

# EXECUTIVE SUMMARY

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## ***The Call To Action***

The integration of the customer contact centre into day-to-day organizational operations represents one of the most promising trends in the 21st century economy. The impact is such that contact centres are expected to affect almost all aspects of society from the private sector to public sector in all parts of the world. This transition of the customer contact centre sector represents one of the most exciting phenomena in the Canadian business landscape.

The use of the Internet, and of Internet-based technologies, is shaping how business is conducted everywhere. The new business environment requires organizations to rethink their approach to dealing with their customers. To do this, they must first develop a deeper understanding of all points of customer interaction, whether the contact is inbound from the customer, or outbound from the organization, via the telephone, mail, the web, email, or a combination of these.

Whatever the nature or point of contact, customers want a seamless interaction throughout their experience with the company. Organizations that succeed in doing this reap enormous benefits—as does everyone who conducts business with them. Customers receive more personalized experience, while the company itself can now provide a consistent message across all customer interactions. This in turn enables the company to proactively turn every interaction into an opportunity to build brand loyalty. Brand loyalty allows an organization to acquire and retain customers, and to build competitive advantage at a time of increased economic uncertainty, brought on by additional global pressures.

Customers want to contact companies at their convenience, using the most convenient means. Good service is now a survival issue, and the battle is being fought over the perceived value that customers receive from their relationship with their suppliers. Multimedia, multi-channel customer contact centres are at the heart of this changing relationship and represent one of the most important means for companies looking to meet this new challenge.

## ***Canadian Customer Contact Centre Sector Background***

Relative to other sectors, there has been little research conducted on the customer contact centre sector in Canada, – its size and demographics, key issues and trends - and even less on the human resource challenges facing it. Notwithstanding the informational limitations, what is known is that the last few years have witnessed an explosion in the growth of contact centres, globally, not only in numbers, but also in size, functionality, value to the organization and to the Canadian economy as a whole. It is estimated that there are in excess of 14,000 contact centres<sup>1</sup> in Canada, offering direct employment to over half a million full and part-time staff (or 3.4% of the total employed Canadian population), and contributing between Cdn.\$36 - 38 billion to our nation's Gross Domestic Product (GDP). By way of comparison, Canada's construction sector contributed Cdn\$ 48 billion (5.1%), while Canada's largest industry sector, Manufacturing, contributed Cdn \$169 Billion, or 18% in 2000.<sup>2</sup>

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<sup>1</sup> <http://www.hrhc-drhc.gc.ca/hrib/hrp-prh/ssd-des/english/industryprofiles/callcent/overview.shtml#400>

<sup>2</sup> Statistics Canada, 2001.

Industry experts interviewed for this study predict that the rate of growth in both the number of contact centres and agent positions will continue, over the next three years, at an annual compounded growth rate of close to 20%.

Canadian customer contact centres (CCCs) are gaining recognition for what they are: a sector that is heterogeneous, evolving, vibrant and in transition. They are undergoing a transformation from being considered purely cost centre environments that are primarily involved in either outbound telemarketing or inbound information dissemination, to that of being multi points transaction, profit centres. And when the metamorphosis is complete, a significant proportion of this sector will be recognized as being Customer Relationship Management/Integrated Multi-channel (CRM/IMC) environments that will enhance the Canadian economy and positively impact the global business community.

Some organizations with contact centre environments have embraced this new wave more rapidly than others and have grown and changed as the market has evolved. Although not all contact centres require the same amount or speed of change (even with the evolution described earlier), all will have to change, perhaps at varying speeds and degrees. These changes are driven by:

- (a) Customers' increasing requirement for multiple access points (or channels) to communicate with the organization;
- (b) A recognition and acceptance that organizations do not lose the customer when outsourced environments service the customer;
- (c) The need to offer differentiated/tiered service levels to customers based on new segmentation models and needs, and the impact this structure has on staffing/hiring needs and training; and
- (d) The increased reliance on technology.

While Canada is respected as a country with a strong and vibrant contact centre environment, most of this recognition, from both outside and within the country, has come from the perspective of its low cost, multilingual capabilities and strong service ethic. Canada's contact centre sector now has an opportunity to be known and respected for excellence in both quantitative and qualitative performance, and not just efficiencies. But to achieve that, it must distance itself from its major competition - its neighbours to the south. Canadian based CCCs must maintain their cost competitiveness, but to achieve more qualitative excellence, the CCC sector must also bring more consistency in its approach to hiring, training, coaching, and performance measurement to facilitate cross hiring, benchmarking and marketing.

Canadian CCCs have three strengths relative to their competition in general, and the United States (U.S.) in particular:

## **1. Workforce quality and availability**

- a) Education levels: The educational level of the labour force has historically been a key variable when considering site locations. When comparing average education levels attained in key Canadian municipalities with those in major contact centre cities in North America and globally, Canadians are among the highest. In addition, the level of education is just as high in Canada's second tier municipalities.
- b) Employee turnover: Employee turnover for Canadian contact centre environments is significantly lower than that found in the U.S. Depending on the study, turnover rates in Canadian contact

centres have been estimated to range from 12% to 20%, compared to the U.S. turnover rate which has been reported in excess of 50% regardless of staff position or industry sector.

- c) Unemployment Levels: Canadian unemployment is historically higher than that in the U.S. The unemployment rate in Canada for December 2001 was quoted at 8% compared to 5.8% in the U.S.<sup>3</sup> Accessibility to a large pool of unemployed, yet educated and skilled individuals is often cited as a major strength of the Canadian market.
- d) Multiculturalism: Canada's multiculturalism has translated into a multilingual pool of labour, which is beneficial to those organizations that require different language capabilities. It has been estimated that Canada's largest cities (Montreal, Toronto and Vancouver) offer access to a pool of as many as 70 languages from which to staff their contact centres. Other countries offer multilingual capabilities, but on a much smaller scale. The Canadian English accent is neutral and can be understood by most English speaking customers. Furthermore, Canada has a native French speaking population, which contributes to Canada's competitive strength.

## **2. Infrastructure and Location Considerations**

- a) Proximity to the U.S. Border: The proximity of Canada to the U.S. has also translated into a similarity between cultures, which facilitates more effective servicing of U.S. customers. While it is still too early to tell what impact September 11th will have on the contact centre sector in Canada, there are indications that American contact centres are concerned about where to do business. In addition to geographical proximity, similar cultures and a common language, Canada also provides a safe environment for U.S. companies to operate in.
- b) Technology Infrastructure: The reliability and breadth of the Canadian infrastructure is something that cannot be claimed by most other regions. As an example, India has a cost competitive environment and attractive operating costs for an organization looking to outsource contact centre operations. But many organizations have had to purchase backup generators and have resorted to leasing or purchasing their own fiber optic systems, to compensate for the lack of reliability.<sup>4</sup>
- c) Bureaucracy: Setting up a contact centre in Canada can be accomplished in a relative short period of time. As an example, it is estimated that setting up a contact centre in India could take up to six months compared with the three months in Canada or the U.S.<sup>5</sup> The impact of bureaucracy on set-up and start up time is often underestimated by organizations hoping to develop their contact centres in a short period.

## **3. Financial Perspective:**

- a) Exchange Rates: Supporting the strength inherent in Canada's quality workforce and infrastructure considerations is the value of the Canadian dollar. The Canadian dollar has yielded savings to U.S. organizations of between 15% and 35% by moving their operations to Canada. It is envisioned that it will continue to be so for those who relocate in the foreseeable future.

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<sup>3</sup> Read, Brendan. *Scoring Points Up North*. Callcentremagazine.com, September 2001.

<sup>4</sup> Read, Brendan. *Scoring Points Up North*. Callcentremagazine.com, September 2001.

<sup>5</sup> Ibid.

Thus, Canada's sophisticated pool of workers, location, highly developed infrastructure and financial competitiveness combine to place the Canadian CCC sector in a strategic position to continue evolving and contribute to the national and global economy.

## ***Study Objectives***

The overall purpose of the study is to contribute to Canada's labour market information, support the mobility of labour across the country, foster a continuous learning culture in the private sector and develop partnerships within the sector. The study provides an analysis at Canadian provincial and national levels, as appropriate, as well as a comparison between Canada and other key global contact centre locations. In addition, the study considers differences in contact centre structure and trends across industry sectors. Essentially, the objective of this study is to analyze the Canadian contact centre sector environment to identify the human resource challenges facing the sector, both now and in the foreseeable future, and includes a number of concrete recommendations for action.

Specifically, the study:

Provides a clear picture of the sector through quantitative information;

Identifies key emerging market drivers;

Identifies specific public policy, legislative and regulatory issues affecting the contact centre sector;

Provides a human resources profile;

Explores human resource issues of importance across the sector;

Provides an analysis of the flow of potential recruits and employees through the education and training system;

Forecasts the likely direction for the sector in the future; and

Identifies barriers and recommends actions to be taken to meet identified human resource challenges.

## ***Issues, Challenges and Recommendations***

As stated above, there is a need to ensure that the issues and challenges addressed in this report are on the agenda of governments, associations, and industry participants. The sector recognizes both the opportunities and challenges that the future offers. More importantly, the sector has taken the first steps to capitalize on the opportunities and address the challenges. The remainder of this section outlines the Steering Committee for the CCC sector's response to the challenges it faces and the plans for the future to further develop and promote the sector, and particularly its human resources. The following outlines the three major issues or drivers that will impact the sector as it moves forward:

### **1. The profile of Canadian CCCs**

The Steering Committee recognizes that the contact centre sector has suffered from negative public perception. In the eyes of the general public, a contact centre is a call centre where the pay level is low, as opposed to a career. The sector is also perceived to be synonymous with telemarketing activities. This is an antiquated viewpoint and does not reflect today's reality. Salaries and benefits are

competitive, investments are made in making the work environment ergonomically sound, the work can be highly challenging and rewarding, and employees often have leading edge technologies at their disposal. The Steering Committee sees the marketing of the sector as a priority to create a realistic, positive image of the sector.

The most important issue to be addressed today is elevating the contact centre's presence in the local company as well as within provincial, national and global contexts. It is the Steering Committee's opinion that to fully appreciate the role played by individual contact centres as well as the contact centre sector as a whole, the sector needs to be promoted through a variety of means. The primary vehicle for this will be the creation of a National CCC Sector Human Resources Council.

The strategy for the future of the sector in Canada must take into account the great diversity that currently exists within. The strategy must acknowledge the importance of and role played by small as well as large centres, inbound as well as outbound, and third-party as well as in-house centres. The strategy must also capture a variety of customer types and customer needs and demands. Section 2 of this report discusses the call centre – Customer Relationship Management/Integrated Multi-Channel (CRM/IMC) contact centre continuum. The type of customer and complexity/size of the customer base being served determine how far along this continuum an organization needs to be.

The core of the strategy should be the promotion of the contact centre sector as an emerging field of professionals engaged in customer care. Human resources represent a customer care organization's most important asset. To take the sector to its next level, companies need to strategically recruit, retain and train staff. Without the right skills, knowledge and capabilities, this advancement cannot take place.

## **2. Rapidly changing business and customer demands**

Customers' demands and expectations have increased over a short period of time. With Internet based services available around the clock, customers have come to expect that their questions/concerns be responded to in short order. Customers represent the livelihood of contact centres. The sector knows that it is easier to lose a customer than to gain one; it also knows that it is easier to sell additional services and products to customers who are satisfied with the service provided upon contact; and that a minority of the customer base accounts for the majority of an organization's revenues. A contact centre must both anticipate and react to customers' changing needs and demands to achieve strategic customer care. This in turn, has major implications for the kinds of skills, knowledge and competencies of all CCC staff.

## **3. Training to meet future needs**

The skills, knowledge and capabilities required of contact centre staff in the future will both shift and increase. Contact centres spend substantial resources on training staff, in particular, on training CSRs to provide appropriate, relevant and loyalty producing customer services. At the same time, educational institutions in Canada are offering a series of training programs to both prepare individuals for a career in the contact centre sector as well as to enhance the skills of those currently working in the sector. While some educational institutions are proactively developing courses that prepare their students for the contact centre of the future, others are more reactively developing programs that meet current contact sector needs only. The contact centre sector recognizes the value of the training provided by these institutions and is committed to the creation of a healthy balance between in-house and external training for their staff.

In order to proactively address these three issues or drivers, the Steering Committee puts forward the following five recommendations as presented in the summary table below. Each of these recommendations are discussed in greater detail on the following pages.

<b>Establish a National CCC Sector Human Resources Council</b>
<p>Develop a leadership role in implementing this study's recommendations</p> <p>Develop a political capacity to look after the CCC sector's HR/training interests</p>
<b>Develop a CCC image/marketing campaign</b>
<p>Market the sector to the general public as a place for a career</p> <p>Market the CCC sector internally to the CCCs themselves</p>
<b>Develop a recruitment and retention strategy</b>
<p>Attract people with the appropriate skills, knowledge, and capabilities for the contact centre of the future</p> <p>Develop generic HR tools (i.e., "HR in a box")</p> <p>Develop a CCC career path</p> <p>Develop job descriptions and map out skills, competencies and educational requirements for each occupational category</p>
<b>Develop a strategic partnership with educational institutions and other training providers</b>
<p>Identify generic versus specialized training needs</p> <p>Develop and promote transferable skills and certifications/diplomas</p> <p>Explore expansion of training providers' non-contact centre programs to include contact centre related courses</p> <p>Develop training approaches for managers</p>
<b>Develop a strategy to produce and share information</b>
<p>Make benchmarking and other HR related information available to the sector</p>

Identify standards for continuous improvement
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The following describes each of the recommendations in detail, including the associated challenges and approaches to overcome these.

### **Recommendation 1: Establish a National CCC Sector Human Resources Council**

**The recent activities carried out by the CCC sector Steering Committee have created a positive momentum for continued effort in advancing the contact centre sector.** In order to advise, pursue, implement and follow up on the recommendations put forward in this report, a cohesive group of dedicated professionals is needed. The Steering Committee suggests that this forum should take the shape of a National CCC Sector Human Resources Council, as there is currently no national body supporting the sector as a whole. The value of such a council lies in its role of promoting a holistic, cohesive, national approach. Under the direction of a Board composed of industry associations, contact centre organizations, educational institutions, labour representatives and academics, the Council's overall mandate would be the development and implementation of a human resources (HR) strategy to promote the Canadian contact centre sector locally, nationally and globally, and coordination of the sector's overall HR initiatives. The overall goal of the Council is:

*For industry leaders to implement and ensure a strong labour force and effective long-term human resource management that can be used as a map to the future.*

At the present time, there are a number of provincial contact centre associations across the country. One of the challenges in establishing a national council will be to get the desired support from the provincial organizations. Without their support, the national organization will be more limited in what it can expect to achieve. It is important to recognize the important role that provincial associations play in the strategic direction of the sector as a whole. The intention of a national sector council is not to replace the provincial associations but rather to gain strength from their collective experiences, knowledge and direction and augment the work performed by provincial associations. It will become important to map out the current roles and responsibilities of the provincial contact centre associations when developing the National Council's mandate to provide added value for all stakeholders. Only with support will the National Council succeed in being seen as a national representative of the sector as a whole.

**Develop a political capacity to look after the CCC sector's HR/training interests.** To be most effective in furthering and promoting the contact centre sector in Canada, the National Council needs to have senior leaders involved who can lobby for government for HR and training related resources as well as for improvements and establishment of standards within the sector. The Steering Committee recognizes that it will become important for the sector to be consulted and perhaps sit at the table with government representatives developing policies and guidelines affecting the sector. For example, the impending revision of the federal Privacy Legislation will have a substantial impact on how contact centres operate. A unified voice represented by the National CCC Sector Council has a greater chance to both influence and be heard.

There is a high degree of unionization in several industry sectors in which contact centres are located. Labour organizations are under increasing pressure to consider new approaches to human resource management and training, in addition to represent union members' interests. For example, job enlargement and job tiering are becoming more common as human resource management approaches, but this also means changing job roles. A potential role for the National Council would be to facilitate labour and management activities to create win-win scenarios for both management and labour.

The Council would also develop a Code of Ethics to guide all professional conduct and promote management practices that will ensure confidentiality and integrity in the sector's dealings with staff and customers.

### **Recommendation 2: Develop a CCC image/marketing campaign**

Depicting the sector in a more realistic and positive way is seen by the Steering Committee to play a crucial role in advancing the sector, both domestically and internationally. Marketing will contribute to raising the profile of the sector. While establishing a national council is a first marketing element, a national marketing campaign targeted to potential employees, educational institutions, etc. will be more effective in changing the image. A marketing campaign will signal to Canadian society and the world that this is a sector that is organized and willing to invest time and resources to its advancement.

There are, however, challenges to effectively market the contact centre sector. Contact centres are often not standalone and are found across many industries and markets. Special attention must therefore be paid to the portrayal of the sector so that its diversity be shown, yet at the same time projecting its sense of cohesiveness and common objectives.

**Market the CCC sector to the general public as a place for a career.** To meet both current and future labour demands, the CCC sector needs to market itself to attract a high calibre workforce. Such marketing would position the CCC sector as a choice area for a variety of occupational groups to have a career as opposed to a "job". This is especially important in the sector's efforts to recruit sufficient numbers of CSRs as well as technical professionals with the appropriate skills. This study has shown that technical professionals in particular do not currently consider the sector as a viable option for them. The current need for database managers and technical support staff will only increase in the future as an increasing number of CCCs implement new technologies and as more and more technologies are being invented and adopted. For example, portraying the sector as multi-faceted and technologically advanced may attract the skill sets that are particularly important to recruit.

To attract employees and prepare for the increase in contact centre growth, a marketing campaign targeted to potential candidates and the workforce of the future may include the following:

- Launching a national career opportunities awareness program:
  - Develop and distribute career information kits targeted at post-secondary education institutions, especially in technology related programs to promote the sector as a highly viable area for employment;
  - Develop career information kits for distribution to career councillors and librarians at high schools. Distribute all career information resources to high-school libraries and resource centres.
  - Develop and communicate information on the nature, breadth and depth of the occupations; and
  - Develop and communicate an ideal employee profile for each occupational category within the sector.
- In addition to targeting young people starting their career plans, also market the CCC sector to organizations and advocacy groups for potential pools of recruits such as persons with disabilities and retired people looking for employment opportunities.

- Stage and/or be present at career fairs to promote the sector as a place in which to have a career and distribute career information kits for distribution to students.

**Market the CCC sector internally to the CCCs themselves.** It will be equally important to use the marketing campaign to target staff members inside the contact centre and the larger enterprise as a whole to educate them on the contribution of the contact centre component of their business. By improving HR management techniques (such as rewards and recognition, increasing flexibility in working hours/conditions, etc.), such a marketing campaign would contribute to increased retention rates. The internal marketing campaign should be used to instill pride in contact centre staff of being a part of an emerging, dynamic sector.

### **Recommendation 3: Develop a recruitment and retention strategy**

**Attract the appropriate skills, knowledge and capabilities for the contact centre of the future.** To keep up with changing customer expectations and demands and the rapid growth of the sector, it is critical for the sector to ensure the presence of a substantial pool of talent in a variety of occupational areas. Fundamentally, the sector needs to plan for the future by attracting the next generation to consider the contact centre sector for employment. Effective and targeted attraction, recruitment, and retention of talent, and especially for specialized skills, are essential to the success of the sector. Contact centres are in the “people business”. CSRs and other contact centre occupations must have the appropriate skills. They must know how to respond to a wide variety of customer contacts and how best to care for customers by offering them additional services as appropriate. As the sector moves towards a CRM/IMC environment, new skills are required, including those emerging from non-traditional sources. This implies a need to change the way that contact centres recruit for these new skills.

A national recruitment strategy serves to promote sector-wide efficiencies. The strategy should explore a variety of ways of attracting people, including the more traditional means of advertisements and word-of-mouth, but also other approaches such as career fairs, information sessions and presentations at high-schools and post-secondary institutions as well as providing opportunities for students to visit CCCs in their communities, etc. The strategy must pay particular attention to recruitment of candidates with technological skills as well as CSRs in sufficient numbers. Furthermore, the strategy should include specific approaches in attracting individuals who are looking to work part-time, shifts, and flexible hours to ensure the right balance of part-time / shift workers to cover periods of high contact volume and 24/7 service.

The recruitment strategy needs to include the development of screening tools consistent with the strategic skills and competencies identified. These tools should be used in the recruitment stage to proactively select candidates with the relevant capabilities. Companies that passively select candidates from incoming CVs can run the risk of not hiring individuals with the new skills required.

While the use of virtual workers is not common in Canada at this time, it continues to be a concept that pops up on a regular basis, often as a result of the introduction of new technologies that facilitate the use of virtual workers. In order to develop a comprehensive recruitment strategy, it is necessary to explore on a regular basis the viability of using virtual workers, including when it is beneficial to pursue this strategy.

**Develop generic HR tools (i.e., “HR in a box”).** In order to produce value-added services for the contact centre sector as a whole, the Steering Committee sees the development of an “HR in a box” type of resource for contact centres as highly beneficial. The tools have to be relevant and useful to assist in standardizing contact centres’ human resource processes. For example, the establishment of

recommended minimum entry requirements will promote consistency in the approach to hiring, coaching and promoting contact centre staff. HR tools can include:

Screening and selection tools;

Generic training materials to provide the necessary skill-based training most cost-effectively. Such tools should include Internet-based training and enable just-in-time learning (i.e., to zero in on just the information needed to solve problems, perform specific tasks or quickly update skills and knowledge);

Recognition and development approaches and tools; and

Retention strategies and tools to minimize the costs of recruiting, selecting, training and developing staff.

**Develop a CCC career path.** Contact centres tend to have a flat structure, with little room for advancement. While some organizations have set up their in-house contact centre as an entry point into the organization and as a first step on the overall corporate career path, centres that are standalone typically only have two layers: CSRs and management. While many contact centres have created innovative solutions to address this challenge by encouraging and allowing CSRs to take on special projects or moving them from one type of contact to another (i.e., lateral movement), the Steering Committee nevertheless recognizes that the contact centre sector as a whole needs to develop and implement opportunities for CSRs and others to advance their careers. The career-path plays an important role in the sector's retention ability. As a result, the Steering Committee recommends that the National Council develop:

- A tiered contact centre career-path with different levels as outlined below which would allow for both mobility and succession planning for the movement of staff towards management and roles of greater responsibility:
  - Level 1 - CSR (universal)
  - Level 2 - CSR (specialized)
  - Level 3 - Coach / supervisor
  - Level 4 – Management

Any system of levels must be adjustable to industry and type of operation. It is recognized that such a system would represent a challenge to unionized environments in terms of including these in collective agreements. Furthermore, contact centres that are a part of a larger organization may include lateral promotions and moves into other departments or divisions of their organizations in their career-path.

- Internal standards for moving to the next level as outlined above to be used at the company level. In order to ensure the validity of such a standard, staff should be evaluated or tested after having been trained and on the job for a certain amount of time. Such an approach would signal to employees the existence of a competency-based career-path. The overall effect would be the elevation of the overall standard of the sector.
- Alliances with other contact centres interested in job-sharing. This presents a win-win scenario for both companies who may tap into additional resources when needed in the short-term and for employees who are interested in advancing their career. Allowing employees to move to other

centres for short periods of time represents an opportunity for further growth and development, and as a result, could be incorporated into an organization's career-path.

**Develop job descriptions and map out skills, competencies and educational requirements for each occupational category.** One of the future challenges for the contact centre sector is the diminishment of the skill-gaps; gaps that are anticipated to grow as e-commerce and web-enabled customer service increasingly gain momentum. The Steering Committee sees it as essential to be proactive to ensure that the sector has a human resources base with the right skills, competencies and educational requirements for both current and future contact centre occupations. Developing job descriptions and mapping out the skills, knowledge and educational requirements for each occupational category is therefore an important first step. These should be revisited on a regular basis for the purpose of monitoring and limiting any skill-gap.

This map of skills, competencies and educational requirements should also include salary bands for each of the occupational groups. This will allow the sector to develop greater consistency and promote related standards.

#### **Recommendation 4: Develop strategic partnerships with educational institutions and other training providers**

Educational institutions in Canada are supporting the contact centre sector by creating programs for those who are interested in such work opportunities. Programs tend to focus on CSRs, although there are a few offering programs for managers and/or those who might consider management roles. Only a few offer technical support programs specifically designed for the CCC sector.

Most institutions will consult and work in partnership with CCCs in their local area to better customize their programs to local needs. However, contact centres do not require prospective employees to have the associated diplomas or certificates. Students do not see the value of paying tuition and spending time on training for which there is no or little demand in the market; in fact, most can get a position in a contact centre without such training. This limited interest, in turn, has forced some institutions to cancel their programs.

Giving preference to graduates from contact centre programs has several advantages. For example, a person who has invested time and resources by taking such courses has made a conscious decision to work in the sector. The training they have received, provided it is appropriate and relevant, should decrease the organization's costs of getting them ready to care for their customers. Thus, if educational institutions provide generic (or foundation) types of training, the company's training can focus on the specifics of its operations. The cost of training in this scenario is shared between the contact centre and the prospective employee.

The fact remains, however, that even if the contact centre sector hired all graduates from CCC related programs, there would still not be enough candidates to feed the CCC sector as it is advancing. Graduating classes from educational institutions tend to be small (i.e., between 8 and 20). As a result, partnerships with educational institutions must address this issue to create value for both parties.

The Steering Committee also sees it as valuable to enter into a partnership with the telecommunications and software industry for the purpose of acquiring training on new technologies to team leaders/supervisors and managers and other CCC staff. Technology companies often provide training on their systems and products, but only to organizations that have purchased their systems. A strategic partnership with such firms is seen as one avenue whereby contact centres, especially those that are small and medium sized, may acquire knowledge of leading edge technologies and be in a better position to further their business along the call centre-CRM/IMC continuum.

**Identify generic versus specialized training needs.** Contact centres spend much of their training resources on new hire training. As a result, it can be challenging to develop training above and beyond training-updates for existing staff. In order to determine the sector’s training needs and to develop a strategic partnership with the educational institutions, the sector needs to coordinate efforts to identify the generic aspects of the sector where training can be provided by external training institutions versus individual company training needs. Currently, contact centres offer both kinds of training internally. Conflict resolution skills, computer training and call handling sessions are part of the orientation training at most contact centres as is training on company specific systems, processes and products.

Identifying what training is specific to a contact centre organization versus that which is common to all contact centres may provide sector-wide efficiencies. It will also provide educational institutions with an opportunity to develop a contact centre related curriculum that the sector values enough to fully embrace. Figure E-1 below shows a matrix of what training needs can be covered by an outside institution and what training needs should be looked after internally. For example, training needs that have a high impact on the business, but that are common to many sectors, are provided most efficiently by educational institutions that are able to deliver training nationally. Product-specific training can also be shifted over to training institutions, where appropriate, with the goal of reducing the sector’s training costs. Training on proprietary knowledge should be delivered internally.

**Figure E-1 - Generic versus Specialized Training Needs**

		LOW impact on business	MEDIUM impact on business	HIGH impact on business
<b>↑ Knowledge / skill</b>	Common to many sectors	<ul style="list-style-type: none"> <li>• Generic business skills</li> <li>• Buy off the shelf</li> </ul>	<ul style="list-style-type: none"> <li>• Technology skills</li> <li>• Could be designed and delivered external to contact centre sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Management skills, labour relations knowledge/skills</li> <li>• Accredit educational institutions or design and deliver nationally</li> </ul>
	Distinctive to the CCC sector	<ul style="list-style-type: none"> <li>• Skills pertaining to general contact centre operations</li> <li>• Sector design; may outsource development &amp; delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge/skill specific for sector success</li> <li>• Sector design, development; may outsource delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge/skills specific to for sector success in new areas</li> <li>• Sector design, development; &amp; delivery, with SMEs</li> </ul>
	Unique to a Contact Centre	<ul style="list-style-type: none"> <li>• Skills pertaining to local operations &amp; procedures</li> <li>• Provide locally</li> </ul>	<ul style="list-style-type: none"> <li>• Proprietary knowledge for local business success</li> <li>• Design and provide locally</li> </ul>	<ul style="list-style-type: none"> <li>• Proprietary knowledge for unique innovative service</li> <li>• Design and provide locally</li> <li>• Use SMEs to deliver</li> </ul>

**Work with educational institutions to develop and promote transferable skills and certifications/diplomas.** The Steering Committee sees great value in working with educational institutions to develop the skills required by the sector. Specifically, it is recommended that:

The partnership become a vehicle to develop nationally relevant programming. It is imperative that the programs are relevant to and respected by contact centres across Canada. Certificates and/or diplomas should be valid to all contact centres, regardless of where they were acquired;

The Council study the merits of articulating and endorsing standards and some level of certification for the CCC sector. The Steering Committee supports a certification program at the management level (seen as added value), but does not see the value for certifications at the agent level;

Educational institutions and other training providers develop programs and corresponding diplomas/certificates for the full complement of people working in a contact centre, including coaches, team leaders, managers, trainers and technical professions. The training should focus on customer service, sales and sector-related technologies; and

Increase the availability of work experience for students, and especially for those enrolled in contact centre programs.

**Explore expansion of training providers' non-contact centre programs to include contact centre related courses.** The Steering Committee recommends that discussions take place with educational institutions on how to best use the non-contact centre programs to the advantage of the sector and to the institutions themselves. Thus, the Steering Committee is committed to discussing the feasibility of integrating the contact centre curriculum with other programs so that students enrolled in communications, marketing, and administration diploma/degree programs can include contact centre related courses as electives. Multimedia and e-commerce courses should also include a contact centre component. The advantage of this approach is the creation of a larger pool of graduates that can be tapped into by the contact centre sector, who in turn will gain access to recruits possessing valuable skill-sets. This approach is key to promote the sector in the longer term to those students that might not otherwise consider the sector as a career choice.

**Develop training approaches for managers.** It is the opinion of the Steering Committee that there is a greater need for training at the management level than the CSR level. While the Canadian contact centre sector at the current time appears to have sufficient numbers of candidates for management positions, managers are inundated by new approaches and technologies and a management style that emphasizes soft skills. The Steering Committee recommends that:

A sector-wide framework that addresses training requirements for team leaders/supervisors and managers must be developed. There is currently a lack of courses for these occupational groups, a lack that can hamper the sector as it moves forward.

#### **Recommendation 5: Develop a strategy to produce and share information**

In a knowledge-based economy, access to information is paramount to success. With the right information at the right time, better decisions and products will follow. Contact centres are intimately familiar with the importance of timely and appropriate information in their day-to-day interaction with customers. Most contact centres use a variety of measurements to improve their operations. The National Council's role as a producer and a distributor of information will promote and increase sector-wide efficiencies.

**Make benchmarking and other HR related information available to the sector.** Specifically, to promote and develop the sector from a human resources standpoint, the National Council would share and produce the following kinds of information to the benefit of the sector as a whole:

Develop benchmarking information on wages and turnover, broken down both by industry and type of centre (i.e., outbound, inbound) as well as by province;

Follow up on HR practices in other countries and share findings with the membership of the National Council;

Develop a registry of human resource facts in Canada, including the number of CCCs and employees in the various occupational groups, trends, job descriptions and job offerings;

Develop human resource success stories, be they in recruiting, retaining, promoting or developing staff, that can be adopted by other CCC establishments. This would be particularly useful for smaller contact centres that do not have dedicated HR personnel or time and money to research tools and approaches themselves;

Attend, organize and present at conferences on HR topics related to the contact centre sector; and

Develop corporate videos on contact centres for technology professionals and graduates with an e-commerce focus.

**Identify standards for continuous improvement.** There are a number of globally recognized quality assurance programs for contact centre operations to consider. They include Customer Operations Performance Center Inc. (COPC), International Organization for Standardization (ISO), National Quality Institute (NQI) and Baldrige. All claim to be leading authorities on customer contact care operations.

The Steering Committee recommends that the National CCC Sector Council determine where sector-wide standards can be found and how these can be instituted and supported. It is believed that this type of standardization will help the sector to achieve operational efficiency with high customer satisfaction and retention that best meet the needs of Canadian contact centres. It is also believed to be of great benefit to small and medium sized contact centres that may not have access to these types of data.

# 1. INTRODUCTION

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## 1.1 Background

The October 1999 Speech from the Throne identified the importance of having a Canadian workforce that could address the demands of the 21st century economy suggesting that: “*A highly skilled workforce is essential to quickly harnessing new technologies - a workforce which - in the context of rapid technological change - must have both the commitment and opportunity to pursue lifelong learning*”.

Customer contact centres (CCCs) represents one of the key emerging trends in the 21st century economy. The integration of customer contact centres into day-to-day organizational operations are expected to affect almost all aspects of society from the private sector to government, to non-governmental organizations in all parts the world. Customer contact centres are now effectively an “industry” with their own language, their own technology, and their own culture. Despite the growing impact and role of customer contact centres in business, there has been comparatively little research conducted on this sector in Canada – its size and demographics, key issues and trends - and even less on the human resource challenges it faces. Furthermore, the data that does exist is somewhat inconsistent across sources. While some of the inconsistencies can be attributed to definitional differences, a larger problem at the centre of any analysis of this sector is the general lack of agreement on what constitutes a contact centre.

## 1.2 Definition

For the purposes of this study, a customer contact centre has been defined as:

An internal or outsourced operation largely based on telecommunication and data supports whose primary role is to provide one or many relationship channels for customers, clients, employees or suppliers. This may include inbound and/or outbound, person-to-person and self-service contact capabilities that include service, sales, marketing, fulfillment or data collection.

In the last few years, there has been an explosion in the growth of contact centres, both from the perspective of the number of centres themselves, and the number of agents required to operate them. This growth has not been limited to the U.S. and Canada. Parts of Asia and Europe as well as other areas around the world have all experienced double-digit growth in the number of contact centres established. While a slowdown is expected due to the maturation of this sector in some regions and industries, it appears that macro-level growth will continue in the short to medium term as companies around the world seek ways to better serve their customers.

## 1.3 Structure of the Report

In an effort to present the range of issues and factors affecting the Canadian customer contact centre sector the remaining sections of the report have been structured as follows:

**Section 2** describes the changing face of customer care and the key trends and issues affecting the growth of contact centres at the global level.

**Section 3** describes the role of technology and the trends contributing to the greater integration of technology in the contact centre.

**Section 4** provides detail as to the characteristics of the Canadian contact centre environment, including key information derived from the PWC Consulting (formerly PricewaterhouseCoopers) 2001 Survey of Establishments.

**Sections 5** outlines in detail how the business environment and technology realities and trends impact human resources in the CCC sector. The section describes the elements of the HR lifecycle, including HR planning, recruitment and selection of candidates, deployment of new hires, development, recognition and retention as well as promotion of CCC employees. The section also describes working conditions and culture in the sector within the Canadian context. Employment trends and a skill gap analysis are also presented.

**Section 6** describes the contribution of educational institutions -- their programs, a profile of students, the impact of industry partnerships and provides an assessment of gaps that exist between the sector's requirements and the programs currently offered in terms of skills and knowledge to keep pace with business trends. In addition, this section includes a discussion of innovative training solutions as well the effectiveness of certification programs. Furthermore, internal training programs provided to employees in CCCs are described and assessed, as is the CCCs' willingness to access innovative training solutions.

**Section 7** summarizes the Canadian contact centre sector Steering Committee's recommendations as the sector is moving forward, addressing both the challenges it faces as well as the sector's plans for the future to further develop and promote the sector and particularly its human resources.