

# Relationship of Work Benefits and Incentives in Employee Productivity and Satisfaction Among BPO Workers in Manila in the Time of Pandemic

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## ABSTRACT

This study was conducted in 2022 amongst BPO workers in the pandemic era. The main objective of this study is to identify the relationship between current work benefits and incentives to employees' productivity and satisfaction. Quantitative Descriptive research method was used to analyze the satisfaction of the employees on the availability of work benefits and incentives and how it relates to their productivity and satisfaction. 200 BPO workers from Metro Manila and Bulacan participated in this study. A three component questionnaire was used to collect demographic information, satisfaction among work benefits and incentives and productivity and satisfaction of the employees. Findings show cash and medical benefits to be highly satisfying incentives among the employees. Another significant finding was the employees' overall satisfaction with the support given by companies through equipment supply. The researcher used Pearson Correlational Analysis through SPSS version 27 and yielded a moderate positive relationship result. The researcher recommends emphasis and reinforcement of the identified, strong incentives driving employees' productivity as well as support from both private and public sector in the enhancement of such benefits.

**Keywords:** call center, BPO, salaries, benefits, productivity, pandemic, work from home

**Cite this article as:** Santos, J. C. (2023). Relationship of Work Benefits and Incentives in Employee Productivity and Satisfaction Among BPO Workers in Manila in the Time of Pandemic. *Future of Business Administration*, 2(1), 32-39. <https://doi.org/10.33422/fba.v2i1.307>

## 1. Introduction

The Philippines, dubbed as the "Call Center Capital of the World," is globally eyed by companies for its deep talent pool and investor-friendly climate (Mercurio, 2018). Currently housing over 800 BPO companies and offering a plethora of services in banking, telecommunications, education, and even complex tasks of robotics and cloud computing, it is no secret that the Philippines offer one of the best services for the lowest cost. It is perhaps one of the reasons why the BPO industry has been in an upward trajectory ever since its inception in 1995.

Despite the pandemic, IBPAP reported an astonishing increased revenue of 1.4% in 2020, a remarkable feat considering the worldwide lockdowns and closure of businesses. The BPO industry was like a chameleon, quickly adapting to its environment (Gutierrez, 2021). Onward, a projected 8% or \$28.8 billion in revenue and 1.32 million jobs were generated in 2021 (Campos, 2021). This was very surprising news in the middle of an economic downturn, all thanks to the flexible working arrangements made possible by the BPO companies.

While work-from-home setups (WFH) were already existent before the coronavirus pandemic, there is a need for studies examining these situations' effects on office workers' occupational



health and welfare. This essay seeks to define the requirements and difficulties of remote and hybrid work, as well as the possibility for a sustainable workplace in the future (Yams, Hultberg, & Chafi, 2022).

Increased flexibility, autonomy, work-life balance, and individual performance were some of the key advantages surprisingly presented by remote work (Babapour Chafi, Hultberg, & Bozic Yams, 2022). Along with this, there was a need to review and revisit the relevant arrangements, benefits, and incentives that can keep this new work modality sustainable even post-pandemic.

This study was conducted to assess the relevant work benefits and incentives in the BPO sector and how it relates to the productivity of employees given the current pandemic situation. Specifically, the study has the following objectives: to describe the demographic characteristics of the respondents in terms of age, gender, educational attainment, current work set up, and tenure; to determine the existing benefits and incentives contributing to the work satisfaction and productivity of the employees; and to determine the employees' satisfaction with their work productivity and the relationship between the identified variables. Ultimately, the study aims to determine whether the current work benefits and incentives work in driving productivity given the pandemic situation where most employees work from home.

## 2. Literature Review

Findings in a related study in Business Process Outsourcing revealed that employees feel happier when their leaders focus on the following activities: talent development, communication, establishing trust and respect, empowering employees through delegation of tasks, recognizing top performers, and correcting of mistakes done privately and politely (Cabaluna & Mbaw, 2021).

Intrinsic incentives were instrumental in decreasing voluntary turnover. Intrinsic incentives fed employees' pride and increased their sense of self-value and self-worth (Hinds, 2020). This also transcends into the employees' productivity in job tasks as employees show higher levels of positivity and commitment to the organization.

Intrinsic incentives are generally categorized into four types: employees' sense of meaning, choice, competence, and progress (Hinds, 2020).

Work From Home set-ups (WFH) efficiently protected workers from acquiring COVID-19 upset, and countries with a higher percentage of tele-workable jobs significantly lowered their risk of infection. At the corporate level, an induced rise in WFH adoption decreased the likelihood of applying for short-term employment by up to 72 percent and by up to 75% the likelihood of being very badly impacted by the crisis (Alipour, Fadinger, & Schymik, 2021). The health advantages of WFH were more prevalent in the early stages of the epidemic and diminished after strict confinement regulations were put in place. Lower initial mobility levels in counties with more tele-workable jobs and subsequent convergence in traffic levels after confinement were the main causes of this effect (Alipour et al., 2021).

The COVID-19 epidemic has brought attention to how crucial employment is to determining population health and well-being. This Viewpoint employs a multilevel systems paradigm to help comprehend the various and complex interplay of forces affecting worker health and welfare, as well as how the pandemic has accelerated trends and changes in employment and working conditions (Peters, Dennerlein, Wagner, & Glorian, 2022). The capacity of government organizations dealing with the population's health, well-being, and economic activity must be increased to track, assess, and react to these developments (Peters et al., 2022). Additionally, to navigate the ongoing changes in work and worker safety, health, and well-being in a post-pandemic world, integrated enterprise and workplace-based approaches will

help build organizational and worker resilience. These approaches should take into account the interactions among these multidimensional drivers.

### 3. Materials and Methods

This study follows a quantitative, correlational research design as it aimed to see the relationship between the outlined variables. A preliminary survey was conducted to group and trim down the classification of benefits and incentives which were included in the questionnaire. Participants of this study have been filtered to those who are currently employed with over 6 months of experience as it is the minimum time of probationary period required in the Philippines. Purposive sampling was used to determine who the respondents are for this study. The instrument was crafted based on the results of the preliminary survey for the list of benefits and incentives, integrated with work productivity rating scale (Weerasinghe, Yasith 2019). The final survey questionnaire was validated prior dissemination.

### 4. Results and Discussion

The following are the pertinent findings, conclusions and recommendations of this study.

#### 4.1. Findings

Table 1.

*Demographic Profile, Gender*

<b>Gender</b>	<b>f</b>	<b>Percentage</b>
Male	59	30%
Female	121	61%
LGBTQIA	16	8%
Prefer not to say	2	1%
Other:	2	1%
<b>Total</b>	<b>200</b>	<b>100%</b>

The findings revealed that the majority of participants were female (61%), followed by males (30%), LGBTQIA individuals (8%), those who preferred not to disclose their gender (1%), and participants identifying with other gender categories (1%).

Table 2.

*Demographic Profile, Highest Educational Attainment*

<b>Highest Educational Attainment</b>	<b>f</b>	<b>Percentage</b>
High School Graduate	78	39%
2 year course Graduate	36	18%
College Graduate	83	42%
Masters degree	3	2%
Doctorate degree	0	0%
<b>Total</b>	<b>200</b>	<b>100%</b>

The findings from the table on the highest educational attainment of the participants indicate that 39% were high school graduates, 18% were two-year course graduates, 42% were college graduates, 2% held a master's degree, and no participants had a doctorate degree.

Table 3.

*Current Work Set-Up*

<b>Current Work Set-Up</b>	<b>f</b>	<b>Percentage</b>
Full time work at home	108	54%
Full time work on site	63	32%
Mixture of home and on site work	29	15%
<b>Total</b>	<b>200</b>	<b>100%</b>

The findings based on the table on the current work set-up of the participants reveal that 54% were engaged in full-time work at home, 32% were engaged in full-time work on-site, and 15% had a mixture of home and on-site work.

Table 4.

*Tenure at current job*

<b>Tenure at current job</b>	<b>f</b>	<b>Percentage</b>
probationary	49	25%
6-12 months	63	32%
1-2 years	35	18%
2-3 years	22	11%
3-4 years	11	6%
4 years up	20	10%
<b>Total</b>	<b>200</b>	<b>100%</b>

The findings based on the table on the tenure at the current job of the participants indicate that 25% were on probationary status, 32% had been employed for 6-12 months, 18% had a tenure of 1-2 years, 11% had a tenure of 2-3 years, 6% had a tenure of 3-4 years, and 10% had a tenure of 4 years or more.

Table 5.

*Benefits and Incentives' Effectiveness contributing to your Work Satisfaction and Productivity Rating*

<b>Benefits and Incentives' Effectiveness contributing to your Work Satisfaction and Productivity Rating</b>		
<b>Questions</b>	<b>Ave</b>	<b>Remarks</b>
Meal allowances (i.e. 1,000 food allowance, free meals at work)	3.645	Very Effective
20% night differential	3.88	Very Effective
Communication Allowances (Internet, Load, etc)	3.465	Moderately Effective
Additional Sick Leaves	3.62	Very Effective
Additional Vacation Leaves	3.595	Very Effective
Travel Allowances (Cash Allowances, Company Shuttle)	3.21	Moderately Effective
HMO (medical and sickness insurance and coverages)	4.03	Very Effective
Free COVID related tests, treatments, supplies and services	3.545	Very Effective
Work from home options	3.995	Very Effective
Cash Incentives (Attendance Bonus, Sales Bonus, etc)	4.055	Very Effective
Item Type Incentives (Electronic Gadgets, Groceries, Gift Cards, etc.)	3.405	Moderately Effective
Professional Development (Paid Trainings, Seminars, Study scholarship grants, etc.)	3.72	Very Effective
Health and Wellness (Gym Memberships, Spa, Massage, etc.)	3.235	Moderately Effective
<b>Gen Ave</b>	<b>3.646</b>	<b>Very Effective</b>

The first section of the survey asked for respondents' preferred effective incentives. 9 out of 13 were rated as "very effective" while the remaining 4 benefits were "moderately effective." Cash incentives ranked as the highest with a score of 4.055 this is in support of the majority of studies conducted in this topic. HMO closely follows at a score of 4.03 which is surely a product of the worldwide health scare brought by the pandemic. Workers closely associate the

aforementioned incentives as top priority as businesses and the general public are willing to take financial losses for health preservation. Lowest ranked incentive was “Travel Allowance” with a score of 3.21 which makes sense since travel for leisure has been mostly restricted since the pandemic started.

Table 6.

*Individual Work Performance based on the availability of the benefits and incentives in your present work rating*

<b>Individual Work Performance based on the availability of the benefits and incentives in your present work rating</b>		
<b>Questions</b>	<b>Ave</b>	<b>Remarks</b>
You are satisfied with your work	3.855	Satisfied
You are satisfied regarding your associate works	3.83	Satisfied
Work makes the best use of my abilities	3.865	Satisfied
Having physical working conditions that are safe, not injurious to health, not stressful	3.695	Satisfied
Having a job that provides a steady employment	3.97	Satisfied
I receive right amount of salary for my work	3.815	Satisfied
The economy affects my satisfaction with my current salary level	3.585	Satisfied
I'm being paid fairly in comparison to others.	3.715	Satisfied
You are likely interested in advancement and financial gain	3.915	Satisfied
Your medical insurance	3.81	Satisfied
I feel that workplace training opportunities encourage me to work better	3.885	Satisfied
I am valued as a hardworking individual within my organization	3.81	Satisfied
I need assistance in performing jobs	3.5	Satisfied
I'm happy about the promotion criteria of the employees	3.73	Satisfied
I have the tools and resources I need to do my job	4.015	Satisfied
My supervisor actively listen to my issues and suggestions	3.79	Satisfied
Working hours that allow me enough time with family and time to pursue other strong interests	3.735	Satisfied
In my job, I am satisfied with how often I take part in problem solving	3.805	Satisfied
You are enthusiastic about your job	3.775	Satisfied
<b>Gen Ave</b>	<b>3.794736842</b>	<b>Satisfied</b>

The second section of the survey focused on the respondents' satisfaction rating over the availability of the benefits in their present work. All of the statements were given a “satisfied” rating by the respondents. Among the statements, “I have the tools and resources I need to do my job” had the highest rating equivalent to 4.015. This is a good confirmation to local companies' initiatives to continue operations and provide livelihood to Filipino workforce despite the pandemic. This is a clear indication that companies have invested in employees' work from home set up and equipment. Thus the majority of the respondents have expressed their satisfaction. Though all statements were ranked with “satisfied”, the statement “I need assistance in performing jobs” garnered the lowest score of 3.5. This is in line with the results of the case studies regarding “Work From Home Challenges”. In the said study, “Implications of limited interaction w/manager for career” was identified as one of the biggest challenges faced by work from home employees (Liwana, 2021). It is interesting to note that despite the availability of modern and high-end equipment, remote communications particularly pertaining to real-time assistance still needs improvement. In a line of work where customer service is of primary importance, seamless and real-time communications between employees and supervisors is highly significant.

Table 7.

*Relationship between existing work benefits and incentives to employee productivity and satisfaction*

		<b>Rate the following Benefits and Incentives</b>	<b>Individual Work Performance based on the availability of the benefits and incentives</b>
Rate the following Benefits and Incentives	Pearson Correlation	1	.468**
	Sig. (2-tailed)		.000
	N	200	200
Individual Work Performance based on the availability of the benefits and incentives	Pearson Correlation	.468**	1
	Sig. (2-tailed)	.000	
	N	200	200

After obtaining data from the two sections of the questionnaire, Pearson Correlation was applied and utilized to determine the relationship between existing work benefits and incentives to employee productivity and satisfaction. The results as shown in the table indicate a “Moderate Positive Correlation” between Benefits and Incentives into Work Productivity.

## 5. Conclusions

Based on the findings, the following conclusions are drawn.

Most Filipino BPO workers are full-time, regular employees who are currently working on a work from home set up. Cash Incentives and Medical related benefits are highly effective incentives to consider for companies to drive work productivity. Travel related benefits least enticed BPO workers during the pandemic. BPO workers are mostly satisfied with equipment support provided by their companies. Most BPO workers are facing difficulties with communication and real-time assistance from superiors. And finally, there is a moderate positive correlation between work benefits and incentives to employee productivity and satisfaction.

### 5.1. Recommendations

Based on the conclusions drawn from the study, the following recommendations are suggested to enhance workforce management in the Business Process Outsourcing (BPO) industry:

#### 1. Embracing Hybrid Work Set-ups:

Aspiring BPO workers should be prepared for hybrid work set-ups, which involve a combination of on-site and work-from-home schemes. These work modalities have been established and proven effective over the past two years and are expected to continue as a viable option for BPO companies' workforce management. BPO companies should invest in infrastructure, technology, and policies that support seamless collaboration and productivity in hybrid work environments.

#### 2. Enhancing Work Benefits and Incentives:

BPO companies should prioritize and improve the work benefits and incentives that employees value the most, such as cash and medical-related benefits. These benefits contribute significantly to employee satisfaction and well-being. Conversely, companies should reevaluate the relevance and impact of travel-related benefits, as they may not be as influential in satisfying employees and driving their work productivity. Regular surveys and feedback mechanisms can help BPO companies tailor their benefit packages to meet the evolving needs and preferences of their workforce.

#### 3. Improving Internal Communication Systems:



To foster effective communication and support in the BPO industry, companies must enhance their internal communication systems. Real-time assistance, mentoring, and prompt resolution of work-related queries and issues are essential. BPO companies should invest in advanced communication technologies, such as instant messaging platforms, video conferencing tools, and collaboration software, to facilitate seamless communication and knowledge sharing among employees. Mentoring programs and virtual team-building activities can also promote a sense of community and enhance employee engagement.

#### 4. Strengthening Government Policies and Collaboration:

The Philippine government can utilize the findings from this study to amend, improve, and enforce existing laws and regulations governing the BPO industry. Specifically, Republic Act 11165, also known as the Telecommuting Act of 2018, should be reviewed and updated to ensure its relevance and effectiveness in addressing the changing work landscape. Section 5 of this act, which pertains to "fair treatment," offers opportunities for companies to improve existing incentive programs and align them with the demands of work in pandemic and endemic situations. Furthermore, the recent order by the Philippine government mandating a 100% return to operations for BPO companies has faced severe criticism from the public and employers who have already established structures for work-from-home operations (Ochave, Revin, 2022). A collaborative approach, involving consultation with foreign investors and industry stakeholders, will foster a supportive environment and enable the BPO industry to adapt and thrive amidst global and economic challenges.

Implementation of said recommendations in the BPO sector can enhance workforce management practices, promote employee satisfaction and well-being, and ensure long-term sustainability in a rapidly evolving work landscape.

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