TURN OVER, VOICE, RISKS AND COLLABORATION
IN PHILIPPINE CALL CENTERS: ARE PUBLIC POLICY REFORMS NEEDED?

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Extended Abstract

In a study aimed at generating baseline data about workers in the Philippine call center and business process outsourcing (BPO) industry, particularly, their employment terms and conditions and attitudes to trade unions as well as the context and possibilities of trade union organizing in that industry, Sale and Bool (2005) noted that labor standards on hours of work were generally being met. But night work during the prohibited interval for women employees, who constituted the majority in the survey, remained widespread. While the workers were young, night shifts adversely affected the health of a substantial number. 3 out of 4 workers in the sample encountered moderate to heavy work pressure, and 1 out of 2 was neither happy nor unhappy at the workplace. Majority of the respondents were in customer service. A big majority received ₱15,000 or less by way of average monthly take home pay. Majority had general knowledge about trade unions, despite their young age and notwithstanding that almost all were non-members. Nearly 2 out of 3 workers considered salary/wage negotiation as the most important role of trade unions. 51% were interested to join an affordable, principled and efficient workplace union. They concluded that it is possible to organize workplace trade unions in the call center and BPO industry. Organizing efforts should be industry-based rather than firm-based, due to the attrition rate and the prevalence of definite or fixed-period employment.

Later, Bool (2007) explored the potential of unionism in the country’s call centers by looking at employees’ predisposition to unionization taking into consideration their working conditions and socio-demographic factors. Employing probability proportional to size (PPS) sampling technique, the size of the sample was established using the Sloven formula at +10% margin of error at 95% confidence interval or one hundred (100) respondents from randomly chosen Metro Manila call centers – Sykes Asia, Inc., Convergys Corporation and eTelecare International. Data were gathered through self-administration of survey questionnaire that captured respondents’ socio-demographic characteristics and conditions of employment. The data were analyzed using statistical tools on descriptive and causal research. The study disclosed that the predisposition to join a union is a function of the following factors or independent variables: (1) average monthly income, (2) function or purpose of communication at work, (3) availability of company rules and regulations, (4) age and (5) knowledge about trade union. Based on the study, call center employees are predisposed to join a trade union if (1) they have
lower monthly income, (2) the purpose of communication mechanisms at work is to merely inform, (3) availability of company rules and regulations is lesser, (4) they are younger and (5) they have greater knowledge about trade union.

In a 2008 study, the authors took a closer look at the model for employee voluntary turnover developed by James March and Herbert Simon (1958) and cited by Kochan (1980). Based on the model, turnover is affected by two factors – ease of leaving and desirability of leaving a firm. Ease of leaving is primarily determined by alternative employment opportunities outside the firm. This means that the more attractive the labor market outside, the higher the probability of leaving. The desire to leave is a function of dissatisfaction at the current job, that is the higher the dissatisfaction level, the greater the probability of leaving. However, if there is opportunity to voice out employee dissatisfaction that would lead to changes in work conditions, employees might choose the “voice” rather than the “exit” option. Building on information generated from their previous studies and using data on turnover from call centers, the authors attempted to determine and explain the relationship between turnover and voice.

In this paper, the authors delve into turnover, voice, risks and collaboration in Philippine call centers. Blake (2008), citing March and Shapiro, explains that decision makers in organizations tend to be risk-averse if organizational performance is just above target level, while they tend to be risk-takers if organizational performance is just below or well above target level. When targets are being met (or not) are call centers and their employees risk-takers (or risk-averse)? The extent of risk-taking (or risk-aversion) could be examined via Himmelman’s matrix of strategies for working together. Himmelman (2002) argues that networking, coordinating, cooperating and collaborating are different forms of working together, but each may be regarded as a developmental stage in a relationship. As in a continuum, the more organizations engage in turf wars (taking greater risks in the process), the closer they are to networking and, beyond that, competing. The higher levels of time, trust and turf shared among organizations, the closer they get to collaboration (and lesser risks). Are voice regimes in call centers (if any) types of working together, i.e., networking, coordinating, cooperating or collaborating? What are the factors contributing to their success or failure? Do they affect turnover? Do they make unions superfluous as there is none in the industry thus far? Are public policy reforms necessary? What techniques or approaches are proper for non-unionized workplaces? These are some issues that the present descriptive and correlational study hopes to address through an analysis of relevant provisions of the Labor Code of the Philippines (including the implementing rules) and call center data on income, turnover and voice mechanisms, among others.

Selected References


Sale, J. and Bool, L. (2005, June 29-30). *Context and Possibilities of Trade Union Organizing in the Philippine Call Center and Business Process Outsourcing Industry: A Survey Report*. Paper prepared for the Union Network International (UNI) – Philippine Liaison Committee (PLC) for the UNI-APRO Forum on Outsourcing/Offshoring, Taipei (paper was presented by Umali, J.). [The paper was also presented at the International Labor Office (ILO) – Employers Confederation of the Philippines (ECOP) Call Center Consultation Workshop, RCBC Plaza, Makati, Philippines held on June 16, 2005.]