

LOVE OF LABOR: A PHENOMENOLOGICAL INQUIRY OF UNPAID OVERTIME EXPERIENCED BY BPO EMPLOYEES

Larysa Shynne Serilla¹, Hazel Mae B. Suarez¹, Hardlyjun M. Naquila¹, and Christian Paul Moyon^{1*},

¹College of Business Administration Education, Financial Management, University of Mindanao, Davao City, Philippines

ABSTRACT – The present study investigated the unpaid overtime experienced by BPO rank-and-file employees and its effect on their career growth, well-being, and labor earnings. How unpaid overtime affects the morale and productivity of employees, and how responsive the organization's policies are to their needs. The researchers have used a phenomenological approach to achieve the study's objectives of identifying the causes and effects of the pressing issues of unpaid overtime experienced by workers. Additionally, the researchers used key informant interviews and focus group discussions in gathering the data among the participants by using an unstructured interview questionnaire to collect information and responses based on their experience with the guide questions. As such, the study found that unpaid overtime detrimentally affects the overall productivity and morale of the employees concerning their work quality in performing their job; unpaid overtime has no direct correlation with career growth; however, it has significantly affected their labor earnings and affects the well-being of the employee, numerous labor violations have been discussed and identified including miscalculation of overtime pay or salary disputes, intimidation from superior to work forcefully with overtime, and decreasing the original incentives to be received to what has been agreed upon and compromised the interest of the employees in rendering unpaid overtime work.

ARTICLE HISTORY

Received: 9-8-2022

Revised: 10-10-2022

Accepted: 18-11-2022

KEYWORDS

Labor

Employee benefits

Unpaid overtime

Management Practices

INTRODUCTION

In the United States of America, unpaid overtime pay is a significant problem in the call center industry. According to LearWerts LLP (2021), the U.S. Department of Labor issued a fact sheet to guide business process outsourcing (BPO) employers to follow the existing rules and regulations of responsibly paying employees with their overtime pay aside from the mandated 40 hours per week required number of working hours. Although the U.S. Department of Labor issued a fact sheet, there are still notable incidents where employers exploit their human resources, mainly in the BPO industry like Countrywide Home Loans and Convergys Corp, and call center agents' lawsuits (Rasansky Law Firm, 2019).

Distinctly, the Philippines is one of the most popular outsourcing hubs in Asia. BPO or Business Process Outsourcing as part of Foreign Direct Investments to the country alone significantly contributes to its economic progress in the region. According to the Bangko Sentral Pilipinas, the BPO industry is one of the main contributors to the Philippine Economy in terms of Gross Domestic Product (GDP), about 7% with a revenue of \$22.1 billion in 2017 (BPO Industry Employees Network, 2017). In the study conducted by Errighi, Bodwell and Khatiwada (2016), Filipinos have far better talent than India when it comes to the quality of services because 30% percent of Filipinos are employable in comparison with 10% of India, which is much lesser. Although the Philippines has gained wide recognition for being the most competitive country in the BPO industry, there are still existing labor issues concerning rank-and-file employees' rights and welfare. Unheard grievances like enforceable mandatory overtime (O.T.) of some BPO companies sometimes result in pay disputes and take months to resolve issues (Benedicto, 2015). This idea equates to unpaid overtime hours, which the Philippines' Labor Code prohibits as it is considered labor abuse and against the public interest.

Reasonably, the labor laws of the Philippines do not only protect the labor but also the employer who has the capital interest since both are considered economic drivers. However, the lack of legislated laws solely intended for call center workers has resulted in numerous existing labor violations in the workplace and their voices being unheard hence the need to understand the causes of labor abuse and the loopholes of the current labor laws. This aids in furthering the study of the actual scenario of how the employees felt about their experience on unpaid overtime pay, in which no study as mentioned above has been conducted as to how these occurrences prevail in BPO companies.

Moreover, this study intends to find the following objectives to clearly understand and uncover the dormant threat to employees' productivity and morale and whom agents took this, specifically the following: (1) to understand how unpaid overtime working hours affect the morale and productivity performance of call agents, (2) to analyze the cause and effect of unpaid working hours of BPO employees on their career growth, well-being, and labor earnings, (3) to determine the existing unpaid overtime practices that call center companies enforce towards their rank-and-file employees and their

legal implications, and (4) to understand the responsiveness of organizational mechanisms of BPO companies in protecting the labor rights of call center agents as opposed to labor exploitation of unpaid overtime.

LITERATURE REVIEW

An Overview of Literature Review

This study was guided by the Book III of the Labor Code of the Philippines, conditions, and employment of Labor Relations. Article 87 clearly states that work may be performed beyond 8 hours of everyday work. The said employee is entitled to overtime pay with a percentage in the proportion of the amount indicated therein. However, the lack of proper legislation that would protect the interest of call center agents in the Philippines significantly affects the implementation of labor rights in the workplace, thus creating vulnerabilities in asserting the fundamental right of workers enshrined in the Philippine Constitution. As such, specific causes of labor issues and the effects of labor violations on the employer-employee relationship in the course of employment will be discussed.

Ineffective Management

Call centers are telephone-based contact centers with clients, and workers' mode of communication is through distance calls. While call center management is generally portrayed as autonomous and predictable, research indicates that managers are regularly confronted with conflicting role needs and contextual restrictions. Additionally, it examines the relationship between job structure and workplace culture or expectations. Unlike other businesses, where work is closely watched, supervised, and evaluated against high-performance standards, call center managers are bound by the same processes and controls frequently imposed by external management (Call Miner, 2020).

However, small BPO companies are known for invisibly practicing strategic management. The performance of BPO companies in their various accounts offers different services: customer service, retention, chat support, technical support, and sales account. Other accounts indicated or offered are interpreted as indicators of either excellent or ineffective management, and rational standards are typically established. Many owners follow personal goals that inhibit the likelihood of success if measured using these reasonable parameters. The management process in a small BPO company is impressive. It cannot be treated as skilled management in larger organizations performed on a reduced scale, even though generic skills and abilities are needed. As the key stakeholder, the diversity of positions demanded by the owner-manager also creates a dissonance that increases the possibility of poor decision-making and inappropriate action (Dzuba, 2015).

Capitalistic Exploitation – Unpaid Overtime Work

Call center employees in the United States are protected by the Federal Fair Labor Standards Act (FLSA). Employees in the BPO industry must be paid minimum wage and overtime if they work more than 40 hours a week. When call center employment is brought in-house, the pay and overtime fraud prompted the U.S. Department of Labor to notice the call center sector continues. Typically, this entails not compensating employees for time on critical duties before, after, and even during their shifts. Some call centers and business process outsourcing organizations regrettably deduct salary and overtime from home-based telephone agents and representatives (Wage Authority Group, 2017).

Accordingly, it was customary for call center agents to work an hour of unpaid overtime a day. Overtime work is a necessary task to maximize productivity to meet the required work for the company's operation. This practice has been the standard that is deemed a best practice in call centers. In the BPO industry, more pressure was put on agents to meet targets and handle more prominent calls within the same measure of time. It was usual for agents to work an hour of unpaid overtime a day at any rate. Admittedly, wage theft occurred in many call center companies in the U.S. in different forms: including unpaid overtime pay before the 8 hours of regular work, not including bonuses when calculating overtime pay rate, intimidating workers when trying to assert in claiming all the demandable compensated overtime working hours, and misclassification of employees in order not to be compensated for the overtime worked (Gulisano Law, 2021).

Lack of Legislation

Implementing laws and regulations about call center employees is essential for their labor protection and interest. In the case of Wells Fargo Bank, the institution has faced a class-action lawsuit for claims of center employees of unpaid remuneration including overtime pay on pre-shift and post-shift against the California Labor Code and Fair Labor Standard Act (Shaak, 2020). In another case, ViaSource Solutions Inc., formerly INW Contact LLC, a call-center provider to businesses that market products on a television infomercial, has faced a hundred thousand lawsuit cases for unpaid training and overtime working hours of call center employees following the Fair Standard Labor Act (U.S. Department of Labor, n.d).

Undoubtedly, due to the cheaper labor cost of outsourcing, many multinational corporations like AT&T and T-Mobile have been outsourcing to other countries. The Philippines is one of the most competitive in the said industry which has surpassed India as the world's largest BPO destination in the world. Unfortunately, this record-breaking growth has resulted in a tremendous challenge in Philippine labor laws about the protection of call center employees. Due to challenging market competition, companies offer cost-efficient services to clients outsourcing in the Philippines to reduce their costs and increase their profit margin. BPO workers often experience low wages, uncertain workloads, benefits, stressful and exhausting workplaces, and unsafe and unhealthy work environments. More so, the absence of the formation

of unions further worsens the labor rights violations committed by numerous BPO companies (BPO Industry Employees Network, 2017).

Mainly, the call center employees are governed by the Philippine Labor Code, more specifically Articles 106 to 109, which govern contracting and subcontracting arrangements and prescribes the conditions for regulating sub-contracting and the rights and obligations of the parties to the agreement. According to Sajor Marte-Wood, an assistant professor at Rice University, "The entire legal system in the Philippines is designed to attract foreign investment into industries like business process outsourcing." He also argued that the labor protections in the Philippines are disparate compared to the labor standards and protections in the U.S. (Elliott & Parmar, 2020).

Burnout Conditions

Job burnout happens when there is a decreased proficiency in an individual due to the demand and pressure of their working environment, especially in the call center industry. The common symptoms include excessive sleepiness or absence of energy. When individuals encounter burnout, they are frequently experienced weariness since this is the clearest sign of burnout (Montalbo, 2016). Call centers emphasize a unique environment where emotional labor demands can be high and limited autonomy. It was discovered that burnout and job fit were the top two reasons call center employees (agents) quit their jobs; it was also maintained as a psychological condition of thriving. Other researchers noted that when an individual's psychological requirements are not addressed, dissonance persists, burnout occurs, and burnout is portrayed as identical to emotional weariness. Emotional tiredness is a widespread in-service profession that requires a high level of emotional labor in response to lousy customer interactions. This high level of vibrant labor results in the BPO industry may cause absenteeism, employee health problems, and desire to leave their jobs. It is well accepted that turnover intentions increase in reaction to the failure to thrive; failure to thrive can result from burnout or poor job fit (Rhodes, 2019).

Stress occurs in today's work environment due to factors called burnout conditions in the BPO industry. Stress, accompanied by work schedules, emotional labor, or working conditions, can be experienced, and pressure is consistently present in the work environment and is seen among BPO industry employees. Individuals with low work identity flexibility experience intense emotions of passion because they feel strongly connected to their work. The long-term performance may be negatively affected at the cost of their physical health. High call rates have been linked to effective work environment management, leading employees to spend more unpaid overtime work. This explains that agents in the BPO industry will make necessary adjustments to overcome them due to the relationship between job adjustment and challenges. It cannot be accessible to one's mental health and social life, but an individual's flexibility can improve things. However, the type and intensity of the stressors someone experiences can influence their mental health. Workplace pressure can be stressful for different people (Wilson, 2018). The study conducted by Amante (2010) anchored in the study by Errighi, Bodwell and Khatiwada (2016) found that high-level stress was common in the BPO industry, specifically in call centers where employees often suffered from various health-related concerns such as headaches, fatigue, eye strain, body pain, and voice loss. Additionally, the night shift is considered one of the factors that cause disruptions in employees' work-life balance and affect their psychological well-being.

In UKdiss's (2019) study, employees in call centers face stress from various sources, most notably from frequent monitoring, pressure to perform quickly, and consumer contempt. Employees are experiencing physical and mental distress, eventually affecting their work performance. The constant demand to handle more calls with fewer resources has ushered in the battery call center era. Call center agents face stress due to an excessive workload, time constraints to meet targets, abusive customers, and the requirement to work the night shift. Burnout can occur due to emotional, mental, and physical exhaustion caused by prolonged and excessive stress. Workplace elements and the working environment can contribute to job stress. These elements include the job content and the work context.

Moreover, employees subjected to more prescriptive discussion and extensive performance monitoring have higher stress levels. Agents are assigned high-performance targets to handle a specified number of calls per day. Increased time constraints and work demands are associated with increased stress and monotonous and less challenging jobs. When these job demands are excessive, and there is no coworker or supervisor support, high levels of job stress will occur. Agents in the BPO industry are assigned high-performance targets based on the number of calls they must handle daily. Increased time limitations and work demands are connected with increased stress and repetitive and less demanding tasks, and job responsibilities are enormous. There is no coworker or boss to support the employees. They will, in return, experience significant levels of workplace stress (Miller & Hendrickse, 2016). A study by Amante (2010) anchored in the study by Errighi, Bodwell and Khatiwada (2016) found that high-level stress was joint in the BPO industry, specifically in call centers where employees often suffered from various health-related concerns such as headache, fatigue, eye strain, body pain, and voice loss. Additionally, the night shift is considered one of the factors that cause disruptions in employees' work-life balance and affect their psychological well-being.

METHODOLOGY

This study employed a qualitative design to achieve the objectives and answer the statements of the problem. As such, the researchers specifically use a phenomenological approach to understand and examine how unpaid overtime affects the morale and productivity of call center agents, and the cause and effects of unpaid overtime working hours on the labor earnings, promotion, or career growth to the rank-and-file employees. This study also investigated the legal implications and as well as determining the interventions of the management in policy generation to protect the right of the rank-and-

file employees in the BPO companies in Davao City. The Delphi method was used by the researchers to have an in-depth and systematic qualitative methodology to reduce the diversity of opinions within small groups of BPO employees towards a common idea about unpaid overtime working hours.

RESULT

The results of the study were presented according to this study's research questions, as shown in Table 1 and Table 2 below.

Table 1. Interview Responses from The Respondents for Research Question 1

Theme 1: Morale and Productivity	
Q1. How do unpaid extended working hours affect the morale of the employees?	
Q1.1. Do unpaid overtime working hours significantly affect your productivity while working?	<p>P1: For me, it's unfair because we exerted time and effort. Our time is very important to us since we want to spend it with our family or have 'me' time. If the OT is unpaid, I will be disappointed and get mad since we signed a contract that all overtime will be paid. It will affect our dignity if we will not be paid for overtime. And that maybe will trigger me to not perform well. Yes, it will be affected. We are working because of career growth and salary. And if the company will not pay us for the extended hours, I will be demotivated and I will settle for being mediocre. It is tiresome if every day they will ask us to extend because of the unpaid huddle.</p> <p>P2: No answer</p> <p>P3: Agreed.</p> <p>P4: Yeah. Definitely. Ahmm there were times when I felt like I wanted to resign because I feel like the effort, the time, the energy that I've spent...ahmmm... on my work...it's... It's not really compensated appropriately like it's not commensurate with the pay that I get is not commensurate with the amount of effort and the time that I've spent working...ahmm... I was definitely disheartened, discourage and it... it caused a lot of...ahmm...what you call this...discouragement... not really discouragement but it causes a lot of... something like that because I feel I wasn't being valued enough and I felt like and I felt enslaved... I know that... that sounds... that term sounds a bit primitive but that's the first thing that I can think of whenever I think of the... hours I've worked...ahmmm...unpaid. I feel like I was enslaved to a system that I could get away from it. So yeah it definitely disheartened me.</p> <p>P5: The main effect of unpaid overtime would be like especially with the performance is that I have no willingness at all to work and to hit my target because you know every BPO there is a certain metrics that you need to hit and if you are not really or have the willingness to actually work hard especially that you're not being paid overtime so I think that's the really main factor that would really cost me to not work on my best.</p> <p>P6: Uhm for me, as an employee, a BPO employee, I had it experience before, uhm one of my previous companies, did not really compensate me for my overtime, Uhm which is really for me its kinda uhm kinda bit..unfair for us or for me because, I work too hard and uhm I always make sure that, I did not leave at the office before I finished all the works, or all the tasks that's given to me, So uhm they should..they must..they must, pay us but they did not. So, it really affects my, uhm the way how I work...my... what do you call of that? my productivity, my confident to work on that company, uhm I was not compensated correctly.</p> <p>P7: Yes, uhm, it really does affect, uhm...me especially some of my friends as well in the BPO industry. Uhm, some of my friends actually took a leave without a like just went AWOL or absent at one single time. They received, the pay without you know, without being paid for the overtimes that they did, actually it was 18 hours, uhm that we did, and we were not paid for like... 15 days or half a month of work, so uhm, that's the 2 of us doing overtime. for that uhm, for the three of us actually, so uhm, it was unfair of course and we all have all our logs and uhm, we did it have it disputed, but of course uhm, the logs were actually just paper works,so, uhm we were not paid for that, uhm they compensate us like 100php though, but it was not enough, considering that you needed overtime. and then my friends actually went- went absent in the next day, when they, when they heard that we will get paid for like 1,800 for the 3 of us. So, for 18 hours, so it was really unfair, and it got me</p>

Q.1.2. Does it discourage you to work for an extra mile to provide customer service?

- P1:** For me, I will not provide an extra mile to the customer if my extended hours are unpaid. I will just take the call but will not exert any effort to resolve the issue.
- P2:** It depends on the situation. For me, I will still provide an extra mile to resolve the issue of the customer because of other factors like DSAT. Maybe at times that I have an important event to attend to, that's the time that I won't provide an extra mile to resolve the issue.
- P3:** I agree with M. Yes. Because it will affect other factors.
- P4:** Of course, it actually affected... I think at some point... Although I did strive to make sure that it will not affect my productivity, the output that I... my output or the way that I treat my customers... ahmm... it did affect..ahmm... I felt a bit... you know like vindictive... like why should I do my best or why should I go for extra mile when I am not being paid enough? So, I'm just gonna do... ahmmm... what is asked of me. I'm not gonna go beyond the extra mile to make the customers happy or to make the respondents cause in SSI we used to call them respondents so I'm not gonna go the extra mile to make the respondent comfortable or make sure if their experience with me was good because I'm only paid to ask question so that's all I'm gonna do. So yeah, that's how I felt.
- P5:** Yes, it's indeed because you know I believe in the motto, what you pay was is what you get. So, I need to actually use the needs I have and so supposedly they should pay us for those certain hours and that we're actually being working.
- P6:** No answer
- P7:** Uh for me its uhm doing extra mile is actually one of you know one of your top qualities to be a customer service, a specialist and of course uhm you know doing. Doing great and you know exceeding your expectation for the customers is one of the qualities. If you are... If you get unpaid, of course, you worked so hard for it, so as long as the customers' issue is resolved no more extra miles need to be done, especially if you're demotivated.

Unpaid overtime working hours have detrimentally affected the morale and productivity of call center agents in doing their job. It also in a way affects their confidence in taking calls, thus affecting the quality of work they produce for the business operation. It also discourages the employees from initiating and providing quality service due to their disappointments of being uncompensated for the number of hours they have rendered. Typically, this entails not compensating employees for time on critical duties before, after, and even during their shifts.

Some call centers and business process outsourcing organizations regrettably deduct salary and overtime from home-based telephone agents and representatives (Wage Authority Group, 2017). As indicated in the study by Chicu et al. (2019), ample evidence calls center managers to continue to prioritize quantitative measures. Not only that, but the call center sector also suffers from ineffective management of its staff, which contributes to labor troubles. Unfortunately, meeting these KPIs harms management's capacity to provide high-quality service. As such, there is a need for effective leadership to retain the talents and skills in the company and further prevent any labor violations against the employees. Through empowerment and organizational support, a customer-oriented approach to service delivery will positively affect the overall dynamic of the workplace. Hence, it encourages employers to commit and drive employees to their roles.

Table 2. Interview Responses from The Respondents for Research Question 2

Theme 2: Career Growth, Wellbeing, and Labor Earnings

Q2. What are the effects of unpaid overtime on the career growth, well-being, and labor earnings of the employees?

- Q2.1. Do you think unpaid overtime work has a correlation with the career growth of a rank-and-file call employee in the BPO industry?
- P1:** Yes (it still depends on the behavior of the agents towards work)
 - P2:** It depends. Others think that if they render overtime, it will help them. Maybe if their superior will see sincerity on what they are doing, it will probably help them.
 - P3:** Yes (it still depends on the behavior of the agents towards work)
 - P4:** Uhhh... It makes sense... Not really. Well, It does help your career growth in a sense that your manager or supervisor would see that you are very committed and dedicated to your job but... it didn't really... for me it didn't really matter in my case before because they were banking on my abilities and my skills so they were not really looking at how I... or If I'm working overtime..so.. uhhh... and besides I think part of... It's something that they expect from me already. So, it's like... it's not... It didn't really affect my career growth because they kind of expect me to do unpaid hour or to unpaid work overtime... overtime work because it's just part of my personality I guess or I don't know they kind of... but they are not really encouraging it. My manager before in our... in my previous team... ahmm... she is very nice, she doesn't encourage me to stay overtime but she always tells me to make sure that I finish all the tasks I have for the day... everything is completed before getting out of the office and that's the thing. It's difficult to complete everything within 8 hours especially if it is a very busy shift.

P5: Technically it would be not because even though that you're not working overtime you could still learn the process. You could still engage, you're still gonna get promoted even though that you're not really working overtime. So, I think that's it. So, I think it would be still the same thing. It's on how you play or how you actually do your job.

P6: Exactly (agree to P7). No matter how, how overtime you get like you do but the quality if the quality is not met for that position then there's no possibility like uhm overtime does not affect your career growth. Like is there a point there that it can develop your skills because you're doing overtime then you are uhm trying to upskill so uhm but for me, it's a no like doing overtime is not part of career growth. And for me, uhm if you are really going above and beyond like if you want the position you'll really go above and beyond. Like uhm even though you are not doing overtime, you'll just...just do your work an extra mile meaning excellent mile like uhm give your best shot every customer every uhm every situation that we handle so yeah.

P7: For me, no. Uhm, it depends on your performance. Uh I haven't uhm encountered uh a TL if you do like overtime most of the time uhm they won't recommend you. It would be based on your quality and how you solve customers' issues. It depends as well with the leader uh, to be honest. Uhm, if your leader pushes you through 'cause they've seen uh they've seen you you know you work hard for it, you're doing overtime. If your TL wants you to excel they can help you of course recommend. Uhm I have a friend, uhm his name is uh I forgot his name Uhm, we were in this specific account we were endorsed uh like the same day same month uhm 2000-- wait that was 2017 And he actually works like for 6 months he works from beginning shift like the opening shift let's say 9 PM and then.. [laughing] and then he actually likes log out at the end of the shift like closing shift, so like, 1 PM in the afternoon. So, he didn't have any recommendations or his TL. His TL, our TL did not even as uhm helped him like you know doing an extra mile or like even promoting him. Not even a support. He took another [laughing] He took another agent for a support [laughing]

Q2.2. What are the long-term effects of unpaid overtime work on your labor earnings as a call center agent? Does Unpaid overtime significantly affect your labor earning or income as an agent?

P1: The salary that we get after the unpaid OT doesn't compensate the efforts that we gave in. In that case, we will submit a resignation if that continues.

P2: (Agree to P1)

P3: I agree

P4: Ahmm... As I have said I can't really say cause I... I don't remember the number of hours that I've spent. But I think in retrospect, it did affect my total...like my total labor earnings that I've had because...If...I think the accumulated overtime pay that I would have gotten had I been paid that time is pretty significant. So, yeah, it would have helped me a lot. But sadly, I did not really ask for it or raised it as a concern.

P5: Yes, to be honest, I think it would really impact a lot. So, like for example, even though it's actually just an hour but having an hour to OT is actually already converted into a hundred plus, I mean 100 pesos. So that's really a big amount if you actually added up on the entire cut-off for like 15 days. Imagine if you have 2 hours of OT per day and then you have like 15 days got off. So, imagine 15 times so that's 30--- times 100 so that would be I believe 3,000 missing on your piece so I think it will like probably be a percentage of 20% from or like 30% if I'm not mistaken.

P6: Maybe yeah it's not for those who have uhm extra jobs or part-time job or uhm had the kind of what we call of that like what Eric said yeah that it's not a family man or something like that but those employees that who do or who did overtime because they are really out of budget and even though they don't want or did... did not want to do overtime it's just that you're already in the pit. You do work for the bills for... for your family, for the allowance and for... for you know for the rent so uh I guess uhm there a long-term effect with that or when it comes to what is that again? For the income itself. Uhm maybe those employees who did not get compensated correctly for that overtime will choose another company who will give them better compensation. For me, it's a 10 percent like way back in my previous experience we have pre-shift OT and post-shift OT, and we are not paid for that because that account has a policy that if you don't have any calls for this specific time they auto log you out so we will not

P7: Actually no. It's just uhm if you have those like you know extra salary you get to budget things like I wouldn't be able to use up my salary today because of my overtime so I can use that money instead. You know you got to save uhm cause especially if you have been in the local industry no not BPO you know that you have like limits. But when you get into a BPO your like expenses would actually just zoom up like yeah. I can spend these amounts, these amount without being affected. Yeah, but if you're like you know a family man and you know you got to budget things. Those extras you know incomes would actually make a big difference. For me maybe around 20 or 25, cause especially if

you know that you actually rendered overtime anyone will be expecting extra income with that being said you are expected to earn or receive that kind of budget for the next week so you tend to go a little overboard with your current budget within this week cause you know that by next week you will get back that extra money that you will be spending this week so for me it's about that 20 to 25 percent

Doing unpaid overtime does not directly help an employee for career advancement or promotion in the workplace. More so, skills and abilities to perform the essential role efficiently and effectively matter to career growth. However, the role of supervisors or team leaders does impact the career advancement or promotion of the employee depending on how the said employee proves his dedication and commitment to work for the company. On the other hand, the amount of unpaid overtime experienced by employees is significant in a considerable amount for the number of hours they remain unpaid or uncompensated and does not commensurate with the efforts they have put into work.

Additionally, doing unpaid overtime does affect the well-being of the employees, thus resulting in mental stress, physical exhaustion, anxiety, and other health-related problems. This situation takes place due to employees experiencing a lack of sleep and at the same time doing overtime that is not properly compensated, which further causes them to be stressed. A study by Amante (2010) anchored in the study by Errighi, Bodwell and Khatiwada (2016) found that high-level stress was common in the BPO industry, specifically in call centers where employees often suffered from various health-related concerns such as headache, fatigue, eye strain, body pain, and voice loss. Additionally, the night shift is considered one of the factors that cause disruptions in employees' work-life balance and affect their psychological well-being. Neglected unpaid overtime work affects the right of the employees to receive the right compensation as regarded by the law and the life and work balance of the agents (Alfers, 2016).

CONCLUSION AND IMPLICATIONS

In summary, researchers concluded from the gathered data based on the phenomenological experience of the participants and the following conclusions. Unpaid overtime significantly reduces productivity or the level of performance among BPO employees. Disregarding the right to benefit from their overtime has negatively changed their perception of approaching their work, reducing their confidence and oftentimes discouraging them from working the extra mile due to the fact that they are not well compensated. Employees are entitled to certain mandated rights and benefits by law including call center agents. However, the situation where their efforts are not commensurate with their salary has serious repercussions on their performance and dedication towards working to produce quality calls to provide service.

Unpaid overtime does not directly affect the career growth, career advancement, or promotion of an employee in the BPO industry. Attitude, skills, and behavior are the main contributing factors to rise to the ranks. Doing the extra mile of work without getting paid may affect how supervisors assess the performance of an agent which would help in getting a promotion. However, the amount of unpaid overtime that should be paid to the employees is in considerable amount in comparison with their actual income that might have helped them to provide their needs and necessities. Additionally, unpaid overtime does negatively affect the well-being of the workers due to the fact that most agents are working the graveyard shift, they have also experienced a lack of sleep more often and it leads them to become stressed aside from the fact that they are not well compensated, especially on their working hours.

Unpaid overtime is one of the existing labor violations that are present in the corporate world including the BPO industry. All business operations are continuously based on the demands of the clients in a fast-paced environment where there is a high volume of incoming calls on various accounts. Call center agents face stress due to an excessive workload, time constraints to meet targets, irate customers, and the requirement to work the night shift. Although there is a law more specifically the Labor Code of the Philippines and other relevant laws that provide the outline and defines the rights, benefits, and privileges of rank-and-file employees, the absence of a specific law that would protect the interest of call center agents in job security, unpaid overtime, employer's coercion and intimidation, uncertain benefits, and safe environment has made the workers vulnerable to abuse against BPO companies.

The management including Human Resource Management plays a vital role in ensuring that certain rights and benefits of employees are given and implemented. The absence of competent management to handle labor issues concerning the employees in the organization would create more complex problems that would affect the company and the employees. The structure of the management is important in making sure that policies not only favors the company but also protect the interest of the workers against labor exploitation. Unpaid overtime is the result of capitalistic exploitation without due regard to the rights of their workers.

Therefore, for the lawmakers, it is suggested that they use this research as a guide to pass a bill that would become a law that will primarily protect the interest of employees in the call center industry or known as the Magna Carta for Call Center Agents that has remained stagnant in the congress. Equally important is the Department of Labor and Employment, as they should use this research to conduct regular labor inspections to ensure labor rights standards are maintained in the BPO industry. Moreover, human resource management must use this to formulate policies that are responsive to the need of the employees and create a system that will reduce the instances of unpaid overtime to further maximize the productivity of workers for the company and employment purposes. For the higher educational institution, it is suggested that they use this study to implement a general course that will discuss the topic of labor standards in the Philippines to educate students prior to graduating to familiarize the concept of labor law and protect their rights as workers.

For the call center agents, it is suggested that they used this study to understand the different forms of overtime pay violations existing in the BPO industry to educate themselves and assert their rights to certain benefits that are entitled to them as workers. And lastly, for future researchers, it is suggested that they use this study as a reference in conducting other research concerning overtime pay violations and other labor issues concerning the BPO industry and other institutions which the study may deem applicable.

ACKNOWLEDGEMENT

The researchers extend their token of appreciation to their friends, mentors, and colleagues for their unending moral and exemplary academic support to make this finish the research study. The researchers' thesis adviser, Professor Christian Paul S. Moyon, DBM who also served as their grammarian, shared his ideas and recommendations for the improvement of the study. To their research coordinators, Professor Romeo G. Pajjal, MBA, CMITAP, & Professor Jesson Rey F. Sabado, MBA whose guidance has made this research study possible. To the researchers' families for their unwavering moral and financial support that helps the researchers persevere throughout in conducting the study. Most of all, to God almighty, for the blessings, strength, and courage to persevere with the challenges, thus inspiring and providing hope to the researchers for future success and endeavors.

REFERENCES

- Arangkada Philippines. (2019). Information technology and business process outsourcing (IT-BPO) is the fastest-growing employment and one of the highest revenue-generating economic sector in the Philippines today. Available at: <http://www.investphilippines.info/arangkada/seven-winners/business-process-outsourcing/background-bpo/>
- Asean Briefing (2017). Business Process Outsourcing in The Philippines. Available at <https://www.aseanbriefing.com/news/business-process-outsourcing-philippines/>
- Becker, G. S. (1962). Investment in human capital: A theoretical analysis. *Journal of political economy*, 70(5), 9-49.
- Bell D. & Hart R. (1999). LaborOvertime Working in an Unregulated Labour Market. Available at: https://www.researchgate.net/publication/5138271_of_LaborOvertime_Working_in_an_Unregulated_Labour_Market
- Benedicto, C. (2015). Silenced Voices in the Voice Industry: Labor Unionism in the Call Center Industry. University of the Philippines Manila. College of Arts and Sciences. Available at: <http://dSPACE.cas.upm.edu.ph/xmlui/bitstream>
- Bohle P., Willaby, H., Quinlan, M., & McNamara M., (2011). Flexible work in call centres: Working hours, work-life conflict & health. Available at: https://www.researchgate.net/publication/45582872_Flexible_work_in_call_centre_Working_hours_work-life_conflict_health/handle/123456789/624/H152.pdf?sequence=1&isAllowed=y
- Bouter, J. (2016). Determinants and benefits of unpaid overtime. Erasmus University Rotterdam. Erasmus School of Economics. Available at: [file:///C:/Users/User/Downloads/Bouter%20\(1\).pdf](file:///C:/Users/User/Downloads/Bouter%20(1).pdf)
- BPO Industry Employees Network (2019). Work Flexibilization and Its Impact on BPO Women Workers in Metro Manila PHILIPPINES. Feminist Participatory Action Research (FPAR) APWLD Labour Programme. Available at https://apwld.org/wp-content/uploads/2019/04/2019_Labour_FPAR_country_brief_Philippines_Bien.pdf
- Calalang vs. Williams G.R. No. 47800 (1940). Available at: https://lawphil.net/judjuris/juri1973/sep1973/gr_32362_1973.html
- Call Miner. (2020). Operational Challenges in the Call Center Industry Call Miner.[blog] Available at <https://callminer.com/blog/operational-challenges-in-the-call-center-industry>
- Castro, A.M and Deluna, R. (2013). Factors Affecting Call Center as a Job Preference among Employees in Davao City. 1st ed. [pdf] Davao City: Munich Personal RePEc Archive. Retrieved from https://mpra.ub.unimuenchen.de/51678/1/MPRA_paper_51678.pdf on February 16, 2021
- Chicu, D., Pàmies, M. del M., Ryan, G., & Cross, C. (2019). Exploring the influence of the human factor on customer satisfaction in call centres. *BRQ Business Research Quarterly*, 22(2), 83–95.
- Dzuba, R. (2015). Exploring the Experiences of Call Center Employees Regarding Business Scripting (Doctoral dissertation, Walden University).
- Elliott V. & Parmar T., (2020). “The despair and darkness of people will get to you” Thousands of foreign moderators keep the worst content off Facebook but receive little support for the traumatic work. Could that change?. Available at <https://restofworld.org/2020/facebook-international-content-moderators/>
- Errighi, L. Bodwell, C. and Khatiwada, S. (2016), “Business process outsourcing in the Philippines: challenges for decent work”, ILO Asia-Pacific Working Paper Series, available at: www.ilo.org/wcmsp5/groups/public/—asia/—ro-bangkok/—srobangkok/documents/publication/wcms_538193.pdf.
- Galant, M. (2020). Philippine Call Center Workers Are in Danger. It's Our Problem, Too. In These Times. <https://inthesetimes.com/article/philippine-call-center-workers-covid-cwa-unions-corporate-globalization>

- Golden, L., & Figart, D. (2000). Doing something about long hours. *Challenge*, 43(6), 15-37.
- Gulisano Law (n.d.). Unpaid Overtime & Wage Theft. Available at <https://gulisanolaw.com/practice-areas/unpaid-overtime-wage-theft/>
- International Labor Organization (2004). Conditions of Work and Employment Programme. Social Protection Sector. Available at https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_170708.pdf
- Labor Code of the Philippines. Book III – Conditions of Employment Title II Wages. Available at <https://blr.dole.gov.ph/2014/12/11/book-iii-conditions-of-employment/>
- Lear Werts LLP (2021). Call Center Workers are frequently denied proper overtime compensation. [Blog] Available at <https://learwerts.com/investigation/call-center-workers-are-frequently-denied-proper-overtime-compensation/>
- Lazear, E. P. (1979). Why is there mandatory retirement? *Journal of Political Economy*, 87(6), 1261–1284.
- Miller, N., & Hendrickse, R. (2016). Differences in call centre agents' perception of their job characteristics, physical work environment and wellbeing. *Problems and Perspectives in Management*, 14(1), 51–63.
- Montalbo, A. F. (2016). The burnout level of call center agents in Metro Manila, Philippines. *International Letters of Social and Humanistic Sciences*, 70, 21-29.
- Pannenberg, M. (2005). Long-term effects of unpaid overtime: evidence for West Germany. *Scottish Journal of Political Economy*, 52(2), 177-193.
- Papagiannaki, E. (2014). Rising unpaid overtime: a critical approach to existing theories. *International Journal of Management Concepts and Philosophy*, 8(1), 68-88.
- Paul J. & Huws U. (2002). How Can We Help? Good Practice in Call Centre Employment, Report for the TOSCA Project, Analytical Social and Economic Research Ltd.
- Ransansky Law Firm (2009). Unpaid Overtime at a Call Center. Available at: <https://www.jrlawfirm.com/blog/general/call-center-unpaid-overtime/>
- Rhodes, L. M. (2018). Thriving at work: A call center study (Doctoral dissertation, Franklin University).
- Sainato, M. (2018). No other way to fight back: Philippines call center workers battle unfair quotas. *The Guardian*. Available at: <http://www.theguardian.com/business/2018/nov/21/no-other-way-to-fight-back-philippines-call-center-workers-battle-unfair-quotas>
- Santiago, M. (2013). Resolution Directing the Senate Committee on Labor, Employment, and Human Resources Development to Conduct an Inquiry, in aid of Legislation, on the need to protect Business Process Outsourcing Employees from Violations of their Rights as Worker through the passage of Senate Bill No. 57, Or the Magna carta of Call Center Workers. Available at <http://legacy.senate.gov.ph/lisdata/1676113996!.pdf>
- Select VoiceCom (2020). The Definitive Guide to Choosing the Best Country in Asia for Outsourcing. Available at: <https://selectvoicecom.com.au/best-outsourcing-country-asia/>
- Shaak, E. (2020). Wells Fargo Owes Call Center Workers for Unpaid Pre-, Post-Shift Work, Lawsuit Alleges. Available at: <https://www.classaction.org/news/wells-fargo-owes-call-center-workers-for-unpaid-pre--post-shift-work-lawsuit-alleges>
- Ukdiss. (2019). A Study of Job Stress in Call Centre Employees. Available at: <https://ukdiss.com/examples/job-stress.php>
- US Department of Labor (2008). Fact Sheet #64: Call Centers under the Fair Labor Standards Act (FLSA). Available at: <https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/whdfs64.pdf>. Accessed February 13, 2020.
- US Department of Labor (n.d) Call Center Provider to pay \$150k in back wages for misclassifying hundreds of employees as independent contractors- denying minimum wage, overtime. Available at: <https://www.dol.gov/newsroom/releases/whd/whd20160414>
- Wage Authority Group. (2017). Call Center Workers Frequently Robbed of Overtime Pay. [Blog] Owed Unpaid Wages. Retrieved from <https://www.owedunpaidwages.com/call-center-workers-robbed-of-overtime-pay/> on February 16, 2021.
- Wilson, C. A. (2018). Living to work: The effects of occupational calling on mental health at work (Doctoral dissertation, Clemson University).
- Wright, T. (2018). Labour protest in China's private sector: responses to Chinese communism with capitalist characteristics. *Economy and Society*, 47(3), 382-402.

CONFLICT OF INTEREST

The author(s), as noted, certify that they have NO affiliations with or involvement in any organisation or agency with any financial interest (such as honoraria; educational grants; participation in speakers' bureaus; membership, jobs,

consultancies, stock ownership, or other equity interest; and expert testimony or patent-licensing arrangements), or non-financial interest (such as personal or professional relationships, affiliations, expertise or beliefs) in the subject matter or materials addressed in this manuscript.