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# **Canadian Contact Centres Struggle with People, Processes & Technology**

30 Contact centre Management Issues That Impair  
Growth, Global Competitiveness and Privacy Compliance

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**Part 1 of 2**

**An Informatica Research White Paper By**

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## EXECUTIVE SUMMARY

Informatica Research has reports the results of its 3-year study of contact centres including management and employee interviews, on-site visits and documented policies. The findings speak for themselves:

1. 9 out of 10 contact centres have experienced at least one significant privacy breach in the past 6 months falling out of compliance with local privacy legislation.
2. Technology issues impacted productivity for over 94% of cases, leading to an average paid downtime of 47 minutes per week. In some cases exceeding 6000 hours per month in downtime. Associated costs were not available.
3. For over 80% of employees, the method of coping with traditional autocratic corporate culture is to systematically reduce the quality of their work and increasingly use their sick-time; even when a year-end payout for accumulated sick-time was an option. More than 60% of absenteeism is caused by stress in the workplace.
4. Information security issues ranging from unauthorized use of equipment to data theft was found in all cases, with over 95% opting to address the issue in-house and forego breach disclosure or investigation.
5. 7 out of every 10 contact centres lose money and have a high turnover rate. The primary cause identified is autocratic management.
6. 63% of the offshore business process outsourcing component of the \$11.4 billion U.S. call centre industry is in India.

### Conclusions:

Capability gaps in contact centre management account for the majority of effectiveness, privacy and security issues. In successful cases, a standard approach that embraces best practices, project management methodologies, enterprise risk management and enforced policies contributes to a working environment that reduces stress, increases productivity, decreases absenteeism.

In cases involving serious compliance, security and confidentiality issues, an improvement of over 80% was noted over the 6 month period following the adoption of management and employee education, shared policies, improved monitoring and effective control implementations.

As a result of this study and with the assistance of experienced contact centre managers, Informatica Research has created the Contact Centre Management Model (CCMM or C<sup>2</sup>M<sup>2</sup>), a standards-driven library of high level best practices, control objectives and activities designed to specifically address current and emerging risk while vastly reducing incident management costs.

Call centre executives, boards of directors and project managers have taken notice, inviting our consultants to speak in confidence. Informatica Research welcomes media interview requests. Management presentations that answer key questions related to efficiency, compliance and profitability should be directed to [info@InformaticaResearch.com](mailto:info@InformaticaResearch.com).

## INDUSTRY CHALLENGES

Ineffective people management may be costing Canadian Client Contact centres millions in lost revenue and corrective or compensating fees. Managers often ask these questions:

1. Is my staff's productivity optimal or are illness and reduced motivation related to declines in productivity?
2. Does our leadership team possess the knowledge and tools to ensure that staff is consistently productive and understands their role and job?
3. Are our performance indicators a sign of a high turnover rate and increased churn?
4. Is our Human Resource department experiencing elevated numbers of employee grievances and miscellaneous unresolved issues?

More than 60% of absenteeism is caused by employee stress (Chrysalis, 2003). One of the major causes of stress is the hierarchical organizational structure of Client Contact centres where the employee feels pressure from arbitrary management to perform to a level they do not understand or has not been fully communicated to them. Our own research and interviews with contact centre managers reveals that seven out of ten contact centres lose money due to high turnover rates caused by such autocratic management. The numbers are staggering; studies have found that one method used by over 80% of employees of coping with traditional autocratic corporate culture is to diminish the quality of their work and increasingly use their sick-time; even when a year-end payout for accumulated sick-time was an option (Duxbury).

*“90% of contact centres have experienced at least one serious privacy breach in the past six months.”*

Studies have shown that organizations practicing participatory management have better ideas, higher productivity rates and morale, lower turn-over, decrease absenteeism, and an increase confidence in decision making (Kravetz, 1996). Effective people management contributes to a working environment that reduces stress, increases productivity, decreases absenteeism and turn-over thereby positively affecting the profitability, growth and viability of a Client Contact centre. This form of Democratic management is achieved with increased training and follow-up, consistent and periodic coaching, open round table meetings where front line employees are asked to participate and collaborate, and effective management of staff. Recognizing that each individual employee is an integral part of an organization requires a change from the autocratic management style of the past to one that sees an organization as a sum of all its parts, in other words, a living and breathing entity.

India currently has 5-6% share of the business process outsourcing industry. This may not seem large until one realizes they have 63% share of the offshore component of the \$11.4 billion US industry (Pricewaterhouse Coopers, 2005). In order to stave off the tide, domestic contact centres are required to rethink how they operate, this includes the management of their staff. Informatica research found that staff in countries such as India and Philippines are better motivated than local staff, they are more devoted to the company and their role than North American staff. Though the local economic climate is a major contributor to this, it is not the main reason behind the trend.

There are several simple steps a Client Contact centre needs to go through in order to achieve positive process change:

1. employee involvement in key decision making,
2. focus coaching on individual employee areas of opportunity (weaknesses),
3. train management on people skills/soft skills of effective communication
4. on-site health and wellness seminars
5. employee assistance plans added to the existing benefits portfolio

## **PRIVACY & SECURITY IMPACT**

Research conducted across a broad spectrum of contact centres shows that – at least in Canada – contact centres are running the risk of falling out of compliance with federal and provincial privacy legislation. In 9 out of 10 cases, private information was unlawfully collected, preserved or disclosed at least once in the past 6 months and in many cases, subsequent incidents were not monitored, pointing to serious security and privacy monitoring deficiencies.

Securing client information and corporate knowledge bases is a major problem for the contact centre industry. The theft and sale of personal data by company insiders has the potential to cripple an organization not only through the loss of future revenue but by increased fines, legal defense costs, and the loss of business and damaged public image.

*“In almost all cases guilty individuals would not be prosecutable, while the company would bear the full brunt of the publicly damaging investigation.”*

Canadian contact centres need to share best practices in order to compete globally as they are not performing to the high standards of their foreign competitors. However, they must first adopt best practices that will allow them the visibility to control information, prevent / detect breaches and manage incidents. Privacy breaches have become the norm in contact centres where apathy towards sensitive data is approaching a dangerous level. While some organizations have rushed to adopt the latest technology, security and privacy, employee training and management accountability are nothing but an afterthought. In our study, 26 out of 29 contact centres had not taken any action following a security or privacy breach in the past 6 months. Security breaches encountered include:

1. unauthorized personal information disclosure through e-mails, instant messaging and other means,
2. failure of confidentiality controls to protect the data collected by the CSAs, insufficient employee education on managing confidential data,
3. lack of consistency in training across the workforce and the organization
4. compliance disconnect in social settings,
5. no internal/external follow-up protocols or compliance audit exist,
6. industry meetings and discussion of confidential matters among industry peer group
7. unaddressed breaches of employee confidentiality (salary, termination etc.)
8. weak AUP (Acceptable Use Policy) enforcement

In all 26 of 29 cases, prosecution of malicious behaviour would be practically impossible, extremely expensive and publicly damaging. At the same time, the organization would have to bear the brunt of a Privacy Commissioner investigation into the privacy and security practices (or lack thereof) that contributed to the loss of customer or employee information.

Informatica Corporation provides client contact centre organizations with confidential consulting solutions including program and project management, implementations, technology management, security & privacy management, risk assessments, employee training and management education. With over 18 years in the business, Informatica is a recognized industry innovator and its certified professionals are trusted business advisors.

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