

Call Centers and Low Wage Employment in International Comparison

**Workshop “Emerging Patterns of Employment, Union
Representation and Job Design“**

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- **The Project: Low Wage Employment in Europe and the USA – Opportunity in the Workplace**
 - ⇒ Framework and contents
 - ⇒ The call center studies

- **“Brief benchmark”: Low wages in German call centers?**
 - ⇒ In general and differentiated by gender

The European Study: Low Wage Employment in Europe and the USA – Opportunity in the Workplace

- **Funded by Russell Sage Foundation** (July 2004 - August 2006)
- **5 European teams**
 - ⇒ Denmark
 - ⇒ France
 - ⇒ Germany
 - ⇒ Netherlands
 - ⇒ United Kingdom
- **Focus:** (variation of) **job quality in target occupations at the lower end of wage scales and the impact of institutions**

Contents of the study

Country specific analysis:

Development, structure and institutional framework of low wage employment

Company case studies in five industries (including the role of outsourcing and TWA)

hotels

hospitals

**retail
trade**

**food
processing**

**call
centers**

What have been done so far?

■ Common agreements upon

- ⇒ Contents of the national overview papers (including definitions)
- ⇒ Issues of the national industry reports
- ⇒ The case study design
 - Sub-sectors
 - Selection criteria (e.g. size, common and national contrasts)
 - Interview guidelines

■ First drafts of overview papers and industry reports

■ Getting access to companies and carrying out the first case studies (to be completed up to February 2006)

The European call center studies

- **Sub-sectors: financial services and utilities (intended: at least one multinational)**
- **In-house call centers and subcontractors - mainly performing inbound calls**
- **Size > 20 employees**
- **Common contrast: complexity of tasks (low vs. medium-complex)**
- **Further variations: union, collective agreements, works councils etc.**

Median and low wages in Germany

Our findings for Germany

- *Based on calculations with the Employee Panel of the Federal Employment Service 2002*
- **Median full-time hourly wage in Germany = 14.53 Euro**
 - ⇒ Men: 15.76 Euro
 - ⇒ Women: 12.42 Euro
- **Low wage threshold** (*according to OECD-definition of two thirds of national median wages*) = **9.69 Euro**
 - ⇒ Men: 10.51 Euro
 - ⇒ Women: 8.28 Euro

Low wages in German call centers?

- Mean wage in German call centers (*according to the results of the GCC-survey*) = **11.30 Euro**
- “Benchmark” of call center wages based on a comparison with our results on full-time median wages
 - ⇒ 77.8 % of *overall* median wage
 - ⇒ 71.7 % of *male* median wage
 - ⇒ 91.0 % of *female* median wage

Conclusions

- For German women, call center work tends to be not so bad (*in terms of remuneration*)
- The more so as most of the call center jobs are related to longer part-time or even full-time employment
- In other service industries the share of mini-jobs (*marginal part-time jobs with monthly earnings of up to 400 Euro*) is significantly higher – e.g.
 - ⇒ commercial cleaning: 47 %
 - ⇒ retail trade: 26 %