Employment in the Philippine Contact Center and Business Process Outsourcing Industry: Issues and Concerns

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Introduction

Technological advances and the shift from demand-side to supply-side economics have altered the world of work and catapulted industrial society into an information and network society. All throughout history, however, technology has always been the main catalyst of society's development—from the horse-drawn cartwheels of early agricultural societies, to the steam and electric powered machines of the industrial era, and up to the present day digital information wired on fiber optic cables. Today's information and network society is characterized by a shift from agriculture and manufacturing towards labor's third sector: services. In the developed economies, this is evidenced by less than 10% of the economically active population left in agriculture, less than 30% in manufacturing, and more than 50% in the service sector (Blanpain, 2000). In the Philippines, the shift to services is manifested in the growing popularity of contact/call centers and business process outsourcing providers as an employment market.

The Philippine contact center and business process outsourcing industry is heralded as the country's next "sunrise industry" due primarily to its phenomenal double growth from 2000 to 2004. There is considerable debate, however, as to the quality of jobs that will become available not only in the local setting but also in

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the developed economies where most of the outsourced services originate. This paper reviews and examines the dynamics of call center labor by looking at organizational characteristics, employment arrangements, and the very perception and experience of contact center employees.

The birth of call centers and the BPO industry

Customer interaction centers, or more popularly, contact or call centers, represent an increasingly widespread form of an information and communications technology-enabled organization capable of remote service delivery. Contact centers originated as service centers for inbound customer phone calls. Their roots go back to the telephone as an essential fixture in customer service or complaints section desks of most firms. However, advances in technology and communications introducing private branch exchanges (PBX), 1-800-numbers, automatic call distribution (ACD), predictive/automatic dialing systems and computer telephony integration (CTI) have brought customer service to a level now known as Customer Relationship Management (CRM). Using the available technologies in dialers and database management, outbound centers soon followed as telemarketing devices. These two functions are still largely separate in the contact center industry, with inbound customer service functions characteristically predominant in majority of contact centers (CMP Media, 2000).

The origin and early growth of call centers as such was not exactly a product of corporate desire to improve customer service. It must be recognized that although customer satisfaction and retention was paramount, particularly for high-value customers, it was subordinated to massive cost reductions resulting from the centralization of previously dispersed customer service and sales operations (Taylor & Bain, 2005).

In contrast, Business Process Outsourcing (BPO) came about as a product of the reengineering of office functions to achieve greater flexibility and competitiveness. Certain activities once considered regular office functions were relegated to back-office operations that may be farmed out to third parties not necessarily in the employ of the firm. Companies engaged in these outsourced functions are also called shared services providers. Services that may be channeled to shared services providers include accounting, training, customer services, programming, web site

design, human resources, engineering, drawing, administration, application development, inventory control, technology support, marketing services, server management, data processing, and management information system (Wallace & Lucas, 2000).

Many of the job and work system designs in both the contact center and business process outsourcing industries have been driven first and foremost by considerations of service delivery cost. Labor is the largest cost component in the operation of a contact center. Given that these centers can be located practically anywhere communication infrastructure and labor conditions permit, the establishment rate of these centers in low-wage countries such as India and the Philippines is very high (Davis & Moro, 2004).

Contact Center and the BPO Industry in the Philippines

The Philippines is rapidly becoming a hotspot for contact centers and shared services providers. Many companies who have already established offshore operations in the Philippines attest to the cost-benefit potentials of setting up remote or shared services centers in the country. Wage costs for white-collar employees are estimated to be about 10% to 20% of those in the United States (Wallace & Lucas, 2000).

The Contact Center Association of the Philippines, a trade group of outsourcing firms, says the monthly rate for a project manager is between $700 and $1,150 a month in the Philippines, in contrast to between $3,600 and $7,100 in the United States ("In a Global Economy," 2006). The Philippine workforce is also highly educated, proficient in English and easily adaptable. Nevertheless, even at considerably lower salaries than in the United States, ETelecare, and presumably all the other contact centers, say their employees have wages ranking in the top 10% to 15% of international firms hiring college graduates in Manila ("In a Global Economy").

The Philippines' Offshoring Opportunity, a September 2005 report by McKinsey & Co., estimated that demand for global outsourcing services will reach $180 billion by 2010. The Philippine outsourcing industry aims to acquire five percent of that market and make it into a $10-billion industry, up from about $1.5 billion in 2004. According to the Business Processing Association of the Philippines, the call center subsector is expected to account for 24% of this market ("Contact Center Industry Sees Growth," 2006).

In a *BusinessWorld Online* article, Rainerio Borja, president of both the Call Center Association of the Philippines and PeopleSupport Philippines was quoted as saying that there are now approximately 90 call centers in the country collectively employing around 100,000 people ("Contact Center Industry Sees Growth," 2006). Since only about two percent of applicants are accepted in the industry, the greatest challenge facing the contact center industry now is how to come up with 60,000 qualified recruits needed to fill the anticipated growth in 2006.

The Philippines, however, is not the only country being tapped for offshore outsourcing. Management consultants A.T. Kearney ranked several countries in an index based on "offshore location attractiveness" (see Table 1). The index ranks countries based on 39 different factors that fall into three categories: cost, people skills and availability, and business environment (Dolan, 2004).

Models of Call Center Work Organization

The business goal of Customer Relationship Management (CRM) is to increase the lifetime value of a customer to the firm by discovering ways to bring value to the customer while at the same time offering less costly services when appropriate and deflecting or de-marketing undesirable customers. Work in an ICT-enabled customer service environment involves the use of multiple computer and communication tools. Interacting with the customer on the phone, over the Internet, or via e-mail, the agent makes use of the firm's computer system to answer a query, place an order, check product availability and delivery, and update customer information in an internal database linked in real time to the corporate enterprise system. Agents must master information, multi-task, take decisions, manipulate data with minimal errors, present a pleasant face to customers, and process work quickly while being monitored by managers (Davis & Moro, 2004).

The two most important considerations in the call center labor process are: (1) the quantity of calls and (2) the quality of the agent-customer interaction. There is an inherent tension in these goals since prioritizing one brings adverse effects on the other. Even in the most quantity-driven call center operation, the aim is to ensure that the customer receives comprehensible information. Conversely, employees in the most quality conscious call centers are monitored, do not enjoy unlimited time on the telephone, and

Table 1 - Top Ten Countries For Offshoring

Country	Rank	Population	Telling Statistic	Strengths	Weaknesses	Sample U.S. Clients
India	1	1 billion	India's IT software and services export market will grow from nearly $10 billion in 2002 to $60 billion by 2008.*	Low wages, favorable tax rates, quality of IT training and education, and English language skills.	Political and economic risk, and poor infrastructure.	Hewlett-Packard has 10,000 people in India doing everything from writing software codes to managing other companies' IT needs.
China	2	1.3 billion	The population under age 18 in China is larger than the combined total populations of the US and the UK. In other words, think of unlimited supply of people.	Low wages, good educational system.	Intellectual property piracy, bureaucratic red tape, and English language skills.	IBM opened three new IT/BPO (business process outsourcing) data centers last year, two in Hong Kong and one in Shenzen. Accenture has a 1,000-person software development unit in the northeastern city of Dalian.
Malaysia	3	23 million	Malaysia has even less bureaucratic red tape than Canada.**	Low costs, high level of global integration, and strong government support.	Piracy and the relatively small population will keep it from reaching India's scale.	The government-backed "intelligent city" of Cyberjaya has become home to regional offshore service centers for Motorola and IBM.
Czech Republic	4	10 million	The offshore services market is growing at more than 10% annually.	Competitive infrastructure costs, good education system, and stable business environment.	Higher labor costs relative to Asian countries and small population limits market size.	Accenture has IT and BPO operations; IBM and Sun Microsystems have IT and business support centers; Dell has a multilingual service center for European customers.

Table 1 - Top Ten Countries For Offshoring (cont.)

Country	Rank	Population	Telling Statistic	Strengths	Weaknesses	Sample U.S. Clients
Singapore	5	5 million	On a purchasing power parity basis, Singapore has the second-highest income per capita in the world. Yet it still attracts US companies as a place for regional headquarters and increasingly, higher-end technology and services.	Education system, infrastructure, intellectual property protection, and political environment.	Higher labor costs and small population.	HP has a BPO (business process outsourcing) center and Eli Lilly has an R&D center.
Philippines	6	77 million	Graduates an estimated 15,000 technology students annually—more than any other country in the index except the four largest: China, India, Russia and Brazil.	English language skills, low costs, and cultural affinity with the US.	Overall business environment, political instability, and infrastructure.	Convergys, Time Warner, Chevron-Texaco, Procter & Gamble, all have call centers and/or BPO units.
Brazil	7	182 million	Brazil's international call center workforce is expected to grow to 5,000 by the end of this year from just 700 last year.	Low costs, large population, and good business process outsourcing results.	Education and English language skills.	Ford Motor has a plant in the northeastern state of Bahia, and Flextronics International has a 172-acre campus in Sao Paulo state that makes cell phones and telecom infrastructure products.

Table 1 - Top Ten Countries For Offshoring (cont.)

Country	Rank	Population	Telling Statistic	Strengths	Weaknesses	Sample U.S. Clients
Canada	8	32 million	Turnover at CGI, one of Canada's largest call centers, is just 6% versus 25% to 50% in most US call centers.	Business environment, high-quality workers, infrastructure, language skills.	Costs are higher than in countries like China and India.	EDS has more than 1,500 employees in Nova Scotia; services include a call center. General Motors announced last month that it would move some white-collar jobs to Canada.
Chile	9	16 million	Santiago, Chile's capital, is among the least expensive cities in the world.	Good infrastructure, including telecom networks, and good business environment.	More costly than other Latin American countries, lack of bilingual technicians and intellectual property protection.	Citigroup has a software development group and fund advisory center.**
Poland	10	39 million	The Polish Agency for Information and Foreign Investment aims to get 25% of foreign investment flows targeted on advanced technologies.	Good education system and slightly lower costs than in Czech Republic and Hungary.	English language skills, infrastructure, business environment and IP security inferior to Czech Republic's.	IBM, General Electric and Motorola all have BPO centers.

Source : Dolan, K. A. (2004). Top ten countries for offshoring. Forbes.com via http://www.forbes.com/work/2004/04/02/cz_kd_0402outsourcing.html
* *Source: NASSCOM, the National Association of Software and Services Companies of India*
** *Source: World Economic Forum's Global Competitiveness Report*
****Source: The Economist Intelligence Unit*

are expected to handle a minimum number of calls (Bain, Watson, Mulvey, Taylor, & Gall, 2002).

Batt and Moynihan (2002) have identified three models of call center work organization. Much of the industry has adopted what is called the Taylorized mass-production model of service delivery that puts emphasis on quantity and transaction efficiency. Call centers adopting mass production models of work organization are referred to as transaction-oriented call centers (Kaplan, George, & Marines, 2000). This model seeks to minimize cost per transaction by maximizing volume and automating the flow of calls. The types of calls handled tend to be highly standardized, simple in content, tightly scripted, and of short duration. Since work is characterized by high-volume but low-value functions, wages are relatively low and opportunities for advancement are fairly limited. Control and discipline is enforced via extensive electronic monitoring, on-screen scripting, and call taping. Work is stressful and turnover rates are high enough to encourage firms to locate their centers in regions where labor is relatively docile because of fewer employment opportunities. Service delivery is faced with the tradeoff between quality of service and the cost of delivering it. Mass production or transaction oriented call centers attempt to reconcile the need for service quality with their search for efficiency by resorting to the "sacrificial HR strategy" that entails the "deliberate, frequent replacement of employees in order to provide enthusiastic, motivated customer service at low cost" (Davis & Moro, 2004).

In the professional service production model of contact centers the situation is quite different. Here, relationship management is a primary concern and, thus, consistent service quality is essential. Contact centers which have adopted the professional service production model tend to build long term personal relationships with customers, and as such, provide superior service (Batt & Moynihan, 2002; also Kaplan et al., 2000). In this model, analytical skills and knowledge processing are central activities in frontline work and call center agents resemble creative, empowered, knowledge workers who have "expanded levels of discretion" (Frenkel et al. 1999).

The more relationship-oriented a contact center is, the more it is likely to adopt high involvement HR management practices characterized by service worker autonomy, task variety and interdependence, teamwork, and task integrity. Conversely, the more transaction-oriented a contact center is, the more it is

likely to adopt human resource management practices characterized by task routinization, scripting, cost minimization through production volumes, worker isolation, and electronic surveillance (Davis & Moro, 2004).

The third model identified as the hybrid or mass-customized model, combines some aspects of transaction oriented contact centers with some aspects of relationship oriented contact centers (Batt & Moynihan, 2002). Mass-customized customer service attempts to compete on quality, customization and price. Firms that follow this model adopt engineered processes and automated workflows but encourage agents to provide quality service to engender customer loyalty (Davis & Moro, 2004).

Call Center Employment

Call centers are often portrayed by employers and industry representatives as knowledge-intensive working environments employing skilled, semi-professional workers recruited for their strong communication and interpersonal skills (Frenkel et al., 1998). However, scholarly studies tend to paint a different picture by showing how "routinization, repetitiveness and general absence of employee control" have become salient features of the call center labor process (Taylor & Bain, 1999). A key feature of interactive service work is the projection of a specific set of emotions prescribed by the organization and embodied in the rules of employment (Morris & Feldman, 1997). Employees are expected to "appear happy, nice and glad to serve the customer" in spite of any private misgivings they may have (Erickson & Wharton, 1997). In voice-to-voice service work this has been described as "smiling down the telephone" (Belt, Richardson & Webster, 1999). The performance of what Hochschild (1979) calls "emotional labor" has become an important feature of call center employment.

The technological and operational aspects of a call center is basically the same whether in advanced countries like the US and the UK, or developing countries like India and the Philippines. The forms and techniques of control used are also similar. For inbound call centers, ACD systems are used to queue and distribute calls; electronic wallboards prominently display the number of calls received, handled and lost, longest call time waiting, and the number of customers on queue; and agents receive the calls through headphones at their workstations. For outbound call

centers, a dialer working on a pre-programmed database calls up customers automatically and routes the call to the agent who is "idle" (not on a call) or to the agent that has "released" (completed) a call. Service Level Agreements (SLAs) prescribe the quantitative measures, called Key Performance Indicators (KPIs), including call volumes, abandonment rates and call handling times as well as qualitative criteria involving the use of on-screen scripting and call taping for detailed analyses of call content. Workflows are routinized, dialogues are tightly scripted and agents' performance is extensively monitored. Clearly, there is tension between the goals of customer satisfaction (quality) and customer throughput (quantity). The monitoring for high service quality coupled with the pressure to attain high output targets have been identified as source of stress and high levels of dissatisfaction among employees. Worse, the preponderance of abusive and irritating customers or what is referred to in the industry as "irate" customers, aggravates the stress.

Deery, Iverson and Walsh (2000) surveyed 600 workers in five telephone call centers in Australia to identify factors that lead to "burnout" and withdrawal from work. They reported that the higher rates of absence were associated with emotional exhaustion among employees. A number of factors, including abusive and irritating customers and employer efforts to increase productivity by increasing call volumes per agent, were found to affect the emotional well-being of employees.

The impact of call center jobs on the quality of life, as first documented in India and Malaysia, raises serious concern. In the export–oriented segment of Indian call centers, for instance, employees generally pretend to be European or American in order to convince customers that they are not calling offshore countries and that their personal information is not sent outside their country of residence. This sort of cultural schizophrenia is exacting a heavy price on employees (Mitter, n.d.). The widespread adoption of anglicized pseudonyms, of having to conceal their Indian locations, and the obligation to speak in "neutral" accents, or even emulate their customers' dialects, all contribute to a highly pressured working experience (Taylor & Bain, 2005).

Similarly, "burnout" is not a remote possibility. In Malaysian call centers, Ng (2001) found that while most workers expressed job satisfaction there were also complaints about how stressful the job was. In a call center engaged in debt collection, one reason given was the highly competitive environment where incentives

are given to top performers in call success rates, and reprimands and threats of dismissals for low success rates. These workers are required to be civil with their customers, many of whom tend to be abusive or even hysterical (Ng, 2001).

Call Center Employment – the Philippine Context

Majority of contact centers in the Philippines are third-party providers. Their clients are companies who have undergone restructuring processes and have segmented or "sliced off" their most mundane or standardized workflows for migration. The offshore business models of these companies are replicated from their onshore call centers along with the very scripts and procedures. As such, the problems and objections this labor process has met in their onshore locations in developed countries have also been seamlessly exported to the Philippines.

Moreover, these generic call center problems are exacerbated further in offshore locations like the Philippines. Call-handling takes place at night, to coincide with the waking hours of overseas customers, with "graveyard shifts" that start at one, two, or three o'clock in the morning. Since offshore contact centers are operational 24 hours a day and seven days a week (24/7), work is organized in overlapping eight or nine hour shifts and employees' work schedules are constantly shifted. The combination of night-time work and constant schedule change takes its toll on agents' health, social and family life.

Only a few call centers reveal to callers in the United States that they are actually Filipinos. The reason for this is that a number of Americans still harbor racist tendencies, and "still think that Filipinos live in nipa huts" (Capistrano, 2004). From interviews, it was gathered that those who are allowed to admit their ethnicity are nonetheless required to hide their Philippine location and give the US address of their client outsourcers instead. Apparently, if the deception is discovered or suspected the call center agent is likely to encounter a bout of hostility.

This compulsion to hide location, or what Mirchandani (2003) calls locational masking, originated in GE's call centers and spread throughout the industry through managerial diaspora (Taylor & Bain, 2005). It is motivated by the assumption shared by Indian providers and offshoring companies alike that providing services from India produces "huge consumer opposition" (Mitial, 2002).

Philippine providers and outsourcers probably hold the same view, which explains why the same practice is prevalent in the local setting.

Opportunities for Skills Development

The specific social competencies that are sought by recruiting companies in "home base" and offshore locations can be characterized into two broad categories: "communication skills" and "people skills." It is also widely acknowledged that the recruitment and selection process is designed to select people who possess not only these set of skills but also the ability to deal with repetitive tasks, tolerate work pressure, and overcome mental and emotional stress. In offshore locations like the Philippines, the prerequisite of being able to handle the physical stress of night work and constantly shifting work schedules is included. A satisfactory command of standard spoken English is also required.

Communication skills refer to the manner in which an employee interacts with the customer or client over the telephone. Prospective employees must also possess "customer focus" which includes not only their attitude towards customers but their ability to empathize with them. Another priority in terms of recruitment is to identify workers with high levels of self-confidence or lively personalities, and natural ability to talk and establish rapport with customers.

People skills refer to the ability to understand, communicate, motivate, coach and provide support to others. Call center operation as marketed by recruiters and managers in the industry is hinged on team performance. The use of teamworking strategies in a call center environment, however, is not about working collectively on a range of tasks and sharing decision making. Rather, agents work in isolation but are grouped into teams so they work to achieve shared call targets.

Research has shown that the nature of work organization in call centers tend to constrain skill development. The very purpose of establishing a call center is to create an environment where work can be standardized to create relatively uniform and repetitious activities so as to achieve economies of scale and consistent quality customer service (Belt et al., 2002).

In call centers, employees are frequently supplied with standard dialogue scripts and are required to follow highly detailed instructions. The use of scripts has been described by Taylor and Bain (1999) as an attempt to structure the "speech of workers into a series of predictable, regulated, and routinized queries and responses." The close monitoring of speech and manner, and the limited autonomy employees possess in service interactions mean that call center workers have to relinquish a large degree of control over their self-presentation to customers. Agents in call centers have talked about the lack of stimulation in their jobs and the "robotic" nature of their work. Some even identified similarities between the call center environment and the factory assembly line (Belt, Richardson & Webster, 2002).

A wide range of technologies, chiefly in ACD systems, is used to achieve this goal. In addition to intensifying the work flow, the technologies used in the call centers also allow for extensive surveillance and monitoring of employees. Information is routinely collected on the length of each agent's calls, breaks, and "wrap-up times," with the objective of reducing time spent with each customer and greater throughput of calls. Promotions and pay increases as embodied in PEP (Performance for Exceptional People) are directly linked to average call handling times.

High Rate of Attrition vs. Sustainability

Like their Indian counterparts, Filipino contact center agents are portrayed as extremely motivated, dedicated and loyal to their employers. Despite lucrative pay packages, however, attrition is a problem in the industry running as high as 45%. Even with the Filipinos' highly extolled reputation for English language skills, acceptance into the industry remains very low at two to three percent. An examination of the causes of employee exit from call centers would also shed light to the not so well-publicized reasons for poor recruitment figures.

Foremost among the reasons for withdrawal from work is the gulf between the employers' promise of stimulating work involving prestigious clients and the reality characterized by relentless call-handling, monotony, scripted transactions, extensive monitoring and the frequent verbal abuse from "irate" customers. Night work and the constantly shifting work schedules which result in ill health, absences, and ultimately withdrawal from work, are other cited reasons. There is also what is referred to as "parking" in

which employees put up with call center work despite the difficulties while waiting for better job opportunities, and leave as soon as an opportunity presents itself. "Poaching" of staff by competing call centers and hopping from one call center to another in search of better pay is also a cause of high attrition.

Given the low take-up and high attrition rate in the Philippines, employers are now facing an imminent shortage of labor supply. With other Asian and African countries gearing up to join the call center bandwagon, the sustainability of the industry is now put in question. We are presently ranked 6th in terms of offshore location attractiveness. Until when will our labor and communications cost differentials sustain us?

Workers' Right to Self Organization

The right to association is a hallmark of a democratic society. In the Philippines—aside from our international commitments—the right to association is a constitutionally guaranteed right (Macaraya, 2004). Workers' right to free association is anchored on trade unions and the collective bargaining framework. Articles 234, 243 and 251 of the Labor Code guarantee the right to form labor organizations for purposes of collective bargaining to those within an employer-employee relationship. Under Article 243, "those without any definite employers may form labor organizations for the purpose of enhancing and defending their interests and for their mutual aid and protection."

Lee (2000) points out that in Asia, although trade unions are free to organize and to bargain collectively with employers, four economic conditions present a hindrance to the development of strong unions. These are: 1) the dominance of small and medium-sized enterprises where employees have traditionally been difficult to organize; 2) the shift from light and heavy industries to high-tech and service industries where workers tend to be more individualistic, and thus, difficult to organize; 3) workers' reluctance to take an adversarial position with management; and 4) the introduction of human resource management techniques. The last three conditions are clearly present in the contact center industry. Other factors such as high worker turnover and the preponderance of "fixed-term" or "contingent" employment contracts in the industry add further to the difficulty of organizing unions within the firm level. In addition, there is also the threat

of client-outsourcers pulling their accounts from third-party providers once a union is organized in the workplace.

A recent study was conducted to establish baseline data about workers in the contact/call center and BPO industry, particularly their employment terms and conditions, attitudes toward trade unions, and the possibility of trade union organizing in the industry. The study concluded that while it is possible to organize workplace trade unions, organizing efforts should be industry-based rather than firm-based (Sale & Bool, 2005).

An alternative to workers' organization is found in Labor-Management Council or Committee. Gatchalian (2000) observes that "In the deliberations of the 1986 Constitutional Commission, the relatively new concept of collective negotiations was explicated...as the right of workers to negotiate with their employers on terms and conditions of their work. This right would presuppose that the workers have organized themselves without necessarily complying with, or desiring to fulfill the usual requisites for the formation of a labor union. Significantly, certain members of the Commission clarified that this new concept may take the form of a labor-management committee as a *modus vivendi* for interaction between the two sides in the forms and methods of labor relations" (pp. 13). A Labor-Management Council is a voluntary body composed jointly of representatives from workers and management who meet to identify and resolve issues of common interest and concern (Gatchalian, 2003). Although LMC practice has been described to be still in a "primitive" state since workers' participation remains at a minimal level, a survey conducted by Gatchalian in 1990 showed that "LMCs have contributed to the lessening of grievances and complaints at the workplace, and have helped foster a climate of industrial peace and stability" (Gatchalian, 2000, p. 15). Increasing the level of employee participation in joint problem solving through the LMCs will enable workers to input useful ideas and suggestions that can improve the quality of work and work life in meaningful ways (Gatchalian, 2003).

Another alternative to workers' self-organization can be found in the formation of cooperatives. "An employee cooperative or social enterprise is a special mechanism that can help management in maximizing the employee benefits given to employees. By developing and harnessing the capabilities of employees in social entrepreneurship, the employee benefits granted by management

can yield optimum results in terms of employee enthusiasm and satisfaction" (Sibal, 2006, p. 1).

It has been observed that only through the combination of public investment in general education and private investment in skills training can effective skill formation take place (Verma, 2003). Cooperatives by their non-adversarial nature may be the vehicle where employers, employees and the government can share the costs of training and development of skills to achieve "quality human resource" and allow the call center industry to "move up the value chain" from voice-based BPO to "higher value" services.

Cooperatives may also engage in labor services. While literature on the subject may be scarce, a very workable model of a cooperative providing labor services has been established by Asiapro. Contact center employers in the Philippines use three modes of recruitment—direct hiring, job fairs, and employment agencies. Through cooperatives, contact center employers may be provided access to a workforce with the skills that match their requirements.

Cooperatives may also make the most of the economies of scale to enable them to provide transportation services and address the hazards of commuting to and from work for those in "graveyard shifts," create funds in order to grant loans for productive and provident purposes, and distribute commodities to their members.

Conclusion

The contact center and business process outsourcing industry has become a major employer in the Philippines. While there may be questions as to the quality of work in this industry, it cannot be denied that it has provided jobs with relatively high pay to the Filipino workforce. Employers and industry representatives have always marketed "the Philippine advantage in quality human resources" ("Contact Center Industry Sees Growth," 2006) but the two to three percent "take-up" rate for call center applicants puts doubt to the claim. It is a challenge for employers and HR practitioners in the industry to help improve the human resource situation by taking steps to improve the "take-up" rate. Employers and HR practitioners in the industry must concern themselves not only with sourcing for skills already present in the workforce for their use, but also show a concerted effort to develop and improve this workforce.

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