

Service Management and Employment Systems in U.S. and Indian Call Centers

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In this paper we draw on a comparative international survey of management strategies and employment practices in U.S. and Indian customer contact call centers. We compare these practices in three types of centers: U.S. in-house, U.S. outsourced, and Indian outsourced-offshore operations. We consider two questions. First, how similar or different are call center management strategies and employment systems in each type of establishment? Second, what are the implications of variation in management practices for employee turnover, which is a major problem for service quality and productivity in the industry? We find that U.S. in-house centers tend to adopt a more professional approach to service management, while U.S. outsourced centers adopt the most cost-driven approach. Indian offshore operations represent a contradictory pattern of management practices, with the use of a highly educated workforce, but with highly standardized work processes that lead to underutilization of human capital. Both U.S. and Indian subcontractors experience higher turnover rates than U.S. in-house employers, and these are explained by the high levels of scripting and standardized processes at the subcontractors' worksites. We conclude with a discussion of policy implications.