

Brits on the phone – Western workers and outsourcing multinationals in Prague

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Abstract:

Prague and the CEE region in general experienced an explosion of call centers, IT and customer service centers in the last few years. The growing number of multinationals in the Czech capital attract not only a large number of young educated people from the neighbouring Slovakia or Poland, but also create opportunities for Western Europeans, particularly Brits. This paper discusses the aspects of Prague and the CEE region which make it an attractive alternative for a growing number of young British people who wish to lead a comfortable life in the Central European capital¹.

“Currently 100 vacancies for language speakers available. Apply Now! No Czech language needed.” Many similar adverts appear each day on the numerous English language websites that are aimed at the prominent expat community in the Czech Republic. While unemployment is still posing problems in many parts of the CEE region, foreigners can find a job within a week in the Czech capital, as long as they speak fluent English and have EU citizenship. Several Czech agencies are even recruiting people directly from the UK, Belgium or the neighbouring countries for positions based in Prague. Similarly, several British websites advertise jobs in larger Czech cities. However, the adverts do not explain why these companies recruit employees from Western Europe to low level positions in their Eastern branches and why Brits or Belgians among others would want to come and work in such positions in a Central European city.

¹ The paper is based on a 6 week long intensive anthropological research project, during which interviews were undertaken with British and Czech employees of multinationals in Prague, recruitment agents and Sports Bar managers among others. Material is also drawn from personal experience and participant observations that I made during the 6 months I worked for different international companies in Prague. Statistical materials, press releases and internet research also accompanied the above materials.

The Czech Republic experienced an explosion in the number of customer service centres, call centres and IT services in the last few years. The abundance of positions created by these multinationals is attracting young educated people from neighbouring countries such as Slovakia and Poland in large numbers, but they also provide opportunities for Western Europeans to find jobs easily in the Czech capital. In what follows I will show how certain conditions created by the expanding outsourcing industry attract a growing number of Brits to Prague. I will start with a description of the new British expats, I will then explain the development of outsourcing in Prague, which will be followed by personal accounts on how outsourcing works from inside and how it creates opportunities for Brits wishing to make a comfortable living in Prague.

The ‘new British expats’

The notoriously large expat community of Prague started to develop in the early 1990s, when mainly young Americans came to the city with the aim of teaching English, whilst “spreading democratic ideas” in the post-communist country and fuelling their artistic creativity with the bohemian atmosphere of the “wild East” (Eska 1998). In addition, foreign direct investments and the establishment of multinationals brought in a growing number of managerial elite who would reside temporarily in the capital (Cook 2007). The increasing number of young British expats, in comparison, is a relatively new phenomenon, which seems to differ from both.

Based on employment statistics there were around 2.500 British people working in the Czech Republic at the end of 2007². However, this should only be considered an approximate number, as it only shows those who are registered in the labour offices. According to the statistics of the Foreign Police, the number of Brits registered by the end of March 2008 was higher, around 4.200. As EU citizens can reside legally without registering their stay, the numbers could be estimated to be slightly higher. In either case, however, the statistics indicate a continuous growth over the last years in the number of Brits working in the Czech Republic³, most of them being concentrated in Prague.

According to my research⁴, the majority of these Brits are men in their mid-20s, who obtained a university degree and have held some temporary jobs in the UK or were travelling around in Europe or the US. The ‘new British expats’ tend to work in lower level positions at large multinationals. They usually come from smaller towns in UK or Scotland. Although a small number settle and marry Czech partners, most of them stay only for a few years and then either return to Britain or go to work somewhere else. The phenomena of the “2 year threshold” is well known in expat circles, referring to the fact that it is at around their second

² Statistics on the Employment of foreigners by country, sex and status in employment; 31 December 2007.

³ According to employment statistics the number of employed people from the United States was: 1,408 in 2000; 1,455 in 2003; 1,699 in 2005; and 2,500 in 2007.

⁴ During my research I undertook 20 interviews with British expats, 10 with Czech people working in multinationals in Prague, and a couple of interviews with different nationalities working in the same companies (Belgian, French, Polish, Slovak, Hungarian). Interviews were also undertaken with the manager of Star Bar (popular sports bar in the downtown area), the director and adviser of a recruitment agency, and several observations were made in companies, public events, football games and the like.

year of living in Czech Republic when most expats feel that the city is too small for them, hence move somewhere else.

Outsourcing in the Czech capital

If you go to Chodov, one of the outer districts of Prague, you might think you have come to a Western style business centre. Here hundreds of people in suits rush from the underground towards the enormous glass office buildings of *Chodov Park*. The office park was built between 2003 and 2006, and now houses around 30 of the large multinational companies that Prague attracted in the last 7 years. However, it is not the only park of its type. The large open-space architecturally advanced office structures now constitute an indispensable part of the city's landscape and point to a relatively new tendency that became characteristic in the last few years in the entire region.

“This whole outsourcing started around 2000,” Sinclair Crawley from Horizons Language Jobs recruitment agency says. “Accenture was the first to open a business service centre in Prague, with about 200 positions in 2001 and another 800 in 2003. It was the biggest project ever since. And after that SAP, Honeywell, IBM, ICON, Exxon Mobile, DHL etc., all the big ones followed. The market just exploded. And it has been growing so far.”

In fact, Prague and Central and Eastern Europe in general have recently become popular among big multinationals for outsourcing particular services such as IT, human resources, accounting or call centres from their central branch. In comparison to the traditional outsourcing locations of India, China and Malaysia the region appears attractive to European companies in particular for its proximity to Western business centres, whilst still offering a relatively cheap but skilled work force. Prague is the number one outsourcing location in the region, it ranked fourth on a world-scale, coming directly after the Asian giants (according to the 2004 A.T. Kearney's index). Its popularity is often explained by its highly developed infrastructure, economic and political stability, and the large pool of foreign languages. In addition, the role of government incentives in support of strategic services (i.e. call centres, IT, research and customer service centres) is also significant. Government related investment agency Czech Invest claims that, due to its activities, 124 new investments were established in strategic services, 23 alone in Prague for the period of 2001-2007. This created 180.000 jobs overall and 7500 in the capital (Czech Invest 2008).

Multinationals no doubt have become important players on the Czech labour market. Outsourcing is celebrated not only for the multiplicity of jobs that it brings into the region, but also for bringing white collar jobs in particular; the majority of positions offer high (i.e. higher than average) salaries and target the skilled and highly educated segments speaking foreign languages. However, what is rarely questioned is what jobs are actually outsourced to the highly educated Eastern European employees, who are actually filling the majority of positions, and how effectively do these outsourced call centres and customer service centres work.

Outsourcing from the inside

On entering one of the top-design business buildings in Chodov you find yourself in a chaotic open-space office, in which 50 people simultaneously make telephone calls whilst typing into computers. Jan, a 25 year old Czech university student, is one of the people sitting at one of the small interconnected tables. “The phone is constantly ringing, and it’s very stressful, because all the people calling us have complaints, so they are very angry and impatient. We have to solve their problems as fast as possible or at least calm them down and reassure them that everything will be ok. And you get something around 70 calls like that per day. It’s very stressful work, and you just have to become immune to the stress and complaints. Otherwise you can’t do it for long.”

In fact, the yearly leaving rate in many of these multinationals is especially high; in some of them it even reaches 40-50 % per year, according to Sinclair from the recruitment agency. He admits: “The majority of the people do not plan to do this type of work longer than 1-2 years. We are always looking for people.” By comparing the open-space office work to other jobs, he explains that the biggest advantages are the high salary, the various benefits and the quick start. However, he also points out that the job is often boring and stressful, which is not helped by the open-space office layout, and often there are few opportunities to advance.

Another aspect of outsourcing is the relationship between the Western central branch and the Eastern back-offices, which is not unproblematic. The “Eastern” colleagues are expected to learn the know-how of professional business life from the experienced Western ‘brothers’. “It was horrible when this 23 year old boy from Britain was telling our 45 year old boss off. He was in business for at least 20 years! I ask how much experience a 23 year old could have?!” Petra, a Czech employee, talks about the incident when a customer service trainee was sent from London to teach the Czech team in one of the companies of Chodov about professional service provision. Manuel, a 30 year old French logistic administrator, works in the Belgian team of another company in the Park. He has similar experience: “The people from the central office, they look down at us here in Prague. They think we are in Siberia or something. As if we were from the Third World. They also think we are stealing their jobs from Belgium“.

Indeed several interviewees who had experience at companies both in Britain and in the Czech Republic explained it by the fact that the worst jobs that are outsourced to Eastern Europe. They are the lowest positions with the most repetitive work and often with little chance of moving upwards. Not to mention that companies often try to employ fewer people in the back-offices for the same amount of work as was done before outsourcing. Nevertheless, Petra and her colleagues do not plan to leave their company: “We have to stay for at least a year anyway, we signed a contract. Otherwise we have to pay back the cost of our training. But anyway it’s a big company, it has a very good name. So it’s a good opportunity to work here for a year. It will look good on our CVs.”

Beyond cheap beer and Czech women....

In contrast to the majority of Czech or Slovak employees working for multinationals, the Brits appear to put less emphasis on their CVs. While the Czech public opinion in general still tends to have a positive image of multinationals, the British employees working in Prague who I interviewed had a more cynical attitude towards these jobs. Many of them did not consider these jobs important for their future career, they only planned to do them temporarily for living. "I mean I know it's important [i.e. the CV] and everything, and it looks good if you worked for a company, but that's not why I am doing it," explains Greg, a 24-year old transport administrator from Scotland. "It's really good money. Ok, the job is boring, but life is much cheaper here. I can go out each day with friends, eat out 5 times a week, go to concerts, etc. This wouldn't be possible in Britain, maybe you can afford to go out once a week and that's it. And eating out, only occasionally. I like to travel, I want to see things." Thus what seems to be important is that these jobs allow them to enjoy various programmes and try different things in a new culture, both financially and in terms of commitments. "I like that in these jobs after you finish work and go home, you don't have to think about work any more," says Greg.

Sarah who worked for several companies in Britain and now in Prague claims that in one way or another Western Europeans come here for the same reason: "We want to enjoy life." However, as she explains further, it is also a bit more complicated. In Britain it is much harder for fresh graduates to get a job in a good company, as most of the positions would have tough requirements such as background in finance and several years of experience. "Or even if you managed to get a job at a prestigious company, you would need to work your ass off, and still be treated like shit. Also it's different in Britain. If you aren't in London, it's very hard to find a job. But if you go to London, it's very careerist. People are working crazily, like 50-60 hours a week. They don't have a life. It's extremely stressful if you work there. Here it's still somehow more relaxed. People have time for other things outside work. We all came here because we just don't want that, to work 50 hours and not have a life."

In comparison, in Prague they can get a job without much effort at companies. The story of Rob might be considered typical among British expats. After living and working for the same company for 2 years in Prague, he wanted to leave to teach English in Korea. However, the move did not work out, so he had to look for a job in Prague again. Without speaking more than basic Czech as most of his friends are British, he found work in 3 different companies within a month: "My old company took me back immediately. But only for half-time, so I didn't want to stay there. So I went to this other company, and made the training on the first week. They kept giving us this amazing lunch each day, but I didn't really like the job. It was just too much work. So now I started in this third company. It's really cool. It's very boring, I don't have to do anything the whole day. Only a few phone calls. I really like it."

Interestingly, in spite of the less committed attitude of many of the Western employees, companies still tend to employ a rather large percentage. In some places like call centres, they

fill about 30-40 % of the positions. The tendency to employ native speakers in customer service positions and call centres are related to broader issues of outsourcing. In the UK, where outsourcing or even offshoring have a longer history, people are often dissatisfied with the services that are outsourced to distant countries. There are growing complaints about the language proficiency of the employees, which makes it hard to arrange administrative issues. In addition, the differences in the level of and the attitude to customer service between Britain and the Czech Republic often pose problems.

This is also underlined by the story told by British employees working in Prague. "Every time a customer calls, they want to talk to me on the phone," says Rob, the only British employee of his team. "They can hear that I am from UK and, they somehow trust me more. Often when a Czech colleague picks up the phone, they ask: So whom am I calling now? India, China or what? They are pissed off talking to people in different countries when they need to arrange their bank issues or insurance. They also think people in India or China are stealing their jobs." However, this readily imported but only half-successfully copied business environment provides space for people with a less careerist or less aggressive attitude to obtain a more relaxed and liveable lifestyle. Something that appears to be less and less possible for certain groups in the highly neoliberal Western societies.

Finally, these structures produced by outsourcing provide opportunities for some others, like Gordon, in yet another sense. He is only 25 years old, but travelled and worked in several American and European cities, after leaving Scotland with a high school diploma. He first worked for a hostel when he settled in Prague, then he planned to stay only for a few months. Now he is married to a Czech woman, works for one of the large companies and he says: "I don't want to go back. Here I feel I am someone. Back in Scotland, I had no life. Here I worked hard, I trained myself and now I am managing people. They come and ask me things that only I can answer. I feel I am important, I am somebody here. If I went back, I would be no one again. I have no reason to go back."

At first sight outsourcing might appear to be a simple business strategy, but it raises a number of complicated issues ranging from exploitation to worsening work conditions, through labour efficiency and the importation of Western business values to a post-socialist environment. What's more, it seems to produce unexpected outcomes, such as in the case of Prague the influx of a young educated Western European labour force to work in low-level positions in CEE. While government incentives continue to support foreign investments establishing shared service, IT and customer contact centres, it is becoming increasingly harder to satisfy their needs in terms of labour supply, therefore the centres turn to foreign labour to fill this gap. This appears to create opportunities not only for Eastern European and other nationals to work in Prague, but also attracts an increasing number of Western Europeans to live and work in the city. However, what the above means for the Czech labour market, how it affects the opportunities for Czech educated work force in the country and how effectively can

companies operate by relying on a highly mobile lowly committed work force are among the many questions that need further investigation to be answered.

Alexandra Szöke did her MA on the topic of elderly migration - the new "welfare migrants" from the West to Eastern Europe. She is presently doing her PhD in sociology and anthropology at Central European University, focusing on local initiatives and neoliberal development in Hungary.



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