

Answering the call for jobs

Call centers, which value being located in rural and semirural areas, are hiring despite the economy.

By Duncan Adams | duncan.adams@roanoke.com | 981-3324 Sunday, July 19, 2009

Y'all come.

Southern twang works just fine -- unless the accent is heavier than a pickup load of grits and the caller ends up longing to speak to a customer service agent in Bangladesh.

Many callers find a drawl charming, said Robert O'Leary, site director for the StarTek call center in Lynchburg.

Western and Southside Virginia host clusters of call centers that collectively employ thousands of people -- offering decent to high hourly wages with benefits. And even in the midst of the recession, many, if not most, are hiring workers to take customers' catalog orders and calls on service, billing and technical problems, to collect debts or to sell services.

What gives?

It's not just about accents.

Numerous forces influence the placement of call centers and their tendency toward prodigious hiring. The industry employs an estimated 7.5 million people nationwide, is infamous for stressful working conditions and consistently notches high rates of employee turnover.

Call center expert Bruce Belfiore said companies use sophisticated site selection models.

"If you have sort of a semiurban or semirural area with fairly high unemployment, an available work force, two-year colleges and fairly low labor costs, you are ripe for call centers," said Belfiore, chief executive officer of BenchmarkPortal, a consulting firm for the industry.

Today, insiders refer to call centers as "contact centers," a phrase that incorporates e-mail inquiries and live Internet chats. Employees are called "agents."

Broadly defined as information technology jobs, call center employment, if nothing else, helps move the region's economy away from traditional manufacturing industries in decline.

Low labor costs

Liz Povar is director of business development for the Virginia Economic Development Partnership in Richmond. The partnership reaches out to companies searching for sites for new call centers. VEDP frequently touts Western and Southside Virginia as "valid and viable" places to do business, Povar said.

She said companies value rural and semirural areas for several reasons: the likelihood of a steady, stable work force and less turnover, comparatively lower wage and real estate costs and the potential to hire members of an employee's extended family. Povar said the ongoing deployment of broadband infrastructure in rural Virginia has helped attract the industry.

O'Leary said state and local incentives also encouraged StarTek to choose Lynchburg.

Once one contact center lands in a community, others tend to follow.

Clusters

They favor clustering, Povar said, partly because an applicant with experience at another center can transition quickly from interview to cubicle.

Clustering can backfire when a work force spreads thin and competition drives up wages.

Brian Brazill, 42, works at the StarTek call center in Lynchburg. He said he left a J. Crew customer service center partly because StarTek paid more.

Abbey Bailey-Parrish, 26, left StarTek in Lynchburg for the Verizon call center in Roanoke. She said she was drawn by the significantly higher pay at the Verizon center, where many employees are union members. Bailey-Parrish no longer works for Verizon and wishes now that she'd stayed with StarTek, where she said working conditions were much better.

Starting pay at StarTek in Lynchburg is \$8 an hour. The Dish Network satellite TV service site in Christiansburg pays \$11 an hour to start. At the Verizon center, base pay -- before overtime and incentives -- ranges from \$469 a week to \$1,037 a week, or \$11.73 an hour to \$25.93 an hour.

Jobs by the hundreds

The StarTek center in Collinsville is now one of Henry County's top employers. Employment totals 830, the Denver-based company reported. Employment was higher before StarTek fired 66 people there in June for reasons the company has not divulged.

In May, Henry County, with an unemployment rate of 15.2 percent, and Martinsville, with a rate of 21.9 percent, recorded Virginia's two highest jobless rates.

Matt Biederman, general manager for Dish Network's sprawling site in Christiansburg, said the center is recruiting in Pulaski County, where May's jobless rate was 12.4 percent.

Formerly known as EchoStar, the Dish Network operation employs more than 900 people, is hiring and anticipates aggressive employment growth.

StarTek's Lynchburg facility employs more than 350 people and is looking to hire about 15 more, O'Leary said.

Greg Levin is a contact center expert with the International Customer Management Institute, which consults with call center companies.

"No one is setting up call centers in major metropolitan areas," Levin said. "Smaller towns tend to offer good, hard-working people and people who are often underemployed."

More about accents

Levin said many U.S. companies have concluded that outsourcing contact center work to India, the Philippines and elsewhere can be counterproductive. Language gaps frustrate callers, he said. Some exported jobs are returning to the U.S.

Still, there's never been a major decline in outsourcing, Levin said.

"It's too attractive from a costs standpoint," he said.

In an e-mail, Paul Stockford, research director for The National Association of Call Centers, said, "With the new administration pushing for American job growth there aren't a lot of companies willing to risk the potential public relations nightmare of sending thousands of jobs overseas."

Which brings us back to y'all.

Biederman said many callers associate a Southern drawl with friendliness and hospitality.

Hiring and firing

Levin said the diversity of call center types complicates attempts to calculate an industry-wide turnover rate.

"The figure most often thrown around is 30 percent to 35 percent annual agent attrition, but that is not confirmed," he said.

Turnover is expensive. Call center companies typically pay new hires throughout several weeks of training.

Levin and Belfiore said many companies are focusing more on keeping employees happy.

"Call centers have evolved," Levin said.

Although Dish Network emphatically cites its commitment to employee contentment, the company is now in arbitration over allegations that it has failed to pay overtime at company centers.

Meanwhile, most regional centers interviewed were hiring. UnitedHealth Group recently said it hopes to add 200 people in Roanoke by the end of the year. Wachovia's operations center on Plantation Road in Roanoke County was hiring "recovery specialists" -- workers tasked to call people with past due bills. HSN has 346 call center employees and is hiring.

The recession has lessened turnover, Biederman said, because people are holding tight to jobs. O'Leary said the economic crisis has deepened the pool of applicants.

But employees get fired too, often after failing to meet performance measures known as "metrics."

Profit centers

Companies recognize today that contact centers can do more than simply handle calls from irate customers. Agents at many centers are encouraged, or pressured, to sell new services or products through "up-selling" and "cross-selling."

Levin said centers also can mine jewels of information -- both about customers and products. On occasion, customer feedback uncovers major product defects or plan deficiencies.

Satisfied callers can feel increased loyalty to a brand and tell friends about an unusually pleasant call center experience.

More often than not, people are upset when they dial in.

"People don't call unless there's something wrong," Biederman said.

Agents typically respond with a "reassurance statement," as in, "We will be able to help you," followed by an empathy statement, "I know this has been frustrating."

Povar said call centers in the region tend to specialize in in-bound calls, as opposed to sales pitch or collection calls.

Belfiore said research shows "there is a difference between the customer service personality and the sales personality."

Customer service types like to believe they are helping people, he said.

Radford resident Michele Riner, 38, has worked nearly seven years for the Dish Network center in Christiansburg.

Frequently, Riner said, she discovers that the angriest callers are suffering hardship in their lives.

"A woman called the other day whose husband had just passed away," Riner said. "A little old lady called yesterday. She was getting hospice set up.

"It helps if you just let them get everything out."

Even as the "average handling time" metric is ticking away in Riner's imagination.

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