

The Split Economy and What it Means to the Customer Service World

By Ron L. Hetrick

In a time of economic unrest where financial pundits, bank economists and even former U.S. Federal Reserve Chairman Alan Greenspan boldly state that the United States is in a recession, it would seem strange to talk about labor shortages as a timely human resources (HR) topic.

Although the Bureau of Labor Statistics of the U.S. Department of Labor (BLS) recently reported the U.S. economy shed 260,000 jobs during the first four months of 2008, these numbers may be deceiving to industries that hire insurance, financial services and call center professionals.

Earlier this year, a phenomena began to emerge that can best be described as a “split economy.” The “split” comes from the fact that the only industries really feeling the affect of the downturn are those which employ very low skilled, non-transferable skill sets.

So far this year, job losses have predominantly been in retail trade, manufacturing and construction. Meanwhile, professional services industries, such as financial services and insurance, have not immediately been affected by the economic downturn.

So how does this apply to customer service intensive companies? Currently, many managers are wondering why their call centers aren't filled with qualified agents even though the nightly news talks about how easy it should be to find workers. Others are asking why they are experiencing attrition problems.

To answer these questions, companies need to look at the performance of industries which employ the majority of call center agents. Approximately 78 percent of current job losses have occurred in the construction and manufacturing industries. But they only employ eight percent of customer service representatives in the United States, according to the BLS. On the other hand, the financial services, insurance and the outsourced call center industries have experienced very little change in employment, and they employ nearly one-third of all call center agents.

The data is showing that the competition to hire and retain qualified call center agents in

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the financial services and insurance sectors remains fierce. Insurance carriers have actually added 3,000 jobs in 2008 and 13,000 over the past year. Furthermore, BLS predicts that customer service will be the greatest area of need for the insurance industry through 2016.

Companies seeking employees with an insurance background must understand these individuals have only seen their job prospects improve during this downturn. Job seekers with an insurance background are in a unique and advantageous position.

To remain a competitive employer with a strong recruitment pipeline, HR departments should examine the effectiveness – or lack thereof – of its candidate outsourcing program to compete for talent today and tomorrow.

For more information on candidate outsourcing programs and how to evaluate them, please visit www.aerotek.com/recruiting-staffing. Aerotek, Inc., is a leading provider of technical, professional and industrial staffing programs with more than 150 non-franchised offices throughout the United States, Canada and Europe.

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