

Analysis of Manpower Capability Needs in Business Process Outsourcing (BPO) for Tobacco Industry: A Case study on BPO industry in Clark Pampanga, Philippines.

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Objectives: The study focus on the capability needs of Business Process Outsourcing (BPO) employees for tobacco industry. The study is a quantitative and qualitative research study. It used a survey questionnaire to gather data needed for analysis. The respondents of the study were 50 employees of BPO companies in Clark Pampanga Philippines, where BPO industry is a trend. The findings show an up-to-date picture of BPO industries in Clark Pampanga and an insight into BPO human resources capabilities needs for tobacco industry. It may let Tobacco companies analyze own employee management system with increased precision. They still enabled us to define employment perspective and the challenges tobacco companies are facing, to identify the current BPO human resources capability issues and the long-term human resources trends for Tobacco industry. Together, they provide an exact depiction for the Tobacco industry and valuable foresights to both its employees and employers.

Key words: Manpower Capability Needs; Business Process Outsourcing; Tobacco Industry; Philippines

Tob Regul Sci.™ 2021;7(5-1): 2916-2923

DOI: doi.org/10.18001/TRS.7.5.1.59

INTRODUCTION

Service operation and maintenance of tobacco industry is mostly outsourcing, which challenges the scientificity, objectivity and comprehensiveness of manpower capability of Business Process Outsourcing (BPO) companies. The Philippines is a prime case of a country which succeed in growing a sizeable BPO export industry in the 2000s. ¹In the past few years, the Philippines has

outperformed most countries in the growth of the BPO industry, and has become second only to India, becoming the leading BPO industry center in the developing world. As of 2010, the BPO export department of the Philippines directly employed 0.5 million people (BPAP 2010a), compared with 0.8 million in India (Nasscom 2010a). ² The Philippines has surpassed India in terms of employees and revenue in the call center industry in 2010 and 2011 (CCAP 2011). In

addition, if measured by per capita income or employment, the size of the BPO industry in the Philippines is larger than that in India. Also, ³the Metro Manila now has more people employed in the BPO export industry than any other city in the world. This is very attractive to the BPO manpower needs of the tobacco industry.

¹An important part of the government and business associations' agenda to ensure the continued growth of the BPO industry is to attract companies to new regions. As of the end of 2009, the Philippine Information Technology BPO department had approximately 442,000 employees. Most or 85% of this industry is located in the established information technology BPO centers in Metro Manila, Metro Cebu, and Metro Clarke. In the past few years, Cebu has become the fastest growing BPO industrial area thanks to the active cooperation between schools and BPO companies. (CICT 2010).

In addition to Manila and Cebu, the government and BPAP has evaluated ten cities as forming the core for the next wave of BPO expansion as per the Next Wave of Cities TM initiative. These include Metro Laguna, Metro Cavite, Iloilo, Davao, Bacolod, Pampanga, two areas in Bulacan, Cagayan de Oro and Lipa City in Batangas(CICT 2010).

Clark Pampanga is within the major growth corridor, is a Good Location for BPO. ⁵A former US military base, Clark located right at the core of growing markets in the Asia-Pacific region – a given advantage in current global economy. The zone's advanced infrastructure facilities, generous fiscal and non-fiscal incentives, professional support services, amenities, and other advantages make it an ideal place for investment of tobacco industry. The entire area perfect for the requirements of high end tobacco industry. The viability of Clark Free Port Economic Zone located in Angeles City as an outsourcing center was started in the late 1990s after a call center company (Cyber City Services) decided to set up its offices inside the former military base. The BPO industry bloom in Asia particularly in India and Philippines particularly in Angeles City proved beneficial for Free Port as well.

Especially in economically backward and remote regions that the BPO industry could have developed significantly faster both in terms of

export and domestic market if the development of infrastructure and urban planning had been better. Clark Pampanga industrial parks or their equivalents have provided land, physical infrastructure, and special incubator facilities, ²what have served as the magnet not only for human resources from different parts of the country but also in terms of attracting foreign and local tobacco corporate investments.

The BPO industry is targeting up to 1.8 million jobs by the end of Duterte's term in 2022, 500,000 of which will be located outside Metro Manila, according to the IBPA of the Philippines. ⁵Clark was selected as the location for the expansion due to its steady supply of a young, well-educated workforce. Besides, the Philippines' BPO industry is upgrading the skills of its talent pool to shift to higher-paying services.

So, the locale of the study would be in Clark Pampanga, where Business Process Outsourcing industry is a trend in the industry, probably because of the nearness to airport and availability of human resources need of Business Process Outsourcing around Pampanga province. The study focused on the capability needs of Business Process Outsourcing employees for tobacco industry. The study will determine the current skills, competencies, knowledge, issues, and trends affecting the work of a Business Process Outsourcing employee for tobacco industry that serves as the independent variable of the study. The futures skills, competencies and expertise as ascertained by the respondents help as the dependent variable needed to develop an employee development plan for the Business Process Outsourcing of tobacco industry.

METHODS

Methods and Techniques Used

The study utilized the descriptive survey design. It uses a survey questionnaire to gather data needed for analysis, which shall be quantitative, using numerical representative of the respondent's answers. ⁶Aside from the survey questionnaire, the researcher will also conduct an individual interview or a focused group discussion to validate the data gathered through the questionnaire and also to extract other information not covered by the survey.

The descriptive method of research will be

utilized. Descriptive research methods are pretty much as they sound — describe situations. There are three main types of descriptive methods: observational methods, case-study methods and survey methods. This research will use the survey method.

Respondents of the Study

There were 46 Business Process Outsourcing companies in Clark, Pampanga, however, 16 of which are already closed based on the directory of Business Process Outsourcing industry located in Pampanga. The study will involve 50 employees of 10 Business Process Outsourcing companies that worked with tobacco industry among the 30 remaining active Business Process Outsourcing companies in Clark, Pampanga, Philippines. Five employees shall be selected on each company. The number of respondents in each Business Process Outsourcing is determined in the following table 1.

Table 1
Respondents of the Study

BPO	Label	Number of Respondents
	BPO 1	5
	BPO 2	5
	BPO 3	5
	BPO 4	5
	BPO 5	5
	BPO 6	5
	BPO 7	5
	BPO 8	5
	BPO 9	5
	BPO 10	5
	Total	50

The researcher utilizes the purposive sampling technique. It is a technique for selecting the sample from a population where each item in the community has the equal chance of being elected provided it met the criteria for selection.

The criteria for selecting the respondents are as follows:

- The employees must have been worked with tobacco company for more than three years.
- The employees must have been assigned in a task involving customer relation or with customer contact in the tobacco industry.
- The employee must have undergone any training

of commission of tobacco industry provided by the Business Process Outsourcing company.

Instruments of the Study

The questionnaire of the study will be the primary instrument of the survey to gather the necessary data. ⁷The researcher will use the modified training needs assessment questionnaire used by the Republic of Macedonia.

This questionnaire will support the periodical identification of the manpower needs of the BPO employees of the company to effectively render their services in tobacco industry. The assessment is done in the framework of responsibilities of BPO employees in dealing with tobacco industry's customers and their relation procedures.

The questionnaire includes the profile of the Business Process Outsourcing's Companies, the work-related capabilities of employees of Business Process Outsourcing, specific skills and competencies, knowledge of tobacco industries do Business Process Outsourcing's need in the next five years, other human resources issues and trends need to be addressed. The data obtained will be cross-referenced with the result of the interview or focused group discussion.

Data Analysis

Profile of the Business Process Outsourcing

Table 2 shows the pattern of the respondents according to the size of the workforce, type of operation and form of organization. These variables are essential to determining the characteristics and attributes of the BPO in Clark Pampanga that may affect their capacity to develop their human resources capability needs.⁶

Table 2 shows the profile of the BPOs in Clark Pampanga. It can be gleaned from the table that 50% or 5 out of 10 companies have more than 2,000 employees, 70% or 7 out of 10 companies has foreign accounts only, and 70% or 7 out ten companies are a subsidiary company. This means that these companies can employ many employees and most are subsidiary of a company abroad, and therefore their customers are primarily from other countries.⁶ These profiles explained why call center agents are in demand in the place and are considered a significant supplier of employment for the Filipinos.

Table 2**⁵Profile of the Business Process Outsourcing's in Clark Pampanga**

Size of the Workforce	f	%
less than 50 employees	0	0
51 to less than 200 employees	15	30
201 to less than 500 employees	0	0
501 to less than 1000 employees	5	10
1001 to less than 2000 employees	5	10
More than 2000 employees	25	50
Sub total	50	100
Type of Operation		
Local accounts only	0	0
Local and International accounts	15	30
International accounts only	35	70
Sub total	50	100
Form of organization		
Subsidiary	35	70
Parent Company	15	30
Sub total	50	50

Table 3**Types of Services Provided by Business Process Outsourcings**

Services Provided	f	Rank
Technical Support	26	2
Outsourced Business operations	16	5
Customer Relation Service	27	1
Financial Services	18	4
Medical Diagnoses	1	18
Architectural services	2	17
Audio-visual services	5	15
Web Related Services	9	10.5
Sales and marketing Services	21	3
Asset Management Services	8	12.5
IT Support	11	7
Back-office Services	10	8.5
Lead Generation	8	12.5
Data Services	13	6
Software Development	10	8.5
Accounting and Bookkeeping	7	14
Product Support Services	9	10.5
HR Services	4	16

* multiple response

Table 3 shows the top three services for tobacco industry provided by the BPOs in Pampanga and these are; Customer Relation Services with 27 response, followed by Technical support with 26 response, and Sales and Marketing Services with 21 response. This means that no less than 42% or 4 of 10 companies has these three services offered and therefore requires call center agents belonging to this field of specialization. But, other services are also offered in combination with the top three services mentioned above. These services also requires skills such as accounting and bookkeeping, software development, Human Resources services and Architectural services.⁹ Although only few companies are offering these services, they are still important area of consideration.

Table 4**Current Manpower Capability Needs of the BPOs in Clark, Pampanga**

Manpower Capability Needs	f	Rank
Business processing	39	4
Information technology outsourcing	18	9
Knowledge process outsourcing	19	8
Medical process outsourcing	0	18
Human resource outsourcing	3	17
Legal process outsourcing	4	15.5
Interpersonal communication	28	6
Aptitude skills	4	15.5
Business Writing	16	11.5
Business leadership	17	10
Selling Skills	30	5
Listening Skills	50	1
Project Management	16	11.5
Business communication	22	7
Communication skills	48	2
Search engine skills	13	13
English fluency	46	3
Typing & Transcription	11	14

*multiple response

Table 4 shows the capability needs of BPO for tobacco industry towards their employees and the top five capabilities are; listening skills with 50 answers ranked as number 1, communication skills with 48 answers ranked as number 2, English fluency with 46 responses rated as number 3; business processing skills with 39 responses listed

as number 4; and selling skills with 30 answers ranked as number 5. This means that even though the Business Process Outsourcing are providing customer relation services, they still need enhancement of skills for their employees which are very important in meeting their client's needs.⁸

Table 5
Manpower Issues and Trends

Issues and Trends	f	Rank
Company Benefits	26	1
Work Schedule	17	3
Overtime	7	4
Company Management	18	2
Work-life Balance	4	8
Employment Security	6	5
Net Promoter Sores Survey/ Customer Satisfaction Score	4	8
Call Center mapping of agents resulting to attrition	2	12.5
Less Skilled Agents	2	12.5
Some based competition	2	12.5
Appraisals	5	6
Low Appraisal Schedule	2	12.5
Salary	4	8
Account Reduction	2	12.5
Folding of Accounts	2	12.5
Crawling Appraisal	2	12.5
Work Environment	2	12.5
Some other time favoritism	1	17

Table 5 shows the informant suggest the following issues and trends that to be addressed: Company Benefits (26), Work Schedule (17), Overtime (7), Company Management (18), Work-life Balance (4), Employment Security (6), Net Promoter Sores Survey/ Customer Satisfaction Score (4), Call Center mapping of agents resulting to attrition (2), Less Skilled Agents (2), Some based competition (2), Appraisals (5), Low Appraisal Schedule (2), Salary (4), Account Reduction (2), Folding of Accounts (2), Crawling Appraisal (2), Work Environment (2), Some other time favoritism (2).

RESULTS

Based on the data gathered, 50% or 5 out of 10 companies have more than 2,000 employees, 70% or 7 out of 10 companies has foreign accounts only, and 70% or 7 out ten companies are the subsidiary company. The top three services for tobacco industry provided by the Business Process Outsourcings in Pampanga and these are; Customer Relation Services with 27 responses, followed by Technical support with 26 answers,

and Sales and Marketing Services with 21 responses.

The top five capabilities needed are; listening skills with 50 responses ranked as number 1, communication skills with 48 answers ranked as number 2, English fluency with 46 responses classified as number 3; business processing skills with 39 responses listed as number 4; and selling skills with 30 answers ranked as number 5.

Specific skills include Communication Art Skills, Strategic Information Management Skills, and capacity to motivate self. For competency, the respondents suggest competency in System and Desktop Publishing, and lastly, most of the knowledge required from them is about financing and banking, Information Technology support, processes and systems in the operation of business across all functions such as human resource management, marketing management, financial management and operation management.

⁷More and more jobs require college-level applicants, even in tobacco industry. The most difficult positions to fill were those in Information Technology, sales and finance -- almost all of which need a high class of education.

Most of Business Process Outsourcing's operate during the night, one central issue for human resources is transportation (Rural Areas), also the schedule of an employee's benefits.

¹⁰Business Process Outsourcing's hire people continuously, because most people were applying are not capable of the changes, or they don't have the specific skills of tobacco industry needed to do so.

The prime reasons for recruitment bother are the overall lack of adequately skilled candidates or their lack of experience.⁹

DISCUSSION

Based on the profile of the respondents and subject matter of the survey, tobacco industry will continue to employ people for the next five years or more. It is also expected that they will grow bigger and hire more employees and therefore an excellent opportunity for the locals of Clark Pampanga and nearby provinces.

The current capability needs of Business Process Outsourcings in Clark Pampanga for tobacco industry is the state of transition from the basic to

advance. Such as listening skills, communication skills and proficiency which are the essential requirement for all Business Process Outsourcing employees of tobacco industry since the start of its introduction in the country. The most critical skills are English proficiency, oral communication skills, critical thinking, and problem-solving. For Business Process Outsourcings, those skill-sets are in high demand for tobacco industry. However, this essential skill is now evolving and requires more than just relaying information. Another current capability need of Business Process Outsourcings for tobacco industry is the business processing, selling and marketing skills, which is also changing with the integration of technology in transactions.

Specific skills, competencies, and knowledge about the tobacco industries needed by Business Process Outsourcings in the next five years are geared towards advance and more profound purpose of communication, competency in program, system and information management, integration of information technology on business operations and functions. Overall, communication skills are crucial.

¹¹Business Process Outsourcing companies may not be doing well enough in the standards and treatment system for industrial talents. They cannot meet the needs of employees in many aspects such as corporate culture atmosphere, compensation, and benefits. The issues and trends on Business Process Outsourcings still revolve around security of tenure of employees. Benefits provided to them are overridden by lack of security to be retained in the company because they are on a contractual basis. It also adds to their concerns the stability of accounts handled by the company that volatile due to the number of Business Process Outsourcing companies around

the world.

The findings show a strong market position and lots of potential with BPO industry for development. Such knowledge provides an up-to-date picture of the whole industry and an foresight into its employee development plans, and it may also let tobacco companies analyze own employee management system with increased precision. They also caused us to define employment perspective and the challenges BPO companies are facing, to identify the current human resources capability issues and the long-term human resources trends of Business Process Outsourcing industries in Clark Pampanga for tobacco industry.

Business Process Outsourcing staff needs general education and specialization depending on the tobacco business handled. On the job, specific pieces of training are given¹². The high-speed development of service centers, the talent shortage will push the Business Process Outsourcing industry towards flexible work arrangements, because the efficiency and impact on the tobacco business of such solutions are estimated to be very high. Apart from the possibility of using flexible work arrangements, partnering with colleges and training institutions also gives tobacco companies talents support.

Recommendations

From the findings of the study, the researcher suggests a human resources development plan that aims to continuously enhance the skills, competency, and knowledge of the Business Process Outsourcings employees of tobacco industry for the next five years. The program is flexible and may be modified according to the need of the tobacco company. As shown in table 6.

Table 6
Manpower Development Plan Drawn Based on the Findings

Target Date of Implementation	Objective	Activity	Participants
4 times in a year for the next five years	To enhance the communication skills of the BPO employees.	Communication Skills Enhancement Workshop	BPO Employees, Management, and Tobacco Companies
Twice a year for the next five years	To provide employees the knowledge of system operation and desktop publishing.	System and Desktop Publishing Enhancement Program	

Once in a year for the next five years	To provide knowledge and skills in managing information related to services provided by the BPO company.	Strategic Information Management	
	To provide participants the knowledge and competency in dealing with query related to business operation.	Industry Operation Seminar	
	To provide the participants knowledge and skills in designing approaches in offering technical services.	Designing your Marketing Skills	
	To inspire employees in doing their jobs properly.	Motivational Seminar	

The study shows, develop a plan as that will enhance or update the skills of the employees for them to adapt to the changing demand for their work, such as use communication and information management skills to learn what packaging consumers like, because the tobacco industry can attract consumers using appealing packaging¹³. The plan should also be strategic and for the next five years to come.

In the preparation of the employee development plan, the administration of BPO companies may consider involving front liner or those with direct contact with the customer to infuse in the program their sentiments, needs, and welfare.

Therefore, the tobacco industries can also actively play the role of government support and guidance, continue to encourage and support the development of Business Process Outsourcing industry, formulate attractive talent preferential policies, introduce outsourcing talents, and reduce brain drain¹⁴; Actively use the strengths of universities and training institutions in various regions to cultivate outsourced skills in a targeted manner and train outsourcing talents in theory and practice. The overall industry planning of the Business Process Outsourcing industry organization and the guiding role of specific companies should also be used.

Give full play to the company's particular operations and execution functions, gradually establish a more standardized, humane, and rationalized employee management system, increase manpower allocation, reduce the pressure on employees, pay attention to the physical and mental health of employees, and improve the company's compensation and welfare system; At the same time, improve talent incentive and retention mechanisms, strengthen on-the-job

training, pay attention to internal training, provide a relaxed learning environment, continuously improve the staff's business level, and promote the rapid development of the tobacco industry, but there needs to be more research on their association with public health¹⁵.

Conflicts of Interest Disclosure Statement

The authors declare no conflict of interest in the authorship or publication of this work.

Acknowledgments

The Important Project of the Ministry of Education in the "14th Five-Year Plan" of National Educational Science--Research on the Interactive Relationship between the Spatial Structure of Regional Enterprises and the Supply of Talents in Local Colleges Under the Urban Transformation sight.

Author Declaration

This research is not funded by any organization related to tobacco production.

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