A Landscape of Hiring-related Pay Policies: Evidence from the Philippines

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Abstract

Pay policies are vital instruments in promoting a healthy bi-partite employment relations climate. It guides employers in dealing fairly and consistently with pay-related concerns and issues affecting employees. A total of 148 respondents representing firms from different industries located in the Philippines participated in a one-shot seminal exploratory survey that looked into the presence or absence of pay policies, particularly on hiring, probationary and rehire. Results reflected that most organizations have recruitment and probationary pay policies established, but few have created a rehiring pay policy and salary administration manual (SAM). Consistently, these compensation-related policies are mostly found in stock corporations and least in organizations under a partnership. In general, the policies are mostly present in wholesale/retail companies and least in aerospace, mass media, telecommunications and mining/extraction companies. The presence of the policies vary based on workforce size but continually identifies workplaces in Metro Manila with having the criteria mentioned.

Keywords: hiring pay policy, probationary pay policy, rehire pay policy, salary administration manual, Philippines

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Introduction

Human Resource (HR) management strengthens the interrelationships and serves as a connection between the organization and its employees. Its role is not only in the recruitment and monitoring of employees; it also plays a vital part in the planning and formulating of policies to give structure and control in an organization's HR activities, processes and programs. According to Armstrong & Taylor (2014), HR policies present how an organization delivers its social responsibilities to its employees. Generally, these HR policies communicate the values and expectations of the organization to its employees and compel them to comply with the rules. Formulating and implementing HR policies proved to have benefits in the organization. In a strategic human resouce management study as mentioned by Lakhotia (2018), it helps the organization hire the right people (55%), increase quality candidates (49%), increase referrals (41%) and increase diverse candidates (32%).

According to Karerra (2017), organizations must consider formulating HR policies to address various people-related issues and maintain proper work arrangements and internal relationships. Rajsheka (n.d.) enumerated steps in developing a specific HR policy. First, the organization must have a compelling reason for such. Some existing policies may require fine-tuning or even phasing out. Second, it should be anchored on data that should be thoroughly analyzed, such as, among others, the past experiences of the organization, the practice of other organizations in the same industry and the attitudes and philosophy of top management. Third, there should be policy alternatives to choose from. Armstrong & Taylor (2014) suggested that they should be thoroughly examined for responsiveness and feasibility. Fourthly, it is essential that everything be put into coherent and understandable writing. The last step, of course, is having it approved by the final authority—the top management.

HR policies play a significant role in strengthening and improving people management within an enterprise. Mayhew (2019) emphasized that HR policies serve as a company's protection against possible legal liabilities it could be embroiled in, such as claims of unfair practices, discrimination and harassment. To begin with, HR policies must be aligned with the nation's laws, jurisprudence and regulations. The implementation of sound HR policies increases employees' satisfaction and confidence, resulting in heightened work performance.

White (n.d.) noted that HR policies provide organizational structure, particularly in employer-employee relationships within the framework of labor laws and conflict resolution mechanisms. In effect, it creates a harmonious work environment with minimal cases of violations in the bipartite relationship as the parties become more aware of the guidelines that serve as ground rules of their relationship. Moreover, it makes employees monitor and gauge their behavior and performance limitations (Reddy, n.d.).

A critical part of the HR policy compendium is the compensation policy. It is an essential primary document that describes the behavior, role and conditions of the employees in the context of the organization's compensation scheme. Thus, it gives employees a perspective on how they would be rewarded should they decide to continue their employment in the same organization (HRM Handbook, n.d.). According to Heathfield (2017), compensation is the monetary and non-monetary pay given to an employee by an employer in return for the service or work performed by the employee as required by the organization. The set of rules by which the compensation of an employee is determined, usually in terms of salary and benefits entitlement, is called a compensation policy (Human Resource Secretariat, 2017). Studies on the impact of remuneration on employee performance found that salary/wage and bonus/incentives motivate employees to work better on top of increasing employee retention (Murray, 1999; Ojeleye, 2017). It is true, regardless of the employee being in the public or private sector. Blackaby (2017) noted that substantial regional disparities in wages are offered to public sector workers, who are significantly disadvantaged compared to private-sector workers. The presence of this disparity in salaries has implications for staff recruitment and retention. Nevertheless, both sectors' pay is coming down faster than the rate of inflation. Robinson (1982) pushes for a more acceptable income policy to augment this problem in the long run.

One of the determinants of the efficacy of a compensation policy is proper salary administration, which includes all components dealing with monetary provisions and pay structure in an organization (HR Council, n.d.; UMBC, n.d.). During the Industrial Revolution, one was paid based on a person replacing a machine. As Fleet (1967) forecasted, salary administration is now identified as a technique, a system used by informed management to give value to an individual's contribution, considering not only performance but the potential of the individual. The establishment of a program or manual for salary administration can be done through a salary administration audit. This type of audit addresses the following: review and updating of job descriptions; evaluation of the current salary structure followed by the organization; assessment of the existing policies and procedures coinciding with the compensation policies, job evaluation and surveys of wage and salaries; analysis of organizational problems; development and maintenance of a wage structure; and the establishment of rules for administering wages, pay incentives, wage changes, and adjustments, supplementary payments and compensation costs (Schmidt, 2013; Dabre, 2014). Some of the components of a SAM are geared toward establishing salary ranges, decision-making criteria for salary increases and time frames for a salary review (HR Council, n.d.). A salary range is the span of the minimum and maximum amounts of wages that an organization is willing to pay for a particular job or a group of positions (Culpepper et al., 2010). The changes in the salary of an employee, usually in terms of increases, are affected by the employee's level of responsibilities and internal equity considerations (University of Oregon, n.d.). As such, other factors can influence salary determination. For instance, Malaysian labor markets have also identified critical elements such as legal provisions, employment trends and tight labor market, proximity to other countries such as Singapore, the influx of foreign labor and labor unions (Ghani et al., 2001).

However, socio-economic variables may also play a role in wage determination. A study by Reason et al. (2002) found that degree attainment and ethnicity significantly affected salaries while gender did not. Besides, women and people of color were not represented proportionally at the senior levels of student affairs administration. Compared to Caucasian males, they do not reach the position of high levels of student affairs administration at similar rates but receive equal salaries once there. The process by which these changes are studied and decided upon happens during a regular salary review (Kenexa, n.d.). The American Potash and Chemical Corporation emphasizes the need to devote increasing amounts of time and study to this task to enable them to adjust in size and discipline as competition in the industry increases (Schumacher, 1963). Some policies governed by salary administration are on the hiring pay, probationary pay, and rehire pay.

Hiring pay is the fixed amount of wages that an employer is willing to give a new employee in return for him/her accomplishing a particular job (Heathfield, 2018). Hiring people at the entry-level results in a higher level of mutual trust between the labor force and the firm and less opportunistic behavior by the employees (Ganesan, 1993). The determination of a hiring pay is governed by specific guidelines called the hiring pay policy (HPP). The HPP considers this type of compensation to profoundly affect the willingness of the potential employee to accept the job; thus, it must be attractive enough to lure in competitive and quality people to the organization (MaRS Discovery District, 2009). Also, Kalmi et al. (2009) suggest providing actual knowledge of the payment system as it allows for better pay satisfaction and effectiveness. It is also believed to affect an employee's morale, which dictates his/her productivity and engagement in the organization (Bewley, 1998). The hiring pay offered to a potential employee is different from one person to another based on the factors affecting it. These include the market pay rates for the people doing the same job, the market pay rates of industries that are similar to the particular industry where the job is offered, the pay ranges in the region where the job is provided and the work experience and the educational background of the potential employee, among others. These factors generally determine the amount of hiring pay the employee will receive (Heathfield, 2018).

However, if a job applicant is not yet accepted, he or she may undergo probationary employment, where the applicant is observed and evaluated for a certain amount of time. The probation usually lasts for one to three months, but not more than six months (Handrick, 2018; JLP Law Offices, 2006). The probationary policy includes the trial period for newly recruited workers, which is six months. To put it concisely, the probationary period is used to observe, provide feedback and evaluate newly hired employees. It gives the organization the opportunity to ensure that the employee is appropriate for the job they are assigned to and can eventually help them achieve regular status (The Regents of the University of California, n.d.). The probationary policy sets behavioral expectations and reminds newly hired employees to perform well accordingly (Miller, 2017).

The probationary evaluation result will determine whether the job applicant will be hired or not (JLP Law Offices, 2006; The University of Iowa, n.d.). During probation, the employee may receive a certain amount of pay from the employer, which is called the probationary fee. It is determined and provided in the probationary pay policy of the organization, which is the directive dealing with the computation and evaluation of the pay of a probationary employee. This pay can be equivalent to the minimum wage indicated in the salary range of the particular job the employee is performing, or it may be less and with no benefits whatsoever (Villano, n.d.). Once the probationary employee is accepted, the regular wage that the newly hired employee will receive may remain the same as his/her previous probationary pay, or it may increase depending on the negotiation between the employee and the employer after probation (Anastasia, 2017).

Studies have found that jobs with probationary periods have higher wage growth than non-probationary jobs, making them a target for job seekers. Moreover, employee tenure in the position is longer for employment with a probationary period (Riphahn & Thalmaier, 1999). Workers who fear they will not last through the probationary period, either because of uncertainty in their performance or thinking that they may quit, will not apply for jobs with probation, whereas those who are more confident in their work and that they will not leave will apply for such employment to obtain the higher salaries commonly associated with appointments with probation (Loh, 1994). On the other hand, if the applicant is not qualified for the job as shown by the result of the evaluation, he/she must still get monetary payment for the work done for the whole probationary period (Price, 2016).

As for rehiring in organizations, specific principles and rules in the rehiring policy are also followed. Rehiring includes the process of bringing back a former employee into the organization. This employee is usually called a "boomerang employee," a "comeback kid," or a "returner" (Harrison, 2018; Newton Software, 2018). A rehiring policy ensures that resources are utilized correctly and that everyone involved is brought up to speed (Newton Software, 2018). Moreover, hiring boomerang employees has its pros and cons; thus, it is imperative that careful considerations are done. These benefits and drawbacks are balanced when establishing a rehire policy (Raj & Hundekar, 2013).

One of the advantages of boomerang employees is their ability to immediately cope with the work environment due to their previous experiences in it. This feature is crucial as it is a significant factor in achieving the full production capacity of the employee in only a short time (Sturt & Nordstrom, 2018). Moreover, the resources used to train newly hired employees will not be a problem since there is little to no need to train boomerang employees (Newton Software, 2018).

However, there is also a tendency for boomerang employees to have leftover negative sentiments on the organization, or it may be the other way around. These harbored feelings may have negative impacts on the productivity of the boomerang employee and non-boomerang employees alike in the future and thus may affect the organization in general (Sturt & Nordstrom, 2018; Newton Software, 2018). Intra- and extra-organizational knowledge construction and disruptions, together with transition events, are significantly predictive of boomerangs' return performance (Swider et al., 2017). Most companies rehire returnees only if the time gap between the person leaving and rejoining is not very long, implying that the past experience of the individual is not very important and retraining would be needed, primarily because the business might have changed substantially from the time when the person had left initially. Human Resource managers must consider legal and policy issues on top of corporate culture and performance. It should be made sure to not just settle for a known entity when there is a better fit available. Rehiring ineligible former employees or someone who has been terminated for misconduct can cause significant problems in the workplace. Even when a person "quits" instead of being terminated, that person is not eligible for rehire (Raj & Hundekar, 2013).

Boomerang employees, as defined by the Apollo Answering Service (2017), are rehired former employees of the organization. Based on a survey, majority of boomerang employees (90%) said the satisfying experience they had during their stay in the organization encouraged them to return. Sixty-three percent of employees considered returning if they would have higher salaries, better opportunities and flextime options (NewsOK, as mentioned by Vozza, n.d.). This shows that it is crucial for the organization to have a good relationship with its employees to encourage quality workers to return. This also poses the need for the organization to have a rehiring policy to ensure that the boomerang employees understand the conditions and processes needed upon returning. The policy helps employees gauge whether or not they are eligible to be rehired. Only employees who leave in functional status, have excellent performance and fit the expectations can be eligible. Thus, the rehiring policy prevents the company from acquiring employees who had terrible records like behavior violations and poor performance (Vijayanagar & Hundekar, 2013).

The salary of a boomerang employee is also taken into consideration in the rehiring policy. Usually, boomerang employees are given more substantial wages compared to what they previously received (Sturt & Nordstrom, 2018). In some instances, depending on the organization's rehire policy, they may also receive the same amount as non-boomerang employees (or incumbent employees) with the same skill sets as them (Elbo, 2018). However, while most organizations consider rehiring former employees, very few have a formally documented rehire policy. In some professions, retired workers are still able to get themselves rehired on top of receiving a pension. In the retire and rehire policy (RRP), educators have been able to do this by being employed (a) in a new occupation; (b) in an education position not covered by the fund from which they are receiving a pension; or (c) in an education position in another state. RRPs effectively establish a fourth alternative—the option of retiring and then being rehired in an education position covered by the fund from which the individual is receiving a pension. A covered position is defined here as one requiring mandatory participation in a specific pension fund (Kowalski & Sweetland, 2005). Individuals who retire and continue working are commonly referred to as "double dippers" because they concurrently receive a regular salary and a pension (Sostek, 2003).

In the case of casual workers, companies "seasonally fire" and after a few days or weeks, rehire them. One of the reasons is that casual workers are typically skilled—graphic designers and computer programmers, for example. In a growing workforce in a tight labor market, skilled workers in casual employment are not likely to complain about the semi-annual firing and rehiring. Instead, they are just grateful to be rehired and have a job (Brustein, 2005). Organizations benefit a lot from this as it saves them time and money instead of having to hire and train new skilled workers. However, companies' malpractice of misclassifying employees and skirting around hiring full-time employees—providing them with appropriate benefits—remain.

Significance of the Study, Research Questions and Objectives

There are limited studies about people management in the Philippines, particularly in its functional area on compensation. This study was conceived in the hope of helping fill in this gap. In effect, this study seeks answers to the following questions:

1. Do companies in the Philippines maintain a SAM?
2. Do they have a HPP in place?
3. What about probationary as well as rehire pay policies (RPP)?

It is hoped that this ***seminal exploratory*** work would inspire more studies to bridge the knowledge gap. Pay is an essential object in the relationship between labor and capital. Their dynamics are contingent upon many variables, including norming in the form of written policies to guide them on necessary pay actions to avoid possible turmoil.

Methodology and Delimitation

One hundred sixty respondents from different industries were invited to participate in the one-shot study. However, only 148 accomplished and returned the survey instrument. The survey instrument is comprised of two parts. The first is a demographic profile of the respondents while the second pertains to a checklist that ascertains whether or not they have in existence the following: a SAM, an HPP, a probationary pay policy and a rehire pay policy. The instrument was pre-tested before use to ensure it can capture the desired data. Data were processed using descriptive statistics and presented in graphs to discern patterns.

The seminal study, being ***exploratory***, did not dwell on the content and quality of the pay-related policies, nor was a follow-up or triangulation made to substantiate data generated by the survey. Nonetheless, the data can provide readers a glimpse of the prevailing trend on the subject being studied.

Respondents' Profile

Figure 1 shows that 99 out of 148 (66.89%) respondents are female, while the remaining 49 (33.11%) are male. It is in sync with the common observation that in the Philippines, the HR function is performed more and more by females. Seventy-eight of the respondents (52.7%) are college graduates, 35 (23.6%) are master's degree holders, 21 (14.19%) have Professional Regulation Commission licenses, 10 (6.8%) attended college but did not finish their degrees and the remaining four (2.7%) are classified as two "others": one doctoral degree holder and one with no given educational background (Figure 2). It is somehow reflective of the inflation of educational attainment, which the Philippines is noted for.

Figure 1. Sex of Respondents

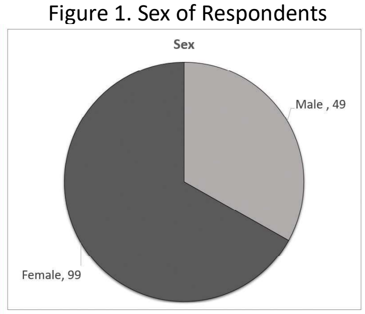


Figure 2. Educational Background of Respondents

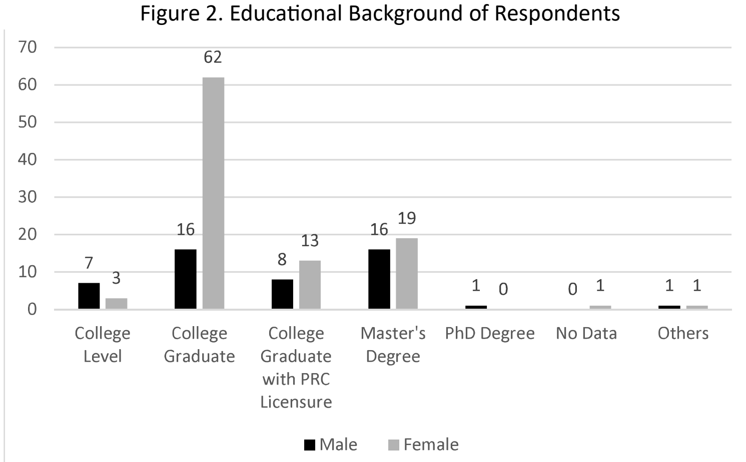


Figure 3 shows 71 (47.97%) of the respondents are from HR management, 48 (32.43%) from multiple work functions, 12 (8.11%) from administration, seven (4.73%) from finance, four (2.7%) from operations, one (0.68%) from engineering , and five (3.38%) representing other sectors. One hundred and five respondents work in places owned by stock (80%) and non-stock (20%) corporations; 13 (8.78%) in government-owned organizations; 14 (9.46%) in a proprietorship; three (2.03%) in partnership; four (2.7%) gave no classification; and 9 (6.08%) have no data regarding their companies' ownership (Figure 4).

Figure 3. Work Function of the Respondents

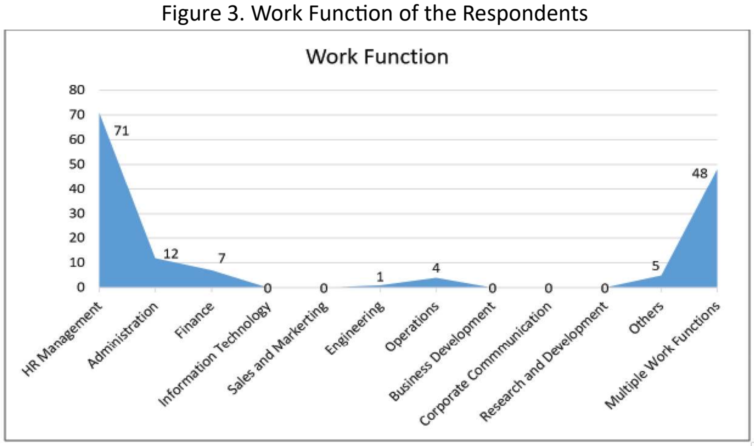
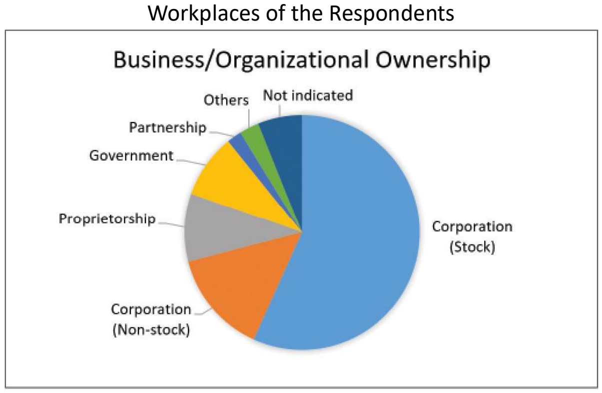
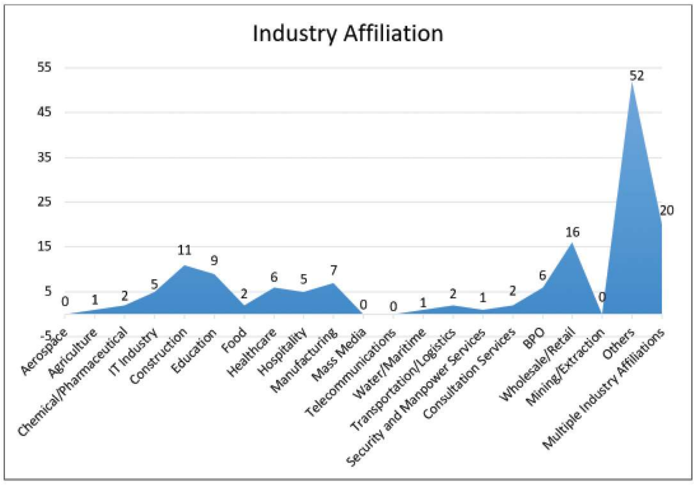


Figure 4. Business/Organizational Ownership of the Respective Workplaces of the Respondents



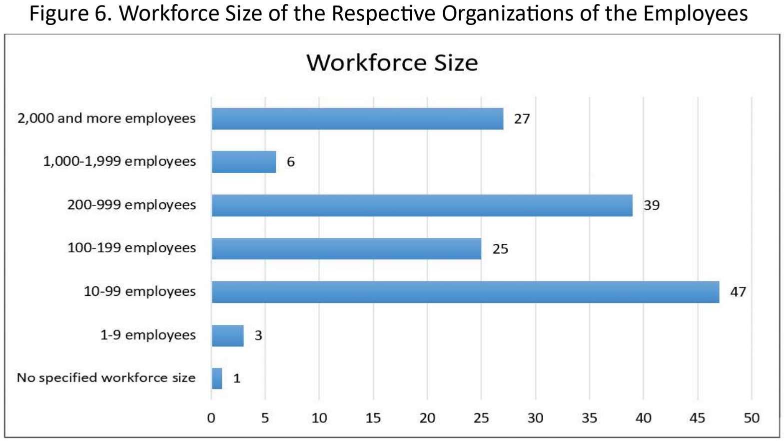
Data on the respondents' industry affiliations (Figure 5) show that 52 (35.14%) come from other industries or had not specified their sector, 20 (13.51%) from multiple industry affiliations, 16 (10.81%) from retail, 11 (7.43%) from construction, nine (6.08%) from education, seven (4.73%) from manufacturing, six (4.05%) each from healthcare and business process outsourcing (BPO) industries, five (3.38%) each from the hospitality and information technology (IT) industries, and 11 (7.43%) collectively from other industries listed or provided no specification on their industry affiliations.

Figure 5. Industry Affiliations of the Respondents



In terms of workforce size (Figure 6), 47 (31.76%) are from a relatively small company (10-99 employees), 39 (26.35%) from rather large companies (200-999 employees), 27 (18.24%) from giant companies (2,000 or more employees), 25 (16.89%) from medium-sized companies (100-199 employees), six (4.05%) from very large companies (1,000-1,999 employees), three (2.03%) from very small companies (1-9 employees) and one (0.68%) gave no specification

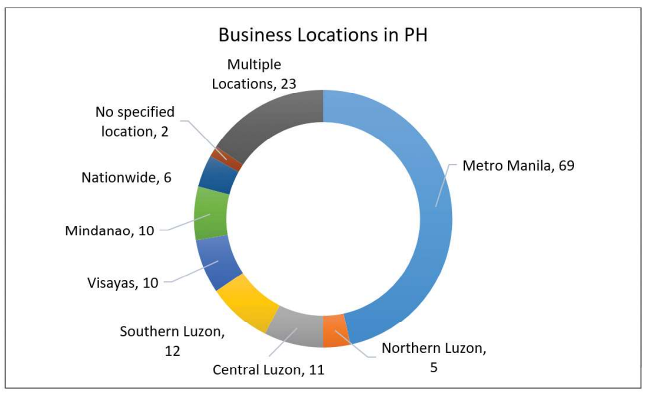
Figure 6. Workforce Size of the Respective Organizations of the Employees



on workforce size. It is a reflection of the Philippine reality that approximately 99% of business organizations in the Philippines belong to small and medium enterprises.

Lastly, 69 (46.62%) of the respondents' workplaces are located in Metro Manila, 12 (8.11%) in Southern Luzon, 11 (7.43%) in Central Luzon, five (3.38%) in Northern Luzon, and 10 (6.76%) in the Visayas regions as well as in Mindanao. For other respondents, six (4.05%) are said to be located nationwide, 23 (15.54%) are in multiple locations, and two (1.35%) did not indicate their workplace location (Figure 7). This data illustrates the scenario wherein most businesses in the Philippines are located in urban areas, especially Metro Manila.

Figure 7. Business Locations of the Respective



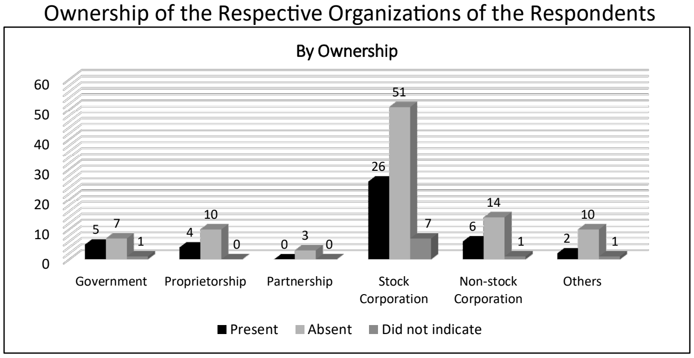
Findings

Salary Administration Manual

Based on business ownership (Figure 8), those with a SAM are as follows: five (38.46%) government-owned companies, 26 (30.95%) stock corporations, six (28.57%) non-stock corporations and four (28.57%) proprietorships. None of the companies under partnership have the said criterion. Percentages have a mean of 21.25 percent and a standard deviation of 15.28. As mentioned earlier, the SAM is crucial in governing the relationship between labor and capital. Sadly, many do not have it in place in their respective organizations.

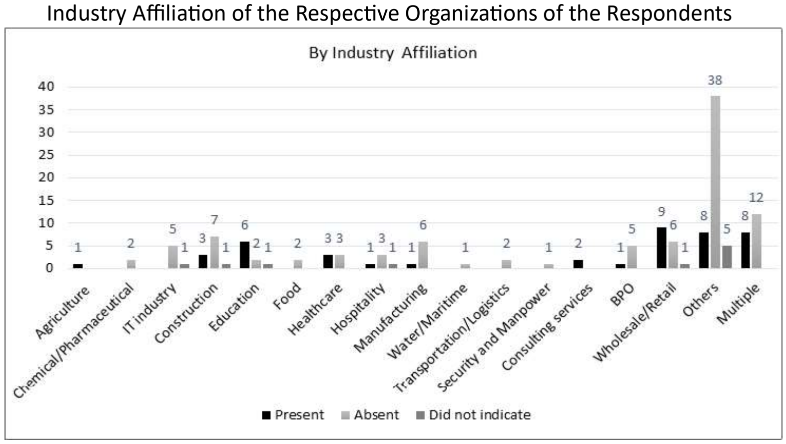
According to industry affiliation (Figure 9), six (66.67%) of those with a SAM are in education, nine (56.25%) in wholesale/

Figure 8. Presence or Absence of a SAM in the Organization in Relation to the Ownership of the Respective Organizations of the Respondents



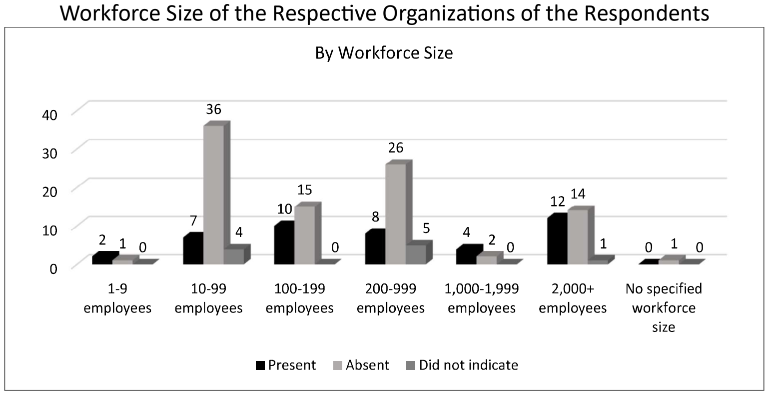
retail, three (27.27%) in construction, one (14.29%) in manufacturing, eight (15.69%) from "other industry affiliations not mentioned" and eight (40%) of those under multiple industry affiliations. The mean is 30.86% with a standard deviation of 33.34. The data indicates that the absence of a SAM cuts across industries. Stock corporations and enterprises such as wholesale/retail and education have a SAM as it is necessary for: (1) monitoring salary structures and pay grades for exempt and non-exempt staff; (2) making recommendations for updates; (3) conducting internal and external market analysis to determine comparability and equity with existing positions; (4) providing salary and benefits data for compensation surveys; and (5) developing career "ladders" for existing job series to ensure versatility in compensation options (UMBC, n.d.)

Figure 9. Presence or Absence of a SAM in the Organization in Relation to the Industry Affiliation of the Respective Organizations of the Respondents



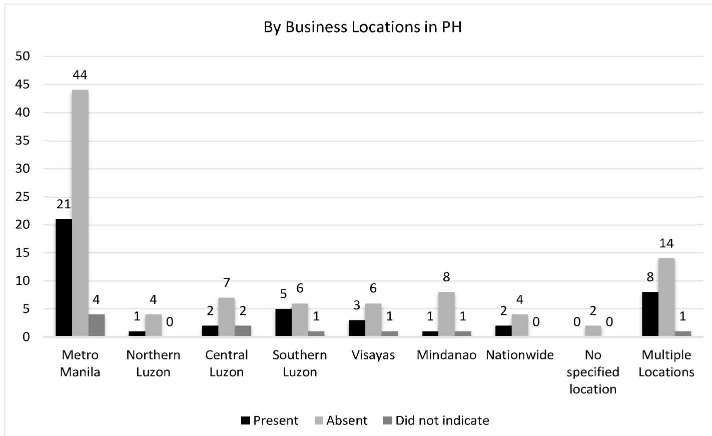
Creating salary ranges, decision-making criteria for salary increases and time frames for salary reviews are the significant steps in establishing a SAM (HR Council, n.d.). Atlanta Public Schools (n.d.) outlines hiring, promotion and RPP as part of its salary administration guidelines. In their case, new hires must not be given pay under the minimum salary range and employees with a base salary above the maximum salary structure range will retain their base salaries, on top of receiving benefits as approved.

Figure 10. Presence or Absence of a SAM in the Organization in Relation to the Workforce Size of the Respective Organizations of the Respondents



The findings suggest that the abovementioned criterion is present in two (66.67%) of the organizations with one to nine employees, seven (14.89%) with 10-99 employees, 10 (40%) with 100-199 employees, eight (20.51%) with 200-999 employees, four (66.67%) with 1,000-1,999 employees and 12 (44.44%) with 2,000 or more employees (Figure 10). Percentages have a mean of 36.17 percent and a standard deviation of 25.66. Somewhat surprisingly, the data reveals that even large organizations did not have SAMs to guide pay actions. It seems that the size of the organization is not always associated with the maturity of its HR practices. On the other hand, consider the location of the organizations in the country (Figure 11)—21 (30.43%) in Metro Manila, one (20%) in Northern Luzon, two (18.18%) in Central Luzon, five (41.67%) in Southern Luzon, three (30%) in the Visayas, one (10%) in Mindanao, two (33.33%) nationwide and eight (34.78%) with multiple locations have a SAM. The mean is 24.27 percent with a standard deviation of 13.30. In effect, the lack of a SAM is prevalent regardless of the business location.

Figure 11. Presence or Absence of a SAM in the Organization in Relation to the Locations of the Respective Organizations of the Respondents

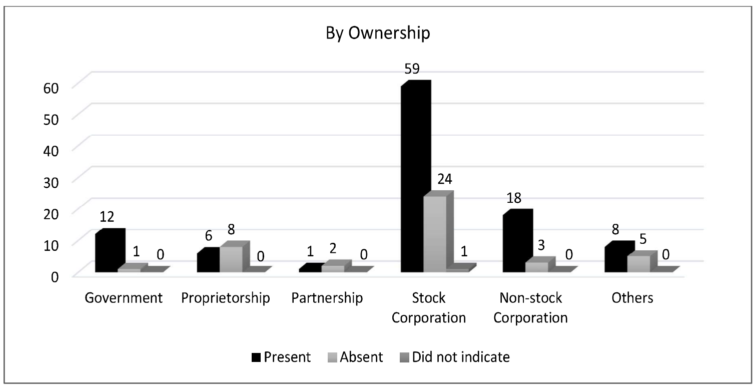


Moreover, organizations with a large workforce and those located in urban areas such as Metro Manila have a SAM to achieve the goals stated earlier for the benefit of their growing workforce and to present themselves better to stakeholders such as the regulating agencies, the market and future employees. In the case of Atlanta Public Schools (n.d.), for a teacher with a base salary above maximum, knowing the guidelines would surely motivate and satisfy him or her, and therefore may increase his or her performance in the job.

Hiring Pay Policy

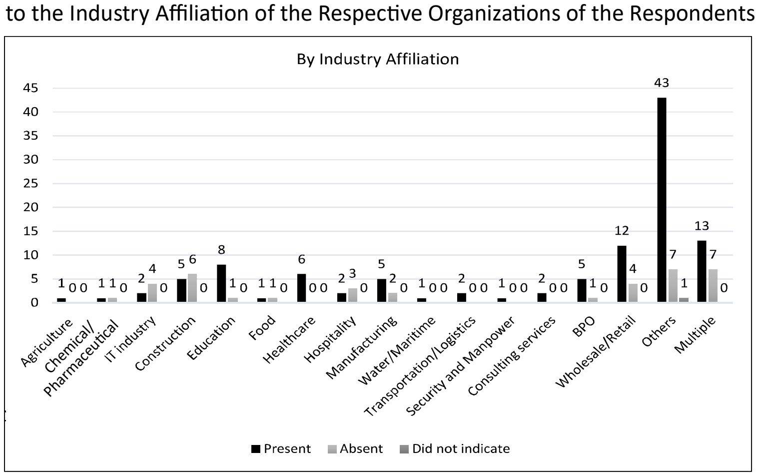
As seen in Figure 12, 12 (92.31%) government-owned companies, six (42.86%) proprietorships, one (33.33%) partnership, 59 (70.24%) stock corporations and 18 (85.71%) non-stock corporations fulfill the criterion of having a HPP in place. Percentages have a mean of 65 percent and a standard deviation of 21.93. Results also indicate that the above mentioned criterion is present in five (45.45%) organizations related to construction, eight (88.89%)to education, six to health care (100%), five (71.43%) to manufacturing, five to BPO (83.33%), 12 (75%) to wholesale/retail, 43 (84.31%) under other industry affiliations not mentioned and 13 (65%) under multiple industry affiliations (Figure 13). The mean is 77.01 percent with a standard deviation of 24.06. Although not overwhelming, the higher incidence relative to the presence of an HPP may be attributed to the difficulty of attracting and hiring candidates best suited for the available positions. Concerning this, more job seekers nowadays may be encouraged to apply at stock corporations and industries such as wholesale/retail due to the presence of an HPP (MaRS Discovery District, 2009).

Figure 12. Presence or Absence of a Hiring Pay Policy in the Organization in Relation to the Ownership of the Respective Organizations of the Respondents



According to workforce size (Figure 14), the criterion is present in all three of the organizations with one to nine employees, 31 (65.96%) with 10-99 employees, 14 (56%) with 100-199 employees, 30 (76.92%) with 200-999 employees, three (50%) with 1,000-1,999 employees, and

Figure 13. Presence or Absence of a Hiring Pay Policy in the Organization in Relation to the Industry Affiliation of the Respective Organizations of the Respondents

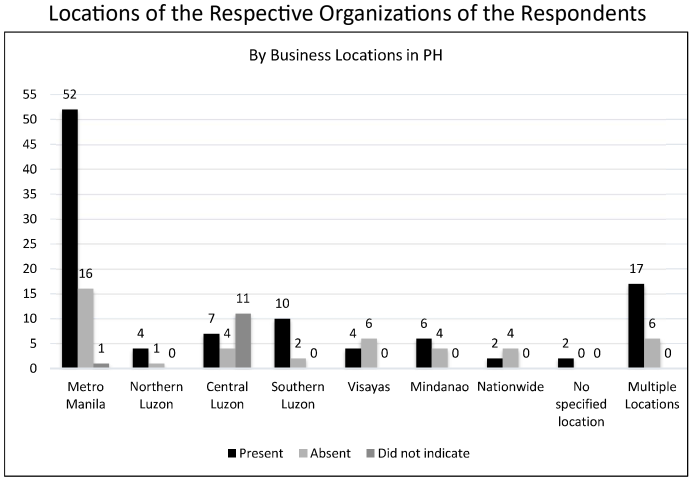


22 (81.48%) with 2,000 or more employees. Percentages have a mean of 75.77 percent and a standard deviation of 19.83.

Based on location (Figure 15), 52 (75.36%) from Metro Manila, four (80%) from Northern Luzon, seven (63.64%) from Central Luzon, 10 (83.33%) from Southern Luzon, four (40%) from Visayas, six (60%) from Mindanao, two (33.33%) from nationwide businesses, and 17 (73.91%) of the companies with multiple locations have the abovementioned criterion. The mean is 67.73 percent with a standard deviation of 21.10.

Figure 14. Presence or Absence of the HPP in the Organization in Relation to the Workforce Size of the Respective Organizations of the Respondents

Figure 15. Presence or Absence of the HPP in the Organization in Relation to the Locations of the Respective Organizations of the Respondents



However, factors mentioned by Heathfield (2018) such as market pay rates based on industry, work experience, education and place of work affect hiring pay. Other respondents motivated to work in companies without an HPP can be explained by the varying salary offers due to these factors. For example, even though the HPP is present in a workplace in Southern Luzon, a job seeker may still want a job in Metro Manila. Similarly, respondents are spread across different industries due to their distinct backgrounds, though it can be said that the majority are still in companies with established HPPs. Regardless of workforce size, it is vital for companies to have an HPP to attract most job seekers who are in the entry-level position (Ganesan, et al., 1993).

Probationary Pay Policy (PPP)

Based on the ownership of the organizations (Figure 16), six (46.15%) government-owned companies, nine (64.29%) proprietorships, one (33.33%) partnership, 68 (80.95%) stock corporations and 18 (85.71%) non-stock corporations have the said criterion. Percentages have a mean of 64.59 percent and a standard deviation of 18.90. By affiliation, (Figure 17), the criterion is present in seven (63.64%) organizations related to construction, seven (77.78%) to education, six (85.71%) to manufacturing, 13 (81.25%) to wholesale/retail, 35 (68.63%) under other industry affiliations not mentioned and 14 (70%) under multiple industry affiliations. The mean is 82.91 percent with a standard deviation of 18.14.

Figure 16. Presence or Absence of a PPP in the Organization in Relation to the Ownership of the Respective Organizations of the Respondents

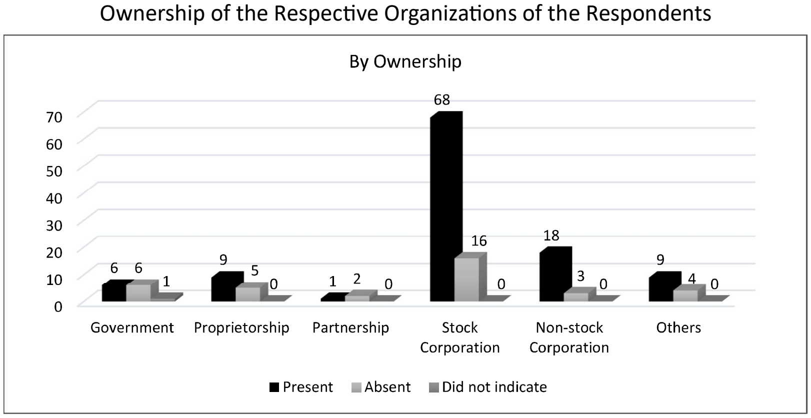
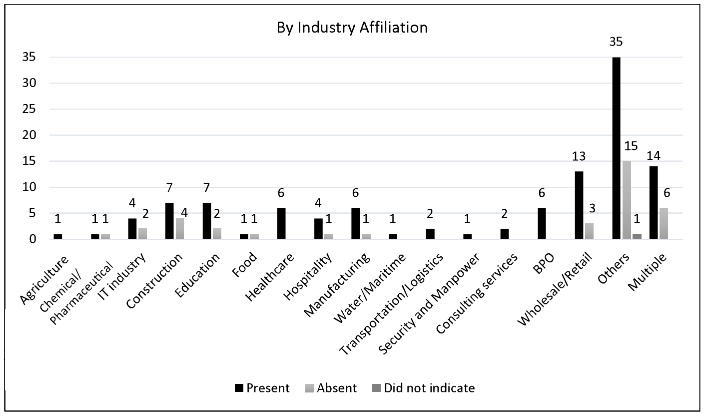
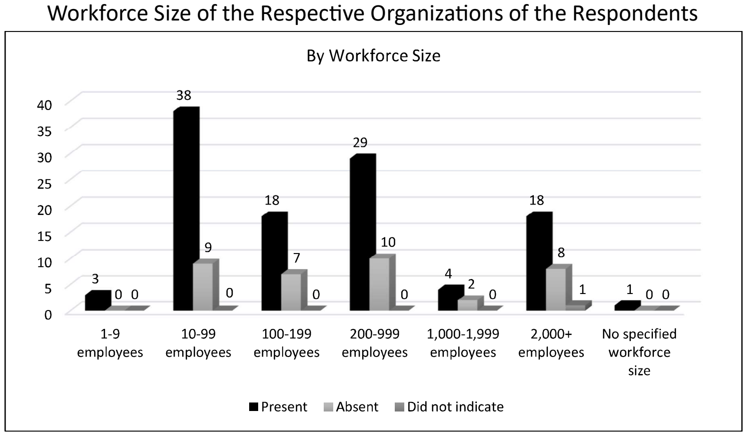


Figure 17. Presence or Absence of a PPP in the Organization in Relation to the Industry Affiliation of the Respective Organizations of the Respondents



According to workforce size (Figure 18), the abovementioned criterion is present in all three of the organizations with one to nine employees, 38 (80.85%) with 10-99 employees, 18 (72%) with 100-199 employees, 29 (74.36%) with 200-999 employees, four (66.67%) with 1,000-1,999 employees, and 18 (66.67%) with 2,000 or more employees. Percentages have a mean of 80.08 percent and a standard deviation of 14.44.

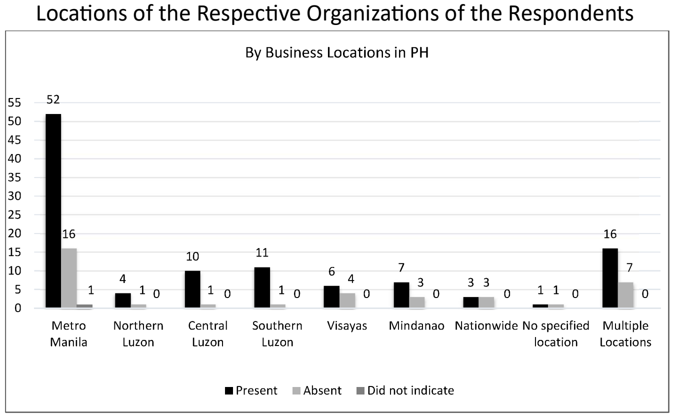
Figure 18. Presence or Absence of a PPP in the Organization in Relation to the Workforce Size of the Respective Organizations of the Respondents



Considering business locations, (Figure 19), 52 companies (75.36%) from Metro Manila, four (80%) from Northern Luzon, 10

(90.91%) from Central Luzon, 11 (91.67%) from Southern Luzon, six (60%) from the Visayas, seven (70%) from Mindanao, three (50%) nationwide, and 16 (69.57%) with multiple locations have the said criterion. The mean is 70.83% with a standard deviation of 15.53.

Figure 19. Presence or Absence of a PPP in the Organization in Relation to the Locations of the Respective Organizations of the Respondents



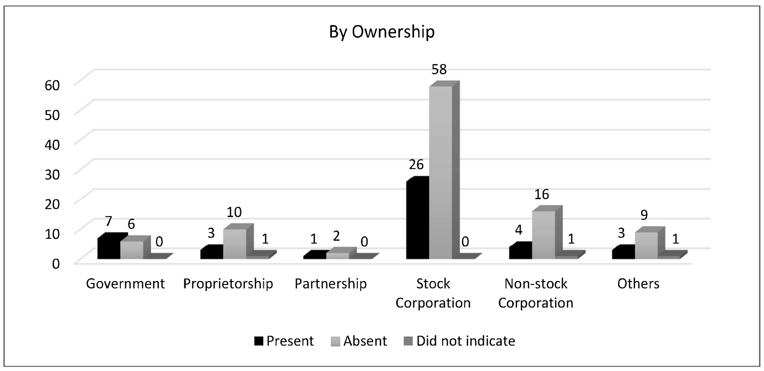
For each category, the number of workplaces with a PPP is more significant than those without. It is because jobs with a probationary period (e.g., education) attract more job seekers since it has a higher, if not equal, pay after the probation (Anastasia, 2017; Villano, n.d.; the University of Iowa, n.d.). Furthermore, employee tenure is longer for jobs offered with probationary periods (Riphahn & Thalmaier, 1999).

According to Article 281 of the Labor Code of the Philippines, the probationary period must not exceed six months, but may be terminated due to the following: (1) for a just cause; or (2) when the employee fails to qualify as a regular employee in accordance with the reasonable standards made known to him/her by the employer at the start of the employment. Thus, probationary employees are not immediately guaranteed better pay, and must still work accordingly during the probation. Job seekers who do not want this setup may apply to companies without probation. The findings, which revealed that more companies have policies relative to probationary pay, could be associated with the stricter measures that the Department of Labor and Employment imposed upon businesses these days relative to labor law compliance.

Rehire Pay Policy (RPP)

Figure 20 shows that seven (53.85%) government-owned companies, three (21.43%) proprietorships, one (33.33%) partnership, 26 (30.95%) stock corporations and four (19.05%) non-stock corporations fulfill the said criterion on RPP. The mean is 29.40 percent and the standard deviation 11.95.

Figure 20. Presence or Absence of a RPP in the Organization in Relation to the Ownership of the Respective Organizations of the Respondents

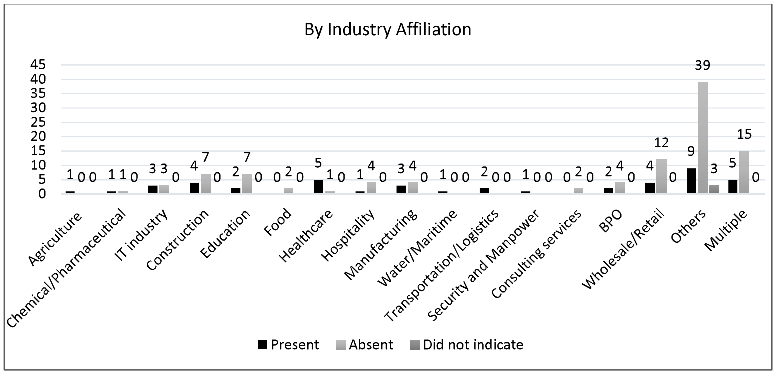


In relation to the industry affiliation (Figure 21), the criterion is present in four (36.36%) organizations related to construction, two (22.22%) to education, five (83.33) to healthcare, three (42.86%) to manufacturing, four (25%) to wholesale/retail, nine (17.65%) under "other industry affiliations not mentioned," and five (25%) under multiple industry affiliations. The mean is 47.47 percent with a standard deviation of 34.78. According to Sturt & Nordstrom (2018), boomerang employees may receive higher wages upon their return. However, in industries such as education, the comeback's experience still plays a part in determining the pay offered (Atlanta Public Schools, n.d.) and maybe at the same level as their non-boomerang counterparts (Elbo, 2018). Some schools also rehire "double dippers" who are already receiving a pension (Sostek, 2003).

Looking at workforce size (Figure 22), the said criterion is present in none of the three organizations with 1-9 employees, in eight (17.02%) with 10-99 employees, in seven (28%) with 100-199 employees, in 17 (43.59%) with 200-999 employees, in two (33.33%)

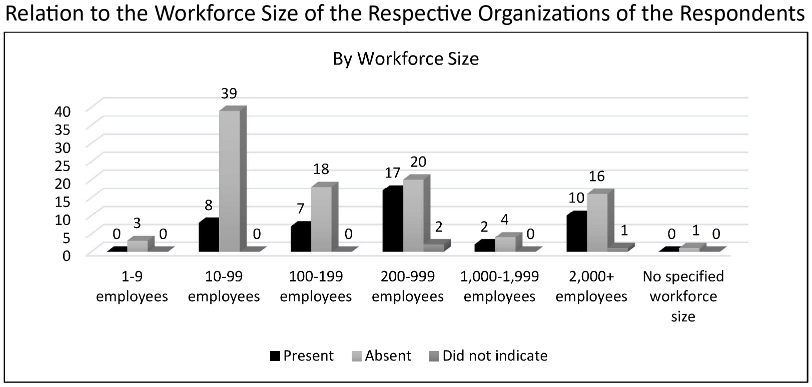
with 1,000-1,999 employees, and in 10 (37.04%) with 2,000 or more employees. The mean is 37.00 percent and the standard deviation 31.29.

Figure 21. Presence or Absence of a RPP in the Organization in Relation to the Industry Affiliation of the Respective Organizations of the Respondents



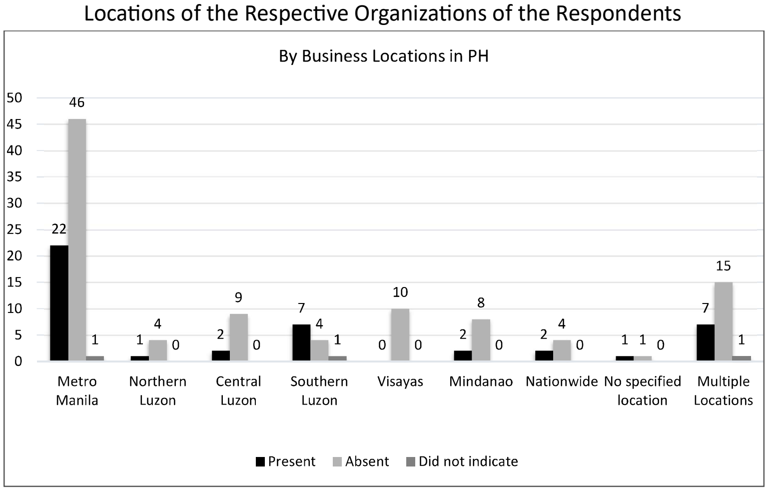
Considering the location (Figure 23), 22 companies (31.88%) in Metro Manila, one (20%) in Northern Luzon, two (18.18%) in Central Luzon, seven (58.33%) in Southern Luzon, none in the Visayas, two (20%) in Mindanao, two (33.33%) nationwide, and seven (30.43%) with multiple locations have the criterion. The mean is 29.13 percent with a standard deviation of 17.50.

Figure 22. Presence or Absence of a Rehire and Pay Policy in the Organization in Relation to the Workforce Size of the Respective Organizations of the Respondents



All except Southern Luzon show the prominence of workplaces without an RPP. Compared to hiring at the entry-level, comeback employees (Harrison, 2018; Newton Software, 2018) may be fewer in most organizations due to the lack of the RPP. Rehiring can be beneficial to a company, but employees are less motivated to return because there is no formally documented rehiring pay policy for them. As such, seasonal employees who have been "rehired" several times already also have the right to be classified accordingly and given benefits by the company (Brustein, 2005).

Figure 23. Presence or Absence of the RPP in the Organization in Relation to the Locations of the Respective Organizations of the Respondents



The findings relative to the RPP, which indicated its non-prevalence, could make one suspect that companies in the Philippines may be inclined to rehire their previous employees. In reality, however, boomerang employees are a source of talent to be reckoned with, especially when the supply in the labor market is low.

Summary, Conclusion, and Recommendations

Summarizing the answers of the 148 respondents who participated in the survey, 43 (29.05%) organizations have a SAM. The criterion is most present in stock corporations (26 out of 148) and least present in organizations under partnership (zero out of 148). It is also present mostly in wholesale/retail companies (nine out of 148) and least in chemical/pharmaceutical, IT, food, water/maritime, transportation/logistics, and security/manpower companies (zero out of 148). Organizations with 2,000 and more employees have a SAM (12 out of 148), recorded as the highest, with the least coming from organizations with one to nine employees (two out of 148). Lastly, organizations located in Metro Manila have the highest number of the said criterion (21 out of 148), with the lowest coming from organizations in Northern Luzon and Mindanao (each with one out of 148).

Meanwhile, 104 (70.27%) respondents noted that their organizations have the HPP. The criterion is most present in stock corporations (59 out of 148) and least present in organizations under partnership (one out of 148), similar to the first criterion. It is also present mostly in wholesale/retail companies (12 out of 148) and least in agriculture, chemical/pharmaceutical, food, water/maritime, and security/manpower companies (one out of 148). Organizations with 10-99 employees have the HPP (31 out of 148), recorded as the highest, with the least coming from organizations with one to nine and 1,000-1,999 employees (each with three out of 148). Lastly, organizations located in Metro Manila have the highest number of the said criterion (52 out of 148), with the lowest coming from organizations located nationwide (two out of 148).

Furthermore, 111 (75%) respondents said that their workplaces have a PPP. The criterion is mostly present again in stock corporations (68 out of 148) and least present in organizations under partnership (one out of 148). It is also present mostly in multiple industry-affiliated companies (14 out of 148) and least in agriculture, chemical/pharmaceutical, food, water/maritime, and security/manpower companies (one out of 148). Organizations with 10-99 employees have a PPP (38 out of 148), recorded as the highest number similar to the second criterion, with the least coming from organizations with one to nine employees (three out of 148). Similar to the hiring pay policy, organizations located in Metro Manila have the most number of the said criterion (52 out of 148), with the lowest coming from organizations located nationwide (three out of 148).

On the other hand, 44 (29.73%) workplaces are observed to have the RPP, according to respondents' answers. The criterion is mostly present again in stock corporations (26 out of 148) and least present in organizations under partnership (one out of 148). Though much fewer, it is also present mostly in healthcare and multiple industry-affiliated companies (five out of 148) and least in food and consulting service companies (zero out of 148). Organizations with 200-299 employees have the RPP (17 out of 148), recorded as the highest, with the least coming from organizations with one to nine employees (zero out of 148). Lastly, organizations located in Metro Manila have the highest number of the said criterion (22 out of 148), with the lowest coming from organizations located in Visayas (zero out of 148).

Most of the organizations have hiring and PPPs established, but fewer have created their RPP and SAM. Consistently, these compensation-related policies are mostly found in stock corporations and at least in organizations under a partnership. In general, the policies are present at most in wholesale/retail companies and least in aerospace, mass media, telecommunications, and mining/extraction companies. The presence of the policies vary based on workforce size, but workplaces in Metro Manila are consistently identified as having the criteria mentioned.

Moving Forward

It is deplorable to note that HR in the Philippines has not yet leaped to become a strategic business partner. A case in point is the lack of SAMs, likewise that of RPPs. Written pay policies are indeed crucial in ensuring sound and consistent actions. It is recommended that trade unions be more active in articulating pay-related concerns and in discussing their solutions to such at the bargaining table or labor-management committee meetings. Their inputs are vital to the formulation of policies to be incorporated in the SAM. It might be helpful if HR practitioners do regular interactions and benchmarking with companies that have progressive pay policies to pick up some insights for the improvement of their pay policies. It might be a big help if the government would oblige employers to have written pay policies that will form part of the audit agenda by the labor compliance officers. The academe, especially institutions that offer courses in industrial relations or human resource management, is encouraged to include in their core curriculum the how-to's in developing sound pay policies. The academic sector could be of help if it conducts more studies of pay policies and related matters. A follow-up to this study—particularly an industry-specific inquiry with rigid sampling and the use of inferential statistics—is encouraged. Likewise, an investigation that dwells more on the nature and quality of pay policies in areas such as hiring, probationary, and rehiring—within a coherent salary administration manual—is a good follow-up.

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