

# Employee Health and Well Being: Trends in the Call Centre Sector

Insights from The Shepell·fgi Research Group



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# Employee Health and Well Being: Trends in the Call Centre Sector

## EXECUTIVE SUMMARY

The call centre industry faces many human resource challenges specific to their organizational structures, job characteristics and workforce demographics. As the number of call centres increases across Canada, so do their specific human resource issues such as low employee morale and satisfaction, and high absenteeism and turnover rates.

Work researchers have found call centre work to have a distinct set of stressors including lower levels of job control or autonomy, limited task variety, and higher levels of job demand and uncertainty. These characteristics have been linked to what could best be described as a “mental health repetitive strain”, which impacts health and well-being.

To present a picture of call centres and EAPs, The Shepell-fgi Research Group evaluated information from 10,488 individuals who accessed the EAP from call centre organizations in between 2001 and 2006. This group is benchmarked to non-call centre organizations in the Shepell-fgi database, and includes 276,408 individuals from 2,306 organizations who accessed the EAP during that same timeframe.

### **Our findings indicate:**

- A higher percentage of call centre clients accessed the EAP relative to our national averages in all workforce sectors (7% vs. 5%).
- Call centre clients are more likely to report emotional and stress problems (15% vs. 11% and 19% vs. 15% of accesses, respectively).
- Call centre clients are more likely to report high stress levels at EAP intake (42% vs. 37% of accesses).
- Reporting of emotional problems and drug related issues within call centres is increasing.
- There are particular high-risk groups within EAP organizations, namely younger, recent hires, and older, less tenured employees with lower employment status.

### **From our findings, it is estimated that:**

- In a large call centre with 100 young, recent hires, as many as 14 employees may experience high levels of personal stress.
- In that same group, an additional 10 employees may experience high levels of depression, with one of those employees possibly reaching a suicidal state.

Many organizations have made great strides in managing the challenges inherent in call centre workforces, but common job design characteristics and constraints continue to correlate with higher levels of mental strain and stress, particularly for high risk groups of people who may be ill-suited to call centre work.

As one of Canada’s largest employment sectors, keeping employees healthy and productive is a key issue for managers and people leaders in call centres. Understanding the drivers of these unique issues also leads to better understanding and strategies to improve work environments and increase the wellness and productivity of employees.

Actively recruiting and selecting employees who are well suited to call centre work and focusing on providing high quality, appropriate training and development opportunities has been shown to have positive impacts on both employee and organizational performance.

As well, many job design factors have been shown to drive important employee well being outcomes and should be constantly evaluated and improved.

Finally, actively and routinely engaging employees in all organizational improvement initiatives is key. Regular employee involvement in surveys, focus groups and action plans for positive change can ensure that organizational strengths are capitalized and organizational challenges addressed.

These strategies, along with the maximization of existing EAP and health and productivity services are a call centre employers best strategy for creating and sustaining the healthiest, most productive workforce possible.

## INTRODUCTION

The call centre industry is a key player in the Canadian economy. It employs over a half million Canadians in over 14,000 call centres and contributes between \$36 and \$38 billion to the country's gross domestic product. The number of call centres in Canada is also increasing at an average annual rate of over 27%<sup>1</sup>. This has fuelled an annual employment growth in the sector of 7% since the 1990's, outpacing the economy-wide rate of 1%.

This growth, however, has not been without growing pains. On any given work day, 10% of call centre workers may be absent. High turnover rates are the foremost concern of call centre employers. The cost of training a new call centre worker exceeds \$6,000, and the annual cost of turnover in a small 30-person call centre is estimated at over \$400,000.

Why are so many call centre workers absent? Why do so many leave their jobs? Call Center Careers conducted a survey on call centre workers who called in sick, but weren't medically ill. Of these workers:

- 34% revealed that they call in sick because they do not feel appreciated,
- 19% call in sick because they don't like their jobs,
- 10% call in sick because they don't like their company, and
- 9% don't like how their boss treats them.

When they leave their jobs, call centre workers give a variety of reasons that relate to stress and engagement, and more specifically refer to low salary, lack of career path, and burnout. This has led to centre work being considered by sector researchers to be a classic 'stigmatized' job, often branded as 'electronic sweatshops' and their employees 'battery hens' by some human resource observers.

Disengagement and stress erodes not just company loyalty, but also employee and company performance.

Disengaged and stressed call centre employees are less likely or able to manage negative emotions, or to display empathy towards clients. These factors, in turn, have been shown to affect client satisfaction.

The Shepell·fgi Research Group hopes to not only contribute to this knowledge base by reporting on patterns of EAP access among call centre workers but to look for research-based solutions. Specifically, this report will address the following questions:

1. *What issues and problems do call centre workers present to EAPs?*
2. *Are reports of these issues and problems increasing over time?*
3. *What characteristics or demographics of call centre workers would suggest exceptional risks for employee health, stress and depression?*
4. *Are call centre workers more likely to report stress and depression to their EAPs, even after controlling for other factors?*

To provide context for our findings, we begin by reviewing existing research on the nature of call centre work and its association with employee health.

### Call Centre Work and Employee Health

Call centres are environments where most work is conducted via telephone and display screen equipment. The range of services a call centre covers is vast, and includes: switchboard operators, telemarketing, sales, customer service, accounts payable, consulting, technical support, and emergency services. A common distinction has also been made between inbound (e.g., technical support) and outbound (e.g., telemarketing) call centres.

Work researchers have found call centre work to be more stressful than other forms of work. The results of one study, for example, showed that call centre workers from eight different centres had 'worse' job characteristics than other kinds of jobs. Compared to

<sup>1</sup> Over 40% in the United States.

other employees, call centre employees experienced lower levels of job control or autonomy, low variety of tasks, and higher levels of job demand and uncertainty. Workers often have little control over when they take calls and how long they spend on them due to volume targets. As well, much of the call activity is closely monitored (e.g., PC-based, random listening). Call centre work is also often highly scripted, with workers repeating the same sentences and carrying out the same tasks over and over again. These job characteristics have been linked to poor stress and well-being outcomes for call centre workers, as well as lower job satisfaction and organizational commitment, higher absenteeism, and greater intentions to quit.

Call centre workers also experience high levels of ‘emotional labour’. Workers experience dissonance when they are required to act pleasant with clients when they feel entirely otherwise. This increases anxiety, burnout, depression, and psychosomatic complaints. Remaining cheerful may be especially challenging in the face of client aggression. Over 40% of call centre workers deal with angry clients every day. Unique stressors, such as ambiguous or excessive client expectations, client verbal aggression toward the call centre employee, and disliked clients predicts burnout among call centre employees, independent of other variables. Other call centre job characteristics that are linked to poor employee well being include insufficient job resources, low team leader support, unfair pay, unconstructive performance appraisals, inadequate training, and ergonomically-poor work stations.

## METHOD

This study was based on a sample of 10,488 individuals employed in call centre organizations who accessed the EAP between 2001 and 2006. At least 80% of the workforce of each organization in this sample was comprised of call centre workers. For the sake of brevity, EAP clients from these organizations are referred to in this report as ‘call centre clients’. 276,408 individuals from 2,306 non-call centre organizations accessing their Employee Assistance Plan during this same time period were used as a benchmark comparison group.

Five years of aggregate data were analyzed to achieve adequate sample sizes. Organizations were excluded from analyses if they could not be identified as employing call centre workers. This helped to ensure more accurate comparisons among call centre clients and other clients. The findings were weighted to control for over- and under-representation of clients from specific organizations.

Data analytic methods included Pearson chi-square analysis, hierarchical logistic regression, classification and regression trees (CRT), and chi-squared automatic interaction detection (CHAID).

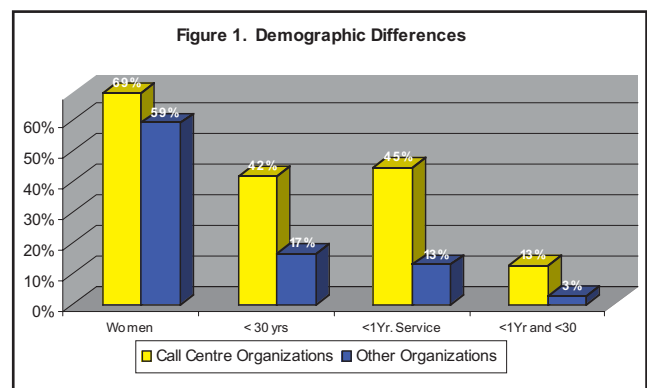
## THE FINDINGS

### Utilization

A higher percentage of call centre clients accessed EAP relative to other clients (7% vs. 5% of the workforce)<sup>2</sup>. This represents a 41% difference.

### Demographics

Call centre clients accessing EAP are more likely to be women than clients accessing EAP from non-call centre organizations (69% vs. 59% of accesses; see Figure 1). This finding, however, likely reflects the greater prevalence of women in call centre workforces in general. Other studies of call centre workers have yielded samples of nearly 75% women.

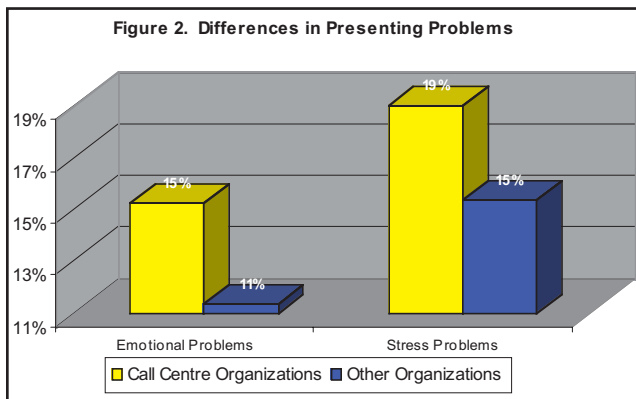


<sup>2</sup> Based on the aggregate employee population for call centre organizations. These percentages do not include non-employees (e.g., spouses, dependents).

Call centre clients are also more likely to be under 30 years of age (42% vs. 17% of accesses) and to have less than one year of service (45% vs. 13% of accesses; see Figure 1). In fact, a greater percentage of call centre clients are both under 30 years of age and have less than one year of service. This younger, less tenured group accounts for 13% of all call centre clients (vs. 3% of other clients).

### Levels of Presenting Issues

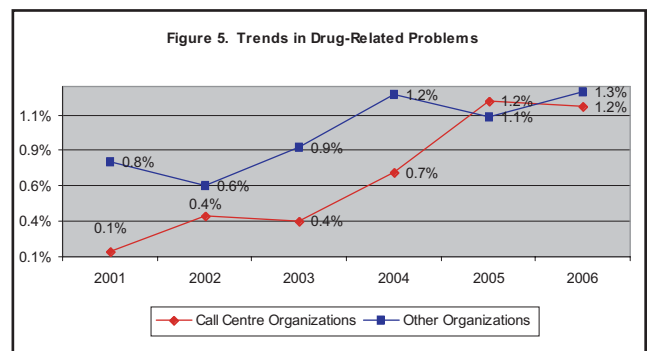
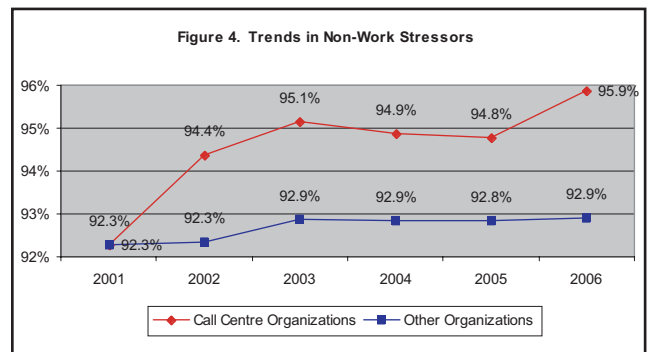
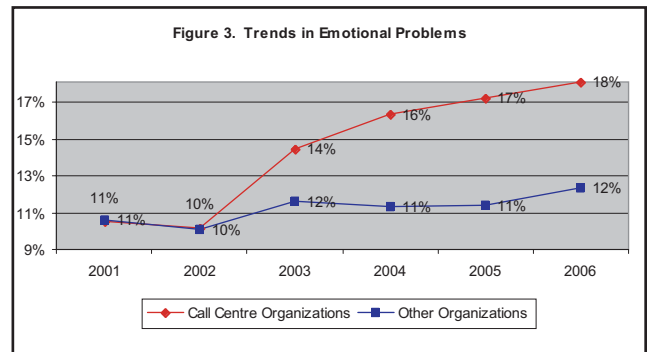
Some presenting problems were combined into composites based on co-morbidity to improve reliability. For example, depression and anxiety symptoms were examined as ‘emotional problems’. Personal stress and workplace stress were examined as ‘stress problems’. The issues most commonly presented by call centre clients to the EAP are similar to those presented by other clients. For example, call centre clients reported relatively high levels of marital/relationship discord (15% of accesses). Call centre clients also reported stress problems (19% vs. 15% of accesses) and emotional problems (15% vs. 11% of accesses) more frequently than other clients (see Figure 2)<sup>3</sup>. Call centre clients were also more likely to report high levels of stress at EAP intake (42% vs. 37% of accesses).



### Trends in Presenting Issues

Reports of some presenting issues by call centre clients have increased from 2001 to 2006. This includes emotional problems, which have increased

from (11% to 18% of accesses) while remaining relatively stable in non-call centre organizations (see Figure 3). Slight increases also occurred for non-work stressors (an increase from 92% to 96% of accesses; see Figure 4) and drug-related problems (an increase from 0.8% to 1.3% of accesses; see Figure 5).



### Call Centre Client Risk Groups

These findings, thus far, suggest that call centre clients are more likely to report stress and emotional problems. Since these problems can lead to more serious mental health issues and costs, call centre

<sup>3</sup> Rates for aggregate stress problems and emotional problems may be higher than the combined rates of their separate, component presenting issues because combined rates are controlled for other co-morbid factors.

clients were examined more closely to identify sub-groups that may be particularly at-risk for these problems. We also focused this sub-analysis on specific stress and emotional issues.

*Under 30 and 'Under-Experienced'*

We found that call centre clients under 30 years of age and with less than one year of service were more likely to report personal stress issues (14%, vs. 8% for other call centre clients) and depression symptoms (10%, vs. 7% for other call centre clients). Differences were also found for suicidal thoughts, although this issue is presented far less frequently overall (1.1%, vs. 0.6%; see Table 2).

	Call Centre Organizations		Other Organizations	
	<30 Years & <1 Yr. Of Service	Rest of employees accessing EAP	<30 Years & <1 Yr. Of Service	Rest of employees accessing EAP
Personal Stress Issues	14%	8%	9%	7%
Depression Symptoms	10%	7%	7%	5%
Suicidal Thoughts	1.1%	0.6%	0.5%	0.3%

In general, younger, less tenured call centre clients were more likely to report these issues than other call centre clients, and even similarly aged and tenured clients from other industries. This suggests that while younger, less tenured clients are more likely to report stress and emotional problems to their EAPs regardless of industry, they are even more likely to report these problems when they access from the call centre industry. This was corroborated by a follow-up analysis. A logistic regression analysis revealed that younger age, fewer years of service, and call centre employment were each independently related to more frequent reports of personal stress issues and depression symptoms. However, these variables also interacted to predict reports of these problems.

*Older, Recent Hires on the Front Line*

We also identified a risk group among call centre clients on the basis of their high levels of self-

reported stress at EAP intake. In general, 42% of call centre clients reported high stress at intake. As can be seen in Table 3, the rate was even higher for call centre clients who were 40 years of age or older, occupying non-supervisory roles, with less than one year of service.

Rate of High Self-Reported Stress	Call Centre Client Groups
42%	<i>Total</i>
52%	▪ 40 years of age or older, non-supervisors or managers, less than one year of service.
49%	▪ 30 years of age or older, non-supervisors or managers, less than one year of service.

This group of call centre clients was also profiled on their presenting problems to determine if they accessed the EAP more often for some issues relative to others. Table 4 reveals that they reported personal stress and marital dissolution issues more often than comparative groups. These clients were also more likely to report a number of financial issues, although most of these are not tabled (e.g., debt/credit issues, general financial, creditor issues).

	Call Centre Organizations		Other Organizations	
	40+ Years, <1 Yr. of Service, Non-Supervisory	Rest of employees accessing EAP	40+ Years, <1 Yr. of Service, Non-Supervisory	Rest of employees accessing EAP
Personal Stress Issues	13%	9%	6%	7%
Marital Dissolution Issues	4%	3%	2%	2%
Debt & Credit Issues	5%	4%	2%	2%

**A Role for Call Centres in Stress & Depression?**

Call centre clients are more likely to report stress and emotional problems to their EAP. It may be argued that this is an age and tenure effect, since these demographic factors are related to distress and are more prominent among call centre clients. This was true to some extent. A logistic regression analysis revealed that age, gender, years of service, and employment status were all related to personal stress issues and depression symptoms.

However, the analysis revealed something more: Accessing EAP from a call centre organization was related to reports of personal stress and depression independent of these demographic variables. In other words, merely working for a call centre organization increased one’s likelihood of reporting stress or depression problems to the EAP over other problems.

High levels of stress are also reported at EAP intake more often when work-related issues are also reported. Forty-two percent (42%) of call centre clients, in general, reported high stress at EAP intake. However, this rate increases to over 50% when work performance, workplace stress, and work-related conflict issues are also present (see Table 5).

Rate of High Self-Reported Stress	Call Centre Client Groups
42%	<i>Total</i>
57%	▪ Those who presented <b>work performance</b> issues (although less than 1% of call centre clients presented this issue).
51%	▪ Those who presented <b>workplace stress</b> issues (although less than 5% of call centre clients presented this issue).
51%	▪ Those who presented <b>work-related conflict</b> issues (although less than 1% of call centre clients presented this issue).

## DISCUSSION

### The Big Picture

The snapshot of call centres and EAP appears as one of higher utilization, greater numbers of women, younger recent hires, older recent hires of lower status, and more frequent reports of stress and emotional problems. Higher utilization may signal greater distress among call centre clients. However, call centre clients may eventually experience lower levels of distress if they receive the assistance they need through their EAP at higher rates than other clients.

One of the key findings of this study was that working in a call centre, alone, was related to EAP accesses for stress and emotional problems. In fact, based on metrics derived from the analysis, it is estimated that an individual who switches employers from a non-call centre organization to a call centre organization stands a 46% greater chance of accessing

their EAP for depression symptoms over other problems – regardless of age, gender, years of service, or employment status.

While it may be argued that call centre workers are more likely than other workers to ‘bring’ their personal stress and depression from home, it is important to remember that levels of self-reported stress were higher among call centre clients that also reported work-related issues to the EAP (e.g., work performance, work-related conflict).

Chronic stress can often lead to depression. Past research has already established that call centre work is associated with stressful job characteristics (e.g., low job control, low task variety, and low skill use). Thus, some of this self-reported stress, and later depression, could originate in the workplace. Additionally, while personal stress reports are more frequent among call centre clients, and non-work stressors are on the rise, stressful job characteristics of call centres may compound these existing problems. However, it is important to point out that there are many other sources of stress and depression that were not measured in the current study. This is a potential subject for future research.

The problems noted above may require timely action on the part of call centre employers. Employee reports of emotional problems are increasing. So, too, are reports of non-work stressors. For a small number of call centre clients, stress and depression could translate to substance abuse, a problem which is also increasing among call centre clients

Where should call centre employers focus their efforts to stem stress and depression among their workers? The risk groups identified earlier may be viewed as ‘low-hanging fruit’. Younger, less tenured workers accounted for significant portion of EAP accesses for stress and depression problems. In a large call centre with 100 young, recent hires, as many as 14 of those employees may experience high levels of personal stress. An additional 10 employees may experience high levels of depression. One employee may even be suicidal<sup>4</sup>.

<sup>4</sup> Based on the findings in Table 2.

At first glance, it would appear that younger, less tenured clients are more susceptible to well-being problems because of their youth and lower job experience. Younger Canadians, generally, report more mental health problems. Lower job tenure has also been linked to higher distress in workers through job insecurity, lower status, and higher role ambiguity. However, the current findings suggest that, while youth and less time on the job may be associated with higher distress for any worker, these problems may be augmented for call centre workers.

Younger workers may have more difficulty acclimatizing to call centre work as opposed to other kinds of work. They will either become better adjusted as they mature and gain job experience, or they may leave the organization and be replaced by other young hires that develop the same problems with little resolution. Given the high turnover rates in call centres, the latter outcome currently seems more plausible. Call centre employers may be able to establish a competitive advantage by understanding and addressing the unique psychological issues faced by younger workers as they begin their employment in the call centre industry by implementing additional supports and flextime to address personal, non-work issues.

It is also possible that some younger workers possess unique demographic and personality characteristics that predispose them to both gravitate towards call centre work and experience higher levels of stress and depression. This is a clear reason for call centre employers to ensure that the proper programs and policies are in place, and being well promoted, in order to better support this group within their workforce.

Another call centre risk group, that of older, less tenured, non-supervisory workers, were more likely to report high levels of stress, personal stress issues, and general financial issues. There are several possible interpretations of these findings. For example, this group's call centre income may not be sufficient to meet the economic needs of an older workforce including childcare or eldercare costs. Front-line call centre work is also viewed by some workers as

transitory work. These older call centre employees may be more vulnerable to stress if they had higher career aspirations at an earlier time in their lives. It is also possible that these clients possess other personal and demographic characteristics that are linked to stress such as education, personality, or recent immigration.

## RECOMMENDATIONS

The question becomes that, with such a significantly large and growing type of work environment, what steps can be taken by employers to ensure absenteeism, turnover and low engagement are replaced by a healthy and productive team of call centre employees?

The following are recommendations based on the findings of past, and our own current research.

### Attraction, Recruitment & Selection Programs

The call centre industry by nature may attract applicants with personal attributes that place them at risk of mental health and productivity problems. If these attributes can be identified and correlated with future performance, they may be selected for more positive attributes that promote mental health and productivity can form the basis of attraction and recruitment programs. For example, research shows that conscientiousness, emotional stability, and agreeableness are correlated with productivity among outbound call centre workers. Emotional stability has been found to predict call centre agent withdrawal, while extraversion and openness to experience have been linked to actual turnover.

It is important to note that call centre employers must still provide appropriate support to workers who possess desirable personality traits. Studies show that while conscientiousness is linked to higher performance among call centre workers, those with high levels of this trait actually perform lower than average when they are burnt out.



## Training & Development

Lack of training and development has been isolated as a significant stressor for call centre workers. Employers can boost employee engagement and performance by developing workers. For example, providing more knowledge-based training on products and services would enable workers to be more autonomous and act as consultants. Training workers to deal with a wider variety of client problems could also help alleviate some work related stressors.

Training and development can also be enhanced by ensuring that performance monitoring is leveraged primarily as a developmental tool rather than a means of enforcing adherence to organizational norms. Monitoring, in general, has been linked to higher levels of stress and depression among call centre workers. However, when monitoring is less invasive, performance criteria are clear, and there is more immediate feedback, monitoring can actually boost employee satisfaction.

## Job Re-Design

Call centre jobs have been associated with a large number of characteristics that have been linked to poorer employee health and performance. What should employers focus on in their efforts toward job re-design? While there is no single “magic bullet” solution, some characteristics appear more critical than others. One study has determined that job dissatisfaction, anxiety, and depression among call centre workers were most strongly related to job control, intensity of monitoring, adequacy of the coaching and training, and team leader support. Another study determined that call centre workers have lower well being when ten specific drivers are present (see Figure 7).

**Figure 7. Top 10 Drivers of Low Well-Being Among Call Centre Workers**

1. Work in telecommunications and IT business sectors
2. Work in larger call centres (> 50 employees)
3. On permanent contracts
4. Followed strict scripting
5. Performance measured either constantly or rarely
6. Less interested in staying in the call centre industry
7. High workload
8. Unclear about work role
9. Cannot make full use of their skills
10. Have conflicting role demands

Many of these drivers exist because call centre work is often designed according to “Taylorism” or mass service models. These models remove uncertainties by simplifying and standardizing production processes. Tasks become narrowly defined and highly standardized with very short cycle times. They also lead to jobs with low control, little variety and skill use, greater use of scripts, short call times, and infrequent problem-solving. “Taylorism” has been criticized as the primary cause of job stress among call centre workers. The opposite of “Taylorism” includes a variety of models that have been labeled empowered work, high-involvement work processes, and high commitment service (HCS). These models support higher worker control and variety, minimal scripting, longer calls, wider use of skills and problem solving, and higher degrees of task interdependence among workers such as drawing on the knowledge of colleagues.

Are these less structured ways of working related to better health and performance among call centre workers? The answer appears to be ‘yes’, in the form of higher employee satisfaction, organizational commitment, problem resolution, and customer satisfaction, including fewer problem escalations and repeat calls. High commitment-type call centres are also associated with higher employee satisfaction and sales growth, and lower employee depression and turnover.

## Employee Surveys

How do employers know if engaging and healthy job characteristics are present in their call centres? Perception is everything. Jobs are engaging and healthy if workers say they are, making employee surveys the most concise, comprehensive, and scientific way of auditing job and workplace factors. Additionally, while specific job characteristics have been linked to engagement, health, and performance in call centres, most studies have focused on a small number of variables using single organizational samples. The relative importance of drivers will differ from organization to organization, further necessitating the use of employee surveys.

Employee surveys should contain questions on job characteristics that are known drivers of engagement, health, and performance, as well as questions on these actual 'outcomes' themselves such as employee health and well-being, satisfaction, commitment, turnover cognitions. These outcomes can be mathematically mapped onto job characteristics to identify drivers that are unique to the organization. Perhaps most importantly, demographic questions can be added to measure age, gender, and level. These variables can be isolated to discover the unique health drivers for call centre worker risk groups. Regular employee feedback allows an organization to both identify and act on challenges, and to identify and further develop organizational strengths.

Most importantly, managers and people leaders have to use employee feedback to enact positive changes in the organization. Involving employee representatives in the design and implementation of the survey and engaging in collaborative action planning are the best ways to ensure sustained change. Further, committing to the collection and use of regular employee feedback ensures that there is a continuous monitoring system in place and that organizational improvement initiatives are having the desired effect.

## Integrated Health & Productivity Management (IHPM)

Employers can only do so much to make call centre jobs healthier and engaging. Additionally, call centre workers may 'bring' health problems to the workplace. Nonetheless, employers can help prevent the emergence of such problems among workers by providing them with access to employee assistance, health risk appraisals, and health coaching. Together, these elements can be combined into an Integrated Health and Productivity Management (IHPM) program. IHPMs incorporate different approaches to health and productivity in a systematic manner in order to best identify and prevent problems.

EAP programs, in particular, are effective for addressing non-work stressors (e.g., family, home). It is difficult, and in some cases inappropriate, for employers to address non-work stressors among their employees. EAPs enable employees to take an active role in addressing problems that originate outside of the workplace.

#### **THE SHEPELL·FGI RESEARCH GROUP**

The Shepell·fgi Research Group, a subsidiary of Shepell·fgi, has a mandate to educate employers and business leaders on the physical, mental and social health issues that impact clients, their employees and families, and workplaces. The Research Group analyzes and provides commentary on key health trends, partnering with some of the industry's highest profile research institutes and scholars, and drawing from 25 years of expertise. The findings contained in this report are based on Shepell·fgi proprietary data and are supported by information from a variety of academic, government, and private research sources. References have been omitted for space considerations and are available upon request. Marla Jackson, MHSc., Director of The Shepell·fgi Research Group and Health Solutions Department, prepared this research report. Paula Allen, VP Health Solutions and Shepell·fgi Research Group oversees the Shepell·fgi Research Group. Questions or comments may be directed to Paula Allen at 1-800-461-9722. © 2008 Shepell·fgi.