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DRAFT REPORT CALL CENTERS/BPO SECTOR IN SERBIA

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Public Policy Research Center

SUMMARY

This research has been carried out in Serbia as a part of the regional project “Decent work in the digital era: do call centre workers in the Western Balkan know whom to call?” funded by Olof Palme Center, and supported by SIDA. The research focuses on the call centres/shared service centres (BPO sector) in Serbia and was conducted by the Belgrade based think tank Public Policy Research Center.

The purpose of this report is to provide a snapshot of the sector from the perspective of the labour contracts and Decent Work Agenda.

The call centres/shared service centres (BPO sector) in Serbia is a young one, but has been rapidly growing in the past few years. Given the strong supply of the educated and multilingual work force, particularly among young population, Serbia is becoming attractive destination for the outsourcing of different business processes spanning from the simpler ones (call centers) to the medium (shared service centers) and complex ones (software development). For the purpose of this research, we were focused only on the first two, and not the last one, as they exhibit very different characteristics in terms of gender, pay and complexity of tasks and are not comparable.

Most of the call centres/shared service centres (BPO sector) in Serbia have opened in recent years as a result of foreign investments in the field, and became an important generator of employment particularly for youth. Some of them are quite large, while others are smaller and boutique. Although branches of foreign companies are among the biggest employers, there are also domestic companies in the field.

In general, the call centres/shared service centres (BPO sector) in Serbia offer higher than average wages and usually open ended contracts, although with the introduction of the Law on Agency Employment (staff leasing) short time employment is also evident. In terms of labour rights guaranteed by the Labour Law, only few respondents reported that some of their rights were not granted, except for the right to unionise. However, it must be said that many of the employees are either unaware of the rights stemming from the labour contract or are completely uninterested in the rights they are entitled to through their contracts. Those on the short-term contracts are usually on probation, which are sometimes handled by leasing agencies.

Due to the nature of job (oversees clients) employees sometimes work in night shifts and always follow holiday schedule of the markets they serve.

Work environment is generally quite satisfactory in terms of equipment, lighting, and other working conditions, being above average in most of the call centres, yet employees rarely use protective equipment, which is on disposal.

In spite of good pay and open-ended contracts the sector is, like everywhere in the world, prone to high volatility and fluctuation of employees (turnover). Either employees tend to leave the sector in order to pursue career in their major field of expertise, or due to stress, or they simply go from one call centre to another with better pay and overall offering. The job offers scarce opportunities for advancement either in the hierarchy of the particular call centre or in terms of knowledge useful for career advancement in other fields. From that perspective, the job is highly unattractive.

INTRODUCTION

The research in Serbia was carried out under the regional project dubbed “Decent work in the digital era: do call centre workers in the Western Balkan know whom to call?” funded by SIDA through Olof Palme Center. The leading partner in the project is Together for Life (AL), while the co-partners are IKS (Kosovo) and CENTER – Public Policy Research Center (SRB).

The methodology employed in each country follows similar patterns, still each partner adjusted the approach to its own context as it is explained in detail, below.

The report includes brief overview of the call centres/ share service centres (BPO sector) development and detailed elaboration of the data gathered through survey.

The findings stemming from this research are intended to contribute to the evidence-informed policymaking. Given the scarcity of data on the sector itself as well as the labour conditions within the sector, the report aims to fill the observed gap in the knowledge on the subject in Serbia.

CONTEXT

Business process outsourcing (BPO) belongs to the knowledge intensive industries such as finance and insurance and telecommunications and business services (OECD, 2017, Paturkar, Nair, Kolte, 2019). From the aspect of business process management, business process outsourcing (BPO) is a strategic option for achieving overall performance improvement and consists of outsourcing the entire value of the chains sub processes (Ciasullo et al., 2018). The recent market situation shows that maintaining the competitiveness of companies implies focusing on core activities and minimizing operations without adding value or delegating them outside the company (Krysińska, Janaszkiwicz, Prys, & Różewski, 2018). Long-term delegation of non-core (secondary) activities of companies – consumer support to independent providers / suppliers/ third parties, is considered common business practice (Rekik, Boukadi, & Ben-Abdallah, 2016). Significant benefits of outsourcing, in terms of costs reduction, increased quality and greater flexibility, allow companies to focus on core competencies (Devata, Kumar, & Stratopoulos, 2005) and better respond to increased competitive pressure coming from domestic as well as external markets.

BPO sector in Serbia

The supply of young labour force under competitive prices made the countries in the Central (CEE), and Southeast Europe (SEE), very attractive for the BPO industry. In comparison to other geographies, SEE's strengths lie above all in the favourable operating conditions and enhanced connectivity, while risk and costs indicators put the region in the middle between Central Europe and Asia and South America in terms of attractiveness (The Bulgarian Outsourcing Association, 2019). Based on the report of the global sourcing strategic advisory company Tholons, *The Top 100 Outsourcing destinations ranking 2018* (Tholons, 2018) SEE countries are placed among the emerging sourcing destinations in Europe.

Yet unlike Romania and Bulgaria that became important targets of the global BPO players in early 2000, Serbia stepped in into this field only recently. Above all the country became an EU candidate country only in 2012, which was a core precondition for global players to consider Serbia as a possible market for the BPO sector. Although there were some early forerunners that came before

that date (such as the American company "Euronet Worldwide" that moved its support center for ATMs, from Budapest to Belgrade in 2002), large players such as Sitel, NCR and Transcom, came only recently, in 2011, 2012 and 2014, respectively.

According to the latest data (2019) obtained through the Serbian Business Record Agency (SBRA), there are 257 companies registered under the activity code 8220 Call Center activities, of which 222 are domestic ones¹. Most of the registered business entities are in Belgrade (140), Novi Sad (29), Kragujevac (8), Zrenjanin (7) and Pancevo (5). Based on the same data, there are 6000 employed in the BPO sector although the real numbers are probably higher since the SBRA has this type of data for only 98 of 257 business entities in its base. Majority of the workforce is employed by NCR and Sitel.² According to the 2018 data, the first has 2800 and the second one 950 employees. Although not comparable, data for the period January 2017 – March 2020, obtained via the State Employment Agency and the private agency dealing with the labour supply Infostud, show that the number of companies looking for the call center operators is increasing.

CONCEPTUAL FRAMEWORK

From a broader perspective, the outsourcing of business processes can be divided based on the type of services, namely back-office activities or front-office activities. Back-office activities are non-basic (secondary) activities that the company should pave the way for daily business and that require efficient performance in order to ensure business success, although they do not belong to the basic operational functions (Agburu, Anza, & Iyortsuun, 2017) . Back-office functions, are also called internal business functions, and include accounting, finance, information technology, human resources, and payment processing services (TechTarget, 2019). The outsourcing back-office function enables companies operating in the high-cost labor market access to cheaper labor, which results in reduced overhead costs, simplified operations as well as savings (IIMI, 2018). Although the companies may outsource information technology (IT) services to a third party, IT outsourcing and business process outsourcing are not the same thing, although they are often used interchangeably. Information technology can be the subject of business process outsourcing, but it is not the only activity that BPO encompasses (Butler, 2019). Back office services can be either outsourced to another company or kept within the organisation but placed in different geographies. The second are called shared services centers and are quite cost-sensitive in terms of their headcount, labour costs and location selection criteria.

Front-office outsourcing includes customer-related services, such as contact center services (further in the text referred as call centers) , marketing, and sales services (Errighi, Khatiwada, & Bodwell, 2016, TechTarget, 2019). Modern trends show that companies are increasingly exploring the strategy of outsourcing front-office activities, as a way to reduce costs, but also a means to strengthen customer relationships and generate new growth opportunities.

Further, contact center services can be divided into inbound and outbound call center services. Inbound call center receives incoming calls usually from existing customers with issues or questions. An outbound call center, on the other hand, makes outgoing calls to prospective shoppers.

¹ Reasons for exclusion of the other activity codes are further explained in the section Methodology.

² BRA offers data on employees only through financial reports of the business entities which are not the most updated once, but rather cover a period of time covered by the report.

In this study, we deal with both inbound and outbound contact call centers as well as shared service centers as they are usually registered under the same activity code, although some of the functions of the outbound call centers such as telemarketing, and debt collection might be found under other activity codes.

The call centres tend to recruit workers (both male and female) who are young, qualified, but mostly precarious (Costa & Costa, 2017). Precariousness is often defined as social estrangement (Cingolani, 2005), and the loss of the standard employment relationship (Mannocci et al. 2014, Hewison, 2016), which implies moving from one unstable, underpaid job to the next, and a lack of social protection (Lloyd et al., 2010). As a result, those working in the call centers often face low incomes or impoverishment, and are frequently exposed to the high level of stress due to the tense communication with supervisors and customers, significant workload and frequent change of shifts (Sprigg, Smith & Jackson 2003). Furthermore, they report multiple health problems including musculoskeletal symptoms, headaches and impaired vision and hearing (Lin et al. 2010, D'Errico et al. 2010, Costa 2017).

Those working in the outbound call services, face higher productivity stress due to productivity pressure, which involves conflicts with supervisors, related to issues of whether for example sales targets were met. On the other hand, work performed in the inbound call centers tends to be more repetitive as it is based on tightly prescribed script which deprives workers from any autonomy, creative task solving or structured work understood as a work which has significance, broader purpose, and allows self-realization (Ferreira and Saldiva, 2002, Martela & Pessi, 2018). Thus, although work in the call centers often involves skilled labour, their work cannot be considered as knowledge work (Russell, 2006: 199), as these skills are underutilised, due to the business strategy of the call centers which, as explained, involves work under strict management guidance or/and work tightly evolving around the script the employees have to follow in communication with customers (Russell and Thite, 2008: 617).

Literature on call centres often focus on unfavourable working conditions (Batt et al., 2009; Doellgast et al., 2009; Russell, 2008), while some researchers point out to positive aspects of that work including achievement, emancipation, and above the average pay (Doellgast et al., 2009, Kirov, & Mircheva, 2009). As Costa & Costa point out (Costa & Costa, 2017) work in the call centers is 'a complex phenomenon' that '[does] not form an "industry" but rather a new form of work organization that has emerged in various industries' (Lloyd et al., 2010: 431)

That is why it is important to research the phenomenon at the national level, and pay attention to the different forms the call centre 'labour process' can take, and carefully examine work organization, wages, degree of worker autonomy, type of work contract and working hours (Costa & Costa, 2017: 5). For example, Kirov, & Mircheva note attractive conditions of employment in Bulgarian call centers such as good salaries, flexible working time, use of IT and languages, international experience and thorough training (Kirov & Mircheva, 2009: 156). Yet, even if they are earning two or three times their parents' wages, Bulgarian youth is leaving these jobs mainly due to rigid organisation and strong discipline (ibid.). Such insights suggest that work in the call centers have to be studied from multiple perspectives.

Given the explanation above, it is not a surprise that many researchers resort to the decent work agenda as a fruitful conceptual framework not only in terms of the fair employment but also in the

wider context of the quality of jobs in terms of ability for personal development and career opportunities (ILO, 2007, 2020).

Therefore, in this study we paid equal attention to different dimensions of the Decent work Agenda including the provision of opportunities for productive work and decent pay as well as the social protection, workplace and employment security, opportunities for personal development, ability of workers to engage in social dialogue and unionise, as well as equal access to opportunities (ILO, 2020).

The overall objective of the project is to evaluate access to labour rights of the employees of the call centres in Serbia in the context of the Decent Work Agenda. The specific objectives of the project strive to achieve are the following:

SO1: Evaluation of the call centre sector situation (decent work) as a new and important sector for the employment in Serbia

SO2: Increase information and awareness on labour rights in Serbia especially in call centre sector, (SO1).

In that respect the following dimensions of decent work framework are researched and analysed: types of contracts and their ability to provide decent working time and social and health protection, decent pay, security at work, social dialogue, and competency development, and career (ILO, 2007). These dimensions are adapted to the circumstances of the work in the sector.

The report is organised in the following fashion: in line with the survey instrument (questionnaire) we first present main **demographic and socio-economic data**, followed by the **work history** and current job tenure. Then we focus on the topics related to the **type of contract and the rights stemming from them** (such as social and health security, work time, and dismissals from work). The next section is focused on **occupational safety at work topics**, which we discuss within the larger theme of work conditions, followed by the section on **pay and bonuses**, and discrimination and **collective organization / bargaining** in the call center sector. We conclude with the analysis of the **career prospects**. Each chapter ends with the brief discussion of the results.

METHODOLOGY

We used a mix method approach combining qualitative and quantitative methods. This includes data research, review of national and international literature, analysis of the primary data from the Business Record Agency (BRA), National Agency for Employment and Infostud as a quantitative method. On the qualitative side, we analysed data obtained through the qualitative survey and the 15+ semi structured interviews with the employees, representatives of the institutions (Ministry of Labour, State Employment Agency, Inspectorate, state Agency for Investment), state and private agencies dealing with the labour supply (National Agency for Employment and Infostud) CEOs and former owners of the call centers and experts in the industry as well as members of the unions. Such approach enabled triangulation between the data collected.

Yet in this report we mainly focus on data obtained through the survey as they represent the core source of comparison of the labour conditions in the sector in the three geographies.

The objective of the survey was to offer an insight into enforcement of labour rights in the call Center/shared service centers (BPO sector) in Serbia, and compliance with international and national legislation and norms, in particular with the national Labour Law³ and Law on Safety and Health at Work.⁴

The total sample for the qualitative survey included 177 interviewees with current employees in call center/shared service (BPO sector). The survey was performed online via Survey Monkey from May 7 to September 10, 2020.

We applied the snowball method targeting only employees from the call centers registered under activity code 8220. The reason why other activity codes were excluded is that the initial findings on the sector from the perspective of the working conditions, revealed that profiles of the employees working under other activity codes show huge differences in education, labour status, nature of work and remuneration of employees even when the job description seemed to be similar. This is the most striking difference in relation to the research processes in Kosovo where the research included employees in several activity codes such as 4791 – Retail, Online or postal orders from home; 6190 – Other Tele-Communication Activities; 6202 – Computer Counselling Activities; 6209 – Other ICT Services; 6399 – Other Information Services and 7320 – Market research and opinion poll research.

In Serbia, those in ICT services have much higher education and wages than in the other groups, while those working in postal services usually have lower level of education and short term contracts. On the other hand, the 7320 – Market research and opinion poll research is a mixed bag of some of the leading companies in the field who offer quality jobs and pay and low level telemarketing which is characterised by meagre working conditions and low pay.

There were several challenges in relation to the online survey: although the initial approach of the team was to administer the survey through face-to-face interviews with employees, due to pandemic and health related risks, the survey was carried out online. The second challenge was to contact employees who were working from home. Therefore, the survey period was longer than expected. The target of 200 respondents were not fully met (88,5% of the targeted) but given the number of employed the sample meets the standard. The approach offered less control in terms of the type of call centers/shared service centers/BPO companies the respondents work, e.g. whether all the respondents are employed in the call centers under the activity code 8220 Call Center Activities. However, as said every effort was made to reach only those respondents that fit the target.

The anonymity of the employees was secured by gathering the data through an external tool such as Survey Monkey. Respondents were never asked to reveal their personal data including the name of the call center/shared service centers/BPO company in which they work. Questions for which we felt that respondents would be less inclined to answer (such as the remuneration and bonuses among them) were optional.

FINDINGS

³ ("Off. Herald of RS", Nos. 24/2005, 61/2005, 54/2009, 32/2013, 75/2014, 13/2017-Decision of the CC, 113/2017 and 95/2018 - authentic interpretation)

⁴ ("Official Gazette of RS", No. 101/2005, 91/2015 and 113/2017)

The results presented below are organised in the following fashion: first, we present demographic characteristics of our respondent such as their age, gender and education. In this section will also showcase the cities in which they live and the composition of their households.

In the second section, we discuss work history of those currently working in call centers in Serbia, why they have chosen employment in this sector, how long they have been with the current employer and at which positions.

In the third part, we focus on the contracts and the rights steaming from them including access to social and health care, and other rights. Also we shed some light on the reasons for dismissal.

Fourth part is devoted to work conditions, followed by the fifth section on pay and bonuses, and sixth which deals with discrimination and collective organization / bargaining in the call center sector. In the seventh and the last section, we conclude with the analysis of the career prospects of the call centres' workers. Each chapter ends with the brief discussion of the results.

1. SAMPLE DEMOGRAPHIC CHARACTERISTICS

Age

In terms of age structure of the sample, the vast majority of respondents belong to the age categories of 18 – 30 years (53%) and 31 -40 years (35%). Only 12% of respondents belong to the age cohort of the those older than 41. These findings are in line with research from other countries in the region, EU and globally.

Gender

The proportion of women in our sample is considerably higher than of men (70% W and 30% M). This first insight on female's domination in the sector should be further collaborated with additional research and other data. However, based on the initial findings and different sources used for this study in there are more women than men employed in the call centers in Serbia.

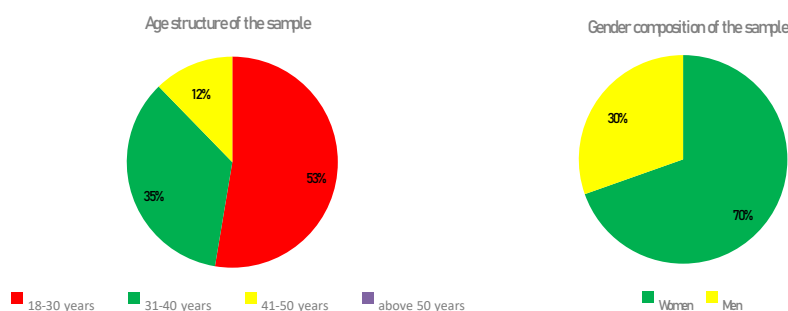


Figure 1: Sample demographic characteristics: age and gender

Level of education

The highest percentage of respondents has completed university education level (44%). This is followed with those who gained high school diploma (22%). Furthermore, the most present in the sample were those currently in undergraduate studies (16%).

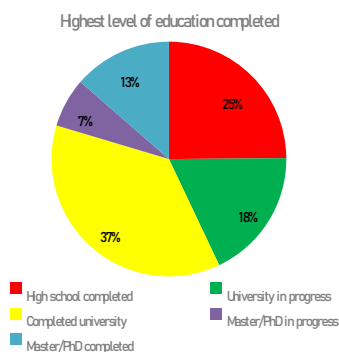


Figure 2: Sample demographic characteristics: education

Interestingly, a noticeable proportion of 12% of respondents completed Master or PhD studies, while 6 % of them are in the process of obtaining these degrees. More than one fifth of the sample are those who work and study.

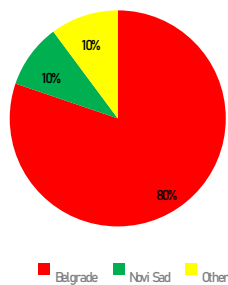
The educational background of those who work in the call centers is predominantly in social sciences (more than 70%). Philologists and educators are the most frequent followed by others such as economists, psychologists, sociologists.

For vast majority of our respondents educational background is irrelevant for the work they do in call centers: 90 % of them stated that the skills and knowledge gained through their education is not decisive for pursuing this kind of profession. On the other hand, the knowledge of foreign languages stands out as important for almost 70% of them. The languages they use in daily routine are as follows: English is at the first place (66%), French and Italian share the second (each 7%), Spanish is at the third (6%), and Italian at the fourth position (5%).

Location

Majority of the responders live in Belgrade and Novi Sad, two major Serbian cities, which is in line with the data obtained through the Serbian Business Registers Agency (SBRA) which shows that majority of the call centers/shared service centers /(BPO sector) companies are based in Belgrade and Novi Sad.

Geographic dispersion of the sample



However, at the time when the survey was conducted, the work in the sector was completely organised from home, and therefore there are a number of small places, which are popping up in the geographical distribution of the sample. In total, around 80% of questionnaires were completed by respondents from Belgrade, and the remainder (10%) in Novi Sad and smaller cities (10% all combined).

Figure 3: Sample demographic characteristics: location

Household characteristics

With regards to the composition of the households in which our respondents live there is a lack of one main thread. The surveyed are almost equally spread on those who are still with parents, live alone or with room-have their own families. Around 25% of respondents still live with parents. This is followed by the respondents who live alone (22%), and those who live with wife/husband/partner (21%). Only 20% of respondents live with kids, in a traditional family structure or as single parents. It is indicative that 12% of respondents live with people that are not members of their family such as friends or roommates.

As for the source of financing in their household, 96% of respondents state that in general the main source of income for their households come from salary. Only 2% of them are financed by the income from self-employment and from pensions.

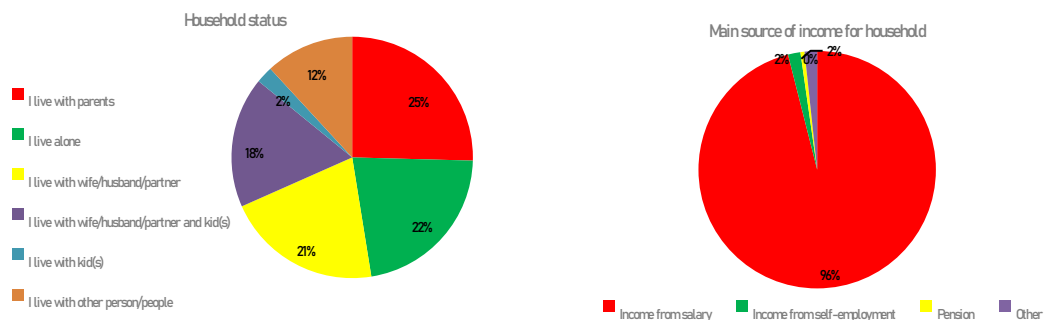


Figure 4: Sample demographic characteristics: household composition

Regardless of with whom they live, our call center employees are usually breadwinners: 74% are among the ones whose salaries make the main income in their households.

SHORT SUMMARY

Employees of the call centers are young, educated and live in Belgrade. Women dominate the call centers sectors, at least this is the case with our sample. This is an interesting finding and is in line with other research results from other countries. We will later delve deeper into this aspect by looking into the gender variance in relation to the positions they hold and the level of seniority in the call centers.

As our respondents point out, their educational background is irrelevant for the work they perform in call centres. On the other side, the importance of foreign languages, primarily of English was highlighted as vital. The dominance of other European foreign languages (French, German, Italian, Spanish), may lead to conclusion that the sampled call centers' workers mainly provide services to clients in Europe. These findings will be later reviewed from the perspective of working conditions (work in day and night shifts and other information) which can provide us with more information on the clientele they work for.

Our respondents equally live with their parents, alone or with friends, or have their own families. This variety is in alignment with their age so it is not a surprise that less than 40% of these young(er) men and women are having their own families, live with partners or are single parents. All the others are still in households with their parents, live alone or with room-mates. Regardless of the composition of the households in which they live, call center employees are usually main wage earners. This aspect of potential pressure on them as breadwinners will be assessed in later sections.

2. WORK HISTORY AND CURRENT JOB TENURE

Work history

Only 29% of our respondents worked in the past in other call centers. Majority of 71% our sample was not in touch with this sector before: either they worked in other type of companies (24%) or were in high school or university (26%). Almost 7% of our respondents tried their luck on global digital platforms such as Upwork, Fiverr, Freelancer or similar. 15% worked occasionally, seasonally or part time in other industries.

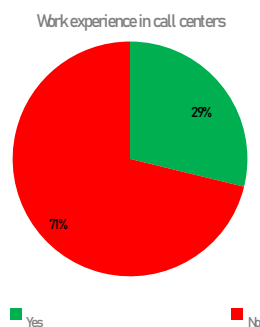


Figure 5: Work history

The experience of those who worked in the call centres before is limited: some spent with their previous employer less than a year (28%). Other respondents spent more than a year at previous job (27%) or more than two years (22%). Not many - less than one quarter of those with experience in call centres - worked more than three years (23%) in this industry.

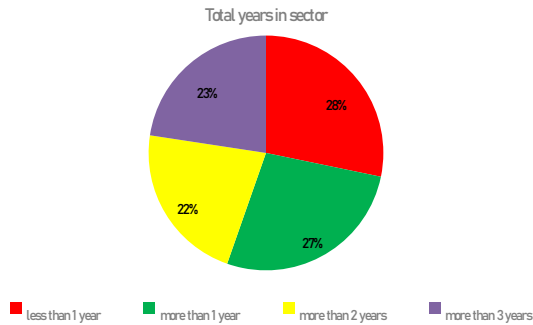


Figure 6: Previous years of employment in call centers

Type of company they work in

Classification of call centres divides them on inbound, outbound and shared call centers (for more details see the section above). Majority of our respondents work in the inbound call centers (63%) about one fifth are in shared service centers (23%) and the remainder (14%) is in outbound call centres.

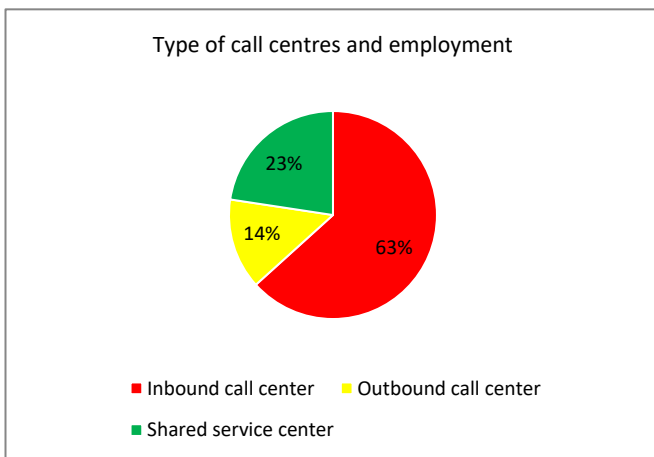


Figure 7: Previous years of employment in call centers

How long do they work at current call centre

As for the time spent on the current position, 35% of the respondents are newcomers to the companies they currently work for. The remainder share different periods of job tenure, almost

equally split: there are 26% of those who spent more than a year with current employer, exactly the same percent is more than 2 years with the current employer. However, only 13% of respondents from the sample are with the same call center longer than 5 years, making it a longer-term career.

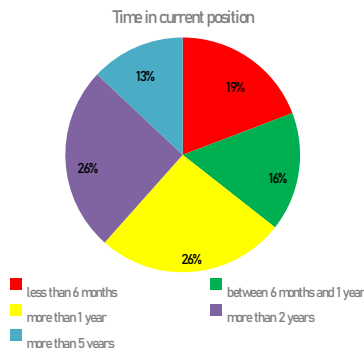


Figure 8: Time in current position

In the end, we calculated total years of experience in the sector by summarizing previous experience and time spent on the present job position. The results indicate fairly even distribution of experience gained in the sector. Thus, 28% of workers have less than 1-year experience, followed by 27% of ones who claim to have more than 1 year of experience. With more than 2 years of the working experience in the sector are 22% of respondents, while 23% of them responded to have more than 3 years of total experience.

Vertical mobility in the call centres

Vast majority of those employed in the call center (80%) are in the position of the operator, 15 % find themselves in the role of supervisors, while only 5 % are in the managing positions. To the question of whether they have changed positions within the current company, 74% of respondents in the survey reported that this was not being the case. This data speak out about the low level of vertical mobility.

However, changes in the position do take place but are mainly horizontal: 14% of our respondents changed positions several times within the current company depending on the needs and projects of the company. Only 13 % of respondents reported to have been promoted from an operator to a supervisor position while only 1% moved to the managerial position. Given that the majority of jobs offered in the industry are in lower skills bracket, it is hard to move upward on the company ladder.

Motivation for getting into this kind of work

Motivational drivers to choose work in call centers is an important indicator of the “status” and its desirability. Therefore, we classified the respondents’ answers as positive, negative or uncategorized. In this vein, 58% of answers can be rated as positive motivations. On the other hand,

37% of responses were classified as negative, and only 5% of responses can be defined as uncategorized reasons for choosing this sector.

As it can be seen from the Figure 9, key reason for looking for a job in call centers belong to the negative category: almost one fifth of our respondents (19%) stated that they could not find a job in their profession and thus they have chosen this occupation. However, at the second, third and fourth position we see the answers that can be viewed as positive denominators of the work in call centers: “The salary is better than in other jobs” (17%) , “To learn new skills” (14%) , and, “I like the job” (12%). These answers are followed by the ones such as “That was the only job I could find” (11%), and “I don’t have a proper education for another job” (6%).

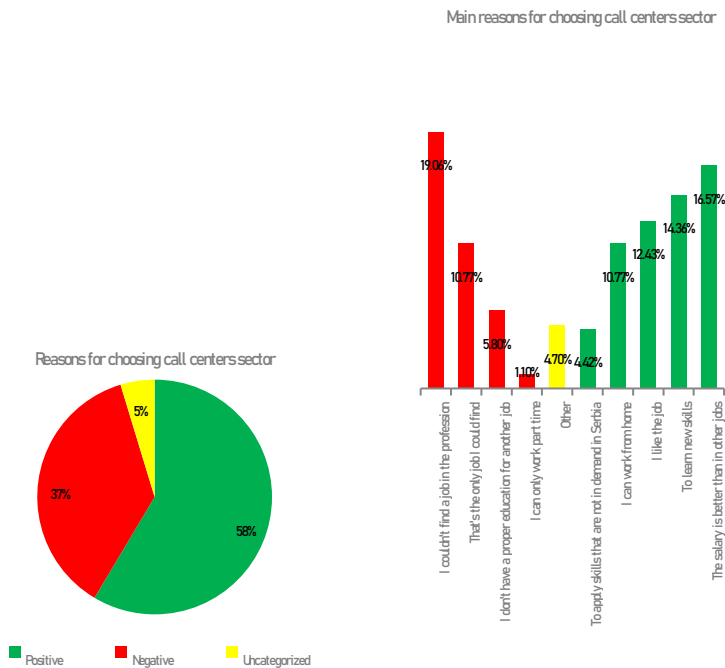


Figure 9: Reasons for choosing employment in call centers

SHORT SUMMARY

Most of our respondents are new to the call centers sector. Around 70 % of the sample did not have the experience in working in the call centers sector before. Even those who did, have a short-lived history in other call centers before starting to work for the current employer. Currently, more than 50% of our sample are with current employer between 1-3 years. Small percentage stay at the same place longer – more than five years, for example. Most likely one of the reasons for this high fluctuation is low internal vertical mobility. Also, the data indicate to little career opportunities for growth. This aspect will be further assessed in below sections to see if most employees in call centres view their engagement as temporary source of income, before they find a more suitable job either in terms of profession, pay or working conditions.

When looking into motivation of our respondents to getting into this kind of work, we see a “noise” – the mixture of positive and negative motivational drivers. Learning new skills and good salary are

certainly among reasons that give prominence to the call centers sector in Serbia. On the other side, so called negative responses why opting for this kind of work do not speak of the sector itself but of the structural problems of job market in Serbia: responses such as “not being able to find a job in the profession” or “this being the only job I could find” indicate to high barriers to enter job market in Serbia or to find a niche for those whose professions are considered as “generalist” as opposed to the ones viewed as “specialist”. As shown previously, careers in centers are chosen by those with the educational background in social sciences while small percentage of those with technical skills are engaged in this kind of work.

3. CONTRACTS

Types of contracts

An important aspect of the decent work agenda is related to the contracts and the right steaming from them including decent work time, right to social and health care, insurance in case of unemployment and similar rights. As seen in the Figure 10 the dominant number (97%) of respondents stated that they have some form of the employment contract with the employer. Only 3% said that they don't have any form of the written contract.

About half of the respondents (54%) claim to have standard employment contract fixed term most frequent form of the fixed form work contract is the one to up to 6 months (13%) while others, either on a longer or a shorter period of time are relatively rare. Among them are those concluded for the probation period (6%), for up to 1 year (5%), and for up to 2 years (2%). In all the referred cases, contracts are signed directly with the employers.

However, since the Law on Agency Employment ⁵ was enacted the call centers are increasingly opting for this solution. In our sample, there are 13% of the employees working through the third party which usually refers to the staff leasing agency and much less often to the student and youth cooperatives which offer short term employment. Although staff leasing agency can have open ended or fixed term contracts those working in the call centers usually have fixed term contracts. Often, those staff leasing agencies are established by the HR companies closely working with the call centers and recruiting staff for them.

⁵ " Official Gazette of the RS", no. 86/2019) the Law was enacted on December 6, 2019, and became operative as of March 1 , 2020. Despite the fact that agency employment practice has been widely existing in Serbia for many years, there has been no legal framework for such practice until the Law was enacted.

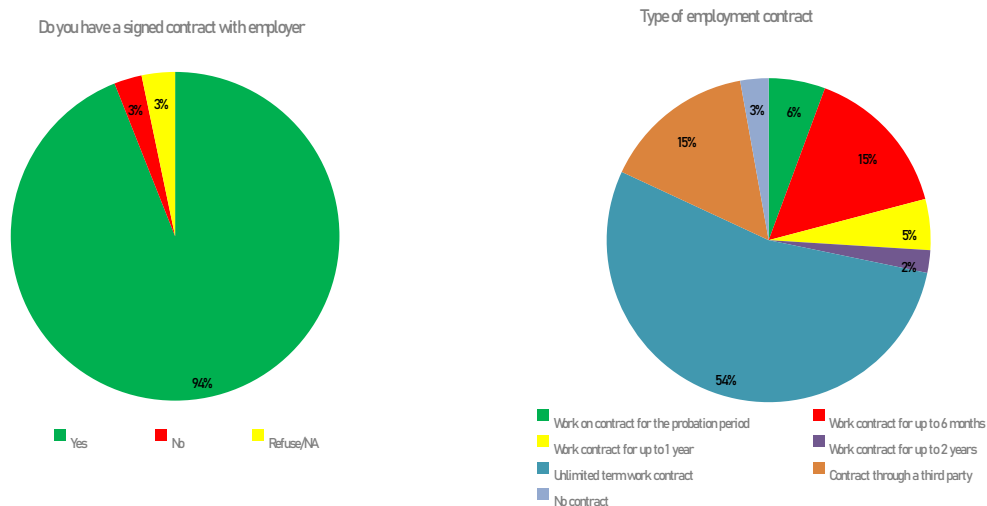


Figure 10: Availability and types of contracts

Following the intention to explore how taxes and contributions of the workers are paid, Figure 10 shows a distribution of the responses. **Over a half of respondents claims that their taxes and contributions are paid based on salary stated in their contracts (57%). However, 18% of surveyed workers answered that employer pays taxes and contributions on the basis of minimum wage, and 25% of workers said that they cannot state the actual situation.** Throughout the survey, in all questions related to their contracts and the rights stemming from them, workers said that they don't know what rights they enjoyed.

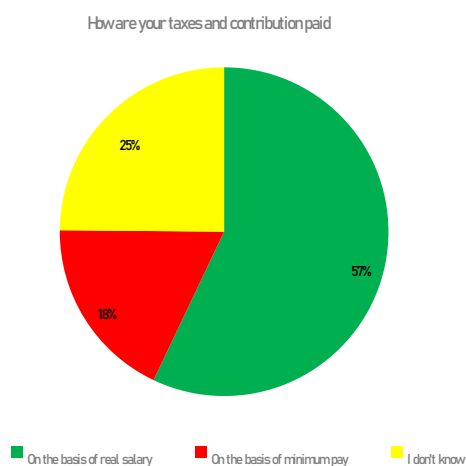


Figure 11: Taxes and contributions

Asked which rights they enjoyed in line with their work contract, **91% of those polled said that they have health insurance and the right to annual holiday respectively.** Respondents were much less confident when answering whether they have a right for a sick leave (80%), covered expenses for transportation and meal provision (71%) and pension. Only 22% of them said that they have insurance in case of unemployment and injury at work (31%). Given that all those items are a part of

the standard employment contract (both fixed term and open ended (except for the annual leave, which may be enjoyed if the worker stayed in the workplace for longer than 6 months), it is most likely that these percentages speak about workers ignorance rather than factual situation.

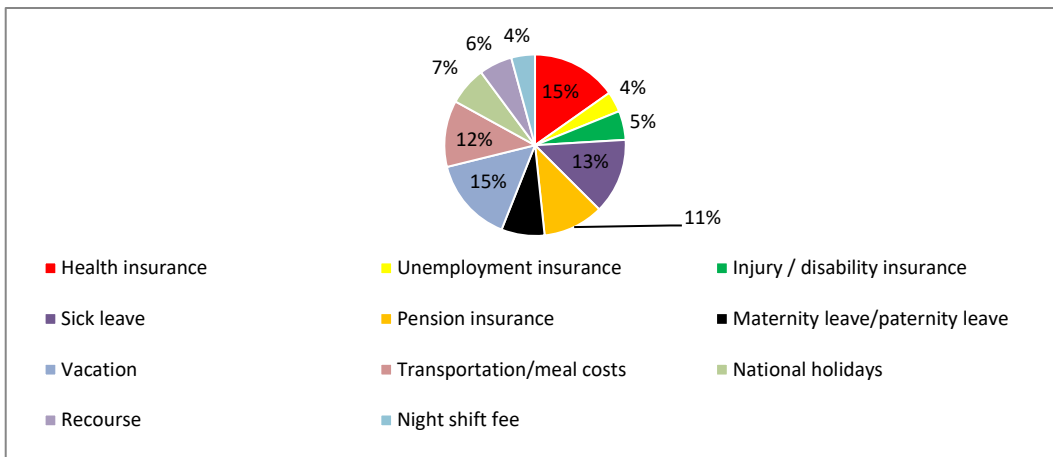


Figure 12: Employment rights

This is further corroborated, when above mentioned results are compared with the answers related to selected rights. For example, 85% respondents’ answered that they are entitled to social and health insurance (unemployment insurance, health insurance, remuneration based on years of service etc), 5% said that they don’t have these rights while 9% said that they don’t know whether they have these rights. Furthermore, 82% said that they have a an unconditional right to sick leave, while 11% said that the they need employer’s approval first. Yet a not so insignificant percentage of 7 % said they would not ask for a sick leave as they think that the employer might have a negative reaction on such a claim.

Although work in call centers is often connected with longer working hours, as it is shown in Figure 13, **majority of workers (70%) claimed that they work 8 hours daily**. This is followed by other various responses within which the most common claim was that they work for 6,5 or 7 hours on a day. However, there is a percentage of those workers who work between 8 and 12 hours (11%). Only 20% said that they work in the night shifts which is somewhat low percentage given that most of the large call centers are serving overseas markets and thus require night shifts.

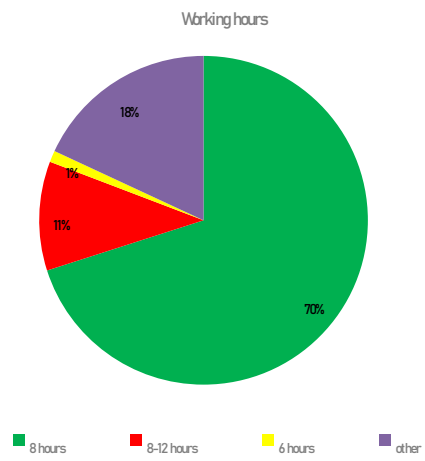


Figure 13: Working hours

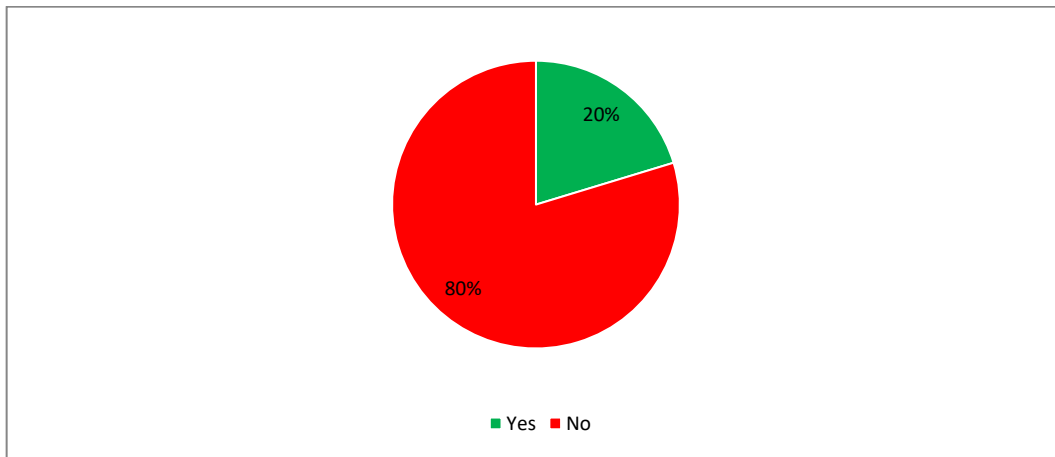


Figure 14: Night shift

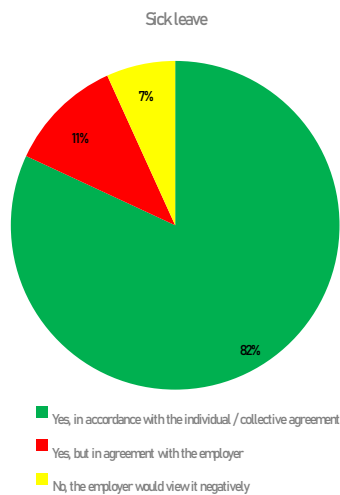


Figure 15: Sick leave and health insurance

Reasons for dismissal

By knowing more about major dismissals of the employees, we may gain additional insights into the overall internal work conditions. Whether the atmosphere is rigid or tense, and what employers see as a major reasons to deny a contract.

Figure 16 presents respondents' answers about the most frequent reasons for dismissals in their companies. The most common reason why employees lose their jobs is the failure to achieve their targets. Other significant reasons are a breach of contractual obligations (38%), and a violation of ethical standards and discipline. Dismissal of a worker may occur due to the completion of the project on which the employee worked (32%). It is interesting that almost one fifth (18%) of polled said that the common reason for dismissal may be a verbal and physical confrontation of the workers with supervisors. This suggests the sensibility of interpersonal relationships of employees at different positions in call centers, which is referred in the literature. On the opposite, less frequent reason for dismissals are conflicts among workers (7%).

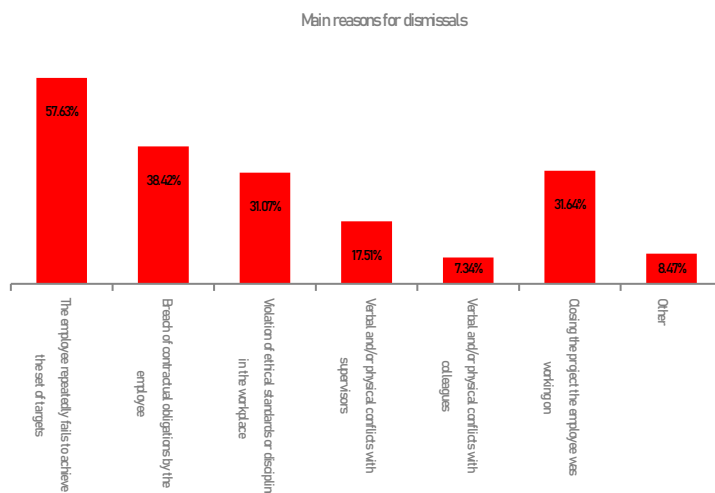


Figure 16: Main reasons for dismissals

SHORT SUMMARY

In sum, workers in call centres in Serbia enjoy decent work when it comes to the contracts and the rights stemming from these contracts. They usually have standard employment contract – fixed term that is according to the literature relatively rare. Yet, the number of the fixed term contracts is significant and points out to the observed feature of this type of work which is often conducted on the short term basis. This is further underlined, when one take into consideration that more than one tenth of contracts signed through third parties. Although theoretical those third parties may offer any time of contract including the open ended ones, the practice shows that the leasing agencies are providing temporary and short term types of job. It is remained to be seen whether the number of those employed through to third parties may increase. However, one has to have in mind that the Law on Agency Employment stipulates that assigned employee will be entitled to the same working conditions as the comparable employee of the beneficiary employer, including the salary.

Workers in call centers enjoy decent work time, as most of them work for eight hours a day, 40 hours a week. In our sample, there are only one fifth of workers who work in night shifts, which is probably less than in usual for the call centers.

As noticed, workers are not always aware of the rights stemming from their work contracts. While we can assume that they are in written guaranteed all the rights which are a common part of every open ended and fixed term contract, it is hard to tell whether they may really enjoy them and to what extent. Namely, a significant number of them said that they taxes and social contributions are paid on the minimum wage, rather than the one they are receiving. Furthermore, some of the workers said that they would refrain from asking to take a paid leave.

4. WORKING CONDITIONS

Health care problems

As mentioned, workers in call centres usually report various health care problems. As it is shown in Figure 18, about one half (51%) of the respondents report that their health suffers due to working conditions. Most often respondents feel back pain (32%) followed by stress and anxiety (26%) and vision problems while headache, hearing problems and other health issues are less represented.

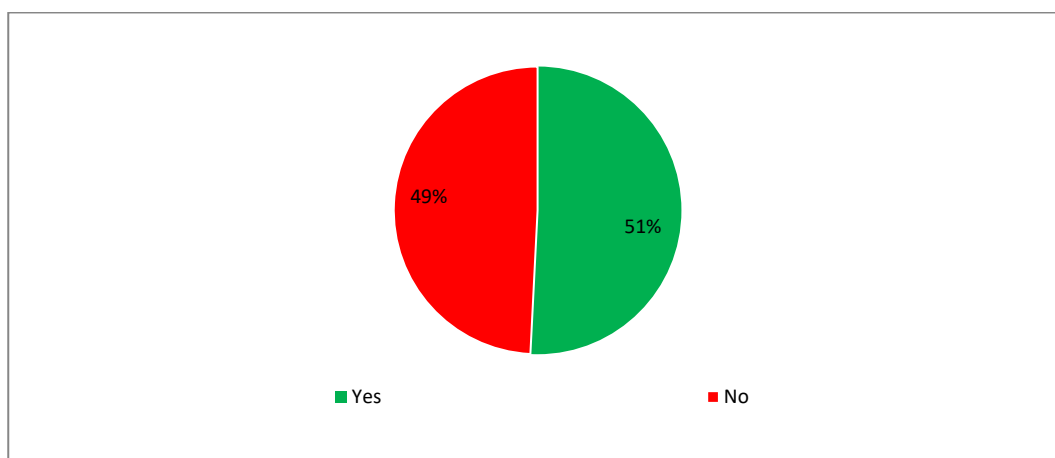


Figure 17: Do you have health problems related to work?

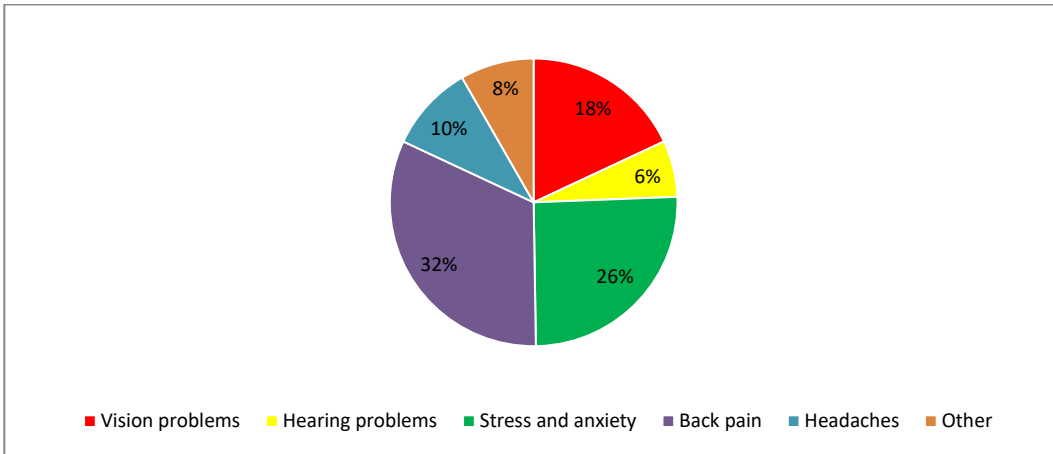


Figure 18: Most common health issues

Safety at work

Occupational safety and health (OSH) is a core element of the Decent Work Agenda, and therefore we will first examine how well the call centers are equipped with the safety equipment. As seen in Figure 19 about two fifths (43%) of our respondents use the protective equipment while others don't. This large percent (57%) of non-users covers many different reasons among which are both that the employer doesn't provide it or that employees, even when they have it, don't use the provided equipment either because employer never asks for that (27%) or because employee say that it bothers them to use the equipment (10%) or they doubt its functionality (5%). Those who chose the answer "other" either use the equipment or they don't have them at all. Some of them stated that they don't have equipment as they are working from home, on their personal computers.

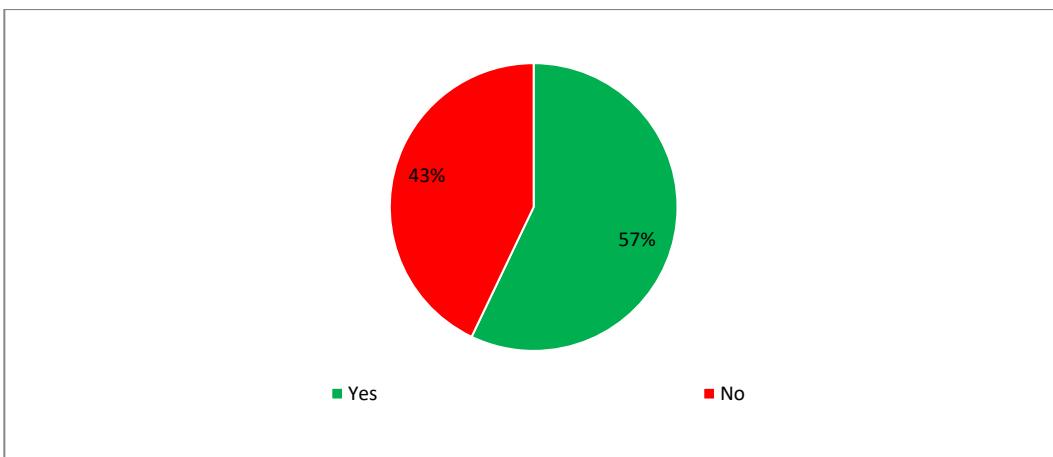


Figure 19: Usage of protective equipment

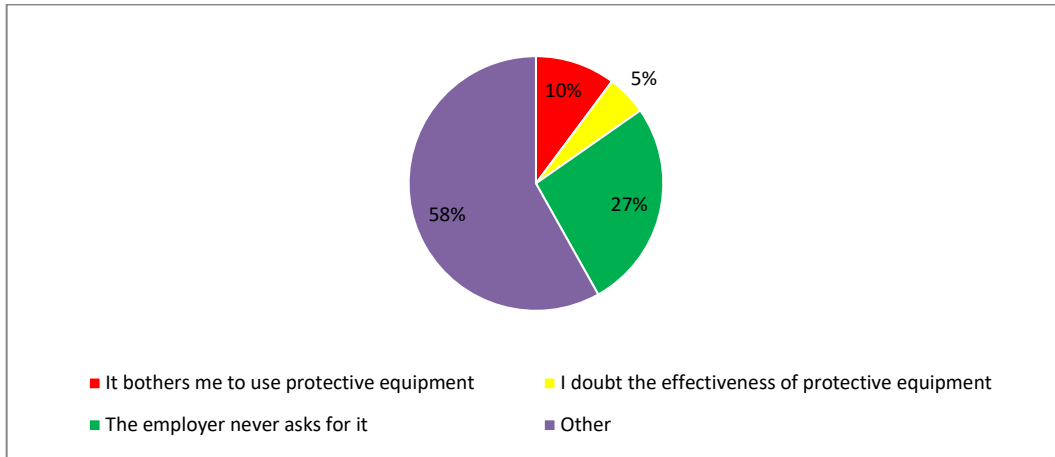


Figure 20: Reasons for not using protective equipment

Inspecting the questions related to the equipment further, we learned that more than a half (55%) of the respondents say that they don't have screen protection for the computer while 14% say that they feel constant eye pain due to the inadequate equipment. Only 9% say that they have good protection while the remainder say either they don't know or that the question is not applicable on their situation. Results are somewhat more favourable when it comes to hearing protection where equal per cent (34%) of respondents claim that they don't have hearing protection, or that that the equipment is of a good quality. Among others, 14% say that the question is not applicable to them while 13% say that the protection is not enough.

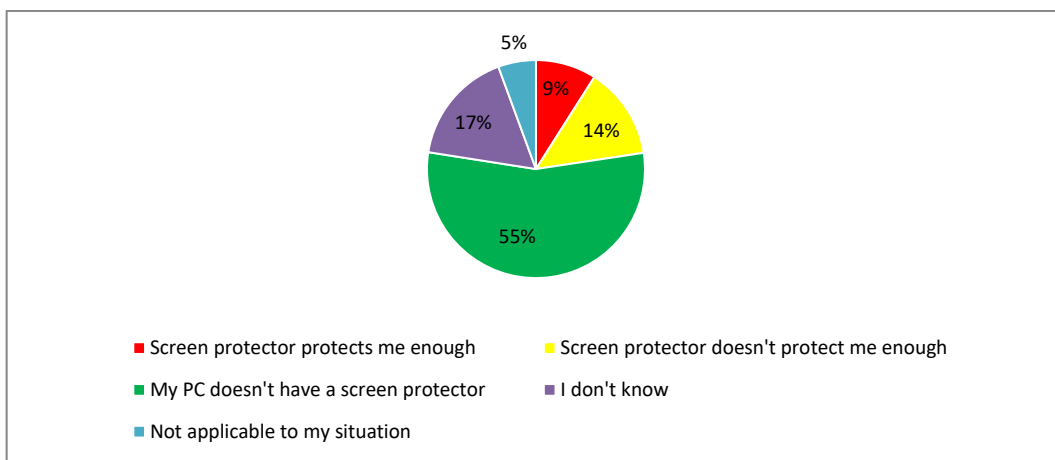


Figure 21: Screen protection

Discrimination

Majority of our respondents think that there is no discrimination in their working place (84%). The reminder who think the opposite quote ageism (20%) and gender (12%) and racial and ethnical base (10%). Others often quote examples related to injustice and not discrimination, which shows that some respondents don't make a difference between these two. If further researched, gender balance related to managerial positions, reveal that almost 70% of respondents think that men and women are equal (39%) while 30% think that there are more women on the leading positions in call centers then men. Given that 70% of our sample is women, these results have to be taken with caution.

Unions and collective action

Figure 28 describes the knowledge of the existence of unions by workers in their companies. Only 5% of the respondents gave a positive response, i.e. that there is a union in their company. This is in line with the current situation in the sector in which only one large call center has a registered union. Respondents are usually uninformed about that there is a union in their company. About 42% of workers claim that they don't know if there is a union in their companies, while 53% of them say that there is no union in their firms. Of the eight respondents who answered that there was a union in their companies, eight also answered that they were members of the union.

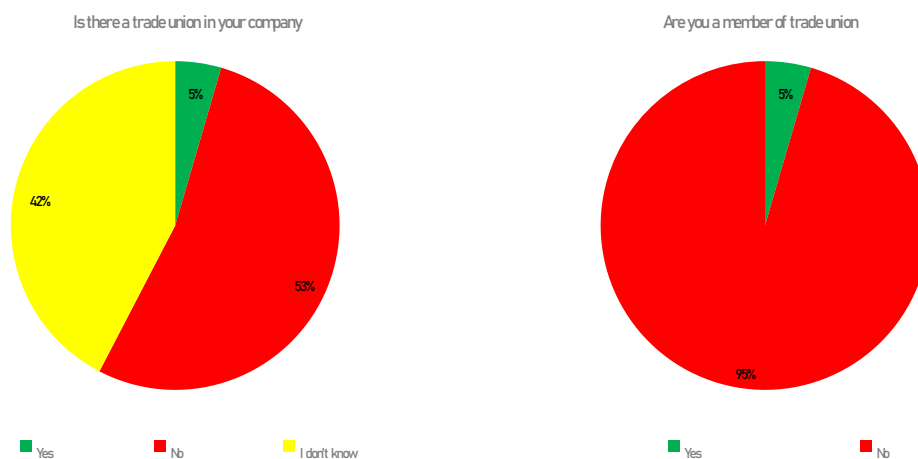


Figure 28: Understanding of trade unions

Almost one third of the respondents (28 %) says that they are not interested in collective action.

SHORT SUMMARY

The answers gathered through his survey are in line with other reports (Andjelkovic at all 2018) that show that young people have no knowledge or interest to unionise. Furthermore, given the high turnover in the call centers, respondents usually tend to leave the work place they dislike. Given that they don't expect to make a career in the industry, as it is seen throughout this analysis, it is not

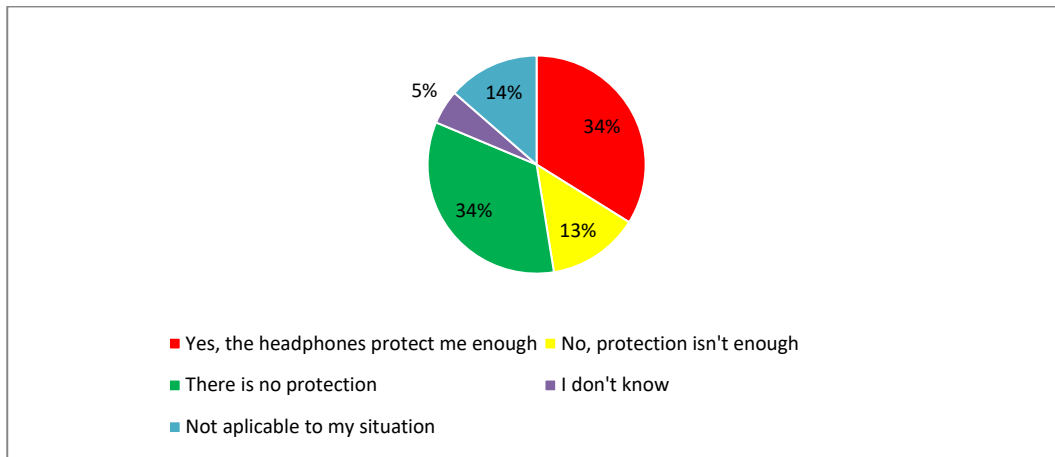


Figure 22: Noise protection

It can be concluded that employees have health issues that usually go with this type of work. However, some of these health conditions are further exacerbated by the lack of adequate protective equipment or by the lack of discipline from both employers and employees in properly using them.

Benefits

On the positive side, employees enjoy different benefits such as additional health insurance, team buildings and trainings as well as freebees. As reported by our respondents significant portion of employers (73%) offer private health insurance to their employees. This can be considered as a global industry standard born out of necessity since, as mentioned, this type of job is connected to various health care issues. Almost one fifth of employers offer additional pension insurance, which rare in Serbia (Altipamarkov, Matković, 2018).

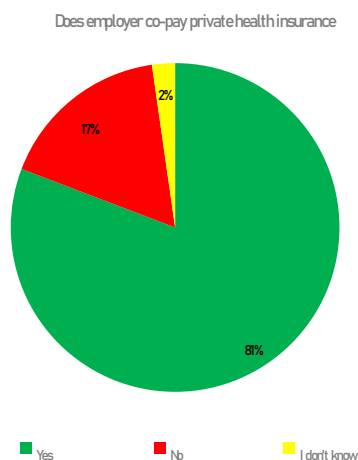


Figure 23: Private health insurance

Among other benefits, employers usually offer team buildings (54%), discounts/free products (30%) and in very rare cases, other perks such as free coffee, vitamin waters, short trips (6%) or rarely subsidized child care (2%). As reported by workers employers that are not offering anything are relatively rare (7%).

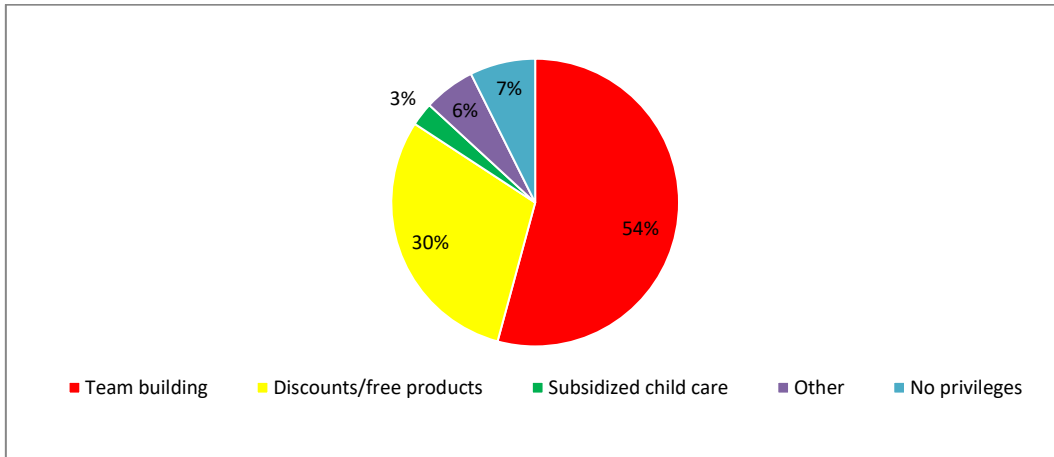


Figure 24: Additional benefits provided by employer

When all taken into account, Figure 25 shows that respondents think that the working conditions in their company are either very good (24%) or good (38%) while about one third of respondents (27%) believe that they are acceptable. Still one tenth of the call center employees consider working conditions in their companies as bad.

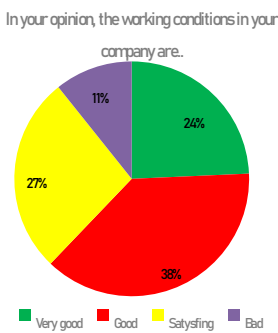


Figure 25: Working Conditions

SHORT SUMMARY

To sum up this section, it seems that the lack of adequate equipment is common for many call centers, and that some employers are neglecting their obligation to oversee whether their employees are properly using it. Furthermore, some equipment is of a doubtful quality, or it was entirely missing at the time when employees in the call centers massively shifted to work from home

during Covid 19. Given the variety of answers, this topic needs to be further investigated as it asks for attention of the internal and external safety control.

As shown, Serbian workers in the call centers usually have extra health coverage, while in addition, some also have private pension insurance. Typically, an employer resort to team buildings and discounts/free products. They both serve to alleviate stress and complement employees' earnings. While occupational safety and health standards proscribed by the Decent work agenda are not adequately met, in general, working conditions of the call center workers can be assessed as good and acceptable.

5. PAY AND BONUSES

Pay

We decided to include figures on wages and bonuses as optional, based on the experience that respondents rarely give answers to these questions. Therefore, findings in this chapter are on smaller sample. Figure 26 indicates that only 42% of the sample or 75 respondents decided to report about their salary. Based on their answers, the calculated average net salary is around 60,200 RSD (480 EUR). Also, based on their claims, we created and presented a range of salaries. As shown in the Figure 26, it is indicative that 20 respondents earn a salary of up to 320 EUR, 25 workers earn between 320 and 480 EUR, while 19 workers have a salary of between 480 and 640 EUR. However, only few respondents earn a salary higher than that sum, i.e. 5 workers earn between 640 and 800 EUR, 4 of them earn between 800 and 950 EUR, while only one respondent claim to earn more than 950 EUR.

The numbers are in line with the sample structure in which a small number of respondents said that they occupy managerial positions, and with the rule of thumb that the average net wage in the industry is between 400 and 600 EUR.

In total 163 respondents decided to answer the question related to bonuses. Among them 64% said that their company offers bonuses while the reminder said the opposite. Over 58% of surveyed operators claim that they get bonuses, while only 37% managers said the same. When it comes to supervisors, slightly more than half said that they get the bonuses while others don't. Some companies offer regular monthly bonuses while in others bonuses depend on the results achieved. Usually bonuses are small, often in the range of 50 EUR or less.

In general, it can be concluded that on average respondents' salaries are close to the average net wage in Serbia which is at present 470 EUR (August 2020, CEKOS) and slightly more than their counterparts aged 15 - 29, who according to the official statistics earn 410 EUR (SORS 2020). Given that most of the respondents have additional health care insurance and other perks and bonuses it can be concluded that they enjoy decent pay.

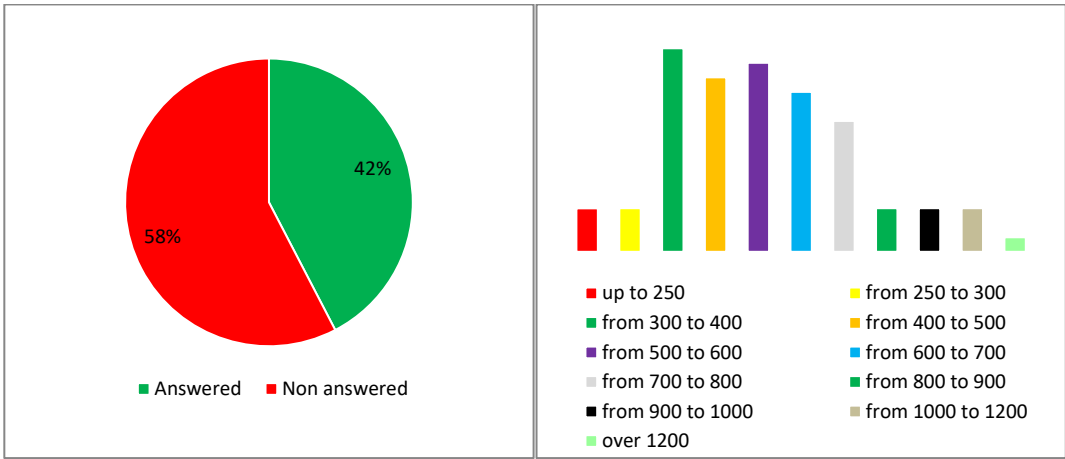


Figure 26: Average salary (in euros) the data show the share of respondents by salary ranges

Yet from the answers related to their satisfaction (see figure 27) with the wage it can be inferred that slightly more than half of the respondents are not satisfied with their earnings. This is in line with the recent polls among young people in Serbia who usually expect better wages. For example, in Belgrade and Novi Sad, young people would be satisfied with the average wage between 700 and 850 EUR (The National Youth Council of Serbia, 2019).

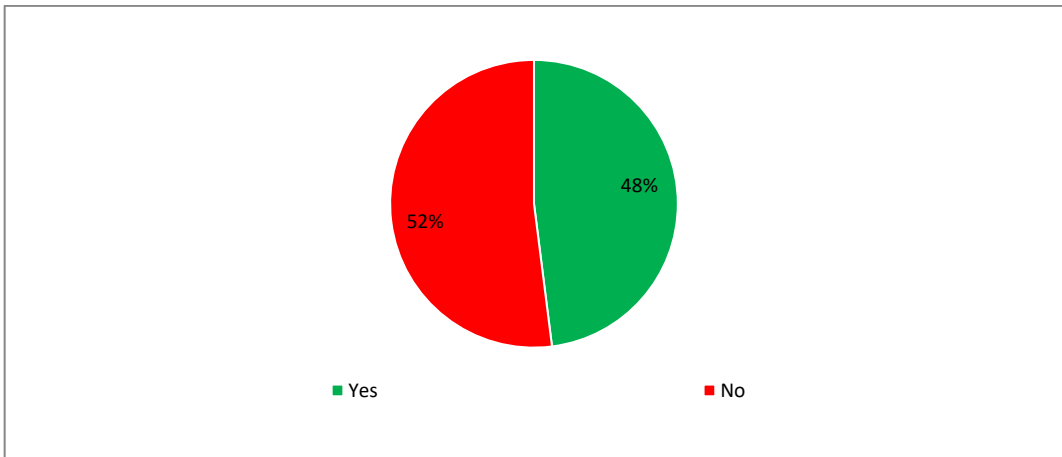


Figure 27: Income satisfaction

SHORT SUMMARY

Workers in the call centers in Serbia usually enjoy decent pay and occasionally receive bonuses. Although their wages are either in line with their peers or above, they are usually not satisfied with the remuneration they receive. This has to do, among other things, with higher expectations of youth in the major cities as well as our respondents’ pronounced responsibility for contributing to the household earnings.

6. DISCRIMINATION AND COLLECTIVE BARGINING

likely that they have enough motivation to focus on collective bargaining and unionisation, even though, at least some of them, have reasons to believe that they workers' rights are jeopardised.

7. CAREER PROSPECTS

Reasons for leaving

Reasons respondents give for leaving a call center tell as a lot about the nature of work in these structures. The Figure 29 shows a distribution of responses on the most frequent reasons for quitting jobs in call center company. The most common response is related to finding a job outside the sector in which employees currently work (28%), followed by the stress accumulated in the specific working conditions (22%). Also, moving to another call center company that offers better working conditions and better earning can represent an important reason why employees decide to go for another opportunity (21%). To a much lesser extent, personal and/or family reasons predominate (11%). Too much pressure from the supervisors and health issues are mentioned somewhat less often. About 8% and 6% respondents respectively chose these answers.

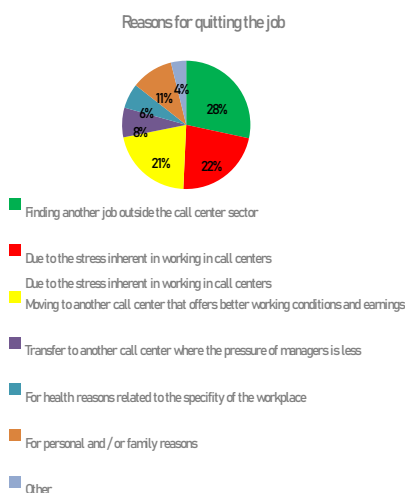


Figure 29: reasons for quitting the job

These figures corroborate with the existing literature that young people tend to leave the sector even if their salary is acceptable or above average for their age and experience.

One of the reasons for dissatisfaction with the job is related to the lack of skills that can be acquired on the job, or well used in another job. Although more than one third (33 %) of respondents say that their employers organise different seminars and trainings, they usually learn over the course of work (68%) or in exchange with colleagues (45%). More than one-tenth (12 %) say that they didn't learn anything.

Among the skills acquired while working in a call center, for which they think they would be useful for their career prospects respondents usually quote communication skills, IT skills and multitasking, while 4% says that none of the skills acquired would be relevant for the next job.

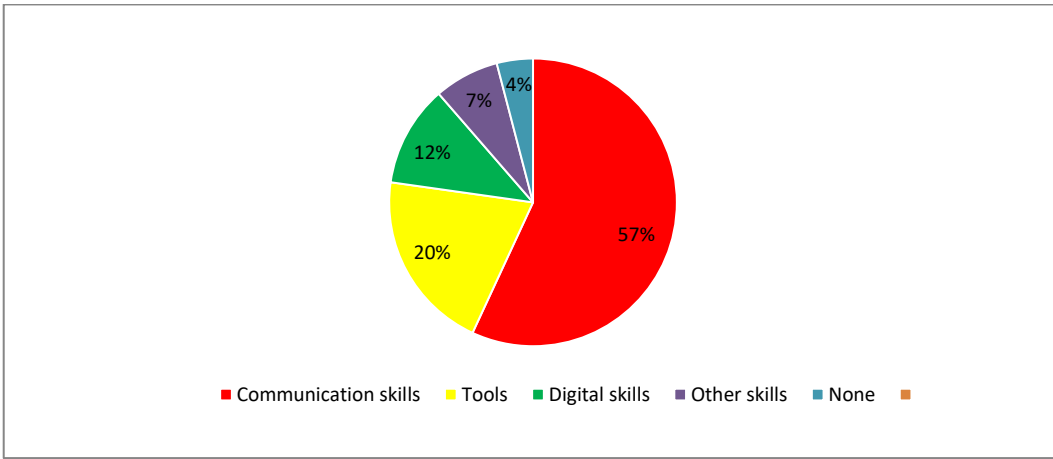


Figure 30: Skills applicable outside the BPO sector

Finally answers to two questions, “whether you would recommend the job in the call centres to your relatives and close ones” and “do you see yourself in the sector in the next 5 years?” reveal the ambiguity surrounding the issue of whether employment in the call center is a good option. As seen in Figure 31, 60% of the respondents would suggest that job prospect while only one third of the respondents see themselves in the sector in the next five years.

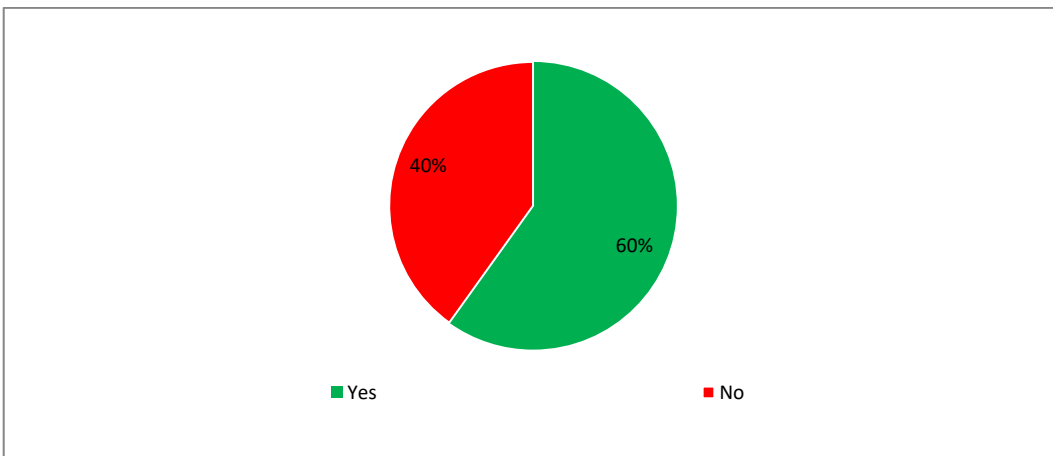


Figure 31: Would you recommend to your friends job in the BPO industry?

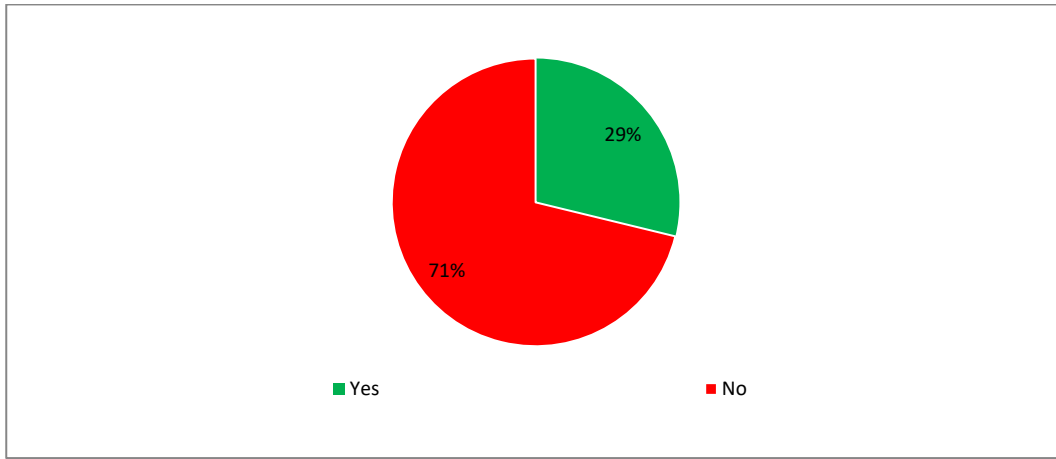


Figure 32: Do you see yourself in the same sector in five years?

SHORT SUMMARY

In sum, employment in call centers offer some prospects for short time employment with relatively good pay, but it has no features that will attract majority of the respondents to build a career at the place where there is no possibility to use someone's education, acquire valuable skills or secure upward transition.

