

## **Examining the Influence of Offshore Service Jobs on Personal Circumstances and Employability**

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### ***Abstract***

*This study empirically examines how personal circumstances influence BPO job choice and have implications for workers' future employability. In this paper we focus on the experiences of more than 400 current and former BPO workers in the Philippines. Based on survey and interview data, the results suggest that young workers without dependents tend to join the BPO because of peer influence and ease of entry while workers with dependents are driven by the need to manage their household responsibilities and by perceptions that they are unemployable elsewhere in the labor market. While current research indicates high levels of attrition in the BPO, this study offers new findings to suggest that workers are choosing to stay and are maximizing their employability in the BPO because of lack of alternative job options in the labor market.*

**Keywords:** job outsourcing, BPO sector, offshore service work, employability, personal circumstances, contextual conditions

## **Introduction**

Research on employment gains of offshore service work in developing countries has so far led to mixed results on how the work can provide longer term benefits for those involved in these activities. Studies that are skeptical on the nature of work and longer term benefits for those involved (Taylor & Bain, 1999; Ramesh, 2004; Kuruvilla and Ranganathan, 2010) even tend to qualify the work as 'digital Taylorism', which provides limited career prospects. Recent studies by the ILO (Messenger & Ghosheh, 2010) and the World Bank (Mitra, 2011), however, present more optimistic views by suggesting that the sector provides good jobs even while also acknowledging that it offers workers a number of challenges. In recent years, a number of empirical studies have suggested that BPO work can enhance one's employability; even low-level jobs in offshore services can enable workers to gain valuable experiences, soft skills and income, all of which could help a worker land a desired job or could serve as a means to further develop one's human capital, which is good for employability (see, for example, Mitra, 2011; Beerepoot & Hendriks, 2013; James & Vira, 2012). These researches have provided new insights on how jobs can potentially contribute to positive labor outcomes in the longer term by strengthening the employability of those involved. Between these contrasting opinions, more research is needed to examine the longer-term implications of the costs and benefits of BPO employment. This article aims to contribute to this debate by examining how BPO work affects the personal circumstances of workers and what this means for workers' future employability.

Employability is often stressed as a concept for analysing labor markets from a skills-based perspective because of its emphasis on lifelong learning (and personal development) to secure and maintain employment (Beerepoot & Hendriks, 2013). McQuaid and Lindsay (2005) underscore the importance of not only individual factors, but also personal circumstances and contextual conditions as employability dimensions. The role of context—which means that workers are not optimizing economic agents but that their choice for employment is structured by a range of socio-economic conditions—has largely been under-researched in studies on employability. While it is recognized as an important part of the background, it has largely been considered a passive fixture in the scene.

In this article, we focus on the aspect of personal circumstances. Personal circumstances tend to fall in between the cusp of individual factors and contextual conditions, and are situated in that in-between level of experience that is defined by one's household circumstances, a supportive culture towards work, and access to resources. While there have been a number of studies on the employability and individual factors (Nauta et al., 2009; Fugate et al., 2004) and a handful of studies on employability and context (Gore, 2005; Berntson et al., 2006), few have examined the role of personal circumstances on employability. A focus on this still under researched dimension will help to bridge the mentioned gap in employability studies from a non-Western perspective. The workers in the BPO sector in Metro Manila is an interesting case to study. Although the image of the BPO crowd is that of a homogenous group of young, single, and upwardly-mobile workers (Kuruvilla and Ranganathan, 2010), other studies (Pal and Buzzanell, 2008) have noted that the workforce is more diverse. By acknowledging that workers in the BPO are embodied individuals who come from different socio-economic backgrounds, with families that influence their life decisions, and have other roles and responsibilities in life, allows us to draw a more holistic picture of BPO workers and a more nuanced consideration of other factors that contribute to their employability.

This article raises a two-fold question: How does personal circumstances influence workers' access to BPO jobs and workers' motivation to stay or leave the sector. We argue that the interaction between the personal circumstances, experience of work and its consequential rewards as against the problems that are borne by the worker and shared by his/her family and friends will affect his/her willingness to stay or seek alternative work. This article is based on survey data collected among 358 current BPO employees and interviews with 60 workers, 32 of which have already left the sector or a total sample of 418 workers. This enables the authors to draw a (cautiously) generalizable picture of BPO workers in Metro Manila and explore the nuances of workers' experiences and the role that BPO work imparts on personal circumstances of people during employment in order to generate insights that could form the basis of future studies. Section two provides an introduction to the literature on employability and particular to the dimension of personal circumstances within the employability framework. Section three provides the research methodology before the research context gets

introduced in section four. Section five presents the empirical results and discussion, and finally, section six provides the conclusion.

### **Personal Circumstances and Employability**

Employability has often been used as a concept to stress how workers should take efforts to adjust to changing work requirements. Changes in organizational structure, technology, and job assignments require workers to adopt new roles, modify existing work behavior, and acquire new skills (Nauta, Vianen, Heijden, Dam & Willemsen, 2009). Employability-oriented workers may easily identify and anticipate career opportunities, inside and outside the organization (McQuaid & Lindsay, 2005). Despite the importance attached to employability, there is yet to be a standard definition of the concept (Forrier & Sels, 2003). One of the often used definitions, however, is that by Hillage and Pollard (1998), who define employability as:

...the capability to move self-sufficiently within the labour market to realise potential through sustainable employment. For the individual, employability depends on the knowledge, skills and attitudes they possess, the way they use those assets and present them to employers, and the context (e.g., personal circumstances and labour market environment) within which they seek work. (p.2)

Employability is a Western concept that was originally used to examine workers' initial entry or, in the case of long-unemployed workers, re-entry into the labor market more than the case of employed persons who would like to shift employment, presumably because having a job is already indicative of employability (see, for example, Belt & Richardson, 2005; McQuaid & Lindsay, 2005). However, an employed person may also want to shift to another job for which he may or may not be employable at a given time, and for which case, he has to enhance his knowledge, skills and personal circumstances, which might help to improve his future employability. Since this study focuses on currently or previously employed BPO workers, we define employability as the 'capability to remain in the current job or move to a new one either in or outside the current firm.'

Personal circumstances include a range of socioeconomic contextual factors related to individuals' social and household circumstances that affect a person's 'ability, willingness, or social pressure' to take up employment or keep a certain job. As illustrated in Table 1, personal circumstances are composed of three elements, namely: household circumstances, work culture, and access to resources (McQuaid & Lindsay, 2005).

Table 1. Personal Circumstances: Dimensions, Elements, and Indicators

Dimension	Elements
Personal Circumstances	<i>Household circumstances</i> Direct caring responsibilities  Other family and caring responsibilities
	<i>Work Culture</i>
	<i>Access to resources</i> Access to financial capital  Access to social capital

Source: McQuaid and Lindsay, 2005

Household circumstances refer to caring responsibilities, financial responsibilities, and other household circumstances such as access to housing facilities. The second dimension is **work culture**, which refers to the social and family influences that shape the workers' attitudes and aspirations toward work. Finally, the third dimension is **access to resources** including transport, financial capital, and social network. The concept of personal circumstances is partially located at the cusp of the other two dimensions, situated as it were between those factors that are essentially part of individual characteristics, but which creates a situation that could affect the readiness of a person to take on a job or move to a different one. For example, older and married workers, and workers with children are considered to have more caring and financial responsibilities than younger individuals, and because of that they are constrained from accepting certain jobs. At the same time, there is also a temporal dimension to personal circumstances. For example, as children grow up caring responsibilities will become manageable enough, which might allow parents to take on a job or move to a more

desired one. Thus, personal circumstances are dynamic as these are subject to the influence of events and conditions that are sometimes associated with the individuals' stage in the life course.

## **Methodology**

This paper is focused on jobs found at the lower-end of the BPO spectrum, namely call center and back office-support services (Gereffi & Fernandez-Stark, 2010; Beerepoot & Hendriks, 2013). The respondents for this study are workers in call centers, back-office support services, and IT firms in Metro Manila. Given the difficulties that are associated with gaining access to firms and workers in the sector (Vira & James, 2012; Singh & Pandey, 2005), a purposive sampling by means of a snowball method was used. Starting with the personal contacts of the first author, two groups of workers were identified: those still employed in the BPO and those who have left. Initial contact with interviewees was established through text messages, phone calls, or Facebook, and those who responded positively were interviewed between January to March 2013 and June to October 2014. In all, 28 currently employed workers, 32 former BPO workers, and five HR managers were interviewed. Each interview lasted 30 to 45 minutes, and almost all were recorded and transcribed entirely. In two cases where it had not been possible to make a recording due to technical issues, notes were taken by hand. The interviews generated qualitative narratives of workers' experiences in the context of work in the BPO sector. The responses were analyzed and grouped according to themes. Finally, the initial interviews became the basis for designing the survey.

The survey for currently employed workers which run from January to June 2014 consisted of 92 questions on workers' profile, educational background, current job, and employment history. A total of 394 responses were retrieved, but only 358 forms from more than 50 different BPO firms were found usable after incompletely filled-out forms were disregarded. Since the target group for the survey are currently employed workers, those who answered no to the question, 'Are you currently working in the BPO?' were also not included. The survey responses were encoded in Qualtrics and analyzed using Qualtrics and Excel.

The sampling for the survey was likewise purposive and proceeded in two directions. In the first, survey forms were distributed through BPO workers who were known to the first author. Five persons have agreed to distribute between 20 to 50 survey questionnaires in their workplace, and two to four weeks later, the questionnaires were retrieved. In the second strategy, the first author enlisted the help of masters students at the UP School of Labor and Industrial Relations who were also BPO workers. The research was introduced in class and volunteers were given five to ten survey forms to distribute and collect from co-workers. It was later learned by the authors that some call center workers did not complete the form because of time constraints at work.

### **Overview of the IT-BPO sector in the Philippines**

The Information Technology-Business Process Outsourcing (IT-BPO) or BPO sector or is one of the biggest generators of white-collar jobs in the Philippines (DOLE, 2012). It is estimated that the sector now employs one million workers (de Vera, 2014) and labor demand remains strong. While wages are higher compared to other sectors, work has been described as monotonous, stressful, socially isolating, and offers limited career growth (Fabros, 2009; Hechanova, 2013; Bird & Ernst, 2009). So, while workers generally regard their jobs positively (Bolton, 2013), they seem to stay in them for a short period (Ofreneo, Ng & Marasigan-Pasumbal, 2007). The main evidence for this is the high rate of turnover (20-80% per year), which has been a long-standing problem of BPO firms. However, it is not clear if this turnover rate means that many workers are leaving the sector altogether, or if they are simply transferring from one firm to another.

While the BPO sector is composed of several business lines, the bulk of employment and revenues is generated by call centers and back-office support services. In 2014, call centers generated more than 60 percent of total employment and revenues for the entire BPO sector (Remo, 2015; Campos, 2015). What are call center jobs? The typical call center job is either voice-based or non-voice based. In the latter, the customer service agent either answers calls (inbound) or calls-up customers (outbound). Inbound voice agents answer customer queries or fulfill requests for Internet connection, cable TV, mobile top-up, account inquiry, order placement, directory assistance, and password

reset. Outbound voice agents perform over the telephone sales and marketing work. Inbound non-voice customer service agents answer customer inquiries through chat or email. There are also so-called blended accounts where agents combine voice and non-voice functions, that is, they either take calls or answer emailed queries. In terms of wage levels, voice-based agents are generally paid higher since there is an added premium given to verbal communication skills and the job can be more stressful due to the nature of customer interaction involved. Next to call center services, back-office support comprise about 20 to 30 percent of all BPO jobs. Examples of these include financial and accounting services, data entry, documents processing, payroll preparation, evaluation of resumes, sourcing applicants online, abstracting legal text, tagging text, and so on. In reality, however, jobs that may be considered as back-office work, e.g., HR, may also involve call or voice-based work. In this sense, the nature of tasks overlap and blend depending on the actual job, and demarcating these and other jobs in the BPO for that matter can be difficult (see also Kuruvilla & Ranganathan, 2010; Beerepoot & Hendriks, 2013).

In terms of accessibility, call center and BPO jobs are highly accessible in two different senses. Call centers require less formal qualifications, so it is possible for very young workers such as college students and much older individuals such as the long-unemployed and retired to find jobs there. In back-office work, educational qualifications are more exacting; there is more emphasis on scholastic background and less on verbal communication skills in English. Back-office support excludes non-graduates and attracts college graduates who dislike (purely) customer service work. However, there are fewer posts in back-office support compared with call centers. Call centers have more time-bound performance metrics such as turnaround (or handling) time, compared with those in back-office support. While wage differences are not very wide, the lowest paid (voice-based) call center jobs are likely to be paid more than the least paid workers in back-office support services, and the difference is possibly due the direct customer interface that is required in the former. These differentiation between segments, however, should be not be considered exhaustive but rather indicative of what exists in the BPO sector.

## **Results and Discussion**

### ***Profile of Survey Respondents***

Similar to what other studies have found (Bird & Ernst, 2009; Amante, 2010; Ofreneo et al., 2007; Bolton, 2013) this study finds that most workers are young, female, highly educated and from middle-class backgrounds.

#### *Age and Education*

The ILO defines youth as persons between the ages of 15 to 24 (Elder & Schmidt, 2006) but in this study, we take a more liberal view and consider the youth as those aged 15 to 30 years in line with the Youth in Nation Building Act of 1995 (RA 8044). As such, this makes 73 percent of the survey respondents part of the youth. Seventy-seven percent first worked in the BPO sector between the ages of 18 to 25. The age of respondents (both at the time of survey and first BPO job) suggests that the majority of those who gain access to the BPO are young workers who are participating the labor market for the first time. However, there is also a group of older workers (31 years and over) which comprise 27 percent of the sample. Although older workers comprise a smaller group, it can be cautiously interpreted as a validation of the Department of Labor and Employment's report (DOLE, 2012) that the BPO sector is open to hiring workers across a wide age range. Considering that local employers are less likely to hire workers who are 'older' and those with young dependents (Pinoy OFW, 2011) the BPO sector's less stringent hiring rules potentially makes it more attractive to jobseekers who perceive themselves as having less employable circumstances.

Consistent with the ages of respondents, we also find that 67 percent are unmarried. Thirty-six percent of unmarried respondents have young dependents indicating that almost two-fifths are single parents. Similarly, 37 percent of the sample consider themselves as the primary breadwinner. Thus, although the majority of workers are young and single, a significant proportion are single parents, family providers or have an obligation to support the family. The importance of the job as an income source is shown by the exclusive dependence of 83 percent of respondents on their BPO job as a means of livelihood, compared to

a small group of workers who additionally have a side business (13%) or a part-time job (4%). This suggests that a significant group of BPO workers rely on their BPO income to meet financial responsibilities to sustain themselves, support a child dependent or other family members. This picture then presents a perspective of BPO workers quite different from that of their typical image as young free-spending people.

Table 2: Age of Respondents (in percent), n=358

Age range	Percent
< or = 20	3
21-25	36
26-30	34
31-35	16
36-40	8
41-45	1
46-50	2
above 50 years	0
Non-Response	1
Total (percent)	100

*Place of birth and education*

Fifty-nine percent of respondents were born in Metro Manila while 39 percent were born in Luzon. The same proportion of workers attended high school in these two places, but then more respondents studied college in Metro Manila (69%) followed by Luzon (22%). These figures suggest that workers were brought up in a relatively metropolitan or urban area, but Metro Manila tends to be seen as a better place to acquire a tertiary education. In terms of educational attainment levels, 99 percent had some years of college, while 84 percent were college graduates. With regard the type of schools attended, the majority of respondents attended private high-schools (71%) and universities (63%). The reason why more BPO workers studied in private than public universities can be explained by the fact that seven out of ten universities in the country are privately-owned. Still another possibility is that workers come from middle-class backgrounds as evidenced by the parents' education and employment characteristics. The study finds that majority of parents have college and higher degrees (Father:

72%; Mother: 66%) while in terms of livelihood, a big proportion are employed (F: 48%; M: 37%) or operate a (small) business (F: 23%; M: 23%), indicating that parents have some financial capacity to send their children to more expensive schools.

#### *Employment History, Job Level, Wages, and Hours of Work*

Thirty-three percent of all respondents have been BPO workers since they started, slightly more (35%) used to work in non-BPO sectors, and another 6 percent started in the BPO, left and then returned after a non-BPO job.<sup>1</sup> Among those who used to work in other sectors were former OFWs and a retiree. This shows that aside from newly graduated students, the BPO also draws many workers from the pool of the employed and possibly from the ranks of the long-time unemployed.

There is high incidence of inter-firm mobility within the BPO sector. Fifty-three percent of total respondents had worked for at least 1 other BPO company while some have worked for as many as 7 companies prior to the current firm. In addition, out of the 33 percent who have been BPO workers since leaving school, 21 percent have not changed employers which means that 12 percent have worked for one or more employers previous to the current firm. The number of workers who were job mobile could actually be higher considering that one-fourth of total respondents refused to indicate the number of BPO companies they have worked for. The rate of inter-firm mobility suggests that many workers are simply transferring from one BPO firm to another rather than leaving the sector altogether.

In terms of job level, e.g., rank and file, supervisory, rank and file-technical, higher technical or managerial, we find that majority of respondents occupied rank-and-file or entry-level positions (77.7%) with job titles such as customer service agent/representative, back-office analyst, onboarding specialist, accounting analyst, technical service representative, recruitment advisor, process expert, SEO content writer, shift editor, data entry generator, service desk analyst, risk operations analyst, sourcing specialist and so on. The job descriptions provided by workers also helped us to validate their job level.

In terms of wage rates, the lowest job level (rank and file) receive a basic monthly wage of P18,250 (US\$400), which is 80 percent above

the P10,152<sup>2</sup> (US\$230) monthly minimum wage in Metro Manila (DOLE, 2014). Since the survey question asked for the basic monthly wage, the amount given here excludes allowances and night work premium. The highest wage earners in the sample are managers with a monthly average wage of P100,000 (US\$2,200).

**Table 3: Job Level, Median Salary and Business Line**

Job level (median salary)	Business line			
	Call center	Back-office	Software	Total
Rank and file: Agent/CSR/TSR (P18,250)	121 33.8%	157 43.9%		278 77.7%
Supervisory: TL, heads, supervisor (P32,000)	22 6.1%	23 6.4%		45 12.5%
Rank and file- technical: QA/trainer (23,350)	6 1.7%	4 1.1%		10 2.8%
Higher technical: engineer (P42,000)	1 0.3%	2 0.6%	4 1.1%	7 2.0%
Managerial: manager, chief accountant (100,000)	4 1.1%	14 3.9%		18 5.0%
Grand Total	154	200	4	358

In terms of work hours, the results show that 49% work during the graveyard shift (start time is at 10 pm till the early hours of dawn), 22% mid-day to early evening, 18% dayshift, and 9% early morning to early afternoon.

In the following section, we present the results according to McQuaid and Lindsay's (2005) conceptual framework of personal circumstances starting with a discussion of household circumstances, work culture, and access to resources.

### ***Household Circumstances***

McQuaid and Lindsay (2005) argued that household circumstances can impact a worker's ability to accept or reject a job. In this section, we examine the household circumstances of young workers without dependents and workers with direct caring and financial responsibilities to see the perceptions of each group towards the role that household

circumstances play in their choice to work in the BPO. We find that for the majority of surveyed workers (*young workers without dependents*) job choice is conditioned by friends and facilitated by the ease of entering the BPO. Meanwhile, for *workers with direct caring and financial responsibilities* household circumstances appear to be a strong driver or push factor towards a BPO job, that is, they perceive a strong need to land a job and the BPO seemed to them as the most realistic option considering other alternatives.

#### *Young Workers without Dependents*

The peer group which is the primary social network of young workers in the BPO facilitates workers' entry into the sector. According to the survey, friends are as main source of job information (40%) for the current job. At the same time, BPO firms promote the referral system of recruitment by incentivizing workers who successfully recruited new workers into the firm. Among benefits and incentives, refer a friend is the second most common one that workers receive next to having a Health Maintenance Organization (HMO) plan which provides coverage for medical examination and hospitalization benefits to employees and sometimes their dependents. In addition, the interview results show that current workers mention their relatives, partner, friends, and acquaintances in the BPO sector as having encouraged them to join the sector. This implies that one, personal encounters between non-BPO workers with current BPO workers serve as informal recruitment strategy and two, the likelihood that a person in Metro Manila knows of at least one BPO worker in his network is becoming quite common. In relation to the latter, Mitra (2011) suggests that Metro Manila has the highest density of BPO workers compared any other city worldwide.

While the online job market (29%) is the second most common source of job information, the third most common way (19%) of finding a job is through random or 'walk-in' applications. This not only suggests ease of entry into the BPO but also validates the existing level of labor demand for BPO work. To illustrate the ease by which recruitment happens this way, we draw from excerpts of interviews of workers with such experiences, one is a young nurse and another a middle-age former overseas Filipino worker (OFW):

I went to St. Luke's to submit my resume, but when I saw the long line of applicants I thought I had a slim chance. After submitting my resume I decided to check this Company because it's near St. Luke's. They had a 'one-day hiring' process and I was hired that same day. So, in the end it was really just a random decision. (21 years old, female, call center agent)

I was walking inside SM (mall) when I saw this call center. At that time I was already having problems commuting to work (in another call center). I printed my resume in an internet shop in the mall, I applied and went home with a new job. (43 years old, male, former call center agent)

Earlier we have noted that workers are characteristically middle class and most of them are single, without children, and are not more than 30 years old. Of these young cohorts, 85 percent still live at home with their parents. Financial and domestic chores are easily manageable for this group. Majority (65%) do not consider themselves as the primary breadwinner. While they pay for household expenses, the pressure to share in the family kitty tends to be much less than that of workers who consider themselves as the family's main provider. Indeed, those who live at home acknowledge that parents tend to subsidize their living expenses. One respondent says that because her parents pay for all household expenses she does not feel any obligation to spend for anything (22 years old, CC agent, 14 August 2014). Parents continue to financially support their children in the transition years from school to employment. This finding may also explain how young workers from middle-class families can afford intermittent spells of unemployment (Bird, 2013). Aside from being freed from financial obligations, there is less pressure for young adults to share in the household chores because the mother, an unemployed relative, or a helper is around to manage household duties. Similar to what Singh and Pandey (2005) found in India, young Filipino workers in the BPO are expected to do little else than sleep as soon as they come home from work.

The BPO also provides important employment alternatives for workers with high reservation wages (expected salary) but who cannot find such types of job offers in the labor market. Workers with high reservation wages are characteristically educated, middle class, and from urban areas (ILO, 2009; Bird, 2013). This group includes young and newly

graduated workers without formal job experiences and tend to be rejected by employers who ironically bid them with an advice to get a job experience first.

#### *Workers with Direct Caring and Financial Responsibilities*

Some workers are compelled to choose a BPO job in order to cope with their household responsibilities. Although majority of workers have no dependent child(ren), we find that 50 percent of those with children are aged 30 and below, suggesting that a small number of young workers need a job in order to support a growing family.

Table 4: Workers with at least one dependent (percent) by age, n=105

Age	%
< or =20	1
21-25	17
26-30	32
31-35	26
36-40	16
41-45	3
46-50	5
Total	100

Almost two-fifths (37%) of all respondents consider themselves as the primary breadwinner of the household. Table 5 shows that 44 percent of breadwinners used to work in non-BPO jobs and shifted to a BPO job for economic reasons e.g. higher salaries and benefits. This means that the economic gains that are offered by BPO jobs are encouraging a number of economically-challenged workers who are looking for more remunerative work to transfer to the BPO sector.

Interview findings also lend support to survey results. In particular, we find that workers in difficult situations, e.g. breadwinners and single mothers apply for BPO jobs in order support their child(ren). Young single mothers who live with their parents also provide for the upkeep of the household and the child(ren). Those with infants are additionally constrained to hire a helper to care for the child while the

mother is at work and of having more out of pocket expenses for items like vaccination and medicines which are not covered by HMO plans (27 years old, female, call center agent, 26 June 2013).

Table 5: Breadwinners and employment history n=108

Employment History	Breadwinners (%)
Working in the BPO since leaving school	32
In and out of employment but all jobs with BPO	13
Worked in non-BPO and then joined BPO	44
ITBPO to non-BPO and back to BPO	7
Worked abroad and then BPO	3
Retired and then BPO	0
Total	100

The job appeals to workers who come from a weak labor market position e.g. older workers, very young workers, undergraduates, and those without specialized skills or formal work experience. In their eyes, the BPO offers them a good chance at a ‘white-collar’ job in comparison to other sectors that are not likely to hire them. Workers who consider themselves to be in dire circumstances see these jobs as a crucial life support. One such case involved a long-unemployed woman who was 58 when she became a call center agent. She worked for different accounts but stayed in the same firm for six years and used her salary to put her son through college. When he graduated, she decided it was time to quit. As one young agent relates:

I had a business before, but after I got pregnant I was not able to manage the business well, so it had to close down. My boyfriend did not have a job at that time. I did not have a choice but to look for a job. The fastest is in a call center, so I applied online. They called me [in] for an interview, and then for a final interview. Then they asked me to go to the site for the interview, which was only a formality. (CC agent, 21 years old, 16 Aug 2013)

Thus, the personal circumstances of workers with direct caring the financial responsibilities (including those who come from weak labor

market positions) are drivers or push factors towards taking BPO work.

### ***Work Culture***

For young Filipinos, the influence of one's parents and, in some cases, members of the extended family is well imprinted in the preparatory steps towards gainful employment such as in the choice of field of study, university and first job. Conflicts can arise when the aspirations of parents clash with what the children want for themselves resulting in a tense relationship that can lead some to join the BPO as a way to escape their parents' hold over them. Parents, according to respondents do not encourage them to work in the BPO and can actually be strongly against it.

The peer group, however, facilitates workers' entry into the BPO by serving as a source of job information and support system that keeps workers embedded in the firm or the sector.

### ***Family Influence***

Running through the data is a sense that parents of young workers tend to take the news of their children's decision to work in the BPO in a negative light. According to one agent: 'At first, she (mother) was hesitant and was asking me how the job was related to my background... But then I told her it was quite difficult to find a job in private hospitals' (22 years old, female, call center agent, 14 August 2013). In the estimation of respondents, the first unsettling situation for parents is that their child's job is not quite related to their field of training and this can therefore make it difficult for them to make a career out of the profession that they studied for. Second, parents are concerned about the personal safety of their children as they commute to and from the workplace to take the graveyard shift which starts late in the evening. Third, parents worry about the impact of work on their children's health (as a result of the reverse work hours), so much so that some parents exert much effort to force their children to switch employment. One respondent relates how her mother got her a new job:

My mother said, 'Okay, you're earning well, but you're only investing for your future hospitalization bills.' On my fifth

month in the BPO, I got a call from a government office saying they were hiring me. Turns out my mom had been following up my application with the agency for a long time. (female, former recruitment specialist, Feb 1, 2014)

A male respondent related that although his parents did not object to his decision to work in a call center, they admonished him to find a different (non-BPO) job when he started 'hopping' from one center to another (26 years old, male, call center agent and part time English tutor, 14 Aug 2013). This suggests that while some parents are not against the BPO as a first job, they seem not convinced of its long-term potential as a career choice.

Meanwhile, other respondents said that their parents have accepted their job and its demands so that conflict has eventually disappeared. Young workers assuage their parents' worries by going to work earlier instead of commuting late, or workers transfer to daytime accounts. The picture that emerges is that while parents are not likely to encourage their children to work in the BPO, some parents are able to work out a compromise.

#### *Peer Group*

The peer group serves as a 'glue' that can keep workers attached to the firm, but at the same time it can also trigger attrition or resignation. The peer group is the nucleus of the job experience. From the start, a worker identifies himself with a group—first, one becomes a member of a batch of trainees, usually identified by a number e.g. Wave 20, which means the 20th batch for the account. Second, each successful trainee becomes part of team of ten to 15 people on the floor. From then on, the workers become members to a 'family' of friends. The importance of the peer group to keep the members embedded in the firm is remarkable. According to one respondent: 'Some stay not because of the pay but because they love their friends in the company. I think it is difficult to find a company where people feel as strongly bonded (as in a BPO firm).' Workers form new friendships and build social networks mostly with colleagues at work. A number of respondents said, 'it's the people whom I have worked with that kept me going in this job' (27 years old, male, back-office support, March 17, 2013).

Alternatively, workers also leave a job because of poor relations. Interview data indicate that turnover decisions are influenced by friends' decisions to leave the firm. If one person leaves the team, it is also possible that others will follow. One respondent relates:

I left (after five years) because I no longer like the people in the account I was part of...That's why I also did not apply for a higher position. It's better to leave. Also, the friends I had there were slowly leaving the company. So I said, okay, I will leave too. (female, call center agent, February 16, 2013)

In employability research, 'who you know' (Inkson and Arthur, 2001) or, more broadly, one's social network is considered a valuable resource that can facilitate labor market mobility because it aids in successful job search efforts. Interview results indicate that BPO workers are able to enlarge their social network of friends and colleagues who provide them access to job information in the BPO sector. From a sample of 32 former BPO workers who found employment in non-BPO sectors only one person said she found a job through a BPO co-worker, the rest had accessed job information online, and from former employers, colleagues, relatives, and friends who are not from the BPO sector (Marasigan, 2015). Thus, since the social network that BPO people tend to build are among colleagues who are also in the BPO, the job information that becomes easily available to them are BPO jobs suggesting that as they build a denser social network in the BPO workers are likely to be encouraged by peers to remain employed and to become further embedded in the sector.

### ***Access to Financial Resources and Social Capital***

According to McQuaid and Lindsay (2005), access to resources such as transport, financial capital and social capital improves employability. The process of job search can be costly since there are documentation requirements, medical exam, certification tests, transportation costs, and so on. In addition, the waiting time for a job offer can extend for several months. Thus, in order to expand, extend or at the very least sustain the job search process, a jobseeker should have some financial means.

In the eyes of respondents, BPO work gives them access to financial capital which they use to support their basic needs. Majority (82 percent) say they will advice other workers to work in the BPO for the economic gains (41%), skills learning (12%), exposure to a diverse and dynamic work environment (7%), and the number of job opportunities available (7%). Workers spend their income for household-related expenses such as groceries, house rent, and utilities. This is followed by personal expenses (travel, leisure, grooming, food, clothing, transportation, and communication). Next are loans and credit card payments, and followed by financial support to parents and family. While this does not necessarily negate the image of high-spending workers that has been used to describe BPO workers (Ramesh, 2004), it illustrates that a significant part of income is spent for basic necessities of workers and family members such as in the case of single parents and breadwinners.

Table 6: Budget Allocation of Workers for Different Types of Expenses, in Frequency Counts (N = #)

Type of Expense	% allocation (weight given)					Total responses	Weighted mean
	20-30	30-40	40-50	50-60	60-70		
	(x1)	(x2)	(x3)	(x4)	(x5)		
Household expenses	76	96	88	61	29	350	61.4
Personal expenses	116	89	73	50	21	349	54.5
Loans, credit cards	152	79	40	25	12	308	39.3
Financial support to parents and family	153	79	31	14	10	287	34.0
Savings and investments	170	60	17	14	7	268	28.8
Young dependents	97	48	18	30	11	204	28.1
Own studies	126	18	8	3	2	157	13.9

Income from work is also used for savings and for funding further studies. However, as shown by the survey results in the table below, workers allocate smaller amounts to savings and are less inclined to

spend money to fund their studies. They are several reasons for this. First, most BPO workers are college graduates and are less compelled to engage in further study. Second, holding a job and studying at the same can be extremely taxing for currently-employed BPO workers. Third, there is a perception that job opportunities outside of the BPO are fewer and more difficult to access even after studying for a higher degree.

***Promoting Employability: Implications  
for Government and Employers***

The growth of offshore service jobs in the country has also benefitted from the aggressive marketing that BPO firms conduct through various platforms—print media, the Internet, job fairs, and events sponsorships in big universities—have heightened the frenzy around these jobs. While some academics and parents do not look kindly at call centers as an employment option, jobs in the BPO appear to be gaining popularity among workers because they perceive that few jobs in the local labor market offered comparable wages and easy entry. That the government also infused funds for the Training for Work Scholarship Program to train the ‘near-hires’ and help more workers to qualify for call center positions. Kleibert (2015) further demonstrates the role that the BPO sector has come to play in employment creation and the attention that it has drawn from different sectors increased workers awareness of BPO jobs as an employment option.

Macro-level promotion of employability rests on both the development of labor supply and demand conditions to improve the likelihood of finding a job or moving to a more desired one. The Philippine government currently subsidizes training for near-hires, a move that aims to increase the labor pool for call center workers in the BPO. In 2012, the Commission on Higher Education (CHED) also approved the 21-unit Service Management Specialization Track now offered in 13 state colleges and universities to prepare those taking Business Administration and IT courses to join the BPO sector (Philippine Star, 2013). Yet, for the government the challenge of employability goes beyond producing a skilled workforce. To improve employability, the state has to pay more attention to improving labor demand conditions by spurring growth in manufacturing, agriculture, and other sectors of services in order to create jobs opportunities in other economic

sectors. Of course, it could also be that good quality education can spur a virtuous cycle of innovation, resulting in jobs creation; this, however, will take more than human capital development, for example, an ecosystem that facilitates and nurtures innovation must also be present. In the meantime, if the quality of education improves yet the corresponding demand remains absent, then out-migration of well-educated and skilled workers who cannot find suitable work in the country will simply continue.

The role of firms in employability enhancement is also recognized in the literature (Clarke & Patrickson, 2008), but the extent to which firms in the Philippines are fulfilling their part has been doubted, particularly in terms of skills development. While a number of BPO firms have put in place training programs, with some going further by offering tie-ups with universities to promote college completion among undergraduate workers, the majority of firms' initiatives are limited to participation in university job fairs (Kleibert, 2015). Hallier (2009) asserts that in general, firms are simply buying skills rather than developing workers for jobs of higher responsibility. Workers are expected to hit the ground running, which means they can already navigate the job or know enough about the work to become adept in it with very little training. In the BPO, most firms provide initial training to level the knowledge and skills that workers have before taking on the actual work. Yet, because the nature of work and the tasks tend to be the same over time as long as it is for the same account, skills learning tends to be limited to those that are practiced on the job, and so leads to the erosion of specific skills learned in college (Marasigan & Lambregts, 2016). Firms can also endeavor to, as much as is practicable, accommodate workers in accounts where they can best utilize their educational background and specific skills, or transfer them to areas of work that are more suitable to their training. Employers may also include, as part of their social responsibility to their own workers, to give masters students and more especially college students regular hours, as opposed to shifting schedules in consideration of the demands of their studies.

## **Conclusion**

Using one dimension from the framework of McQuaid and Lindsay (2005), this article examined how personal circumstances influence the employability of workers in the BPO sector in Metro Manila. As argued in the theoretical overview, a range of socio-economic contextual factors impacts a person's ability to take up, keep a certain job or move to a different one. Personal circumstances comprise household circumstances, the work culture (supporting environment towards work and the culture in the sector itself), and access to resources. These dimensions influence the individual's ability to accept or reject a job. It can also affect their willingness to leave a current job and their choice of alternative employment. It shifts focus away from a more skills-based view of employability to one that considers how changes in the personal circumstances can also influence how a person views other alternative employment options. A job can lead to (no) improvement or worse personal circumstances in the same way that a job can improve or diminish a person's skills and affect his future employability prospects.

This study finds that BPO work helps to enhance the personal circumstances of workers which can objectively improve workers' capability to move to better jobs, but many are choosing to remain in the BPO albeit with a high degree of inter-firm mobility. In their eyes, the economic returns on their skills are better maximized in the BPO considering that there are fewer job options in the labor market. The workers' experiences in the BPO sector in Manila interact with and spillover into the sphere of their personal circumstances, altering it and influencing their willingness to leave the current job and more broadly, the BPO sector. Negative personal circumstances that were identified include parents' withdrawal of support and pressure to move to an alternative job and weakening of ties with social contacts outside of the BPO sector. Positive effects are associated with having access to financial capital that enables a worker to meet household responsibilities and gaining financial empowerment to support oneself and pursue wants, hobbies and interests. While workers recognize that their jobs have a number of challenging characteristics, our interviews lend support to previous studies that suggest that BPO workers tend evaluate their jobs quite positively (Beerepoot & Hendriks, 2013; Bolton, 2013). It can then be surmised that the attachment of workers to their jobs is

potentially stronger than what turnover rates in the sector suggests. This finding lends support to current perceptions that while there is a high turnover rate in the sector, workers are not moving out of the sector but are simply switching employers. In terms of employability prospects, this means that as workers continue to be attached to these jobs, they enhance their employability for BPO jobs, but not necessarily for other types of employment (see also Marasigan, 2015). This is in line with critical observations on how the sector operates at some degree of separation from the rest of the labor market in Metro Manila or the Philippines at large.

### **Endnotes**

<sup>1</sup> 25 percent of the sample did not give an answer.

<sup>2</sup> P466 daily minimum wage multiplied by 22 days; roughly equivalent to US\$230 at P44=\$1

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