

Tele-Service Labour Force Review Within Cape Breton Regional Municipality

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Executive Summary

Introduction

The tele-service industry in the CBRM has grown since 1998 to include six major call centres:

- ICT Group in Sydney, opened 1998
- Ron Weber and Associates in Sydney River, opened 1999
- EDS in Sydney, August 2000
- Upsource in North Sydney, September 2001
- Stream International in Glace Bay, October 2001
- Spiegel in Sydney (at NSCC Marconi Campus), October 2002

Key Study Findings

The overall study conclusion is that the Cape Breton Regional Municipality labour force will be able to support the expected labour demands for the existing operators, and there will continue to be a surplus of unemployed with tele-service related skill sets over the next five years. There is a continued need for industry, government and educational institutions to work together to ensure that potential candidates have basic qualifications suitable for the type of work found in the tele-service industry. Programs should also be targeted to people who do not currently participate in the labour force.

Labour Market

The potential labour force in the CBRM consists of unemployed, underemployed, and already employed workforce. Tele-service centres also continue to attract persons working part-time involuntarily.

EI Claimant data from 2002 show some unemployment in tele-service related sectors. Cape Breton Skills Inventory reflects a diversity of transferable skills available in non-tele-service occupations.

Slightly declining unemployment rates and new job opportunities may encourage people to re-enter the labour market.

Tele-Service Employment

The tele-service industry currently employs around 3,700 people (part-time and full-time). CSRs/Agents account for the majority of the employees (around 3,000). Expansion plans for the existing tele-service companies over the next two years are to increase employment levels to approximately 4,500 people and to 4,800 in five years. Client-driven needs of the industry can quickly influence labour demand and expansion.

Employees with customer service experience and computer aptitude are preferred, though in-house training can assist those who lack basic computing skills.

Turnover Rates

The CBRM tele-service industry has an average labour turnover of about 23%, lower than US and Canada industry averages. Turnover rates will stabilize as the tele-service sector settles into the community.

About 40 percent of turnover is attributable to movement between tele-service centres. Movement between centres is expected to continue, as illustrated in larger markets in North America.

Major Workforce – CSRs/Agents/Reps

Grade 12 or equivalent education is usually required for most CSR positions. In-house and on-the-job training is provided at all centres. Pay ranges from \$9.00 - \$10.25 to start, plus bonuses and incentives. Benefits are offered at all centres.

Technological advancement in client-interface will require certain CSR/Agent positions to have intermediate and advanced computing skill sets. Some of these skills can be learned through in-house training, or with local education and training institutions.

Education and Training

In-house training provided at all tele-service centres for most occupations.

The University College of Cape Breton, Nova Scotia Community College (Marconi Campus) and the Cape Breton Business College all have programs which put skilled and qualified employees into the labour market.

Collaborative efforts between industry, government, and educational institutions continue to grow to provide specific and general training opportunities. The tele-service industry and the training institutions have expressed an interest to collaborate, in order to provide the workforce with the necessary background skills.

Labour Supply

- Total available to tele-service industry from unemployed sources: 2,900

Labour Demand

- Current filled demand: 3,700
- Planned expansion in next two years: 800
- Planned expansion in next five years: 1,100
- Annual replacement requirement due to turnover: 510-665

The tele-service industry will have access to about 3,000 potential employees based on current unemployment rates. Within two years, planned expansions and regular turnover will create the need for about 2,000 new recruits. Fifty percent of this demand will be met through the hiring of people who are unemployed with tele-service related occupations. The remaining 50% are assumed to be attracted to tele-service jobs from the existing employed labour force. The Table below shows that after five years, the unemployed with tele-service related occupations remains above 1,200 persons.

**Tele-Service Labour Demand on Unemployed Sector
and Remaining Unemployed, CBRM**

Year	New Growth and Turnover-demand on Unemployed Sector*	Revised Unemployed Labour Supply**	Total Remaining Unemployed with Tele-service Related Occupations
2003	255	2,900	2,645
2004	500	2,745	2,245
2005	530	2,345	1,815
2006	385	1,915	1,530
2007	395	1,630	1,235

*assumed to be about 50% of total demand

** base number increases each year due to an increase in participation rate

Introduction

Background

Over the past few years, it is apparent that tele-service centres have viewed Cape Breton as a strategic place to locate due to the labour market capacity. In 2000, Enterprise Cape Breton Corporation (ECBC) undertook a study on the labour market in the Cape Breton Regional Municipality (CBRM) to determine its capacity to provide for the tele-service industry. The study concluded that for at least the next eight years there would be sufficient labour in Cape Breton to support expected industry growth.

Since the time that study was completed, employment in the tele-service industry has more than doubled on Cape Breton Island.

Given this amount of growth in the Cape Breton industry, it is timely to review the labour market in terms of supply against the labour needs created by expansions, new locations and turnover replacement. While the labour market in the Cape Breton Regional Municipality has successfully offered sufficient capacity to absorb the new jobs, the full extent of the potential labour market capacity as it relates to the tele-service employment needs review.

The industry in the CBRM has grown since 1998, when ICT Group established operations in Sydney. Since that time, five other major call centres have started up, including:

- Ron Weber and Associates in Sydney River, opened 1999
- EDS in Sydney, August 2000
- Upsource in North Sydney, September 2001
- Stream International in Glace Bay, October 2001
- Spiegel in Sydney (at NSCC Marconi Campus), October 2002

Study Objective

The objective of this study is to determine the current labour market capacity within the Cape Breton Regional Municipality for various types of employment opportunities in the tele-service field.

Scope of Work

To meet its objectives, the study must fulfill the following:

- Provide background on the labour market conditions in Cape Breton (for the Island and the Regional Municipality) outlining historical and current labour force data.
- Profile the training and skills requirements for the various job categories within the tele-service industry, including differentiating between in-bound and out-bound and between customer service, technical and supervisory staff.
- Provide detail (based on industry experience) on the labour pools that tele-service firms typically look to for new hires (e.g., unemployed, lower paid retail services, seasonal workers, underemployed, students, seniors, those who return home, and second income earners who are entering or re-entering the workforce).
- Provide an estimate of the current available labour force (employed and unemployed) within the Cape Breton Regional Municipality that possess the necessary training and experience to work in the various job categories within the tele-service industry. To the extent possible, the labour force estimate should be specific to various job categories and should distinguish between entry-level qualifications and experienced call centre personnel.
- Provide a five-year projection of the available labour force within the Cape Breton Regional Municipality.

Approach

The basic approach for conducting this analysis has been comprised of the following:

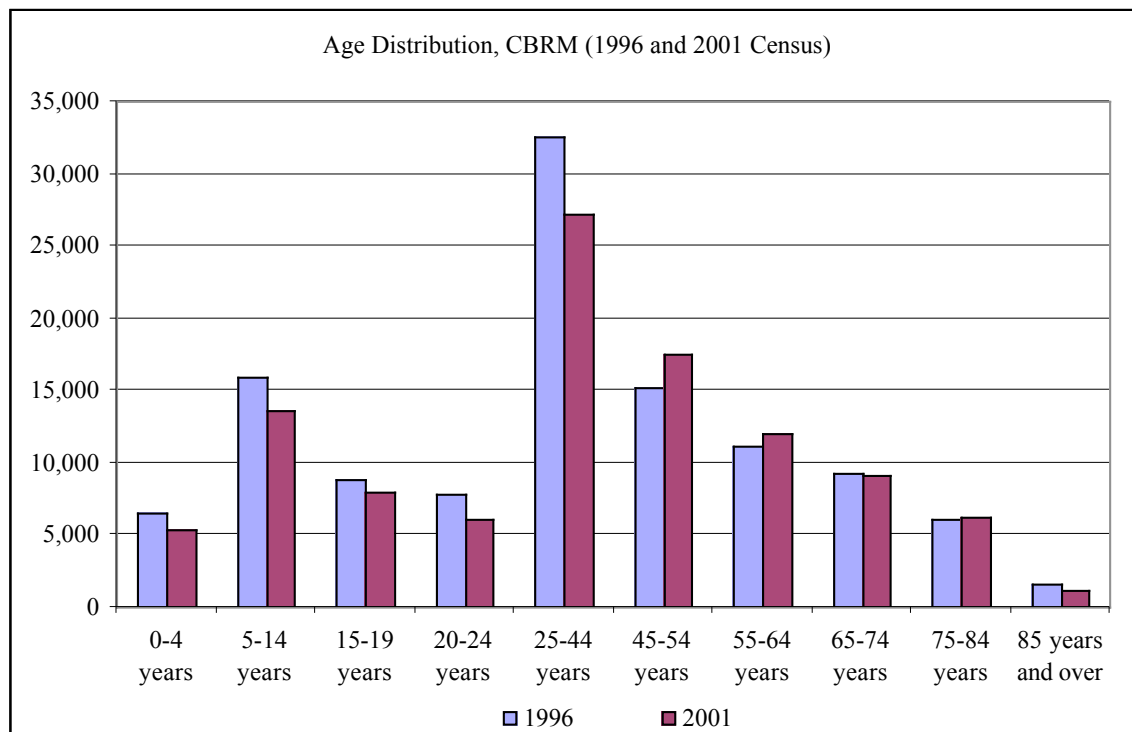
- Review the 2000 Tele-service Labour Force Study.
- Assemble and review general population and labour force information for Cape Breton Regional Municipality (CBRM).
- Complete in-depth interviews with tele-service companies operating in CBRM to record their operational experience over the past two years.
- Analyzed Cape Breton County Skills Inventory data.

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- EI claims and data as provided by HRDC has also been used to assess potential labour supply.
 - Compare and contrast methodology used in the previous study with alternative information sources available for this review.
 - Provide a five year projection of the availability of labour force for the tele-service industry.

General Population and Labour Force Trends

As has been well documented, Cape Breton has faced serious economic challenges that have impacted greatly on its demographics and labour force. The economy has undergone a major transition especially over the past few years. Within CBRM, major traditional employers related to the coal and steel industries have ceased to operate. Over the same time period, new industries are emerging as significant forces in the economy.

The closure of the steel mill and coal mines has had a noticeable impact in CBRM. According to the 2001 census, the population of CBRM has dropped since 1996 by 8 percent from 114,700 to 106,000 persons. As can be seen in the following chart, much of the decline in population has occurred in the younger age groups.



All age groups under the age of 45 years have shown decreases over this five year period. During this same period, the older age population has generally increased. Similar trends are evident in other rural areas of both Nova Scotia and other provinces. These changes in demographics are largely explained by a net out-migration of those in the younger age categories, as well as by the general aging of the population. Much of the out-migration likely occurred between 1996 and 2000. Data is not available to confirm.

A review of estimated CBRM labour force activity is contained in Table 1. It shows overall employment levels held relatively steady between 1997 and 2000. The associated unemployment over this same time period dropped from almost 20 percent to about 17.5 percent. Between 2000 and 2002 net employment levels increased by about 1,500 positions. The unemployment rate dropped to an annual average rate of 15.1 percent in 2002 and in fact, monthly data show the rate dropped even further during the final three months of 2002 when the rate averaged 13.1 percent. Much of the employment growth in CBRM can be credited to the emergence of the tele-service industry. This growth is having an impact on overall unemployment levels.

Table 1
CBRM Estimated¹⁾ Labour Force Statistics
1997-2002

	Labour Force (000's)	Employment (000's)	Unemployment Rate %	Participation Rate %
1997	46.6	37.5	19.6	52.0
1998	47.2	38.7	18.0	53.0
1999	45.9	37.9	17.4	51.8
2000	45.7	37.7	17.5	51.7
2001	47.3	39.3	17.0	54.0
2002	46.1	39.0	15.1	53.0

1) Derived for CBRM from Labour Force Statistics published for Cape Breton Island.

A review of census-based occupational data as published by Statistics Canada shows a general shift in the economy away from traditional industries to more service-based industries. In 1996, the trades, primary industries, manufacturing and utilities accounted for 28.2 percent of all occupations. By 2001, the percent share had dropped to 24.3 percent, a drop of almost 2,200 persons. Service-based occupations increased their share of the total going from 71.8 percent in 1996 to 75.6 percent in 2001.

Table 2
Number of Persons in CBRM by Occupation, 1996-2001

	1996		2001	
Management occupations	2,470	5.7%	2,895	6.9%
Business, finance and administrative occupations	6,130	14.1%	6,100	14.6%
Natural and applied sciences and related occupations	990	2.3%	1,290	3.1%
Health occupations	3,165	7.3%	3,540	8.5%
Occupations in social science, education, government service and religion	3,435	7.9%	3,590	8.6%
Occupations in art, culture, recreation and sport	900	2.1%	790	1.9%
Sales and service occupations	14,125	32.4%	13,375	32.0%
Trades, transport and equipment operators and related occupations	7,635	17.5%	6,960	16.7%
Occupations unique to primary industry	2,850	6.5%	1,785	4.3%
Occupations unique to processing, manufacturing and utilities	1,835	4.2%	1,380	3.3%
	43,535	100%	41,705	100%

Source: Census 2001

The emergence of occupations provided by the tele-service industry in part explains this shift. The closure of the steel mill and coal mines explains why the percent accounted for by the primary and manufacturing industries has decreased.

Estimating Potential Tele-Service Labour Supply

Our starting point for this analysis was to review the approach and data sources used in the 2000 study. Since that study was completed, as noted in the introduction, the tele-service industry has increased both in terms of number of operators, scale of operation and in the number of people employed. The fundamental difference between information available for the current analysis versus the previous is that we have had the opportunity to draw on actual industry experience operating in the Cape Breton labour market. This operational experience was documented through the conduct of extensive interviews with 5 of the 6 major players in this industry.

The following summary table compares the data sources and approaches used between the two studies.

Table 3
Study Data Source Comparison

	2000 Study	2002 Study
Unemployed	Based on labour force activity, they estimated there were 8,400 persons unemployed in CBRM in fall of 2000. This was the starting point for estimating number of people available.	A similar estimate for late 2002 is about 8,300 persons.
Involuntary Part-Time	Estimated an additional 3,700 persons participated in labour force who would rather work full time, but were only able to get part-time work. This information came from the Labour Force Survey.	We understand this involuntary part-time data is no longer collected as part of the Labour Force Survey. Best assumption we can make is that the ratio has shifted in favour of full-time work.
EI Claim Survey Data	In Spring 2000, a survey of EI claimants was conducted that profiled claimants by occupation. This provided a means to estimate the proportion of the unemployed who had past experience education suitable to be candidates for the tele-service industry jobs. The claimant survey showed there were 3,305 individuals who might be appropriate for the tele-service industry.	Survey has not been repeated for EI claimants. Some information used in previous study is still valid as a proxy for the current analysis. Our review of the EI claim data suggests that of the approximately 10,000 claimants in 2002, almost 2,900 fell into occupations that could be of interest to the tele-service industry.

	2000 Study	2002 Study
Job Skills Inventory Survey	EI survey referred to above was the pilot for this more general survey. The results of general survey were not available to the 2000 study.	Job skills inventory data is available for current analysis. This data provides an indication of the number of people who currently have jobs for which the educational attainment suggests they are over qualified and could be recruited to the tele-service industry.
Census Data	Relevant census data was not available to the 2000 study.	2001 census is available and shows a decline in population in age groups the tele-service industry targets. Also, shows impact of mine and steel mill closures.

Interviews with Representatives of Call Centres

As noted, we conducted extensive interviews with 5 of the 6 tele-service firms in CBRM. The focal point of the interviews evolved around discussions related to the occupations found in the industry.

Occupation breakdown within tele-service centres varies, but for most centres, the following occupations are represented:

- Customer Service Representatives (CSRs), Agents, and Sales Associates
- Supervisors
- Technical Support Specialist, Operations Specialists
- Group Managers/Managers
- Training Staff
- Administrative and Centre Support Staff

Customer Service Representatives are the front-line of the industry, dealing directly with the public in inbound and outbound centres. Inbound centres provide client support in a number of capacities, some including technical product support for the computer hardware and software industries. Outbound centres specialize in marketing, sales, and solicitation. Depending on the centre and the client, most qualified CSRs will have customer service experience, communication skills, and an aptitude for computing.

Supervisors oversee CSR activity in centres. Tele-service centres each have a recommended ratio of supervisors to “agents”, and staff accordingly. Supervisors are often hired from within the experienced agent pool, and thus have the same skill-sets as are required of agents. They are responsible for the performance and quality of service of the agents who report to them.

Technical Support Specialists are CSRs with special computing skills, advanced experience or proficiency in CSR duties. People in this occupation are adept at providing

customer support for computer hardware and software applications. They would have intermediate to advanced computing skills, and the ability to carry on multiple-tasks at once (including multiple client interfaces).

Group Managers vary in number and scope of work. They may be ultimately responsible for a single client, or for a service provided by the centre. Group managers typically have past managerial experience, knowledge of the call-centre atmosphere, and customer service, organizational, and communications skills. Managers are sometimes recruited from the CSR or agent pool, and sometimes hired from other centres both inside and outside the region.

Training Staff are responsible for training CSRs on an initial and ongoing training basis, as client needs and/or the client base changes. Trainers take part in “train the trainer” programs administered from outside the centre (or higher up within the organization). Trainers also administer refresher courses for CSRs, to maintain high levels of proficiency for job-related tasks. Trainers usually receive in-house training and regular skills upgrades.

Administrative and Centre Support Staff include a wide range of occupations, including reception, payroll, accounting, and Local Area Network (LAN) support. Depending on the specific occupation, workers can be hired from internal staff, or must be acquired from outside (in the case of highly trained LAN administrators). Skill sets for these occupations range from basic computing and communications skills, to advanced or customized training with software applications and experience with hardware, programming, database and networking training.

Occupations within Tele-Service Companies

Occupational breakdown within surveyed companies shows a distribution of Customer Service Representatives (CSRs, “Agents”) as entry level positions, followed by admin staff, IT technicians, and supervisors. Higher level occupations include trainers, group/account leaders and manager, and site managers. It was noted that there is some upward mobility within the organizations, depending on the needs of the company and employee experience and skill sets. For example, supervisors and managers are often recruited from within the company, when appropriate and available.

Information collected is reported in a consolidated format. More detailed analyses follows on an occupation-by-occupation discussion. Within each occupation discussion, we address salary levels, education training requirements, recruiting and retention experience, and, employee demographics. Following the occupation specific discussion, there is a general review of turnover experience and other general comments about the overall labour pool.

Customer Service Representatives/Agents/Sales Associates

Salary, Education and Training

- Rate of pay ranges from around \$9.00-\$10.25/hr to start – bonuses and incentives available in most cases.
- Most positions are full-time positions, some part-time positions available; part-time positions are normally used as a retention strategy. Part-time employment opportunities are sometimes offered, appealing to students in CBRM.
- A minimum of Grade 12 education (or equivalent) is asked of potential employees by all surveyed companies; some positions require basic to advanced computing skills and/or technical certification (e.g., MCSE) in order to satisfy client needs.
- Depending on the complexity of the job, training is done “in-house” and/or on-the-job; refresher training is often employed to keep employees up to date on current practices, strategies, and client needs. Training courses vary in length of time.

Recruiting and Retention

- Some recruiting difficulties have been encountered.
- Due to computer-specific requirements of the job and the highly technical nature of client needs, certain tele-service centres have had to become creative in finding solutions to a changing labour force.
- Recruiting challenges were attributed to call-centre competition, and the fact fewer people with the specific skill sets required in the tele-service industry are as readily available in the CBRM. Pre-training, recruiting outside CBRM, and use of educational institutions in the area are aimed at alleviating employment challenges.

Employee Demographics

- Only one respondent noted that the majority of employees in this position were under the age of 25. Other respondents said more experienced individuals in customer service and other industries had important skills for this occupation.
- 3 out of 5 respondents said the majority of employees in this occupation were female.

Supervisory Positions

Salary, Education and Training

- Supervisors and supervising managers are paid more than CSRs/Reps/Agents, with salaries ranging from \$25,000 per year to \$40,000 per year, excluding benefits.
- Grade 12 with some experience is required at most companies; managerial experience and/or a university degree are preferred.
- On-the-job and in-house training is provided; often, supervisors are promoted internally. Client-specific training is performed where necessary.

Recruiting and Retention

- Most respondents stated there was little problem recruiting or retaining supervisors.
- Any temporary problems with retention of employees in this occupation are addressed by filling in duties from the CSR/Agent pool.

Employee Demographics

- Employees in supervisory positions are equally represented by females and males.
- Almost all supervisors are full-time employees between the ages of 25 and 34.

Operations and Technical/IT Specialists

Salary, Education and Training

- Ops specialists duties are often similar to CSR duties, but the highly technical nature of the occupation commands a higher starting salary.
- Hourly wages for Ops and IT Specialists start at over \$11.00 per hour.
- In-house, client-specific training is provided by the centres. educational and professional experience should reflect intermediate computing skills and/or experience with hardware and software applications.

Recruiting and Retention

- Some challenges were observed in recruiting IT specialists from the CBRM area. Alternatives to sourcing labour from the local area are recruiting from other parts of the province, and outside the region.

Employee Demographics

- Apart from technologically-advanced positions in the CSR/Agent occupation, Operations and IT Specialists tend to be over the age of 25.
- Results from the survey suggest that there are more women than men in this occupation.
- Technological advancement of basic CSR/Agent duties suggests that more IT experience will be required to fill expanding centre-duties in the future, both in this occupation and the CSR/Agent occupation.

Managers

Salary, Education and Training

- Managers play various roles among tele-service centres in the CBRM, ranging from the management of small groups, to higher-level centre management duties.
- Salaries for managers are competitive with executive pay scales in other industries.
- Education requirements range from “some college experience” to between 3 and 7 years experience in management positions, a business degree, and/or financial background.
- Training is done in-house, and is often client-specific.

Recruiting and Retention

- No problems were reported in recruiting or retaining managers.

Employee Demographics

- The majority of managers are over the age of 25 and work full-time.
- There are slightly more males than females currently working in management positions in the industry.

Trainers

Salary, Education and Training

- Trainers' salaries range from \$9.25 per hour to upwards of \$13.00 per hour.
- Employees typically have some sort of training background or experience (or a college degree), and company sponsored, in-house training (i.e. "train the trainer") is usually provided. One company offers computer-based training, which the employee can complete at home.

Recruiting and Retention

- No problems were reported in recruiting or retaining trainers. One company relies heavily on external postings for trainers, as the expertise is not always available from within the existing employee pool.

Employee Demographics

- Trainers in the CBRM were typically over the age of 25.
- More females than males are employed in this occupation.

Administrative and Support Staff

Salary, Education and Training

- Admin positions are paid between \$25,000 and \$32,000 annually, before benefits.
- Basic high school education is generally requested, with some background in accounting or business.
- In house, on-the-job, and/or formal training is often given to these employees.

Recruiting and Retention

- Companies report having no challenges recruiting or retaining employees in this occupation. Internal postings are frequently used as a way of filling vacant positions.

Employee Demographics

- In the CBRM, the majority of Administrative and Support staff are females over the age of 35.

General Comments Applicable to All Centres

- Group health and insurance benefits are available in all surveyed companies. Certain companies offer a more detailed benefits package, including pension plan, workers compensation, and disability packages.
- Vacation and paid sick-leave vary between employers; all offer paid vacation time. Some companies offer vacation-time rewards as performance and quality incentives.
- All companies have participated in some sort of Job Fair for recruiting new employees. Type and frequency vary within the industry. Word of mouth is cited as the best way to obtain new employees. A number of companies also use HRDC employment services, and visits to schools and universities.
- Employees tended to live within close proximity to their place of employment (as estimated by respondents). Four out of five respondents stated that the majority of their workforce lived less than a half-hour away from work. There was a general feeling that people in the area tend to look for work in the towns and cities closest to that in which they reside, rather than look for work which would require, say, a 30-minute commute.

Turnover Rates

In the US and Canada, average turnover rates for call centres range from 22 to 37 percent¹ per year, with outbound call centres generally having higher turnover rates than inbound centres. Average annual labour turnover rate for the five surveyed companies was about 23%, which is at the low end of industry averages. Given this rate, and the current estimated employment level in the CBRM industries (excluding the Port Hawkesbury operation of EDS), it is estimated that approximately 850 replacement workers will be required to fill vacancies in the six companies. About 40 percent of this turnover is accounted for by the movement of workers from one tele-service company to another.

¹ Turnover is a measure of the number of employees exiting the job as a percentage of the average number of employees.

Table 4 illustrates the current and future demand for workers due to turnover. Estimates are based on informants' responses to inquiries on planned expansion for the next two years, and in the next five years. In some cases, expansion was unknown due to the client-driven nature of operations, which can increase operations activity with short notice.

Table 4
Annual Labour Demand due to turnover and expansion,
CBRM Tele-Service Industry

Year	Estimated Turnover
2003	854
2004	1,028
2005	1,028
2006	1,028
2007	1,037
total for next five years	4,975

Labour Pool

The previous study noted that the tele-service industry could rely on two sources for satisfying labour demands: the unemployed, and involuntary part-time workers.

Responses from the tele-service centres interviewed show that:

- Fewer unemployed workers are being hired, as compared with earlier in the industry's history in the CBRM.
- Many part-time workers are university students who work part-time through the year, and full-time through the summer months. Recent grads are also hired immediately after finishing school.
- Current applicants and recent hires tend to be from the underemployed² pool.
- People with a few years of retail and customer service experience are hired by tele-service centres, which contribute to the higher percentage of "over 25 year-olds" working in the industry.

² Underemployed in this case refers to those individuals who are not utilizing their training and/or skill sets to their full potential. For example, a university student with a computing science degree who is working in retail could better use those computing skills in certain tele-service positions.

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- The tele-service industry is utilizing work re-entry programs more frequently. These programs are designed to bring persons who have been outside the labour force for extended periods of time back into the workforce. As well, some centres work with local education institutions in specially designed programs for youth, First Nations, and other groups of individuals to provide often-required skill sets such as typing and computer literacy. Retention rates of these employees vary.
 - The ability to provide a labour force of experienced customer-service workers with the desired computer skill-sets will continue to rely on local training and education, along with in-house tele-service industry training programs.
 - Tele-service centres tend to draw on the nearest community's labour pool.

Labour Market Supply Analysis

Based on the review of labour force activity, new census data and the operational experience of the call centres, the future demographics of the CBRM labour market will continue to change, as it has since the inception of the tele-service industry in the area.

The key points include:

- There has been an out-migration of less than 45-year-old adults. This is a demographic targeted for employees by the tele-service industry.
- The annual unemployment rate for CBRM has dropped from almost 20 percent to about 15 percent in the last year.
- Tele-service firms are reporting that recruitment of some highly skilled workers is becoming more challenging.

On the demand side, the tele-service firms now employ about 3,700 people in CBRM. Potential expansion is difficult to predict categorically, as the future scale of operations are highly dependent on success the firms have in attracting new contracts. We estimate future employment needs in the order of 1,500 more employees over the next two years. Further expansion beyond that is difficult to assess. For the purpose of this analysis, we assume conservatively that further expansion of about 500 jobs will take place between years two and five.

The tele-service firms cumulatively also experience an annual turnover rate in order of about 23 percent of all employees, about 850 people per year. Although estimates vary, we assume that about 40 percent of turnover is accounted for by those moving to other jobs with other tele-service companies in CBRM. The remaining 60 percent (around 500) leave the industry entirely. The reasons for this vary, some return to former jobs, others go back to school or leave the area altogether.

Based on the known expansion plans, this turnover rate will require a continuous supply of new recruits, between about 500 and about 600 per year over the next five years. The table below shows this trend.

Table 5
Tele-service Industry Employment
and Turnover, 5-year Forecast³

Year	Industry Employment	40% retained in industry	60% lost by industry
2003	3,706	342	512
2004	3,706	342	512
2005	4,549	411	617
2006	4,549	411	617
2007	4,549	411	617

Job Skills Inventory

The Cape Breton County Skills Inventory (undertaken by HRDC in 2001) showed that there is substantial retraining taking place in the Cape Breton County economy, and that despite the current occupation held by workers in the county, there is a broad background of varied skill-sets among workers in all industries.

We have processed data that was based on a full sample household survey of residents in CBRM. This survey documents the full suite of skills and training that individuals have regardless of labour force attachment. We have prepared three summary tables which show information extracted from the inventory. In all tables, we show occupational categories often targeted by the tele-service industry. The tables in part explain why the tele-service industry has been successful in recruiting workers who have existing employment. It appears many CBRM residents have taken training or have education levels that exceed that required for current occupations. The tele-service companies are now reporting that they are reaching a point where many of those that fit this description have in fact been hired.

³ Note: employment forecasts based on known expansion plans of 5 of the 6 existing tele-service centres surveyed in the CBRM.

Data from the Skills Inventory describe 35 occupational categories, of which 22 would contain potential candidates for the tele-service industry. Approximately 7,600 interviews were completed during the study, about 5,100 interviews were with people that were classified as in occupations that could be of interest to the tele-service industry. These occupation types would have the basic skill set sought by the tele-service industry, and some of which would exceed basic qualifications.

Table 6 outlines the occupational categories and basic age and gender distribution in the 2001 Cape Breton County Skills Inventory.

Table 6
Occupational Categories, Gender Distribution and Other Skills Reported
Cape Breton County

Occupational Category	Number Sampled	% Male	% Female	Other Skills Reported ⁴	
Airline Sales and Service Agents	1	n/a	n/a	<ul style="list-style-type: none"> • travel agent 	<ul style="list-style-type: none"> • property management
Attendants in Amusement, Recreation, and Sport	32	53	47	<ul style="list-style-type: none"> • campground attendant • lot attendant • power engineer 	<ul style="list-style-type: none"> • fish plant worker • equipment repair • assistant manager
Cashiers	511	5	95	<ul style="list-style-type: none"> • bank teller • waitress/server • cook/baker • supervisor 	<ul style="list-style-type: none"> • assistant manager • bookkeeper • personal care worker
Chefs, Cooks and Bakers	332	35	65	<ul style="list-style-type: none"> • homecare worker • clerk/floor clerk • waitress/bartender/server • cashier 	<ul style="list-style-type: none"> • fish plant worker • dietary aid/nutrition • retail/sales clerk • store manager
Computer Analysts	44	83	17	<ul style="list-style-type: none"> • dispatcher • secretary • teacher/instructor • cashier/clerk/customer service • scanning technician • business analyst 	<ul style="list-style-type: none"> • sales • assistant manager • help desk support/nortel/computer upgrading/network support • carpentry • bartender • telemarketer

⁴ Refers to Question 6A of the skills inventory, "Do you have any other occupations in addition to this one, that you have worked in at any time over the past five years?" Raw data supplied by HRDC. Multiple answers were often given.

Occupational Category	Number Sampled	% Male	% Female	Other Skills Reported ⁵	
Family, Marriage and Other related Counselors	183	31	69	<ul style="list-style-type: none"> • labourer • real estate • cashier/clerk • program development • telemarketing • firefighter • waitress 	<ul style="list-style-type: none"> • teacher • fitness coordinator • court worker/youth justice worker • journalism • port clerk • Union president
Front Desk Clerks and Other Attendants in Travel	35	29	71	<ul style="list-style-type: none"> • bartender/waiter • cashier • carpenter/labourer • secretary 	<ul style="list-style-type: none"> • security • management • quality assurance representative • tourist clerk
General Office Clerks	1439	11	89	<ul style="list-style-type: none"> • retail/sales clerk • cashier/store clerk • secretary/bookkeeper • waitress/server/bartender 	<ul style="list-style-type: none"> • business/store manager • accountant/acc. clerk • tourism & hospitality
Hospitality and Food Service	663	24	76	<ul style="list-style-type: none"> • retail/sales clerk • cook • cleaner/housekeeper/janitor • waitress/bartender/cashier • fast food clerk/attendant 	<ul style="list-style-type: none"> • fisherman/plant worker • childcare worker • carpentry/painting • labourer
Librarian and Archive Technicians	24	17	83	<ul style="list-style-type: none"> • grocery clerk • marketing assistant 	<ul style="list-style-type: none"> • lab assistant
Light Duty Cleaners and Executive Housekeepers	308	15	85	<ul style="list-style-type: none"> • store clerk/cashier • waitress/bartender • cook/baker • homecare • maintenance 	<ul style="list-style-type: none"> • fast food restaurant • housekeeping director/supervisor • cook's helper/kitchen helper • hotel/motel worker
Managers	299	45	55	<ul style="list-style-type: none"> • truck driver • construction • teaching assistant/teacher • manager • silviculture supervision • HR Trainer in Life Skills • property management 	<ul style="list-style-type: none"> • call centre/telemarketing • marketing/sales director • federal government • shipper/receiver • retail manager/project manager • police officer

⁵ Refers to Question 6A of the skills inventory, "Do you have any other occupations in addition to this one, that you have worked in at any time over the past five years?" Raw data supplied by HRDC. Multiple answers were often given.

Occupational Category	Number Sampled	% Male	% Female	Other Skills Reported ⁶	
Visiting Homemakers, Housekeepers and Related Occupations	267	2	98	<ul style="list-style-type: none"> • cashier • babysitter • clerk/office worker/bookkeeper 	<ul style="list-style-type: none"> • cook/waitress/bartender • housekeeper/janitor • retail/sales clerk
Public Relations and Communications	12	25	75	<ul style="list-style-type: none"> • secretary • journalism • teacher/instructor • system coordinator • bellman 	<ul style="list-style-type: none"> • media • PR coordinator • manager • community officer • counsellor
Retail Salesperson	672	21	79	<ul style="list-style-type: none"> • cashier/retail sales clerk • waitress/server • bookkeeper/office clerk • babysitter/housekeeper • telemarketer/telecommunications • business/dept. manager 	<ul style="list-style-type: none"> • teacher's assistant • cook/baker • floral designer • business owner • receptionist/front desk clerk
Retail Trade Supervisors and Buyers	27	19	81	<ul style="list-style-type: none"> • office clerk/bookkeeper/accounting • telemarketing • Bed & Breakfast • Retail Merchandiser • tax preparer 	<ul style="list-style-type: none"> • industrial cleaning • tour guide • teaching • environmental project worker
Sales Representative, Wholesale Trade	106	68	32	<ul style="list-style-type: none"> • sales clerk • hotel • courier 	<ul style="list-style-type: none"> • health care • warehouse manager • entrepreneur
Security Guards and Related Occupations	63	84	16	<ul style="list-style-type: none"> • cleaner • clerk/cashier/waitress • secretary/office clerk • management 	<ul style="list-style-type: none"> • truck driver • government • labourer
Technical Occupations, Graphic Designers and Illustrating Artists	32	51	49	n/a	
Telecommunications Workers	5	100	0	<ul style="list-style-type: none"> • construction/carpentry • electrician 	<ul style="list-style-type: none"> • maintenance • store clerk

⁶ Refers to Question 6A of the skills inventory, "Do you have any other occupations in addition to this one, that you have worked in at any time over the past five years?" Raw data supplied by HRDC. Multiple answers were often given.

Occupational Category	Number Sampled	% Male	% Female	Other Skills Reported ⁷	
Ticket and Cargo Agents	18	33	67	<ul style="list-style-type: none"> • stenographer • sales • reservations/tourism • teacher/instructor 	<ul style="list-style-type: none"> • mail room clerk • supervisor • traffic clerk/ convenience store/ cashier • resident assistant
Tour and Travel Guides	11	18	82	<ul style="list-style-type: none"> • teaching • store clerk 	<ul style="list-style-type: none"> • research and development
Total	5084				

The table above shows that, within each occupation type, there are a variety of skill sets held by workers. Interviews with HRDC officials show that employee retraining is common in the CBRM. Data from the Cape Breton Skills Inventory support this conclusion, wherein the types of jobs held by skilled workers in the past may or may not be related to their current occupation.

Table 7 below illustrates the age distribution among the occupation types studied in the 2001 HRDC “Cape Breton County Skills Inventory.”

The heading “degree of underemployment” reflects the consultant’s view of whether there exists a degree of underemployment within the sampled population, based on the likely education requirements for the occupational category, and the education level attained by the survey respondents.

A score of 1 denotes a high degree of underemployment; a score of 2 denotes no conclusive data to judge degree of underemployment, and a score of 3 denotes little or no obvious underemployment.

⁷ Refers to Question 6A of the skills inventory, “Do you have any other occupations in addition to this one, that you have worked in at any time over the past five years?” Raw data supplied by HRDC. Multiple answers were often given.

Table 7
Age Distribution and Underemployment by Occupational Category,
Cape Breton County

Occupational Category	Education Level	% 18-24 Years Old	%25-34 Years Old	% 35 Years and Over	Degree of Under- employment
Airline Sales and Service Agents	-	n/a	n/a	n/a	2
Attendants in Amusement, Recreation, and Sport	• 81% high school or higher	31	34	35	1
Cashiers	• 80% high school or higher	25	26	49	1
Chefs, Cooks and Bakers	• 70% high school or higher	13	24	63	3
Computer Analysts	• 87% had at least some post secondary	27	41	32	3
Family, Marriage and Other related Counselors	• 90% post-secondary	6	30	64	3
Front Desk Clerks and Other Attendants in Travel	• 88% high school or higher	20	29	51	1
General Office Clerks	• 94% high school or higher	5	19	76	1
Hospitality and Food Service	• 76% high school or higher	27	24	49	1
Librarian and Archive Technicians	• 75% post-secondary	4	8	88	3
Light Duty Cleaners and Executive Housekeepers	• 50% high school or higher	5	13	82	3
Managers	• 90% high school or higher	3	23	74	2
Visiting Homemakers, Housekeepers and Related Occupations	• 66% high school or higher	14	14	72	3
Public Relations and Communications	• 100% high school or higher, 83% post secondary	17	25	58	3
Retail Salesperson	• 84% high school or higher	22	21	57	1
Retail Trade Supervisors and Buyers	• 89% high school or higher	0	22	78	2
Sales Representative, Wholesale Trade	• 94% high school or higher; 45% post secondary	6	25	69	1
Security Guards and Related Occupations	• 73% high school or higher	10	27	63	1
Technical Occupations, Graphic Designers and Illustrating Artists	• 94% high school or more; 66% post secondary	0	31	69	3

Occupational Category	Education Level	% 18-24 Years Old	%25-34 Years Old	% 35 Years and Over	Degree of Under-employment
Telecommunications Workers	• 40% “some” post secondary; 40% post secondary	20	60	20	3
Ticket and Cargo Agents	• 89% high school or higher; 28% post secondary	11	11	78	2
Tour and Travel Guides	• 82% high school or higher; 27% post secondary	9	9	82	1

Results from the skills inventory show that the majority of people working in occupations which could lend themselves to tele-service workforce have at least a high school education. Some degree of post-secondary education can be found in nearly all of the occupations surveyed.

Underemployed workers in the labour force are often attracted to the tele-service industry. The table below shows the occupational categories where some degree of underemployment is noted.

Table 8
Underemployment in Tele-Service related Occupations

Occupational Category	Number Sampled
Attendants in Amusement, Recreation, and Sport	32
Cashiers	511
Front Desk Clerks and Other Attendants in Travel	35
General Office Clerks	1439
Hospitality and Food Service	663
Retail Salesperson	672
Sales Representative, Wholesale Trade	106
Security Guards and Related Occupations	63
Tour and Travel Guides	11

*Sample data from the Cape Breton County Skills Inventory (HRDC)

Table 9
Age and Gender Distribution from
Cape Breton County Skills Inventory

	18-24 years old	25-34 years old	35 years and over
Males	3%	5%	13%
Females	11%	17%	52%

*Note: Totals do not add to 100% due to rounding

Employment Insurance Claim Data

HRDC has provided data for open claims in CBRM in 2002. Table 10 summarizes the occupations which serve as traditional targets for the tele-service industry. This data suggests there are about 2,900 people or about 30 percent of all those on claim (about 10,000) who have occupations that are complementary to those sought by the tele-service industry. This represents a decrease since the analysis for the previous study was undertaken of about 15 percent (2,900 versus 3,300).

Table 10
HRDC EI Claimant Data, Cape Breton County – 2002

NOC	Name	Cape Breton County
14	Senior Managers - Health, Education, Social and Community	6
114	Other Administrative Services Managers	7
213	Computer and Information Systems Managers	6
611	Sales, Marketing, and Advertising Managers	19
621	Retail Trade Managers	54
631	Restaurant and Food Service Managers	28
632	Accommodation Service Managers	14
911	Manufacturing Managers	13
1114	Other Financial Officers	3
1211	Supervisors, General Office and Administrative Support Clerks	10
1221	Administrative Officers	55
1222	Executive Assistants	7
1231	Bookkeepers	41
1241	Secretaries (except legal and medical)	107
1243	Medical Secretaries	16
1411	General Office Clerks	260
1413	Records Management and Filing Clerks	6
1414	Receptionists and Switchboard Operators	54
1421	Computer Operators	3
1422	Data Entry Clerks	14
1424	Telephone Operators	81
1431	Accounting and Related Clerks	29
1432	Payroll Clerks	7
1433	Customer Service Representatives – Financial Services	46
1434	Banking, Insurance and Other Financial Clerks	8
1441	Administrative Clerks	30
1442	Personnel Clerks	6
1453	Customer Service, Information and Related Clerks	99
2147	Computer Engineers (except software engineers)	3
2162	Computer Systems Analysts	3
2163	Computer Programmers	-
2171	Information Systems Analysts and Consultants	6
2174	Computer Programmers and Interactive Media Developers	3
2281	Computer and Network Operators and Web Technicians	3
4153	Family, Marriage, and Other Related Counsellors	15
5124	Professional Occupations in Public Relations and Communications	17

NOC	Name	Cape Breton County
5211	Library and Archive Technicians and Assistants	8
5212	Technical Occupations Related to Museums and Art Galleries	61
5241	Graphic Designers and Illustrators	5
6212	Food Service Supervisors	5
6213	Executive Housekeepers	18
6242	Cooks	192
6252	Bakers	34
6411	Sales Representatives - Wholesale Trade	12
6421	Retail Salespersons and Sales Clerks	307
6433	Airline Sales and Service Agents	3
6434	Ticket Agents, Cargo Service Representatives and Related Clerks (Except Airline)	29
6435	Hotel Front Desk Clerks	32
6441	Tour and Travel Guides	10
6442	Outdoor Sport and Recreational Guides	-
6443	Casino Occupations	26
6451	Maitres d'hotel and Hosts/Hostesses	19
6452	Bartenders	52
6453	Food and Beverage Servers	176
6471	Visiting Homemakers, Housekeepers and Related Occupations	128
6611	Cashiers	176
6622	Grocery Clerks and Store Shelf Stockers	31
6641	Food Counter Attendants, Kitchen Helpers and Related	74
6642	Kitchen and Food Service Helpers	5
6651	Security Guards and Related Occupations	86
6661	Light Duty Cleaners	255
6671	Operators and Attendants in Amusement, Recreation, and Sport	32
6672	Other Attendants in Accommodation and Travel	7
6683	Other Elemental Service Occupations	5
7245	Telecommunications Line and Cable Workers	6
7246	Telecommunications Installation and Repair Workers	5
	Total (of 10,035 EI Claims)	2,878

Training and Education

In-house training is employed at all call centres in the CBRM in order to cater to specific client needs and provide basic skills to new employees. This training is typically performed by in-house trainers, by outside consultants, or by trainers from higher up within the corporation (i.e. from head office). Refresher courses are a key aspect of the training regime.

Demands for staff who have computing, communication, and tele-service skill sets are met in many ways:

- Graduates from local institutions such as the University College of Cape Breton, the Marconi Campus of the Nova Scotia Community College, and the Cape Breton Business College.
- Company-institution linkages which provide specialized training programs for staff. Normally these programs are proposed by the tele-service industry players; these programs are growing and changing to adjust to industry demands.
- Special programs from UCCB and NSCC designed for workforce re-entry and skills/training partnerships, providing necessary skill sets for immigrants, Aboriginals, African Nova Scotians, youth at risk, and other groups.

NSCC provides a number of one and two-year full-time programs, focussed on basic computing and office-related applications, to certified networking and IT programs. Call-centre/telemarketing program at NSCC in the past have produced about 90 graduates per year, some of which stay in the tele-service industry. Nearly 90% of NSCC grads from these programs find work in the area after graduation.

Response from industry suggests that increasing the size of tele-service related programs and continuing to work with industry to provide students with a true call-centre atmosphere, will produce a larger, higher quality labour force.

The Cape Breton Business College has worked with a number of tele-service centres in the past, who seem to be satisfied with the wages that can be offered after completing a 12-month program. The College graduates approximately 150 students from certification

programs in software and hardware maintenance skills. All programs have an English communications aspect.

Interviews with both tele-service representatives and with education and training institutions show that there is a need for greater communication between the industry and the educational/training sector. In some cases, industry-education linkages are being forged to promote industry participation in some full-time programs to increase the industry's profile in the community, and provide appropriate training for students.

Industry notes the current programs could be modified and/or expanded to increase the number of qualified employees for centres in the CBRM and accommodate the changing needs of the industry. Potential tele-service employees sometimes go to work in other industries, or discover that they are not prepared for the demands and style of work in the tele-service industry (despite having the basic skill sets for the job).

As the industry becomes more technologically advanced, there will be a growing need to provide the labour force with highly skilled employees who not only have advanced computing skills, but also have an awareness of real-world tele-service working conditions. Tele-service companies are beginning to note a changing labour market pool which they must adapt to, in order to meet their labour requirements.

Effective and ongoing communication between industry and education and training institutions should be aimed at ensuring the training received in call-centre programs is focussed on teaching the required skills in a realistic atmosphere, to produce well trained employees.

Summary

Table 11
CBRM Labour Supply and Demand for Tele-Service, Five-Year Outlook

Labour Supply		Labour Demand	
Total available to tele-service industry from unemployed sources	2,900	Current filled demand	3,700
		Planned expansion in next two years	800
		Planned expansion in next five years	1,100
		Annual replacement requirement due to turnover	500-630

The tele-service industry will have access to about 2,900 potential employees based on current unemployment rates. Within two years, planned expansions and regular turnover will create the need for about 2,000 new recruits. Fifty percent of this demand will be met through the hiring of people who are unemployed with tele-service related occupations. The remaining 50 percent are assumed to be attracted to tele-service jobs from the existing employed labour force. Table 12 shows that after five years, the unemployed with tele-service related occupations remains above 1,200 persons.

Table 12
Tele-Service Labour Demand on Unemployed Sector and Remaining Unemployed, CBRM

Year	New Growth and Turnover-demand on Unemployed Sector*	Revised Unemployed Labour Supply**	Total Remaining Unemployed with Tele-service Related Occupations
2003	255	2,900	2,645
2004	500	2,745	2,245
2005	530	2,345	1,815
2006	385	1,915	1,530
2007	395	1,630	1,235

* assumed to be about 50% of total demand

** base number increases each year due to an increase in participation rate

This analysis suggests the industry must continue to adapt to changing labour market situations when considering expansion of the sector. Although there is still significant unemployment in CBRM and lower than average turnover rates, there is a need to continue to improve training and education programs. Other complementary labour force improvement programs will be necessary to provide adequate and suitable candidates for the industry.