EMPLOYMENT ISSUES IN AUSTRALIAN PUBLIC SECTOR CALL CENTRES: DIFFERENCES AND SIMILARITIES WITH THE PRIVATE SECTOR

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Call centre development has been extensive and ongoing across the industrial world. These developments have resulted from an ongoing process of consolidation and restructuring of service work that has been facilitated by the continuing application of information and communication technology (ICT) to production in the service sector. Thus far, the academic discussion of call centres has been dominated by labour processes, particularly in the private sector. Meanwhile, there has been an extensive and growing use of call centres to deliver public services. Hence, this article draws on secondary data, policy documents and registered workplace agreements to examine employment related issues in Australian public sector call centres while comparing these issues with those found in private sector call centres.

Introduction

From local to central government call centre operations are expanding, and in some cases, operations are being outsourced to lower labour costs. One of the largest users of call centres is the public sector. Upwards of 20 per cent of call centre activity is directed towards the provision of public services. The outsourcing of call centres, combined with a lack of 'official' information relating to the industry, makes it difficult to accurately estimate exactly how much call sector activity is generated through the public sector. The significance of public sector call sector activity is not surprising since it is a location of vast service provision and call centres are an effective means for providing inbound and outbound services from the routine to the complex and on a continuous basis. Services include transport timetable inquiries, utility bill payments, taxation inquiries, health care advice, council rates payments, welfare inquiries and job search activities. While this article reviews the development and operation of public sector call centres with discussion focusing on the context of public sector call

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centres in Australia, the issues addressed are also pertinent for public sector service delivery across all countries.

In particular this article focuses on the following questions:

- Why are public sector services taking place through call centres?

- Are the traditional challenges concerning call centre management and service delivery in the private sector also present in the public sector (such as turnover, commitment, training)?

- Are the terms and conditions of employment in public sector call centres different to those found in the private sector?

- Are employment relations issues for call centres different in the public sector to those of the private sector?

The Development of Call Centres in Australia

Call centres were recognised as the most rapidly growing workplaces in North America, Europe and Australia in the 1990s (URCOT 2000; Paul and Huws 2002). Growth levels in Australia alone have reached 20-25 per cent annually, exceeding growth levels in every industry (ACTU 2002). ACA Call Centre Research (2004) indicates that although a quarter of the current market comprises call centres that have only entered the market within the past four years, the Australian call centre industry is the most established in the Asia-Pacific region, with more than 50 per cent of its call centres having operated for at least seven years. The industry currently comprises 141,000 call centre seats in some 4,635 call centre facilities, and is worth an estimated AUD10 billion per year (ACA 2004; Wallace 2003). There is strong evidence that growth figures will continue to rise, with 62 per cent of Australian call centres planning to increase the size of their operations by the end of 2005 (ACA Call Centre Research 2004). For all industries within the market and non-market sectors there are many reasons for delivering services through call centres including cost savings, accessing customers and offering continuous services. However, tracking the call centre industry is difficult due to a number of interrelated developments discussed below.

Firstly, call centres do not constitute an industry as such—production and employment data are not assigned to the call centre sector but to the industries that are utilising call centre operations. The ACTU (2002) identifies three types of call centre in terms of business organisation:

- in-house call centres—usually covered by existing awards/workplace agreements;

- outsourced call centres—perform contracts for related entities; and

- contract call centres—provide specialist call centre services across a variety of industries.

These developments are emerging across all sectors including banking, marketing, insurance, emergency services, charities, retailing, airlines, insurance and virtually all sectors that require interactive communications with customers and potential customers.

The public sector has emerged as a large user of call centre operations for dealing with public inquiries (such as emergency services) and for service delivery (such as job search). As the 2004 ACA Benchmark study suggests, 16 per cent of Australia call centre organisations belong to the government/education and health sectors (ACA Call Centre Research 2004: 4). The public sector is second only to the Banking, Insurance and Finance industry which makes up 19 per cent of the operations (ACA Call Centre Research 2004). Increasingly, as with the private sector, these operations are being separated from the home organisation through the development of relational call centres at remote locations and with differing employment conditions experienced through the outsourcing of call centre service delivery.

The trend towards outsourcing in both the private and public sectors has meant that specialist providers of call centre operations have been contracted to provide services that were previously provided in-house. Many of these providers are international organisations that specialise in call centre service provision (Rainnie and Drummond in press). Of course, this process can develop both onshore and offshore, and with pressures developing for further offshoring to save costs, the industry is in a continuous state of adjustment.

It is difficult to identify how many public sector call centres are currently operating in Australia since some of these call centres may be in-house and others maybe outsourced. Indeed, this reflects the lack of 'official' information relating to the industry—there is a dependence on the reports of consultants associated with call centre development and extension (euphemistically, 'business process re-engineering') in the areas of management consultancy, software and hardware provision, and on reports by trade unions (see ACTU 2002) in an industry with a relatively low trade union density. Counting the number of call centres located in the public sector will not, however, provide a comprehensive estimate of the extent of public sector call centre activity. Nevertheless, it is certain that call centre operations are prevalent throughout the public sector and that they are growing.

The Context: Public Sector Restructuring

Within the public sector call centre context it is recognised that there are vast differences between the type and complexity of services provided, between the modes of operation and delivery, and in terms of the size and location of call centres. To date, there have been relatively few studies of individual public sector call centres or outsourced public sector

call centres in Australia. The available, mainly case study, research emphasises the similarity between the public sector and private sector in terms of core management and labour issues. These involve employee commitment; turnover; control and surveillance; delivery costs versus service delivery; career opportunities; skill development, de-skilling and worker voice (Barnes 2004; Rainnie and Drummond in press; van den Broek 2003; Russell in press; Townsend 2004). This article focuses on the macro view of public sector call centre development and the core management and governance issues—especially those in the area of employment relations that are present in public sector call centres.

The public sector in Australia has undergone more than two decades of significant change that have affected its structure and the delivery of its services. Pressures for cost savings and efficiency have seen privatisation, corporatisation and more recently, public-private partnerships emerging as processes for redefining the public sector and the delivery of its services. This reconfiguration of service options has allowed for competition in the delivery of services that were previously delivered largely through monopoly supply by the public sector (Waterhouse, Brown and Burgess 2005).

Public sector managers have, in recent years, taken on many private sector characteristics, including a greater emphasis on performance management, contracting out and competitive tendering within organisation service delivery (Fairbrother, Padden and Teicher 2002). The processes, the drivers of change and the employment and industrial relations outcomes at the State and federal levels of government have been presented in a series of studies by O'Brien and O'Donnell (2000; 2002).

Operationally, the public sector has been fragmented under various competitive models including the purchaser-provider model (Burgess 2003). The drive for efficiency gains has largely been met through cuts in the size of establishments and through restructuring and relocating employment. The contracting out of 'non-core' activities and the opportunity to contract in services has resulted in a reconfiguration of employment and employment tenure in the public service. Employment security is no longer a feature of public sector employment in Australia. Indeed the current federal Government has used funding and tendering arrangements to promote individual employment contracts (Waterhouse, Brown and Burgess 2005). Over the past decade the federal public sector has contracted in terms of employment through a process of program cuts, outsourcing and privatisation. Overall there has been barely any public sector employment growth in Australia over a period in which the economy has grown in real GDP terms by at least an aggregate 30 per cent (Waterhouse, Brown and Burgess 2005).

Budget constraints on the public sector have provided the impetus for changes in employment levels, employment conditions and for the introduction of new management systems into the public service (O'Brien and O'Donnell 2002). The quest for efficiency has been translated

into three predictable consequences: work intensification, work re-contractualisation and fewer staff to deliver services. In the quest for operating fiscal surpluses, the federal government directly places pressure on State and local governments through reduced transfers to either raise taxes or reduce operational costs. In turn, the use of global spending limits on departments can force them to economise on what is usually the largest operational expense, that of labour (Fels 2001). Supporting this process has been a national competition agenda that has forced State governments to rationalise and privatise utilities and to open up public infrastructure to the private sector (Jose and Burgess 2005).

Together with this political shift in the role and functions of the public sector, new service delivery models have emerged that integrate private sector management practices and allow for the contracting out of many former public sector services (Burgess 2003). Coincidentally, the rise of the call sector centre, enabled by ICT developments, has facilitated the process of public sector restructuring, since at the core of the public sector is the delivery of a vast array of services from the routine through to the complex.

The Drivers of Call Centre Development in the Public Sector: Is the public sector different?

The motivation for call centre development in the public sector is much the same as the motivation for development in the private sector. Cost savings, more effective and efficient service delivery, and responses to the possibilities offered by ICT. This also accords with the pressure on the public sector to do more with less funding. The motivations are similar, if not more intense than with the private sector, since revenue (funding) is determined outside of the public sector organisational units and within a political context. Currently, this context supports 'business process re-engineering' and the opportunities offered by call centres to reduce staff costs and improve service delivery. In common with the private sector there is not only a supply side driven pressure to improve current call centre delivery and operations, but also to extend these to all areas of service provision.

In terms of the government and call centre industry, the advantages consist of improved service delivery and improved access (Roper 2002), while also including potential cost savings. Agency and service functions are being restructured, front and back office operations are being separated, and services are being packaged into the call centre mode of delivery (Unwin 2003). The technology associated with call centres allows for service delivery to be streamlined, offered on a continuous basis and moved away from head office locations. In the process cost savings are achieved through workforce reduction, reduced overheads and the technological displacement of labour. All public services from welfare payments and bus timetables, through to emergency services,

Table 1
Call Centres in Australia: Operational Details

	Australia Public Sector Call Centres (Sample size: 41)	Total Market
Size		
• Mean CC Seats per CC	20.5	166
Staff Levels		
• Average no. of f/t agents	10	33
• Average no. of p/t & casual agents	9	22.6
Turnover and Recruitment		
• Average annual wage	$38,145	$35,646
• Annual Agent Turnover	15%	17%
• % experiencing difficulty in recruiting agents	17%	34%
• % staff directly represented by a labour union	43%	16%
Call Volumes		
• Inbound Mean Daily Agent Call Volume	107	76
• Outbound Mean Daily Agent Call Volume	31	51
• % of Customer Contacts handled through CC	68%	69%
Operating Hours		
• Mean Daily Weekday Hours	11 hours	13 hours
• No. operating 24hrs/7days	5%	15%
Training		
• Mean days per year of agent training	15 days	15 days
• % of CC offering recognised CC qualifications	54%	39%
• % Requiring high skill level	29%	34%
CC Reconfiguration		
• Expected to increase in size	66%	62%
• Will require different skills	54%	53%
• Will upgrade technology	54%	43%
• Will consolidate to 1 location	12%	9%

Source: ACA Call Centre Benchmark Study (2004)

taxation and child care services can be generated through call centres. The tasks that are delivered through call centres can range from the mundane and routinised through to complex professional services (van den Broek 2003).

Call centres also offer the possibility for ongoing cost savings as ICT provides new delivery opportunities, as organisations are corporatised and move away from public service pay scales, or agency based workplace agreements facilitate the ability of management to change workloads, the composition of staff (skill-mix, full-time and part-time, permanent and casual). The pressure for ongoing cost savings and changes to work practices can be promoted through reference to 'best' practice operations in the private sector and in outsourced call centres (Conn 1999).

The IT and call centre industries are regularly promoting the virtues of call centre service delivery, the potential for outsourcing services and for cost savings through improving service delivery. There are regular conferences that allow public sector service providers to discuss issues with consultants, IT software and hardware providers and specialised call centre providers. Recent conferences include:

- *Government Technology Evolution 2005. Partners included IBM, SAS and Acumen Alliance.*

- *Driving Towards Best Practice in Government Contact Centres. Partners included People Soft and Scan Soft.*

One area where the public sector does appear to be different from the private sector concerns outsourcing. There is a clear reluctance to outsource public services to specialised private sector call centre providers. The ACA Call Centre Research Report (2004) indicates that the public sector has a much lower propensity towards the outsourcing of call centres than does the private sector. This outcome appears to reflect a mixture of managerial, bureaucratic and political pressures to keep call centres within the public sector. First of all, the quality and accuracy of service delivery is an important issue. Keeping provision within house ensures that operatives are fully briefed on policy developments and that the appropriate training of staff takes place. Second, problems with service delivery are revealed due to political pressure being exercised through the media and parliament. Hence, it is crucial to be seen to be directly exercising control over the quality of service delivery. Third, the nature of many of the services requires complete confidentiality and confidence that confidentiality will be maintained and there may be a perception that this would not be the case for outsourced operations. Finally, with outsourced operations jobs can be relocated outside of the location of the responsible legislature. Were such relocations to occur then local government jobs would move to other municipalities and State government jobs to other States and national jobs may move offshore. If 'local' jobs disappear through outsourcing then the political reaction is invariably negative. This is

evident whereby Srivastava and Theodore (in press) cite the example of the State of New Jersey legislating against the outsourcing of government services outside of the State and the country.

Public Sector Call Centres: How do they compare in operational terms?

ACA Call Centre Research (2004) indicates that 68 per cent of public sector customer contacts are handled through call centre channels, suggesting call centres have become a critical means of delivering services in this sector. In order to establish whether the traditional HRM challenges associated with call centre management and service delivery are also present in the public sector, it is important to determine where public sector call centres are positioned in terms of the overall call centre market, especially in comparison with private sector users. These challenges and problems including staff turnover, staff absence, motivation, resistance and commitment, have been well documented in the literature (see *Labour and Industry* special volume 2004). Table 1 presents the key characteristics of Australian public sector call centres using data from the 2004 ACA Call Centre Benchmark Study.

There are a number of areas where public sector call centres stand out in relation to the total call centre market. The first is in relation to call centre size and staff levels, with figures suggesting that public sector call centres are more likely to have fewer call centre seats, and smaller agent numbers. The average annual turnover rate of 15 per cent amongst public sector call centres is slightly lower than the market turnover rate of 17 per cent. However, this figure still suggests that maintaining employee commitment is a challenge that is also faced in the public sector. This finding is notable, particularly given that the trade union density is significantly greater amongst public sector call centres (43 per cent of public sector agents are unionised), and public sector agents are more advantaged in terms of their salary rates. A possible explanation may be the relatively high daily call volume that agents are expected to deal with—recorded at an average of 107 calls a day compared to the 76 calls a day experienced by the total market. Many areas of public service provision are ' high stress' in terms of dealing with people who are agitated and upset about crucial issues linked to their life such as access to welfare benefits, tax liabilities, understanding policy changes and dealing with personal issues that are linked to service access (such as illness, divorce, retrenchment etc). High workloads and unreasonable targets have been associated with stress and burnout in call centres, and as a key factor driving employees out of the industry (ACA 1998; Bagnara and Marti 2001; Batt and Moynihan 2002; Richardson and Marshall 1999).

The average number of training days offered to public sector employees is the same as the total market average of 15 days per agent per year indicating call centres in the public sector are also falling short

of the world best practice of 20 days (ACA 2002). Nevertheless, there is evidence that suggests public sector call centres may deliver better training opportunities with over half (54 per cent) offering recognised call centre qualifications to their employees—compared to 39 per cent of call centres in the total market.

Another issue where public sector call centres quite clearly stand out from the rest of the market is in terms of recruitment difficulties, which were experienced by only 17 per cent of the public sector call centres, compared to 34 per cent of the total market. A possible explanation for this could be the more attractive salary rates offered in the public sector call centres. An alternative explanation may be the relatively lower skill levels demanded in public sector call centres. ACA Research (2004) suggests a key barrier to recruitment is the absence of skilled workers, although only 29 per cent of public sector call centres are said to require high skill levels from their agents. This can imply one of two things, firstly, that for the most part, the services that are offered through these call centres are largely routinised (such as train timetables, utility service outage and accessing forms) or secondly, that they require the types of skills that can be taught to employees through professional in-house training.

A consultant report on federal government business hotlines (Allen Consulting 2002) found that with regard to operational measures (such as calls answered per minute) public sector call centres compared favourably with private sector call centre operators. However, the report stressed that simple sector comparisons of costs per call, or the number of calls answered per hour, were not appropriate in the context of vastly different services being provided in terms of their complexity. In most cases the public sector services were technically complex and required accuracy in such areas as taxation, customs, consumer complaints and job search facilitation (Allen Consulting 2002).

From the ACA Call Centre Research report, in terms of the direction in which public sector call centres are headed, two expected reconfigurations are consistent with the direction of the total market; namely the expected increase in call centre size, and the need for different skills in their agents. Technological upgrading is expected by 54 per cent of public sector call centres compared to 43 per cent of the total market. However, few public sector call centres are heading towards the outsourcing of their functions: 2 per cent, compared to 10 per cent of the total market (ACA 2004). These issues are addressed in the following discussion.

Employment Conditions in Public Sector Call Centres

Given public sector call centres have significantly higher unionisation rates (see Table 1) agents may experience better working conditions than those working in the private sector. Research conducted by Russell (2004) on a government services call centre also indicated that union

influence improved employee discretion in the workplace by allowing agents to determine the form of monitoring that they were willing to undergo. Furthermore, data released by ACA Research (2004) suggests that public sector agents are paid higher annual salaries and have more access to recognised call centre qualifications than their private sector counterparts. Overall Table 1 reveals better pay, higher rates of unionisation, more training and less casualisation for public sector call centre employees when compared to the industry average.

In contrast, a survey of 150 Scottish public sector call centres (Knight 2001) revealed that modes of employment and pay for the industry were also issues in public sector call centres. However, agents received relatively low rates of pay, there was high use of contingent employment arrangements and high staff turnover was evident. Consequently, concerns were expressed over staff retention, training and career path opportunities as well as the low rates of pay. This does not appear to be the case for public sector call centres in Australia. Nonetheless, there is the expectation that call centre operations for the public sector will continue to grow and that some of these operations will no longer be located in the public sector.

In Australia, a survey of registered collective agreements for local call centres by Burgess and Winsen (2004) revealed a pattern of pay and conditions that reflected the ACA Call Centre Research findings. Where call centres remained in-house, the terms and conditions of employment were generally tied to those for the public agency (as per the case for the private sector). This meant that, in general, standard employment conditions, a systematic system of pay adjustments and union voice were evident within the workplace. In contrast, agreements for outsourced providers generally contained inferior conditions and pay, and were more likely to be non-unionised (Burgess and Winsen 2004).

Burgess and Winsen (2004) found that the key areas identified by the ACTU (2002) to impinge upon work quality (including breaks, call monitoring, career path access and arbitrary performance appraisal systems), were rarely identified in industrial agreements and were largely left to managerial discretion. They also found that this pattern applied across all sectors.

In her study of public sector call centres, van den Broek (2003) highlights the potential for deskilling through call centre arrangements. Her research suggests that call centre operations lend themselves to processes that can remove skill requirements and reduce interaction to scripts and set time periods. This means that jobs that previously required set credentials or qualifications can be de-skilled and pay rates moved downwards from skilled to semi-skilled pay rates (Unwin 2003).

Furthermore, call centres are part of an ongoing restructuring of public services that has seen major job losses (especially at lower grades), the outsourcing of jobs, the routinisation of services and the

development of call centres with much flatter hierarchical structures (Marshall, Lewis, Belt, Richardson and Parkinson 2001). This means that the possibilities for career progression are limited within call centres. In Australia, with the ongoing rationalisation of the federal public service the main area of job loss has been in the lower grade, lower entry jobs—those that used to be predominantly filled by women (Waterhouse, Brown, and Burgess 2005). Hence, the process of restructuring towards call centre operations is linked to job shedding, yet call centres themselves do offer jobs in areas of high unemployment and (limited) career opportunities for females where few were previously available.

Are the Challenges the Same in Public Sector Call Centres?

Challenges exist at a number of levels. For managers, these constitute challenges in relation to call centre costs, quality and the efficiency of service delivery; for employees, the quality of the jobs, financial rewards, coping with stress and surveillance and remaining committed. Again, in terms of the general management and work issues the challenges are similar in the public sector. However, there is a need to distinguish between in-house, specialised and outsourced call centres. The general picture is that there are different pressures and conditions within the three different types of call centres (ACTU 2002). In this article, when we speak of public sector call centres we are looking at call sectors located within the public sector, as opposed to those operations that have been outsourced to the private sector.

Although the factors driving call centre growth in the public sector are more or less the same as those experienced in the private sector, the challenges faced by employees may vary. For instance, the issue of work intensification may be more pertinent to agents in the public sector, given that they are expected to handle an average of 31 calls more per agent per day than agents in the industry as a whole (ACA 2004). Understaffing may be a key reason behind higher work-loads, with recent figures indicating that the average public call centre only hires an average of 10 full-time and 9 part-time agents, compared to the private sector which employs an average of 33 full-time and 26 part-time agents (ACA 2004). These findings may be indicative of the pressures faced by public sector call centres in presenting an image of efficient and effective service delivery to the community—pressures which are transferred on to the front-line call centre agents (van den Broek 2003). The impact of high work demands on agents, however, may be similar to those experienced in the private sector: low job satisfaction, emotional stress and burnout (ACA 1998; Bagnara and Marti 2001; Batt and Moynihan, 2002; Richardson and Marshall, 1999). Turnover in the public sector (15 per cent) is similar to that experienced in the call centre market as a whole (17 per cent), suggesting the issue of work intensification may be a factor driving public sector

call centre agents out of the call centre environment (ACA 2004). It is important to note, however, that this data fails to distinguish between those who exit the industry and those who move between call centre providers within the industry in search of better conditions and more pay. Nevertheless, there is evidence to suggest, that within the public sector, and indeed some large private sector call centres (e.g. airline companies), the call centre acts as a recruiting screen for progression within the organisation (Deery, Iversen and Walsh 2004).

Some key operational issues experienced by call centre managers in the public sector are listed in Table 2. These issues were identified by call centre managers at a public sector call centres conference held in 2003 (Government Call Centre Conference 2003). As expected, the list contains the tensions experienced between costs and quality. Also present are the demands for accurate provision of information, servicing the needs of callers and meeting growing demand.

The irregular workloads that characterise some public services also represent challenges for call centre managers. The uneven distribution of calls and inquiries makes it difficult to organise rosters and to exactly match labour needs with demand. This is especially the case with police emergency calls, which is one of the reasons why non-emergency calls are increasingly being re-directed to police assistance call centres (Lewis and Herbert 2003), and with utility break-down call centres (Townsend 2004). Long periods of calm and low service demand may be replaced by periods of high demand and extreme pressure on operatives. In these situations there are short periods of high stress on operatives. In the periods of low demand managers face the problems of deploying staff for other duties, keeping the staff 'occupied' and controlling labour costs (Townsend 2004).

Compared to private sector call centres, those in the public sector typically provide more complex, and skill intensive services (Allen Consulting Group 2002; van den Broek 2003). However, high call volumes and understaffing may impinge on the quality of service delivery, as agents can be under greater pressure to reduce caller-waiting time by dealing with each call as quickly as possible. Call centres of this nature can start to resemble what Batt and Moynihan (2001) describe as the mass-production model, where quantitative measures of performance and output are emphasised as either equally or more important than quality measures. This not only limits the extent to which agents are able to utilise their skills base, but also heightens the risk of calls not being dealt with appropriately (van den Broek 2003). As van den Broek's (2003) study suggests, the tension to meet both quality and quantity demands can create greater frustration and role conflict for workers, especially when they are restricted in their ability to help callers. This was particularly evident when the agent is expected to provide emotional and empathy based human services such as those involving welfare and distress calls (van den Broek 2003).

In a study of nursing call centres in the UK and Quebec, Colin-

Table 2
Key Challenges Identified By Public Sector Call Managers

Organisation	Issues
Dept of Info, Tech & Telecomm	• lack of customer service standards • uncertainty by public as to whom to call • problems with multi agency interactions
Outsourced operations	• call routing
Smart Services QLD	• meeting demand for services • demands for integrated services and easy transactions • meeting demands for service quality
SA Water	• cost effectiveness
Dept of Employment & Workplace Relations	• accuracy and quality of service delivery • service delivery agreement with provider • economies of using two call centres (internal vs external)
Motor Accident Authority	• high staff turnover • service quality
Dept of Human Services Victoria	• growing service demand • growing complexity of services • customer dissatisfaction with quality of service • issues of accountability and consistency
Child Support Agency	• accuracy of information • extent of client support
Canberra Connect	• confusion about whom to call • speed • information management • accuracy • staff motivation • infrastructure failure
Comsuper	• client service delivery • improved business systems • need for higher performance
Dept of Housing NSW	• service delivery standards • meeting customer needs • reporting and analysis

Source: Government Call Centres Conference, 2003, Proceedings, Sydney.

Jacques and Smith (2002) found that the inherent conflict between the cost and the quality of services was resolved differently in different contexts. In the UK, the quest for savings, minimising call times and the routinisation of operations led to a different type of service being offered from those in Quebec, where the emphasis was on the quality of the service. This reinforces van den Broek's (2003) finding that there is an inherent tendency for call centre operations to reduce service quality and to deskill the professional services being provided at the call centre if a mass production and homogenous services model is implemented.

Another study from the UK, conducted by Fisher (2004: 158-9) suggests that while pay remains the dominant employment issue amongst civil servants in the UK, 'recent substantive changes to some areas of work organisation mean that the central social and technical composition and management of labour process has begun to be of increased concern to staff and their unions'. Fisher (2004) argues that the development of call centres as a cost cutting measure has been central to these changes within the UK civil service. It is the call centre management strategies that influence work design, levels of autonomy and the related stress factors for call centre operators that are continually linked to these factors.

For instance, a large UK study (n=1,141 from 36 call centres which included the public sector) conducted by Sprigg, Smith and Jackson (2003) found that the risk of mental health problems was higher and job-related well being was lower compared to benchmark groups of employees in other occupations. Their studies indicated that some of the major stress factors for call handlers were lack of skill utilisation, conflicting role demands and a lack of clarity concerning their work roles in addition to high workloads.

These factors correlate with the 'sacrificial HR strategy' identified by Wallace, Eagleson and Waldersee (2000) whereby managers accept that after a certain period of time, usually around 12 to 18 months, call centre employees are likely to burn out and leave the organisation. This strategy operates on the premise that it costs more to provide programs to try and raise morale and keep staff than it does to find and train new staff (Wallace, Eagleson and Waldersee 2000).

Whether call centre managers decide it is worth the expense of investing in high quality HR practices may depend partly upon the availability of ready labour in the region where a call centre is located, or whether the employer believes it is better to encourage 'new blood' or develop existing call centre employees. Where profit margins are tight, labour is plentiful and employers concentrate on a high volume call strategy, investment in retaining employees may not be perceived as the best option.

Conversely, as Kinnie, Hutchinson and Purcell (2001), Townsend (2004), and Connell and Hannif (2005) report, other call centres use HR strategies such as games, teamwork, the use of bonus and reward recognition systems, the application of performance criteria and ongoing

work appraisal. These strategies have been designed and implemented in an attempt to enhance employee commitment and organisational identification while maintaining the quality of service delivery and still maintaining control. Moreover, competition from other employers combined with tight local labour markets are also an issue, although the UK Chartered Instituted of Personnel Development (2004) says (not surprisingly) that call centre employees in general prefer stability and rarely leave jobs in which they are happy.

Employment Relations Issues in Public Sector Call Centres

Table 1 indicates that higher union density and higher average pay rates are more evident in public sector call centres than they are in private sector call centres. This is in keeping with the fact that where employment remains in-house, the conditions of employment tend to reflect those of the employing organisation; in this case public service conditions. Differences arise when call centre services are outsourced or separated from the organisation through the establishment of an outsourced provider. This allows for the terms and conditions of employment to be restructured, for employees to be relocated into the private sector and for employment relations to become unitarist and individual. In these circumstances union densities are lower, employment conditions less generous and industrial agreements are more likely to be non-unionised (Burgess and Winsen 2004). This also raises challenges for trade unions in maintaining employment conditions and in recruiting new members, particularly in greenfield locations where workers are isolated and have few alternative employment opportunities (Rainnie and Drummond in press). Trade unions associated with the public sector such as the Community and Public Sector Union (CPSU) have been associated with a campaign of the peak trade union body (the Australian Council of Trade Unions) to develop a national award for call centre work that would effectively impose minimum wage and employment standards on all call centre work, irrespective of the sector and irrespective of whether it was for in-house or outsourced call centre work (Burgess and Winsen 2004).

Conclusions

The call centre sector continues to grow at a very high rate in Australia. Through call centres, organisations can be restructured, services offered on a continuous basis and the reach of service delivery can be expanded. Call centre development coincides with more than a decade of restructuring in the public sector and there are obvious synergies between call centre development and public sector restructuring. The challenges facing managers, workers and trade unions in public sector call centres are similar to those faced in the private sector. It is difficult, however, to compare service delivery given the vast differences in the

type and complexity of services delivered across all sectors. Where call centres remain in-house, public sector pay and conditions are superior, and staff are more likely to be unionised. Nonetheless, the inevitable challenges and contradictions remain over service costs versus service quality. In a context of emphasing costs it is inevitable that quality will suffer and professional services will be de-skilled. Although call centre development has resulted in service sector jobs being generated in non metropolitan Australia, and job opportunities arising for women workers (Burgess, Drinkwater and Connell 2005), this has to be countered against the process of rationalising service delivery which, in itself, invariably involves job loss. Also, the changing nature of the industry means that these jobs are not secure in the longer term. Consequently, there remain a number of challenges for public sector call centre operations:

1   The first is the inevitability of more outsourced operations and the subsequent degradation of employment conditions and de-collectivisation of workforces (ACTU 2002).

2   The second is related, and concerns the challenges of working with the tension that exists between the provision of high quality, professional services, while controlling costs and transaction times.

3   A third challenge, which is also interrelated with one and two, involves how to contend with the pressures of offshoring, and the attractions of large cost savings, alongside the potential for voter backlash and degradation of service quality (Taylor and Bain 2004).

4   Finally, the ongoing process of public sector re-organisation will offer opportunities for call centre jobs to be located in regions of relatively high unemployment, or into marginal electorates (Burgess, Drinkwater and Connell 2005).

The four points above are issues for concern, because as Cox (2005) points out, call centre work has been designed and managed from a traditional, mass-production point of view. This means that it has been fragmented and a call centre 'front end' been added, as this appears to be the best way to save money, and provide a high-volume, one-stop front office to handle demands that customers make on different parts of the public sector. These strategies, in addition to the factors discussed throughout this article, mean it follows that we should expect to see ongoing processes of job generation in combination with job destruction and job relocation within public sector call centres.

Acknowledgements

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