



RESEARCH
INSIGHTS



in Recruitment:

Call Centre Sector



RESEARCH INSIGHTS IN RECRUITMENT: CALL CENTRE SECTOR

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INDUSTRY OVERVIEW

Call centres continue to grow with UK-owned businesses beginning to bring operations back from offshore locations based on customer feedback. High-quality customer service, in the era of social media, is key for businesses growth in both the public and private sectors.

According to IBIS World reports, industry revenue is expected to reach £3 billion. Although leaving the European Union and the pandemic crises are expected to constrain business confidence, it is likely to recover once firms have a better understanding of their future operating environment.

Competition from offshore call centres is likely to remain a threat though, especially as the value of the pound recovers, lowering the cost of overseas call centre services. The extent to which wages rise and quality issues are addressed will also significantly affect demand for offshore call centre services over the next five years.

Increasing demand is seen for cloud-based technology solutions. These offer extras such as automated call recording, analytics and much more. Automated contact centre solutions are becoming more popular with organisations and government services.

Automatic contact centre technology eliminates the need for hiring human operators. Not only does this reduce costs for the company, but it also makes it possible to cater to the demands of customers in a more efficient manner. Thus, advancements in cloud-based contact centre solutions will boost the global software market.

The Banking, Financial Services, and Insurance industries are increasingly looking for automated or contact centre solutions as their customer base widens. The rising number of online financial transactions and the increasing rate of fraudulent activities in the above sectors has heightened the need for quick responses to customer needs and concerns.

The industry has a low level of market share concentration since the four largest players are estimated to account for 15.2% of industry revenue in 2019-2020. This industry has a market share of greater than 5%.

Listed below are the biggest call centre companies in the UK (by market share)

Synnex Corporation Inc

Sitel UK Ltd

Teleperformance Ltd

Capita Customer Management Ltd

(IBIS World, "Call centres industry report 2020")
(Globe News Wire, "Contact Centre Software Market Research Report")

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RECRUITMENT

Despite a recent wave of outsourcing in the industry, the Customer Service Sector employs more than 300,000 personnel in the UK and doles out over £5 billion in annual wages. According to IBIS World reports, the call centre industry employs 68,187 personnel.

In the past few years - having become notoriously inefficient due to communication issues - there has been a gradual reversal in the outsourcing of call centre staff positions, and the number of UK jobs appears to be slowly rebounding.

Recruitment agencies are especially looking for candidates with patience, an ability to learn quickly, and strong verbal communication skills - bilingual applicants have a considerable advantage.

Typing proficiency and IT literacy are also desirable qualities, but aside from these basic skills, there are no formal requirements for entry into the field.

Training is typically given on the job, and no degrees or certification are needed.

Call centre jobs can also be done remotely. Companies may hire call centre agents for their own business needs, or they may contract with business process outsourcing firms (BPOs) who provide call centre services to other businesses for a fee. Many of the available home based call centre positions are for such BPOs.

(IBIS World, "Call centres industry report 2020")
(Agency Central, "Customer Service / Call centre search directory")
(The Balance Careers, "Work-at-Home Call centre Jobs")



3 | SALARIES

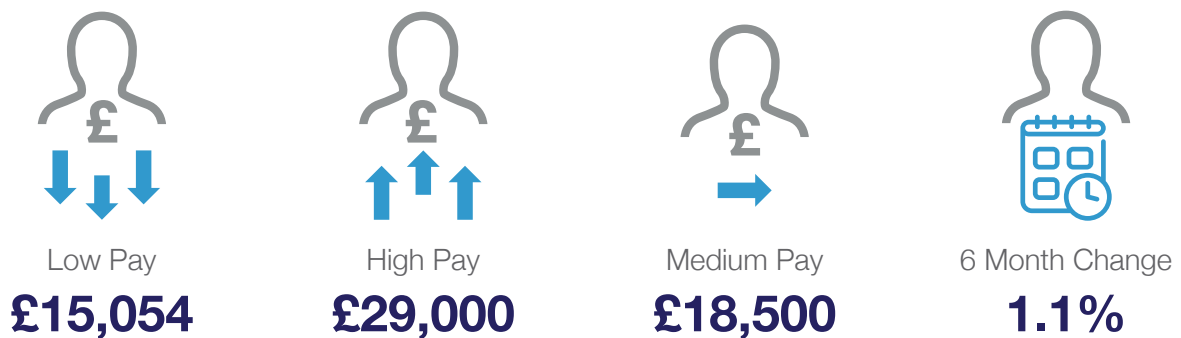
Employees on the low end of the salary scale tend to earn between £13K and £15K annually, but experienced professionals, including Team Leaders and Managers, usually earn closer to £25K.

The overall average salary in the UK is about £17K.

Bonus: £950
Commission: £1,875

Employment is available on a part-time and full-time basis, with working hours rarely requiring overtime. Some companies, however, do staff night shifts and offer 24/7 customer support. Secretarial recruitment agencies report that call centre staff will sometimes transition to office-based jobs and are perfectly suited to those with a good telephone manner.

Call Centre/Customer Service Salaries



Pay by Experience Level for Call Centre Agents

An entry-level call centre agent with less than 1-year of experience can expect to earn an average total compensation - including tips, bonus, and overtime pay - of £17,011.

An early career call centre agent with 1-4 years of experience earns an average total compensation of £17,785.

A mid-career call centre agent with 5-9 years of experience earns an average total compensation of £19,293.

An experienced call centre agent with 10-19 years of experience earns an average total compensation of £17,854.

Salaries by Region

Call centre employees in London earn an average of 1.7% more than the national average.

These job titles also find higher than average salaries in Glasgow (1.5% more) and Newcastle-upon-Tyne (1.1% more).

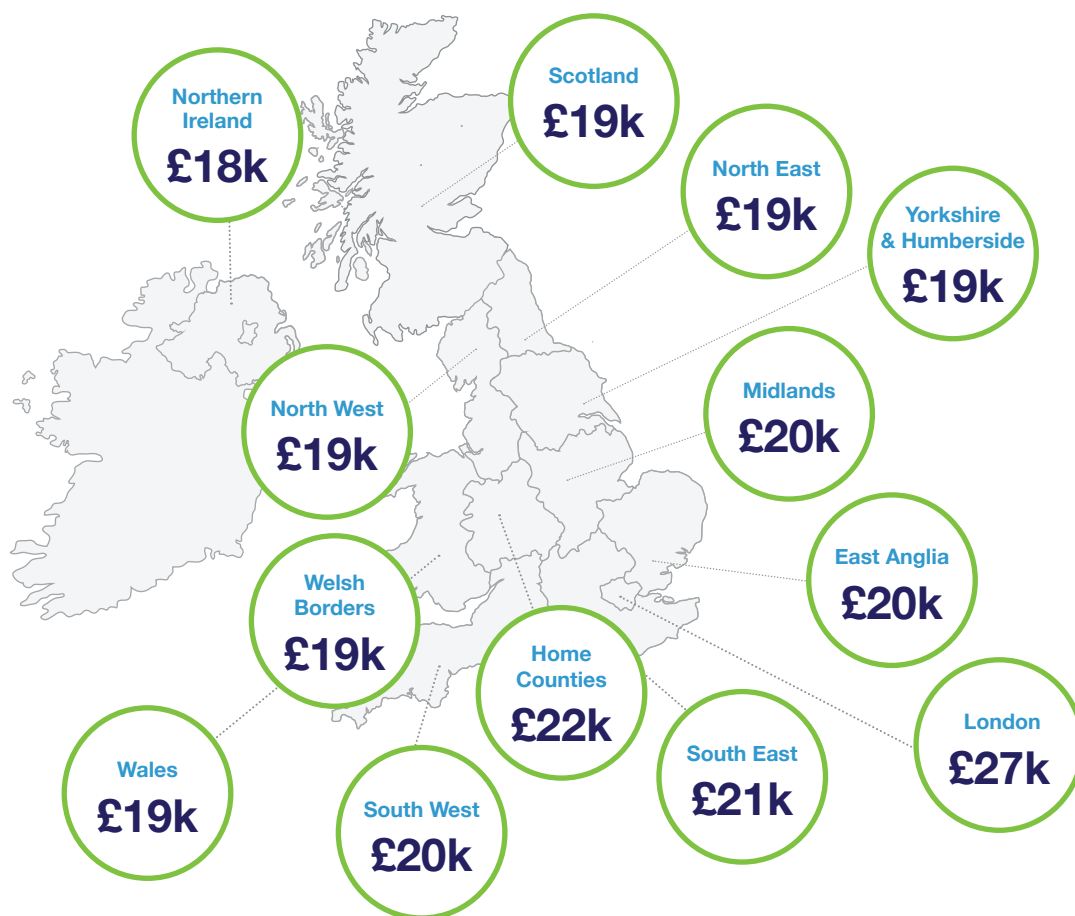


Image source:
<https://www.agencycentral.co.uk/agencysearch/custservcallcentre/agencysearch.htm>

(Agency Central, "Customer Service / Call centres search directory")
(Payscale, "Average call centre agent salary in United Kingdom")

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INDUSTRY CHALLENGES

Hiring call centre representatives seems like a never-ending task due to the high turnover nature of the industry. For call centre recruiters, keeping an extensive database of qualified candidates is crucial so that they never find themselves unexpectedly shorthanded.

- Competition for qualified agents is fierce, especially in cities like London and Manchester. Candidates with good communication skills, problem resolution and language skills are in high demand.
- High Attrition Rate: The call centre industry suffers from a high attrition rate, as it remains above 20% on average, and 1 in 6 operations experience annual attrition of over 30%. Every time a trained agent leaves the firm, there are few people at hand to ensure the smooth execution of work. This forces the company to hire more people to balance out the attrition, which results in excess costs for recruiting, hiring, training and developing new staff.
- Changing Geopolitical Scenario: Political situations in Europe can affect the call centre industry drastically. Bad economies and public protests are forcing governments to pass bills preventing outsourcing.
- Increasing Client Expectations: Satisfying irate customers has always been a difficult task, but the increasing customer expectations due to various social media channels and increased business competition makes the situation even worse.
- Flat Organisational Structure: The company structure at call centres is usually horizontal. The career prospects of the employees are usually limited and this results in the organisation losing top talent. This flatwork structure additionally demoralises top performers from doing well, which hinders productivity and growth of the call centre.
- Lower Employee Engagement: Call centres are not able to keep their employees excited and involved in their work. Due to the repetitive and stressful nature, call centre jobs tend to become very monotonous and fail to keep the employees engaged.

Factors causing employee disengagement:

- **Emotional labour**, defined as the process of regulating feelings and expressions as part of the work role, is a major characteristic in call centres. In particular, interacting with customers, agents are required to show certain emotions that are considered acceptable by the organisation, even though these emotions may be different from their true feelings.
- **Call centre agents** experience customer verbal aggression and emotional dissonance.
- **Employees** fear of losing their jobs over AI.

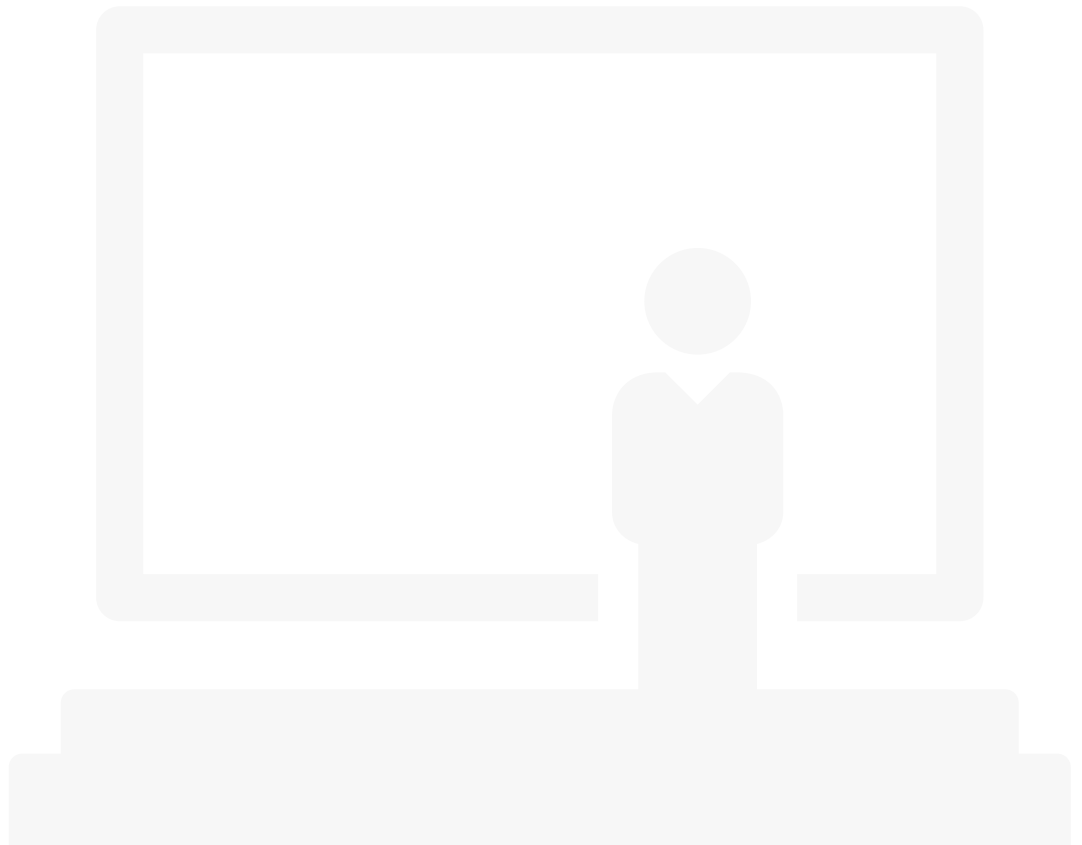
(Flatworld Solutions, "Major challenges faced by the call centre industry")

(Green Bean, "Contact centre attrition")



5 | SOURCES

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- **Payscale – Average call centre agent salary in United Kingdom**
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