Call centres: employment strategies in France

Jean-Claude Delaunay, ISERES, France

Delivered to the 'Where in the World?' Conference, Budapest, 24/25 October 2000

Telephone Call Centres in France Today[1]

This note provides a rapid approach to the general profile of telephone call centres (TCCs) in France today. It refers to their numbers, structure, location and recent developments, especially in the field of employment (recruitment, staff management and training). Overall, one can say that although the French phenomenon of telephone call centres is partly specific, as is illustrated below, its characteristics are, however, mainly like those observed in other European countries.

There are three main parts to this presentation: 1) Generalities concerning call centres, 2) Technology and resulting expenditure, 3) Human resources, followed by 4) Main development trends.

GENERALITIES CONCERNING TCCS

The number of TCCs and their employees in France (estimations)

In France, there are still no public statistics on TCCs, although INSEE[2] has begun to think about the best way of identifying these companies and their employees in the context of the annual survey of market services. We, therefore, have to use "private", uncoordinated assessments. This explains the diversity of estimations and the limits of the confidence we can put in them.

According to World Socialist (1998), TCCs have already existed for 20 to 25 years. But their growth really started at the beginning of the 1990s following on from significant technological progress (IT networks and connection to powerful data bases). For diverse reasons, related to mentality and existing infrastructure (Minitel), as well as legislation being behind other countries (deregulation of telecommunications was later in France than in Anglo-Saxon countries), both internal and external (sub-contracted) TCCs only started to develop significantly from 1995 onwards. In 1998, the market of TCCs located in France had engendered an estimated 3.7 billion francs' turnover (CESMO Research Consultancy, 1999, in SeCA 2000, p.17).

At least two factors contributed to the development of these centres. Firstly, the American example served as a stimulus. There were, indeed, about 70,000 TCCs with several million employees in the United States (World Socialist, 1998). The SeCA guide contains interesting quantitative information about the United States (SeCA 2000, p. 18). Secondly, the economic opening up European countries (Maastricht Treaty) and their geographical proximity - the example of Britain, Ireland and the Netherlands definitely favoured the expansion of the phenomenon in France. Table 1 gives a comparative indication of the number of call centres in four European countries. According to the information on which this table is based, TCCs located in France represent a fifth (22%) of all European TCCs and half (48%) of British TCCs. One can see that the number of French TCCs is approximately the same as the number of TCCs located in Germany. Between 1998 and 2000, the number of TCCs grew a little faster in France (+13.2%) than in Europe (+ 12.5%). It is estimated that the

[1] This general presentation of telephone call centres in France today was written by Jean-Claude Delaunay. He drew inspiration from and included parts of the texts of D. Bérard and N. Bras, referred to in the bibliography.
[2] INSEE : French National Institute of Statistics and Economic Studies

variation rate of the number of sites in France will be the same as the average rate (+11.5%) between 2000 and 2002.

Table 1 : Number of call centres in 4 European countries

Country	Britain	Netherlands	Germany	**France**	Total	Variation %
1998	4130	830	1600	**1840**	8400	-
2000	5050	990	2450	**2420**	10910	+12.5
2002 (a)	5370	1100	3300	**2800**	12570	+11.5

Source: Datamonitor (in SeCA 2000, p.19).
(a) Estimations

Table 2 concerns work positions. In a TCC, a *work position* is a work station with a desk, headphones, telephone and IT equipment functioning in a network. When several shifts follow on from each other in the same day - as seems to be generally the case, the number of TCC employees is obviously greater than the number of work positions.

Table 2 : Number of work stations in call centres in 4 European countries

Country	Britain	Netherlands	Germany	**France**	Total	Variation %
1998	198,000 (49%)	46,000 (11%)	89,000 (22%)	**75,000 (18%)**	408,000 (100%)	-
2002 (a)	246,000 (44%)	57,000 (10%)	148,000 (27%)	**105,000 (19%)**	556,000 (100%)	+13.6

Source: Datamonitor (in SeCA 2000, p.19)
(a) Estimations

As table 3 shows, it is estimated that the average number of work stations per call centre in France will be 38 in 2002. It was 41 in 1998. The downward trend of the average number of work stations per call centre appears to be a general phenomenon and represents a drop of about 10% over the 1998-2002 period. France has the smallest call centres amongst the group considered.

Table 3 : Average number of work stations per call centre in 4 European countries

Country	Britain	Netherlands	Germany	**France**	Total	Variation %
1998	48	55	56	**41**	49	-
2002 (a)	46	52	45	**38**	44	-10%

Source: Based on Datamonitor (in SeCA 2000, p.19)
(a) Estimations

This data concerning the average size of call centres can be supplemented with information on their distribution and that of their corresponding work stations, by size. The following is a picture (for the year 2000) of call centres in France, by number of work positions.

Table 4 : Histogram of call centres and corresponding work positions in France (200) by size, according to the number of work positions

Size according to number of work positions	Number of call centres (%)	Number of work positions (%)
11-30	32	10
31-100	59	55
101-250	7	21
>250	2	14
Total	100	100

Source: Datamonitor (SeCA 2000, p.18)

As for Europe, the generally accepted forecast in the profession is that employment in TCCs will represent 3% of the total economically active population in 2002 (SeCA 2000, p.19). If one applies this forecast to France, 700,000 employees will be working in call centres. This would seem excessive given estimations concerning the number of call centres and the corresponding number of work positions (tables 1 and 2). However, one should not underestimate the large numbers of employees working in TCCs. If one assumes that there will only be 250,000 such employees in France in 2002 (1% of the economically active population), this sector would employ as many people as the "textile and clothing" sector (250,000) and significantly more than the "electricity, gas and water" sector (160,000).[3]

Internal or external call centres ?

Uncertainty about assessments of employees in call centres may be the result of imprecise assessments of call centres within companies. Most (90%) of big companies located in France have internal call centres. In spite of a certain tendency for French companies to subcontract their service activities (this is how one explains the difference existing between France and Germany regarding the share of the economically active population of these countries in services), surveys show, however, that there is a greater tendency for them to keep management of their call centre inside the company, than is the case in other European countries.

This is a result of the fact that the choice between economic solutions of internalisation or externalisation (subcontracting) of call centres is not only the result of taking into account transaction costs in the strict sense of neo-institutionalist theory. Strategic considerations are also involved, as the work of Quinn and Himler shows, for example. Nevertheless, it is possible that increased use of call centres in companies, that are smaller than those who tried them out first, will favour a process of externalisation rather than internalisation. Moreover, big French companies seem to be moving towards mixed solutions: some of their call centres or communications activities are carried out inside the company, while others are subcontracted - in such a way, that overall, the trend towards externalisation could become greater in the future than it is today.

It should be noted that there are special studies of the use of call centres in big companies. The IT Club of Big French Companies (CIGREF[4]) has already carried out several studies on this subject (SeCA 2000, p.16).

[3] INSEE, *Tableaux de l'Economie Française*, 1997-1998, INSEE, Paris, 1999.
[4] *Le Club Informatique des Grandes Entreprises Françaises.*

Sectors with call centres

Call centres in France meet the same needs that are to be found in all industrially developed countries. The profile of the sectors they are to be found in should not, therefore, be significantly different from that existing in other countries. In the absence of more detailed information for France, the following table shows the distribution of call centres by sector in Britain, according to the survey carried out by Bristow, Gripaios and Munday, 2000.

Table 5 : Distribution of call centres by sector in Britain (a)

Sector	(%)	Sector	(%)
Banking	17.3	IT services	3.9
Insurance	12.4	Communications	16.1
Telemarketing	13.0	Water, Gas, Elec.	6.1
Industry	4.1	Civil Service	14.6
Travel, reservations	11.5	Other	1.0

(a) *This distribution is based on a sample of 992 call centres.*

It is interesting to observe that call centres mainly concern service or assimilated activities and very few exist in industry yet. Indeed, classical manufacturing companies already have distribution networks. Introducing call centres would involve totally reorganising their sales systems.

Location of call centres

Studies of decisions concerning the location of TCCs have been carried out, especially, in Ireland and Britain. There is, however, some information on this aspect as far as France is concerned on Web sites, in administrative documents and also in market research carried out by consultants. Two levels of location should be distinguished: 1) international level and 2) regional level (location in the country concerned).

A study carried out by Buck Consultant International shows that Lille is the only French town amongst the top ten choices of European companies as far as location in Europe is concerned. (SeCA 2000, p.24). So France is not yet a country of first choice. However, at the regional level of France itself, a number of provincial towns are making a great effort to equip themselves and attract telephone call centres. Besides, Lille, the following towns are often quoted: Amiens, Rouen, Le Havre, Metz, Nancy, Rennes, Angers, Poitiers, Lyons, Nice, Marseilles, Montpellier, Toulouse and Bordeaux.

The regions are involved in a hard battle to encourage companies to come and install their call centres in their area, because they bring many jobs and require fewer subsidies than industrial companies. Thus Cegetel came to Toulouse on 25 May 1998 and planned to create 750 jobs by mid-1999. It, therefore, invested 40 millions francs and the town and region councils provided 7.5 million francs. If one compares this public subsidy with that given to the Toyota factory in Valenciennes, the cost of a job created in Toulouse by Cegetel is 10,000 francs, while a job created by Toyota costs 250,000 francs.

Location costs play an important role in the choice of setting up a call centre in the provinces. Indeed, annual rent at the *Futuroscope* (in Poitiers) is 700 francs per square metre, compared with 1,300 to 1,400 francs in the Paris region. The customs free zone in Amiens offers prices defying all competition at 420 francs, exclusive of tax (in addition, there are also tax exemptions). In the provinces, pay also varies to the advantage of companies. In Poitiers, according to the local chamber of commerce and industry, pay is 14% below the national average and 36% below that of the Paris region.

Today, regardless of costs and subsidies, call centres seek areas that can provide qualified employees in the long-term. In Poitiers, at the *Futuroscope*, René Monory has created the “Institute of Technocommunications” and a training centre for telephone occupations. This Institute will provide training in order to create a breeding ground for skills required by call centres. Moreover, Poitou county council gives a subsidy of 27,000 francs to companies for each person they recruit who is under 30 and was born in Poitou county. Working conditions are well designed. Tam Tam’s call centre, which is directed by Zhor Brunel, is installed in the *Futuroscope* industrial zone in a bright new building, with spacious work stations, air conditioning, reasonable noise levels and a cafeteria with a beautiful view. The centre employs 80 people with permanent contracts. Half of them work full-time and half work part-time. The centre is open 24 hours a day and 7 days a week. Fluctuations in work only make it possible to have one day off a week and one weekend a month. Working hours are programmed only one week ahead. Moreover, teleoperators only have 10 minutes’ break every two hours. Such working conditions are more or less accepted by employees, who are, on average, 30 years old. There is only one union branch (CFDT) win this call centre. Average monthly pay is about 5,500 francs net[5]. However, almost all the teloperators are students. This leads to high rates of absenteeism and turnover. Such working conditions are exhausting, because teleoperators have to handle two calls per minute, in general. The supervisor monitors what is said and the length of calls. According to the union branch, working hours are changed from day to day and days off are given sparingly.

The TGV high speed train does not go via Amiens, nor do the motorways. However, this town owes the healthy state of its economy to new information and communications technology. Amiens has equipped itself in a big way in order to attract telephone call centres. A trip to the Canadian province of New Brunswick helped local councillors to take the plunge., Thanks to call centres, more than 5,000 jobs were created in a few years in New Brunswick, which up till then had lived off fishing with difficulty. The Mayor of Amiens, Gilles de Robien, decided in 1989 to turn his town into a “town of knowledge”. That is why the town - in co-operation with Matra-Nortel - created the first European university for call centres. Ten years later, the figures speak for themselves. Out of a population of 135,000, Amiens has about 30,000 students - most of whom are in the town centre. The main call centres located in Amiens are as follows: Bouygues Télécom, Cableron, Cetelem, Caisse d’épargne (savings bank), Emap group (magazines: Modes & Travaux, Top Santé, 30 millions d’amis, etc.), France Télécom, GAN (insurance company), Intra Call Center, Kertel, Nortel, SNCF (railway board), US Robotic 3 com, Vodafone, Whirlpool. In order to reduce costs, the town is associated with the big Canadian compnay, Nortel, whose technology is the best in the world.

The *Intra Call Center* was established in 1996 in the attic of Amiens Business School and, since the beginning of the year, it handles clients of Modes & Travaux, 3 Com and Tabac Infor Service. Teleoperators answer all questions coming from readers of Modes & Travaux. They patiently answer questions from smokers who want to stop smoking. They advise users of IT equipment.

[5] Translator’s note: after national insurance contributions etc., but before income tax.

In September 1998, the town council opened a “company centre” of 3,000 square meters in a customs free zone with tax advantages. This centre employs a hundred or so teleoperators. Thanks to this innovation, the town council wants to be different from Anglo-Saxons, by putting its money in training for teleoperators and reducing turnover as much as possible. In order to contribute to this aim, the town council - and also Nortel, France Télécom, Caberleron and the Amiens Business School - have created Sup Média Com. It is a training centre that specialises in new occupations engendered by call centres. This explains the asset that the “town of knowledge” has. At the beginning of 1999, Kertel’s and Vodafone’s call centres came to Amiens, thus creating 400 teleoperator jobs. Gilles de Robien says that, in the long run, 250 people will be trained each year. He hopes that 1,500 jobs will be crated in this sector in the coming three years.

As indicated above, call centres are expanding greatly in Lille. This is explained by the presence of 80% of French mail order companies. These companies - Redoute and 3 Suisses (900 teleoperators) have created their own internal call centres. They employ about 2,000 full-time teleoperators. There are other companies in Villeneuve d’Ascq, such as Affibel (200 employees for a turnover of 600 million francs). Its call centre employs 30 teleoperators. The same goes for the Bernard catalogue, which employs about 30 teleoperators out of 70 employees and 240 million francs’ turnover. The German company, Quelle, employs more than 200 teleoperators, who receive orders and process them. Given the extent of the phenomenon, Lille council has decided to create an Agency for promoting the city of Lille (APIM). This association is currently working on six projects, that are at a fairly advanced stage and involve creating French, Anglo-Saxon and even Asian call centres. They should produce about 300 jobs per centre and offices ranging from 3,000 to 6,000 square meters. There are already about 50 call centres in Lille, including the mail order companies. They belong to the following companies :

- Abbey National is the second British bank specialised in consumer credit and mortgages by telephone. It employs a hundred or so people and is intending to double the number of employees in its Lille centre.
- Assonance is a service company (creation of services, accommodation and advice to companies) in Roubaix. It employs 200 teleoperators.
- Cegetel employs 30 commercial teleoperators at its site in Villeneuve d’Ascq
- Cetelem is the number one company in France in the field of loans to individuals and employs 75 teleoperators at sites in Lille, Valenciennes and Villeneuve d’Ascq.
- Codifis employs 450 teleoperators out of a total of 700 employees and intends to employ 900 teleoperators in the next three years at its site in Wasquehal.
- Contactel is a telephone platform, that specialises in sending out and re-routing calls and employs 38 teleoperators in Roubaix.
- Crédit mutuel du Nord employs 80 teleoperators in Lille and 15 in Roubaix. Its aim is to double its staff in the next year or two.
- Finaref employs 250 teleoperators.
- France-Télécom has a site for OLA at Villeneuve d’Ascq and employs about 400 teleoperators.
- Ingram Micro is an American distributor of IT equipment and employs 40 teleoperators out of 200 staff in Lesquin.

- The Post office employs 100 teleoperators.
- Norauto has just created its own call centre in Lesquin with 11 teleoperators.
- Omnicum is a telecommunications service company in Villeneuve d'Ascq.
- Téléperformance employs 30 teleoperators.
- World Com employs about 20 teleoperators.

On 28 April 1996, Inferep and Ceritex (which manage 30 call centres and employ between 1,000 and 1,200 teleoperators) launched a scheme aimed at training 1,000 young people in telecommunications occupations during a period of three years. In co-operation with the Pau Business School and in partnership with two *lycées*, these companies organised a whole series of training course, namely :

- A services vocational baccalaureate with an option of officially recognised teleoperator, which is intended to become a teleoperator vocational baccalaureate;
- a one-year training course as an online consultant for those with an educational level of two years' study after the baccalaureate ;
- officially recognised training for supervisors via a one-year apprenticeship for those with an educational level of two years' study after the baccalaureate ;
- in the framework of the traditional Business School courses, students can now have a two-year apprenticeship in call centres.

All those, who have completed these courses successfully, have found permanent jobs with no difficulty. Given the importance of regional involvement, the regional planning authority (DATAR) is trying to provide them with a systematic and coherent framework.

EXPENDITURE RESULTING FROM TECHNOLOGY

As is understandable, technology is at the heart of call centres' functioning. Call centres located in France benefit from the same technological performance as is available to call centres in other countries. We will, therefore, not go into this point further. However, we have collected information on likely expenditure of French call centres in Customer Relationship Management technology. Reduced cost of material should lead to the following company expenditure.

Table 6 : Expenditure on CRM technology, 1998-2003 (millions of dollars)

Material	1998	1999	2000	2001	2002	2003	Variation/ year
ACD	41	49	52	54	55	56	+6%
PD	15	19	24	29	34	38	+21%
IVR	16	25	33	44	46	48	+25%
CTI	14	16	19	24	29	34	+20%
CT apps	8	13	18	26	33	40	+38%
FE s/w	25	29	33	43	51	60	+19%
Total	119	151	179	220	248	276	+18%

Source: Datamonitor 1999 (19SeCA 2000, p.38)

Computer Telephony applications should have the biggest growth rate of them all.

HUMAN RESOURCES IN CALL CENTRES

The situation and working conditions in the “young shoots” of contemporary technology and, more particularly, in TCCs, is a fashionable topic. Often, emphasis is put on the special nature of the work with new technology, which makes it possible to be free from constraints related to presence and measuring work by time (teleworking and teleactivities). This is true for the work of those who are “creative”, but it is not the case for TCC workers. On the contrary, in these companies, we find some aspects of “taylorised” work of the world of industry and material production (in forms that have changed very little): concentration in areas that are too small, working rates and results that are fixed by strict standards, lack of autonomy and tight hierarchical control.

However, social protest in this field is very limited or even non existent. This can probably be explained by the newness of these companies and their employees, who generally have not had the experience of other jobs and, even less so, of trade unions. Moreover, this work may be transitional. However, the importance of the problems are such that they could fuel social dialogue, which often does not exist.

Problems of working conditions are related to the nature and size of call centres. Briefly put, one can say that the bigger the TCC, the greater the risk of finding difficult working conditions.

The absence of serious career prospects is, however, a dimension that is the same for all teleoperators. There are, indeed, practically only two levels (and there are so few supervisors’ jobs for them to be a real career possibility for teleoperators).

Working conditions in TCCs

There are three main aspects to working conditions in call centres:

Health at work. This concerns firstly “basic” dimensions, such as the arrangement of working areas and work loads including breaks and time between calls. Health problems at work are reflected in “modern” ailments, such as harassment, stress and its corollary, absenteeism. In order to do something about this, analyses of mental loads, ergonomics of software and also work organisation must all be taken into account.

Human resources management. Given the difficulties of recruitment and sometimes very high turnover (figures of 70% and even 80% in the first six months after recruitment have been spoken of!), managers are led to recruit more broadly than the current target (two years’ study in the business field after the baccalaureate) and to think about working conditions and careers that will make it possible for staff to envisage working in call centre as something other than a short-term stopgap solution. The trend should be one of “professionalising” the occupation of teleoperator.

Work organisation. Reorganising companies on the basis of customer relations leads to new problems for work organisation. Changing from organisation by products to organisation resulting from marketing segmentation of customers (“targets”) involves introducing a huge amount of IT equipment and reorganising the whole production process (c.f. insurance companies). Such reorganisation has a big impact on work itself and working conditions for a large section of the staff concerned.

The above does not, of course, cover all aspects. In a more detailed approach, reference should be made to pay, work contracts, working hours and training. C.f. SeCA 2000, pp.40-44, concerning these points. One should note, however, the very complex and contradictory nature of working conditions in TCCs today. TCCs are not only places of extreme exploitation, even though one should not exclude the existence of these kinds of conceptions and practices by some French companies. But one can observe developments, whose explanation is not a mystery. In the current context of greatly increased development of competition, technology and occupations, traditional forms of exploitation are tending to become counter-productive. Given diverse situations, companies have to look for stable and skilled employees with reasonable negotiated pay (e.g., “hot line” staff). The status of teleadvisor is becoming increasingly recognised (SeCA 2000, p.11). A collective agreement concerning teleadvisors was concluded in August 1999.

DEVELOPMENT TRENDS

In conclusion, we take up some of the themes again.

Developments regarding size

There is sometimes a down-sizing trend, i.e., a reduction in the number of work positions per TCC. The main explanation lies in the difficulties of management and human resources management in big centres (with more than 300 positions). Thus, when Carrefour decided to launch e-sales, which involves redeploying some TCCs, it decided to have decentralised TCCs with a maximum of 150 employees.

Moreover, there is a segmentation of TCCs according to the size factor. One can, thus, distinguish two types of TCC: 1) very small and small TCCs: they are often the result of developing the commercial function of a SME or very SME and are usually internal TCCs. The upper limit of these centres is about 20 positions; 2) Medium-sized and big TCCs, whose average size is declining. These TCCs are almost always external (sub-contracted).

Developments in size will lead, therefore, to a greater number of TCCs, which will probably be better distributed throughout the country. Currently, TCCs are mainly being created in big towns and some second-rank towns (Lyon, Lille and Amiens and Chambéry and Roanne).

Technological developments

TCCs were developed on the basis of the convergence of telephony and IT and at the beginning used rudimentary technology, which linked client information to an in-coming or out-going call on the operator’s work station. The main on-going innovations concern the generalised use of the Internet for market relations. Most recent call centres are “multichannel” and able to handle the connection of different communications tools (the Internet, telephone, fax, etc.). They, thus, deal with all client relations, whether by telephone, e-mail or even letter. In this sense, there is a movement from the concept of “call centre” to one of “Client Relation Management centre”. The call centre is thus becoming a “contact centre”.

But technological developments also assume developments in the qualifications of teleoperators: thus, in some (often experimental) cases, it is now a matter of “holding the hand” of a potential customer during a visit to an e-commerce site, because surfers often need human help to finalise their desire to buy something. This corresponds to intervening in a phase of person-computer interaction in real time, i.e., during the transaction (“Web Call Through” or “Web Call Back”). The customer relationship is, therefore, no longer of a dual nature via the telephone, but of a ternary nature: “person - (+ *tel.*) - person - machine (*the Internet*)”.

Trend towards more added value

Call centres handle increasingly complex issues today: repairs, help to users, advice. It is possible to envisage that call centres handling the most common calls (information and orders by telephone) will be gradually replaced by automatic systems (c.f. SNCF: the French railways board) or Web sites. If, as is probable, centres with high added value will continue to develop, it is also possible to envisage their decentralisation and virtualisation. They will become, to a certain degree, a “cross” between call centres and skills networks.

One will, therefore, be able to call a highly skilled specialist, wherever s/he is located (at home or with her/his employer). This will no doubt be necessary, given the lack of specialists, who are willing to work in call centres. Indeed, technology already makes it possible to distribute calls to remote operators. But this solution is apparently not used much, except for erotic chat-lines - doubtless, for the same reasons that teleworking is not very widespread.

The above developments all converge on the need to work out new working conditions in TCCs and attractive definitions of new occupations.