

Under Construction: The Continuing Evolution of Job Structures in Call Centers

PHILIP MOSS, HAROLD SALZMAN, and CHRIS TILLY*

We study inbound call centers in fourteen businesses, using interview-based case studies. Contrary to the notion that U.S. businesses are eliminating job security and internal career tracks, these firms still incorporate these features in their job structures, and in many cases businesses that initially dismantled job and career structures ended up rebuilding them. The paper suggests a more nuanced account of changing job structures that incorporates market, institutional, and agency factors.

Introduction

OVER THE LAST FIFTEEN YEARS, THERE HAS BEEN MUCH DISCUSSION OF RECENT changes in job duration and within-firm job mobility. As we explore in more detail below, many scholars have concluded that large U.S. businesses have undergone a widespread, dramatic, unidirectional, and more or less permanent shift toward jobs of shorter duration and more limited opportunities for upward mobility within the firm. The “brave new world” of call centers offers an important arena for assessing the validity of this claim.

Studying changes in job structure in call centers should help illuminate the nature of shifts in job structure for several reasons. First, call centers are new, with origins dating to the early 1980s and rapid growth in the 1990s, and from their outset designed to be separable from existing corporate job structures. If indeed corporate America widely adopted new job structures in these decades, we would expect call centers to reflect the new structures, or at least to move rapidly toward the new arrangements, free of some of the inertia of older jobs.

* The authors' affiliations are, respectively, Department of Regional Economic and Social Development, University of Massachusetts Lowell, Massachusetts (Moss and Tilly); The Urban Institute, Washington, DC (Salzman). E-mails: *philip_moss@uml.edu*; *hsalzman@ui.urban.org*; *chris_tilly@uml.edu*. We thank the Rockefeller and Russell Sage Foundations, the Alfred P. Sloan Foundation and the University of Massachusetts Lowell for research funding. We thank Radha Biswas for outstanding and sustained research assistance, and John Reynolds for additional research help.

In addition, call centers deserve attention because they are a large and growing segment of the U.S. workforce. Analysts disagree about exactly *how* large and *how* quickly growing: recent estimates of the size of the U.S. call center workforce range from 2.5 million people (Wirtz 2001, estimating the 1999 workforce) to 6.5 million (Benner 2002, estimating the 2000 workforce). Underlying these wildly varying estimates is the fact that call centers are not well defined in standard industry or occupation data. Occupationally, call center workers cut across a range of occupations. In terms of industry, a Minnesota state report in 2000 "found a total of 37 different broad-based industries likely to have call center operations" (Wirtz 2001).

Finally, the existing literature on call centers reveals a lively debate on the nature of the jobs. Indeed, research on call centers has proposed at least three views of the quality of call center jobs. Some researchers have described call centers as a relatively homogeneous set of jobs: critics brand them as "sweatshops" (Fernie and Metcalf 1998; Juravich 2005) or "bright satanic offices" (Baldry, Bain, and Taylor 1998), whereas boosters view them as good, information-economy jobs (Bagnera and Donati 1997; Butera et al. 1997 [both cited in Altieri et al. 2002]; D'Ausilio 1999).

Rosemary Batt (2000) offered a more nuanced view, positing that businesses have segmented call center work into better jobs (involving higher compensation, more discretion, and less monitoring) and worse jobs according to customer segment. Batt, Doellgast, and Kwon (2005) found that businesses developed three strategies to address the problems of high turnover and quality of customer service at call centers: customer differentiation, one-stop shopping, and customer loyalty. Eighty percent of the centers they studied were targeted to one customer segment and the pay, training, and workplace organization varied by customer segment "level." Centers that serviced higher-revenue segments paid more, had more flexible work practices or self-directed work teams, and had lower turnover. Similarly, Taylor et al. (2002) distinguished between volume-driven and quality-driven "workflows."

But a third possibility is that work organization in call centers continues to evolve into new forms. Batt's own work provides evidence of such evolution, for example the increase in the number of call center job categories over time (Batt and Keefe 1999). On the whole, European analysts have emphasized the changing nature of call center work more than have their U.S. counterparts. Altieri et al. (2002, p. 21) described unidirectional evolution: "The first call centres emerged as 'minute factories' as the companies only sold minutes of conversation, today they offer services, placing great emphasis on quality." Ursula Holtgrewe and colleagues (Holtgrewe and Kerst 2002; Shire, Holtgrewe, and Kerst 2002) argued instead that call centers embody a

tension between two conflicting logics: standardization/rationalization and customer orientation/flexibilization, or more simply put, cost and quality. They suggested that the result may be a not fully predictable oscillation of work reorganization between one logic and the other. Case studies of call centers in the United States, Japan, and Australia by Marek Korczynski (2002a,b) documented this ongoing tension, and German case studies by Sandra Arzbächer and co-authors (2002) demonstrated a shift from de-institutionalization to re-institutionalization. In the United States, Larry Hunter (1999, personal communication 2004) described a bank with “high road” (high service, high cost) call centers that merged with another bank, shifted to a cost-cutting orientation, then rebuilt the high road once more, then merged again and cut costs. The tension between standardization and customer orientation is not sufficient to *explain* such evolution, since both goals are always present. (Other researchers have explored other important aspects of call center work; for example, Fernandez and Castilla [Castilla 2005; Fernández, Castilla, and Moore 2000] have scrutinized the role of social networks in call center hiring and retention.)

This mix of findings suggests that a more comprehensive set of case studies of call center job reconfiguration could contribute much to the broader debate about the direction of U.S. businesses’ restructuring. That debate has focused on job structures aimed at retention and promotion of employees in order to strengthen motivation and facilitate skill acquisition—structures often called internal labor markets (Doeringer and Piore 1971). On the one hand, both social scientists and journalists have argued that in response to changing competitive conditions, large businesses have made some fairly dramatic changes: flattening hierarchies, reducing opportunities for long-term employment and upward mobility within the company, and shifting to an “employability” model that instead emphasizes cross-firm mobility and the employee’s individual responsibility for fashioning a career (Cappelli 2001; Caroli 2003; Heckscher 2000; Mandel 1996; Osterman et al. 2001; Pasternack and Viscio 1998; Powell 2001). They typically depict these management-driven changes as unidirectional and permanent, sometimes framing them as a “new social contract.” Such current claims are congruent with historical accounts of the rise of internal labor markets that emphasize unilateral management power (Gordon, Edwards, and Reich 1982).

On the other hand, some analysts have cautioned that these shifts may be overstated, that many actors within the firm (including managers as well as workers) have an interest in structures generating long-term employment and advancement, and that patterns of change in these structures have been mixed and fitful rather than uniform and sweeping (Kraakman 2001; Levine et al. 2002; Neumark 2000). Indeed, research on the determinants of

employee turnover shows that fewer promotion opportunities and reduced job security fuel higher turnover, with cost consequences for businesses (Fields et al. 2005; Griffeth, Hom, and Gaertner 2000; Price 2001; also see related studies on determinants of turnover by Cappelli and Neumark 2001; Delery et al. 2000; Shaw et al. 1998). Importantly, changing job structures in itself triggers increased turnover, especially among senior employees (Baron, Hannan, and Burton 2001). Moreover, numerous studies have shown that job structures within industries and even within the same firm show wide variation in advancement possibilities and pay, a result one would not expect if firms were pursuing optimal arrangements given the state of competitive conditions (Cappelli and Crocker-Hefter 1996; Lambert 1999; Lambert and Haley-Lock 2004). The research reviewed by Lambert and Haley-Lock (2004) suggests job structures are not dictated by the nature of the work, but instead shaped by a combination of market forces, institutional variations, and the extent to which management is emphasizing cost containment versus the quality of its product or service. In our own earlier work on this topic, we presented evidence that 1980s–1990s restructuring at electronics manufacturers, insurance companies, retailers, and food service supply chains took place iteratively, included both deconstruction and reconstruction of internal labor markets, and resulted in the survival of retention and promotion structures even for entry-level jobs, though often in new forms and loci (Lane et al. 2003; Moss, Salzman, and Tilly 2000). Robert MacKenzie (2000), in a case study of Britain's largest telecommunications company, British Telecomm (BT), found a similar pattern. BT first shifted to subcontracting for skilled cable installation workers, dismantling the highly regulated internal job structure that had existed. This was done to introduce flexibility and lower cost, following a market-driven logic. But faced with the problem of guaranteeing and controlling a supply of skilled labor, BT then iterated through a number of steps that had the effect of reintroducing, although in different forms, the regulation of the job structure.

This counterpoint of views on restructuring itself reflects a deeper, long-standing theoretical and empirical debate about firm behavior. At the risk of oversimplifying, one side in the debate, grounded in economics, views corporate change as predominantly consisting of purposive shifts from a formerly efficient set of behaviors to a newly efficient set of behaviors (Kotter 1996; Varian 2005). These shifts are prompted by alterations in the environment, including market shifts and the availability of new technologies. Corporate change, in this view, is basically a matter of re-optimizing. A second, more sociological or social psychological perspective emphasizes slow, incomplete, and subjective learning about changes in the environment,

as well as interaction, bargaining, and even struggle between different actors (Baldoz, Koeber, and Kraft 2001; Eccles, Nohria, and Berkley 1992; Marsden 1999; Ortmann and Salzman 2002; Scott 1987; Tilly and Tilly 1997).

In this paper, we present research from interview-based case studies of inbound call centers at fourteen retail and financial service companies. We focus on four measures of retention and promotion:

- 1) Policies on promotion from within
- 2) Number of job levels between which workers can move
- 3) Probability of filling an upper level job from within
- 4) *Perceived* probability and equity of advancement opportunities (this subjective perception will determine retention and motivation outcomes)

As a practical matter, these four measures were those for which interviewed executives and managers were most able and willing to provide concrete responses that included retrospective information. Where possible, we also gathered additional information on tenure and turnover. In this context, we use the term *internal labor markets* to describe job structures that include significant degrees of retention and promotion from within. (Definitions of this term vary, and our intent here is not to join the debate over definitions, but simply to adopt a useful shorthand.)

Our findings support an evolutionary view of call center job structures. They are consistent with a restructuring process that is iterative and varied in direction of change, rather than unidirectional and permanent, and with a more halting and contested theory of corporate change. Specifically, we find that:

- 1) Businesses' decisions about job structures and managerial practices in call centers are importantly shaped by *product markets*, *external labor markets*, *management strategy*, and *worker preferences*. *Product markets* change with innovation, shifts in other companies' offerings, and changing consumer preferences. The *external labor market* determines what combinations of wage level, skill, and retention are possible for a business establishment. Though product markets and external labor markets set the limits for internal labor market evolution, managerial strategy and beliefs greatly affect the timing and path of evolution within these limits. Strategy includes decisions about product market niche or financial objectives, but in practice typically plays out in experimental ways reflecting varying managerial beliefs rather than representing a consistent long-term

vision. In addition, variations and changes in *worker preferences* that are not fully captured by the concept of an external labor market play a part in shaping job structures, job quality, and work practices, so that outcomes are developed on the “negotiated terrain” between management and workers.

- 2) In our case studies, we find call centers evolving, but not just in one direction. We discover both movement toward strengthening job structures and practices that increase attachment, motivation, and skill development, and movement toward weakening them. Change, when it occurs, is not necessarily permanent and unidirectional, but rather provisional and iterative. The bottom line is that businesses still find it necessary to integrate substantial portions of their inbound call center workforce into the firm via established career ladders and to respond to worker preferences for improved job quality and skill development, and much movement in recent years has been toward integrating call center jobs into the core job structures of the firms, though often in new forms.

In short, our findings do not appear to show corporate change that quickly fixes upon newly efficient ways of doing business. Instead, they show an iterative process shaped by subjective views and by social relations that are often conflictive.

The rest of the paper proceeds straightforwardly with a discussion of data and methods; a sketch of the state of the retail, financial services, and call center industries; a presentation and discussion of findings; and brief conclusions.

Data and Methods

Our case study research is designed to investigate further call center evolution—and to the extent that we find it, to seek explanations for this evolution. Our sample excludes outbound, “cold-calling” telemarketing call centers, instead focusing on primarily inbound functions, in which customers place orders or seek assistance (though many of the call centers studied include outbound functions for follow-up calls to existing customers). We study inbound call centers because we expect that these are where evolutionary processes, shaped by concern for level of service, are more likely to take root. Through interviews with managers, we gather retrospective and, in some cases, through ongoing interviews over several years, sequential contemporaneous information on how call centers evolve over time.

Our research method was developed to address four aspects of our research framework and theoretical approach. First, our theoretical perspective is that organizational outcomes are produced iteratively rather than through a linear “strategy formation—implementation—outcome” sequence. Within an organization, typically managers propose initiatives that are modified in the process of implementation, via negotiation between various actors. Second, and related, it is necessary to follow an organization’s trajectory through a period of iterative change, not simply a moment-in-time snapshot, in order to understand the eventual outcomes as opposed to intermediate stages. Third, large, leading firms are the locus of dominant practice, whether they are the original innovators or not. Their practices affect the largest share of workers, and indeed the smallest firms can only offer very limited job advancement opportunities, in any case. The literature on restructuring suggests that large corporations have taken the lead in this sort of change. Moreover, “successful” large firms become the role models of practice and the unsuccessful ones become object lessons of what *not* to do. Thus, it is important to look at large firms and the variation between them. Finally, we expect four significant dimensions of variation in restructuring: differences in the strategies or preferences of distinct actors within a firm, differences across sites in companies, variations across firms within an industry (for example, by market segment), and variations across industries.

The research method and sampling we use is designed to examine these aspects of restructuring phenomena. First, we chose a case study method, with qualitative in-depth interviewing. Large sample survey research could not educe the information necessary to answer our research questions. A quantitative survey could not explore sufficiently the nature or the causes of iterations in organizational strategy or of organizational changes over time. Nor could such a survey allow us to follow up on developments we did not know or understand before the survey was administered.

Second, we adopted a theoretical sampling method guided by the research hypotheses we planned to analyze and by the case study/in-depth interview strategy we adopted (see, for example, Zetka 1998). Our theory of leadership and change leads us to big firms, and to firms within particular segments, where we hypothesized that the external market and product differences might lead to different outcomes. We sampled a number of large firms in each of our two industries, finance and retail. We sampled from a number of market segments in each industry: insurance, banking, and brokerage within finance; department stores and catalog-based retailers within retail. We did not set out to include third-party call center operators in the sample, but, upon encountering opportunities to conduct interviews at two of them, we included them as well. Finally, to explore whether variation

TABLE 1
CALL CENTER INTERVIEW SAMPLE

	Total	Retail	Financial
<i>N</i> of companies	14*	6	6
<i>N</i> of sites	24	11	14
<i>N</i> of managers	51	21	30
<i>N</i> of supervisors	26	13	13
<i>N</i> of customer service reps	27	17	10
<i>N</i> of HR officials	17	8	9
<i>N</i> of all interviewees	121	59	62

*Includes two third-party call center service providers.

within companies was important as we had hypothesized, we included multiple sites for as many companies as we were able, and interviewed personnel at different levels within the companies we studied (see, for example, Lively 2000).

We screened for companies that have engaged in restructuring (though given the prevalence of restructuring in this period, this only resulted in excluding two potential companies from the sample). Within these limits and the possibility of obtaining research access, we targeted the ten largest companies in a given segment; ten of the fourteen companies fall into this category. In financial services, 75 percent of companies approached agreed to participate; in retail the rate was 50 percent of the companies we approached.

For the purposes of this paper (see Table 1), our sample of cases includes fourteen businesses, six each in financial services and retail plus two third-party providers of call center services (all company names are pseudonyms):

- Our financial services sample includes three locations each from Bedrock Financial, a large company that provides a mix of wholesale and retail banking services, Horizon Investments, a brokerage firm specializing in mutual funds, and MultiBank, a large national retail bank that has grown via mergers and acquisitions. (By “location” we mean a metropolitan area, which may include multiple, separate facilities.) At Insurall and Steadfast, two diversified insurance companies, we visited two locations each and conducted multiple visits to some of the sites. We visited the sole site of Total Insurance Services, a small group insurance policy administrator. We published initial results on Insurall and Steadfast in earlier work (Moss et al. 2000). We have continued to follow the Insurall case as it evolves. We have not gathered additional data on Steadfast, but provide more detailed analysis

of the case study here than in earlier work. Our sample is tilted toward the higher end of finance jobs, although MultiBank represents mass-market, small-transaction services.

- In retail, Clarendon's (of which we visited four locations) and Marketplace Stores (three locations) are large midmarket department store chains that have substantial call center operations and a strong Internet presence. We visited headquarters, stores, and multiple call centers in both cases, and visited a Clarendon's distribution center as well. Just for Her is a large catalog operator selling upscale women's clothing. In addition to these large companies, we studied three smaller, catalog-based companies: Style Associates (which runs several catalogs purveying women's apparel and home furnishings), Treats (a catalog featuring food and gift items), and Necessities (a now-defunct catalog selling a broad range of houseware). In the interest of maintaining confidentiality, given the small number of companies and the large size of some of them, we state a combined employment figure for the companies studied in the retail and financial service sectors: 656,000. In total, these companies tally well over 33,000 call center "seats" (full- or part-time customer service representatives or CSRs).
- The third-party call center operators are Versatile Communications, a U.S.-based company with 835 call center reps and 334 other staff spread across multiple sites, and Eastern Response, a single call center in Asia (with two hundred employed in the call center plus a small administrative group in the United States).

Across the three sectors, we spoke to managers located in Arizona, California, Connecticut, Florida, Illinois, Iowa, Massachusetts, Minnesota, Missouri, New Hampshire, New York, Ohio, Tennessee, Texas, Washington, and Wisconsin.

We used a comparative case study design (Yin 2003). Through comparative cases, we were able to identify consistent patterns across companies and industries, as well as variation within companies, across companies, and across industries.

Within each company, we constructed a longitudinal picture through retrospective interviews and in some cases repeated visits. We toured work areas (except in the cases of three companies in which we only conducted telephone interviews), visited multiple sites whenever possible, solicited multiple perspectives (managers, human resource staff, supervisors, and to

a more limited extent workers; see Table 1), and when possible obtained documents describing company policies, programs, and outcomes. These multiple sources of information provided a basis for triangulation, offering corroboration or identifying differences in accounts from different sources. In interviewing, we focused primarily on speaking with managers, since they tend to have a more long-term view and because of management's relatively unilateral power to set call center working conditions; we did conduct worker interviews where possible, but relied on them mainly to corroborate managers' accounts.

We conducted semi-structured interviews, using a protocol with a common core of questions and questions relevant to each category of manager or worker, and adapting the questions as appropriate to specific company circumstances. Our protocol covered the following topic areas: the company's products and market strategy; detailed questions about the workforce and labor-related policies (job categories, skills, pay, hiring procedures, turnover, job performance measures, promotion paths), with an emphasis on how things have changed in the last 20 years. We gathered historical data on the trajectory of change in internal labor markets; the case studies often were conducted over extended periods (ranging from months to years), which enabled us to observe the iterative process of change. Data gathering extended from 1997 to 2003.

Retail and Financial Services Background

Before moving on to case-based findings, we provide some basic background on retail, financial services, and the free-standing call center sector.

Retail. The retail industry has experienced massive consolidation through growth and acquisitions by industry giants, as well as the closing of some independent chains. Fifty-six percent of general merchandise store sales are accounted for by the four largest companies; for the subset of department stores, the share is even greater at 62 percent, and for national chain department stores 100 percent (U.S. Census Bureau 2002). However, consolidation has not meant stability. Established midmarket and discount chains, such as Sears, K-Mart, and JCPenney, have lost market share to aggressive new discounters such as WalMart and Target, as well as to high-end chains such as Nordstrom.

In addition, in the last 20 years, a combination of demographic changes placing a premium on saving time (the increase in two-earner and single-parent families), along with aggressive expansion of specialty retailing, have

fed an explosion of catalog selling. Many catalog retailers have no stores at all, or have stores that play second fiddle to catalog call centers and warehouses. However, store-based retailers dominate catalog sales: JCPenney (\$4 billion in catalog sales in 1999) and Federated Department Stores (\$1.9 billion) eclipsed the largest catalog-centered retailers, Spiegel (\$1.5 billion) and Land's End (\$1.3 billion) (Catalog Age 2000). Store-based retailers also dominate Internet sales, with few notable exceptions such as first-mover Amazon.com (Hansell 2000; National Retail Federation 2000).

Retail stores, though geographically integrated, offer only limited upward mobility, with managerial and administrative positions accounting for only 11 percent of total employment (U.S. Bureau of Labor Statistics 2005). Bailey and Bernhardt (1997), in a varied set of retail case studies, found little internal promotion, and reported that instead most companies recruit college graduates for manager training programs. We are not aware of current case study work on mobility in catalog sales. Workforce turnover in retail is high, and despite growing discussion of the importance of service quality, much of the workforce is viewed as easily replaceable. One indication of this is the 29 percent of workers in wholesale and retail trade working part time in 1996 (U.S. Bureau of Labor Statistics 1997), with much higher rates in particular sectors—for example, 62 percent in grocery stores (calculated by authors from *Progressive Grocer* 1995) (both of these reports were discontinued after the dates cited).

Finance. The insurance and banking industries have undergone tremendous restructuring over the last 20 years, spurred by deregulation, technological change, and financial and marketing innovation (Berger et al. 1995; Salzman and Buchau 1997; Salzman and Rosenthal 1994). The mergers of Citicorp with Travelers Group, NationsBank and Fleet with BankAmerica, and BancOne with First Chicago mark only a few examples. Giant firms dominate particular financial service segments, but overall industry concentration remains relatively low, with the percentage of revenue accounted for by the four largest firms standing at 17.3 percent in commercial banking and 14.8 percent in insurance carriers—still far short of the ratios in retailing (U.S. Census Bureau 2002). The recent elimination of restrictions on national banking chains is leading to national consolidation that appears to be picking up steam and likely to lead to concentration levels comparable to those industries that have had decades or more to build national chains. Downsizing accompanied restructuring: even during the years of economic growth between 1996 and 2000, mass layoffs in finance, insurance, and real estate ranged from a low of 23,500 in 1997 to a high of 33,600 in 2000 (*New York Times* 2000). Banks and insurance

companies historically had highly developed internal labor markets. Until recently, middle management (and even CEOs in some cases) ascended from entry-level clerical and service areas. Internal labor markets for less-skilled workers in banking and insurance provided security and some mobility, though unexceptional pay. However, the recent wave of restructuring has reshaped the job structure, typically in ways that reduce the scope and role of internal labor markets (Bernhardt and Slater 1998; Hunter et al. 2001; Keltner and Finegold 1996, 1999; Tilly 1996). One important element is that many financial service companies have spun off back-office and customer-service functions into remote sites (Hunter et al. 2001). Citibank's decision, 20 years ago, to relocate its call center operations to Sioux Falls, South Dakota, heralded the emergence of this trend (Wirtz 2001). As in the case of call centers in telecommunications services (Batt and Keefe 1999), such de-integration unbundles and isolates functions that were once part of broad jobs geographically and organizationally connected to large bureaucracies (Herzenberg, Alic, and Wial 1999, Ch. 4).

Call Centers as a Separate Sector. The North American Industrial Classification system, implemented with the 1997 Economic Census, created a new industrial category, call centers (code 56142). This group only includes freestanding call centers, not those within larger companies such as retailers. Nonetheless, the industry boasted over 343,000 workers in 2001. More than 80 percent worked at telemarketing establishments (the remainder was employed by telephone answering services). The typical establishment size is large (averaging 61 in 2001)—surprisingly, even exceeding that of insurance carriers, and pay levels are closer to those in retail than to those in financial services (U.S. Census Bureau 2004). Little is known about ILMs in these settings.

Case Study Findings

Are call centers employee-churning sweatshops, as many have argued? Our data suggest no. Although turnover is relatively high and is the *bête noire* of most call center managers in our sample, there is substantial variation in job structure across call centers and, over time, in the same call centers. Most call centers began relatively flat but evolved in varying ways and degrees to provide more job rungs, skill development, and upward mobility.

Our findings focus on changes in call center job structure over time and what influences and what limits that evolution. We begin this section with a description of the turnover problem in call centers, but we also show that

the call centers in our sample do indeed have long-term employment and job ladders. Next, we show how companies have altered call center job structures in ways that enhance upward mobility. We then delineate the factors we found that influence why and how companies restructure call centers to expand mobility. Finally, we explore the limits on such upward mobility. As noted in the Methodology section, we rely primarily on three mobility measures: number of job levels, promotion policies, and probability of filling an upper-level job from within.

Call Center Job Structures: Turnover, Retention, Promotion. We start with a snapshot of job structures in the call centers we studied, before moving on to discuss how those structures have evolved. Most of these call centers experience high turnover, making staffing difficulties a constant preoccupation. Nonetheless, call centers have job ladders and some internal mobility. Turnover shows patterns of variation across call centers, not only just between retail and financial services call centers.

We asked human resource and operations managers about the biggest challenges in running call centers. Even in 2002–2003, long after the 1990s hiring boom had cooled, we got answers like “Making sure you have enough people, who are qualified, who will be here during the hours you want them” (Treats) and “The challenge of staffing for the variability in call volume” (Style Associates). “Telemarketing has a stigma,” said a Necessities call center manager. “[Over time] the credibility of a call center career grew. But there’s still a stigma.” A Total Insurance supervisor noted, “Some people come in to apply for CSR jobs, and their main angle is not to be on the telephone—I don’t want to be on the telephone all day.”

Turnover is the scourge of call center management, especially in a retail environment. We despaired of trying to come up with comparable turnover measures across companies: some companies exclude separations during the probation period, others exclude separations of seasonal workers, and still others only keep track of the number of hires, not separations. Still, turnover measures from retailers that use the broadest definition of turnover indicate the upper end of the problem:

- Typical turnover is 130 percent including seasonal employees, 30 percent excluding seasonal (Marketplace customer service call centers)
- One hundred eighty percent in inbound staff; from 50 percent to 500 percent (depending on the maturity of the center) for outbound staff (Necessities; outbound involved calling existing customers, not cold calling)

- Sixty percent of each entering CSR class (Style Associates)

The finance call centers in our sample tend to be better paid and involve less routine work, and reported turnover of 0 to 13 percent (though these figures may be based on narrower definitions).

But in retail, financial services, and third-party call centers, the high-turnover fringe surrounds a stable core. A Total Insurance manager who oversees twenty-two mostly call center employees said, “We had our steady Eddies, but then there’s three positions that seemed to keep turning over”—twice or more per year. At Versatile Communications, “There are two groups: those who move on, and are gone within six months, and those who stay on.” A top manager jointly overseeing all fourteen of Clarendon’s call centers provided us with turnover figures indicating that, across all centers, the average turnover rate was over 40 percent in 2000 as well as the previous 2 years. When one looks at a particular day during the year 2000, however, only 27 percent of associates had less than 6 months of tenure, while 53 percent of associates had over 2 years of service and fully 21 percent had 5 or more years of service.

At MultiBank, a call center manager described the turnover patterns on different shifts and between the inbound (customer service) and outbound (sales to the existing customer base) centers:

Generally, our turnover on the second shift is much higher than the first. Because you have your more tenured folks at the beginning that have been here 5, 10, 15 years that work the early shift. They like their shifts. Second shift is not usually appealing to most people unless it meets their lifestyle, usually because they’re in school. You’ll find something different in telesales. I know in telesales, their second shift, they have the same people over there for years and I have to tell you it’s almost all moms that come in at 6:00 at night and they work until 12:00. Their turnover is very low. It really works. Their husbands come home and then they go to work.

At retailer Just for Her, a call center head described turnover patterns differing by shift and worker: they typically hired people on the second shift who could then move to the first shift as there were openings. However, because of the low turnover on the first shift, there were limited opportunities to change shifts and so second shift workers would leave (although they informed new hires of the long time it would take to change shifts, this manager thought people came hoping to beat the odds and then became frustrated when they didn’t). The other high turnover group, similar to MultiBank, was part time college students who left at the end of the semester.

More specifically, there is typically a trimodal composition of turnover: (1) long-term, stable, and older employees, often dating from the earlier days of call centers when they performed more routine functions; (2) younger workers working in the call center for experience and as the entry point for a career in the company or industry, with shorter duration in the call center but sometimes with longer tenure at the company; (3) a high turnover group with attendance problems or other work/motivation problems, often trying call center work for the first time and discovering they do not like it. A manager at Bedrock perhaps best captured the division between the first and second groups:

We're having turnover because of the bank's posting [internal mobility] program. Younger [and college-educated] staff are posting out. But I've got the tenured staff who love the department and the work that they do. Thus you have the trunk of the tree, the roots that keep you in the ground. The leaves that blow off in the fall—that's the young people who want to climb the corporate ladder.

Upward mobility is enhanced for the second group of employees through the practice of internal promotion. Most of the call centers we investigated fill most upper-level jobs from within (our second and third measures of mobility)—a fact that does *not* imply that most entry-level employees move up. Typically, 60 to 90 percent of supervisory and managerial employees have come from within, although the percentage is lower for higher-level and more specialized jobs. At Versatile, the call center manager noted that, “I try to get one or two supervisors from outside, just to have a little bit of a different perspective. . . . But outsiders don’t always work out as well. If someone comes in from outside, it will take them 5 to 6 months to be acclimated.” In short, the call centers we studied have internal labor markets for a core workforce, even in the midst of high turnover. Moreover, when there is high mobility within the firm (outside of the call center), turnover within the call center leads to lower turnover at the *firm* level.

In absolute numbers, and often even in relative numbers, mobility is limited for most inbound call center workers, however. “We’re a flat organization—there’s not a lot of promotional opportunities,” acknowledged the HR director at Total Insurance. “But,” she added brightly, “there are a lot of chances for mobility, to move from one type of work to another.” At Style Associates, “[Upward mobility is] kind of slow-moving—there is little turnover in other areas, but high turnover in [entry-level call center work].” Moreover, pay differences between job levels can be small—steps between job layers in Clarendon’s call centers (described in some detail below) amount to about \$2 per hour between the first, second, and third levels, and

at a smaller retailer like Style Associates the analogous steps are only \$1 apiece.

In addition to vertical steps in the call center job ladders, companies have also developed some patterns of segmentation of jobs over time that create jobs of different statuses and thus opportunities for mobility. For example, some companies have developed job divisions by customer segment, as described by Batt (2000). In our sample, Horizon directs calls to different workforces for different scale investors, and Total Insurance routes calls to different sets of representatives based on the size of the insured group. In both cases, the segments were created from an initially undifferentiated call center workforce. Some other call centers divide up the workforce by function, such as credit issues versus technical support, or by the complexity of the call (e.g., simple change of address versus changes in investment portfolio).

Restructuring that Enhances Upward Mobility. Call centers were initiated primarily to save costs and save customers time. They were viewed as cost centers in the organization and were born at a time when lean management was *de rigueur*, and as a result, they were set up fairly flat with a relatively small amount of managerial supervision. But the initial flat design of call centers did not last. This blueprint clashed with the organizational goal of customer service, which required recruiting, motivating, and retaining skilled and talented employees. The structure of call centers evolved and continues to evolve as a result of the interplay of two organizational goals, cost savings and customer service. To varying degrees, companies have come to see their call centers as profit centers.

The Clarendon's story is interesting and illustrative. When Clarendon's created its first "true call centers" in the early 1980s, the contrast between stores and call centers was sharp, and is captured clearly by our first mobility measure of the number of job levels. At that time, stores had eight job levels, five of which were management. Call centers, on the other hand, started out with three layers: CSR, shift operations manager (SOM), and center manager. Remarkably, Clarendon's added three new strata to the call center job structure in less than 8 years. Interviewees told us the positions were added to ensure adequate supervision and "to create career growth opportunity."

We heard similar accounts of added job layers at eight of our fourteen companies, and two other companies were considering making such changes. In one location, Marketplace Stores merged customer service call centers from two different origins: in-house call centers, and those run by At Your Service, an outside contractor that the retail company acquired.

Marketplace's in-house call centers spanned four job levels from top to bottom, hired all part-time workers except for six top-ranking managers in each call center, and paid minimum wage with no raises and high turnover. The contractor, in contrast, built in five job levels, hired primarily full-time workers even at the entry level, paid somewhat higher wages, and experienced somewhat lower turnover. When Marketplace absorbed At Your Service, corporate managers reportedly told management at the contractor, "You're part of Marketplace now—deal with it." However, at the end of the process, the merged set of call centers adopted the more developed internal labor market pioneered by At Your Service.

Similarly, Steadfast Insurance sited a new customer service call center in a remote location we call Metrowest, with the initial intention of creating a very flat organization. The primary motivation was to shrug off rigid job assignment rules (in particular, rules about the ratio of employees to floor area) and expectations that had accumulated in the headquarters location. Metrowest began with a single category of "associate," a team lead, and two center managers. There were pay increases for skill and performance, and assignment of special projects and assisting other associates, but no changes in formal job titles. Over several years, however, management created a formal "assistant lead" for each team and added some specialty roles for training and shift leads. Somewhat reluctantly—since they were moving away from the corporate-mandated flat job structure—they instituted a new job hierarchy as a means of retention in response to CSRs' desires for formal recognition of their higher responsibility level and achievement. At the time of our interviews, managers were also discussing how to create mobility paths that linked the Metrowest center with Steadfast headquarters, thousands of miles across the country.

Other companies yielded similar accounts. Over time, Total Insurance created senior reps, trainers, team leaders, and coordinators—"We're a little title-happy," the HR director admitted. Necessities not only added levels, but created sublevels—rep, lead, and shift supervisor each expanded to include levels 1, 2, and 3. Our interviewees at Treats and Style Associates did not recall past additions of new job levels, but both were looking into creating new lead or senior rep levels. At Style Associates, the HR director said, "We've been looking at the issue of career pathing. When you come in, is it clear to you what your career path may be?"

At MultiBank, a corporate efficiency initiative initially led to eliminating a managerial layer. In the past, "... we had the phone rep, then we had a team leader, then we had a supervisor, then we had a manager. And a number of years ago we collapsed the team leader/supervisor level so that it's just one team leader level." But after doing that, they found that when

they went to fill the new team leader position (which was a supervisory position at a higher level than the old team leader position), there weren't experienced internal candidates. The staff complained that with the combination of the team leader and supervisory position, there wasn't an incremental advancement opportunity for CSRs to gain on-the-job supervisory experience. Consequently,

What we do now is we do have a team captain position in each group but they're mostly on the phones. It's more of a development opportunity so they're the person, they're kind of trained to be the team leader backups so if the team leader's not there, they're in charge. They're also developed so that if a team leader position opens up, they would be well prepared for it. So it's more of a development opportunity. . . . So now we're working on that so that we have people prepared to take it on.

The availability of the technology to carry out skill-based routing of calls, which is universal in larger inbound call centers, facilitates the addition of new levels of jobs or at least of skill. In the call centers we studied, skill-based routing was an attempt both to rationalize work (by routing more difficult calls to more skilled and experienced CSRs) and to provide more opportunity and recognition for experienced workers. In practice, most CSRs are able to gain sufficiently broad experience to handle most calls after 3 to 6 months on the job, so practical benefits are limited, but the routing does provide recognition of skill and a job distinction for the CSRs.

Bedrock and Versatile added levels in ways that were more limited, but still significant. In the late 1990s Bedrock created a new specialist analyst position at an intermediate grade level, for people who do not have a college degree but have "the ability and will to move up." At Versatile, within the first year of opening a center, the manager expanded quality assurance as a promotion avenue for experienced reps: "Originally we promoted them to senior rep, but they were doing administrative work, and it didn't serve the purpose of making use of their experience."

A number of the firms implemented other changes that heightened internal mobility. In addition to adding job layers, Horizon and Bedrock totally revised their systems of internal mobility, ending the requirement that employees seeking a move go through their own managers, and substituting an open posting system in the late 1990s. "The idea was to stop acting like individual kingdoms," remarked a Horizon vice president. "As a manager, it takes a little bit to get used to. It was a huge culture change." Upward mobility from call center positions became so common that a Horizon call center manager told us, "I actually created a flow-through model. I told the

other Horizon partners [divisions] ‘You can have 4 in May, 6 in June, none in July’”—this in a call center where “It takes 7 to 9 months to get a rep up to speed” and a rep is not considered fully trained until about 2 years. At Bedrock, HR officials told us one important result of opening posting for higher and higher level jobs was that it became easier to move from clerical to professional positions. “Before, even when you got a degree, we would give you a hard time,” a HR recruiter told us. “Now you can move pretty easily.”

In some call center settings, the newfound goal of promoting internal mobility proved remarkably resilient in the face of countervailing corporate initiatives. Around 1990, Clarendon’s executives called for reducing management headcount in the centers; interestingly the centers did this by decreasing the number of managers, but also increasing the number of (submanagerial) supervisors so as to maintain a fixed 60:1 ratio of managers and supervisors to workers. Also around this time, Clarendon’s adopted a policy of bringing more new blood into management rather than promoting from within (a negative shift in our second mobility measure). However, only one of the call center managers we interviewed even remembered this initiative. She reported that she briefly increased outside hiring to 30–40 percent of management hiring, found it extremely difficult to retain outside hires, and went back down to hiring only 20 percent of managers from outside.

In addition, five of the fourteen companies undertook efforts to broaden moderately skilled jobs. In brief, in a period that overlapped with the call center changes described above, Steadfast restructured its retirement services business from providing mostly fixed annuities to offering a wider range of financial products (e.g., mutual funds). To support the new organizational structure they began a series of significant changes in their job structure. Steadfast eliminated specific job descriptions and instead defined broad functional area responsibilities (e.g., “customer associate,” which encompasses the responsibility of six former discrete jobs), going from seven thousand separate job descriptions and classifications to only two thousand. To select for workers more likely to master a broader range of duties, Steadfast stiffened its entry screening of job candidates. On the other hand, once in a position, an employee generally faced greater opportunities for skill acquisition and pay increases, since both were expanded *within* job categories.

Insurall reorganized jobs in a very similar fashion as a result of three separate factors. There was a corporate-wide initiative to expand jobs and base pay raises on skill development rather than seniority, an expansion of call center functions throughout the late 1990s, and an increase in skill

requirements and hiring screening (including the use of written tests for the initial literacy screening). Combined, these changes meant that entry-level jobs, once lower-skill jobs in which those with adequate skills could be hired and perform well, were now viewed as the entry portals to a career path within the company. Consequently, new hires were not screened for their qualifications to perform the call center job but their potential to develop the skills to advance into a career beyond the CSR level. Interestingly, the formal education level of new hires did not increase dramatically, but between the corporate initiative to require skill development for advancement (with no pay raises and only limited bonuses for good performance in a current job without skill improvements) and the selection of people with mobility aspirations, many CSRs were enrolled in post-secondary education while working. The human resources manager reported that, “it was OK for these [part time, college-enrolled] CSRs not to move for 2 to 5 years, but once they get their degree, they want a career.” It was in response to this pressure, combined with the other changes, that the call center managers and human resources began to map formal career paths out of the call center.

What Influences the Path of Restructuring? Why did these companies add job layers, expand promotion opportunities, and broaden jobs? Why did the evolution of job structure occur in different ways at different times and in different settings? We first look at reasons for change in the words of the managers we interviewed. We then pull these stories in to a set of four categories of factors.

Managers offered several explanations for the restructuring that has occurred, all revolving around the need to maintain or increase service quality even at the expense of increasing costs. One reason for the creation of new supervisory levels is simply increasing call center size, combined with the limited span of control of any particular supervisory level. Style Associates offers an illustration of the size effect: the eighty-person call center has five job levels, whereas the stores, which top out at fifteen people, have only three levels. But respondents told us that the drive for added levels came from a combination of increased center size, the realization that added supervision was necessary, and the goal of creating opportunities for upward mobility in order to retain valued employees and thus maintain service quality. At Total Insurance, the HR director told us in an email that all three factors mattered: “Company getting bigger, as well as giving opportunities to reps with seniority to handle additional responsibility and ease burden of Manager’s role.” At Necessities, a manager emphasized the importance of creating mobility opportunities:

Interviewer: The increasing number of job levels—was that just to manage a larger operation, or was the goal to create jobs for upward mobility?

Necessities inbound operations manager: Both would be part of it. As the telemarketing function grew [in that area], it got easy to walk down the street where the job pays 25 cents more an hour. If you're not going to be the highest-paying wage base in the area, you will have high turnover. . . . So we were trying to put some value on the job. Offer advanced training, a different role. Promote from within. . . . We layered, we did all those things to offset turnover.

At Steadfast, adding levels was clearly designed to retain and motivate the staff. The call center attracted a fairly skilled workforce, including many college graduates, who turned out to be eager for advancement. In a short time, after the initial team lead positions were filled, top-performing associates began to complain that they wanted a career path, title, and responsibilities that reflected their roles and skills. As one associate explained, “I can’t tell my friends and colleagues about a pay raise, but I can tell them about a new job title.” Perhaps more importantly, the associates we interviewed said that they came for a “career” and wanted mobility opportunities that they did not think were adequately reflected “merely” in pay raises and additional responsibilities—the notion of a “career” seemed to involve visible and formal labels indicating movement. In response, management created new job layers. Likewise, Bedrock created the new specialist analyst position to promote retention, and the company didn’t take the step earlier, according to a recruiter, because “nobody was leaving.” Bedrock and Horizon adopted open posting to retain employees in the face of a superheated external labor market in the late 1990s.

Marketplace, Steadfast, and Insurall broadened jobs in an attempt both to offer improved service and to seize opportunities for cross-selling—in each case, encouraged by management consultants. Marketplace grappled with how to position their company, given that the middle market they traditionally served was becoming segmented, going to specialty retailers and lower-cost discounters. The company decided to cultivate a higher-income segment of customers by providing improved and expanded service through its call centers. Marketplace’s strategy was to provide a “universal agent” who could service a customer’s multiple accounts and all aspects of service, from ordering to credit to service. This required extensive knowledge about a number of operational areas that traditionally had been specialized. Universal agents would acquire a broad range of knowledge about Marketplace’s operations. This new position provided a new mobility opportunity within call centers but required longer retention because of the training time and investment. Marketplace managers also hoped the universal agent

would provide a platform for drawing on data from multiple sources—stores, call centers, online sales, credit—in order to cross-sell and up-sell customers.

Another impulse for cross-training was simply to smooth out the weekly and seasonal peaks and valleys of particular tasks. After discussing the highly seasonal nature of the work, the director of operations at Treats remarked, “In past, we hired people as [telephone sales from the main catalog], customer service, collections, [telephone sales from another catalog]—now we’re moving much more toward multi-tasking.” Horizon began training inbound callers to do outbound calling additionally as a retention strategy after the brokerage market collapsed in 2000–2001. “In the call center world, it’s religion that you can’t mix inbound and outbound,” one operations manager commented, but he and others viewed the experiment as a success.

A final indication of the importance of the drive for service quality is the stumbling of Eastern Response, the Asian call center set up by U.S. investors. As one of the principals described it,

Our marketing plan was “We’ll blow them out of the water with low marketing costs.” It didn’t work. You need another level of sophistication with sales and marketing. For companies that are outsourcing, it’s more an issue of control and culture than of savings. . . . You’re dealing with your customer base, so they want to make sure that the people in the call center represent your company.

What should we conclude from these managerial narratives about the history of and reasons for expanding mobility opportunities? Our framework highlights the influence of the product market, the external labor market, worker preferences and needs more broadly conceived, and managerial strategy and beliefs.

Companies’ *position* in the product market clearly affected their likelihood of taking mobility-enhancing steps. The Versatile call center, which sold a near-commodity service (customer support for cell phone companies), reported only one very limited step to facilitate upward mobility. On the other hand, Horizon, at the high end of the financial services market, made a radical change in its promotion policy. In like fashion, *changes* in the product market precipitated alterations in internal labor market structure. Steadfast, Insurall, and Marketplace responded to intensifying competition in insurance and midmarket retail by broadening jobs to provide quicker and better service.

But neither location within the product market nor market change can fully explain the pattern of job structure changes we observe. The most

dramatic internal labor market revisions took place, not at high-end companies such as Horizon, but in midmarket companies such as Clarendon's and Steadfast. Moreover, companies in very similar market segments adopted rather different policies. Clarendon's pursued a much more extensive rebuilding of job ladders than Marketplace, but did not experiment with job broadening as Marketplace did, although both serve a similar clientele.

The external labor market affected the timing of job ladder expansion—but did not completely dictate it. Many of these companies amplified mobility opportunities during the tight labor markets of the late 1980s and late 1990s. But others took similar steps during the slack times of the early 1990s: that was when Steadfast added job layers in its Metrowest call center and when Clarendon's call center managers ignored corporate directives to hire more outside managers. Moreover, in cases where firms added layers while unemployment was low, most did not shed them when unemployment rose, particularly since many companies had made other small but significant changes in their overall work process and career structure as part of the process of responding to, and taking advantage of, the career expectations of new hires.

We argue that in addition to product markets and external labor markets, both worker preferences (in a broader sense than the external labor market) and managerial strategies and beliefs also have an impact.

On one level, the concept of external labor markets subsumes worker preferences. When companies consider what workers are available, they must take into account the reservation wages, task preferences, and schedule objectives of those in the labor pool. But once employed, workers exercise their preferences in two additional ways. First, employees seek to improve their job situation. Thus, workers who accepted CSR jobs with limited mobility opportunities continued to desire those opportunities, as managers at Clarendon's, Steadfast, and many other call centers discovered. Second, as employees' lives change, their preferences with respect to work also change. College students willing to work part time while in school develop higher career aspirations once they graduate; an analogous process occurs for mothers of young children as the children age (we explore these issues in more detail in Moss, Salzman, and Tilly 2005). Several female middle managers in MultiBank and Clarendon's, for instance, started while young mothers as part-time CSRs or tellers with no intention of sticking with the job, only to discover an aptitude for the work and pursue management careers. Employees can express their preferences either via exit (i.e., quitting) or voice. In practice, managers typically responded to a combination of both: turnover of valued employees and expressed desires for advancement.

As for managerial beliefs, even a single manager can impel a major change in direction. At Insurall, for example, a new manager overseeing call centers flipped the organizational calculus, according to one center manager:

The previous manager of the business was too focused on unit cost. He couldn't see the forest for the trees because we were too busy counting [call] times. . . . The new manager changed the way he measured our performance. He doesn't care about those old measures—he's not as unit-cost driven.

Before, my morning mantra, "unit cost, unit cost . . ." had us looking at what we need to be doing to decrease unit costs, what we could automate only if it would lower costs. So we did things like borrow people from other departments so we wouldn't have to hire. At the same time business was increasing but the old manager would hesitate to spend money—he never got it about the connection between turnover and costs. If someone left, the unit costs decreased and he wouldn't want to replace them. Then, calls increased and we just had a lot of burnout. After that manager left it took us a year to recover. We had to step back, think about the whole process, and get more people in to answer the calls, to do things more rationally, to do some planning. The new manager didn't require us to do the same level of ROI [return on investment] justification—if new technology fit with our plan and would improve operations. It's now less stressful [i.e., they can do more training, increase the staff in the center, and decrease stress and lower turnover.]

Did unit costs decrease? Hard to tell, because the numbers are always subject to manipulation.

The new manager recognized that the call center played a key role in the quality of service provided and the importance of that for customer satisfaction and thus retention. Moreover, he shared the center manager's view that increased staffing and training would result in less stress, more job satisfaction, and lower turnover, thereby reducing costs and providing more value to the company. This call center manager was also able to obtain a large capital investment from her manager to purchase new telephony technology that would allow skill-based call routing and more sophisticated call handling, analysis, and tracking—something she was unable to do under the previous manager because the cost-reduction benefits alone, as compared to the value-added benefits, were not anticipated to justify the investment. As this account demonstrates, differing managerial beliefs often stimulate focus on differing metrics. At Insurall and MultiBank, among others, managers talked about moving away from an emphasis on "handle time" as a metric in order to promote higher service levels and sell more products.

On a smaller scale, the HR director of Style Associates described changing HR policy as a function of the expertise of successive HR directors.

Interviewer: How did the career pathing discussion come up in the organization?

HR Director: This is an area I focus on. It's evident [as an issue that was left unaddressed] through the [Style Associates] history, in HR. The first HR person was a compensation and benefits person. Next person as director had a focus on recruitment. There was a lot of hiring at all levels of the organization. Now the organization's kind of settling down, and so we're putting the emphasis on performance planning, performance management. That's kind of my specialty.

But while managerial beliefs can vary idiosyncratically, we also found systematic patterns across many companies. To some extent, changing beliefs represent a learning curve: companies such as Clarendon's and Steadfast started out with a flat call center organization, encountered problems, and reacted by adding job layers and mobility opportunities. But it is striking that so many companies had to learn the same thing, even a decade after the first call center experiences in our sample. In our view, this bespeaks a deep-seated belief that flat organizational structures would be successful. More generally, cost-minimizing principles currently exercise tremendous influence in the business world, and often guide initial management decisions in response to changed competitive conditions. Though belief in these principles is quite resilient, managers often, as in these cases, must later depart from these principles in order to retain talent, motivate workers, and thus achieve quality improvements (a pattern we also noted in Moss et al. 2000). To be sure, we found considerable variation in how quickly companies learned, and how they reacted to the shortcomings of the initial internal labor market model—again, reflecting varying beliefs of managers and in some cases the consultants advising them. While cost-minimizing models are readily available for emulation in leading business publications, discovery of quality-focused alternatives was often more halting. And, as we describe in the following section, businesses often subsequently swung back to a cost-minimizing approach, wholly or partially reversing initiatives that expanded internal labor markets.

While market forces—from product markets and labor markets—are clearly at work in shaping the trajectory of restructuring, it is equally clear that market forces do not result in a single direction or single best way to structure a call center. Managerial beliefs, worker preferences, and a shifting balance between them, and within managerial beliefs, the varying terms between cost cutting and service quality all play an important role. We know markets are not fully determining because of the seesaw we observe between changes alternatively driven by lowering short-run costs and maintaining or raising service quality. Furthermore, different companies

are, at times, going in different directions or oscillating themselves under the same market conditions.

The result of the interaction between worker preferences and managerial beliefs is that the resulting structure of jobs and work practices is “negotiated terrain” (adapting Edwards’s [1979] notion of “contested terrain”). Expansion of mobility opportunities is not the straightforward result of economic imperatives, but rather the outcome of an uneven process of learning, negotiation, and pressure.

Limits to Expanded Mobility. Although there was evidence for expanded mobility propelled, at least in part, by quality concerns, we also found forces limiting and in some cases reversing wider mobility opportunities. It is important to note that the upward mobility we observe has been enhanced in part by a transitory “startup effect.” Those present at the opening of call centers, or shortly thereafter, were often able to rise quickly through management without credentials. “If I was to come in now, it would be very difficult to get to my position here,” remarked a Clarendon’s SOM. “All the managers have been here at least 10 to 15 years [in a center that opened 16 years earlier].” Thus, the rapid ascents into management characteristic of many managers were out of sync with currently available promotion opportunities for new entrants. Because most call centers have opened in the last 20 years, this cohort difference is widespread. A related effect was shown by Haveman and Cohen (1994). Using quantitative methods, they found that managerial career mobility in the California savings and loan industry was higher during years when the birth rate of new firms was higher.

But in addition to such built-in limitations to mobility, our case studies demonstrate that companies pulled in two directions by cost and quality concerns typically ended up striking a variety of compromises. Insurall illustrates one possible compromise. Headquartered in the downtown of a large coastal city, Insurall shifted one department to a southern location hundreds of miles away. Impressed with the results of replacing a “difficult to manage” urban workforce with hard-working, low-wage southerners, the company relocated added functions to the southern site and a new midwestern site. At one point in the late 1990s, top Insurall managers vaunted geographic dispersion as the company’s main strategy for solving human resource problems. But the company soon encountered difficulties in coordination, and pulled some functions back to the headquarters. Over time, the company has continued to reconsolidate operations geographically. Interestingly, however, they have chosen to consolidate in the new midwestern location. Furthermore, although they took advantage of lower wages in the midwest

than on the coast, they paid wages at the top of the local labor market, taking a “high road” strategy as compared to a number of other financial services companies in the same city that paid much lower wages. As the call center manager explained:

We pay a little more than the [local] market rate for a call center. There are many 7, 8, or 9 dollar-an-hour jobs around here so we are attractive to a lot of the market, and it’s why we have low turnover. We get people from other call center operations [names the other companies with call centers in the city].

Marketplace, likewise, has struck a variety of compromises. Though Marketplace’s customer service division has adopted the higher-end employment model developed by At Your Service, the largest center in the network relocated, and found itself close to call centers of two major financial service providers and a mail order computer sales company. Marketplace simply could not match the \$12–13 starting wage of these other call centers (pay started at \$8.40–\$11.85 at the Marketplace center, depending on the job). As a result, the center’s HR manager said, the company had developed “a system that supports churn”—to the tune of 88 percent turnover in the previous year. The Marketplace call center did its best to retain employees by offering schedule flexibility, less rigid work rules, and innovative benefits, but managers were resigned to replacing a substantial chunk of their workforce each year. This meant hiring at slightly below market wages and providing a gradual training program (as opposed to an intensive new-hire training program as done elsewhere) so as to lengthen the time before the best workers would leave for other companies. At the same time, Marketplace managers were able to hire good workers with below-market wages in part precisely because the workers recognized that their mobility possibilities included moving to other companies. Closing the circle, at Marketplace headquarters executives were meanwhile debating whether to centralize call centers and whether to locate them near their headquarters, with creation of mobility paths from call centers to headquarter jobs as an issue under consideration.

Attempts to broaden skills also struck a variety of shoals. At Steadfast and Insurall, cross-training did not work out exactly as planned, although it is still in effect. As CSRs received expanded training, they became more likely to find other job opportunities before fully amortizing the training, but the larger problem was with the underlying business strategy: customers calling about their retirement plans were not in the market for insurance products targeted at younger customers. At a Bedrock facility, a vice president reflected,

We've found that [in rapidly expanding cross-training and multi-tasking] we created more risk for ourselves than we realized. From a competitive or a productivity standpoint, there's risk. Some people from other functions are not as good in the call center. And some of the best people on the phones don't know how to write in a professional manner.

More generally, the typical managerial attitude toward the prospects of cross-selling shifted from optimism as late as 2000 to pessimism in 2003. At Marketplace, the universal agent experiment was dropped after an initial pilot program, because customers did not use the service widely, nor did it lead to substantial cross-selling or increased sales to the customers who did use it.

Businesses also combine job broadening and steps to enhance mobility options with other changes that degrade jobs. At both Clarendon's and Marketplace, catalog order takers have been instructed to sell magazine subscriptions to customers, as part of a contract with a company that markets discount subscriptions. Many of the more senior CSRs at Clarendon's resisted, reportedly viewing the telemarketing add-on as "scammy" and "not a Clarendon's product." Nonetheless, the revenue stream multiplied by hundreds of thousands of calls daily showed a clear accounting profit for Clarendon's. Not visible, of course, were any future purchases lost due to customers put off by the sales pitch: as a cost center, performance was evaluated in terms of cost offsets and there were no metrics to capture gains from quality service, customer retention, or increased sales.

One of the most dramatic zigzags in job mobility systems took place at Style Associates. Before the 2001 recession, Style Associates recruited all call center employees through an outside temporary agency in a "temp-to-perm" arrangement. But when the recession struck, "We were looking for costs to cut," the HR director told us. "We looked at things that were being done by outside people, and said, 'We can do it ourselves.'" Style Associates dropped the temporary agency and began to recruit workers directly. But as of 2003, the company was considering replacing a significant portion of the call center workforce with "a pool of people managed by another company . . . temps by any other name. It could save us some significant costs in terms of payroll taxes, unemployment, workers' comp," the HR director explained—completely reversing the cost-saving logic she had just outlined! The outcome in this case was extreme, but it repeats the pattern of focusing on narrow objectives and then later changing policies as the focus shifts.

Amidst the predominant story of expanding mobility opportunities, then, we find a series of compromises and reversals. Though goals of retention, motivation, and improved service spurred steps to strengthen job ladders and broaden jobs, costs and other concerns placed limits on these

opportunity-enhancing initiatives. How does this second set of findings square with our framework of product markets, external labor markets, worker preferences, and managerial strategy?

Cost-cutting concerns are tautologically linked to product markets since lower costs allow companies to offer lower prices for a given rate of profit. But with the exception of Style Associates' decision to stop using temporary workers, the compromises noted above do not respond to *changes* in the product market. The belief in the necessity to cut costs appears to have a life of its own.

As for external labor markets, Insurall's decision to relocate and Marketplace's adoption of a system consistent with high turnover most definitely responded to regional labor market conditions. But labor market shifts are not good candidates for explaining most of these policy changes. In particular, if overall labor market tightness were decisive, we would expect to see companies cutting back on mobility opportunities during recessions. But except for Style Associates' reversals on hiring temps, the opportunity-reducing steps described above all took place during the 1990s expansion.

So once more, managerial strategies and beliefs are key. Again, one source of shifting beliefs is the learning process, as when Marketplace discovered that opportunities for cross-selling were far more limited than hoped. But the sources of the initial beliefs are themselves often quite speculative. Marketplace, Steadfast, and Insurall all relied on an untested theory about the likely payoff from cross-selling. And in some cases, evidently illogical beliefs drive policy, as when Style Associates eliminated temps and then restored them, in both cases supposedly to cut costs. This last example highlights once more the importance of varying metrics embodying varying managerial views: Style Associates cut one type of costs (purchases from outside suppliers) by dropping temporary employment, and cut another category of costs (employment overhead) by re-adding it.

Worker preferences played a limited role in these cost-cutting examples: workers may have resented and even resisted the shifts, as in the case of magazine sales at Clarendon's, but were not able to stop them from occurring. Clearly, however, worker preferences will in general affect *whether* a company chooses to undertake and maintain changes of this sort. Once more, mobility rules are a negotiated terrain.

Discussion and Conclusions

We return to the debate about U.S. internal labor market restructuring that frames our research. Again, many accounts describe aggressive corporate

dismantling of internal labor markets, with consequent reductions in job tenure and in-house promotion possibilities, in a shift that is unidirectional and relatively permanent. But other studies show strong evidence for the persistence of internal labor markets. We chose to study call centers as an interesting test case for this debate, in large part because their recent emergence renders them more likely to reflect new and growing types of job structures. In addition, the existing empirical literature on call centers paints a mixed picture, with Batt and colleagues emphasizing *segmentation* between more and less stable and secure job structures, whereas Holtgrewe and colleagues stress *evolution* and in some cases oscillation between different structures. The debate over internal labor market restructuring and over call center job structures in particular in turn touches on a more fundamental discussion of whether firm behavior is shaped principally by purposive optimizing or by experimentation and contention.

Our case studies of job restructuring reveal that the tug of war between seeking to minimize costs and seeking to add value in inbound call centers has generated numerous corporate changes in direction. Businesses created flat call center organizations untypical of previous job structures within the company, then went on to add layers to these organizations. They created broader jobs, only to later express doubts about or even scrap the wider job categories. Call center job structures continued evolving.

Part of the explanation for this continuing evolution lies in changes in the product market and external labor market faced by each company. But these two factors cannot fully explain the shifts we observe, leading us to emphasize the role of changing managerial beliefs and strategy, as well as worker preferences and needs in a broader sense than suggested by the concept of “external labor markets.”

One dimension of changing managerial beliefs is that businesses encountered new situations, and changed policies as they traveled the learning curve in each new state of affairs. But describing business adjustments in this way risks an overly deterministic view of business action. In fact, companies are constantly reacting to a changing environment, undertaking experiments with variable success, and in many cases generating unintended consequences. In this fluid context, the predilections and theories of particular managers or groups of managers can drive companies in a variety of directions. Moreover, employees are significant actors in this decision-making process, expressing preferences that have changed or that were not fully met in the initial hire.

It is worth noting here that the external labor markets and the characteristics and preferences of potential employees faced by the firm, are themselves determined in part by managerial strategies with regard to location and

target labor pool. Location choices expose firms to different external labor markets, as Insurall and Marketplace discovered. In addition, the pool of potential future employees includes first and foremost the set of current employees, whose characteristics and preferences reflect a “fit” with past company strategies regarding hiring and human resource management.

We find strong evidence for our claim that businesses still find it necessary to integrate substantial portions of their workforce into the firm via internal labor markets, and that most recent movement in the companies studied has been toward reintegration. Although we observed movements in both directions, most of the retail and finance businesses under study found it necessary to rebuild traditional job structures and create new ones, within call centers. The result is that call center job ladders are fairly comparable to those in retail stores, if not insurance home offices. These employers bumped up against the limits of Taylorist division of labor, the need to attract and retain talent, and the need to motivate employees to provide good customer service.

In short, we observe call center evolution that flatly contradicts the idea that recent job structure changes are unidirectional and permanent. Proclamations of a “new social contract” ending employment stability, internal mobility, and firm-based skill development thus appear premature, or at least overstated. Instead, we find multidirectional, provisional, iterative change, characterized by interaction among the interests of workers, individual managers, and top executives, in call center job structures and work practices. This evidence weighs heavily on the side of a model of corporate change that involves bumpy learning processes and intra-organizational bargaining and conflict, rather than efficiency-driven adjustment.

We hasten to caution that our sample does not represent all varieties of call centers. We studied inbound call centers typically handling moderately complex interactions (as opposed to simple data-lookup or script-reading transactions), and in most cases based in-house rather than outsourced. These are not the call centers that Batt et al. (2005) found to have the least job security and the highest turnover. Nonetheless, it is striking that even within this limited band of call centers, we found tremendous variation in job structures, both in cross-section and longitudinally. Businesses adopted a range of call center models, and reshaped them frequently.

Our results point both to possible future research, and to likely future outcomes of call center evolution. This set of findings points to several immediate research extensions that would further illuminate the nature of corporate change in job structures. First, it will be important to use case studies to explore in more depth how managerial beliefs and worker preferences interact with each other and with external factors, chiefly

product and external labor markets. Second, case studies in additional industries—both within the call center world and outside it—will provide essential additional evidence on the process of internal labor market evolution. Third, it would be tremendously valuable to mount large-scale longitudinal surveys, complementing important cross-sectional studies such as those of Batt and her colleagues, to determine the generalizability of these findings.

The future of call center work also commands interest in its own right, given the size and rate of growth of this job category. Our case studies offer us no crystal ball to forecast this future. However, it seems safe to say that the twin objectives of cost cutting and service improvement, mediated by varying managerial beliefs and worker preferences, are likely to continue driving inbound call center evolution in a zigzag pattern, steering a course that is unlikely to turn permanently toward high-turnover sweatshops, nor toward high-mobility, highly skilled jobs. From a policy perspective concerned with job quality and in particular opportunities for upward mobility, our findings counsel neither despair nor complacency.

The very growth in scale and scope of call center functions means they are not reducible to a particular class of job, but rather, a diverse occupational category that interacts with technology, managerial strategy, worker preferences, local labor markets, and the array of factors that create diversity in job quality throughout the labor market. Call center jobs now encompass such a wide range of functions, and have become so integral to many companies' core functions, that call center jobs will encompass the same diversity of quality as jobs outside of call centers. These same factors seem likely to limit the current trend toward offshoring of call center jobs, as Eastern Response discovered. Despite many businesses' search for a technological fix that will take the discretion out of customer service or a compliant third-world workforce willing to tolerate sweatshop conditions, the track record of the last two decades indicates that skill and accumulated knowledge remain critical, even in the most basic inbound call center jobs. The future of call centers remains under construction.

REFERENCES

Altieri, Giovanna, Salvo Leonardi, Cristina Oteri, and Doriana Pellerito. 2002. "D3 Study: Case Studies Report. TOSCA (Social Observation Table of Call Centers)." European Trade Union Confederation, Brussels, Belgium.

Arzbächer, Sandra, Ursula Holtgrewe, and Christian Kerst. 2002. "Call Centres: Constructing Flexibility." In *Re-Organising Service Work: Call Centres in Germany and Britain*, edited by Ursula Holtgrewe, Christian Kerst, and Karen Shire, pp. 19–41. Aldershot, UK: Ashgate.

Bagnara S., and E. Donati. 1999. "Call Centres. Un'opportunità per Riorganizzare i Servizi." Working Paper, February. Milan, Italy: Il Sole 24 Ore.

Bailey, Thomas R., and Annette D. Bernhardt. 1997. "In Search of the High Road in a Low-Wage Industry." *Politics and Society* 25:179–201.

Baldoz, Rick, Charles Koeber, and Philip Kraft (eds). 2001. *The Critical Study of Work*. Philadelphia: Temple University Press.

Baldry, Chris, Peter Bain, and Phil Taylor. 1998. "Bright Satanic Offices: Intensification, Control and Team Taylorism." In *Workplaces of the Future*, edited by Paul Thompson and Christopher Warhurst, pp. 163–83. London: Macmillan.

Baron, James N., Michael T. Hannan, and M. Diane Burton. 2001. "Labor Pains: Change in Organizational Models and Employee Turnover in Young, High-Tech Firms." *American Journal of Sociology* 106(4):960–1012.

Batt, Rosemary. 2000. "Strategic Segmentation and Frontline Services: Matching Customers, Employees, and Human Resource Systems." *International Journal of Human Resource Management* 11(3):540–61.

—, and Jeffrey Keefe. 1999. "Human Resource and Employment Practices in Telecommunications Services." In *Employment Practices and Business Strategy*, edited by Peter Cappelli, pp. 107–52. Oxford: Oxford University Press.

—, Virginia Doellgast, and Hunji Kwon. 2005. "The U.S. Call Center Industry 2004: National Benchmarking Report." Working Paper 05-06. Cornell University, School of Industrial and Labor Relations, Center for Advanced Human Resource Studies.

Benner, Chris. 2002. "Calling the Cape: Information Technology, Restructuring of Work, and the South African Call Center Industry." Unpublished paper, Department of Geography, Pennsylvania State University, available at <http://personal.psu.edu/faculty/c/c/ccb10/>

Berger, Allen N., Anil K. Kashyap, Joseph M. Scalise, Mark Gertler, and Benjamin M. Friedman. 1995. "The Transformation of the U.S. Banking Industry: What a Long, Strange Trip it's Been." *Brookings Papers on Economic Activity* 2:55–218.

Bernhardt, Annette, and Douglas Slater. 1998. "What Technology Can and Cannot Do: A Case Study in Banking." *Industrial Relations Research Association Series: Proceedings of the Fiftieth Annual Meeting* 1:118–25.

Butera, F., E. Donati, and R. Cesaria. 1997. *I Lavoratori della Conoscenza*. Milan, Italy: F. Angeli.

Cappelli, Peter. 2001. "Assessing the Decline of Internal Labor Markets." In *Sourcebook of Labor Markets: Evolving Structures and Processes*, edited by Ivar Berg and Arne Kalleberg, pp. 207–45. New York: Plenum.

—, and Anne Crocker-Heftner. 1996. "Distinctive Human Resources Are Firms' Core Competencies." *Organizational Dynamics* 24:7–21.

—, and David Neumark. 2001. "External Churning and Internal Flexibility: Evidence on the Functional Flexibility and Core-Periphery Hypotheses." *Industrial Relations* 43(1):148–82.

Caroli, Eve. 2003. "Internal Versus External Labour Flexibility: The Role of Knowledge Codification." LEA Working Paper No. 310. Paris: Laboratoire d'Economie Appliquée.

Castilla, Emilio J. 2005. "Social Networks and Employee Performance in a Call Center." *American Journal of Sociology* 110(5):1243–83.

Catalog Age. 2000. "The 2000 Catalog Age 100." Available at <http://intertec.com/catalogagemag/content/catage100/1999/rank.htm>

D'Ausilio, Rosanne. 1999. *Wake Up Your Call Center: How to Be a Better Call Center Agent. Revised and Expanded Edition*. West Lafayette, IN: Ichor Business Books.

Delery, John E., Nina Gupta, Jason D. Shaw, G. Douglas Jenkins Jr, and Margot L. Ganster. 2000. "Unionization, Compensation, and Voice Effects on Quits and Retention." *Industrial Relations* 39(4):625–45.

Doeringer, Peter B., and Michael J. Piore. 1971. *Internal Labor Markets and Manpower Analysis*. Lexington, MA: D.C. Heath.

Eccles, Robert G., Nitin Nohria, and James D. Berkley. 1992. *Beyond the Hype*. Boston: Harvard Business School Press.

Edwards, Richard. 1979. *Contested Terrain: The Transformation of the Workplace in the Twentieth Century*. New York: Basic Books.

Fernández, Roberto M., Emilio J. Castilla, and Paul Moore. 2000. "Social Capital at Work: Networks and Employment at a Phone Center." *American Journal of Sociology* 105(5):1288–356.

Fernie, Sue, and David Metcalf. 1998. "(Not) Hanging on the Telephone. Payment Systems in the New Sweatshops?" CEP discussion paper 390. Centre for Economic Performance, London. Available at <http://lse.ac.uk/pubs/download/dp0390.pdf>, downloaded April 2003.

Fields, Dail, Myra E. Dingman, Paul M. Roman, and Terry C. Blum. 2005. "Exploring Predictors of Alternative Job Changes." *Journal of Occupational and Organizational Psychology* 78(1):63–82.

Gordon, David, Richard Edwards, and Michael Reich. 1982. *Segmented Workers, Divided Work*. Cambridge, UK: Cambridge University Press.

Griffith, Rodger W., Peter W. Hom, and Stefan Gaertner. 2000. "A Meta-Analysis of Antecedents and Correlates of Employee Turnover: Update, Moderator Tests, and Research Implications for the Next Millennium." *Journal of Management* 26(3):463–88.

Hansell, Saul. 2000. "Holiday Traffic at Online-Only Stores Lags Chains' Sites." *New York Times*, December 4, p. C8.

Haveman, Heather A., and Lisa E. Cohen 1994. "The Ecological Dynamics of Careers: The Impact of Organizational Founding, Dissolution, and Merger on Job Mobility." *American Journal of Sociology* 100:104–52.

Heckscher, Charles. 2000. "HR Strategy and Nonstandard Work: Dualism vs. True Mobility." In *Nonstandard Work: The Nature and Challenges of Changing Employment Relationships*, edited by Françoise Carré, Marianne A. Ferber, Lonnie Golden, and Stephen A. Herzenberg, pp. 267–90. Champaign, IL: Industrial Relations Research Association.

Herzenberg, Stephen A., John A. Alic, and Howard Wial. 1999. *New Rules for a New Economy: Employment and Opportunity in Postindustrial America*. Ithaca, NY: Cornell University Press.

Holtgrewe, Ursula, and Christian Kerst. 2002. "Researching Call Centres: Gathering Results and Theories." Paper presented at the 20th Annual International Labour Process Conference, University of Strathclyde, Glasgow, Scotland, April 2–4.

Hunter, Larry W. 1999. "Transforming Retail Banking: Inclusion and Segmentation in Service Work." In *Employment Practices and Business Strategy*, edited by Peter Cappelli, pp. 153–92. New York: Oxford University Press.

Hunter, Larry, Annette Bernhardt, Katherine L. Hughes, and Eva Skuratowicz. 2001. "It's Not Just the ATMs: Firm Strategies, Work Restructuring, and Workers' Earnings in Retail Banking." *Industrial and Labor Relations Review* 52:402–24.

Juravich, Tom. 2005. "Stressed: Customer Service Representatives at Verizon." Paper presented at the American Sociological Association Annual Meeting, Philadelphia, PA, August 13–16.

Keltner, Brent, and David Finegold. 1996. "Adding Value in Banking: Human Resource Innovations for Service Firms." *Sloan Management Review* 38(1):57–68.

———. 1999. "Market Challenges and Changing Employment Relations in the U.S. Banking Industry." In *From Tellers to Sellers: Changing Employment Relations in Banks*, edited by Marino Regini, Martin Baethge, and Jim Kitay, pp. 31–62. Cambridge, MA: MIT Press.

Korczynski, Marek. 2002a. "Call Center Consumption and the Enchanting Myth of Consumer Sovereignty." In *Re-Organising Service Work: Call Centres in Germany and Britain*, edited by Ursula Holtgrewe, Christian Kerst, and Karen Shire, pp. 161–82. Aldershot, UK: Ashgate.

———. 2002b. "The Contradictions of Service Work: Call Centre as Customer-Oriented Bureaucracy." In *Customer Service: Empowerment and Entrapment*, edited by Andrew Sturdy, Irena Grugulis, and Hugh Willmott, pp. 79–101. Basingstoke, UK: Palgrave.

Kotter, John P. 1996. *Leading Change*. Boston: Harvard Business School Press.

Kraakman, Renier. 2001. "The Durability of the Corporate Form." In *The Twenty-First Century Firm*, edited by Paul DiMaggio, pp. 147–60. Princeton, NJ: Princeton University Press.

Lambert, Susan J. 1999. "Lower-Wage Workers and the New Realities of Work and Family." *Annals of the American Academy of Political and Social Science* 562:174–90.

———, and Anna Haley-Lock. 2004. "The Organizational Stratification of Opportunities for Work-Life Balance: Addressing Issues of Equality and Social Justice in the Workplace." *Community, Work, and Family* 7:179–95.

Lane, Julia, Philip Moss, Harold Salzman, and Chris Tilly. 2003. "Too Many Cooks? Tracking Internal Labor Market Dynamics in Food Service with Case Studies and Quantitative Data." In *Low-Wage America: How Employers Are Reshaping Opportunity in the Workplace*, edited by Eileen Appelbaum, Annette Bernhardt, and Richard Murnane, pp. 229–69. New York: Russell Sage Foundation.

Levine, David I., Dale Belman, Gary Charness, Erica L. Groshen, and K. C. O'Shaughnessy. 2002. *How New is the New Employment Contract? Evidence from North American Pay Practices*. Kalamazoo, MI: W.E. Upjohn Institute.

Lively, Kathryn. J. 2000. "Reciprocal Emotional Management: Working Together to Maintain Stratification in Private Law Firms." *Work and Occupations* 27:32–63.

MacKenzie, Robert. 2000. "Subcontracting and the Reregulation of the Employment Relationship: A Case Study from the Telecommunications Industry." *Work, Employment, and Society* 14:707–26.

Mandel, Michael J. 1996. *The High-Risk Society: Peril and Promise in the New Economy*. New York: Times Business.

Marsden, David. 1999. *A Theory of Employment Systems*. Oxford, UK: Oxford University Press.

Moss, Philip, Harold Salzman, and Chris Tilly. 2000. "Limits to Market-Mediated Employment: From Deconstruction to Reconstruction of Internal Labor Markets." In *Nonstandard Work: The Nature and Challenges of Changing Employment Relationships*, edited by Françoise Carré, Marianne A. Ferber, Lonnie Golden, and Stephen A. Herzenberg, pp. 95–121. Champaign, IL: Industrial Relations Research Association.

—. 2005. "When Firms Restructure: Understanding Work–Life Outcomes." In *Work Life Integration in Organizations: New Directions for Theory and Practice*, edited by Ellen Ernst Kossek and Susan Lambert, pp. 127–50. Mahwah, NJ: Lawrence Erlbaum Associates.

National Retail Federation. 2000. "VeriFone and Russell Reynolds Associates Top 100 Internet Retailers." STORES Online, September. <http://stores.org/archives/archives00.asp>.

Neumark, David (ed.). 2000. *On the Job: Is Long-Term Employment a Thing of the Past?* New York: Russell Sage Foundation.

New York Times. 2000. "Layoffs May Be at a Record Low, Survey Finds." August 10.

Ortmann, Günther, and Harold Salzman. 2002. "Stumbling Giants: The Emptiness, Fullness, and Recursiveness of Strategic Management." *Soziale Systeme: Zeitschrift Für Soziologische Theorie* 8:205–30.

Osterman, Paul, Thomas A. Kochan, Richard M. Locke, and Michael J. Piore. 2001. *Working in America: A Blueprint for the New Labor Market*. Cambridge, MA: MIT Press.

Pasternack, Bruce A., and Albert J. Viscio. 1998. *The Centerless Corporation: A New Model for Transforming Your Organization for Growth and Prosperity*. New York: Simon and Schuster.

Powell, Walter W. 2001. "The Capitalist Firm in the Twenty-First Century: Emerging Patterns in Western Enterprise." In *The Twenty-First Century Firm*, edited by Paul DiMaggio, pp. 33–68. Princeton NJ: Princeton University Press.

Price, James L. 2001. "Reflections on the Determinants of Voluntary Turnover." *International Journal of Manpower* 22(7):600–24.

Progressive Grocer. 1995. "Progressive Grocer Annual Report." April.

Salzman, Harold, and Katrina Buchau. 1997. "An Overview of the U.S. Insurance Industry." Working Paper. Boston, MA: Jobs for the Future.

—, and Stephen Rosenthal. 1994. *Software by Design: Shaping Technology in the Workplace*. New York: Oxford University Press.

Scott, W. Richard. 1987. "The Adolescence of Institutional Theory." *Administrative Science Quarterly* 32:493–511.

Shaw, Jason D., John E. Delery, G. Douglas Jenkins Jr, and Nina Gupta. 1998. "An Organization-Level Analysis of Voluntary and Involuntary Turnover." *Academy of Management Journal* 41(5):511–25.

Shire, Karen, Ursula Holtgrewe, and Christian Kerst. 2002. "Re-Organising Customer Service Work: An Introduction." In *Re-Organising Service Work: Call Centres in Germany and Britain*, edited by Ursula Holtgrewe, Christian Kerst, and Karen Shire, pp. 1–19. Aldershot, UK: Ashgate.

Taylor, Phil, Jeff Hyman, Gareth Mulvey, and Peter Bain. 2002. "Work Organization, Control and the Experience of Work in Call Centres." *Work, Employment, and Society* 16(1):133–50.

Tilly, Chris. 1996. *Half a Job: Bad and Good Part-Time Jobs in a Changing Labor Market*. Philadelphia, PA: Temple University Press.

_____, and Charles Tilly. 1997. *Work Under Capitalism*. Denver, CO: Westview Press.

U.S. Bureau of Labor Statistics. 1997. Employment and Earnings, Vol. 44, No. 1 (January), Table 21. Washington, DC.

_____. 2005. Occupational Employment Statistics, May 2004 Industry-Specific Occupational Employment and Wage Estimates. <http://bls.gov/oes/home.htm>, accessed August 2005.

U.S. Census Bureau. 2002. "1997 Economic Census Data on Concentration." www.census.gov/epcd/www/concentration.html, accessed July 2004.

_____. 2004. "County Business Patterns." <http://census.gov/epcd/cbp/view/cbpview.html>, accessed July 2004.

Varian, Hal. 2005. *Intermediate Microeconomics: A Modern Approach*, 7th ed. New York: W.W. Norton.

Wirtz, Ronald A. 2001. "Phone Home." *Fed Gazette* (Minneapolis Federal Reserve Bank). May.

Yin, Robert K. 2003. *Case Study Research: Design and Methods*, 3rd ed. Newbury Park, CA: Sage Publications.

Zetka, James R. Jr. 1998. "The Technological Foundations of Task-Coordinating Structures in New Work Organizations: Theoretical Notes From the Case of Abdominal Surgery." *Work and Occupations* 25(3):356–79.