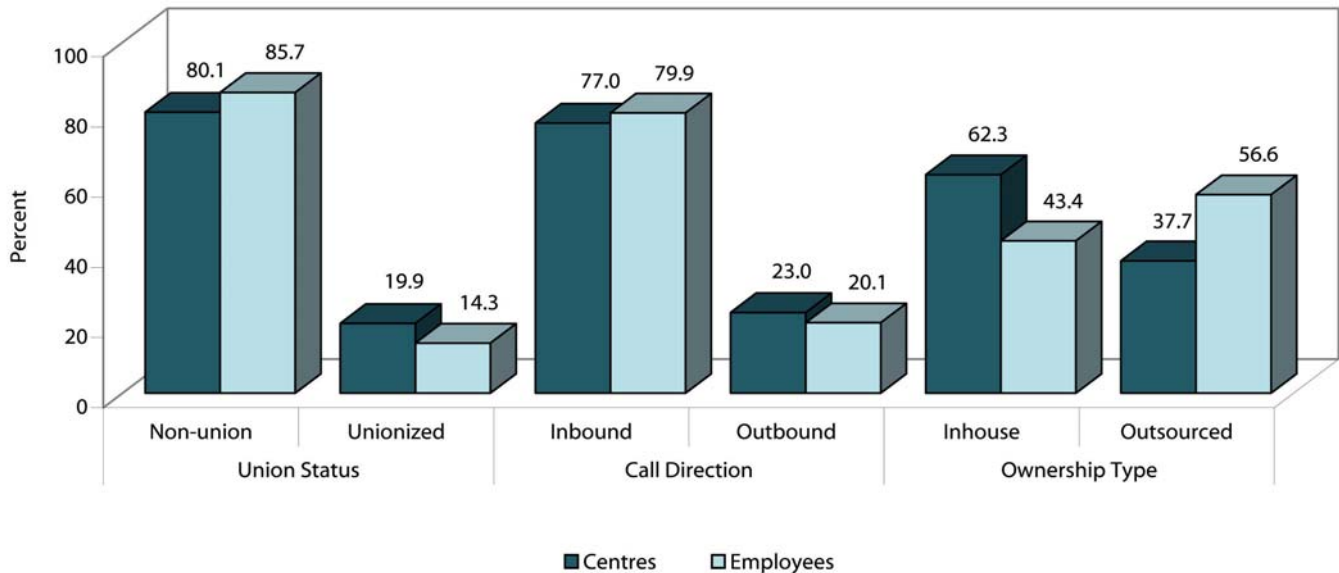
First, categorizing contact centres by industry is challenging because they cut across sector lines. For example, “inhouse” contact centres are generally classified based on the industry of the company they are part of as opposed to being included in a customer service related category. Second, “outsourced” contact centres serve the customers of firms that subcontract their customer service work to a third party. Based on the industry categories we used for this study, an outsourced centre

could be classified in: (1) the telecommunications industry; (2) the industry of the client it serves; or (3) no one industry in particular because it serves multiple clients. As mentioned earlier, contact centres are found across industries, and thus existing categories in the North American Industry Classification System (NAICS) often fail to isolate them with enough precision.

To address these difficulties, we asked survey participants to classify the contact centres they work in based on the industry or industries they serve. A preponderance of centres are found in traditional strongholds such as finance (including banking and insurance), telecommunications, and retail (Figure 3). We revisit the size of contact centres later in this section.

We use union status, call direction, and ownership type as categories to present data throughout much of this report (Figure 4). Note that these categories are not mutually exclusive. A non-union, outsourced centre providing outbound service will be counted in each of these three categories. Therefore, it is appropriate to compare within the pairs: union compared with non-union or inhouse compared with outsourced. Comparisons between the pairs (e.g. union centre compared with inhouse centre) is misleading because the same centre can be included in both categories.

**Figure 4: Contact Centre Categories Used in this Report**



**Inhouse and Outsourced Centres:**

Inhouse centres constitute 62.3 percent of all the centres in our study, with outsourced centres comprising the remaining 37.7 percent.<sup>3</sup> The relatively sizeable share of centres in the outsourced category indicates that Canada is a key beneficiary of U.S. firms transferring contact centre work outside of the U.S. (UNCTAD, 2004).

Some interesting differences in organizational characteristics emerge when we take into consideration the regional distribution of centres (Figure 5). For example, a higher share of inhouse centres is found in Western Canada when compared with Central and Eastern Canada.

**Unionization:**

Patterns in unionization vary by industry and contact centre type. In this study, 19.9 percent of contact centres are unionized, and these unionized centres employ 14.3 percent of the customer service workforce. Unionized contact centres are significantly older and employ a smaller workforce than their non-union counterparts. Unionization in inhouse contact centres is significantly higher than in outsourced centres – 26.6 percent versus 8.9 percent. By comparison, the percentage of unionized contact centres in Canada is roughly twice that found by the U.S. study – 19.9 percent versus 9.0 percent.<sup>4</sup>

There is also a difference between the two countries in the aggregate national union density levels. In 2006, union density in the U.S. declined to 12.0 percent (U.S. Department of Labor, 2007). Meanwhile, union density in Canada increased to 30.8 percent (Statistics Canada, 2006a).

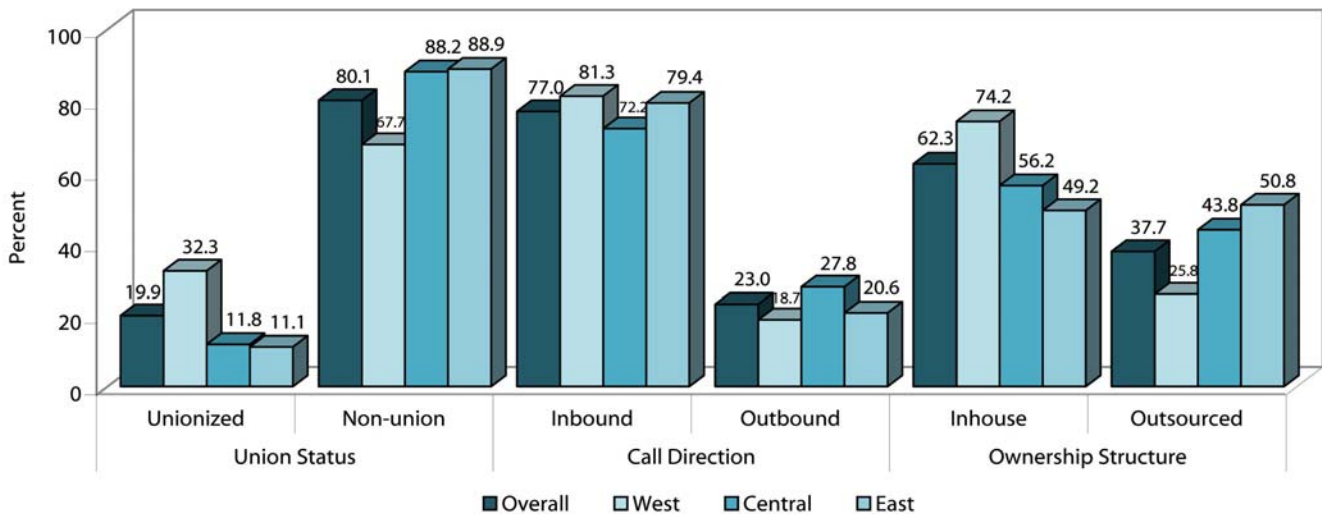
**Type of Work:**

The nature of the services the centre provides may also influence the type of human resource strategies present (Batt, Colvin & Keefe, 2002; Batt and Moynihan, 2002). Contrary to public perceptions about contact centre work, 77.0 percent of centres included in this study handle inbound calls (calls initiated by customers).

Of the inbound centres, 40.4 percent engage solely in inbound customer service activities: providing information and answers to inquiries, but not handling sales. The second largest group of centres, 35.4 percent, provide both inbound service and sales. These service agents handle inquiries as well as process orders for new purchases or upgrades of existing services. Other inbound centres in this study offer more specialized services such as nurse lines and other help desk services.

Centres that primarily handle outbound calls (e.g. telemarketing and market research) represent a small share of the centres participating in the study. This pattern is similar to the U.S. study which also found that the majority of centres primarily handle inbound calls.

**Figure 5: Distribution of Centres by Category and Region**



<sup>3</sup>The HRDC study reported a much higher percentage of inhouse centres (73%) in its sample (HRDC, 2002: 143). In part, this difference is based on the sampling strategy differences between the HRDC study and this one. Recent studies conducted by Contact Centre Canada, such as the 2005 Canadian Customer Contact Centre Survey Final Report, also found a higher share of outsourced centres (inhouse: 53%, outsourced: 37%, both inhouse and outsourced: 9%, p. 7, 2005).

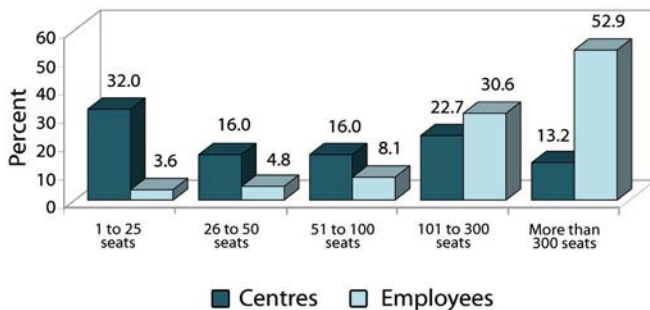
<sup>4</sup>The true difference in unionization rates between the two countries is likely even larger than reported. The unionization rate of contact centres reported in the U.S. study may be overstated because the U.S. study oversampled contact centres in the telecommunications industry, which is more highly unionized than the U.S. private sector overall.

### Centre Size:

Our study includes a wide variation in centre size. The average contact centre in our study has 142.9 seats and 169.7 employees. In our sample, the median size of centres (that is, half are smaller and half are larger) is relatively small with 55.0 seats. Note, study participants needed at least ten employees to be eligible to participate in the study.

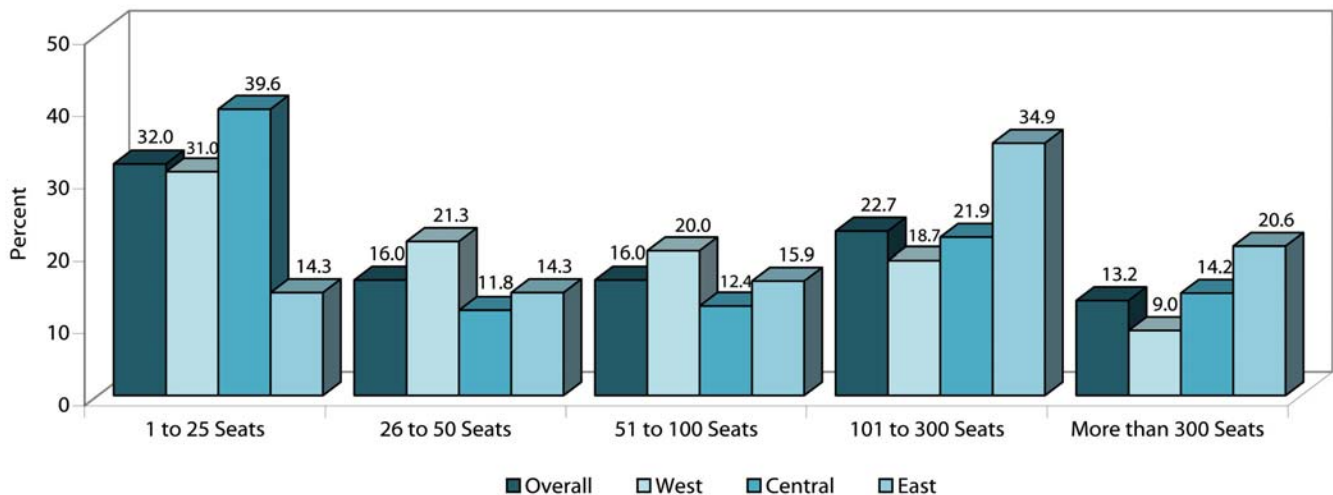
Figure 6 shows the composition of the sample based on both the number of seats and the percentage of customer service representatives employed in those centres. Although the majority of centres (64.0%) have one hundred seats or less, there are some very large centres in our sample: 13.2 percent have over three hundred seats.

**Figure 6: Distribution of Centres and the CSR Workforce by Size**



The geographic distribution of centres by size is displayed in Figure 7. On average, contact centres in Eastern Canada (204.0 seats) are significantly larger

**Figure 7: Distribution of Centres and the CSR Workforce by Size and Region**



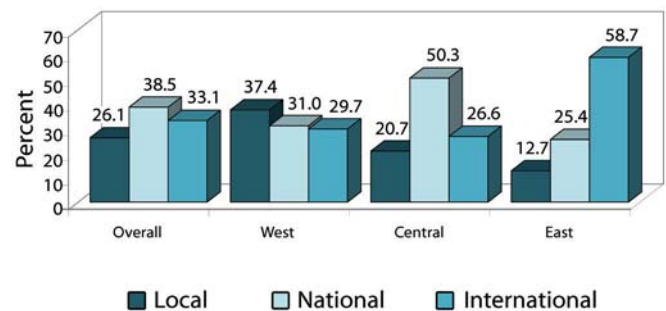
than their counterparts in Western Canada (112.7 seats). This size difference is, in part, driven by the presence of large outsourced centres in Eastern Canada.

Outsourced centres are significantly larger (198.9 seats) than inhouse centres (109.1 seats). Variation in size also exists by industry. Centres serving the telecommunications industry have 319.7 seats on average and are significantly larger than those centres serving other industries. At the other end of the size spectrum are government contact centres with an average of 78.9 seats, and print and media centres with an average of 68.1 seats.

### Market Scope:

The centres in our sample serve customers in an international, national, or local (provincial, city or municipal) geographic market (Figure 8).<sup>5</sup> In general,

**Figure 8: Market Scope of Centres by Region**



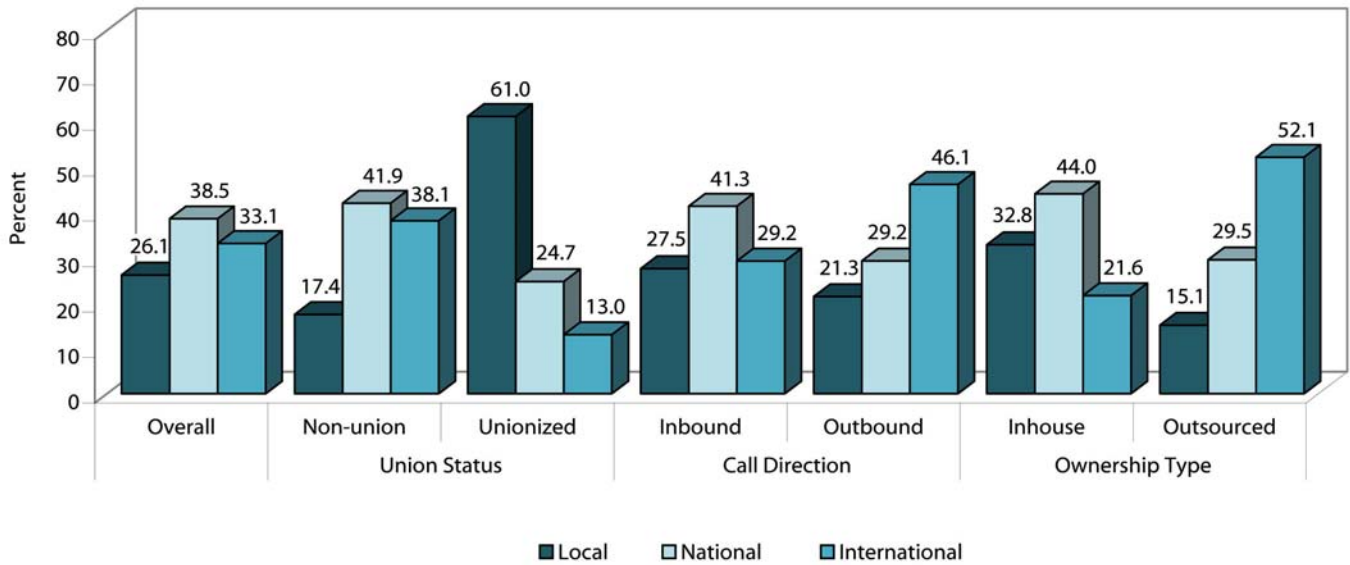
38.5 percent of centres serve a national customer base while 33.1 percent serve an international one.

<sup>5</sup> Note that the "overall" column in Figure 8 provides the average of the three regions. In subsequent figures, "overall" represents the average for all centres in the Canadian sample.

We find some significant regional differences in the geographic scope of the customer base served by contact centres in our sample. Contact centres located in Western Canada serve a primarily local customer base compared with their counterparts in Central and Eastern Canada. A significantly higher share of contact centres in Central Canada serve a national market compared with centres in Eastern and Western Canada. Roughly twice as many centres in Eastern Canada (58.7%) serve an international market compared with centres in Central (26.6%) and Western Canada (29.7%).

The scope of the customer base served by contact centres also differs by organizational characteristics (Figure 9). Inhouse centres have a national market whereas outsourced centres fulfill the needs of a primarily international customer base. Unionized centres are significantly more likely than their non-union counterparts to serve a local customer base whereas non-union centres are more likely to serve a national or international customer base.

Figure 9: Market Scope of Centres by Category

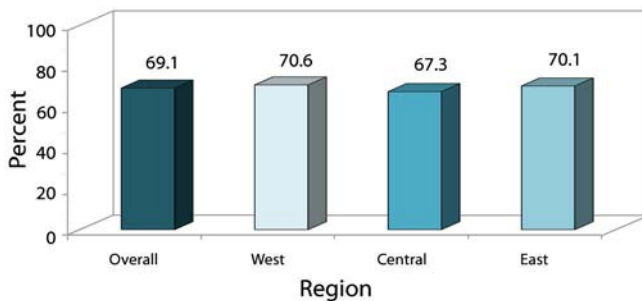


# Workforce Characteristics

Throughout this report, survey respondents were asked about the centre’s “core employees”, referred to as the customer service representative (CSR) workforce. “Core employees” are the largest group of employees who carry out the primary work activity for the centre’s customers (e.g. customer service representative, sales representative, or agent).

Our study, consistent with previous studies (Buchanan & Koch-Schulte, 2000; HRDC, 2002; Belt, 2002), confirms that the CSR workforce is predominantly female (Figure 10). The gender composition of the CSR workforce, however, varies by the type of service the contact centre provides. This gender distribution is more balanced in IT help desk centres where a larger proportion of the workforce is male, while women represent a larger share of the workforce in collections and inbound customer service work. Interestingly, unionized centres that offer higher pay levels and more job security through seniority provisions employ a significantly higher proportion of women in comparison to non-union centres.

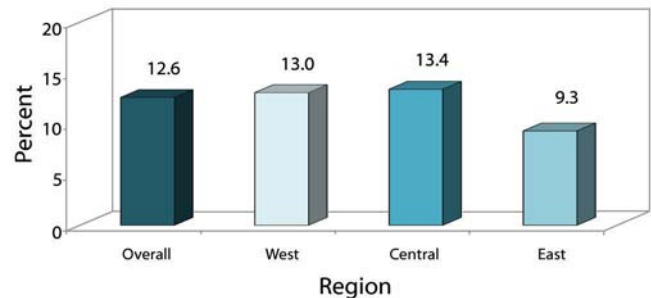
**Figure 10: Percentage of CSR Workforce who is Female by Region**



Customer service jobs are generally described as low skilled work. Yet, these jobs often require employees to absorb changing product knowledge, manipulate multiple databases, and have good communication skills. Managers reported that the typical agent completed about one and a half years of education beyond a high school degree. The lowest education profile is found in outbound centres, while the highest levels of education are found in inhouse centres. In this study, 54.1 percent of the CSR workforce had completed some post-secondary education.

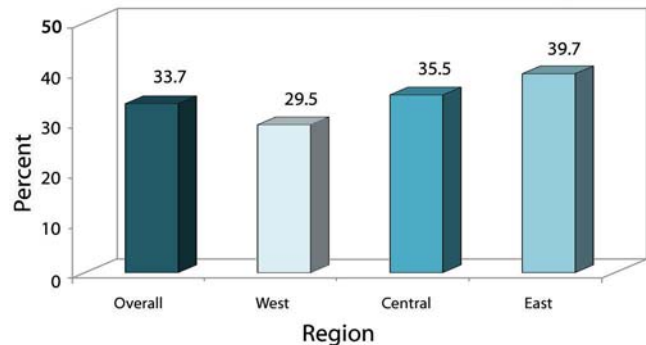
To gauge the presence of students in the CSR workforce, we asked what percentage of employees, if any, were also students. 74.1 percent of centres in our sample relied on student labour (college and/or university students) (Figure 11).

**Figure 11: Percentage of the CSR Workforce who are Students by Region**



We also asked managers about the percentage of employees with previous experience working in a contact centre (Figure 12). Managers reported that on average, 33.7 percent of their employees have worked in another contact centre in their region.

**Figure 12: Percentage of the CSR Workforce with Previous Contact Centre Experience by Region**



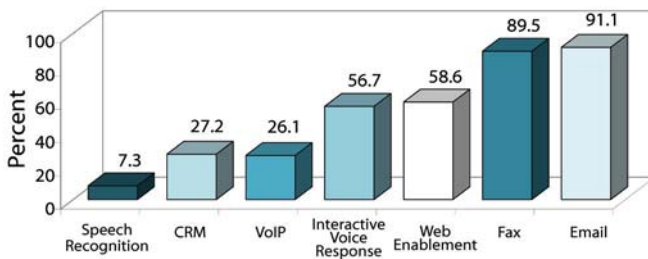
We did not ask respondents about the average age of the workforce as part of this survey because such a metric is hard for survey participants to report accurately. In a separate study administered to customer service representatives directly, the average age of the CSR workforce was 32 years (Skarlicki, van Jaarsveld & Walker, 2007).

## II. OPERATIONAL CHARACTERISTICS

### Technology Adoption:

Canadian contact centres are embracing developments in contact centre technologies. These technological advances are creating opportunities for customer interactions to move from voice-only channels (telephone) to multiple channels (email, fax, and web-based). They complement the skills of the workforce by enabling employees to serve customers through various mediums (Figure 13).

**Figure 13: Percentage of Centres Adopting Various Technological Tools**



Contact centres have expanded the choice of channels that customers can use to contact them and over half of the centres participating in our study have adopted web-enablement tools that facilitate customer and employee interactions over the Internet (e.g. web chat and joint browsing). As

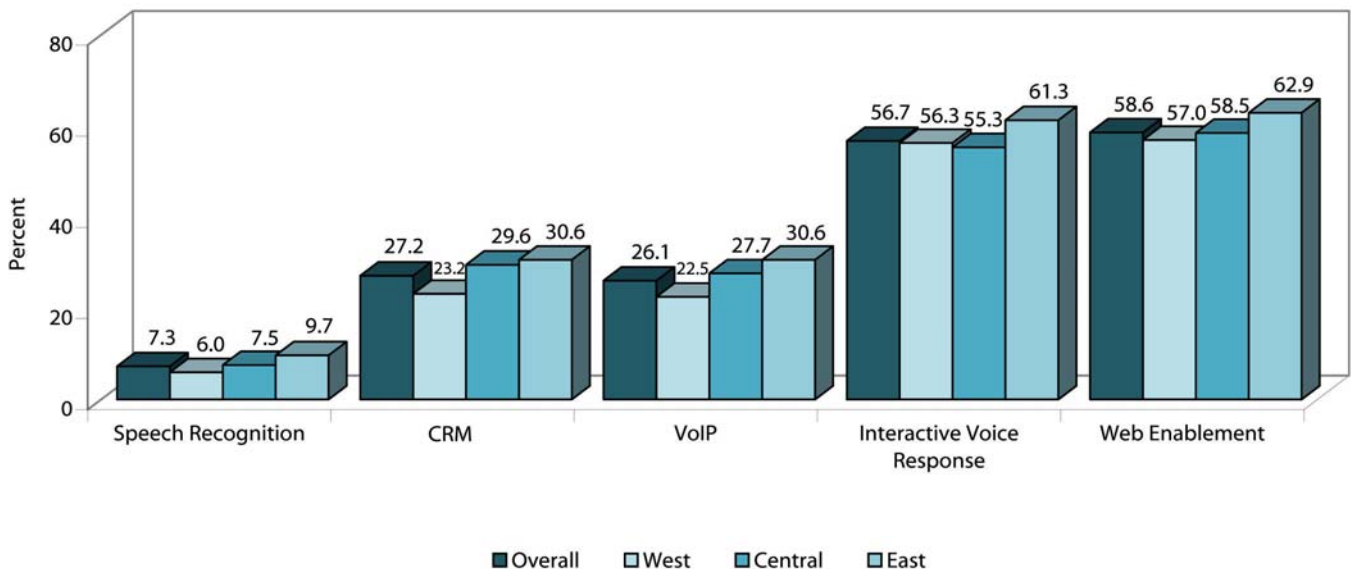
contact centres adopt multiple channels, the demand for a wider range of skills and technical proficiencies increases, as does the importance of additional training for the frontline CSR workforce. Figure 13 shows the percentage of centres adopting specific technological tools to aid customer interactions.

We find some variation by regional, industry, and organizational characteristics with respect to technology adoption. The regional differences are displayed in Figure 14.

### Voice over Internet Protocol (VoIP):

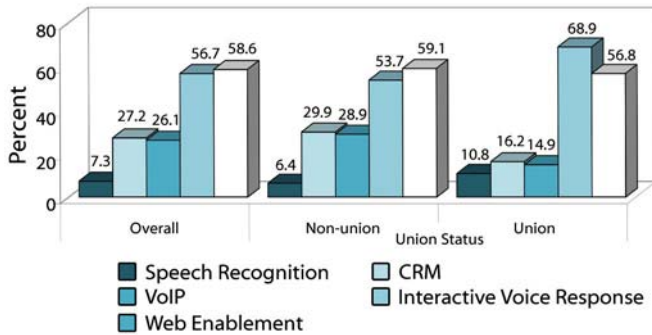
Traditional call centres handle calls with circuit switching and time division multiplexing technology that requires circuits to make connections. With the increasingly widespread use of fibre optic cables, voice traffic can now travel at a minimal cost on the data network using the internet protocol infrastructure. Rather than incurring costs based on usage for long distance calls, voice over internet protocol (VoIP) enables long distance calls to be made for less. For centres conducting business across borders (or even outside local domestic calling areas), this represents significant savings. VoIP systems, however, do require a considerable initial capital investment.

**Figure 14: Percentage of Centres Adopting Technology by Region**



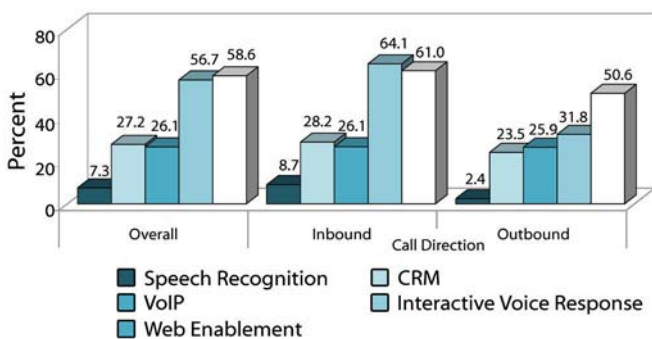
Although it is a relatively new technology, more than a quarter of centres (26.1%) in our study have adopted VoIP (Figure 15). There is some variation in VoIP adoption by industry. Centres in the telecommunications industry report the highest penetration of VoIP while government centres report the lowest adoption of VoIP relative to centres in other industries in our study.

**Figure 15: Percentage of Centres Adopting Technology by Union Status**



When we consider organizational characteristics, roughly twice the share of non-union centres (28.9%) have adopted VoIP compared with unionized centres (14.9%) (Figure 15). We also find that a greater proportion of non-union centres use interactive voice response (IVR) and customer relationship management (CRM) technologies when compared with their unionized counterparts.

**Figure 16: Percentage of Centres Adopting Technology by Call Direction**

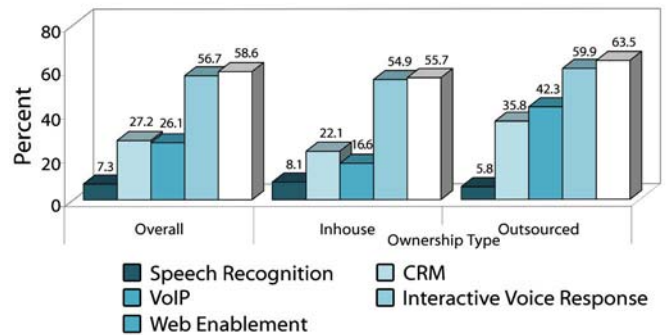


The nature of the calls handled also influences the type of technology that centres use (Figure 16). A significantly higher proportion of inbound centres make

use of speech recognition, IVR, and web-based tools when compared with their outbound counterparts.

Meanwhile, a significantly larger proportion of inhouse centres use fax and email as a means of contact while a larger proportion of outsourced centres use CRM and VoIP (Figure 17).<sup>6</sup>

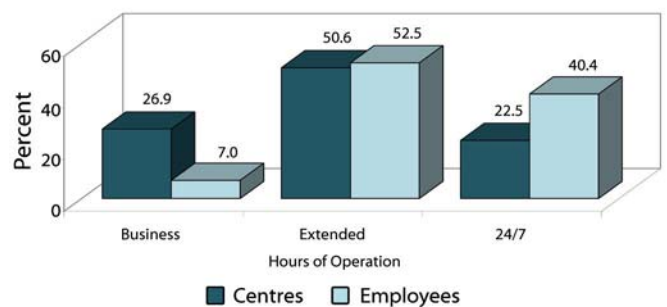
**Figure 17: Percentage of Centres Adopting Technology by Ownership Type**



**Scheduling:**

We asked respondents about their operating hours because we expected these constraints to affect staffing practices. In general, centres participating in our study adopt one of three common scheduling options: (1) business hours, (2) extended hours, and (3) twenty-four hours, seven days a week operations (Figure 18).

**Figure 18: Percentage of Centres and the CSR Workforce by Hours of Operation**



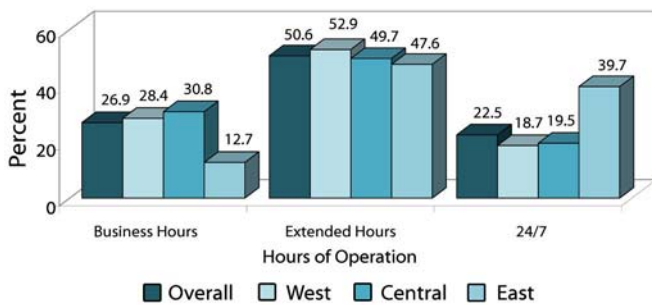
The business hours category includes centres operating less than twelve hours per day, and not on weekends. Centres classified in the extended hours category are open more than twelve hours per day on weekdays and/or provide service during weekends.

<sup>6</sup> Customer relationship management (CRM) technology enables contact centres to collect, store and update information related to customer interactions.

Using this classification, 50.6 percent of contact centres participating in our study operate on an extended hours schedule – mornings to evenings on weekdays with partial coverage on Saturdays and often Sundays (Figure 18). In our sample, less than one third of centres (22.5%) operate twenty-four hours per day, seven days per week. Although 26.9 percent of centres are on a business hours schedule, only 7.0 percent of the CSR workforce is employed by these centres. This means that an overwhelming majority of the CSR workforce is employed in centres with operating schedules beyond regular business hours.

We found some variations in operating schedule by organizational characteristics. For example, 33.8 percent of unionized centres operate during business hours whereas 52.6 percent of non-union centres operate during extended hours (Figure 20). Inhouse centres are more likely to operate during business hours compared to outsourced centres, while the outsourced centres in our sample are more likely to operate on a twenty-four hour basis. While 29.9 percent of inbound centres operate during business hours, 74.2 percent of outbound centres operate on an extended hours schedule. As we would expect based on customer availability, those centres engaged in collections, market research, and outbound telemarketing are the least likely to operate on a twenty-four hour schedule.

Figure 19: Operating Hours by Region



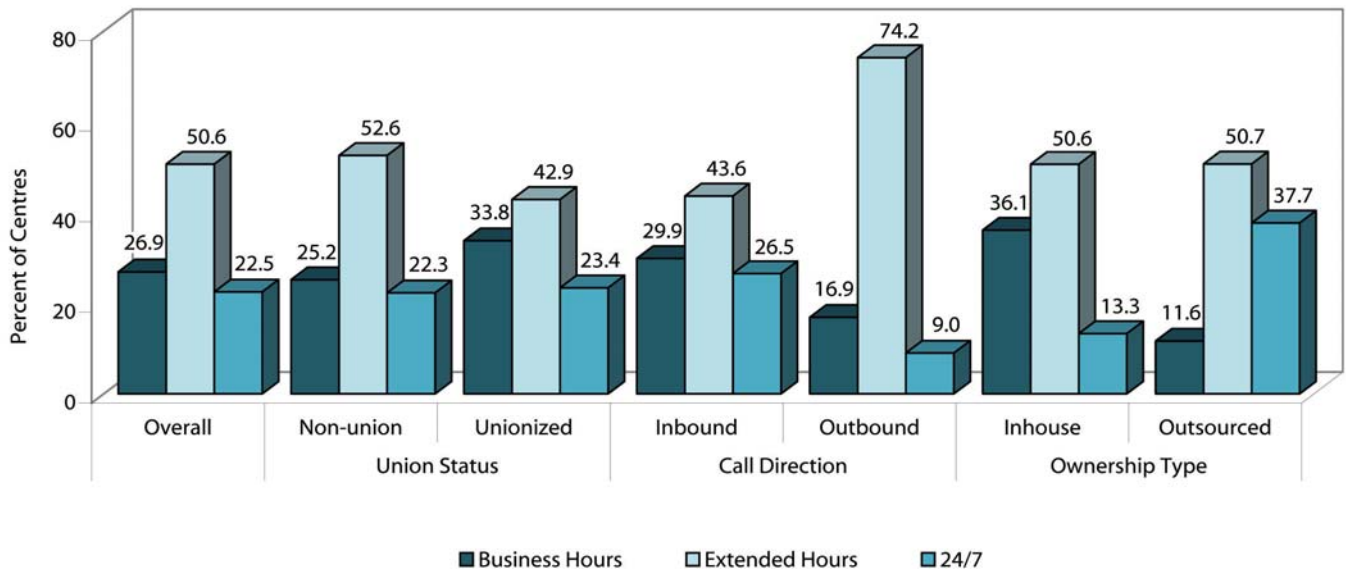
As displayed in Figure 19, 39.7 percent of contact centres in our sample located in Eastern Canada are twenty-four hour operations compared with those located in Central and Western Canada.

**Number of Customers per Day:**

To better understand the variations in operational pressures present in these contact centres, we asked a number of questions about each centre’s call statistics, including the number of customers handled daily and call duration.

On an average day, employees in our study handle 99.5 customers with an average call handling time of 5.5 minutes. Considerable variation in the number of calls handled per day exists by

Figure 20: Operating Hours by Category



organizational characteristics as Figure 21 illustrates. The box represents 50 percent of the data, and the wider the distance between the 25th and 75th quartiles, the greater the variability.

In our sample, the median number of customers per employee per day is 70.0, meaning that half the centres in the sample handle more calls and half the centres handle fewer calls. Figure 21 contains modified box plots revealing the considerable variation that exists across the categories in our study. For example, the wider distance between the 25th and 75th quartiles for outbound centres compared with inbound centres indicates more variability in the number of calls handled by outbound centres.

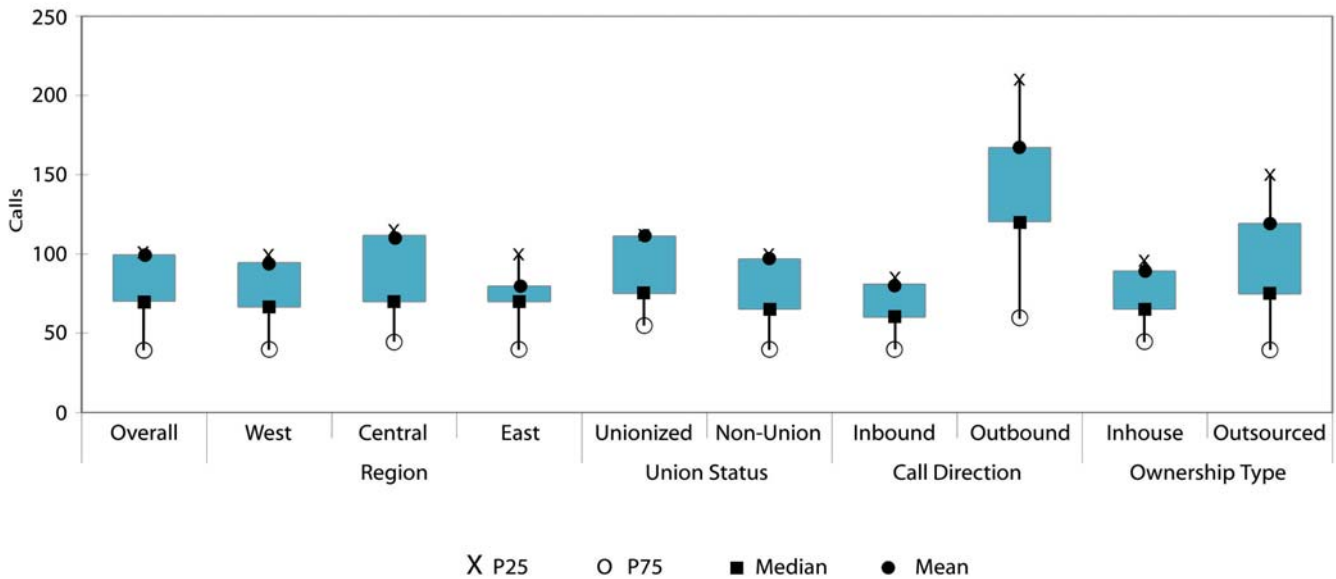
The average call handling time follows a similar pattern. Although IT and other help desks handle the lowest number of calls per day per employee, these

calls are generally longer because they are more complicated than those handled by outbound telemarketers. An inverse relationship exists between the number of calls handled and average call duration.

**Feedback on Customer Service:**

In our sample, 48.3 percent of managers reported that their customers were very satisfied and a further 47.6 percent of managers reported that their customers were satisfied with the service they received. Collecting customer feedback and dealing with customer complaints are necessary activities for improving the quality of customer service. Sixty-six percent of the centres participating in our study have a formal mechanism for collecting customer feedback. In 17.2 percent of those centres, customer feedback is shared with frontline service employees at least once a month, and in 11.1 percent of centres, it is delivered on a daily basis.

Figure 21: Number of Customers per Day by Region and Category



# III. HUMAN RESOURCE MANAGEMENT SYSTEMS

## Selection:

How selective employers are in their hiring practices may be one indicator of the skill level associated with the work and may also have ramifications for absenteeism and turnover. Survey participants were asked to report the select rate for their contact centre. The select rate refers to the percentage of applicants who are hired when compared to the total pool of applicants. The lower the select rate, the more selective the employer is in hiring new applicants.

Contact centre jobs are often viewed as low skilled and clerical, and the workforce is portrayed as young and unattached to the labour force. Under this assumption, we expected to find very high select rates. However, this was not the case. The average select rate for centres participating in this study is 29.6 percent, meaning that roughly one out of every three applicants is hired.

Figure 22 describes the variation in select rates by region. Select rates in Eastern Canada are significantly higher (37.1%) than the select rates in Western Canada (27.2%).

Figure 22: Select Rate by Region

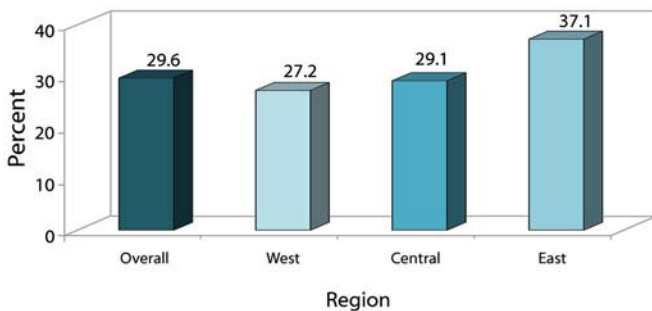
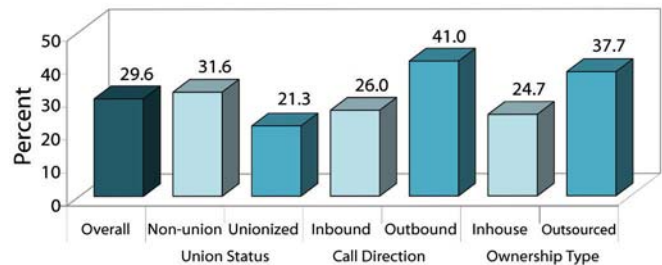


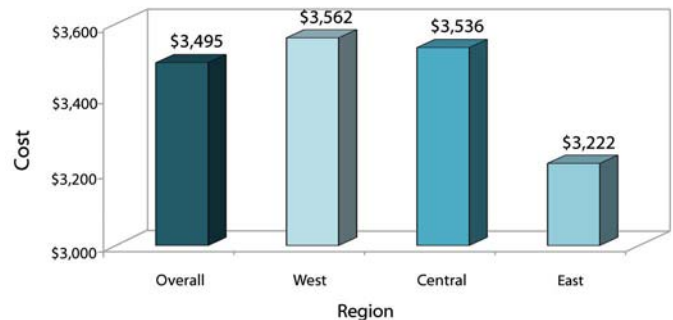
Figure 23 reveals variation in select rates by organizational characteristics. How selective employers are in their hiring practices may be one indicator of whether they are attempting to compete on the basis of quality service. In our sample, unionized centres (21.3%) and inhouse centres (24.7%) are the most selective while outbound centres are the least selective (41.0%).

Figure 23: Select Rate by Category



Analysis revealed that unionized centres are significantly more selective than non-union centres, inbound centres are significantly more selective than outbound centres, and inhouse centres are significantly more selective than outsourced centres. These differences are in part related to variation in the amount of initial training agents receive, the amount of ongoing training they receive, and the time it takes agents to perform competently on the job.

Figure 24: Average Hiring Cost by Region

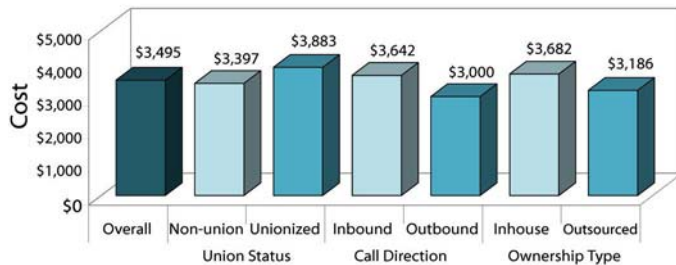


Recruitment, screening, selection, and training are a costly part of a contact centre's operations. We asked managers for an estimate of these costs, presented as the cost of hiring in Figure 24. In our study, centres spend on average \$3,495 to recruit, screen, select, and train a typical new employee.

Although we did not find significant differences in the cost to recruit, hire, and train a new employee by region, differences exist by contact centre type. For example, outsourced centres spend significantly less bringing a new employee into the organization, \$3,186, than their inhouse counterparts, which spend \$3,682 on average to do the same.

Unionized centres spend the most in our sample, an average of \$3,883 per employee, significantly more than non-union centres (\$3,397) (Figure 25). This difference can be explained by both more discerning selection practices as well as the longer training periods for agents in unionized centres. Outbound centres spend significantly less than inbound centres, and consistent with this pattern, outbound telemarketers reported the lowest average hiring costs (\$3,000).

Figure 25: Average Hiring Cost by Category



In filling vacancies, many employers are able to find employees with previous contact centre experience. In our study, more than one third of agents, 33.7 percent, have previous experience working in a contact centre.

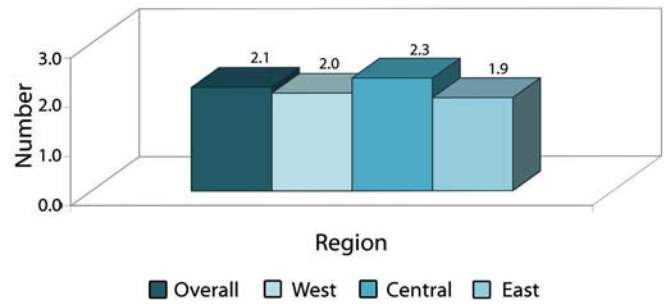
Managers hold differing views about the benefits and costs of locating in close proximity to other contact centres. In some cities, managers reported in interviews that employees are highly mobile, moving from centre to centre. Twenty-one percent of our survey participants viewed the presence of other centres in the area as a valuable recruiting resource; however, another quarter of our survey participants reported the opposite: competing with other centres in the area made recruitment and retention more difficult.

During selection, managers also search for candidates who can serve customers in multiple languages. Multi-lingual agents are actively recruited by 60.7 percent of the centres in our sample. A significantly larger proportion of centres located in Central Canada recruit job applicants with multi-lingual skills compared with those located in Western Canada.

**Language Offerings:**

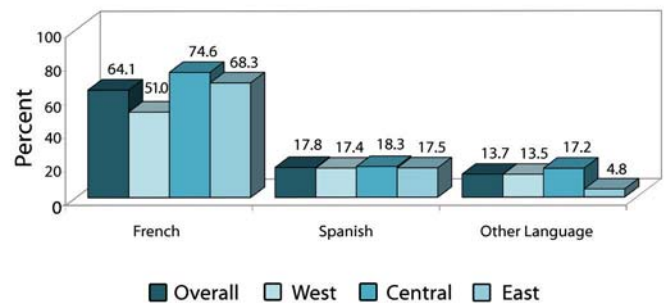
The contact centres in our study offer service in at least two languages (Figure 26). The linguistic capacity of Canadian centres extends well beyond English and French with centres offering service in several languages including Cantonese, Mandarin, Punjabi, Spanish, Hindi, and Japanese.

Figure 26: Number of Languages Contact Centres Offer by Region



In our sample, we find significant differences in language offerings by regional and organizational characteristics. Contact centres in Central Canada offer service in significantly more languages than centres in Western and Eastern Canada (Figure 26). Further analysis reveals evidence of specialization in language offerings by geographic location (Figure 27). A significantly higher proportion of contact centres in Central Canada offer French compared with those centres located in Western Canada, with the exception of Manitoba. Further documenting the linguistic differences across the country, centres located in Eastern Canada are significantly less likely to offer service in Cantonese and Mandarin than counterpart centres in Central and Western Canada.

Figure 27: Language Offerings by Region



Spanish language capabilities are often available in Canadian centres. The provision of service in Spanish is driven in part by centres serving U.S. customers. For example, a significantly higher share of outsourced centres offer Spanish than do inhouse centres (Figure 28).

During the recruitment process, in addition to verifying linguistic skills, some centres evaluate the personality characteristics of job applicants. We find that 45.5 percent of centres use systematic selection tests (psychometric or aptitude tests) to evaluate applicants.

**Employment Contracts:**

Canadian centres in our sample use several types of employment relationships: full-time, part-time, and temporary contracts, as a means for addressing fluctuations in demand.

In many centres, employers hire CSRs on part-time and temporary contracts to respond to the large fluctuations in call volumes that may occur on a daily, weekly, or seasonal basis. Variation in these staffing configurations is large. A minority of centres in our study, 14.0 percent, rely solely on a full-time workforce, while 79.0 percent of centres hire employees on a part-time basis. Of the centres that hire part-time staff, they comprise an average of 35.5 percent of the CSR workforce. In contrast to the use of part-time employees, only 35.7 percent of

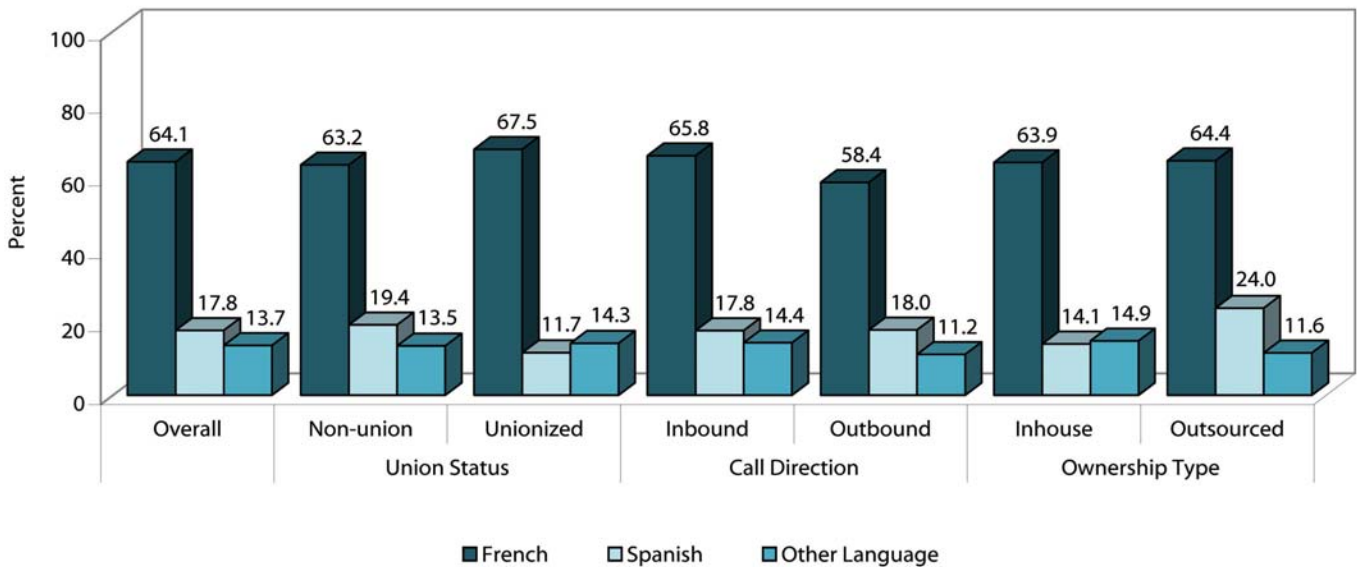
centres reported using temporary contracts. In these centres, 31.8 percent of the CSR workforce consists of temporary workers.

We find evidence of organizational differences in the use of part-time and temporary employment forms. Similar proportions of inhouse and outsourced centres report hiring employees on a part-time basis (84.6% and 74.6%, respectively), and in these centres, part-time employees represent over a third of the CSR workforce in both inhouse (34.2%) and outsourced centres (36.9%).

Considering call direction, 90.4 percent of outbound centres and 76.3 percent of inbound centres use part-time contracts. Of the inbound and outbound centres that use part-time CSRs, they are used more extensively in outbound centres relative to inbound centres (53.5% and 21.1%).

Following the pattern in part-time employment, a greater proportion of inhouse centres rely on temporary contracts compared with outsourced centres (28.2% and 19.0% respectively). Among those centres that include temporary contracts as part of their staffing strategy, this employment form represents, on average, 14.7 percent of the workforce in inhouse centres and 8.9 percent in outsourced centres.

**Figure 28: Language Offerings by Category**



Union presence also influences the use of temporary contracts. A significantly higher proportion of unionized centres use temporary workers compared with non-union centres. Further in the unionized context, the use of temporary contracts is more widespread than in the non-union context. Although a significantly higher share of inbound centres use temporary contracts compared with outbound centres (27.2% and 15.6%), among those centres that use temporary contracts, the degree of reliance across inbound and outbound centres in our study is fairly consistent (12.3% and 13.6% respectively).

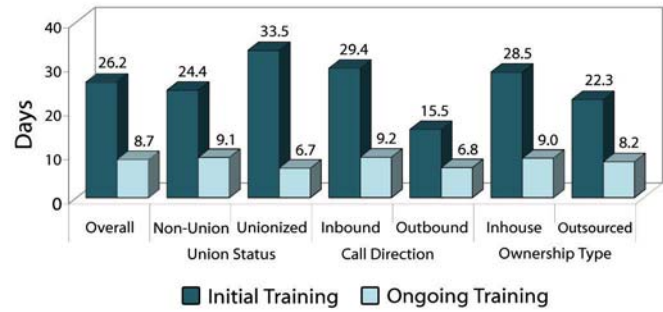
Reliance on these non-standard employment forms (e.g. part time or temporary) is more widespread in the firms participating in this Canadian study than in the U.S. study. Our field research suggests that differences in labour and employment regulations, specifically dismissal regulations, may account for these divergent findings. In comparison with the U.S., the presence of stronger dismissal regulations in Canada motivates employers to use part-time and temporary contracts to increase the flexibility of their workforce.

**Training:**

We examined several dimensions of training for the CSR workforce: (1) the number of days of initial training (Figure 29); (2) the number of days of on-going training each year (Figure 29); and, (3) the

number of weeks it takes the typical agent to become proficient at his or her work (Figure 30). We expected that ongoing training would be an important part of contact centre management because the products, technologies, and services that employees handle are often changing rapidly.

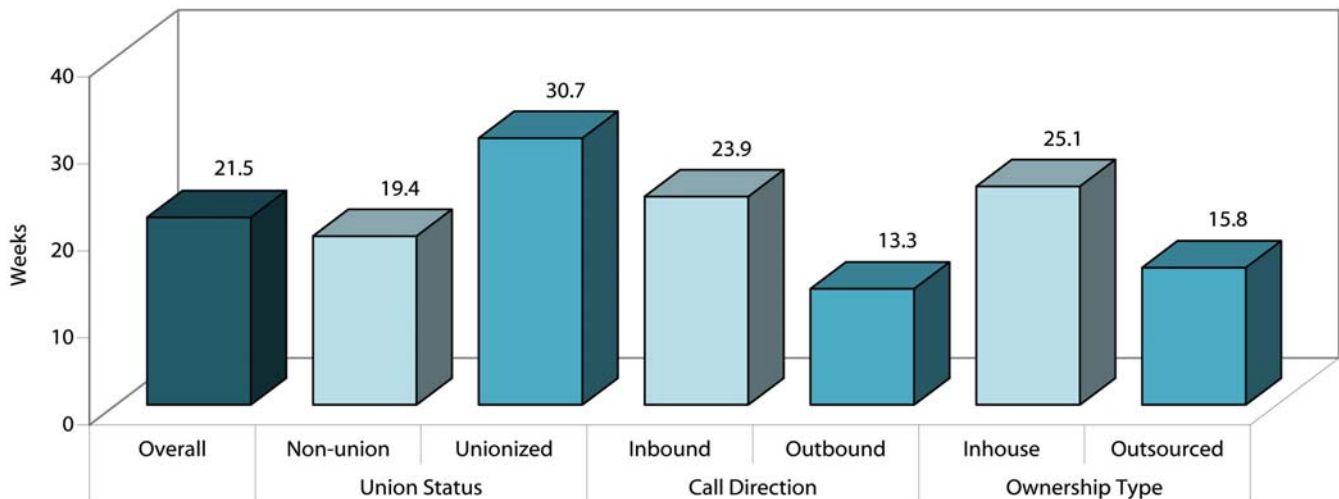
**Figure 29: Days of Initial and Ongoing Training by Category**



On average, customer service representatives in our sample receive 26.2 days of initial training and 8.7 days of on-going training annually. By way of comparison, the U.S. CSR workforce receives an average of 29.4 days of initial training and 14.0 days of ongoing training. The difference in the number of days of on-going training can be accounted for by differences in the sample of centres used in the Canadian and U.S. studies.

Analysis reveals that initial training differs significantly across all categories while ongoing training differs by union status and call direction.

**Figure 30: Weeks to Become Proficient by Category**



The issue of how long it takes for a customer service representative to be able to perform at an acceptable level is an important one because the longer it takes, the greater the cost of lost productivity associated with turnover. In our sample, managers reported that it takes newly hired agents an average of 21.5 weeks to become proficient on the job while the U.S. study found that new agents required an average of 20.0 weeks to reach competence.

In inhouse centres, agents need an average of 25.1 weeks to reach an acceptable level of proficiency, whereas in outsourced centres, agents become competent in significantly less time, 15.8 weeks. In unionized centres, newly hired agents need an average of 30.7 weeks to become proficient while their counterparts in non-union centres require significantly less time to become proficient (19.4 weeks). These differences are likely driven by unionized agents executing more complicated tasks as opposed to being less qualified when they are initially hired.

Agents receive several types of training including interaction training, interpersonal training, products and services training, and stress management training. Highlighting the dynamic nature of this work environment with increasingly short product life cycles and the frequency of new campaigns, the emphasis across all centres in our sample is on training associated with product and service updates. In our sample, 87.7 percent of the centres offer product update training, 69.6 percent offer training in effective customer interactions, and 60.4 percent offer interpersonal skills and team building training.

Workplace researchers find that stress is related to increasing levels of emotional burnout among the CSR workforce and contributes to absenteeism and turnover (Brotheridge & Grandey, 2002; Deery, Iverson & Walsh, 2002; Holman, Chissick, & Totterdell, 2002). Research has shown that the physical health of the workforce is also affected by contact centre work (Fenety, Putnam, & Loppie, 1999; Putnam & Loppie, 2000). Surprisingly, less than a third of contact centres in our sample offer stress management training.

### Compensation Strategies for the CSR Workforce:

Compensation is a powerful tool in both the recruitment and retention of the CSR workforce. To measure pay levels, we asked managers to report the annual pay of the “typical” or median customer service representative. Annual pay includes all pay for performance, such as individual commissions, group bonuses, and profit sharing, but excludes overtime pay. On average, the typical customer service representative earned \$31,468 (CAD) in 2006. Pay levels varied considerably by regional and organizational characteristics.

**Table 1: CSR Pay Levels by Region**

Region	Salary		Percent of Performance Pay	
	Average	Median	Individual	Group
West	\$32,966	\$33,000	8.8	1.2
Central	\$32,073	\$30,750	4.9	2.6
East	\$26,382	\$26,000	6.6	2.0
<b>Overall</b>	<b>\$31,468</b>	<b>\$30,000</b>	<b>6.7</b>	<b>1.9</b>

In our study, centres located in Eastern Canada pay the CSR workforce significantly less (\$26,382) than their counterparts in Western (\$32,966) and Central Canada (\$32,073) (Table 1, Column 1). However, the cost of living in Eastern Canada is also lower and needs to be taken into consideration when evaluating regional differences in salary levels.

On average, pay levels in inhouse, inbound, and unionized centres are significantly higher than in

**Table 2: CSR Pay Levels by Category**

Category	Salary		Percent of Performance Pay	
	Average	Median	Individual	Group
<b>Union Status</b>				
Non-union	\$29,331	\$28,000	8.0	2.2
Unionized	\$39,903	\$40,000	1.6	0.8
<b>Call Direction</b>				
Inbound	\$33,253	\$33,000	5.5	2.1
Outbound	\$24,975	\$23,000	10.9	1.6
<b>Ownership Type</b>				
Inhouse	\$34,194	\$35,000	5.8	2.3
Outsourced	\$26,865	\$25,000	8.3	1.3
<b>Overall</b>	<b>\$31,468</b>	<b>\$30,000</b>	<b>6.7</b>	<b>1.9</b>

outsourced, outbound, and non-union centres. In our study, pay levels in unionized centres are 36.0 percent higher than in non-union centres (Table 2, Column 1).

Variable pay is another instrument for compensating employees, while at the same time motivating higher levels of job performance. We asked respondents about two forms of variable pay: (1) “individual-based incentive pay” (e.g. commission), and (2) “group-based incentive pay” (e.g. profit sharing and gainsharing).

In our sample, 30.1 percent of the centres offer individual incentives to customer service representatives. Of the centres that use individual incentives, unionized centres offer the least (1.6%) while outbound centres (10.9%) offer the highest percentage of pay in this form (Table 2, Column 3). In centres that use this form of compensation, individual incentives amount to an average of 6.7 percent of annual pay for the CSR workforce (Table 2, Column 3).

Group-based incentive pay consists of gainsharing and profit sharing. In our study, 27.8 percent of the centres offer group incentives amounting to 1.9 percent of annual pay for the CSR workforce, a much lower percentage than individual-based incentive pay (Table 2, Column 4).

Considering regional differences, those centres located in Central Canada were twice as likely to compensate CSRs using group-based incentives than centres located in Eastern and Western Canada (Table 1, Column 4). Inhouse centres use group-based incentives to a greater extent, offering CSRs twice the percentage of pay in this form relative to outsourced centres. Unions typically oppose the introduction of these performance based pay schemes. Consistent with this general practice, unionized centres in this study offer the lowest percentage of pay in this form (0.8%) while non-union centres offer a higher percentage of pay in this form (2.2%) (Table 2, Column 4).

Individual and group-based incentive pay are more common offerings in U.S. centres. By comparison, in the U.S. study, individual commissions account for an average of 10.0 percent of pay, while total variable pay, including individual and group-based incentives and profit sharing, amounts to an average of 16.0 percent of pay.

### Compensation Strategies for Managers:

Turning to managerial pay, we asked respondents to report average pay levels for contact centre managers (excluding supervisors and team leaders). We found that they earned an average of \$59,017 in 2006 (Table 3, Column 1). Similar to the pattern we found at the CSR level, managers in Eastern Canada are paid significantly less (\$51,643) than their counterparts in Western (\$62,578) and Central Canada (\$58,806) (Table 3, Column 1).

**Table 3: Managerial Pay Levels by Region**

Region	Salary		Percent of Performance Pay	
	Average	Median	Individual	Group
West	\$62,578	\$60,000	12.0	2.9
Central	\$58,806	\$55,000	7.2	3.6
East	\$51,643	\$50,000	6.2	2.7
<b>Overall</b>	\$59,017	\$55,000	8.9	3.1

Pay levels also varied considerably by organizational characteristics. The average salary for managers ranged from a high of \$68,647 in unionized centres to a low of \$51,890 in outbound centres (Table 4, Column 1). Overall, managers employed in unionized and inhouse centres earn significantly more than their counterparts working in non-union and outsourced centres. Although managers are excluded from bargaining units, they still reap the benefits of union presence earning, on average, 21.0 percent more in annual pay than their counterparts in non-union settings.

**Table 4: Managerial Pay Levels by Category**

Category	Salary		Percent of Performance Pay	
	Average	Median	Individual	Group
<b>Union Status</b>				
Non-union	\$56,635	\$52,000	9.9	3.5
Unionized	\$68,647	\$70,000	5.1	1.6
<b>Call Direction</b>				
Inbound	\$60,944	\$60,000	8.7	3.2
Outbound	\$51,890	\$45,000	9.8	2.9
<b>Ownership Type</b>				
Inhouse	\$62,994	\$60,000	7.5	3.5
Outsourced	\$52,252	\$50,000	11.3	2.6
<b>Overall</b>	\$59,017	\$55,000	8.9	3.1

Managers also receive individual and group-based incentive pay. Consistent with the pattern at the agent level, we find that managers receive a higher percentage of their pay in individual incentives compared with group incentives: managers receive 8.9 percent of their pay in the form of individual incentives and 3.1 percent in the form of group incentives (Table 4, Columns 3 and 4). Once again, we found that the average percentage of individual and group-based incentive pay is significantly lower in unionized centres (Table 4, Columns 3 and 4). Managers in unionized centres are paid a higher salary, but they receive a smaller percentage of variable pay.

### Benefits:

We asked respondents about the type of benefits offered to customer service representatives because these jobs are described by some as low pay “ghettos” (Belt, 2002). Specifically, we asked managers about the type of benefits they provide, and about the percentage of pay customer service representatives receive in the form of benefits (Table 5).<sup>7</sup> On average, the compensation received by customer service representatives consists of six different types of benefits in addition to pay. In our study, 89.6 percent of centres offer dental benefits, and 77.9 percent offer supplemental health coverage (Table 5, Columns 2 and 6). Other common benefit offerings include paid sick days (75.7%), and vacation days (97.1%) (Table 5, Columns 3 and 4).

Across the categories of centres we examined, unionized centres offer more benefits than their non-union counterparts (Table 5). Considerable variation in paid sick days exists. More than twice as many

inbound centres offer this benefit compared with outbound centres (Table 5, Column 3).

**Table 6: Percentage of Centres Offering Benefits by Region**

Region	Day Care	Dental	Paid Sick Days	Paid Holidays or Vacation	Personal or Family Days	Supplemental Health Care
West	2.7	90.7	81.3	95.3	72.7	79.3
Central	8.6	86.5	72.4	97.5	72.4	74.8
East	3.2	95.2	71.0	100.0	67.7	82.3
<b>Overall</b>	5.3	89.6	75.7	97.1	71.7	77.9

With the exception of daycare, the type of benefits available to agents is fairly consistent by region. Centres in Central Canada are three times more likely to offer daycare benefits than centres in Eastern Canada, and more than twice as likely as centres in Western Canada (Table 6, Column 1). Policy differences at the provincial level in part explain these differences (Bushnik, 2006).

Although only 5.3 percent of centres offer daycare (Table 6, Column 1), some centres are recognizing the importance of this issue to their workforce and prospective job applicants. For example, in 2006, Nucomm International Inc., an outsourced centre in Oromocto, New Brunswick, announced plans to open a daycare centre as part of a recruitment and retention strategy (Galt, 2006).

We also find that centres are experimenting with alternative forms of benefits including contributing to a “dream fund” that employees can use to purchase an item of their choice, providing employees with a half day off for volunteering, and supplying on-site massage therapy.

**Table 5: Percentage of Centres Offering Benefits by Category**

Category	Day Care	Dental	Paid Sick Days	Paid Holidays or Vacation	Personal or Family Days	Supplemental Health Care
<b>Union Status</b>						
Non-union	5.0	88.1	71.2	96.4	68.2	75.2
Unionized	6.8	95.9	94.5	100.0	86.3	89.0
<b>Call Direction</b>						
Inbound	5.5	94.9	86.6	99.0	78.8	84.9
Outbound	4.8	71.1	37.3	90.4	47.0	53.0
<b>Ownership Type</b>						
Inhouse	4.8	93.5	87.4	97.8	77.1	83.1
Outsourced	6.3	83.3	56.9	95.8	63.2	69.4
<b>Overall</b>	5.3	89.6	75.7	97.1	71.7	77.9

<sup>7</sup> Respondents were asked to exclude items not at the employers’ discretion, such as federal and provincial taxes, employment insurance, workers’ compensation, and Canada Pension Plan.

## IV. CONTACT CENTRE OUTCOMES

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We find evidence of considerable variation in the organization of work and in contact centre outcomes (e.g. turnover and absenteeism) across the contact centres participating in our study. Work organization is a controversial dimension of employment conditions on contact centres.

On the one hand, technologies used in contact centres allow for high levels of standardization and scripting of texts, which can raise call handling efficiencies. On the other hand, employees frequently complain of boredom or stress from high levels of routinization and repetition. Prior research on contact centre work demonstrates that low job discretion and high levels of performance monitoring are associated with higher levels of anxiety, depression, emotional exhaustion, and lower levels of job satisfaction. We examine three aspects of work organization in this study: performance monitoring, job discretion, and team work.

In this section, we examine some patterns in work organization and the corresponding employee outcomes (e.g. tenure, absenteeism and turnover) associated with these practices. Specifically, we evaluate those aspects

of the organization of work (e.g. electronic monitoring, job discretion, and the use of teams) that research has shown to affect workforce stability.

Workforce stability is an ongoing challenge for contact centre managers, who are often perpetually searching for additional workers. The research shows that high turnover rates lead to increased recruitment, screening, and training expenditure. When these costs are multiplied by high numbers of employees who leave each month, then the costs of turnover are indeed a major problem in contact centres. The costs of turnover also take a toll on managers, who spend the majority of their time dealing with the churn of the workforce, rather than on creating proactive strategies to improve service quality and productivity.

The costs of turnover also need to be put in the context of overall operational costs. Labour already constitutes a high proportion of costs in service activities, such that reducing turnover costs can have a meaningful impact on the bottom line. In this section, we also examine the relationship between human resource practices and workforce stability to offer insights about how to reduce levels of turnover and absenteeism.

# Conditions of Employment

Employee performance in contact centres is assessed using the following two methods: (1) the formal performance appraisal process and (2) electronic monitoring to assess call quality and compliance with call metrics.

Performance monitoring is widespread in contact centres. Supervisors can listen in on employees' calls and provide performance feedback on a daily, weekly, monthly, or quarterly basis. Performance monitoring provides a mechanism for quality control and employee skill development. However, frequent performance monitoring and feedback can signal to employees that management does not trust them to do their job well. Employees often complain that the lack of privacy and constant exposure to management observation increases stress at work.

## Performance Appraisal:

An overwhelming majority of the centres in our study, 95.6 percent, have a formal performance appraisal process in place. Managers reported that 94.7 percent of the workforce receives a formal performance appraisal on a regular basis.

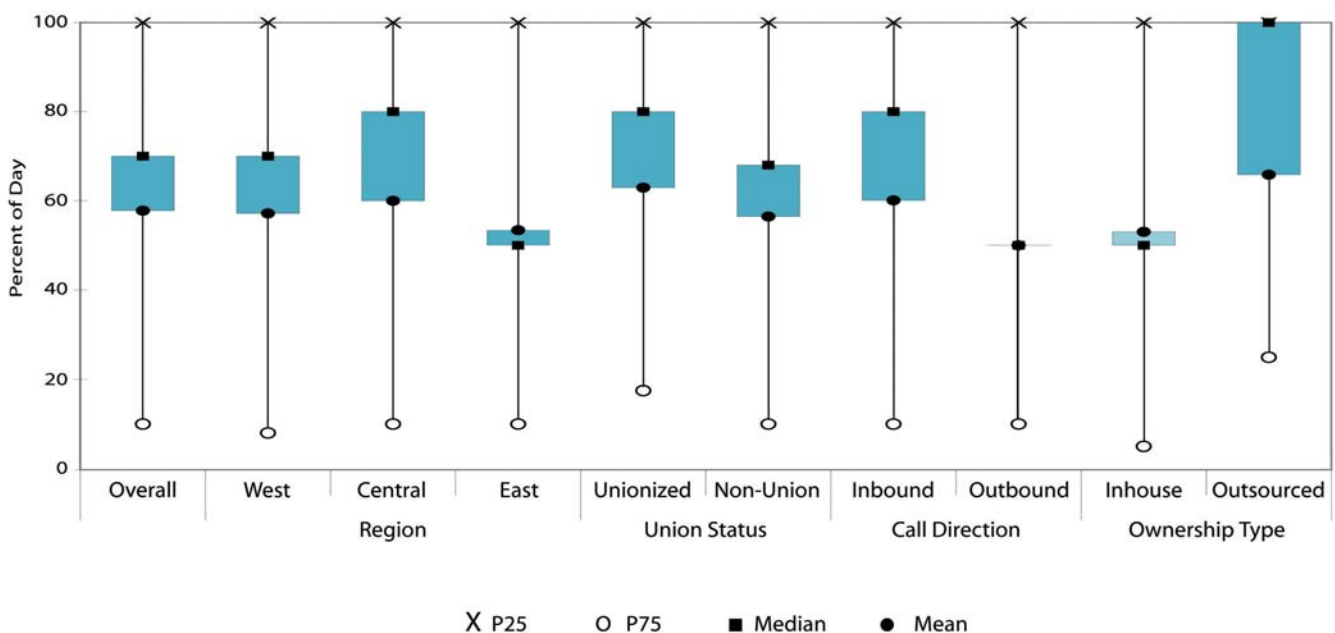
## Electronic Monitoring:

Electronic monitoring of employees at work is a common feature in contact centres. We asked managers about how much of an agent's workday is monitored electronically. Among the 83.0 percent of centres in our sample that use electronic monitoring, managers reported that 69.4 percent of an agent's workday, on average, is monitored.

Figure 31 displays the variability that exists in electronic monitoring within each category. For example, the variability in electronic monitoring in Central Canada exceeds variability in centres in Eastern Canada. In addition, Figure 31 indicates that in at least 25.0 percent of the centres in our sample, an employee's daily activities are continuously electronically monitored.

An indicator of the intensity of the monitoring present in the workplace is how frequently performance data is shared with employees. In this study, we examined the number of calls taken per day, call length, and number of sales. In 46.3 percent of centres, calls are listened to at least twice a week, if not daily. There is variation in how often performance information is shared with the CSR

Figure 31: Percentage of Day Electronically Monitored by Category



workforce. Supervisors deliver performance feedback either daily or on a continuous basis in 37.4 percent of centres, and 51.2 percent of centres share this information with the CSR workforce once a week or a few times a month.

How the performance information is used, whether for developmental or disciplinary purposes, influences how agents view electronic monitoring. Outsourced centres are significantly more likely to use performance information for disciplinary purposes compared with inhouse centres. A significant difference is also found between non-union and union centres with 74.5 percent of non-union centres using performance information for discipline purposes compared with 54.5 percent of unionized centres.

**Discretion:**

One indicator of discretion at work is the extent to which agents are required to use scripted texts when serving a customer. The decision to use scripts in contact centre operations is based on several considerations, including how easy it is to standardize a certain type of call and the ability to rely on other forms of performance management. In our survey, 26.6 percent of contact centres make substantial use of scripted texts (Figure 32).

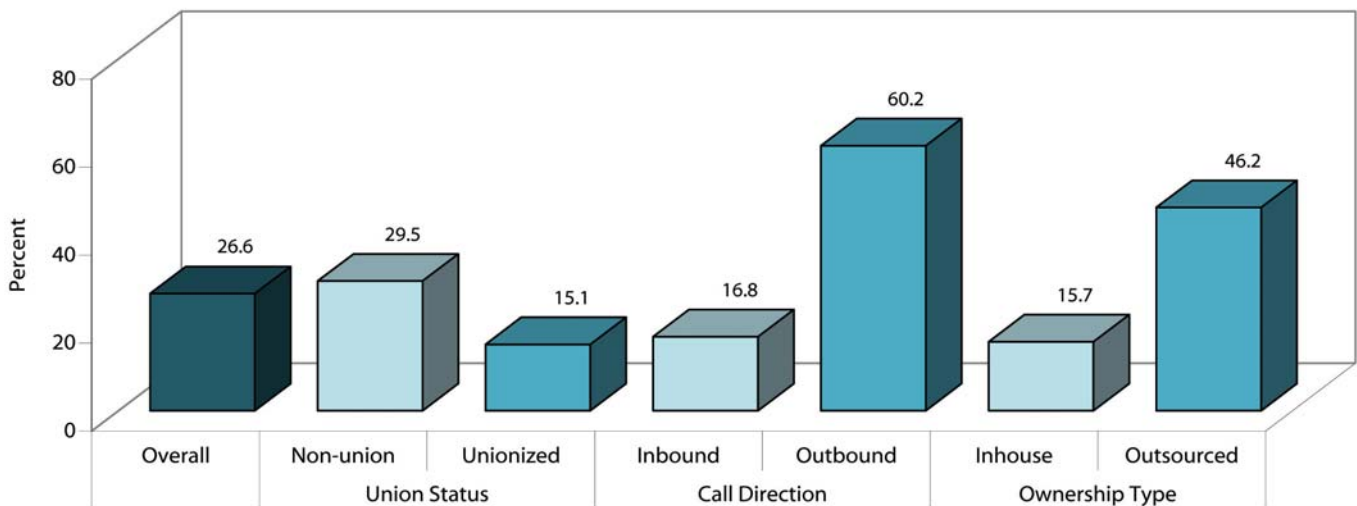
Relatively low levels of reliance on scripts does not necessarily translate into high levels of employee discretion. We asked managers about two other

indicators of discretion: task discretion and interaction discretion. “Task discretion” refers to the level of discretion that customer service representatives have over work methods and the pace of their work. “Interaction discretion” refers to the extent of discretion customer service representatives have over their daily interactions with customers.



Managers rated employee interaction and task discretion on a scale of 1 to 5, where 1 is very low and 5 is very high. We found that customer service representatives generally have very low levels of task discretion at work. For example, on average:

- 🇨🇦 12.0 percent of managers reported that customer service representatives have a lot or a great deal of discretion over the daily tasks they do;
- 🇨🇦 14.1 percent of managers reported that customer service representatives have a lot or a great deal of discretion over the tools they use;
- 🇨🇦 15.5 percent of managers reported that customer service representatives have a lot or a great deal of discretion over when they can take their lunch breaks; and
- 🇨🇦 23.1 percent of managers reported that customer service representatives have a lot or a great deal of discretion over their pace of work.

**Figure 32: Script Usage by Category**



These results are evidence of an overall high level of standardization in contact centres. Although task discretion is fairly low, agents have a considerably higher degree of interaction discretion. In our study, on average:

-  43.5 percent of managers stated that customer service representatives have a lot or a great deal of discretion in handling unexpected requests from customers; and
-  49.5 percent of managers reported that customer service representatives have a lot or a great deal of discretion in settling customer complaints.

Detailed analysis revealed that interaction discretion is significantly higher in inhouse centres than in outsourced centres.

**Teams:**

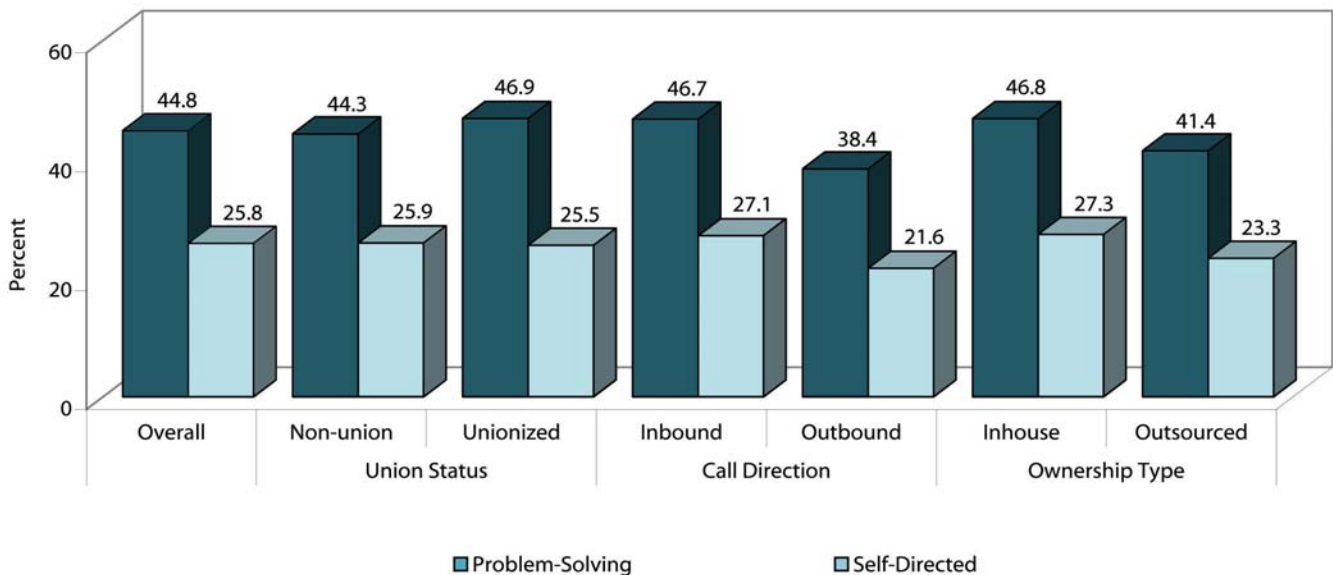
Employee participation in management decisions and problem-solving groups has long been viewed as important for improving employee morale and performance. Offline problem-solving teams – such as quality improvement teams that meet on a regular basis – are widespread in the U.S. We asked managers about their reliance on problem-solving teams and self-directed teams. “Problem-solving teams” refer to

work groups that include both agents and supervisors, and participate in problem-solving activities. “Self-directed teams” feature employees supervising their own work and making their own decisions about tasks or work methods.

The meetings associated with problem-solving teams provide employees with the opportunity to solve specific problems as well as to discuss and learn about on-going changes in products, technologies, procedures, regulations, and the customers they serve. These meetings also provide employees with some relief from continuous phone work. Workplace research suggests that the use of teams in contact centres is associated with lower quit rates and higher sales growth (Batt, 1999). In our survey, 27.3 percent of the managers participating reported that their centre made use of problem-solving teams. In those centres where problem-solving teams are present, 44.8 percent of agents participate in them (Figure 33).

Self-directed teams assume the responsibility for solving problems as they arise in the course of daily work. Substantial research has shown that self-directed teams allow employees to share knowledge and achieve higher levels of performance. For example, in a matched pairs study of self-directed and traditionally-supervised groups of workers in contact centres, self-directed groups had monthly sales 9.0 percent higher

**Figure 33: Percentage of Employees in Teams by Category**



than traditionally supervised groups (Batt, 1999). Self-directed teams also learned how to use new technology faster, resulting in 17.0 percent higher sales (Batt, 1999).

The use of self-directed teams in Canadian contact centres is more widespread than the adoption of problem-solving groups, with almost half the centres, 44.6 percent, reporting the use of self-directed teams. In these centres, employers reported that on average 25.8 percent of the CSR workforce participates in them. Canadian contact centre managers are using self-directed teams to a greater extent than in the U.S. where only 30.0 percent of the managers surveyed reported making any use of self-directed work teams, and the penetration rate for participation in these teams was even lower at 17.0 percent.

### **Home Based Customer Service Representatives:**

Home based agents represent another innovative approach we found in contact centres for organizing work, and is attractive to employers for several reasons. First, home based agents appear to be more stable (reducing turnover and absenteeism). Second, home based agents often have higher levels of education. Companies using home based agents report that they recruit from a better educated and more experienced applicant pool. Third, the use of home based agents drastically reduces the need for and cost of physical facilities. In our sample, 7.5 percent of centres report employing home based customer service representatives. Of centres reporting use of these arrangements, on average, 12.2 percent of their workforce is home based.

# Employee Outcomes

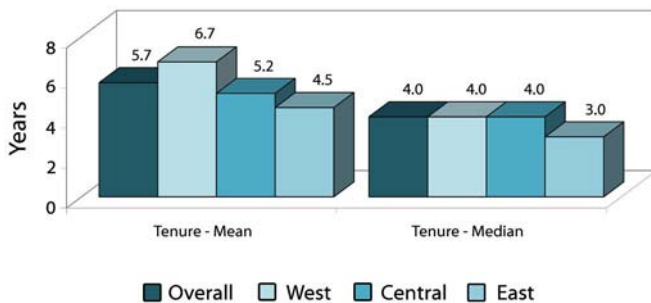
In this study, we examine several indicators of employee stability including tenure, absenteeism, and turnover (dismissal, quit rates, and promotions). Instability in the contact centre workforce is costly to organizations and therefore, we also evaluate the effects of human resource practices on stability.

## Tenure:

We asked managers about the average tenure of the CSR workforce, and the percentage of the CSR workforce with less than one year of tenure and at least five years of tenure. Together, these three dimensions are taken as indicators of employee stability.

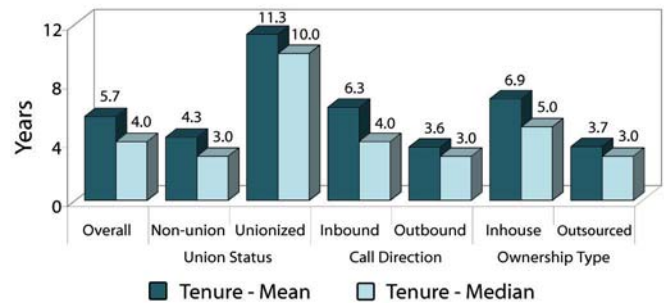
Across all centres participating in our study, agents have an average tenure of 5.7 years. We find that CSR agents working in centres in Western Canada have, on average, significantly longer tenure (6.7 years) compared with their counterparts in Central (5.2 years) and Eastern Canada (4.5 years) (Figure 34).

**Figure 34: Average Tenure of the CSR Workforce by Region**



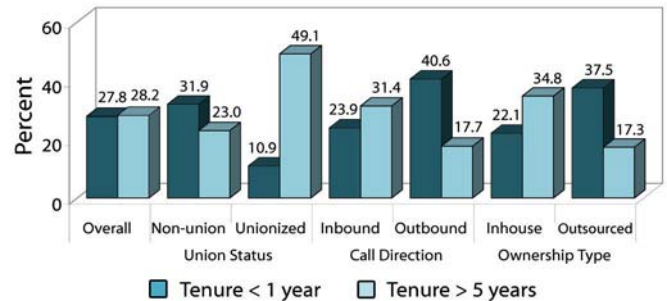
However, this difference may be driven in part by the greater proportion of unionized centres in our sample from Western Canada. Agents employed in unionized centres have the longest tenure (11.3 years), while agents working in outbound centres have the shortest tenure (3.6 years) (Figure 35). More detailed analysis shows that tenure is significantly higher in both inhouse and inbound centres.

**Figure 35: Average Tenure of the CSR Workforce by Category**



One measure of employee churn is the percentage of agents with less than one year of tenure. Across all centres participating in this study, an average of 27.8 percent of agents have less than one year of tenure (Figure 36).

**Figure 36: Percentage of Centres with Less than 1 Year of Tenure and 5 Years or More by Category**



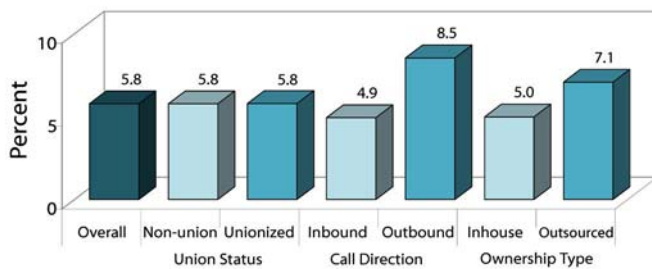
Both outsourced (37.5%) and outbound centres (40.6%) employ the highest percentage of agents with less than one year of tenure (Figure 36), and this finding indicates a higher level of churn in the CSR workforce. Unionized centres have a more stable workforce with only 10.9 percent of agents with less than one year of tenure. Outsourced centres employ a significantly higher proportion of agents with less than one year of tenure compared with inhouse centres. Further, outbound centres employ a higher proportion of agents with less than one year of tenure than inbound centres, and non-union centres also employ a higher proportion of less experienced agents than unionized centres.

Another indicator of workforce stability is the percentage of agents with at least five years of tenure (Figure 36). Across all centres in our study, 28.2 percent of the customer service workforce has at least five years of tenure. Unionized centres employ more than twice the proportion of agents with at least five years of tenure than non-union centres. Significant differences also exist between centres based on ownership type and call direction.

**Absenteeism:**

Absenteeism and quit rates are two indicators of employee withdrawal from work (Deery, Iverson, & Walsh, 2002). To quantify levels of absenteeism across Canadian centres, we asked managers about the percentage of customer service representatives who are absent on a typical workday. As well, we asked about the average number of sick days annually taken by a typical customer service representative.

**Figure 37: Annual Rates of Absenteeism by Category**

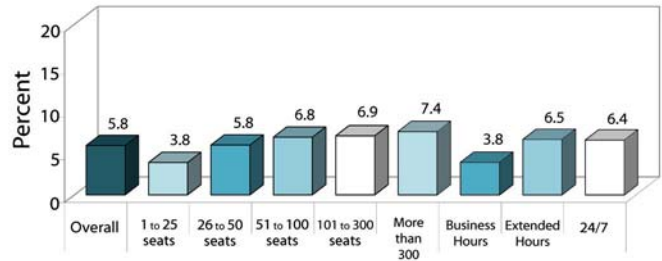


Managers reported that 5.8 percent of agents are absent on a typical day (Figure 37). Outsourced centres report significantly higher absenteeism rates than their inhouse counterparts: 7.1 percent compared to 5.0 percent. Absenteeism rates are also significantly higher in outbound centres (8.5%) compared with inbound centres (4.9%).

The average number of sick days taken by an agent annually is 6.5 days. Agents employed in unionized centres (7.2 days) take significantly more sick days than their counterparts in non-union centres (6.1 days). Unionized centres are more likely than non-union centres to have collective agreements that provide agents with paid sick days and this may explain the difference. Across all industries, Canadian employers lost an average of

9.7 days per full-time employee due to “illness or disability and other personal and family demands.” In this study, the absenteeism levels in contact centres appear to be below the average for all industries (Statistics Canada, 2006b).

**Figure 38: Annual Rates of Absenteeism by Size and Operating Hours**



We also examine the relationship between absenteeism and a centre’s operating schedule (Figure 38). Agents employed in centres that operate on an extended schedule (more than twelve hours per day) or twenty-four hours a day have absenteeism rates that are roughly twice as high as at centres operating within business hours (less than twelve hours per day). Considering the relationship between absenteeism and size, we find that absenteeism is significantly higher in centres with at least 51 seats compared to centres with twenty-five seats or less.

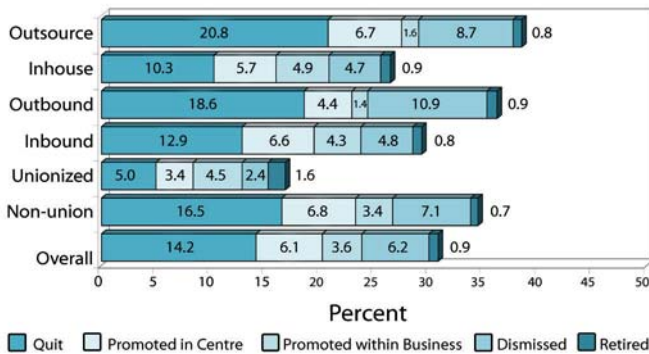
**Turnover:**

In our interviews with managers, turnover, specifically quits and dismissals, emerged as a leading concern for managers of non-union centres. We asked managers to report the percentage of employees in the last year who fit into the following turnover categories: quits, dismissals, lay-offs, retirements, and promotions (both within the centre and outside of the contact centre but within the business). In our study, centres experience total annual turnover of 29.9 percent. The average annual quit rate we find in Canadian centres is identical to the 14.2 percent average annual quit rate found in the U.S. study. However, average dismissal rates in Canada (6.2%) are considerably lower than those found by the U.S. study (9.2%).

Outsourced centres experience quit rates that are roughly twice that of their inhouse counterparts – 20.8 percent compared to 10.3 percent. Quit rates are significantly higher in non-union centres (16.5%) compared with unionized centres (5.0%). Further analysis also reveals significant differences in quit rates based on ownership status and call direction.

Consistent with our findings regarding quit rates, significant differences in dismissal rates also exist across the three categories of contact centres we analyze. Outbound centres dismiss on average 10.9 percent of their workforce annually, while inbound centres dismiss only 4.8 percent as shown in Figure 39. The dismissal rate in non-union centres (7.1%) is roughly three times the rate in unionized centres (2.4%).<sup>8</sup>

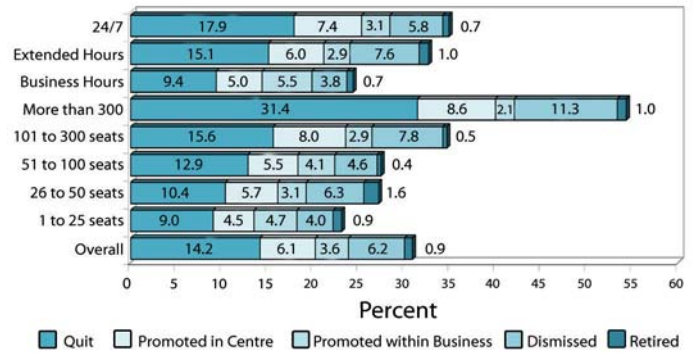
Figure 39: Types of Turnover by Category



We also examine turnover by schedule and found that quit rates in centres operating twenty-four hours per day, seven days a week are twice as high (17.9%) as in centres operating on a business hours schedule (9.4%) (Figure 40). Interestingly, dismissal rates are twice as high comparing centres operating during business hours and extended hours, but centres operating around the clock have lower dismissal rates than centres operating on an extended schedule.

Finally, we examined the relationship between turnover and centre size, finding that both quit and dismissal rates increased as centre size increased. Quit rates in the largest centres (more than 300 seats) are roughly three times higher (31.4%) than quit rates in the smallest centres (1-25 seats) (9.0%) (Figure 40).

Figure 40: Types of Turnover by Size and Operating Schedule



Another aspect of turnover, promotion, creates vacancies within the organization and a loss of human capital for the contact centre when the employee is transferred to another part of the organization. We asked managers to report the percentage of employees in the contact centre who are promoted within the business (outside of the contact centre) or within the contact centre itself. On average, just over 6.1 percent of the CSR workforce is promoted annually within a centre to provide a ready supply of supervisor candidates.




### How Management Practices Reduce Turnover and Absenteeism:

Turnover and absenteeism in contact centres increase the costs of recruitment, screening, and training, and, at the same time, reduce organizational performance. Managers in this study estimated that it took roughly 21.5 weeks for newly hired employees to become proficient on the job. With total annual turnover estimated at 29.9 percent, some contact centres find that they lose employees almost as quickly as employees become proficient in their work.

While we find that work in some centres is highly standardized, this portrait is not universally true. This study offers a more complex and differentiated view of contact centre operations. Differences include alternative approaches to the design of work and the quality of jobs (e.g. level of discretion, monitoring, and use of teamwork), adoption of human resource practices (e.g. systematic selection tests, performance appraisals, and training), and union presence. These differences in turn affect both turnover and absenteeism.

<sup>8</sup> According to a Statistics Canada study of the Business Support Services category, which includes contact centres, 85.0 percent of workers employed in contact centres leave their jobs after five years or less compared with 55.0 percent for service industries (Statistics Canada, 2005). One problem with this estimate is that the data was collected from the Business Support Services category which may not be refined enough to capture inhouse contact centres (Statistics Canada, 2005).

A systematic approach for reducing turnover and absenteeism is to adopt a series of coherent work and human resource practices, that taken together, create a high involvement work system that improves job quality as well as service quality. To estimate how much contact centres invested in the skills and abilities of the workforce, we measured investment in the following areas:

-  *Skills and Training:* the education level of the workforce and weeks of initial training provided.
-  *Work Design:* the amount of discretion provided to employees and the percent of the workforce in both problem-solving and self-directed work teams.
-  *Incentives:* the pay level and the percentage of employees in full-time permanent jobs.

We created an additive index and classified centres into four quartiles based on the levels of investment in these three areas. This analysis facilitates the

comparison of centres in the lowest quartile, representing centres adopting a “production line” approach, with those in the highest quartile, representing centres with a “high involvement” approach.

Based on this analysis, we found that contact centres with high involvement employment systems have significantly lower turnover especially in the areas of dismissal and quit rates, and lower levels of absenteeism compared with centres that adopt a more standardized, production line approach. Total annual turnover ranged from 38.4 percent in the production line centres to 29.7 percent in the high involvement centres.

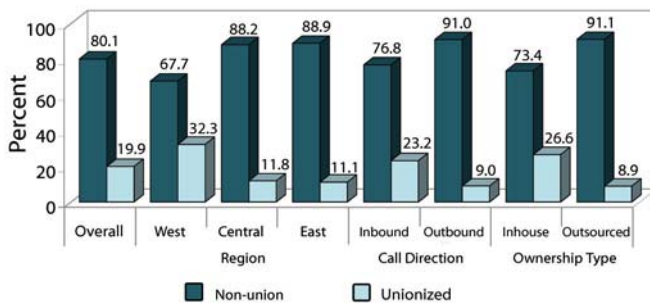
Annual quit rates averaged 18.0 percent in production line centres versus 9.0 percent in high involvement centres. Annual dismissal rates also followed this pattern: dismissal rates in production line centres are 61.0 percent higher than in high involvement centres. The comparable figures for daily absenteeism were 7.0 percent and 5.0 percent respectively.

## V. INSTITUTIONAL CONTEXT

### Employee Representation:

The majority of centres participating in our study are non-union (80.1%) (Figure 41).<sup>9</sup> Variation in unionization occurs on a regional basis: a significantly greater proportion of centres located in Western Canada are unionized compared to centres in Eastern and Central Canada.

**Figure 41: Percentage of Unionized Centres by Region and Category**



Unionization also varies by organizational characteristics. The percentage of inhouse centres that are unionized (26.6%) is higher than the percentage of outsourced centres that are unionized (8.9%). Unions in Canada represent the CSR workforce in both the private and public sector. Consistent with the higher union density generally found in the Canadian public sector, unionized contact centres are concentrated in the public sector. This explains part of the difference in unionization rates between inhouse and outsourced centres (Statistics Canada, 2005).

In unionized centres, we asked managers about the nature of the union-management relationship. Overwhelmingly, managers reported that they enjoyed a good or very good relationship with their union. Only three respondents reported having a negative relationship with the union representing the CSR workforce, and only two of them actually have a union.

Meanwhile, non-union centres are being viewed as organizing prospects by unions recognizing the growth in the CSR workforce in Canada. In some cases,

agents are also approaching unions seeking representation, motivated by the desire for fair treatment and higher wages. Some managers actively try to discourage these organizing drives. In some cases, reactions by management to organizing drives have led to unfair labour practice charges and in the case of British Columbia, even altered the provincial Labour Relations Code (BCLRB, 2003).

Despite efforts to organize non-union centres, unions in Canada are encountering more difficulties organizing new bargaining units in outsourced contact centres compared to inhouse centres. For example, in Manitoba, efforts by the United Food and Commercial Workers (UFCW) to organize Marusa Marketing, an outbound telemarketing company, coincided with the company moving its operations (Guard, 2003). Although the UFCW filed an unfair labour practice charge against Marusa Marketing, the highly fluid nature of contact centre work means that calls can be transferred easily from one geographic location to another thus limiting the reach of this remedy. Labour regulations based on a traditional business model encounter challenges when trying to regulate these workplaces.

One recent successful union organizing effort occurred in British Columbia and involved customer service representatives employed by NCO (formerly RMH Teleservices Inc.), an outsourced centre located in Surrey, B.C. Low wages and disciplinary procedures were the primary factors motivating workers to seek union representation (Interview with BCGEU Organizer, February 27, 2007). Similar to the experience of other unions trying to organize outsourced centres, organizing contact centres has proven difficult for the British Columbia Government Employees Union (BCGEU). The success at NCO took three years to achieve. At the same time, its efforts to organize another outsourced contact centre in B.C. were unsuccessful. The short term nature of these jobs, the high levels of employee turnover, and difficulties gaining access to the workforce may limit the effectiveness of traditional union organizing strategies.

<sup>9</sup> This sample is comparable with the HRDC study that found that 20 percent of centres were unionized and 80 percent were non-union (HRDC, 2002: 105).

In the U.S. study, only 9.0 percent of establishments are unionized. The unionized centres in the U.S. study are found primarily in the formerly regulated telecommunications industry, where unions retained employee support and institutional influence following the break up of AT&T. This figure of 9.0 percent likely overstates the rate of unionization among U.S. based call centres as the U.S. study oversampled telecommunications centres. As an indication of this, there is no union representation among outsourced centres in the U.S. study.

Unions are encountering difficulties in organizing across the other countries participating in the Global Call Center Project, especially in the outsourced context. Because the work is so flexible, it can be moved easily from one location to another. Moreover, it is difficult to meet the threshold of requirements for certification because of high employee turnover. Even if customer service representatives are employed in these jobs on a full-time basis, they tend to view work in contact centres as a short-term employment opportunity as opposed to a long-term career.

Union representation is expected to affect both employment practices and employee outcomes. Table 7 displays the association between union representation and employee outcomes. In comparison with non-union centres, unionized centres pay significantly higher wages and employ a more stable workforce. At the same time, unionized centres have significantly lower quit and dismissal rates, and offer a significantly lower proportion of pay in the form of individual based incentive pay than their non-union counterparts.

**Table 7: Union Effect on Working Conditions**

Employee Outcomes	Unionized	Non-Union
Annual Salary	\$39,903	\$29,331
Individual Incentive Pay (%)	1.6	8.0
Annual Quit Rate (%)	5.0	16.5
Annual Dismissal Rate (%)	2.4	7.1
Absenteeism (%)	5.8	5.8
Average Tenure (Years)	11.3	4.3

### Factors Influencing Location Decisions:

Contact centres contribute to the economies of the cities or towns where they are located. Provincial and municipal governments often offer incentives to attract contact centre work. We asked managers to identify the most significant benefit of operating in their local geographic area. Given the cost pressures outsourced centres face, we expected to find that a significant difference would emerge from a comparison of inhouse and outsourced centres. Unexpectedly, we found that the majority of managers in both inhouse and outsourced centres identified the presence of a skilled workforce as the primary benefit for operating in their current location. While this is the most important factor for both inhouse and outsourced centres, low wages ranked as the second most important factor for outsourced centres.

### Economic Development Strategies:

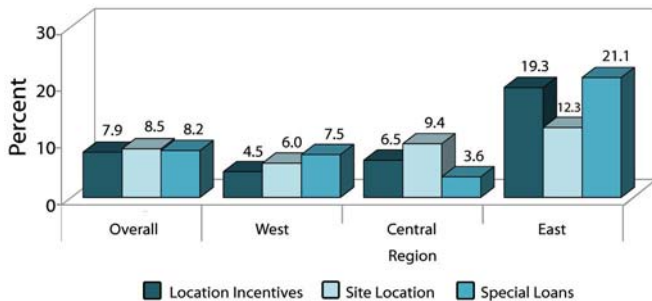
We found some differences in provincial strategies used to attract contact centre business. The exemplar case in Canada is New Brunswick where Premier Frank McKenna developed a much publicized and successful campaign to attract contact centre business (Buchanan & Koch-Schulte, 2000). Key aspects of this campaign included the early shift by Aliant (the provincial telephone company) to an advanced technology infrastructure and an investment in computer literacy among high school students throughout the educational system, which helped develop a technologically skilled workforce. By 2004, contact centres employed 4.6 percent of New Brunswick's labour force (UNCTAD, 2004).

Several provinces followed New Brunswick's lead and devoted resources to attracting and retaining contact centres. A significantly higher proportion of centres in Eastern Canada used the forms of public support we asked about: site location assistance (12.3%), and special loans and grants (21.1%) compared with centres located in Western and Central Canada (Figure 42).

We asked respondents about the use of publicly available job recruitment and placement services. More than 60.0 percent of centres in our sample located in Central and Eastern Canada use publicly available recruitment and placement services compared with those located in Western Canada. There is much less variation by region in the use of training resources or

programs funded by Human Resources and Social Development Canada (Figure 43). The federal government funds these programs across Canada, and as a result, they are less vulnerable to shifts in political power at the provincial level.

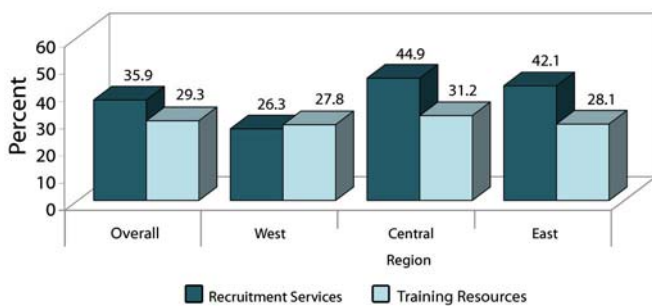
**Figure 42: Use of Location Incentives, Site Location Assistance and Special Loans by Region**



**Employer Networks:**

We asked managers about their participation in local networking groups, Contact Centre Canada (the federal sector council), employer and trade associations (Provincial Associations, Canadian Direct Marketing Association), and cross-industry associations. We found that 76.0 percent of contact centre managers participate in at least one such networking organization. Memberships in these organizations help them share knowledge about work practices and technology.

**Figure 43: Use of Public Recruitment Services and Training Resources by Region**

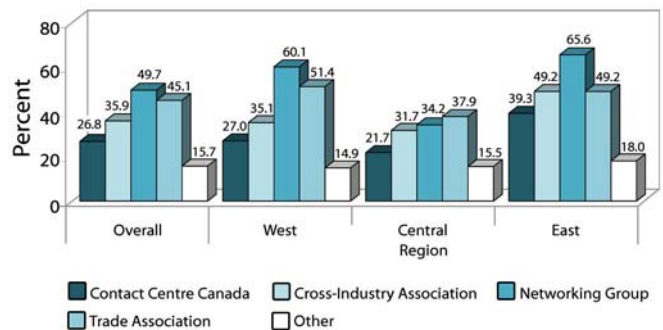


Several provinces have provincial contact centre associations – British Columbia, Alberta, Manitoba, Saskatchewan, Québec, and New Brunswick. Rather than a provincial contact centre association, Nova Scotia has an informal group of human

resources managers who meet on a regular basis. The province of Ontario also does not have a provincial contact centre association, although various forms of associations that represent the interests of contact centre managers exist in Ontario including: Contact Professionals Alliance, International Customer Service Association, and the Canadian Call Management Association. Almost fifty percent of survey respondents reported that they participate in a local contact centre networking group and 45.1 percent reported that they participate in a trade association such as the Canada Direct Marketing Association.

In 2002, the HRDC report on contact centres recommended the formation of a federal sector council, now known as Contact Centre Canada (HRDC, 2002). Although it is a fairly new sector council, 26.8 percent of managers in our survey reported that they participate in Contact Centre Canada. A significantly higher share of managers in Eastern Canada (39.3%) have joined Contact Centre Canada compared with managers located in Western (27.0%) and Central Canada (21.7%) (Figure 44).

**Figure 44: Percentage of Managers Participating in Networking Organizations by Region**



In summary, we find that contact centres across industry settings draw on various institutional relationships and resources. The broad use of these forms of external support indicate that contact centre managers are actively engaged in their communities, seeking jointly to develop a skilled local workforce and are sharing best practices across establishments. These joint efforts will be valuable as this emerging industry continues to develop.

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