

## 2009/2010 INDUSTRY PROFILE: BUSINESS PROCESS OUTSOURCING

(Last of a six-part series)



**This industry profile covers the following topics on labor and employment:**

#### EMPLOYMENT

1. Number of establishments
2. Employment
3. Category of workers
4. Specific groups of workers
  - Young workers
  - Female workers
  - Time-rated workers
5. Subcontracting
6. Job vacancies
  - Hard-to-fill vacancies
  - Reasons why hard to fill

#### UNIONISM AND COLLECTIVE BARGAINING

7. Unionism
  - Union density rate
  - Union membership
8. Collective bargaining
  - Collective bargaining coverage rate
  - CBA coverage

#### INDUSTRY PRACTICES ON BALANCING WORK AND FAMILY RESPONSIBILITIES

9. Programs implemented
10. Facilities available
11. Non-statutory leave arrangements provided
12. Flexible work arrangements adopted

#### OCCUPATIONAL INJURIES AND DISEASES

13. Measures of safety performance
14. Occupational injuries with workdays lost
  - Major occupation
  - Type of injury
  - Part of the body injured
  - Cause of injury
  - Agent of injury
15. Cases of occupational diseases

### Background

This LABSTAT Updates is the last in a six-part series of industry profiles that features key industries with strong employment generation potentials. Statistics in this report were culled from the results of the 2009/2010 BLES Integrated Survey (BITS) – a nationwide sample survey of non-agricultural establishments with at least 20 workers.

### Number of Establishments

- The business process outsourcing in the Philippines covered a total of 481 establishments with 20 or more workers as of June 30, 2010 – the bulk were engaged in computer-related activities (267) and call-center activities (180).

### Employment

- Total employment was estimated at 272,360 – the vast majority (80.7% or 219,804) was employed in call-center activities.

### Category of Workers

- Of the total workforce, more than ten percent (11.5% or 31,280) were managers/executives and supervisors/foremen with the large majority (88.4% or 240,795) comprising of rank and file workers. The share of working owners/unpaid workers was nil (0.1% or 285).
- Non-regular workers represented 25.9% (70,522) of the total workforce – the majority was probationary workers (16.0% or 43,415) followed by contractual/project-based workers (9.6% or 26,115).

### Specific Groups of Workers

- Women represented more than one-half (53.5% or 145,681) of the industry's workforce while young workers (15 to 24 years old) made up nearly one-fourth of the workforce (23.1% or 62,872).
- The overwhelming majority was full-time workers paid on monthly basis (81.2% or 221,148) with fairly large share paid on hourly basis (12.5% or 34,097).
- Small proportion of the workforce was paid on a daily basis (5.7% or 15,489) and worked part-time with the establishments (0.4% or 965).

### **Subcontracting**

- Nearly one-half (46.8% or 225) of total establishments employed agency-hired workers - mostly for security and janitorial services.
- Outsourcing outside the premises of the establishments was limited to 20.6% (99) of total establishments.

### **Job Vacancies**

- A job-rich industry, it opened a total of 57,887 job vacancies over the period January 2009 to June 2010 – the large majority (83.8% or 48,499) was easy-to-fill occupations and the rest was hard-to-fill occupations (16.2% or 9,388).
- The top five occupations hardest to fill were: technical and commercial sales representatives (2,576), customer service representatives (1,713), electronics and communications engineers (1,174), systems analysts and designers (791) and computer programmers (641).
- The establishments which reported hard-to-fill vacancies revealed lack of needed competency/skill among applicants (66.4% or 565) as the biggest employment challenge.

### **Unionism and Collective Bargaining**

- As a newly emerged industry, there was no report of any union membership or CBA coverage in any of the industry's establishments.

### **Programs Implemented**

- About 7 out of every 8 establishments (86.9% or 418) provided Health Maintenance Organization (HMO) cards to their employees as part of their health and fitness program.
- Work and family programs were implemented in almost three-fourths (73.2% or 352) of the total establishments.
- Salary and emergency loans were the most common financial support programs provided by 56.5% (272) and 53.0% (255) of the establishments, respectively.

- Some establishments extended educational assistance (31.2% or 150) and educational loan (22.5% or 108) to their employees.

### **Facilities Available**

- Pantry is the most common food facility as it was available in majority of the establishments (89.0% or 428).
- Seven out of every 12 establishments (58.8%) provided transport arrangements for their employees, while 4 out of every 11 establishments (36.2%) had sleeping/nap area.

### **Non-Statutory Leave Arrangements Provided**

- The use of leave benefits to attend to urgent family concerns (88.4% or 425) was the most common non-statutory leave arrangement allowed in the industry.
- Other leave arrangements provided include time-off in lieu of extra hours worked (44.5% or 214); flexible holiday schedule (36.6% or 176); and forced leave (28.3% or 136).
- Almost the same number also allowed extended paternity (130 or 27.0%) and maternity (129 or 26.8%) leave without pay.

### **Flexible Work Arrangements Adopted**

- Over one-half of the total establishments adopted a flexible work schedule (56.3% or 271) and rotating shift (53.6% or 258).
- Compressed workweek was implemented in 1 out of every 6 establishments (16.6% or 80), while on-call arrangement was adopted in about 1 out of every 7 establishments (13.5% or 65).

### **Measures of Safety Performance**

- There were 157 cases of occupational injuries reported in the business process outsourcing (BPO) industry in 2009.
- The frequency rate of cases with workdays lost was recorded at 0.11.
- The incidence rate of 0.25 means that there were almost 250 cases of occupational injuries with workdays lost for every 1,000,000 workers.
- Severity rate of cases resulting to temporary incapacity was posted at 0.32.
- There was an average of 2.98 workdays lost per temporary incapacity case.

### **Cases of Occupational Injuries with Workdays Lost**

#### **Major Occupation**

- Technicians and associate professionals were the most injured in the BPO industry, accounting for 88.7% of all cases of occupational injuries.

#### **Type of Injury**

- Dislocations, sprains and strains accounted for almost two-thirds (69.4%) of cases of occupational injuries in the BPO industry.
- Only a small proportion suffered from concussions and internal injuries (12.9%); and burns, corrosions, scalds and frostbites (9.7%).

### **Part of the Body Injured**

- Majority of cases of occupational injuries with workdays lost in the industry affected lower extremities (80.6%).
- Only around one out of every ten cases (9.7%) affected the head.

### **Cause of Injury**

- More than one-third (35.5%) of injuries was caused by stepping on, striking against or struck by objects, excluding falling objects.
- Almost a quarter of cases (22.6%) was caused by being caught in or between objects.
- One in every eight cases (12.9%) was brought about by over-exertion or strenuous movement.

### **Agent of Injury**

- Human, animals, and plants were the top agent of occupational injuries in this industry at 40.3% of the total cases.
- This was followed by materials and objects used (33.9%).

### **Occupational Diseases**

- Peptic ulcer was the most common case of occupational disease among workers in this industry wherein one out of every four workers (24.8%) suffered from this disease.
- Essential hypertension came second at 18.6% of the total cases.

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#### **FOR INQUIRIES**

Regarding this report contact **LABOR RELATIONS STATISTICS DIVISION** at 527-3000 local 319  
 Regarding other statistics and technical services contact **BLES DATABANK** at TELEFAX 527-9311  
 Or Write to BLES c/o **Databank**, 3/F DOLE Bldg. Gen. Luna St., Intramuros, Manila, 1002  
 FAX 527-55-06 E-mail: bles\_lrsd@dole.gov.ph Website at <http://www.bles.dole.gov.ph>

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### Selected Labor and Employment Indicators on Business Process Outsourcing (BPO), Philippines as of June 2010

INDICATOR	Total	Call-center activities	Medical transcription	Computer-related activities	Animated films and cartoons production	INDICATOR	Total	Call center activities	Medical transcription	Computer-related activities	Animated films and cartoons production
<b>1. Total Establishments</b>	<b>481</b>	<b>180</b>	<b>30</b>	<b>267</b>	<b>4</b>	<b>6. Total Vacancies (January 2009-June 2010)</b>	57,887	49,108	860	7,849	70
<b>2. Total Employment</b>	<b>272,360</b>	<b>219,804</b>	<b>3,482</b>	<b>48,279</b>	<b>795</b>	▪ <b>Easy-to-fill</b>	48,499	42,448	579	5,464	8
<b>3. Category of Workers</b>						▪ <b>Hard-to-fill</b>	9,388	6,660	281	2,385	62
Working owners/Unpaid workers	285	20	27	238	-	<b>Top 5 hard-to-fill vacancies</b>					
Employees	272,075	219,784	3,455	48,041	795	- Technical and commercial sales representatives	2,576	2,576	-	-	-
▪ Managers/Executives	11,105	7,804	108	3,162	30	- Customer service representatives/associates	1,713	1,713	-	-	-
▪ Supervisors/Foremen	20,175	15,481	345	4,300	49	- Electronics and communications engineers	1,174	1,174	-	-	-
▪ Rank and file workers	240,795	196,499	3,001	40,579	716	- Systems analysts and designers	791	194	-	537	60
▪ Regular	170,273	138,736	2,139	28,906	493	- Computer programmers	641	-	5	636	
▪ Non-regular	70,522	57,764	863	11,673	223	- Receptionists and information clerks	217	217	-	-	-
- Probationary workers	43,415	38,955	441	4,014	5	- Medical transcriptionists	211	-	211	-	-
- Casual workers	733	593	9	131	-	- Authors, journalists and other writers	379	-	39	340	-
- Contractual/Project-based workers	26,115	18,017	370	7,510	218	- Teaching associate professionals	8	-	8	-	-
- Seasonal workers	-	-	-	-	-	- Accountants and auditors	146	-	5	141	-
- Apprentices/Learners	259	198	42	18	-	- Sales and marketing managers	150	-	-	150	-
<b>4. Specific Groups of Workers</b>						- Finance and administration managers	1	-	-	-	1
▪ Young workers (15 to 24 years old)	62,872	55,844	451	6,565	12	- Personnel and industrial relations managers	1	-	-	-	1
▪ Female workers	145,681	122,721	2,349	20,483	128	<b>Top 3 reasons why hard to fill</b>					
▪ Time-rated workers	271,700	219,784	3,445	47,989	482	- Applicants lack needed competency/skill	565	128	21	414	3
▪ Full-time workers	270,734	219,324	3,382	47,546	482	- Applicants expect high salary	149	59	15	76	-
- Hourly	34,097	33,894	-	203	-	- Applicants lack years of experience	72	27	-	45	-
- Daily	15,489	9,557	141	5,751	40	- Location or work schedule problem	12	-	12	-	-
- Monthly	221,148	175,873	3,241	41,592	442	- Applicants prefer overseas employment	12	-	12	-	-
▪ Part-time workers	965	460	63	442	-	<b>7. Unionism</b>					
▪ Purely commission-paid workers	-	-	-	-	-	▪ Union density rate	-	-	-	-	-
<b>5. Establishments Engaged in Subcontracting</b>						- Union membership	-	-	-	-	-
<u>Within</u> the premises of the establishment	225	122	4	96	3	- Men	-	-	-	-	-
- Number of agency-hired workers	6,975	4,983	94	1,885	13	- Women	-	-	-	-	-
<u>Outside</u> the premises of the establishment	99	41	11	47	-						

**Note:** Computer-related activities include software publishing; other software and consultancy and supply; data processing; database activities and on-line distribution; and other computer related activities.

**Selected Labor and Employment Indicators on Business Process Outsourcing (BPO), Philippines**  
as of June 2010 (cont'd)

INDICATOR	Total	Call center activities	Medical transcription	Computer-related activities	Animated films and cartoons production	INDICATOR	Total	Call center activities	Medical transcription	Computer-related activities	Animated films and cartoons production
<b>8. Collective Bargaining</b>						<b>10. Establishments with Facilities Available</b>					
▪ Collective bargaining coverage rate	-	-	-	-	-	Pantry	428	157	29	239	3
▪ CBA coverage	-	-	-	-	-	Transport arrangement for all employees	283	180	30	69	4
- Men	-	-	-	-	-	Sleeping/Nap area	174	102	22	48	2
- Women	-	-	-	-	-	Canteen/Food services	116	76	4	35	1
<b>9. Establishments with Programs Implemented</b>						Physical/Wellness center	36	27	-	9	-
▪ Health and fitness	451	176	19	253	4	Sports facilities	35	19	-	15	1
- Health Maintenance Organization (HMO) card	418	175	18	221	4	Breastfeeding area for lactating mothers	13	6	-	7	-
- Medical subsidy	200	63	15	119	3	Waiting/Play room for children	2	-	-	2	-
- Medical insurance	155	66	3	84	2	<b>11. Establishments with Non-Statutory Leave Arrangements Provided</b>					
- Stress management/Counselling	102	49	2	50	1	Use of leave benefits to attend to urgent family concerns	425	156	27	238	4
- Health/Fitness program subsidy	91	32	1	58	-	Time-off in lieu of extra hours worked	214	65	11	135	3
- HIV/AIDS prevention program	50	39	1	10	-	Flexible holiday schedule	176	50	10	116	-
▪ Child and family care	381	159	19	200	3	Forced leave	136	32	3	99	2
- Implements work and family programs	352	155	18	176	3	Extended paternity leave without pay	130	41	10	76	3
- Conducts seminars on balancing work	86	40	1	45	-	Extended maternity leave without pay	129	60	3	63	3
▪ Financial and other support	354	108	16	226	4	Study leave	112	18	10	84	-
- Salary loan	272	55	15	199	3	Extended paternity leave with pay	107	43	9	55	-
- Emergency loan	255	90	15	147	3	Extended maternity leave with pay	92	9	9	74	-
- Employees cooperative/Provident fund	50	5	-	42	3	<b>12. Establishments with Flexible Work Arrangements Adopted</b>					
- Asset acquisition loan	42	11	-	29	2	Flexible work schedule	271	66	13	188	4
▪ Education	219	89	15	115	-	Rotating shift	258	128	22	106	2
- Educational assistance	150	68	14	68	-	Compressed workweek	80	35	10	33	2
- Educational loan	108	31	15	62	-	On-call	65	31	8	25	1
- Scholarship program	25	14	1	10	-	Teleworking	26	9	8	9	-
						Job-sharing	9	-	8	1	-

**Selected Labor and Employment Indicators on Business Process Outsourcing (BPO), Philippines  
as of June 2010 (cont'd)**

13. Measures of Safety Performance (2009)	TOTAL	With Workdays Lost					Without Workdays Lost
		Total	Fatal	Non-Fatal			
				Total	Permanent Incapacity	Temporary Incapacity	
<b>Cases of occupational injuries</b>							
Total	157	62	2	60	-	60	95
Call center activities	153	58	2	56	-	56	95
Medical transcription	-	-	-	-	-	-	-
Computer-related activities	4	4	-	4	-	4	-
Animated films and cartoons production	-	-	-	-	-	-	-
<b>Frequency rates</b>							
Total	-	0.11	a	0.11	-	0.11	-
Call center activities	-	0.13	a	0.13	-	0.13	-
Medical transcription	-	-	-	-	-	-	-
Computer-related activities	-	0.04	-	0.04	-	0.04	-
Animated films and cartoons production	-	-	-	-	-	-	-
<b>Incidence rates</b>							
Total	-	0.25	0.01	0.24	-	0.24	-
Call center activities	-	0.29	0.01	0.28	-	0.28	-
Medical transcription	-	-	-	-	-	-	-
Computer-related activities	-	0.09	-	0.09	-	0.09	-
Animated films and cartoon production	-	-	-	-	-	-	-
<b>Severity rates</b>							
Total	-	-	-	-	-	0.32	-
Call center activities	-	-	-	-	-	0.37	-
Medical transcription	-	-	-	-	-	-	-
Computer-related activities	-	-	-	-	-	0.11	-
Animated films and cartoons production	-	-	-	-	-	-	-
<b>Average workdays lost</b>							
Total	-	-	-	-	-	2.98	-
Call center activities	-	-	-	-	-	3.00	-
Medical transcription	-	-	-	-	-	-	-
Computer-related activities	-	-	-	-	-	2.76	-
Animated films and cartoons production	-	-	-	-	-	-	-

INDICATOR	Total	Call center activities	Medical transcription	Computer-related activities	Animated films and cartoons production
<b>14. Cases of Occupational Injuries with Workdays Lost (2009)</b>	<b>62</b>	<b>57</b>	-	<b>4</b>	-
<b>By Major Occupation</b>					
Corporate executives, managers, managing proprietors and supervisors	4	4	-	-	-
Professionals	-	-	-	-	-
Technicians and associate professionals	55	52	-	3	-
Clerks	2	2	-	-	-
Service workers and shop and market sales workers	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-
Laborers and unskilled workers	1	-	-	1	-
<b>By Type of Injury</b>					
Superficial injuries and open wounds	1	-	-	1	-
Fractures	2	-	-	2	-
Dislocations, sprains and strains	43	42	-	1	-
Traumatic amputations	-	-	-	-	-
Concussions and internal injuries	8	8	-	-	-
Burns, corrosions, scalds and frostbites	6	6	-	-	-
Acute poisonings and infections	-	-	-	-	-
Foreign body in the eye	-	-	-	-	-
Others	2	2	-	-	-

a Less than 0.005.

**Selected Labor and Employment Indicators on Business Process Outsourcing (BPO), Philippines  
as of June 2010 (cont'd)**

INDICATOR	Total	Call center activities	Medical transcription	Computer-related activities	Animated films and cartoons production
<b>14. Cases of Occupational Injuries with Workdays Lost (cont'd)</b>					
<b>By Part of the Body Injured</b>					
Head	6	6	-	-	-
Neck	-	-	-	-	-
Back	2	2	-	-	-
Trunk or internal organs	-	-	-	-	-
Arm and shoulder	-	-	-	-	-
Wrist and hand	2	2	-	-	-
Lower extremities	50	46	-	4	-
Whole body or multiple sites equally injured	2	2	-	-	-
<b>By Cause of injury</b>					
Falls of persons	7	6	-	1	-
Struck by falling objects	3	2	-	1	-
Stepping on, striking against or struck by objects, excluding falling objects	22	21	-	1	-
Caught in or between objects	14	13	-	1	-
Over-exertion or strenuous movements	8	8	-	-	-
Exposure to or contact with extreme temperatures	6	6	-	-	-
Exposure to or contact with electric current	-	-	-	-	-
Exposure to or contact with harmful substances or radiations	-	-	-	-	-
Others	2	2	-	-	-
<b>By Agent of Injury</b>					
Buildings, structures	7	6	-	1	-
Prime movers	1	-	-	1	-
Distribution systems	-	-	-	-	-
Hand tools	1	-	-	1	-
Machines, equipment	3	2	-	1	-
Conveying/transport/packaging equipment or vehicles	4	4	-	-	-

INDICATOR	Total	Call center activities	Medical Transcription	Computer-related activities	Animated films and cartoons production
<b>By Agent of Injury (cont'd)</b>					
Materials, objects	21	21	-	-	-
Chemical substances	-	-	-	-	-
Human, animals, plants, etc.	25	25	-	-	-
Others	-	-	-	-	-
<b>15. Cases of Occupational Diseases (2009)</b>	<b>4,869</b>	<b>4,657</b>	<b>57</b>	<b>155</b>	<b>-</b>
Occupational dermatitis	36	36	-	-	-
Occupational asthma	330	325	-	5	-
Acute poisonings	-	-	-	-	-
Heat stroke, cramps, exhaustion	34	34	-	-	-
Chilblain, frostbite, freezing	-	-	-	-	-
Deafness	97	92	-	5	-
Tuberculosis	146	139	-	7	-
Other infections	41	40	-	1	-
Cataract	2	-	-	2	-
Cardiovascular diseases	54	48	-	6	-
Essential hypertension	904	885	-	19	-
Peptic Ulcer	1,206	1,200	-	6	-
Work-related musculoskeletal disorders					
Carpal tunnel syndrome	47	42	-	5	-
Shoulder tendinitis	40	27	-	13	-
Neck-shoulder pain	169	167	-	2	-
Back pain	498	393	25	79	-
Other work-related musculoskeletal disorders	711	711	-	-	-
Others	552	517	31	4	-

**Definitions:**

*Frequency rate - cases of occupational injuries with workdays lost including fatalities per 1,000,000 employee-hours of exposure.*

*Incidence rate - cases of occupational injuries with workdays lost per 1,000 workers.*

*Severity rate - workdays lost of cases of occupational injuries resulting to temporary incapacity per 1,000,000 employee-hours of exposure.*

*Average workdays lost - workdays lost of temporary incapacity cases per occupational injury.*

*Note: 1. Details may not add up to respective totals due to rounding.*

*2. Details in items 9-12 may not add up to respective totals due to multiple responses.*

*Source of data: Bureau of Labor and Employment Statistics, 2009/2010 BLES Integrated Survey.*