Collective Voice under Decentralized Bargaining: A Comparative Study of Work Reorganization in US and German Call Centres

Virginia Doellgast
Cornell University, vld7@cornell.edu

Follow this and additional works at: https://digitalcommons.ilr.cornell.edu/articles

Part of the Collective Bargaining Commons, Human Resources Management Commons, and the International and Comparative Labor Relations Commons

Thank you for downloading an article from DigitalCommons@ILR.
Support this valuable resource today!
Collective Voice under Decentralized Bargaining: A Comparative Study of Work Reorganization in US and German Call Centres

Abstract
This article compares the process of and outcomes from work reorganization in US and German call centres, based on four matched case studies in the telecommunications industry. Both German cases adopted high-involvement employment systems with broad skills and worker discretion, while the US cases relied on a narrow division of labour, tight discipline and individual incentives. These outcomes are explained by differences in institutional supports for collective voice. Works councils in the German companies used their stronger participation rights to limit monitoring and encourage upskilling at a time when US managers were rationalizing similar jobs. Findings demonstrate that industrial relations institutions can have a substantial influence on employment systems in work settings characterized by decentralized bargaining and strong cost pressures.

Keywords
call centres, United States, Germany, industrial relations, employment systems, work councils, telecommunications, decentralized bargaining

Disciplines
Collective Bargaining | Human Resources Management | International and Comparative Labor Relations

Comments
Required Publisher Statement
Reprinted with permission. All rights reserved.

Suggested Citation

This paper was the recipient of LERA James G. Scoville Best International/Comparative Industrial Relations Paper Award in 2010.
Collective Voice under Decentralized Bargaining:

A Comparative Study of Work Reorganization in US and German Call Centres

Virginia Doellgast

London School of Economics

*British Journal of Industrial Relations* (2010), 48(2), 375-399.

V. Doellgast, Department of Management, London School of Economics.
Abstract

This article compares the process of and outcomes from work reorganization in US and German call centres, based on four matched case studies in the telecommunications industry. Both German cases adopted high-involvement employment systems with broad skills and worker discretion, while the US cases relied on a narrow division of labour, tight discipline and individual incentives. These outcomes are explained by differences in institutional supports for collective voice. Works councils in the German companies used their stronger participation rights to limit monitoring and encourage upskilling at a time when US managers were rationalizing similar jobs. Findings demonstrate that industrial relations institutions can have a substantial influence on employment systems in work settings characterized by decentralized bargaining and strong cost pressures.
1. Introduction

Comparative studies in the 1980s and 1990s found that firms in European countries such as Germany had more success in implementing new ‘flexible’ production models than their US competitors (Katz and Sabel 1985; Lorenz 1992; Turner 1991). Encompassing collective agreements and stronger participation rights allowed unions to foreclose the option of competing on the basis of low costs and provided institutionalized channels for worker participation. In recent years, these institutions have been transformed by trends such as declining union density, the flight of employers from peak associations and changes in corporate finance (Streeck 2009). While formal differences in collective bargaining arrangements persist, comparative scholars debate their effects on contemporary employer strategies and worker outcomes (Bosch et al. 2009).

In this article, I ask whether and how industrial relations institutions have influenced employment systems in ‘new’ service workplaces, drawing on evidence from US and German telecommunications call centres. In a previous study based on establishment-level survey data, I showed that German call centres were more likely to adopt high-involvement work design and performance monitoring practices. These effects were strongest in workplaces with both a union and works council agreement, while union presence in the USA was either not related to or negatively associated with high-involvement practices (Doellgast 2008). The study presented here is based on a more detailed case-study comparison of negotiations over work reorganization in call centres that have these collective bargaining institutions: German workplaces with dual bargaining and unionized US workplaces.

Findings show that despite broad similarities in markets and employer strategies, the German call centres adopted high-involvement employment systems that relied on worker skills
and discretion, while the US centres pursued a managerial control model that relied on a narrow division of labour and tight discipline. I argue that this is explained by persistent differences in institutional supports for workplace- and firm-level collective voice, or structures that provide workers as a group with a means of participating in management decisions (Freeman and Medoff 1984). Works councils in the German call centres were able to foreclose the use of monitoring and discipline, while union representatives in the US cases were limited to enforcing more narrow work rules due to their lack of institutionalized participation rights. Within each country, investments in worker discretion and participation were highest in those companies where unions enjoyed stronger bargaining power and were integrated into decision making. This demonstrates that collective voice can be a critical factor encouraging management to adopt high-involvement employment systems in settings where pressures to rationalize work are strong and where other institutional supports for value-added strategies are eroding.

2. Explaining variation in employment systems

Scholars from different research traditions have sought to explain variation in the practices firms adopt to organize work and to train, motivate and compensate workers. Human resource management and industrial relations scholars have grouped these practices into ideal-typical employment systems, with the most common distinction drawn between high-involvement or high-performance employment systems that rely on broad skills, high pay, discretion and opportunities to participate in decision making; and Taylorist or managerial control models characterized by a narrow division of labour and tight discipline. One persistent puzzle is why high-involvement employment systems have not been adopted more broadly, given evidence that they improve productivity and quality across a range of work settings (Appelbaum et al. 2000; Ichniowski et al. 1996; Li-Yun et al. 2007). Most theoretical and
empirical work has attributed uneven adoption to variation in expected returns from investments in worker skills and participation. The cost of monitoring workers and returns to training differ across occupations and jobs, while firms that use advanced technologies may require higher skill levels or a more internally flexible workforce (Hunter and Lafkas 2003). Firms that compete in value-added markets may also anticipate greater long-term pay-offs from these investments, in terms of quality and customer loyalty or the development of unique human capital (Lepak and Snell 2002; Youndt et al. 1996).

This focus on rational or strategic considerations has become increasingly influential in the comparative political economy literature on national models of capitalism. National systems of vocational education and training are believed to shift employers’ cost–benefit calculus through encouraging collective investments in general and specific skills (Finegold and Wagner 2002). For example, Germany’s dual apprenticeship system may produce ‘redundant capacities’ in polyvalent skills that support internal flexibility (Streeck 1991). The varieties of capitalism literature (Hall and Soskice 2001; Hancké et al. 2008) attributes alternative management approaches to different sets of complementary institutions at the national level that allow firms to develop and exploit their core competencies. Institutions supporting relational co-ordination in Germany encourage firms to seek competitive advantage in higher value-added market segments, which, in turn, depend on high skills and a committed, stable workforce. In contrast, US firms rely more heavily on market relationships to co-ordinate economic exchange, supporting competitive advantage in cost-focused segments or those requiring radical innovation and quick time to market. This provides incentives to target investments in skills and participation to certain valued employee groups, such as managers or professionals.
These theorists have provided insights into how alternative institutional arrangements influence the cost–benefit calculations associated with the adoption of high-involvement employment systems. However, they focus primarily on employer interests and action, giving less attention to the ways in which institutions structure or support negotiations between the different stakeholders who are responsible for implementing new practices. Changes in work organization can exacerbate conflicts of interest, expose underlying inequalities in power and redistribute scarce resources (Godard and Delaney 2000: 487). They are often resisted by workers who fear work intensification and downsizing or by managers who resist relinquishing control through new team-based structures or limits on monitoring (Batt 2004). Because of these political dynamics, the promise of mutual gains through wage and productivity improvements may not be sufficient for sustaining commitment to high-involvement employment systems. Instead, workers must come to trust that managers will not defect from mutual obligations, while managers typically require negotiated constraints to prevent them from defecting, particularly during periods of intensified competition or growing cost pressures.

In this article, I argue that this political dimension to work reorganization is critical for explaining continued divergence in employment systems at both the workplace and national level. The strength and scope of collective voice exercised by worker representatives has a significant effect on how the interests or preferences of different groups of stakeholders within the firm are incorporated into management decisions. Strong forms of collective voice, exercised by worker representatives who have access to broad participation rights and bargaining power, can both overcome obstacles to co-operation and limit management’s ability to pursue unilateral strategies. One persistent effect of national industrial relations institutions is to influence the resources available to worker representatives in these negotiations.
This argument is broadly consistent with more political or power-based approaches to institutional analysis adopted by industrial relations scholars in their comparative studies of new production models in the 1980s and early 1990s. US unions’ weak bargaining power and limited participation rights—rooted in a decentralized bargaining system—contributed to either union resistance to partnership over work reorganization (Parker and Slaughter 1988) or the limited scope and impact of successful partnerships (Osterman 1999). In Germany, worker representatives enjoyed stronger bargaining power due to its distinctive ‘dual system’ that combined encompassing sectoral bargaining and strong participation rights (Turner 1991), and they were more willing to co-operate with work reorganization initiatives due to their secure institutional position (Katz and Sabel 1985).

However, many of the assumptions in this literature do not hold in contemporary workplaces. First, Germany’s co-ordinated industrial relations institutions have been weakened through changes in capital markets that have increased the ‘shareholder value’ orientation of firms (Jackson et al. 2004), union membership decline and the flight of employers from peak-level associations (Bosch and Weinkopf 2008; Hassel 1999), the vertical disintegration of large firms (Doellgast and Greer 2007) and EU-driven market liberalization (Brandt et al. 2008; Lillie and Greer 2007). As discussed below, these trends have been particularly pronounced in the German telecommunications industry, undermining many of the institutions argued to support labour-management co-operation in work reorganization initiatives.

Second, most past comparative studies have examined negotiations over the adoption of ‘best practice’ models such as lean production in core manufacturing workplaces. The call centre jobs examined here are considerably more heterogeneous. Despite efforts to identify discrete call centre ‘production models’ (Batt and Moynihan 2002), most studies have shown that these
workplaces tend to use a range of seemingly contradictory practices (Batt et al. 2009; Holtgrewe et al. 2002). There are also strong incentives to pursue a low-cost model, as call centre activities are often viewed as peripheral and a prime target for cost savings (Taylor et al. 2002; Valverde et al. 2007).

Under these conditions, contestation over work reorganization decisions is likely to be high, with strong pressure to rationalize jobs.

The above discussion raises the question of what role, if any, national industrial relations institutions play in encouraging distinctive employment systems in work settings where collective bargaining is fragmented and decentralized, where employers are competing in similar market segments and where there are strong pressures to reduce labour costs. In the following case studies, I show that even under these challenging conditions, strong institutional supports for collective voice in Germany made a significant difference for how telecommunications firms organized their call centre jobs.

3. The cases

Comparative studies in the 1990s found that incumbent telecommunications providers in the USA and Germany adopted contrasting approaches to work reorganization. While US firms pursued market-mediated strategies, downsizing employment and cutting labour costs (Keefe and Batt 1997), German firms adopted labour-mediated strategies that involved more incremental adjustment to new market pressures (Darbishire 1997). These different outcomes were attributed to more extensive market liberalization in the USA, Deutsche Telekom’s stronger focus on diversification and service quality, and Germany’s more encompassing and coordinated bargaining structures (Katz and Darbishire 2000).
Recent developments have brought about growing convergence in all of these areas. First, market liberalization, changes in ownership and technological advances mean that lead firms in both countries face intensified competition in their core markets and similar pressures from shareholders to maximize growth. In the USA, the 1997 Telecommunications Act ended the Regional Bells’ monopolies in the local fixed line market, while legislation that came into effect in 1998 introduced full competition in the German market. Privatization of Deutsche Telekom in Germany resulted in a similar ownership structure to that of incumbent US firms (although a minority of its shares remained under state control). In addition, mergers and acquisitions have increased foreign ownership in Germany, accompanied by the growing threat of hostile takeovers.

Second, collective bargaining institutions have become increasingly fragmented in both countries. In the USA, the Communication Workers of America (CWA) moved from national to pattern bargaining in the 1980s (Katz et al. 2003). However, pattern bargaining broke down in the 1990s, and today the union negotiates hundreds of often poorly co-ordinated companyor establishment-level agreements with different firms and their subsidiaries. The German service union, ver.di, has been unable to negotiate a sectoral agreement for the telecommunications industry, or even for the subsidiaries of its core firms, contributing to growing variation in pay and working conditions at the company level (see, e.g., Holst 2008; Sako and Jackson 2006). In both countries, incumbent firms are under growing pressure to cut labour costs as non-union competition increases.

For the present study, four case studies in the telecommunications industry were chosen to compare how US and German firms responded to these pressures in closely matched work settings, while accounting for possible within-country differences based on industry sub-segment
and the strength and duration of collective bargaining. The first two cases, US Telecom and German Telecom, both compete in the fixed line market, which is subject to stronger regulation and traditionally has had more sheltered markets. They also have similar bargaining structures, with a single, centralized bargaining unit, high membership density and a history of co-operative labour relations. In contrast, US Mobile and German Mobile are in the more recently established mobile communications industry, with newer collective bargaining institutions, weaker regulation and intense competition. Both had been covered by union agreements for only a few years at the time of my research, although German Mobile’s employees had been represented by works councils since the early 1990s. Typical of the industry, recent mergers had transformed the two companies, leading to changes in ownership and management and encouraging organizational restructuring.

I focus on call centre work, as it represents a large proportion of telecommunications employment and has been an important target for both cutting costs and improving customer service quality. In each case, I visited call centres that serviced the consumer or mass market customer segment and conducted interviews with managers, team leaders, agents, and union and works council representatives (see Table 1). A greater number of site visits and interviews were conducted at US Telecom and German Telecom, due to the greater size and complexity of both organizations. In total, 134 interviews were carried out — 57 in the US cases and 77 in the German cases.

Comparative studies of work reorganization in manufacturing typically focus on the plant level; however, it is more appropriate to analyze these changes at the company level in call centres, as employment practices tend to be centralized and applied across a number of

---

1 Case study names are pseudonyms.
workplaces due to the remote, networked nature of the work. Visits to several locations — as well as interviews with corporate-level managers and national union officials — helped to establish the generalizability of findings and to identify local differences in the implementation of formal policies. In both German case studies, I visited call centres in East and West Germany, as these regions traditionally had distinct industrial relations and vocational training institutions.

In the following sections, I first compare the process of and outcomes from work reorganization in each matched pair, and then analyze the causes of observed differences.

Insert Table 1 about here
US Telecom

US Telecom undertook a major consolidation of its call centre operations in the early 2000s. This involved both the physical relocation of jobs to several ‘mega-centres’ and a number of organizational and management changes. The company shifted from a regional to a divisional structure that placed consumer services and collections centres under separate management, and implemented new employment practices aimed at reducing costs and encouraging stronger sales of new products.

First, managers tightened attendance and scheduling rules. The company networked its centres across its service area and established a new central Force Team to improve the accuracy of call volume predictions and tighten scheduling rules. Each team and centre had a certain amount of ‘closed key time’ each month for coaching and development. When employees were absent or call volume peaked, this time was cut, and managers used voluntary or forced overtime to fill staffing gaps.

We’re hard as hell about scheduling…We need 3206 people at this quarter hour, and one person needs to go to the bathroom or call their kids, we make them get in the chair and take the call. We are not very flexible. (Interview, consumer manager, February 2005)

Managers were also attempting to improve scheduling consistency. US Telecom had adopted open-ended scheduling in the mid-1990s, with shift ‘tours’ that were adjusted every week. In 2003, management moved back to basic scheduling, which allowed employees to choose their schedules up to 13 weeks in advance based on seniority.

At the same time, US Telecom tightened enforcement of attendance rules. Following consolidation, absenteeism had increased from an average of between 2 and 3 per cent to between 10 and 20 per cent. The Family Medical Leave Act (FMLA) allowed employees to take off up to 450 hours with a doctor’s approval, and the union contract specified that this time off
should be paid. The contract also allowed employees to take a vacation day and break it into 15 min increments at their discretion. Managers accused employees of abusing these policies and had begun to contract with company security to identify fraudulent absences. Absences were also used as a transparent justification to enforce discipline. One manager in collections noted, ‘they [the union] argue with us all the time that it’s our responsibility to develop the employee, performance-wise. But when it comes to attendance, it’s their [the employee’s] responsibility, so we never lose a grievance’ (Interview, collections manager, July 2003).

A second set of changes concerned performance management. In collections, measures of talk times and percentage of follow-through with payment arrangements became more important to individual evaluations. A new computer system surveyed customers regularly on a range of metrics that were then matched with employees. A new ‘sales associate’ position increased the salary for sales agents, although contingent on meeting a sales quota. Prior to consolidation, when a certain percentage of employees did not achieve a satisfactory performance rating, local managers would often adjust the measures downward under union pressure. As the company centralized control over these policies and implemented the new bonus system, the union lost this influence and managers began to steadily increase and then change targets frequently.

US Telecom also sought to improve the consistency of coaching and discipline. Supervisors were asked to spend 85 per cent of their time coaching and to conduct a standardized number of development sessions with ‘less than satisfactory’ performers, while employees were given new rules and scripts that specified how to answer each call type. Electronic monitoring also increased substantially. Previously, supervisors carried out several observations per month, and were required to inform employees and give them the option of remote or side-by-side monitoring. The new collective agreement allowed supervisors to conduct up to 25 observations
per month without informing employees. However, they were required to use the additional monitoring for ‘coaching and development’ and to give employees a ‘free pass’ if they observed a major mistake other than customer fraud.

Managers viewed these new policies as successful: sales and collection rates had increased, personnel costs had declined, consistency in outcomes had improved, and customer satisfaction scores remained high. However, the company also lost experienced employees, and absenteeism and turnover rates began to climb. In 2005, two and a half years after consolidation, employee turnover had grown from 10 per cent to 50 per cent a year. Around 40 per cent of this was due to dismissals for poor performance or for not complying with the new rules. Average seniority dropped from 29 years in the late 1990s to around 4 years. Most troubling to managers, high-performing centres were lost from smaller towns — along with an older and often more motivated workforce.

**German Telecom**

German Telecom also consolidated its call centres, centralized management and adopted a new set of employment practices in the early 2000s. However, the practices adopted relied on higher skill levels and provided agents with substantially more discretion and opportunities to participate in decision making.

In contrast to US Telecom, which had divided consumer call centre jobs into a number of separate, more narrowly skilled positions, German Telecom increased the complexity of these jobs through retraining formerly specialized agents as ‘universal representatives’ who were able to handle billing, sales and customer service requests. This was facilitated by higher skill levels. Most of the call centre agents at German Telecom had gone through two to three years of apprenticeship training, typically as a *Kaufmann/frau für Büreaukommunikation* (management
assistant in office communication). At one centre in West Germany, 40 per cent of the employees were trained in this occupation, while the remainder had either a technical degree or a university education. Employees in the East German locations came from different backgrounds, but the majority had some form of apprenticeship-based training.

Similar to US Telecom, changes to employment practices focused on work organization and performance management. First, managers implemented more flexible scheduling policies. After 1996, the company adopted fixed shifts where each team was given its ‘tour plan’ 11 weeks ahead of time. This was then replaced by variable tours and a new electronic shift planning program. German Telecom also adopted working time accounts, whereby employees could work additional hours when call volume was high, then draw down these hours later to take time off.

Break times were also more loosely defined. The works councils had negotiated a 20-minute computer screen break, as part of an initiative to improve workplace ergonomics. Employees were free to take this time off within some limits, and team leaders devised different strategies to ensure breaks were staggered. In one centre, there were several tennis balls on a table that employees picked up when they left their desks to make sure no more than four were offline at any one time. Absenteeism was a problem, similar to US Telecom, running as high as 20 per cent. However, as it was difficult to discipline employees, team leaders sought to improve motivation through more intensive coaching and team-building activities.

Performance management practices also relied on high levels of agent discretion. The union renegotiated the compensation structure in 2001, as German Telecom sought to move to a payment system based on skill and experience, while increasing the performance-based component of pay. A new bonus plan included two systems for calculating variable pay. In the
first, 7 per cent of individual sales was put into a pooled budget at the centre level. An average of 10-12 per cent of employee pay and 20 per cent of supervisor pay was performance-based, but base salary was not ‘at risk’. In the second system, managers recommended team-based goals, which were then discussed with team leaders. The union established an oversight committee at each workplace with an equal number of employee and employer representatives, which was responsible for deciding how performance-based pay was distributed. If the employees disagreed with the goals, the joint committee reviewed them and could revise their level. These were then incorporated into a collective agreement.

While US Telecom was moving towards more individualized practices, German Telecom had strengthened its focus on team-based practices. Works councils opposed individual monitoring, but agreed to allow more quality checks if all performance results were aggregated to groups of five or more employees. Supervisors, now called ‘team leaders’, saw their role as encouraging individuals to support team goals. These team leaders described a complicated system for coaching individuals while staying within strict negotiated limits on

_Einzelplatzkontrolle_ (individual job control):

_We negotiate individual goals—we can’t write them down . . . because that is seen by the works council as _Einzelplatzkontrolle_, which isn’t allowed and doesn’t bring much benefit when I want to nurture team thinking. It’s clear that everyone has her personal goal — it is more an orientation: when I bring this part and everyone brings theirs, then we meet the team goal. But I can’t say: you have only 4, you should have 5 — that’s not allowed._ (Team Leader, October 2003)

Individual coaching was permitted, but it could only be used for development and training.

German Telecom put in place a new system in 2002, as part of an effort to improve ‘leadership competence’ and coaching consistency. Team leaders conducted regular side-by-side coaching sessions and met with each employee annually to discuss training needs and to negotiate a
training plan. However, both had broad control over the number of coaching sessions and the
design of training measures. Employees and supervisors also attended special seminars at the
company’s training centres to develop ‘professional competence’.

These policies created a work environment in which employees were treated as
professionals and were given more discretion over how and when they worked. Limits on
performance measurement extended to monitoring of adherence to schedule and talk times.
While at US Telecom these metrics were automatically linked to individual agents, the collective
agreement at German Telecom prohibited tracking any performance outcomes that could affect
evaluation or compensation. Team leaders thus were encouraged to develop strategies to
motivate employees through nurturing feelings of mutual obligation to their colleagues rather
than through progressive discipline and intensive monitoring. There was also practically no
turnover.

**US Mobile**

US Mobile had grown rapidly over the past five years through mergers and acquisitions.
Management then faced the challenge of realizing economies of scale for a large network of call
centres with different employment practices and pay scales. By 2005, the company had
consolidated this network into a smaller number of ‘mega-centres’ with between 600 and 800
employees, often located in rural areas. Similar to US Telecom, consolidation had resulted in a
younger and less stable workforce. The company was also adjusting to its new relationship with
the union, which had only begun negotiating with the company in the late 1990s and continued
to have different regional contracts.

US Mobile pursued a mixed strategy of work reorganization, creating several more
broadly skilled job categories while simplifying other jobs. Customer service work was brought
under one title, inbound and outbound sales were split into another group, and a higher skilled second-level technical support team was established. However, in contrast to the works councils at German Telecom who co-operated with ‘upskilling’, union representatives at US Mobile opposed these changes, which they argued would undermine career paths and increase job complexity at a time when training budgets were being cut.

Overall, employment practices were similar to those at US Telecom, with only haphazard use of teams and extremely limited employee discretion. Agents had little control over their schedules or breaks. They chose shifts one week in advance based on seniority, and centre managers regularly used mandatory overtime to fill staffing gaps. During busy times of the year, agents worked two extra hours a day on average. When call volume declined, managers would ask volunteers to go home without pay. Employees also were given up to four days a year of ‘excused with pay’ time.

The union contracts had improved scheduling consistency. One provision required the company to notify employees of changes 48 hours in advance and prohibited split tours, an unpopular practice where employees worked an eight hour shift in two segments, with an hour or more of unpaid down time. However, union representatives felt that managers were unwilling to experiment with more flexible practices:

Scheduling could be more creative, but they don’t want to do it…They look at the numbers and forecast each hour. They hire part-time in the sales department instead of full-time positions. But they won’t let employees take part-time voluntarily. (Interview, union representative, May 2004)

Employees similarly had little leeway to choose when they would take breaks or leave their desks, and were disciplined if they fell out of compliance. Tardiness and absenteeism were punished harshly. For every ‘occurrence’, employees moved through a progressive discipline
process that ended in dismissal. An agent could have up to five occurrences within a six-month period before being terminated, and if she missed more than three days, two times within the three-month period, she would be put on an accelerated program.

US Mobile’s performance management practices also relied heavily on discipline and individual incentives. Base pay was cut at many locations and was replaced by performance-based bonuses. In sales centres, around $7,000 of employee pay was conditional on making a sales quota, and employees were put on progressive discipline if they did not achieve above 70 per cent of this quota. Unlike US Telecom, the union contract did not place limits on monitoring, and coaches used continuous silent monitoring to evaluate quality and catch fraud. Employees were measured on a range of metrics, from talk time to adherence to schedule. The company subcontracted with a third party firm that collected screen shots and traced key strokes, and this information had been used to terminate employees who typed more than was deemed necessary. Dismissals were increasing, and in some centres, 80 per cent of employees were regularly written up for not meeting objectives.

Unlike US Telecom, US Mobile’s management approach did not appear to contribute to improved performance. Service ratings had declined over the early 2000s, and service quality rankings were among the worst in the mobile sector. Fraud was also a growing problem, as employees sent phones to friends or charged services that had not been ordered by customers to win bonuses or make quotas. Turnover was extremely high, ranging from 30 per cent to over 100 per cent.

Managers adopted several new strategies to try to improve retention, such as putting in place teams to support communication within work groups and creating new brochures and orientation videos. However, local managers felt these had limited effect on morale in
workplaces with low salaries, intense working conditions and few job perks. One union representative put it more bluntly: ‘When you’re bringing in 18-year-old kids and telling them they can’t be out of this chair, they’re like, screw you, I’m out of here’ (Interview, February 2005).

**German Mobile**

Similar to US Mobile, German Mobile’s call centres had expanded rapidly in the 1990s, and management was now seeking to cut costs, increase sales and improve scheduling flexibility. Employees’ job title had been changed from ‘customer service representative’ to ‘sales agent’, and agents were put on a new training plan that taught selling techniques and provided incentives to train their peers. Unlike German Telecom, German Mobile did not train apprentices in its call centres. However, almost all employees had some form of occupational training, and management tried to recruit employees with formal qualifications in sales occupations. At one East German location, the manager estimated that close to 70 per cent of employees had completed the *Kaufmann/frau* (management assistant) occupational training. The skill content of jobs was similar to US Mobile, with one category of broadly skilled employees who answered the customer service and sales and credit hotlines, while specialized teams handled second-level technical support or outbound sales. However, each employee was assigned a primary skill and then was trained to handle overflow calls corresponding to a ‘secondary’ or ‘tertiary’ skill.

Scheduling practices closely resembled those at German Telecom. Employees worked on staggered shifts that began every half hour. They could choose desired shifts, which were then matched with demand and were distributed as shift plans eight weeks in advance. An agreement with the works council allowed managers to ask employees to change shifts, but could not force this on them. However, the works councils did not negotiate a system of working time accounts,
as they believed managers would take advantage of this to control employees’ working time. The works council in one location also had an agreement that gave 10 employees fixed shifts each year—a perk designed primarily for new mothers. Employees had less discretion over their breaks than at German Telecom, but were allowed to take regular hourly breaks from the computer screen.

Managers viewed absenteeism as a problem, although it was substantially lower than at US Mobile, running at around 10 per cent. Team leaders conducted a Rückkehrgespräch or meeting with employees when they returned from an absence to discuss health or family issues and the support needed to resolve them. Persistent attendance problems were ‘escalated’ to the quality manager, who negotiated a course of action with the employee. Works councillors felt this had created additional stress, leading employees to come in when they were sick, and would sometimes accompany employees to these meetings to give them support. At the same time, managers could not use these meetings to formally discipline or dismiss agents, due to strong job security agreements.

Flexible staffing practices were supported by a performance management system that gave employees high discretion. In contrast with US Mobile, German Mobile had no individual commission pay for inbound agents. Teams were given sales goals, and team competitions and bonuses provided additional incentives. Similar to German Telecom, a works agreement required management to aggregate all performance results to teams of at least five agents. An external firm monitored customer service and product knowledge through mystery calls. However, the works agreement restricted access to individual results to centre trainers, who could only use this data to help employees improve their performance. Managers or team leaders could not look at individual scores, and results could not be used for disciplinary purposes. Management at one
location had recently obtained works council permission to allow team leaders to conduct individual tests for product knowledge, but, again, these could only be used for employee development. There were practically no dismissals, except in a few cases of customer abuse or fraud.

Coaching practices were influenced by this restricted access to performance data. Coaching sessions with the trainer were quite involved and could take up to three hours. The team leader was responsible for building ‘team spirit’ through communicating how well the team was doing in meeting its goals and motivating them through frequent meetings, workshops and trainings.

They don’t tell them, you’re good or bad. Instead, they negotiate with the employee: how they can improve their success. It is an analysis done together, and naturally they know exactly, in this area I’m weak, maybe technical support or product presentation, I can work on that. (Interview, manager, July 2004)

These practices not only contributed to a high level of employee satisfaction, but also appeared to support positive organizational outcomes: German Mobile was consistently ranked at the top of service quality ratings and had turnover rates of less than 2 per cent.

4. Explaining variation

Table 2 summarizes the key differences in work organization, performance management and organizational outcomes across the four cases.

The US and German case study companies competed in similar consumer markets. Tasks and technology were identical. However, management adopted contrasting employment systems. Both US Telecom and US Mobile gave agents very little working time flexibility or control over scheduling and designed jobs narrowly with few opportunities for participation. German Telecom and German Mobile created more broadly skilled positions and gave agents discretion
over their schedules and break times. While US Telecom and US Mobile had adopted individual performance appraisal and incentives, continuous monitoring and progressive discipline, German Telecom and German Mobile used group-based incentives, placed strong limits on individual monitoring and access to performance data, and focused on coaching and development. Organizational outcomes also were more favourable in the two German cases, which had lower absenteeism and turnover and high service quality ratings.

One explanation for these contrasting management approaches could be systematic differences in employee skills. German Telecom’s and German Mobile’s workforces were composed of experienced employees who had completed occupational training in a sales or administrative field, while workers at US Telecom and US Mobile tended to be younger and to have only a high school degree. This contributed to the development of a stronger professional orientation in the German cases, where employees may have been easier to train in broad skills and more receptive to participatory forms of work design. However, skill levels were also created or reinforced by management strategies. The unilateral decision by US Telecom’s management to consolidate centres, increase discipline and tighten scheduling led its experienced employees to quit and attracted a younger, high-turnover workforce. US Mobile similarly chose to consolidate smaller locations into megacentres and cut its investments in training. Thus, employee skills provided an important support for high-involvement practices in the German cases, but are not a sufficient explanation for observed outcomes.
COLLECTIVE VOICE UNDER DECENTRALIZED BARGAINING  

Insert Table 2 about here
A second potential explanation for cross-national variation is historical differences in management and union approaches to work organization. The persistence of Taylorism is often associated with traditions of ‘job control unionism’ in the USA, while participatory practices in Germany have been attributed in part to more co-operative attitudes of management and a culture of trust within the workplace. However, the CWA has typically not pursued the job control strategies observed elsewhere in the US labour movement (Katz et al. 2003). At US Telecom, a partnership that introduced self-managed teams in the 1990s was abandoned due to supervisor resistance and conflicts associated with downsizing. At German Telecom, managers initially opposed limits on monitoring and democratic structures for setting performance incentives, but eventually compromised on these issues to gain co-operation in other areas. Thus, while past practices no doubt influenced work reorganization decisions, they do not fully explain unions’ varied success in accomplishing their similar goals of limiting management control and monitoring at a time of growing cost pressures.

Findings suggest that variation in the strength of institutional supports for collective voice was a central or critical factor explaining the observed differences between the German and US cases. Unions and works councils in Germany used their stronger participation rights to encourage management to adopt a high-involvement approach to work organization and performance management. A comparison of each matched pair shows how two bargaining systems—the one based on contract rules and grievances and the other on more substantive rights to information and consultation on work design — made a difference for outcomes.

**Negotiating Change at US Telecom and German Telecom**

The union at US Telecom was able to influence management policies primarily through contract negotiations and the grievance process. While the company had a history of strong
labour–management partnership agreements, these tended to be short-lived. The most recent partnership agreement was initiated in the late 1990s, and put in place a system of workplace-level consultation committees that met once a month to discuss performance issues and employee concerns. During consolidation, when relations with management broke down, the union suspended the boards for about a year. After they were reinstated, they continued to play only a marginal role. One manager described how partnership worked in practice:

It’s sort of a variable process. If it’s something where the [union] has no jurisdiction, for example, but as a good business partner we do want to work with them productively, we go by to make sure they’re aware of that. The communication is more a one-way informative communication—we want you to be aware that we’re doing this, and this is the effect of it. (Interview, manager, February 2005)

At German Telecom, partnership was backed up by consultation structures and countervailing power at multiple levels of the organization. First, the presence of worker representatives on German Telecom’s Supervisory Board or Aufsichtsrat meant that the union and works councils were much better informed of strategic decisions and the effects on employees. For example, when the company was facing changes in customer demand, worker representatives were able to hire their own consultants to study call projection numbers and revise staffing recommendations upward.

Second, strong co-determination rights meant that works councils were able to negotiate agreements that covered the design of performance-based pay, how employees were evaluated and detailed scheduling practices. Works councils also used these rights as leverage to influence decisions where they did not have formal jurisdiction:

The works council can’t stop us, when we have a good reason, from changing the work time or deciding how big the room will be where the employees work. But they can say, we need to measure how high the oxygen level is in the room, how loud it is, and then the
process will last longer…That means, they can’t directly take part in the decision, yes or no, but they can influence the circumstances of the decision. (Interview, team leader, March 2004)

A comparison of negotiations over staffing and scheduling policies shows how these differences in collective voice influenced outcomes. At US Telecom, the union contract placed numerous constraints on staffing practices, establishing how far in advance schedules could be set and how overtime was handled. The contract also specified that all centres must remain open on the same schedule, making it difficult to create a more staggered plan. These rules improved predictability for employees but were viewed by managers as obstacles to flexibility:

Rather than giving us flexibility within our working agreement to allow people to bid on their off days, they have to be rotated equally…That constrains the creativity you can do around scheduling…We are about to go to a new scheduling system that will allow us the flexibility to bid on your tours as well as your off days. If we are able to do that, it’s going to require negotiating with [the union] to get a different set of work rules. Those are constraints. (Interview, manager, February 2005)

At German Telecom, managers were able to adopt more flexible scheduling using working time accounts. However, employees formally had complete control over when they would take the time in their accounts, placing the onus on team leaders to negotiate staffing plans with individual agents:

When we have extremely high volume in the afternoons, then…we have to talk to a team leader, and they have to convince an employee in the framework of their flexible time to stay longer and then work until 6 pm or something. We can only ask and hope that they do it — they always find someone. (Interview, manager, October 2003)

This contrasts with the constant struggle over scheduling at US Telecom: team leaders did not view these rules as rigid policies but rather as constraints that they had to figure out how to work within.
A comparison of negotiations in other areas demonstrates a similar pattern. At US Telecom, the union could establish rules for how many times employees could be monitored. However, it had little say over company policies to discipline employees based on those observations. Once the union agreed to pay at risk, it lost control over the design of variable pay, and management experimented with constantly changing targets and quotas to promote certain selling behaviours and discourage others. The result was an uneasy mix of carrots and sticks, as managers cracked down on poor performers while paying often exorbitant bonuses to their top sellers.

In contrast, German Telecom’s works councils negotiated strong limits on monitoring and individual evaluations, and were able to prevent dismissals for poor performance. This meant that there were stronger incentives for using developmental coaching practices to instil a sense of professionalism among employees. Incentives were team-based, with strong union and works council oversight to make sure they were implemented fairly, improving co-operation with these practices.

Negotiating Change at US Mobile and German Mobile

Worker representatives had more uneven influence over work reorganization decisions at both US Mobile and German Mobile — in the first case due to multiple bargaining units and weak bargaining institutions and in the second case because local works councils often had different agendas and did not have a strong connection with the union. However, it is still possible to describe two very different patterns of labour–management relations at the two companies and to map out the effects of bargaining on employment practices.

US Mobile had a formal partnership with its union, but in many locations the relationship was strained:
We’re supposed to be a strong ‘labour management partnership’ case. But when you get down into it, the smaller picture and the field locations, it’s not what it appears and it’s a very conflictual relationship…For our managers it’s really tough. Because for them it’s more of a competition: if I give into a grievance, I’ve lost. (Interview, manager, July 2003)

From the union’s perspective, the company had weakened its own commitment to partnership in recent years:

The company is a lot less willing to work with the union than they used to be. We used to have monthly meetings with the regional VP and directors, and we would be able to work out any issues within that meeting. Now to get one of those meetings is like pulling teeth. … We stopped meeting with them for about six months now. We’re just filing grievances. The upper-level managers just stopped talking to us, they didn’t want to deal with us and we got tired of hounding them to get a meeting. (Interview, union representative, May 2005)

Union representatives felt this represented a shift in internal policy. ‘When it’s benefiting them, they want to deal with us, when it’s not benefiting them, they don’t want to deal with us’ (Interview, union representative, May 2005). In one example, the company and the union jointly developed an employee survey to gather ideas for improving the work environment. A task force came up with recommendations based on survey results and won a partnership award for its efforts, but then the company did not adopt the changes, citing insufficient resources.

Because US Mobile is a national company with multiple bargaining units, communication across union locals was often poor. Union representatives felt the company was using these divisions to implement new policies unilaterally. For example, one local tried to grieve sales goals that the union felt were unreasonable, but the company argued this was a national policy. Then, by chance, a local leader found out from her colleague that management had implemented a completely different set of goals in another region. Local union leaders were
trying to improve communication. However, the lack of both a national bargaining structure and local bargaining power frustrated attempts to build new co-ordinating mechanisms.

This distrustful relationship meant that the union fought most management-led initiatives tooth and nail. For example, the company had adopted a working time policy that allowed agents to leave without pay when call volume was low, but the union argued that employees should not take the time off because the company would use this to justify reducing staffing levels. Because managers refused to communicate why they were adopting a certain policy, the union was mistrustful of their motives. Because many managers stopped meeting with local union leaders, they felt the only way to change unpopular policies was to file expensive grievances.

At German Mobile, labour–management relations were more co-operative, backed by strong participation rights. Works councils at German Mobile had numerous forums for discussing and resolving issues at different levels of the company. Top management from each division prepared status reports for the central works council and formed working groups with worker representatives to resolve specific issues.

We try to find solutions to problems, to negotiate a solution…that has paid off, we can usually quickly solve any problems that we have. Overall, we have a cooperative relationship — they’re ready to work together with us, to take us seriously. Also, they’re afraid to cross us, because we are pretty strong. (Interview, works councillor, March 2004)

Strong co-determination rights allowed the works councils to obstruct change in different areas and gave them tools to negotiate agreements on a range of issues, from when monitoring was allowed to employee control over scheduling. Works council representatives also sat on German Mobile’s supervisory board, which allowed them to put additional pressure on the firm and have access to up to date information on corporate strategy.
One striking difference from US Mobile was managers’ attitudes toward labour representatives. Managers described relations with the works council positively: ‘we have a high and open information exchange’; ‘the relationship is productive and open’; ‘very co-operative and constructive’ (Interviews, 2004). As at German Telecom, they were obliged to bargain on a wide variety of issues, which in turn meant it was in their interest to build trust:

We have a very good relationship with our works council. It is a productive relationship. Co-determination laws mean that the works council has the ability to block something, which means that it’s in our interest to bring the works council in the boat with us. . . . We could spend years in court over every issue, but that is not in our interest. We want to develop concepts that are in the interest of the employees and the employer. (Interview, manager, July 2004)

German Mobile’s worker representatives were better able to co-ordinate bargaining across locations than those at US Mobile. However, there were growing tensions across local works councils as the company increased its benchmarking of performance metrics across locations and with outsourcers. Works councillors described ‘saving local jobs’ as an important goal that had motivated some changes in their positions toward monitoring. This meant that managers were able to negotiate local agreements that opened up variation across centres.

For example, one location’s works councils agreed to individual-based evaluation of product knowledge. Previously, all quality and knowledge checks were anonymous and were reported at the team level. However, while quality checks were regulated through a general works agreement, tests of product knowledge were regulated through local works agreements. Management argued that individual knowledge tests would improve customer service and competitiveness, and succeeded in getting an agreement despite opposition from other works
councils. The centre manager explained, ‘we told our works council that they have the challenge to be the best works council in Germany, to motivate them to agree’ (Interview, July 2004).

At another location, works councils agreed to a new system of ‘local calls’, which allowed management to do their own quality checks. Employees were initially against the plan, but the local works council convinced them it would be in their interest ‘to secure the location’. One works councillor described this as her biggest success, ‘because they were all against it, now they want to have it’ (Interview, November 2004). In some cases, local works councillors were making these local calls and evaluating employees. These examples illustrate that German Mobile’s works councils were also under growing pressure to make concessions that opened up more local variation and weakened the team-based focus of evaluation.

5. Conclusions

This study has shown that institutional supports for collective voice can have a significant influence on the employment system that management adopts, as well as on the extent of worker control associated with practices such as teams and flexible working time. The two German companies put in place practices that emphasized internal flexibility and worker discretion, while those in the US adopted more Taylorist practices that relied on managerial control and discipline. These differences are broadly consistent with those found in past comparative research on employment systems in manufacturing. However, the industry and workplaces studied here lacked many of the features argued to explain different management approaches.

First, varieties of capitalism (Hall and Soskice 2001) and management strategy (Lepak and Snell 2002; Youndt et al. 1996) theorists have argued that high-involvement employment systems will be adopted for employees who have a particular strategic value to the firm or where employers choose to compete in quality-focused markets — either due to the presence of
complementary institutional supports for these strategies or their decision to pursue competitive advantage in these segments. However, the case studies compared here adopted contrasting employment systems despite similar customer profiles and skill requirements. All firms serviced a range of higher value-added business and mass residential customers within each national market, while their call centres primarily targeted the residential market, with identical customer service and sales tasks.

Second, industrial relations scholars have argued that Germany’s dual structure of sectoral and workplace-level collective agreements provided a critical support for integrative bargaining lacking in the US’s more decentralized system (Thelen 1991; Turner 1991). Encompassing bargaining was believed to give unions stronger institutional security and to displace conflict at the local level over distributional issues (Katz and Sabel 1985). However, the collective bargaining system in the German telecommunications industry has not developed this dual structure, and today bargaining is similarly fragmented and decentralized in both countries.

Instead, I argue that the observed differences in employment systems are explained by variation in worker representatives’ ability to impose negotiated constraints on management. In work settings where many traditional institutional supports for integrative bargaining had eroded and employers were facing strong pressures to compete on the basis of cost, Germany’s stronger participation rights provided a crucial source of countervailing power in negotiations over work reorganization. The CWA had similar goals to those of the German unions and works councils: limits on monitoring and discipline, investment in skills and greater worker discretion. However, union representatives had few formal tools to achieve these goals or propose alternatives. Decisions to adopt high-involvement practices at German Telecom and German Mobile were not taken by managers who believed these investments would complement quality-focused
strategies, but rather were the contested outcome of micro-political negotiations at the workplace and company level. The primary effect of these institutions was not to provide alternative resources for resolving co-ordination problems, but rather to close off the ‘low-road’ option of relying on discipline and monitoring to improve performance where jobs were easily rationalized and managers were under intense pressure to reduce labour costs.

Germany’s strong participation rights were a necessary support for collective voice in the call centres studied here; however, they are not sufficient to sustain strong forms of voice. Both union presence and bargaining power are varied within the US and Germany, and have been found to contribute to a range of outcomes even where formal voice mechanisms are present (Frege 2003; Greer 2008; Jirjahn and Smith 2006; Ramirez et al. 2007). The casestudy comparison showed that collective negotiations had a more substantial influence on employment practices in the two companies with longer traditions of collective bargaining and stronger bargaining co-ordination. This suggests that co-determination is most effective when backed by a union with some measure of bargaining power (Doellgast 2008). In addition, call centre subcontractors — which were used by all four of the telecommunications companies compared here — universally have weaker or no collective bargaining institutions and adopt more constrained employment models (see, e.g. Doellgast et al. 2009; Matuschek et al. 2007). Thus, while this study has identified patterns of cross-national variation in employment systems, these do not represent uniform and stable national ‘models’. Sustaining high-involvement employment systems in more peripheral workplaces will depend on worker representatives’ continued ability to negotiate alternatives to job rationalization in increasingly price-focused markets.
Acknowledgements

Field research was supported by grants from Cornell University, the Council for European Studies, the Fulbright Commission and the Max Planck Institute for the Study of Societies. Ian Greer and Gregory Jackson provided valuable comments on earlier drafts of this article.
References


Table 1. Interviews Conducted in the USA and Germany

<table>
<thead>
<tr>
<th></th>
<th>Site visits</th>
<th>Managers (HQs)</th>
<th>Managers (CCs)</th>
<th>Team leaders</th>
<th>Agents</th>
<th>Union reps</th>
<th>Work council reps</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US interviews</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Telecom</td>
<td>3</td>
<td>9</td>
<td>7</td>
<td>5</td>
<td>7</td>
<td>6</td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>US Mobile</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>9</td>
<td>7</td>
<td></td>
<td>23</td>
</tr>
<tr>
<td><strong>German interviews</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>German Telecom</td>
<td>4</td>
<td>3</td>
<td>8</td>
<td>10</td>
<td>16</td>
<td>7</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>German Mobile</td>
<td>2</td>
<td>2</td>
<td>7</td>
<td>4</td>
<td>2</td>
<td>7</td>
<td></td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10</td>
<td>14</td>
<td>25</td>
<td>23</td>
<td>34</td>
<td>27</td>
<td></td>
<td>134</td>
</tr>
<tr>
<td>Staffing and Skill</td>
<td>Fixed line cases</td>
<td>Mobile cases</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------</td>
<td>--------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Typical tenure</td>
<td>&lt;5 years</td>
<td>&lt;2 years</td>
<td>&lt;5 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Typical ed. level</td>
<td>High school</td>
<td>High school</td>
<td>Kaufmann/frau apprenticeship</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial training</td>
<td>6 weeks</td>
<td>3 weeks</td>
<td>8 weeks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheduling</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Part-time</td>
<td>&lt;5%</td>
<td>15-20%</td>
<td>20-30%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed line cases</td>
<td>Fixed schedules with some agent choice; FMLA paid leave and flex time; inflexible break times</td>
<td>Broad agent choice, negotiated with team leaders</td>
<td>Limited agent choice and inflexible break times</td>
<td>Some agent choice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seniority or forced overtime</td>
<td>Working time accounts, with broad agent discretion</td>
<td>Forced overtime; agents asked to leave voluntarily without pay</td>
<td>No working time accounts; voluntary overtime</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheduling</td>
<td>Set 13 weeks in advance</td>
<td>Set 6 weeks in advance</td>
<td>Set 2 weeks in advance; 48 hours notice for change</td>
<td>Set 8 weeks in advance; 2 weeks notice for changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breadth of skills</td>
<td>Separate customer service, sales and collections positions</td>
<td>Universal reps, with division between front and back office</td>
<td>Universal reps, with division between support and sales</td>
<td>Specialization in a ‘primary skill’ with training to handle overflow</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of teams</td>
<td>Limited use for competitions and ‘building spirit’</td>
<td>Strong use for incentives, competitions and training</td>
<td>Limited use for training</td>
<td>Strong use for incentives, competition and training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Av. base pay</td>
<td>$30-40,000</td>
<td>$32-40,000</td>
<td>$25-30,000</td>
<td>$35,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay at risk</td>
<td>8% for sales reps</td>
<td>None</td>
<td>20% for sales reps</td>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Av. % variable pay</td>
<td>15-30%</td>
<td>10-12% or 0%</td>
<td>Up to 55%</td>
<td>10-15%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of variable pay</td>
<td>Individual-based</td>
<td>Group-based</td>
<td>Individual-based</td>
<td>Group-based</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fixed line cases</td>
<td>Mobile cases</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>------------------</td>
<td>--------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>US Telecom</td>
<td>German Telecom</td>
<td>US Mobile</td>
<td>German Mobile</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Compensation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worker rep. influence</td>
<td>Limited oversight</td>
<td>Substantial oversight</td>
<td>No oversight</td>
<td>Limited oversight</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basis for coaching</td>
<td>Individual performance</td>
<td>Training needs</td>
<td>Individual performance</td>
<td>Training needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discipline</td>
<td>Steps leading to dismissal if targets not met</td>
<td>Dismissals for poor performance rate</td>
<td>Steps leading to dismissal if targets not met</td>
<td>Dismissals for poor performance rare</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Monitoring</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic</td>
<td>Continuous, individual</td>
<td>None</td>
<td>Continuous, individual</td>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Limit of 25 remote observations per month</td>
<td>Mystery calls aggregated to the team level</td>
<td>No negotiated limits on monitoring</td>
<td>Mystery calls aggregated to teams and individuals; individual data available to quality trainer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outcomes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absenteeism</td>
<td>20-46%</td>
<td>10-20%</td>
<td>10-30%</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary turnover</td>
<td>50%</td>
<td>Close to 0%</td>
<td>30-100% (50% average)</td>
<td>1-2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FMLA, Family Medical Leave Act