CHAPTER 2
CALL CENTERS – HISTORY, DATA AND DEFINITIONS

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2.1 INTRODUCTION

In recent years, the importance of Call Centers has increased exponentially in the customer care industry. Ninety seven percent of business transactions take place over the telephone. On average, Call Center Agents handle around two thousand customer calls per month. Smart marketers have learned that Call Center Agents are an essential and inextricable part of their business success or failure. They are rightly viewed as a profit driver, not a cost. Despite its spectacular growth, the industry has a spotty record of service. High employee turnover, poor working conditions and low wages continue to plague the industry, driving down call quality.
Notwithstanding all of this, the Call Center is an indispensable resource for many businesses committed to responding in real time to their customers’ ever growing demands for service. Call Centers are moving from being a back office overhead item to a strategic entity by which businesses manage customer relationships, drive revenues and increase profits.

A call centre is a central place where Customer Care Associates (CCA) handles queries of customers over the telephone. A call center may also make telephone calls to prospective customers for selling products and services. Most call centers use software and automation for handling telephone calls as the volume of calls are generally considerably high.

Call Centers are evolving as technologies and customer demands change, but the core fundamentals of a customer contacting a company by phone, e-mail, website, IVR or fax remain steady because customers demand service in real time and on their own terms. Good business people have learned that great customer service is absolutely essential to sustaining and growing market share. Call Centers will continue to play a pivotal role in the coming decade.

The majority of Call Centers are in-house operations. These Call Centers support their organizations’ products and services. Some work with independent Call Centers in outsourcing, co-sourcing, or joint-venture arrangements.
While some of the more traditional Call Centers simply function as triage desks, answering and transferring calls, there is a trend toward increasing functionality. Although there may always be a role for the simple in-house Call Center, today most provide a combination of customer service, inbound/outbound marketing, direct sales, sales support, reservations, and Market research, technical help, inside support, order/billing processing, credit/collections, fundraising and appointment setting.

There are four factors driving rapid change in the Call Center industry:

1. Many companies have come to view Call Centers as a strategic business asset, rather than a back-office bank of phone lines. Corporate executives have begun to place priority on infrastructure investments in the Call Center.

2. Globalization is increasing competition and the Internet is recreating the way we think about business and how it is conducted. The Internet has allowed customers to acquire a deeper knowledge of a company’s and its competitor’s service offerings. It has encouraged customers to expect business on their own terms — 24 hours a day, 7 days a week, in their language of choice, at the place of their choice. If a company cannot satisfy a customer right now, a competitor is just a click or a phone call away.
3. Technology itself is impacting the Call Center. From hunt groups to interactive voice response (IVR) to computer-telephony integration (CTI) to skills-based routing, to workflow routing, to the Internet, changes in technology are proliferating and causing the Call Center industry to reinvent itself again and again.

4. Venture Funds have focused its attention on the Call Center/customer management industry. Where there are investments dollars, there are increased opportunities.

As a central, cross divisional, cross functional point of customer interaction, the Call Center is uniquely placed to meet the ever growing need for consumers to connect with a company rep.

The Internet has greatly changed the way Call Centers operate. More Call Centers are using the Internet directly as a channel for interacting with customers through web-chat or e-mail. This is changing both the economics and the very nature of Call Centers.

In the past, Call Centers were seen as a way to cut costs by using technology (rather than humans) to automatically answer routine inquiries such as questions on the status of an order. But today companies are realizing the value of the information generated by their Call Centers.

According to a survey conducted by Purdue University, 92% of US consumers form their image of a company based on their experience with
Thus the Call Center is the ‘shop window’ of an organization and should reflect how a company wants to be perceived — typically, as an efficient, responsive, reliable organization that handles "moments of truth" consistently well. Winning companies are customer-centric, and know that superior customer service offers the only sustainable route to wealth creation and increased share values.

According to Harvard Business Review cutting customer defections by just 5% has the effect of boosting profits between 25% and 95%. Great customer service is all about answering customers' questions quickly and accurately every time. An effective knowledge base can be extraordinarily useful in fulfilling this critical business requirement. In fact, many companies have achieved dramatic business results through the use of customer service knowledge bases. These results include:

(1) Significant cost reductions.
(2) Happier customers.
(3) Consistent answers across all channels.
(4) Super-scalable capacity.
(5) Greater staff productivity, and
(6) Increased revenue.

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20 Purdue University Center for Customer-Driven Quality, Kelly Services, “Offshore Company Call Centers a Concern for U.S. Companies,” September 21, 2004
2.2 CALL CENTERS - DEFINITION

A central location where all customer telephone calls of an organization are directed, where trained professionals handle the customer calls and provide answers to their queries. Call centers can be any of the following:

1. *Huge telemarketing centers*
2. *Fund-raising and collections organizations*
3. *Help desks, both internal and external*
4. *Outsourcers (better known as service bureaus) that use their large capacity to serve lots of companies*
5. *Reservation centers for airlines and hotels*
6. *Catalogue retailers*
7. *"E-tailing" centers and e-commerce transaction centers that don't handle calls so much as automated customer interactions.*

“A Call Center is a location or a place where customer telephone calls are answered by experienced and highly trained Customer Care Agents (CCA) using a sophisticated computer based software application, which helps the CCA in answering the customer queries.”

This is one definition that is simple in its approach and is applicable to most call centers in India.
Another definition that is somewhat complex, yet a complete one:-
“A Call Centre is a central contact point or a contact source for all
types of customer interactions like telephone contacts, email based
contacts, IVRS (Interactive Voice based Response System), etc,
which aid a customer in receiving information regarding a product /
service and even in resolving his problems on the same.”

The above two definitions are from the customer point of view. Let us
see more definitions from the business point of view as well.
“A Call Center or a Contact Center is a part of any organization’s
CRM (Customer Relationship Management) Strategy, whereby the
organization manages its customer interactions.”

Customer interactions can be categorized as any of the following
activities:

1. Customer Queries
2. Customer Complaints
3. Customer Help Desks like Banking Accounts
4. Direct Sales via Telephone / E-Mails
5. Online customer transactions via websites
6. Cross Selling to customers who use the organization’s other
   products or services
The above definition shows that call centers are an integral part of any organization’s marketing strategy. Therefore Call Centers are of three main formats viz: Outbound Call Centers, Inbound Voice Calls and Web Based / E-Mail based Call Centers.

Most major MNC’s worldwide derive their cost advantage by outsourcing this vital part of their CRM – Call Centers to outside outsourcing agencies / organizations. Therefore areas like direct sales, customer care, loans recovery, product support, credit referral checks, and background verifications are undertaken by third party call centers.

The organization pays the outsourcing call center organization a fixed rate per call received / made or based on a fixed collection targets achieved or on a per referral checked basis. This process outsourcing reduces the transaction cost to the original company many folds, whereas this outsourced work creates a new outsourcing industry worldwide having several billions of USD as their turnover and employing millions of young generation workforce.

A call center is a huge office space ranging from 5000 square foot to 2,00,000 square foot upwards. The workstation or sitting capacity can range from 100 to 5000+ employees per shift. The physical infrastructure includes independent workstations with a computer, a telephone connection with a headset. The workstation is connected to a computer server which has call handling and call logging software. This software not only directs all telephone calls to available call handing executives
but also monitors the voice and quality of calls and creates exceptional reports for the supervisors.

Generally all call centers are fully automated with call handling software and auto dialer software. Using the CTI (Computer Telephony Integration) a customer can get either an automated response through the IVR (Interactive Voice Response) system or can be alternatively routed to a call center executive for getting a personal response.

Today most of the call centers have customer databases, which give full details on the customer who is calling on the telephone. This helps the executive attending him to give a more personalized service to the customer. Also the number of calls made by or to such a customer is also logged. This data is used to find out the quality of customer service of an organization and any pending queries being unanswered for the customer.

Call Centers regularly train their employees on selling and customer handling skills. Employees are trained on soft skills so that they are courteous, convincing, helpful and cheerful in their disposition with the callers at all times.

2.3 GENERAL TRENDS IN CALL CENTRE INDUSTRY

Despite some disputes about the precise numbers, there is general agreement about some of the major trends, although the picture varies
between sectors and countries, depending on their background and history and on how the technological infrastructures have developed.

Some of these trends include:

1. direct face-to-face contact with customers, clients, service users (and even patients) is increasingly being replaced with remote contact via a call centre or contact centre.

2. contact based on voice alone is increasingly being integrated with other forms of communication, especially internet or email-based communication.

3. governments (local, regional and national) are increasingly looking at call centres and contact centres as a means of delivering public services and providing access to public information.

4. call centre work is increasingly being relocated to separate workplaces or facilities, which may be adjacent to the head office of the organisation but may equally be in another region, another country or even another continent.

5. call handling functions and services are increasingly being outsourced to service providers specialising in call centre services who may operate a range of services for different customers and clients under the same roof.
6. there is some evidence of a growth in the use of homeworkers as virtual call centre operators although this remains a minority practice.

2.4 THE BACKGROUND AND HISTORY OF CALL CENTERS

The call center concept was first used by some organizations as an internal department to handle customer queries like airline reservation centers and banks. Over a period of time the call centers were also used to lodge complaints, provide helpline services and today it is used mostly for sales and marketing activities.

Since 1990’s the call volumes have grown exponentially and only with the use of sophisticated call center equipments and technology can such voluminous calls be handled by call centers. During the 1970’s and 1980’s these equipments, mostly telecom hardware and computers were prohibitively expensive for smaller call centers, hence only large MNC’s could afford to put up their own call centers. During the early 1990’s, these equipments have become very affordable to even smaller organizations due to the boom in telecom and IT infrastructure sector globally. This opened up avenues in the areas of outsourcing of these call centers by MNC’s to third party.

The next wave of outsourcing of call center jobs came during late 1990’s and early 2000, when these MNC organizations began looking
at cheaper destinations in developing economy like India, South Africa and Far East for setting up their call centers. This gave rise to the Global Call Center Outsourcing Industry. A sunrise industry which promised jobs to millions of educated unemployed youth in developing countries and millions of dollars as savings to MNC organizations in the developed nations. An idea whose time had come.

2.4.1 ORIGIN OF THE CALL CENTRE INDUSTRY IN USA

Around 30 years ago in the USA, the travel and hospitality industry began to centralize their reservation centers into what we would recognize now as huge call centers. This happened at around the time the first large-scale high-volume premise-based telephone switches became available.

Banks have also used them since the 1970s at least, and later in that decade, with the rise of the catalogue shopping movement and outbound telemarketing, call centers became a staple within many industries. Each industry, however, had its own way of operating centers, its own standards for quality, and its own preferred technologies. This trend persisted until early in the 1990s, when call centre managers became more recognized as having a consistent set of skills and an operational knowledge.

Technologically speaking, call centers have advanced in the last ten years. Earlier, it was just a labor intensive department trying to handle some customer queries. Now, it is supposed to be a vital link in the
entire process of marketing and improving customer interaction. Unlike an airline reservation where the queries are generally simple and easy to handle, requirements of a technology customer support are different and need technical knowledge. A pre requisite for any call handling person is extremely good customer relationship skills and command over language/ accent.

The US Airline Industry was the first to introduce the Call Center concept in the 1970s as an attempt to improve Agent output and give faster service to its customers. Eastern Airlines were the first to introduce Call Center concept in the world.

The following is brief summary of the origin of Customer Service Call Centers.22

1968: A US federal judge ordered Ford Motor Company to establish a free phone line to facilitate recall of a faulty car. AT&T and Ford developed the 1-800 numbers in response.

1972: Rockwell International designed and developed the world's first customer designed ACD (Automated Call Distributor) - the Rockwell Galaxy – for Eastern Airlines.

1981: The GE Answer Center is established to help customers get in touch with GE.

1984-5: AT&T embarked on the largest outbound Telemarketing campaign in history; 16 million households were contacted and offered AT&T long distance.

1984-89: GE established 52 different call center operations within its many business divisions.


From an historic perspective, Call Centers became the central point of customer service because of the cost effective way they could carry out the three key customer needs identified: Easy Access, Closeness and Personal Information.

Call Centers have evolved from their original roles in the Airline and Financial Services industries. They provide sales, customer support, technical help and much more. The mediums being used for customer service are as varied in nature (phone, fax, e-mail, web, kiosk etc.), as the industries and sectors they serve (government, retail, utilities etc.).
### 2.4.2 THE INDIAN CALL-CENTER MILESTONES

#### Table 2.1

**Progress of Call Center Industry in India**

<table>
<thead>
<tr>
<th>Period</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid 1990s</td>
<td>GE, Swiss Air, British Airways set up captive call center units for their global needs.</td>
</tr>
<tr>
<td>May-99</td>
<td>Following increasing interest in the IT-enabled services sector, NASSCOM held the first IT-enabled services meet. Over 600 participant firms plan to set up medical transcription outfits and call centers.</td>
</tr>
<tr>
<td>Dec-99</td>
<td>A NASSCOM-McKinsey report says that remote services could generate $18 billion of annual revenues by 2008.</td>
</tr>
<tr>
<td>May-00</td>
<td>Venture Capitalists rush in. Make huge investments in call centers.</td>
</tr>
<tr>
<td>Sep-00</td>
<td>More than 1,000 participants flock to the NASSCOM meet to hear about new opportunities in remote services. Though the medical transcription business is not flourishing, call centers seen as a big opportunity.</td>
</tr>
<tr>
<td>Quarter 4 2000</td>
<td>NASSCOM report indicates that a center could be set up with $1 million. Gold rush begins. Everyone, from plantation owners to lorry-fleet operators, wanted to set up centers.</td>
</tr>
<tr>
<td>Quarter 1, 2001</td>
<td>Most of the call centers are waiting for customers. New ventures still coming up: capacity of between 25 seats and 10,000 seats per company.</td>
</tr>
</tbody>
</table>
The above table indicates a rapid growth trend set in the Indian economy for Call Center industry since 1990, due to the LPG (Liberalization – Privatization – Globalization) policies of the Indian Government to attract foreign investments in all sectors of the Indian economy.

Most of the big Fortune 500 organizations have set up their own BPO’s in India through their subsidiary organization for outsourcing back office work. This was evident by General Electric’s strategy to setup its call center in Gurgaon near Delhi during 1995. Other organizations like Swissair, British Airways, etc followed suit in the coming years.

Post 2000 saw hordes of Indian organizations bandwagon the BPO space. This was partly due to the US outsourcing deals and partly due to the initiatives of Venture Capitalist encouraging young entrepreneurs in this space. This was evident in the success of young bred organizations like Spectramind.

**The Indian ITES-BPO Scenario**

The Indian ITES-BPO segment has witnessed a steady growth. BPO exports are growing at about 33.5% percent and have exceeded FY06 expectation at USD 8.4 billion in FY2007.
The above chart shows exponential growth Y-O-Y (Year – On – Year) during the last three years. That has been over 30% each year and constantly increasing every year. This demand for skilled manpower surpasses any other industry. This growth also highlights the acute shortage of manpower the industry is likely to face post 2010.
The above chart indicates the rapid growth performance in the financials of BPO organizations. This also coincides or runs parallel with the trends of employment or demand for skilled manpower. This is due to the fact that every employee in the call center directly contributes to the dollar revenue generated by the organization. Therefore if we foresee a crunch of skilled manpower in the industry in the near future, it will definitely impact the revenues generated by the call center industry in the future. This has to be viewed seriously by organizations and the whole industry as well.

**Key Highlights of Indian ITES-BPO sector performance**

1. Indian ITES-BPO exports grew from USD 6.3 billion in FY 2005-06 to USD 8.4 billion in FY 2006-07 expected to grow to USD 10.5-11bn in FY08.\(^{23}\)

2. ITES-BPO employee base has grown to 553,000 in FY 07 from 415,000 in FY 06.\(^{24}\)

3. Over the past decade, the Indian BPO segment has witnessed significant transformation. Starting with basic data entry tasks, the industry graduated to a high proportion of voice-based services and a range of back-office processing activities. The last 3-4 years have seen the scope of services expanding to include increasingly complex

\(^{23}\) www.nasscom.in

\(^{24}\) ibid
processes involving rule-based decision making and even research services requiring informed individual judgment.

4. The rapid expansion in the scope of BPO has been accompanied by an equally rapid adoption across a range of vertical industries. This wide range of services may be summarised into four broad categories comprising Finance and Accounting (F&A), Customer Interaction Services (CIS), Human Resource Administration and niche business services

Key Highlights of Domestic BPO industry

1. BPO demand in the domestic market has witnessed noticeable growth over the past few years. The annual revenue aggregate of the domestic market for ITES-BPO grew to USD 1.2 billion in FY 2006-07 from USD 0.9 billion in FY 2005-06, illustrating a significant increase in demand. While the high growth rate may be attributed to a small-base effect, the rapid adoption of BPO in the domestic market is receiving well-deserved attention.

2. As the Indian economy becomes more globally integrated, businesses in India are beginning to face increasing levels of global competition and being pushed to deliver world class levels of product and service quality. BPO has emerged as an effective means of entrusting specialists with the task of consistently delivering the desired high-levels of quality – leaving the client organizations to focus on their core businesses.
With significant bandwidth capacity lying unutilized and the steady advancement in technology making access faster and less expensive than before, it is likely that the share of telecommunications in the cost structure of an IT-BPO firm may further decline. Firms are also managing to lower their facilities costs by expanding into other tier-II locations.

Finally, there is scope for further leveraging operational levers to drive efficiencies in the organization. A detailed industry benchmarking exercise, underway since 2005, has revealed that there is wide variation in the internal practices adopted across the industry, and suggests that the adoption of industry best-practices can further enhance operational excellence in Indian IT-BPO firms.25

This is also being evidenced in the performance of some of the best-in-class players. Contrary to concerns of rising wage inflation eroding the sustainability of India’s cost-advantage, especially over the past two years, leading players have managed to grow at an above average rate—while sustaining their high levels of profitability.

2.4.3 GLOBAL REPORT ON CALL CENTERS

One of the largest studies conducted ever--of 2,500 call centers in 17 countries by Cornell University, USA, University of Sheffield, UK and

25 www.nasscom.in
Working Life Research Center, Austria resulted in The Global Call Center Report (2007). 26

This report is the first large scale international study of call centre management and employment practices across all regions of the globe – including Asia, Africa, South America, North America, and Europe. Covering almost 2,500 centers in 17 countries, this survey provides a detailed account of the similarities and differences in operations across widely diverse national contexts and cultures.

The centers in the survey include a total of 475,000 call centre employees. Participating countries include: Austria, Brazil, Canada, Denmark, France, Germany, India, Ireland, Israel, Netherlands, Poland, South Africa, South Korea, Spain, Sweden, UK, and the US.

Led by Cornell University, the survey shows that most call centers serve their own domestic markets. India is an obvious exception, with 73% serving foreigners. (Indian centers also average 741 employees, compared with 96 to 396 in the U.S., depending on the sector

Some excerpts from the report:

1. TWO-THIRDS of call centers are run in-house

2. 75% predominantly serve mass-market customers

3. 49% provide service

26 www.globalcallcenter.org
4. 21% conduct sales

5. 30% do both

6. 86% of centers serve their HOME MARKET

7. MORE THAN 60% of centers in INDIA and FRANCE use mostly COLLEGE-EDUCATED employees

8. 97% of employees in the average Indian center work FULL-TIME vs. 71% worldwide

9. Average duration of call 3Minutes and 10Seconds

10. Response time for 85% of in-house centers (90% of subcontractor centers) 20 Seconds

11. Average ANNUAL SALARY for call-center agent
   a. U.S. $29,000
   b. India $2,667

12. Typical annual employee TURNOVER
   a. U.S. 28%
   b. India 39%

13. Total turnover. The typical call centre reports a total turnover rate of 20% per year. This includes promotions, voluntary quits, retirements and dismissals. However, there is great variation in turnover, ranging from a low of 4% in Austria to 40% in India. Median turnover is 15% in coordinated countries, 25% in liberal countries, and 23% in industrializing countries.
14. *Workforce tenure.* Across all the countries in the study, approximately one third of the call centre workforce has less than one year of tenure at work. This varies markedly from less than 10% in countries like Austria or Sweden to almost 60% in India; and also between the different types of country – from 16% in coordinated countries, to 21% in liberal, and 38% in industrializing countries.

15. *Costs of turnover.* The costs of turnover are high. On average, replacing one agent equals 16% of the gross annual earnings of a call centre worker – that is, the simple replacement costs of one worker equals about two months of a typical worker’s pay. If lost productivity is taken into account, replacing one worker equals between three and four months of a typical worker’s pay.

16. *Labor costs.* The costs of turnover are high, particularly given that labor represents a high portion of total costs in call centers – typically 70% of costs in liberal market and coordinated economies and 57% in industrializing countries.

17. *Turnover and unions.* Across all countries in this study, call centers with union coverage have 40% lower turnover rates than those without coverage: 14% annual turnover in union workplaces compared to 24% in nonunion sites.

Data Source: The Global Call Center Report (2007), Cornell University, USA and University of Sheffield, UK; Working Life Research Center, Austria. Countries participating in survey: Austria, Brazil, Canada,
Denmark, France, Germany, India, Ireland, Israel, Netherlands, Poland, South Africa, South Korea, Spain, Sweden, Britain, and the U.S.

2.5 THE BASIC COMPONENTS OF A CALL CENTER

The basic components of a call centre are computers, interactive voice response systems, EPABX and an automatic call router. The earlier adopters of call centers were able to reduce the cost of sales, become more responsive to their customer requirements and thus, get a competitive edge.

The costing of the call depends on the value of the service provided by the call centre. The international call centers will be driven by a globalization, increased competition, customer expectations and the fact that products are becoming more and more commoditized with improvement in computing and database management skills. The reason why international call centers are looking at locations like India is because of staff costs, which are almost 65% of total cost overseas, is about 50% or less in a country like India. It is not so easy to shift because of lower staff costs. Lower staff costs should be backed by a skill set, which is language and cultural specific. The other things that impact operations of an international call centre are real estate expenses and telecom expenses.

2.5.1 COMMONLY USED TERMS

2.5.1.1 Inbound and Outbound Centres
An inbound centre is one that handles calls coming in from outside, most often through toll free numbers. These calls are primarily service and support calls, and inbound sales.

An outbound centre is one that does mainly outgoing telemarketing.

Inbound is the biggest component of call centre traffic these days, though perversely, outbound represents the area of largest projected growth in the next few years. In truth, the majority of centres contain some element of both inbound and outbound.

2.5.1.2 Service Bureau

A service bureau is a call centre for hire, or an outsourcer. It is what is commonly known as a Third Party Call Centre. There are hundreds if not thousands of service bureaus in the US. These outsourcers often run networks of interlinked centres, and are used by companies that need to cover a sudden surge in call volume, or that are interested in testing out a promotional program that's going to generate calls, but aren't willing to invest in the expensive technology and personnel at the first get-go.

2.5.1.3 Call Centre Manager

A call centre manager's job consists of ensuring the continued daily operation of the centre. He or she is responsible for setting service standards for the centre (i.e., how long before calls get answered, on average, or how many contacts per hour outbound agents are required to make).

The manager is responsible for solving intra-day problems, arranging for having the correct number of agents in the right number of seats, and for making sure that the centre operates with enough of the right kinds of
technologies to make the customer experience a positive one. The call centre manager's job is to put out fires all day long, and it's truly an impossible one.

2.5.1.4 Rep/Agent
A rep/agent answers the phones. A rep takes a day's worth of complaints from customers and comes back tomorrow. A rep puts up with long hours and not enough motivation from his or her supervisors, and usually doesn't stay at the job for very long. A rep ensures that the customer experience is the best it can possibly be.

2.5.1.5 Agent Turnover
It depends on the industry and the cultural conditions within a given company, but a turnover rate of 35-50% is said to be common.

2.6 VARIOUS TYPES OF CALL CENTERS
Call centers can be of different types. A regional call centre implies that a centre in America to handle America, Europe to handle Europe and a centre in South East Asia and Australia to handle Asia. This enables some economies of scale but duplication of efforts can minimize operational efficiency. The other option is to have a global call centre where all calls across the globe are handled. This results in tremendous economies of scale, which is really cost effective. Such a centre cannot afford any downtime because of lack of back up.
The latest version of call centre is a global intelligent network, a centralized database with advanced call handling facilities, managing a typical end-to-end service. The network is spread across the globe with local resources tapping it. This requires technically qualified manpower to maintain the backbone and telecom infrastructure management skills. This global internal network allows access to worldwide staff and ability to match languages, skills and resources. This is the first step towards a global virtual call centre.

Interactive Voice Response (IVR) has been the most significant productivity gain. 70 - 80% of calls can be handled without agent intervention, which helps reduce operating costs. In some extremely competitive markets like financial services, airlines, etc., IVR systems are a necessity.

The 24/7 Call Centers are successful due to a variety of reasons ranging from technical skills, effective call handling, customer service excellence and quality assurance during the inbound / outbound call process. The different types of call centers are:

1. Inbound Call Center
   An inbound call center handles calls made by customers of the call center for either getting a solution to their problems / queries or for sales queries. The customer is given a Toll free number to call up where a customer service executive would be answering all queries. The idea of an outbound call center is to provide the customer an
instant response to his query and this has to happen round the clock all 365 days in a year or 24 / 7 Call Centers. To achieve this call centers adopt technology like telecom and internet to respond to customers in real time. Integration of IVR (Interactive Voice Response) systems in the call process helps the inbound call centers achieve their 24 / 7 response to their customers. The inbound call centers are managed by the best of customer care associates, who are trained to handle customer queries. They sometimes also sell additional services to existing customers during the calls.

Inbound call centers need to be quick in their response like call answering, resolving customer queries, escalating customer issues immediately if need be. These call centers are generally the extensions of the customer care or marketing departments of any MNC organization.

The 24/7 services of Inbound Call Centre comprise of:

a. Order Processing  

b. Catalog Orders  

c. Consumer Response  

d. Customer Service  

e. Dealer Locators  

f. Toll Free Response  

g. Help Desk  

h. Direct Mail Response  

i. Direct TV Response
j. Print Media Response
k. Website Response
l. Seminar Registration
m. Answering Service
n. Inquiry Handling
o. Email Management
p. Product Technical Information
q. Interactive Voice Response
r. Sales Lead Qualification
s. Technical Support
t. Trade Show Registration

2. Outbound Call Center
The Outbound Call Centers make telephone calls to individual customers or prospective customers of any organization. It is a part of the direct marketing effort of an organization. A database of customers is given to a marketing executive for making telephonic calls to customers for soliciting product or service sales. Today with complete automation on integrated call management system uses an auto dialer to make the calls to customers and then transfers the call to one of the many marketing executives manning the sales calls. Software on the computer displays the customer details on the screen while the call is being attended. The customer can order products directly on the phone by using his credit card. The marketing
executive can also view the customer’s credit ratings while offering him an installment option for making payment.

The outbound call centers can also be meant for making telephone calls for recovery of loans, credit rating surveys, Customer Surveys and public opinion surveys and for passing general information to customers.

Services of Outbound Call Centers:

a) Market Intelligence
b) Database Selling
c) Direct Mail Follow-up
d) Lead Generation \ Qualification \ Management
e) Seminar Population
f) Product Promotion
g) Debt Collection
h) Information and Literature Fulfillment
i) Appointment Scheduling
j) Decision Maker Contacts
k) Up Sell/Cross Sell Campaigns
l) Surveys
m) Customer Satisfaction
3. Web Enabled Call Center.

One of the many boons of the internet boom is e-mails and live chats. This technological advancement gave rise to Web Enabled Call Centers. Using the technology of CTI (Computer – Telephony Integration) the concept of electronic commerce has emerged. A customer today need not directly interact with any call center executives and yet get his query resolved by sending an email or using the organizations website where he can have a live chat with the customer service executives. Many organizations corporate websites (like that of banks) provide the customer step by step process on resolving a query and finally of the query is not resolved an email is sent to its call center to look into the matter. The call center executives then resolves the customer query and replies by email to the customer.

4. CRM Call Center

The Customer Relationship Management or the CRM Call Center is the latest type of call center service. These types of call centers use advanced CRM software like My SAP or Siebel to track customer’s buying behavior. Using the customer’s past buying history and credit ratings, the customer service executives or the marketing executives service the customers. These call centers go beyond the normal sales cycle and go a long way in establishing an long term relationship with the customers by offering them discounts, buy back schemes, referral bonuses etc. Typically banks and insurance companies use these types of call centers to cross-sell their products and services to the existing
and new customers.

5. Telemarketing Call Center

Telemarketing services refer to selling of products to customers over the telephone. These call centers specialize in soliciting business from Business to Business (B2B) and Business to Customers (B2C) type of transactions. The telemarketing call centers generally assist organizations in the entire sales cycle right from the lead generation, fixing of appointments for the salespersons to conducting of Tele-surveys for products/services. The telemarketing call centers are essentially the outsourcing of the sales process of an organization. Their main purpose is to enhance sales and increase customer base. Many of the consumer product companies worldwide outsource their sales processes to such telemarketing call centers. Such organizations have standard products like soaps, shampoos, etc like FMCG (Fast Moving Consumer Goods) products which have ample demand at the same time stiff and cut throat competition. Their main aim is to add more and more customers and thus increase their product sales.

These Telemarketing Call Centers using the state of the art call center equipments and software contact thousands of customers for an organization every single day. These call centers are manned by well trained Customer Service Associates (CSA), who have selling skills backed by excellent communication and negotiation skills. Most of the CSA get huge commissions on achieving their sales targets. A majority of the call centers fall under this category today. Many of the online web stores follow this model to achieve sales and make their
web portals popular.

6. Phone Call Center

The phone call centers are like helpline services with 1-800 type of dialing, which is generally Toll Free for the customer. The main purpose of such call center services is to keep customers satisfied by attending to his phone call and answering all his queries immediately. These call centers provide helpline services on behalf of organizations on a 24 / 7 basis. Typically banks, government organizations, hospitals, essential service organizations utilize the services of such phone call centers. The customer gets the required information by just dialing the Toll Free phone number. They interact with the IVR (Interactive Voice Response) system, but can also get transferred to a Customer Service Associate (CSA) for getting the required information.

24 hours directory services like Just Dial fall under this category of phone call centers. The main purpose of such call centers is to provide accurate and timely information to the customers so that the organization does not lose customers because of not answering the phone queries. These call centers are generally manned by female operators who are trained to be helpful, cheerful and courteous to the customers. They are also trained to keep the customer conversation short and to the point at the same time being helpful. This tactics help the call center in serving more customers who are in the queue. The phone call centers help build trust and rapport between the organization and its customers. Typically helpline, complaint
numbers, emergency dialing, directory services utilize the services of such phone call centers.

2.7 ORGANISATIONAL STRUCTURE, MANAGEMENT AND SUPERVISION IN CALL CENTERS

Organisational structure in call centres vary according to the range and scale of services provided, the type of company or organisation involved, the size of the organisation and its links with other organisations. Despite these differences there are also some common features, including relatively ‘flat’ management structures and, in many cases, the use of teams led by team leaders.

The importance of technology in call centres is often reflected in management structures, with a high priority given to information management, ICT systems and design issues at senior management level. Senior managers often have responsibility for technological systems governing overall workload distribution, resource management and performance targets, market position or competition for contracts for call centre services. Team leaders or supervisors may have to deal with human resources, shift arrangements or individual performance management issues.

This separation of target-setting and performance management can cause problems if people are not consulted about targets, or if targets keep changing, because the people setting targets may not be directly involved with those having to implement them. It can also lead to severe pressures
on team leaders as well as team members, especially if there are recruitment and retention problems.

2.7.1 TEAM WORKING AND JOB CONTENT IN CALL CENTERS

Team working is a common feature of call centres. Team size varies – some teams are as small as three or four team members to each team leader, others as large as twenty-five or thirty. Generally, ratios of team leaders to team members are higher where the work is more complex or demanding, or where more support and possibly also real-time monitoring is needed – as in the case of telephone advice lines, for example. Ratios of 1:10 or 1:12 are considered manageable in many cases – if teams are too large, the team leader may not have enough time to provide the necessary coaching and support and carry out the necessary administrative work.

Teams may be divided in various ways, with a division of labor between different teams, or they may all do the same work. For example, teams may be organized:

a) around a particular function, contract, service or product
b) around a particular client or client’s customer base
c) around a particular group of customers or callers
d) around a particular level of response (e.g. dealing with complaints or complex problem solving,
e) technical support or in-depth advice)
f) around particular tasks or activities (e.g. inbound or outbound calls, e-mail contact or telephone contact, sales or follow-up)
g) around specific projects (e.g. research projects, surveys or promotions)
h) around particular languages, forms of communication or user groups in particular locations or physical locations within the call centre

Alternatively a call centre may have ‘generic’ teams handling all inbound or outbound calls, all tasks and all forms of contact, including e-mail, text messaging and other e-contact points. There are advantages and disadvantages to each of these diverse arrangements. Generic work, for example, may mean dealing with a wider range of calls and more varied call content, but it may also mean less specialised or in-depth content knowledge. More specialised work with a single focus may in turn allow more job satisfaction but may mean less variety and more repetition.

Lack of variety, boredom and repetition is a common complaint about call centre work, and therefore job content is an important issue. Call centre jobs that involve sticking rigidly to a pre-set script, including pre-set forms of greetings, can be particularly monotonous, especially if call handlers have little or no opportunity to exercise their own judgment or handle calls in different ways.

Some call centers have addressed these problems by replacing pre-set scripts with screen prompts, removing rigid call handling time limits, and allowing call handlers to conduct calls and transactions within agreed
guidelines, using their own judgment and personal approach in the process. Some have given operators more responsibility, for instance a discretionary sum of money they can spend to compensate a dissatisfied customer and have found that doing so not only increases job satisfaction but also reduces the overall amount of compensation that ends up being spent.

Others have tackled it by introducing job rotation or task rotation within teams, so that the type of calls and activities handled by the team as a whole varies at different times. Some allocate different tasks within the team, and then rotate within the team. Another option is rotating membership of different teams, so that workers move from one team and one type of activity to another. A more radical option (but one that is not always feasible) is to consider rotating people between different types of work, alternating call centre work and non-call centre work in the same local area within the wider organisation, so that workers are not employed exclusively in call centre jobs.

Many call centers deliberately encourage competition between teams. Team performance targets are used to get teams to compete against each other in ways that can be unhealthy and divisive, resulting in lower morale, increased risks of stress and burn out, resentment and reduced productivity. Experience suggests this can be counter-productive for both managers and call handlers in call centers.

Productive team working requires effective two-way communication, cooperative and supportive team relationships and positive team leadership.
2.8 HAZARDS AND RISKS OF CALL CENTRE JOBS

Call centre activities involve several different types of hazards and health and safety risks. They include:

1. work organization and working practices (See Chart 2.3 below)
2. the working environment (See Chart 2.4 below)
3. workstations and equipment (See Chart 2.5 below)
4. working time arrangements (See Charts 2.6 & 2.7 below)
5. monitoring systems (See Charts 2.6 & 2.7 below)
6. Health issues such as stress, postural problems and Musculo-Skeletal Disorders, acoustic shock, visual fatigue and voice loss. (See Chart 2.7 below)

These issues are inter-related and often exist in combination. The combined effects need to be taken into account when assessing the risks.

27 http://www.it.fmi.uni-sofia.bg/TOSCA/
The above chart depicts the typical control mechanisms existing in a typical call center to monitor the work done by its call center employees. The organizational structure coupled with the management systems and rigid and exacting performance standards puts strain on its employees. Most call centers have a flat organizational structure. This results in lesser rungs in the organizational structure and this is perceived as lesser growth opportunities.
for employees within the organization. This de-motivates the employees and they quit the organization for higher positions in other organizations.

Chart 2.4

Sources of Demands on Call Center Workers

The working conditions like night shifts, rigid work profile, customer abuses and less rest periods also challenge the call center employees. These acts as deterrent to their stability in call center organizations as well as the industry.

Most of the call center employees have to work sitting for long periods with minimum of rest periods so that they make or receive at least 300 – 400 telephone calls in 9 hours duration of their working. This results in hearing disorders and physical posture related disorders, as physical movements are minimal.
Call center employees have to deal with foreign accent while communicating with their customers. This also poses challenges which are cross cultural in nature. Besides they have to deal with sensitive data of the customers and answer all their queries accurately. All this has to be done...
within the permissible call handling time limits. This creates tremendous mental stress and fatigue to the call center employees.

**Chart 2.7**

**Sources of Work related stress on Call Center Workers**

**Chart 2.7** *Examples of sources of work-related stress in call centres*

<table>
<thead>
<tr>
<th>excessive working hours / shift systems</th>
<th>work / life balance problems</th>
<th>contact overload</th>
<th>information overload</th>
<th>excessive workload / pace of work</th>
</tr>
</thead>
<tbody>
<tr>
<td>lack of control over workload / pace of work</td>
<td>lack of autonomy / flexibility</td>
<td>restrictions on movement / social contacts</td>
<td>discrimination, bullying or harassment</td>
<td>lack of privacy / personal space</td>
</tr>
<tr>
<td>job insecurity</td>
<td>lack of career opportunities</td>
<td>abusive or difficult calls / contacts</td>
<td>poor management / lack of support</td>
<td>lack of rest breaks / screen breaks</td>
</tr>
<tr>
<td>poor work environment</td>
<td>ergonomic problems</td>
<td>too much / too little variety</td>
<td>repetitive call content / tasks</td>
<td>monitoring systems</td>
</tr>
<tr>
<td>poor team relationships</td>
<td>poor organisational culture</td>
<td>competitive pressures</td>
<td>lack of recognition and reward</td>
<td>lack of involvement in decision-making</td>
</tr>
<tr>
<td>lack of training and development</td>
<td>unreliable data / inaccurate information</td>
<td>unreliable / faulty ICT systems</td>
<td>not-desking</td>
<td>poor system design</td>
</tr>
</tbody>
</table>


The above examples highlight the reasons for BOSS (Burn Out Stress Syndrome) prevalent among most call center employees. The Human
Resources Department in call centers should take cognizance of the above facts and devise futuristic policies and training programmes to combat these employee issues which would magnify in the near future.