

Training Unemployed Manitobans for Call Centres — A Good Public Investment?

by Julie Guard



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CANADIAN CENTRE
for POLICY ALTERNATIVES
CENTRE CANADIEN
de POLITIQUES ALTERNATIVES

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Executive Summary

This study examines Manitoba's publicly supported call-centre training and assesses its value to the community. While many Manitoba call centres fit the popular image of "electronic sweatshops" that offer only stressful, poorly paid and insecure jobs, some call-centre jobs are good jobs. Public funding that equips unemployed Manitobans with job-readiness skills and prepares them for jobs in high-end call centres that are well-paid, secure and foster self-esteem benefits the community. But to date, generous support to the industry has yielded little community benefit. Training contracted out to employers as publicprivate partnerships compromises the Province's ability to refuse funding to exploitative employers and undermines public accountability. Too little training and too few supports are currently provided to disadvantaged people. Workers are not informed of their rights and unions are not invited to participate in training, even when they have a long-standing commitment to advancing equality. Publicly funded call-centre training will benefit the community when it is allocated only to call centres that offer well-paid, secure jobs and when the Province prioritizes training hard-to-employ Manitobans for good jobs and supports them through the first year of employment.

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CANADIAN CENTRE FOR POLICY ALTERNATIVES- MANITOBA

Introduction

For almost a decade, Manitoba's government has encouraged the development of call centres. The Province advertises to attract call centres to the region and provides on-going support to the industry through subsidies, low-interest loans and other benefits, including publicly funded training. Training for current and potential call-centre workers is a cornerstone of this support. Some training is offered through the public education system. The University of Manitoba and Red River College offer certificate programs in call-centre management and River East High School has a call-centre internship program with Convergys, a large private-sector call centre. But most training is provided as part of a public-private partnership between the Province and the Manitoba Customer Contact Association (MCCA), the organization that represents most of Manitoba's call-centre employers. Under contract to the Province, the MCCA and some call-centre employers are paid to train unemployed people for entry-level jobs in call centres and to provide upgrading for some of their existing workers.

The full cost of this training, which is shared between the federal and provincial governments, is difficult to determine with accuracy. Despite repeated requests, the Province refuses to disclose complete information about its allocations of public support for the industry, including training costs. Information about the number of people trained is similarly incomplete, and no data were provided on their success in getting and keeping jobs. Nonetheless, partial data provided by representatives of the Province and acquired through an Access to Information request by the Canadian Union of Postal Workers, together with interviews with Provincial officials and representatives of the MCCA and several community-based organizations that participate in training reveals the following details. Every year for the last four years, the Province allocated in excess of \$1.76 million annually to the call-centre industry for training and related activities, including helping employers develop human resource plans, assess their labour needs and recruit new workers. Over this period, at least 3,600 new and existing call-centre workers received training, at an average estimated cost to the Province of \$2,825 per person. In addition to these allocations, the Province, which helped establish the MCCA to represent the industry and attract new call centres to the region, allocates funding in excess of \$150,000 per year for the organization's administration and overhead.

Employment development – which includes promoting the expansion of job-creating industries, assisting employers to expand their workforces and providing job training for unemployed and

under-employed people – is an important function of government that helps maintain a robust economy and expand job opportunities. To be effective, employment development must offer incentives to employers to locate their businesses here and to hire and train local residents. But publicly funded training is also a social investment (MacKinnon 2006). To justify the expenditure of public money, it must pay off in benefits for the community. It should foster the creation of not just more jobs, but more long-term, safe and healthy employment that pays a living wage, where workers are treated fairly and their rights are respected. It should endeavour to reduce and eventually eliminate inequalities in the local labour market. Job training should help low-skilled and low-income people find and keep jobs that enable them to become full and contributing members of their communities.

Sources

Information for this study was gathered from publicly available materials and internal documents produced by the federal government, the Province and the call-centre industry. Seven unions representing call centre workers in both the public and private sectors provided copies of their collective agreements. I also conducted forty-one semi-structured face-to-face interviews. Interviews with call-centre workers, unionists and managers, most of them conducted inside call centres, provided information based on the experiential knowledge of insiders to the industry while enabling me to compare different workplaces. Interviews with Provincial officials and representatives of the call-centre industry association yielded detailed information that was not publicly available as well as their personal perspectives. Provincial and industry representatives also provided various data in response to my specific requests, although not all my requests for information were granted.

Interviews were conducted with seven senior and intermediate level Provincial officials, representing the Education Training Services (ETS) branch of Manitoba Advanced Education and Training (AET), Manitoba Energy, Science and Industry and the Community and Economic Development Committee of Cabinet; two Aboriginal Liaison officers (one from AET and the other with the Manitoba Customer Contact Association ([MCCA]); five representatives of Aboriginal community organizations; seven union staff and officers representing call-centre workers; three call centre managers; and nine call-centre workers. Some subjects were interviewed more than once. Data on public funding for call centres was obtained by request from Provincial officials and from the Canadian Union of Postal Workers (CUPW), Prairie Region, which acquired the information through Access to Information requests to the Manitoba government. Expenditure figures are my calculations based on the available data.

Public Support for Call Centres

Local and provincial governments across Canada compete with each other to attract call centres, eager for the jobs they promise for local residents. But too often, call centres create only insecure, minimum-wage employment that undermines local wage rates and employment standards while doing little to reduce poverty (Good and McFarland 2003, McFarland 2002). Trapped by electronic diallers that route calls automatically, often with no pause between them, workers experience a myriad of stress-related illnesses (Holman 2003). Irate and angry callers are common and workers, especially women, are frequently subjected to sexual harassment. Employers typically demand that agents perform the unacknowledged but taxing emotional labour of calming irate callers while enduring abuse, which contributes to stress and erodes self-esteem (Putnam and Loppie 2000). In some call centres, stressful working conditions are exacerbated by unreasonable performance standards for speed and sales that determine pay and, in many cases, whether workers keep their jobs. Hiring practices in the industry have created a predominantly young and female workforce in which the few better-paid jobs are typically held by men (Buchanan and Koch-Schulte 2000). Temporary employment contracts, a common industry practice, discourage workers from insisting on their legal rights and stifle attempts to organize. At their worst, these jobs erode workers' self-esteem and reinforce labour-market inequalities without offering even a chance at secure employment (Guard, Garcia-Orgales and Steedman 2005; Guard 2003). Studies that evaluate the social and economic impacts of policies that encourage call centres rightly question why governments support call centres that do not contribute to the well-being of communities (Buchanan and Koch-Schulte 2000; Good and McFarland 2003, McFarland 2002).

Manitoba can continue to support this industry without encouraging "low-road" employers that exploit workers and erode their self-esteem (on low-road employers, see Gordon 1996). Not all call-centre jobs are precarious or poorly paid, and public support for call centres that provide decent jobs with dignity can help raise the standards in the local industry. Even a reasonably well-paid entry-level call-centre job can build self-esteem and help new workers acquire work experience and service-sector skills that will prepare them for the job market. Well-planned, comprehensive job training can create genuine opportunities for those who are socially and economically marginalized.

Several aspects of the Province's current approach contribute to these goals. Provincial officials in Advanced Education and Training (AET), the branch that, until recently, was responsible for employment development and training, genuinely strive to address community needs and are particularly concerned to provide high-quality job training to those who need it most. The Province's partnership with the Manitoba

Customer Contact Association (MCCA) ensures that employers buy in to the project and, because training is developed by employers, workers are trained in the skills they need for the jobs that are available locally. The Province and the MCCA agree on the desirability of increasing Aboriginal employment in the industry, and together, the industry and the Province have instituted measures to advance this goal (Manitoba Aboriginal and Northern Affairs 2000). The most promising of these is the creation of provincially funded Aboriginal Liaison Officers, who work within various industry organizations, including the MCCA, and play an important part in creating opportunities for disadvantaged Aboriginal workers in training and the workplace.

The promising aspects of this training are threatened, however, by a process that skews the benefits of publicly funded call-centre training toward business, rather than the community. The most serious shortcoming is the small number of disadvantaged workers who have received training. Over the last four years, the period for which data are available, only about 2.25 percent of those trained were people designated by the Province as disadvantaged workers. This includes sixty people over fifty years of age, twelve immigrant professionals (in Provincial parlance, "professional immigrants"), eight youth with disabilities and sixty-one First Nations, Inuit and Métis people who were considered disadvantaged. Most of those who get call-centre training are unemployed workers receiving Employment Insurance benefits and people already employed in the industry who need upgrading. Training job-ready workers for call centres benefits the industry, especially those employers whose turnover is chronically high and who, as a result, are constantly recruiting new workers. But it has little value for the community, which has more than its share of low-wage, service sector jobs (Black and Scarth 2003). At their best, call centres provide entry-level jobs for new entrants to the labour market and those who face barriers to employment. Training would benefit the community best if it equipped these workers with job-readiness skills, placed them in well-paid jobs that promote self-esteem, and then supported them through their first year of employment.

Other problems are also evident. First, the callcentre industry is notorious for its exploitative working conditions. In Manitoba, workers' rights are weakly protected by legislation and even that is poorly enforced (Manitoba Federation of Labour 2005; Workers' Organizing Resource Centre 2005). But training does not include education on workers' rights and there are no special safeguards to ensure that these workers' rights are protected. Secondly, strategies for screening out employers whose jobs may not benefit the community are inadequate. Large allocations have been awarded to call centres whose benefit to the community is in question, and employers whose low pay and harsh working conditions result in high staff turnover have received public funding to train replacement workers for these jobs.

Although most of the well-paid, secure call-centre jobs are in unionized call centres, the process does not give priority to these call centres. Nor are unions included with employers in training partnerships, even when they have a track record of advancing equity in the workplace. Thirdly, the secrecy that surrounds this expenditure of public funds contradicts government promises of openness and accountability. Public scrutiny is critical to ensuring that public investment in training meets the needs of communities, but community oversight is impossible when governments refuse to reveal how they spend public funds.

Public support for call centres will not solve all of Manitoba's employment problems. Even relatively well-paid call-centre jobs will not offer the career opportunities that might slow the out-migration of Manitobans, particular young people, who leave the province in significant numbers seeking better jobs elsewhere. Nor are call-centre jobs likely to raise average Manitoba incomes,

which are consistently below those of most other provinces. But good job training, together with job placements and follow-up programs that support hard-to-employ people in their first months on the job, can help some disadvantaged workers get and keep entry-level jobs and acquire valuable, transferable work experience that will prepare them for Manitoba's service-based job market.

Call centres, especially if they are unionized, offer better employment opportunities than those created by other local job-creation initiatives. A recent agreement between the city of Winnipeg and the Province of Manitoba to offer significant subsidies to the OlyWest meat-packing firm is a case in point. Hoping to generate 1,100 new jobs, the civic and provincial governments offered the company a total of almost \$30 million in tax exemptions, grants and loans, in addition to free land and services, to induce it to build a pork processing plant in the city (Welch and Robson 2005). Yet jobs in this industry are no better paid than those in call centres, and working conditions are generally worse. Further, with approximately seventy-four percent of Manitoba's jobs in the service sector (Statistics Canada 2006), even mediocre call-centre jobs provide better preparation than meat packing for other jobs in the region. Finally, in contrast to the call-centre industry, which has a demonstrated investment in training local people and which hopes to create a stable workforce to support its expansion in the region (KiSquared 2004), the Manitoba meat-packing industry has had to recruit workers from low-wage regions outside Canada under temporary work permits (Welch 2002).

Call Centres in the Manitoba Economy

Manitoba has a full range of call centres: primary (out-sourcing) and secondary (in-house), in both public and private sectors, offering a wide range of services and including large multinational corporations, Canada-wide companies and small,

locally owned firms. Primary, or out-sourcing, call centres sell telephone and electronic communications services to other businesses; secondary, or in-house, call centres are those in which the business or public service has not contracted their communications functions to a primary call centre, but has created a call centre within its own firm or branch. The operations of secondary call centres are performed internally by the business or public service's own employees. Most of the calls in secondary call centres are in-bound—initiated by the customer, not the call centre worker—and mainly involve technical support, customer or public services rather than telephone sales.

Primary call centres tend to be much larger than secondary call centres. Nearly half of Manitoba's primary call centres employ the full-time equivalent of over one hundred workers and, because an estimated forty-five percent of positions are temporary or part-time, a great many more actual employees (Buchanan and Koch-Shulte 2000). The nine largest primary out-sourcers in the province employ the equivalent of almost 5,000 full-time workers. By contrast, more than half of secondary call centres have between eleven and twenty-five employees, and the nine largest employ the equivalent of 3,000 full-time workers (Destination Winnipeg: 10; KiSquared 2004: 11).

Bad Jobs and Good Jobs

Call centres are infamous for the high-stress, fast-paced and intrusively monitored working conditions that have earned them the name "electronic sweatshops" (Baldry, Bain and Taylor 1998; Taylor and Bain 1999). Interviews with Manitobans working as telesales agents and customer service representatives in primary call centres confirm that these working conditions are typical of some Manitoba call centres. Workers in primary call centres are more likely to make out-bound calls—those that are initiated within the call centre either by the worker or, more com-

monly, by an automated dialler. These workers are generally among the lowest paid and experience the least desirable working conditions. In 2004, wages in entry level out-bound telephone sales and market-research positions started at less than ten dollars an hour and averaged thirteen to fifteen dollars an hour. Workers at out-bound call centres are half as likely as those at in-bound centres to advance within the company, and their employers are far more likely to report high turnover as a problem—one that, clearly, is directly related to low wages and little chance of advancement. Callcentre workers report that the least desirable jobs in the industry are market-research interviewers and telesales agents, both of which involve making only out-bound calls. Workers in these jobs earn the lowest pay and rarely have opportunities to advance within the company. Turnover in these jobs is high—fifty-four percent for market researchers and thirty-four percent for telesales agents. Low retention rates suggest a high level of dissatisfaction with the lack of opportunity in the industry, with forty-three percent of workers leaving the industry when they leave their jobs and only one-third moving up the job ladder within the firm (KiSquared 2004).

Even in call centres where workers take mostly in-bound calls wages are often only marginally higher and many have limited opportunities for advancement. In-bound customer service representatives make up the largest category of call-centre workers in Manitoba, constituting sixty-three percent of the call-centre workforce. Most earn between twelve and seventeen dollars an hour, with a minority comprised of mostly supervisors and senior technical support agents earning between twenty-two and twenty-five dollars an hour. Most call-centre workers make less than subsistence pay. Working full-time, all year long and at the top of the pay range, customer service representatives can earn a living wage; yet, many workers in this industry, including those working full-time and year round, fall below the poverty line (calculations based on figures from National Council of Welfare 2006: 32).

Many call-centre jobs in the private sector are part-time, temporary or casual. While some callcentre workers are students and homemakers who want only part-time work, the large proportion of people in the industry in temporary or casual employment indicates the tenuousness of their jobs. According to a recent study, forty-five percent of Winnipeg call-centre workers had "non-standard," precarious employment, while only twenty-one percent had permanent, part-time positions (Buchanan and Koch-Schulte 2000: 11). With almost half of the call-centre workforce working in precarious jobs, in an industry characterize by high turnover and with virtually no job security in the non-unionized majority of call centres, the proportion of those with job security and earning a living wage is predictably low.

Unionization

Most good call-centre jobs are unionized, in either the public or private sector, although some workers report good wages, working conditions and career opportunities in non-unionized financial sector call centres where they are able to develop new skills and advance within the non-call centre part of the company. Good call-centre jobs are secure, pay a living wage, offer opportunities for advancement within the company and provide benefits and pensions. Workers are treated fairly and with dignity. In most cases, workers take in-bound customer service or public-service calls and are not pressured to sell. It is revealing that turnover in unionized call centres tends to be exceptionally low.

A surprising proportion of Manitoba's call-centre jobs are unionized. An industry study reports that twenty-seven percent of Manitoba's call-centre workers are unionized (KiSquared 2004), a proportion that is only slightly less than the province as a whole, which is thirty-three percent unionized. Most unionized call centres

are in the public sector, including Healthlinks (a public-sector health information service), Statistics Canada, and Veterans Affairs, to name only a few. In the private sector, a number of secondary call centres, including Air Canada Reservations, CN Rail and Manitoba Telecom Services (MTS), and a handful of primary call centres, including CanTalk, Faneuil and Integrated Messaging Inc., are also unionized.

Unionized call-centre workers earn more than their unorganized counterparts, regardless of whether the centre is primary or secondary, and whether calls are in- or out-bound. In 2004, the average starting hourly wage in a unionized call centre was \$17.88, compared with just \$8.62 in a non-unionized centre. Moreover, workers in some of the top-flight unionized call centres in Manitoba currently make over thirty dollars per hour and receive full benefits and pensions. The union differential—the difference between the earnings of a unionized and a non-unionized worker—is particularly significant for market-research interviewers. In a unionized centre, market researchers' average starting hourly rate is over seventeen dollars, compared with slightly under nine dollars in a non-unionized centre – an earnings differential of over nine dollars per hour. Wages for customer service representatives vary considerably, with an average differential of about two dollars per hour (KiSquared 2004).

All collective agreements negotiated in Manitoba include a dispute resolution process, which ensures that workers and employers have mechanisms for addressing conflict, and protection against unjust dismissal, which is not covered by provincial law.² Most agreements also include pay schedules, which help eliminate favouritism and bar against incentive structures based solely on faster, stress-inducing job performance. In the call-centre industry, most contracts protect workers' health and safety by providing for access to clean headsets and safe, well-functioning computer screens and keyboards. Typically, they

also address call monitoring and try to ensure that surveillance is used to help workers improve their performance rather than to intimidate, punish or harass them.³ Collective agreements protect workers' dignity and increase their control in the workplace. In some call centres, for example, collective agreements give workers access to the tape recordings produced during call monitoring; limit management's control over dress requirements; provide for rest periods, paid sick time and leaves of absence; ensure regular pay increments; and assign seniority rights.⁴

Training disadvantaged workers for good callcentre jobs that contribute to self-esteem and provide economic security would be a better investment in the community than steering them toward jobs that do not meet these standards. The Province will not disclose fully its allocations to call centres, but the available data suggest that significant amounts have been allocated to large, primary call centres that have a reputation for avoiding unions. One of these, a very large multinational corporation, received \$1.5 million from the Province in 2003-2004 for undisclosed purposes and has received additional training funds. Rather than supporting call centres whose benefits to the community are uncertain, why has the Province not adopted a policy of funding only those call centres that meet strict guidelines for providing high-quality employment? The answer may be in part because of its close collaboration with employers.

Training as a Public-Private Partnership

Many of the problems with the current approach are the result of policy decisions made by the federal government and imposed on the Province. The federal policy framework has been criticised as "a deregulatory neoliberal approach" (Wong and McBride 2003) that has created a "survival-of-the-fittest employment policy" that fails to meet the needs of communities (Torjman

2000). "Partnerships" (contracting out) with private-sector employers are at the heart of this dilemma. Most call-centre training is paid for by the Province under the terms of its Labour Market Development Agreement (LMDA) with the federal government, which provides much of the funding for employment development. The terms of this agreement, like similar agreements between the federal government and other provinces, compel the Province to collaborate with private-sector partners, normally employers, who provide training and other services to the province on a fee-forservice basis.5 Manitoba Advanced Education and Training (AET), through the branch responsible for training (Employment and Training Services [ETS]), pays the call centre sector organization, the Manitoba Customer Contact Association (MCCA), as well as some call-centre employers, to provide training. Training is usually initiated by a call centre employer who wants to upgrade its existing workforce or hire new workers. Funding is allocated in response to proposals, which Provincial staff rank according to the number of new jobs they will create and on their potential to generate a "multiplier effect" by stimulating the growth of related businesses in the region. The emphasis is on permanent, full-time, sustainable, well-paying, safe jobs that offer potential for career advancement with extra points to proposals that promise to create jobs for people who face multiple barriers and are thus hard to employ.

Labour Market Development Agreements also encourage intergovernmental and community collaborations, although these are secondary to partnerships with employers. According to representatives of AET and the MCCA, intergovernmental collaboration and joint funding makes some call-centre training available to people receiving social assistance under the Employment and Income Assistance program, although the data do not reveal how many such people are trained or if they must find a funding agency to supplement their training costs. Two community

organizations, the Assembly of Manitoba Chiefs and the Manitoba Métis Federation, have an ongoing arrangement with the Province to purchase seats in training courses for their clients. Several municipal, provincial and federal government offices contribute funds directly or provide additional supports such as child care or housing to low-income clients.⁷

Public private partnerships-sometimes called "P3s"-have generated much debate (Cooke and Kothari 2006; Hickey and Mohan 2004; Osborne 2000). Favoured by governments seeking ways to reduce the public costs of social services, they have also been widely criticized as poor vehicles for delivering public services and infrastructure (e.g., Davidson 2002). Critics argue that employers' interests are not always compatible with the public good. Partnerships are typically asymmetrical, with public partners bearing most of the risk and private partners reaping much of the benefit. Extensive research demonstrates how such partnerships have sacrificed public interests, transferred public money to private interests and undermined accountability (e.g., Cooke and Kothari 2006). Noted economist John Loxley has called them "an expensive way of cooking the books" (CCPA 2006). The training partnerships demanded under Labour Market Development Agreements have been specifically criticised for assigning responsibility for training to the provinces without giving them sufficient funding or control (Critophe 2003). Contracting out training to employers allows them to set the agenda and creates what one critic calls "a haphazard, uncoordinated patchwork" approach that cannot accommodate long-term planning nor train workers in the skills they need in the new economy (Torjman 2000:

Benefits of Involving Employers

Despite these very real problems, there are some advantages to collaborations between the Province and employers, especially in a province that has too little money to spend on services for too many low-skilled workers. Evidence from the field identifies several advantages of involving employers in training (Gibson 2000; Giloth 2004; Loewen et al. 2005). Paying employers to train hard-to-employ individuals they might not otherwise consider can create opportunities for those who complete the training. Call-centre training provided by educational institutions and business colleges sometimes fails to prepare students for jobs in the industry because trainers misjudge the skills employers need-which tend to be generic "customer service" skills rather than technical skills (Belt and Richardson 2005). In contrast, job training provided by employers, often inside a call centre where trainees get hands-on experience, ensures that students are taught the skills sought by local employers.

Provincial oversight ensures that training is more comprehensive than that normally provided by employers, which typically focuses on product knowledge, protocols and scripts and familiarizes workers with the telecommunications equipment. Call-centre workers frequently complain of short training times, sometimes as little as an hour and rarely more than two weeks. When the Province pays for it, training is longer—from four to six weeks—and includes generic skills such as computer literacy, team work and communications (MCCAb). Basic job skills are particularly important for people with little or no previous work experience. They also help prepare such workers for future jobs with other employers. Longer training before workers "go live" on the telephone reduces stress and increases job satisfaction. On-going training is characteristic of better call centres, where workers have opportunities to upgrade their knowledge and skills on a regular basis.

Involving employers also allows the Province to create opportunities for people who are economically and socially marginalized, or who are chronically unemployed or underemployed, and need entry level job experience. When training is publicly funded, the curriculum is expanded to include transferable job-readiness and life skills that are not normally included in the in-house training provided by employers. Publicly funded entry-level training, for instance, includes life skills, time management, dealing with conflict, problem solving, personal finances and punctuality. Training may also cover basic arithmetic, numeracy, enunciation, vocabulary and effective listening—basic job skills that help prepare disadvantaged workers for employment (MCCAb).

Opportunities for Disadvantaged Aboriginal Workers

An agreement between the Province and the call-centre industry to create opportunities for disadvantaged Aboriginal people may have the greatest potential to benefit the community. Systemic discrimination in the labour market has been, and continues to be, a major obstacle to Aboriginal peoples' achievement of social and economic equality (CCPA 2005; Mendelson 2004). This has a deleterious affect on the entire community. As Michael Mendelson explains, "The increasing importance of the Aboriginal workforce to Manitoba ... cannot be exaggerated. There is likely no single more critical economic factor for [the Prairie] provinces" (2004). The Province's Aboriginal Representative Workforce Strategy, initiated in 2004, includes training Aboriginal people for call centres (MCCAa).8 The goal, according to representatives of the MCCA and the Province, is to help call centres become "an employer of choice for the Aboriginal community," by "building relationships and ... cultural awareness for employers and management."

The potential benefit of Manitoba's approach is its emphasis on training disadvantaged workers, particularly those who are Aboriginal. Training that enables hard-to-employ Manitobans get and keep paid jobs is a valuable investment in the community. As Marjorie Griffin Cohen (2003)

observes, "training for people who are either marginalized or at risk in the labour market can be highly successful if undertaken with their needs in focus" (8). As part of this effort, according to Aboriginal Liaison Officers, ETS and the MCCA sponsor "cultural awareness events" intended to convey the message that "if you want to employ [Aboriginal] communities you must first learn about them and not just how we want to work from nine to five or eight to four. ... We tried to create that understanding." Collaboration among various branches of the provincial government and with two Aboriginal community organizations makes it possible to provide supports that are not normally available as part of training initiatives.9 Drawing on funds allocated to them by the federal government under the terms of Aboriginal Human Resource Development Agreements (AH-RDAs), the Assembly of Manitoba Chiefs, the Manitoba Métis Federation and some individual First Nations pay tuition for Aboriginal and Métis clients and contribute some of the supports, such as living allowances, housing and child care, that disadvantaged workers need to participate in training (Manitoba Aboriginal and Northern Affairs; HRDC). Other Aboriginal community organizations in Manitoba also have AHRDA funds, but none of these currently participates in call-centre training.

Culturally Sensitive Training

Training that promotes cultural sensitivity among workers and employers can help break down the barriers Aboriginal people face in the labour market. Provincially funded Aboriginal Liaison Officers (ALOs) in ETS and the MCCA have the primary responsibility for advancing this objective by building relationships with Aboriginal community organizations. Interviewees from AET and the MCCA report that, rather than trying simply to fit Aboriginal people into existing workplaces, ALOs seek "to create an environment in which Aboriginal people feel a level of com-

fort." ALOs, in collaboration with ETS project managers, negotiate with employers to reduce barriers to disadvantaged workers by monitoring curricula for cultural sensitivity and tutoring managers to recognize and respect the specific needs of Aboriginal clients. Because ALOs are Aboriginal themselves, they are well-positioned to bridge the gap between the Aboriginal community and the predominantly non-Aboriginal workplace, and see themselves as working with, rather than for, the Aboriginal community. They encourage the development of "cultural competency" among employers and public servants. Cultural competence, defined as the increased awareness of how race, ethnicity, language and power are expressed in the workplace and the development of interventions to deal with conflicts arising from these differences, can help workers cope with unfamiliar work environments. Cultural competence also encourages employers to eliminate their discriminatory practices and become more accommodating of diversity (Annie E. Casey Foundation 2001). For example, employers often require new hires to have completed grade twelve or at least grade ten, but, according to interviewees representing AET and the MCCA, ALOs "educate" them to understand that these academic requirements are systemic barriers for many Aboriginal people. ALOs initiate cultural sensitivity training for call centre supervisors and managers, and persuade employers to integrate Aboriginal awareness into their curricula.

Fixing the Problems to Improve Outcomes

Public support for the call-centre industry in Manitoba has considerable potential to become a useful social investment. By using the partnerships mandated by the terms of its Labour Market Development Agreement creatively to provide high-quality training and employment support to hard-to-employ Manitobans, the Province may overcome the limitations imposed on it by the

federal government and use training dollars to benefit the community. At present, however, this potential is undermined by serious problems with the conception and delivery of training services.

Expensive Training, Inadequate Results

Like other public-private partnerships, where the involvement of the private sector increases (rather than reduces) public costs, contracting out training to the call-centre industry is expensive. Employer-provided training, which lasts from four to six weeks, costs about \$2,825 per person -\$430 more than the \$2,395 the University of Manitoba charges for six twelve-week courses that comprise its program in Customer Contact Centre Management. At the conclusion of that program, a U of M graduate has a university certificate whereas a graduate of employer-run training has, at best, a call-centre job. Without data from the Province, it is not clear how many of those who complete their training get jobs or how many of those who find jobs keep them.

Training for entry-level, low-skilled jobs benefits the community when it prepares hard-to-employ people for entry-level jobs that start them on the road to full employment (Loewen et al 2005). But most of those who get training are temporarily unemployed workers, most of them receiving EI benefits (Critophe 2003). Experienced workers such as these get little or no benefit from training that prepares them for jobs they could get without it. Ruth Buchanan and Sarah Koch-Schulte, who studied call centres in four provinces to assess the value of public support, suggest that most public money spent on training is little more than a cash-grab by employers. Workers they interviewed thought training for call-centre jobs was unnecessary for a short-term job that "anybody can do" (2000: 57). The authors acknowledge that "call centre work is skilled labour." But they point out that, because the skills are primarily "interpersonal communication and customer service," they are gendered female and therefore

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typically regarded by employers as feminine traits or personal characteristics that have no monetary value (iv). Acquiring such skills does not increase workers' "human capital" because these skills are not recognized or rewarded in the form of wages or job opportunities.

The Province claims that it has created opportunities for Aboriginal people facing multiple barriers and other had-to-employ people, but the evidence suggests that these claims are exaggerated. Only about 141 people classified as disadvantaged, approximately sixty of them Aboriginal, have participated in training over the four-year period for which data are available. No data are available on trainees' success in getting and keeping jobs, or on whether the training led to secure, well-paid employment that fostered self-esteem. Training for disadvantaged workers, moreover, is poorly resourced and fails to include the support services most practitioners regard as necessary. Educational and personal supports during training and on-going follow-up programs after graduates are hired are proven to produce significantly better job retention rates among hard-to-employ groups (Fischer 2005; Loewen et al 2005). But very few additional supports and no follow-up programs are available.

Even were the Province more successful in its efforts toward job-creation, training disadvantaged Aboriginal workers for entry-level jobs does not address the fundamental social and economic relations that cause inequitable labour markets. Rather than focus on the underlying problems that perpetuate a situation of limited choice and unequal opportunity, the Province sustains an insecure labour market with inherently unequal opportunities and compensation by endeavouring to integrate already disadvantaged people into call-centre positions that rarely provide full-time, full-year employment or wages sufficient to support a family. For training to make a lasting contribution to the community, it must lead to secure, long-term employment that increases social and

economic equality in which workers are treated with dignity and their rights are respected.

Lack of Public Accountability

The Province's refusal to release data undermines public accountability. Both the federal and provincial governments promise transparency and public accountability in their programs; however, these commitments are contradicted by the extreme difficulty researchers such as myself encounter in trying to obtain specific, quantitative information. The close collaboration between the Province and the call-centre industry constrains public officials from revealing information about how public money is allocated, where new jobs are created and how many people get and keep them. The Province's secrecy renders it almost impossible for community members to know whether we are investing in good jobs through call-centre training or supporting low-road employers who are not contributing to the social and economic well-being of communities.

Public Support for Low-Road Employers

Collaboration with the MCCA compromises the Province's ability to restrict funding to those employers whose jobs pay a family-supporting wage, offer opportunities for advancement and build self-esteem. Provincial officials regard training contracts as better than direct subsidies because the Province retains some influence over how the money is spent. Yet, one Provincial official acknowledged that training contracts are routinely used as incentives to retain footloose employers.

Even with input from the Province and ALOs, it is not clear that training prepares workers for jobs with dignity. The Province and the MCCA declined to provide curricula, but training videos and curricula outlines available on the MCCA website give evidence that training focuses on techniques for dealing with rude and abusive telephone costumers and for "staying positive" while enduring angry or threatening calls. This emphasis on training people for the emotional

labour of dealing with abusive calls, usually without acknowledging that this is skilled and taxing work, suggests that workers are being trained for the kinds of call-centre jobs in which abuse is common—jobs that provide few opportunities for building self-esteem. The title of one training video clearly expresses the expectation of employers that, despite stressful and unpleasant working conditions, trainees should not expect better working conditions, but rather should "Take this Job and Love It!" (MCCAc). Training does not appear to include information about employment standards, workplace health and safety, human-rights legislation or the right to unionize although, as Roy Adams observes, provinces are legally responsible for providing this information to workers (Adams 2005).

Revolving-Door Employment Practices

The Province's practice of funding training to meet employers' recruitment needs has a built-in bias in favour of low-road employers whose low wages and unpleasant working conditions encourage high quit rates. Data reveal that training for telesales agents and market researchers is among the most frequently funded. Call centres with high turnover are most likely to recruit new workers on a regular basis and are therefore the most likely to seek public funding to defray their training costs. Call-centre workers report that several local call centres are virtually always recruiting new workers because their harsh management practices and stressful work regimes lead to high rates of staff turnover. Some employers in call centres that specialize in high-pressure sales appear to actually encourage high turnover. Because workers' productivity declines after a few months on the job, these firms, according to one report, "count on 'using people up" and replacing them with new recruits (Buchanan and Koch-Schulte 2000: 33). Subsidies to such employers rewards their "revolving-door" employment practices by providing a constant supply of new workers. Providing publicly funded training to these employers enables them to continue to exploit workers and undermine local labour standards. Training new workers for these jobs does not create new jobs or grow the economy; it supports and maintains an exploitative part of the industry.

Failure to Include Unions

Community involvement in training is very limited, and has so far failed to include labour unions, although the evidence shows that training results improve when unions are involved (Betcherman, McMullen and Davidman 1998). The Province, moreover, is legally obliged to encourage collective bargaining. Unions protect vulnerable workers from abuse and exploitation, forcing employers to respect their basic rights and to ensure they are treated with at least a modicum of dignity; no other type of organization is solely concerned with protecting workers. However, as labour specialist Roy Adams (2006: 20-21, 44, 71) points out, Manitoba has failed to meet its legal obligation to support workers' right to organize. At the same time, as noted by a number of interviewees, the provincial government collaborates closely with employers who are widely reputed to have discouraged their employees from organizing. While anti-union behaviour by employers is so prevalent that it has become widely accepted as normal (Bentham 2002), it is illegal in any Canadian jurisdiction for an employer to interfere with their employees' decision to organize (Adams 2006: 22). The Province fails to meet its responsibilities to workers and the community when it implicitly condones the anti-democratic behaviour of these employers by continuing to provide them with funding.

Using Public Funding to Benefit the Community

The following recommendations will not solve all the problems with our current approach to call-centre job training, but they are necessary first steps toward ensuring that publicly funded training meets the needs of the community, and not just those of call-centre employers.

Recommendations

- 1. Training must be developed specifically to meet the needs of disadvantaged workers. In particular, additional supports such as educational upgrading, subsidized child care and/or housing, transportation costs, and other supports as needed must be made available to all disadvantaged people to enable them to participate in training. These supports should be provided to all disadvantaged workers, not just those who are lucky enough to be clients of two Aboriginal community organizations that have AHRDA funding. Further, comprehensive post-employment supports must be provided to increase job retention rates and increase the chances that hard-to-employ individuals will succeed.
- 2. Safeguards must be implemented to ensure that the jobs for which people are trained pay a living wage and offer some security. The Province must develop selection criteria that restrict public funding to high-road employers and allocate funding only in accordance with those criteria.
- 3. The Province must acknowledge its responsibility to protect workers' legal rights by, at minimum, insisting that training include information about human and employment rights and how to exercise them. In accordance with its legal responsibilities, the Province must also inform workers about their right to organize and bargain collectively. The Province should also take steps to ensure that the "floor of rights" legislated by its Employment Standards Code is enforced consistently.
- 4. The Province must encourage collaboration with the labour unions that represent workers in this industry. When the Province trains workers for an employer whose workforce is

- unionized, the union must be included in the partnership.
- 5. The Province must protect the community's right to transparency and accountability by making all information about public spending available to the community. Additionally, all reports, studies, and curricula that have been paid for by the community must be made available to the public.

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Notes

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