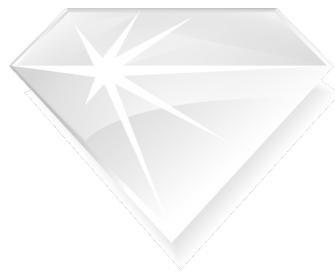WHY DO EMPLOYEES QUIT: A STUDY OF FACTORS AFFECTING

EMPLOYEE TURNOVER IN BUSINESS PROCESS OUTSOURCING (BPO)

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BANGKOK
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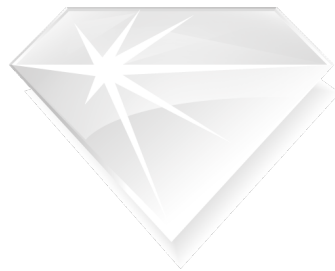The Graduate School of Bangkok University

in Partial Fulfillment

of the Requirements for the Degree

Master of Business Administration

by

Michael Jay Labin

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Philippines

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ABSTRACT

Employee turnover is a critical issue for many industries, including the Business Process Outsourcing (BPO) companies, which has been seriously impacting productivity, operational efficiency, and cost. This study aims to explore the factors affecting employee turnover in BPO companies in the Philippines. Using a quantitative research approach, the study examines the significant effect of compensation and benefits, work environment and company culture, superior-subordinate relationships, rewards and recognition, and career development on turnover intentions. Using a convenient sampling technique, data were gathered through a structured Google Forms questionnaire distributed to BPO employees, and the reliability of the variables was measured with Cronbach's Alpha. The findings suggest that specific factors such as compensation and benefits ($p = .000$), superior-subordinate relationships ($p = .000$), rewards and recognition ($p = .000$), and career development ($p = .014$) significantly affects employee turnover in BPO companies in the Philippines. This means that employees are more likely to stay with their employers if these factors are managed effectively and aligned with their expectations. On the other hand, work environment and company culture ($p = .330$) were found to have no significant effect on employee turnover. These results provide guidelines to BPO companies to develop retention strategies to reduce turnover rates in the competitive BPO industry in the Philippines.

Keywords: Employee Turnover, BPO Industry, Retention Strategies

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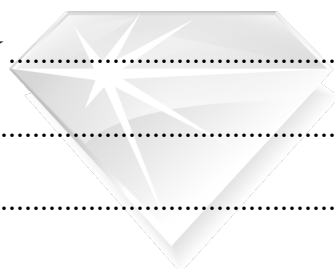
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CHAPTER 1

INTRODUCTION

The first chapter of this research discusses the various factors affecting employee turnover and motivation to work, focusing on the Business Process Outsourcing (BPO) industry in the Philippines. These key factors include compensation and benefits, work environment and company culture, superior-subordinate relationship, rewards and recognition, and career development. Furthermore, the researcher also stipulates the background information of all variables, identifies the research gap and problems, and states the purpose of the study, the scope of the study, and the benefits of the study.

1.1 Background

Bloomentha (2024) defined Business Process Outsourcing (BPO) a method of subcontracting various business-related operations to third-party vendors. Business Process Outsourcing (BPO) is a business management strategy wherein companies contract an agency or professionals to do a specific job that is done traditionally by the people within the organization. This can be done locally, nationally, or offshore. Many businesses, from small startups to large companies, opt to outsource various processes due to the availability of innovative services in today's highly competitive and dynamic business environment. The services offered by Business Process Outsourcing are categorized into two parts, the back office, and the front office activities. Back office in BPO refers to a department where the employees work and do not directly interact with

the clients. These types of jobs include in accounting, finance, IT, and Human Resources. These types of jobs are ideal to be outsourced because the work is not considered to be a core competency and can be successfully done remotely. By doing this, the company can benefit through savings in labor costs, overhead costs, rent, improved productivity, and most of all access to a pool of talents that are lacking from the local labor force. Contrary to the back office, front office outsourcing refers to the contracting of employees that includes client-facing activities like contact center services which are highly popular in the Philippines. These services help businesses improve customer experience and maintain a competitive edge in the market.

According to the article written by (Gallimore, 2021) the Philippines has been long considered to be a call center capital of the world and a top outsourcing destination, because of its cost, immense talent pool, ease of doing business, and high English proficiency. The Philippines' BPO industry had drastically grown since it started its operation in 1992. The country became the BPO capital of the world in 2010 and became one of the major income-generating industries in the Philippines contributing an estimated revenue of $24 billion dollars and giving 1.2 million jobs to the Filipinos. The BPO industry in the Philippines shares at least 15 percent of the global BPO market. Additionally, the Philippines was listed as one of the top 5 locations worldwide for outsourcing. Due to its rapid and consistent growth, in 2016 the Philippines has been selected as the top offshore BPO destination ("Datamark", 2016). On the other hand, Tholons (2017) ranked the nation third among the top 20 digital nations in its 2017 TSGI (Tholons Services Globalization Index) list. The index rates, analyses, and offers

investors, governments, multinational enterprises, and governments location strategies. Every year, the industry has continuously grown and its revenue is steadily increasing, but despite its robustness, The Philippine call center industry has also been facing major several challenges. One of the major challenges is the high employee turnover rate. Janselle, I. (2023). *Call center benchmarking report*. IT & Business Process Association of the Philippines & Magellan Solutions. States that the attrition rate in the business process outsourcing sector was the highest among all industries, at 40% in 2023. Employee turnover is one of the most critical workforces challenges that most organizations are facing and it is undeniably one of the biggest challenges for the BPO industry in the Philippines.

1.1.1 Employee Turnover

Employee turnover has become a growing concern to many organizations and it has attracted the attention of many scholars. The term employee turnover refers to the situation when an employee decides to end their commitment to an organization. Many scholars have provided the same definitions of the term. Employee turnover is one of the major critical challenges that organizations are facing. Aside from that, this problem is also causing additional costs to many companies. Kelly (2001) stated that most executives and managers are aware that employee turnover is one of the main reasons for a potential loss of revenue but often being disregarded.

Employee turnover has significant costs for both the individual and the company, according to Mitchell et al. (2001). At the individual level, it makes little difference

whether the person quits their job and finds another one voluntarily or is forced to quit

and suffers personal costs. The issue at the organizational level is when departing

employees take their priceless experience-based knowledge and expertise with them.

According to IDS (2004) research, management should consider both quantitative and

qualitative data to understand the internal reasons of turnover. According to the UK's

Chartered Institute of Personnel and Development (CIPD, 2004) employers should be

more aware of their staff turnover rate and how it may impact the efficiency and

productivity of the business. Pearce and Mawsons (2009) stated that if management can

identify the level of turnover across the organization, locations and particular groups of

employees (such as identified high performers) can help managers comprehend the

problem and come up with a retention strategy. By understanding the factors that affect

employee turnover, an organization can decide on adopting and implementing retention

initiatives that could both give benefit to the employee and the company. A few negative

impacts of employee turnover to a company includes disruption of operational efficacy,

negative public image, additional personnel cost, and lower social integration. While one

of the most common reasons of having a high employee turnover rate is the compensation

and benefits, because most employees are looking for a job that pays well. Unsatisfactory

performance reviews are another reason that causes workers to leave an organization.

Low pay is a solid reason why a worker might put in subpar work (Rampur, 2009).

1.1.2 BPO industry in the Philippines

In many organizations around the world regardless of the size, outsourcing still remains to be a trend. Many CEOs thought that outsourcing had significantly supported various business models in various ways (Forbes Insight Survey). Many businesses nowadays are outsourcing portions of their operations. The (Oxford Business Group) forecasted that the worldwide BPO market will be worth more than $250 billion in the following two years. The BPO industry, which has grown to be the Philippines' largest private employer, produced over 1.3 million direct jobs for Filipinos nationwide in 2017, according to an article published by (ASEAN Briefing, 2017). This growth is expected to continue in the next coming years since investors from foreign countries have seen so much potential about the Philippines. These investors are drawn to outsource in this nation because it has a low cost of living, a low cost of labor, and a workforce full of young, talented, educated, customer-focused employees that understand English. In the Philippines, outsourcing presents numerous prospects for businesses as well as for the Filipino workforce. The Government has been also very supportive to the BPO industry since it started and it has continuously worked with the private sectors to sustain the industry's expansion. The BPO sector is seen as crucial to the top ten high-priority development areas in the Philippine Development Plan. The Philippines has overtaken India as the global leader in call centers, and companies there are working to raise the caliber of their services. Despite its success, the Philippines' BPO business faces numerous hurdles in the year 2020. The prolonged global health crisis has tested the resilience of Philippine outsourcing businesses, just like it has in other sectors, and it has

also altered the nation's strategy for boosting this sector's presence. Aside from this global health crisis, one of the major challenges that the BPO industry has been facing for quite a while is the high turnover rate. According to "Magellan Solutions' Benchmarking Report, there are 51% of call center agents left through voluntary resignation. The following are some of the causes of resignation among BPO staff members:

- I prefer WFH set-up than going back on-site

- Mismatched jobs and skill set

- Lack of collaboration

- Lack of proper training

- Lack of recognition

- Piled up workload

- Team management issues

- Night shift work

- Poor working conditions

- Golden opportunities arise
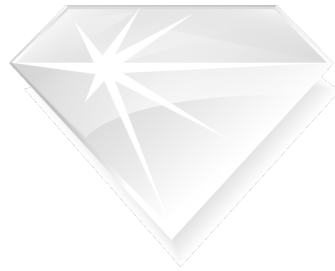
In this research, we will find out what causes these employees to leave the company by investigating using our five determinants: a.) compensation and benefits, b.) work environment and company's culture, c.) superior-subordinate relationship, d.) rewards and recognition, and e.) career development to gain a comprehensive data that the researcher can use to answer the research question and suggest to organizations to enhance their workplace culture to reduce turnover rate.

1.2 Statement of the Problem

High turnover rate is proven to be the costliest challenge in an organization. It will cost the company at least 30% of the person's annual salary to replace find a replacement each time an employee leaves a job. As a result, an organization's smooth operations may be disrupted, productivity may drop, and the firm's ability to compete on the global market may be weakened (Nagaindran, 2006). Employee turnover comes in two forms: voluntary turnover and involuntary turnover. According to Gomez-Mejia et al. (1997), voluntary turnover is a separation that takes place when an employee decides to stop their relationship with the employer for personal reasons. On the other side, involuntary turnover is described as when management decides to end a connection with an employee due to financial or cultural reasons.This research focuses more on voluntary turnover as the aim is to identify what causes these employees to leave. There have been plenty of studies about employee turnover but not a lot of focus on BPO industry particularly in the Philippines. According to the previous study conducted by two Human Resources and Industrial Relations (HR/IR) practitioners in the Philippines, Sale and Bool (2005) noted that labor laws governing the number of hours worked were typically followed. Sale and Bool added that the majority of workers in the industry were young and that working nights had a negative impact on the health of a sizable portion of them. In the sample, 3 out of 4 workers experienced moderate to intense job pressure, while 1 out of 2 reported being neither happy nor unhappy at work.

The Philippines have envisioned to remain the BPO capital in the world and become a number one outsourcing country for companies around the world, hence the

problem this research seeks to address is the significant issue of employee turnover in the industry, which has profound implications for operational efficiency and business sustainability. Despite the industry's rapid growth, many organizations are still struggling to retain talent, which leads to increased recruitment cost and disruption in service delivery.

By examining the variables discussed, this research intends to provide insights that can help the firms implement targeted strategies to reduce turnover rate and enhance employee engagement, and improve the overall organizational effectiveness.

1.3 Research Objectives

1. To examine the significant effect of compensation and benefits on employee turnover in BPO companies in the Philippines.

2. To examine the significant effect of work environment and company's culture on employee turnover in BPO companies in the Philippines

3. To examine the significant effect of superior-subordinate relationship on employee turnover BPO companies in the Philippines.

4. To examine the significant effect of rewards and recognition on employee turnover in BPO companies in the Philippines.

5. To examine the significant effect of career development on employee turnover in BPO companies in the Philippines.

1.4 Scope of Research

This study focuses on the factors affecting employee turnover in business process outsourcing (BPO) companies in the Philippines. The scope includes:

1. Geographical Context: This research will be conducted in several BPO firms located in major cities in the Philippines such as Metro Manila, Cebu, and Davao.

2. Target Population: The study will target employees at various levels in the organization from entry level to managers to gain a comprehensive understanding of turnover dynamics.

3. Key Variables: The research will explore a range of factors affecting employee turnover, including:

    - compensation and benefits

    - work environment and company's culture

    - superior-subordinate relationship

    - rewards and recognition

    - career development

1.5 Importance of the Study

Employee turnover is a critical issue for many industries, including Business Process Outsourcing (BPO) companies. The Philippines, being one of the largest hubs in the world, faces significant challenges related to retaining talent in its BPO sector. Understanding the factors that contribute to employee turnover is essential for improving organizational stability, productivity, and cost-effectiveness. This study explores the

impact of various workplace factors—such as compensation and benefits, work

environment, company culture, superior-subordinate relationships, rewards and

recognition, and career development—on employee turnover in BPO companies in the

Philippines. The importance of this study lies in its potential to:

1. Enhance Organizational Understanding: The findings will provide valuable

    insights to BPO companies into the specific factors that influence employee

    turnover allowing them to focus on which areas of business operations to

    improve. By understanding these relationships, companies can better design

    compensation packages, improve work environments, practice a positive company

    culture, and implement strategies that enhance employee retention.

2. Decision-making support for Human Resource Management: By identifying the

    key drivers of turnover, this study will help organizational leaders make decisions

    about where to allocate resources for the maximum benefit. For example, if the

    study reveals that career development opportunities have a significant impact on

    turnover, companies can prioritize training and development programs to improve

    retention rates.

3. Contribution to academic literature: Although there is a growing body of research

    on employee turnover, there is limited focus on the unique context of the

    Philippine BPO sector. This study contributes to filling this gap by examining

    how various factors, such as compensation and benefits, work environment and

    company culture, superior-subordinate relationship, rewards and recognition, and

career development, influence turnover in this particular industry and geographical context.

4. Impact Policy and Practice: The findings can guide policy makers in BPO sector, industry associations, and labor unions in advocating for policies that enhance employee retention. This can also inform training and development programs, workplace wellness initiatives, and employee engagement strategies aimed at reducing turnover.

5. Boost Business Competitiveness: High turnover can be detrimental to a company's bottom line, as it involves recruitment, training, and operational costs. By identifying the key factors that influence turnover, this study can help BPO companies reduce these costs, ultimately contributing to greater business sustainability and competitiveness in the global market.

CHAPTER 2

LITERATURE REVIEW

In this chapter, the researcher discusses the literatures that are derived from the projects done by other great researchers. These are being obtained through magazines, journals, and the internet. This chapter also contains theoretical review, hypothesis, and the conceptual framework. This aims to help define the problem, and explain the contributions of other researchers to the specific topic.

2.1 Theoretical Review

In order to attain the researcher's objective, various theories that explains the factors that affects employee turnover has been used as basis for this study. The Herzberg Two Factor Theory and Maslow's Hierarchy of Needs Theory, both of which provide explanations for a variety of employee turnover factors, have been selected by the author for this study.

2.1.1 Herzberg Two Factor Theory

Herzberg (1959) proposed The Herzberg two factor theory that explains the factors that affect employees' attitudes and motivation towards their work. Behavioral scientist Frederick Herzberg put out the motivator hygiene or two-factor hypothesis. Herzberg claims that certain aspects of the job contribute to contentment and other aspects of the job mitigate displeasure. These employment elements have been divided by

Herzberg into two groups: motivational and hygiene factors. Herzberg discovered that

the motivational elements for a job are distinct from the factors that lead to job discontent

(hygiene factors). Humans have two essential requirements which might affect an

employee's motivation and outlook toward their work: The first are physiological

demands, which may typically be met by using money to buy food and shelter. The

second is psychological requirements for achievement and growth, which are typically

met by activities that help people develop (Loiseau, 2011). The factors determining

dissatisfaction includes: low pay and benefits, poor company policies, interpersonal

relations, and physical working conditions, while those leading to satisfaction includes:

rewards and recognition, advancement and career development, and psycho-social are

intrinsic factors. According to the two-factor paradigm, managers must ensure that

hygiene factors are enough to prevent employee unhappiness. These factors can help

explain why employees might stay or leave in an organization, which directly relates to

this study on turnover. In order to understand how these factors affect employee turnover

in the Business Process Outsourcing market in the Philippines, the Hertzberg two-factor

theory was applied in this study.

2.1.2 Maslow's Hierarchy of Needs Theory

    Maslow (1943) proposed The Maslow's Hierarchy of needs which explains that

humans become motivated when their needs are being satisfied or met. This theory is

comprised of five needs: Physiological needs, safety needs, love and belongingness, self-

esteem, and self-actualization needs. According to the principle, one must first meet their

basic necessities in order to go to the next level. In order to encourage employees in the workplace, their requirements must be satisfied. Failure to do so, the employees will be influenced to leave and will look for another company that could satisfy their needs. The Maslow's hierarchy of needs hypothesis explains how pay and benefits, the work environment and business culture, the interaction between superiors and subordinates, rewards and recognition, and career growth affect employee turnover. In order to better understand the significance of these elements to the employees and how they affect employee turnover in the Philippines' business process outsourcing industry, this theory was applied in this study.

2.2 Review of Related Literature

2.2.1 Compensation and Benefits

The organization's pay level is extremely important and directly related to employees' motivation and voluntary turnover. Fair compensation may lead to higher chance of job satisfaction. This means that if employees are satisfied and happy with their job position, they are less likely to change jobs. Employers and employees alike have always been interested in the subject of pay and benefits. The fundamental element of employment is that workers do tasks in exchange for compensation, which typically takes the form of money or other perks. Attitudes toward salary, pay satisfaction, and employees' benefit are three of the most commonly used variables for organizational research. These factors show a strong correlation with key organizational outcomes like absenteeism, intention to leave the company, perceived company attractiveness to job

searchers, organizational citizenship behaviors, and job performance (Vilma and Egle, 2007). Some research around the world that includes small, medium, and large organization found out that good compensation and benefit packages can play an important role to enhance the performance and profitability of the organization (Mangel and Useem, 2000). According to Sturman (2003), employers considered compensation as a necessary incentive to attract suitable applicants, retain talented employees, motivating performance, and other desirable behaviors that could elevate the company's productivity. Ivancevich (2007) stated that the purpose of compensation is to create an appropriate reward system, the desired outcome is to have an employee who are loyal to their job and are motivated to work for the company. Shaw et al (1998) stated that "pay is something that is given in exchange for services rendered in an organization". Right compensation is very important and it is necessary to retain a highly talented workforce. To be more accurate, in reality lower salary or lack of benefits is one of the main causes of employee turnover. If an employee receives an insufficient financial rewards and lower salary, they tend to look for another opportunity and stay no longer with the organization (Labov, 1997). In most cases, the major cause of job dissatisfaction is poor compensation and benefits program and pay scale procedure, leading the employees to quit their job. A good example of this is when a new employee may guess why the person sitting next to him gets a higher salary for what's suposed to be similar jobs (Dobbs, 2001). Armstrong (2009) stated that a well-structured remuneration program can help employees improve their job performance and satisfaction towards their work. Employee perks were cited as one of the most significant reasons why people joined an organization

by 25% of employees and 27% of employers in a 2003 survey by Metlife. This has been supported by 42 percent of employees who believed that having a good benefit is an important reason to stay with the organization. According to Dale - Olsen (2006), found that fringe benefits have a stronger influence on reducing turnover than would be indicated by the direct costs of the benefits.

Everyone deserves to be paid properly, and it is clear that a good wage can strongly influence whether or not a person is motivated to work, which would increase organizational productivity. On other cases, there are some employees who have more needs for benefits than the usual pay. Rampur (2009) stated that employees always choose companies who provide more benefits. Offering more benefits can exhibit a good company image and would attract more employees to stay. According to Connell and Phillips (2003) there are several components for a typical benefits program. These includes medical and dental insurance, yearly vacation leave, sick leave, food allowance, transportation allowance, fitness facilities, and many more depending on companies' location and demographics. Companies should also match their benefits to the needs of their employees; some of the employees may want long term retirement plant and may only want more money. Companies especially the human resources department must be flexible in addressing their employees' needs and give them a chance to select a choices of benefit plans.

2.2.2 Work environment and company's culture

Having poor working environment demotivates employees to work. Workers need to have a proper working environment and basic facilities such as proper lighting, good ventilation, adequate air-conditioning system, enough office space, proper restrooms, snacks and drinks, and safety environment. If these basic facilities are not being met, workers will not be able to face up the difficulty for a long time (Singh, 2008). In a study conducted by Pillay (2009) employees in the public sector consider the working environment, employment security, and workplace organization as the most important factors, whereas job security and professionalism practices are the two most important for private sector employees. Companies need to know that working conditions in an organization is a huge factor for employees to stay. This may serve as a factor that motivates employees to stay longer in an organization. This is one of the gaps that needs to be explored.

Some employees could feel unhappy working for a company with subpar amenities, and they might end up being drawn to competitors with superior workplaces. In the Philippines, the Department of Labor and Employment has set an Occupational Safety and Health (OSH) standard to ensure that the workers will be able to perform their job without or within exposure limits to hazards. The OSH standards are a set of mandatory rules and policies enforced by the Department of Labor and Employment to reduce or eliminate occupational safety and health hazards in the workplace. Therefore, it is necessary for employers to show their commitment and responsibility to make sure that all workers within the organization are safe and are treated fairly. These kinds of

standards set by the government can be utilized to ensure that companies are maintaining and improving their basic working conditions. However, it is undeniable that there are some companies especially the bigger ones are providing more favorable benefits above the minimum that's why employees always have a choice to move from one organization to another.

The physical set up of the workplace is not the only thing to consider. Having a bad boss, unhealthy relationship with colleagues, and having lack of core values create an unfavorable working environment which causes employees to leave the job. According to Lawler (2009) employees will provide best service to customers if they are being supported, developed, and feel. respected at work. A certain policy should be imposed by the talent relationship management team in order to build a healthy relationship with the people in their department, giving a fair treatment, and especially giving them a chance to voice out their sentiments.

2.2.3 Superior – subordinate relationship

Poor supervision is one of the main causes of employee turnover, according to many academics. Employees are more likely to stick at a business if the working environment is stable and welcoming (Bergmann and Scarpello, 2001). Managers are there to lead and provide support to their subordinates. A successful leader must accept the duty of really attending to the worries of their team members and giving them resources for both personal and professional development (Guion and Gottier, 1965). In

truth, these workers won't advance without the manager's assistance (Maertz and Griffeth, 2004).

Many employees in different industries have often times experienced their managers and supervisors having one or two qualities. The first situation is when an employee reports to a supervisor who has been very encouraging, supportive, and has built a terrific rapport with the employee. On the other hand, some managers may work to undermine a favorable relationship with their staff members and foster a hostile supervisor-subordinate relationship. Everyone in an organization is involved in a superior – subordinate relationship. This relationship is arguably one of the most important interaction within an organization. As defined by Nwachukwu (1988) Organization is made up of people who come together to achieve common objective through coordinated activities which is the hallmark of management. According concept called Perceived Organizational Support (POS), POS is defined as, "the extent to which an employee believes that his/her company cares about them and appreciates his/her contributions to the company" (Eisenberger, Huntington, Hutchison, & Sowa, 1986). High perceived organizational support (POS) occurs when an employee believes they have more positive interactions with their supervisors than negative ones, such as receiving more compliments than complaints. Rhoades and Eisenberger (2002) explained that increasing perceived organizational support (POS) is typically achieved by treating employees better in areas like fairness, support, rewards, and favorable job conditions. Employees who receive these positive gestures tend to recognize them as indicators of high POS, regardless of the specific reward or management system used within the organization.

Chapman (2011) stated that a supervisor's primary mission is to take care of and build a good relationship with the employees he or she is managing. Chapman said that employees are more likely to be consistently productive which would lead to a higher quality of work when they pour and connects to their employees. A corporate loyalty which is very important in every organization can be achieved by having a healthy supervisor – subordinate relationship. Employees are more likely to love their work and produce more when they feel a special connection to the management they directly report to. This connection is very important as it helps achieve job satisfaction and aids the company to achieve its mission. A decrease in staff turnover is one of the main outcomes that frequently follows from this. A deeper relationship between a worker and their boss increases the likelihood that they will stay with the company longer, which saves money on hiring and training new workers.

2.2.4 Rewards and Recognition

It was believed that rewards had a crucial role in influencing worker performance. Markova and Ford (2011) stated that employees feel valued if they are well rewarded by the company they work for. According to the BIW study, turnover is 4 times higher among workers who receive less "recognitions with awards" than those who do so most frequently (Andrew, n.d.). Therefore, it is vital to have a reward system to improve employee performance and reduce attrition rate. Employees will tend to work harder when they are aware that their employers are taking their well-being seriously. Keeping your talents around is not easy, therefore management must come up with unique rewards

and recognition programs because it makes a huge difference in retention. Employers

need to remember that the engine of one's organization vehicle is the employees while

the reward is the fuel. Without the assistance of its personnel, any company cannot

accomplish its stated goals (Vilma and Egle, 2007). It has been proven by the study of

(Hunter et al, 1990) that if the employees are motivated, they are more likely to be

productive, efficient, and their willingness to work to achieve the organizational goal is

higher compared to those employees who experienced low level of motivation. When a

company have a highly motivated employees, they would gain a competitive advantage

towards their competitor because their performance could lead into a positive output

helping the organization to accomplish its goals (Rizwan & Ali, 2010). The cause of

having a low productive worker may depend on several factors, one of them is when an

employer fails to provide an adequate reward to compensate for their hard work. Another

factor is the arrogance being exhibited by the privileged class which demoralized the

working class and consequently reduce their productivity (Akerele, 2011).

Luthans (2000) highlighted two types of rewards. These are financial (extrinsic)

and non-financial (intrinsic) reward. These rewards can be employed to enhance the

employee's performance positively. Financial (extrinsic) rewards are proven to be

effective in motivating employees (Lotta, 2012). Ojokuku and Sajuyigbe (2009) both

agreed that financial incentives (pay satisfaction dimensions) have a direct significant

effect on employees' performance at work.

On the other side, there is a widespread misperception held by many businesses that

employees only seek for employment with higher pay, superior perks, and any financial

incentives. Because of this, many businesses only provide their top performers cash

perks, but they are still unable to keep them. Financial compensation is not always the

most effective motivator for workers' success (Perry et al, 2006). This has been

supported by Srivastava (2001) stating that financial incentives have a demotivating

effect among employees. This is because high-performing workers want respect and

recognition just as much as they want financial rewards. Praise and acknowledgment are

the most effective intrinsic rewards for improving employees' performance, according to

(Nelson, 2004). Many managers and HR professionals are realizing that money is not the

lone incentive nor the most powerful one.

Around the world, a variety of reward systems have been put in place. This covers

individual incentives, team prizes, and project-based rewards. Each method has benefits

and drawbacks. Because some group members may not put forth much work and instead

rely on the other members, a team reward may be unjust. On the other side, individual-

based rewards may promote unhealthy rivalry since they place too much focus on each

employee's achievement. The organization will suffer as a result (Campbell-Allen,

Huston, & Mann, 2008). Because a particular incentive is employed in various contexts

or at particular times, managers need to research and choose the appropriate rewards and

recognition programs that are appropriate to their own firm. Some managers are hesitant

to utilize the team-based compensation system because it is more complicated and could

negatively impact individual performance (Kearns, 2005).

The most effective rewards would depend on a case-to-case basis, especially on

employees' age group. The most important reward for any employee is when they have a

good leader, appealing work, better remuneration, and an opportunity to grow and progress their career (Giancola, 2010). As a result, many organizations failed to retain their employees for a long time because of improper or lack of rewards and recognition programs. Employees must feel valued for their contribution to the expansion of the company. The bottom line is that while compensation and financial advantages are important in luring top personnel, the success of the employee rewards and recognition program determines how long those individuals stay with a company. Employees who receive rewards and recognition experience a sense of self-fulfillment, which inspires them to perform at their highest level.

2.2.5 Career Development

Some workers, particularly those in the modern workplace, are more career-conscious than ever. They have higher standards for one's own development and professional advancement. However, this need has often been neglected by many organizations resulting in them losing their talents. That is why companies need to come up with effective employee training programs for career development. For each employee to grow professionally and increase their prospects of landing a higher position, a firm must offer them opportunities for growth (Origon and Nzonzo, 2011). According to Albrecht and Andretta (2011) the employee turnover rate may be affected by training. This has been supported by a study done by ASTD in 2003, which states that 41% of employees at companies with poor training planned on leaving within a year, compared

to 12% planned departures at companies with excellent training (Origon and Nzonzo, 2011), (Clouden, 2009).

For businesses looking to boost performance and productivity, career development has grown more appealing (Patton and McMahon, 2006). The industry is evolving and is changing rapidly, therefore organizations who come up with proper training programs and retain their skilled workers gained a competitive advantage. Career development is described by Fieldman and Thomas (2015) as a series of exercises or the ongoing process of advancing one's vocation. This is an effective way of fostering future leaders that have relevant experience and the skills needed to implement organizational strategies.

According to Phillips and Connell (2003) employees nowadays are looking for a career that would give them a benefit to grow and improve their skill set in the desired position. These employees want to have career advancement. If leaders or managers do not address nor recognize these demands, employees are likely to move to another organization. According to Gary (2011) if you combine real-world experience training with a higher education program, you'll produce a certificate that gives employees a great opportunity to further their careers. Effective career management means that there are capable employees at all organizational levels who can step up into more responsible roles as needed. It also means that as many employees as possible are highly driven and content with their employment and careers (Jones, George and Hill, 2000). Therefore, a firm should provide employees with the chance for promotion and training. Organizations

should use job status as a career reward and incentive to retain competent personnel because it may have a significant impact on minimizing turnover (Zhao & Zhou, 2008).

Interesting job assignments can result in professional development and career advancement, as proposed by (Dessler, 2005). A developmental assignment needs to be appropriate for the employee's skills. These developmental tasks can prepare individuals for greater responsibility when they are thoughtfully developed by organizations. Each task would foster the employee's growth and development by asking them to apply fresh abilities that weren't necessary for their everyday jobs. Employees would acquire new techniques and improve their job abilities by working on these new projects and assignments. Employee development and career advancement depend heavily on direction and leadership support for mentoring. When employees progress professionally, they are more likely to stick with the company.

2.3 Hypotheses

H1: There is a statistically significant effect of compensation and benefits on employee turnover in BPO companies in the Philippines.

H2: There is a statistically significant effect of work environment and company culture on employee turnover in BPO companies in the Philippines.

H3: There is a statistically significant effect of superior-subordinate relationships on employee turnover in BPO companies in the Philippines.

H4: There is a statistically significant effect of rewards and recognition on employee turnover in BPO companies in the Philippines.

H5: There is a statistically significant effect of career development on employee turnover in BPO companies in the Philippines.

2.4 Conceptual Framework

A conceptual framework was developed based on the previous literature review to address the research question. The main variables of this thesis proposal include compensation & benefits, work environment & company culture, superior–subordinate relationship, rewards & recognition, and career development. These variables were considered independent and the figure below shows how they affect employee turnover in BPO companies in the Philippines.

Figure 2.1 Conceptual Framework

Independent Variables   **Dependent Variable**
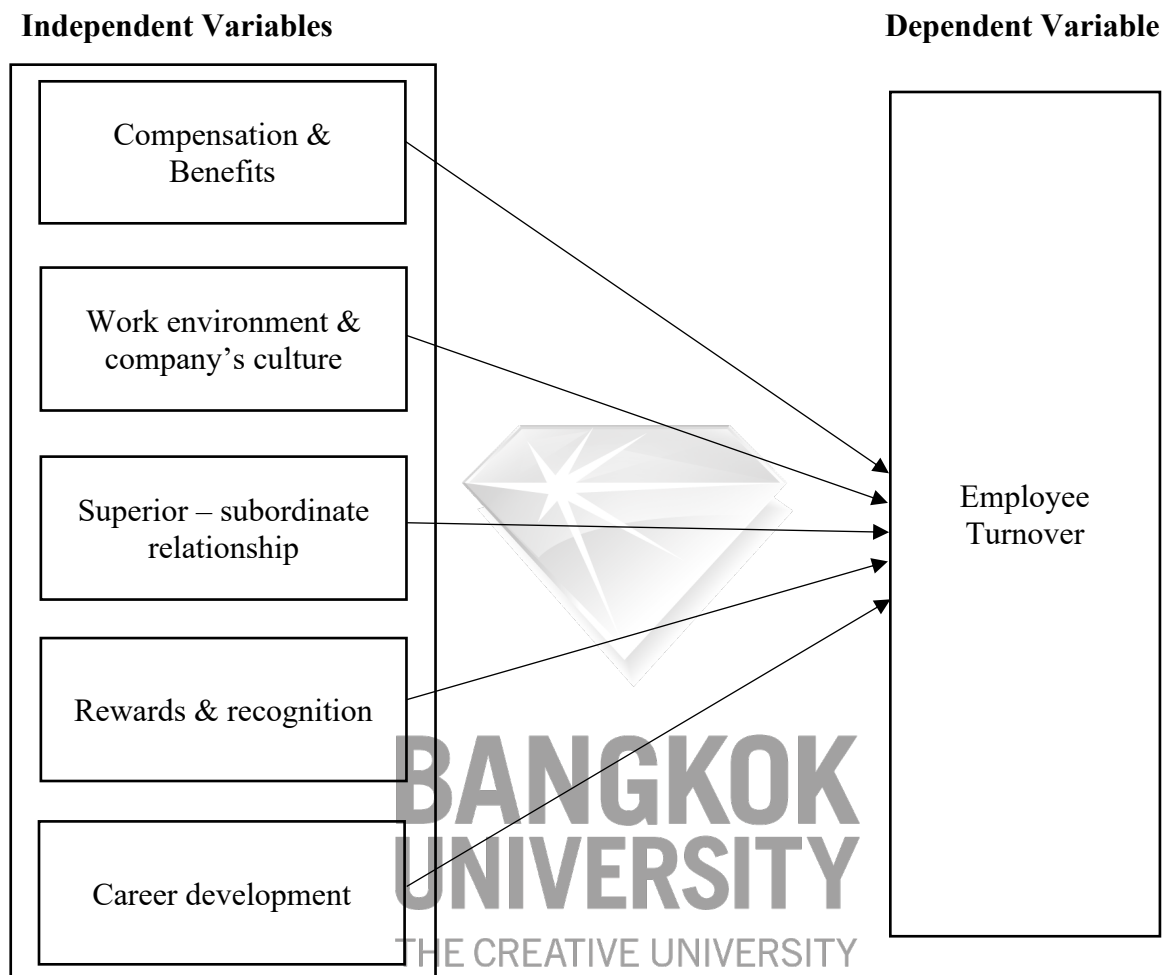
CHAPTER 3

METHODOLOGY

This chapter detailed the study's overarching research plan and its methodology. In this chapter the research plan, the target audience, the sample strategy, the data gathering tool and analysis, and the presenting procedure was emphasized by the researcher.

3.1 Research Strategy

A deductive strategy to perform this investigation, which is supported by a quantitative research methodology was employed by the researcher. In a deductive approach, a hypothesis is "deduced from the theory and is tested," which means that models are used to test theories (Bryman and Bell, 2011). This study mainly focused on the relationship between the identified determinants of labor turnover towards Business Process Outsourcing (BPO) employees in the Philippines. Therefore, this study targeted Filipino nationals who are currently working in a BPO company in the Philippines. The experts gave their approval after the questionnaire was created by implementing the relevant theories.

3.2 Population and Sample Size

In this research, the population included Filipino individuals who are currently employed at various levels from entry level to managers in any Business Process

Outsourcing (BPO) companies in the Philippines. The sample size is the practical representation of the target population and covers the set of units from which the sample is drawn. It simply refers to the exact group of units, frequently individuals, that will be solicited to participate in the study. Today, the IT and Business Process Association of the Philippines (IBPAP) estimates that the sector has over 1.44 million full-time employees, bringing in a revenue of $29.1 billion during only the first half of 2022. The growing demand for research has generated a need for an effective means of calculating the necessary sample size needed to represent a specific population. In the article titled "Small Sample Techniques," the research division of the National Education Association has introduced a formula for determining sample size. Therefore, based on the formula below, a total of 385 respondents who have worked for at least a year in the industry were taken out and used as the sample size of this research.

$$s = X^2NP(1 - P) \div d^2(N - 1) + X^2P(1 - P)$$

s = required sample size

X^2 = the table value of chi – square for 1 degree of freedom at the desired confidence level (3.841)

N = the population size

P = the population proportion (assumed to be 0.5 since this would provide maximum sample size).

d = the degree of accuracy expressed as a proportion (0.05)

s = 385.06 or 385

Calculation: $X^2NP(1 – P) \div d^2(N – 1)+X^2P(1 – P)$

$$s= \frac{3.841\times1,440,000\times0.5\times(1\text{-}0.5)}{0.05^2\times(1,440,000\text{-}1)}+3.841\times0.5\times(1\text{-}0.5)$$

$$s= \frac{3.841\times1,440,000\times0.5\times0.5}{0.0025\times1,439,999}+3.841\times0.5\times0.5$$

$$s= \frac{1,382,760}{3,599.9975}+0.96025$$

s= 385.06 or 385
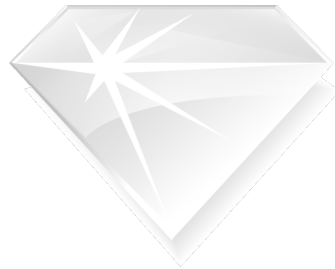
3.3 Research Instrument

There are different types of questionnaires used to conduct this research. A self –
administered questionnaire was designed by the researcher as the main instrument for this
research and was used for survey to collect data from the respondents. The questionnaire
was designed based on the conceptual framework in order to explore the factors that
affect employee turnover in Business Process Outsourcing (BPO) companies in the
Philippines. The researcher only used the English language in this study as it is the
official language of the Philippines. In general, there are three sections for the research
including:
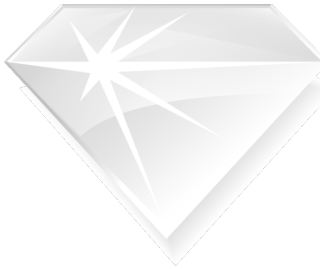
3.3.1 Section 1: Screening questions

In order to obtain the fundamental data from the qualified participating respondent and to avoid bias from non–qualified respondents, the screening questions were developed. There were two questions being developed in this part. The first question was "Do you currently work in a BPO company in the Philippines?". From this question, the respondents were given two choices of the answer "Yes" or "No". If the respondents answered "No", they will not be able to proceed with the next question and the survey will be marked as invalid. If the respondents answered "Yes", they will continue to the next question which is "How long have you been working in BPO?". From this question, the respondents were given five choices of an answer "Less than 1 year", "1 to 2 years", "2 to 3 years", "3 to 4 years", and "4 years and above". These questions were added by the researcher to find out how well experienced the respondents are in this industry to strengthen the validity of the research and to extract the data to be included in the sample size.

3.3.2 Section 2: Demographic Factors

This section contained questions about the demographic information of the respondents, these include 7 close-ended questions such as gender, age, marital status, educational background, monthly income, opinion about working in BPO, and most important reason to work in BPO. The main focus on this part of the questionnaire was to collect the personal data of the respondents.

Table 3.1: Scale and Level of Measurement for Demographic

Variable	Scale of Measurement	Level of Measurement
1. What is your gender?	Nominal Scale	1. Male 2. Female
2. What is your present age?	Ordinal Scale	1. 18 – 25 2. 26 – 35 3. 36 – 45 4. more than 45
3. What is your present marital status?	Nominal Scale	1. Single 2. Married 3. Divorced 4. Widowed 5. Separated

Table 3.1(continued): Scale and Level of Measurement for Demographic

Variable	Scale of Measurement	Level of Measurement
4. What is your highest educational background?	Nominal Scale	1. High school and below 2. High school graduate 3. College or University graduate 4. Graduate School
5. What is your monthly income?	Ordinal Scale	1. Less than 20,000 Php 2. 20,001 – 30,000 Php 3. 30,001 – 40,000 Php 3. 40,001 – 50,000 Php 4. 50,001 – 60,000 Php 5. More than 60,000 Php

Table 3.1(continued): Scale and Level of Measurement for Demographic

Variable	Scale of Measurement	Level of Measurement
6. What is your opinion about working in a BPO company in the Philippines?	Nominal Scale	1. mostly like it 2. rather like it 3. don't like it 4. no good comment about it
7. What is your most important reason to work in a BPO company in the Philippines?	Nominal Scale	1. To support myself 2. To support my family 3. To earn a higher salary 4. No other career choice

(Continued)

3.3.3 Section 3: Independent and dependent variables

The survey questions used a Likert-style five-point scale: 5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree, and 1 for strongly disagree. This method was chosen because it is simple to apply in self-completion surveys, whether paper-based or electronic (Brace, 2018). To investigate the potential effects on each of the 5 independent

variables: compensation and benefits, work environment and company culture, superior-subordinate relationship, rewards and recognition, and career development towards employee turnover, five survey items were developed under each variable. In total, 30 survey items were developed in this research.

5- Strongly Agree   4- Agree   3- Neutral   2- Disagree   1- Strongly Disagree

Table 3.2: Scale and Level of Measurement for All Variables

Factors	5	4	3	2	1
Independent variable					
Compensation and Benefits:					
1. Having a low salary is one of the reasons why I resign.					
2. I decide to find a new job if I am not well compensated by the company.					
3. I am more motivated to work if I get more benefits.					
4. I feel demotivated if the colleague I know with the same position and workload is more compensated than me.					
5. Good compensation and benefits make me stay longer in the company.					

(Continued)

Table 3.2 (continued): Scale and Level of Measurement for All Variables

Factors	5	4	3	2	1
Independent variable					
Work Environment and Company's Culture					
1. Poor working environment affects my willingness to work.					
2. Having a poor working environment makes me want to move to a company with better facilities.					
3. I consider staying in a company with strong core values and a healthy working environment.					
4. I consider quitting from my job when there is favoritism in the workplace.					
5. I decide to quit when there is too much toxicity in the workplace.					

Table 3.2 (continued): Scale and Level of Measurement for All Variables

Factors	5	4	3	2	1
Independent variable					
Superior – subordinate relationship					
1. Poor supervision is one of the leading factors why I decided to quit.					
2. I am more inclined to stay and work if the organization is stable and has a friendly working environment.					
3. I become less motivated to work when my supervisor counteracts positive relationship to employees.					
4. Having a good and professional relationship with my boss gives me job security and makes me stay longer in the company.					
5. I feel productive and enjoy my job if I have special connection to the manager I report to.					

(Continued)

Table 3.2 (continued): Scale and Level of Measurement for All Variables

Factors	5	4	3	2	1
Independent variable					
Rewards and recognition					
1. I feel valued if I am well rewarded and recognized.					
2. I become demotivated when I am aware that my employer is not taking my well-being seriously.					
3. Reward is a vital instrument in employee performance.					
4. I feel motivated when my employer recognized my achievements at work.					
5. The chance for me to quit is very high when I receive low recognition and award.					

(Continued)

Table 3.2 (continued): Scale and Level of Measurement for All Variables

Factors	5	4	3	2	1
Independent variable					
Career development					
1. I value a company who continuously provide training to their employees for self – improvement and career development.					
2. I am more likely to move to another organization if my managers do not give me opportunity for career development.					
3. I am more motivated to work when I notice that the organization, I am currently in is providing giving career advancement to their employees.					
4. Trainings and career development are important in retaining talented employees.					
5. Formal training programs are an effective way of directly transferring the organizational goals and values to whole group of people simultaneously.					

(Continued)

Table 3.2 (continued): Scale and Level of Measurement for All Variables

Factors	5	4	3	2	1
Independent variable					
Dependent variable					
Employee Turnover					
1. I will not consider working in a company with low compensation and benefit package.					
2. I would not stay in a company with poor working environment and culture.					
3. My chance of leaving an organization with poor superior – subordinate relationship is high.					
4. Rewards and recognition are very important to retain employees.					
5. Career development affects my willingness to work.					

(Continued)

3.4 Sampling Procedure

This research's primary data collection process was conducted through a web-based survey developed on Google Forms. A convenient sampling technique were used for this research and the questions were then sent out on social media platforms such as Facebook, Facebook Messenger, email, and Instagram.

3.5 Content Validity

The validity of the questionnaire was measured by examining the comments provided by the three experts in the fields of this study. The validity was calculated by considering the mean value of three opinions toward each statement of the questionnaire. The statements of questions were developed according to those comments. The author submitted the questionnaire to the thesis advisor along with these three qualified experts:

1. Dr. Papob Puttimanoradeekul – Professor, School of Business Administration, Bangkok University.

2. Esiel B. Cabrera, DBM, CEE, CGSP – College Dean, Joji Ilagan International School of Hotel and Tourism Management

3. Dennis Ken Lacia, REA, REB, MBA – Operations Manager, Lacia Realty and Appraisal Firm. International Student, Toronto School of Management, Ontario Canada.

The researcher calculated the consistency between questions and objectives or between objectives and content using the index of item-objective congruence (IOC) approach.

Where: $IOC = \dfrac{\Sigma R}{N}$

IOC = Consistency between the questions and objectives or objective and content

ΣR = Total assessment points given by the qualified experts

N = Number of items

An accepted IOC must have a consistency index value of 0.5 or above. According to this present research, the IOC has a consistency index value of 0.95. Therefore, the content of the questionnaire is valid and accepted.

3.6 Reliability Analysis

Cronbach's α coefficient was used to measure the reliability of the questionnaire, where the correlation is calculated using a range between zero (0) and one (1). This means that a coefficient closer to 1 suggests a perfect correlation, whereas a value closer to 0 indicates a relationship between the variables (Bryman and Bell, 2011). Zhou (2002) pointed out that α>0.7 stands for high reliability, 0.7>α>0.35 stands for acceptable reliability, and α<0.35 stands for low confidence. Pallant (2020) stated that the optimal α is >0.7 but a value of 0.6 acceptable especially for new or exploratory research, moreover if the scale has only few items. Because of this, anything above 0.6 has a tolerable level of reliability, but the greater the better.

3.7 Pilot Test

A pilot study was conducted to test the reliability of the questionnaire. This test is required, in accordance with Ebrahim (2003), to evaluate the dependability of data collection tools. To evaluate the validity of the study instrument, the researcher in this instance chose a pilot group of 42 people from outside the target population. The actual study did not use the pilot data. The findings assisted the researcher in addressing instrument discrepancies, ensuring that the instruments measured what was intended.

Table 3.3: Cronbach's Alpha of Similarity

Reliability Statistics

	Cronbachs Alpha	N of Items
Compensation and Benefits	0.897	5
Work Environment and Company's Culture	0.619	5
Superior - Subordinate Relationship	0.822	5
Reward and Recognition	0.910	5
Career Development	0.927	5
Employee Turnover	0.897	5

In this research, the Cronbach's Alpha reported that: Compensation and Benefits is 0.897, Work Environment and Company's Culture is 0.619, Superior – Subordinate Relationship is 0.822, Reward and Recognition is 0.910, Career Development is 0.927, and Employee Turnover is 0.897. Therefore, based on the result from the pilot test the reliability shows it is highly consistent.

3.8 Statistical Tool

To examine the data for each section of the questionnaire the researcher used descriptive statistics to analyze the demographic information of the respondents. This process involved frequency counts to determine how often each demographic category appeared among the respondents. By calculating the frequencies, the researcher could summarize and visualize the distribution of these characteristics such as age, gender, education level, and other relevant factors. These descriptive statistics provided a clear picture of the sample's composition, allowing the researcher to better understand the character of the respondent group.

The next step involved using inferential statistics, specifically multiple regression analysis, to investigate the relationships between several variables. The researcher conducted this inferential test to explore how multiple independent variables influence a dependent variable. Multiple regression is an inferential method that allows the researcher to make predictions and draw conclusions about the population based on the sample data. The analysis yields a multiple regression coefficient, which shows how much the dependent variable is expected to change with a one-unit change in the independent variable while holding another variable constant. Additionally, statistical measures like the R-squared value are used to assess how well the independent variable explains the variation in the dependent variable. An R-squared value closer to 1 indicates a stronger relationship, meaning that the independent variables explain a larger portion of the variance in the dependent variable. This approach enabled the researcher to understand both the direction (positive or negative) and strength of the relationship

between the variables, allowing for more generalizable insights about how these relationships may function in a broader population.

By combining descriptive statistics to summarize the demographic data and inferential statistics to explore the relationships between the variables, the researcher was able to draw conclusions that not only describe the sample but also make predictions and generalizations about the population as a whole.
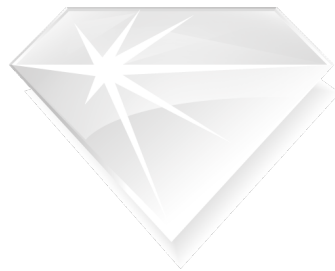
CHAPTER 4

RESEARCH FINDINGS AND DATA ANALYSIS

This chapter presents the analysis and interpretation of data, followed by a discussion of the research findings. The result of this research will be presented and structured into three main parts:

4.1 Demographic information using frequency and percentage.

4.2 The analysis of the significant effects of compensation and benefits, work environment and company culture, superior-subordinate relationship, rewards and recognition, and career development on employee turnover in BPO companies in the Philippines by using mean ($\bar{x}$) and standard deviation (S.D).

4.3 Systematic result for hypothesis testing.

Symbols used for Data Analysis:

$\bar{x}$ = Mean value

S.D   = Standard deviation

R^2 = Adjusted R-square for the number of terms in a model

t   = Ratio of an estimated parameter's deviation from its expected value to its standard error

Beta   = The estimates from an analysis of standardized independent variables with a variance of 1.

4.1 The Analysis of Samples' Demographic Information

      The research findings related to the respondents' data, including gender, age, marital status, educational background, monthly income, opinions on working in BPO, reasons for working in BPO, and how long the respondents have been working in a BPO were presented in this section. The data analysis was conducted using percentage ratios and frequency counts. The results are shown in tables 4.1.1 to 4.1.7 below.

Table 4.1.1: Frequency and Percentage of Demographic Data: Gender

Gender	Frequency	Percentage
Male	144	37.4
Female	171	44.4
Prefer not to say	70	18.2
Total	385	100

      The gender distribution of the respondents in the survey revealed a relatively balanced representation, with females comprising the majority at 44.4% (171 respondents), followed by males at 37.4 % (144 respondents). A proportion of the respondents, 18.2% (70 respondents), chose the option "prefer not to say.

Table 4.1.2: Frequency and Percentage of Demographic Data: Age

Age	Frequency	Percentage
18-25 years old	29	7.5
26-35 years old	277	71.9
36-45 years old	75	19.5
More than 45 years old	4	1.1
Total	385	100

The study revealed a clear age distribution among respondents. The majority of the respondents were falling in the 26-35 years old age range at 71.9% (277 respondents). This is followed by the respondents falling in the 36-45 years old age range at 19.5% (75respondents). The age group 18-25 years old accounted 7.5% (29 respondents) and only 1.1% (4 respondents) were over 45 years old.

Table 4.1.3: Frequency and Percentage of Demographic Data: Marital Status

Marital Status	Frequency	Percentage
Single	320	83.1
Married	61	15.8
Separated	4	1.1
Total	385	100

As shown in table 4.1.3, the majority of the respondents were single at 83.1%

(320 respondents). Followed by married at 15.8% (61 respondents) and lastly, separated

at 1.1% (4 respondents).

Table 4.1.4: Frequency and Percentage of Demographic Data: Educational Background

Educational Background	Frequency	Percentage
High School and below	3	.8
College level	80	20.8
College/University Graduate	231	60
Graduate School	71	18.4
Total	385	100

The educational background of the respondents in the survey revealed that the

majority of the respondents were college/University graduates at 60% (231 respondents).

20.8 % (80 respondents) are in college level, while 18.4% (71 respondents) are in

Graduate School. The remaining .8% (3 respondents) were in high school and below.

4.1.5: Frequency and Percentage of Demographic Data: Monthly Income

Monthly Income	Frequency	Percentage
Less than 20,000 Php	37	9.6
20,001 to 30,000 Php	146	37.9
30,001 to 40,000 Php	105	27.3
40,001 to 50,000 Php	48	12.5
50,001 to 60,000 Php	25	6.5
More than 60,000 Php	24	6.2
Total	385	100

The majority of the sample's monthly income fell in the 20,001 to 30,000 Php range at 37.9% (146 respondents), followed by 27.3% (105 respondents) in the 30,001 to 40,000 Php salary range. 12.5% (48 respondents) were earning 40,001 to 50,000 Php per month. 6.5% (25 respondents) were earning 50,001 to 60,000 Php while 6.2% (24 respondents) were earning more than 60,000 Php per month. On the other hand, 9.6% (37 respondents) were earning less than 2,000 Php monthly.

Table 4.1.6: Frequency and Percentage of Demographic Data: Opinion about working in BPO

Opinion about working in BPO	Frequency	Percentage
Mostly like it	161	41.8
Rather like it	163	42.3
Don't like it	8	2.1
No good comment about it	53	13.8
Total	385	100

Based on the survey, the results revealed that the majority of respondents have a positive opinion about working in the BPO industry. As shown in Table 4.1.6, 42.3% (163 respondents) indicated that they 'rather like it,' while 41.8% (161 respondents) stated they 'mostly like it.' This accounted for 84.1% of the total respondents, demonstrating an overall favorable perception of the industry. On the other hand, a small percentage of respondents, 2.1% (8 respondents) expressed that 'they don't like it,' which indicates a low level of dissatisfaction. Moreover, 13.8% (53 respondents) reported having 'no good comment about it,' suggesting a neutral or indifferent perspective among this minority group.

Table 4.1.7: Frequency and Percentage of Demographic Data: Reason to work in BPO

Reason to work in BPO	Frequency	Percentage
To support myself	174	45.2
To support my family	100	25.9
To earn a higher salary	63	16.4
No other career choice	48	12.5
Total	385	100

Based on the survey, the results revealed that the primary reason to work in the BPO industry is 'to support myself,' with 45.2% (174 respondents). This indicated that a significant number of employees see BPO work as a means of achieving personal financial independence. The second most common reason, cited by 25.9% (100 respondents), is "to support my family,' highlighting the industry's role in providing financial stability for employees with dependents. Additionally, 16.4% (63 respondents) chose to work in the BPO industry 'to earn a higher salary,' reflecting the perception of competitive compensation in this field. However, 12.5% (48 respondents) indicated that they work in the BPO sector due to having 'no other career choice,' which may suggest limited employment opportunities.

Table 4.1.8: Frequency and Percentage of Demographic Data: How long have you been working in BPO

How long have you been working in BPO	Frequency	Percentage
Less than a year	27	7.0
1 to 2 years	93	24.1
2 to 3 years	53	13.8
3 to 4 years	105	27.3
4 years and above	107	27.8
Total	385	100

As shown in Table 4.1.8, the results revealed that the majority of respondents 27.8% (107 respondents) have been working in the BPO industry for 4 years and above, followed closely by those with 3-4 years of experience at 27.3% (105 respondents). This showed that more than half of the respondents have significant tenure in the industry. Those with 1-2 years of experience accounted for 24.1% (93 respondents), while a smaller portion, 13.8% (53 respondents), reported to have 2-3 years of experience. Lastly, only 7% (27 respondents) indicated that they have been working in the BPO industry for less than a year.

4.2 The Analysis of the Dependent and Independent Variables

The analysis and interpretation of all independent variables - compensation and benefits, work environment and company culture, superior-subordinate relationship, rewards and recognition, and career development - were conducted using an average range interpretation, as follows:

Average range of 1.00 – 1.80 refers to strongly disagree

Average range of 1.81 – 2.61 refers to disagree

Average range of 2.62 – 3.42 refers to neutral

Average range of 3.43 – 4.23 refers to agree

Average range of 4.24 – 5 refers to strongly agree

The highest mean scores of the independent variable indicate the strongest agreement with the statements related to these variables, which significantly affect employee turnover in BPO companies in the Philippines.

Table 4.2.1 The Mean ($\bar{x}$) and Standard Deviation (S.D) of Compensation and Benefits

Compensation and Benefits	$\bar{x}$	S.D	Interpretation
2.1 Having a low salary is one of the reasons why I resign.	4.10	0.792	Agree
2.2 I decide to find a new job if I am not well compensated by the company.	4.18	0.661	Agree

Table 4.2.1 (continued): The Mean (x̄) and Standard Deviation (S.D) of Compensation and Benefits

Compensation and Benefits	x̄	S.D	Interpretation
2.3 I am more motivated to work if I get more benefits.	4.51	0.670	Strongly Agree
2.4 I feel demotivated if the colleague I know with the same position and workload is more compensated than me.	3.89	1.004	Agree
2.5 Good compensation and benefits make me stay longer in the company.	4.50	0.681	Strongly Agree
Total	4.24	0.81	Strongly Agree

Based on the result shown in Table 4.2.1, in item 2.1 'Having a low salary is one of the reasons why I resign': had an average mean score of 4.10 suggests that the respondents generally agreed that a low salary is one of the reasons they would consider resigning from their job. The standard deviation of 0.792 indicates a relatively consistent response. In item 2.2 'I decide to find a new job if I am not well compensated by the company,' had an average mean of 4.18, the respondents again agreed on the statement they would seek new jobs if they are not well compensated. The standard deviation of 0.661 is lower, meaning that most respondents have a similar point of view on the importance of compensation in their jobs. In item 2.3 'I am more motivated to work if I get more benefits,' the mean of 4.51 indicates that most respondents strongly agreed with

the statement, this means that the respondents are highly motivated by the chances of receiving more benefits at work. The standard deviation of 0.670 shows that there are still some variations in the responses. However, it is clear that having more benefits play a significant role in motivating employees. In item 2.4: 'I feel demotivated if the colleague I know with the same position and workload is more compensated than me,' with a mean of 3.89 the respondents agreed that the pay differences among colleagues in the same role can demotivate them. The standard deviation of 1.004 is the highest among all items, suggesting that there is a wider range of opinions about this issue, some respondents strongly agree and some feel less affected by compensation inequality. Lastly, in item 2.5 'Good compensation and benefits make me stay longer in the company,' the mean of 4.50 shows strong agreement, meaning that respondents believe good compensation and benefits are key factors in their decision to stay longer in the company. The standard deviation of 0.681 reveals that, while most people agree, there is still some variation in how strongly they feel about the role of compensation and benefits in retention. The overall mean of 4.24 and the overall standard deviation of 0.81 indicate that respondents generally strongly agree with the importance and the significant effects of five items in employee turnover.

Table 4.2.2 The Mean (x̄) and Standard Deviation (S.D) of Work Environment and Company Culture

Work Environment and Company Culture	x̄	S.D	Interpretation
3.1 Poor working environment affects my willingness to work.	4.18	0.923	Agree
3.2 Having a poor working environment makes me want to move to a company with better facilities.	4.14	0.922	Agree
3.3 I consider staying in a company with strong core values and a healthy working environment.	4.68	0.534	Strongly Agree
3.4 I consider quitting from my job when there is favoritism in the workplace.	4.30	0.716	Strongly Agree
3.5 I decide to quit when there is too much toxicity in the workplace.	4.30	0.741	Strongly Agree
Total	4.32	0.80	Strongly Agree

Based on the results shown in table 4.2.2, in item 3.1 'Poor working environment affects my willingness to work,' the mean of 4.18 suggests that the respondents generally agree that having a poor working environment has a significant effect on their willingness to work. The standard deviation of 0.923 is the highest among the 5 items, which indicates that there are some variations in the respondents' opinions about this statement, but overall, the majority agree that the working environment plays an important role in

their motivation. In item 3.2 'Having a poor working environment makes me want to move to a company with better facilities': with a mean of 4.14, respondents agree that a poor working environment would make them consider moving to another company with better facilities. The standard deviation of 0.922 is similar to item 3.1, which suggests that there are some variations in individual responses. In item 3.3 'I consider staying in a company with strong core values and a healthy working environment,' with a high mean of 4.68 and a standard deviation of 0.534, indicates that the majority of the respondents strongly agree and will prioritize working in a company with strong core values and a healthy working environment. The low standard deviation explains that the respondents were quite consistent, with most agreeing strongly that these factors influence their decision to stay with an organization. In item 3.4 'I consider quitting from my job when there is favoritism in the workplace,' with a mean of 4.30 and a standard deviation of 0.716 explains that favoritism in a workplace is a strong discouragement for employees, with a significant portion of the respondents strongly agreed with the statement. Lastly, the item 3.5 'I decide to quit when there is too much toxicity in the workplace,' got a mean score of 4.30 and a standard deviation of 0.741. This indicates that too much toxicity in the workplace is one of the major factors influencing employees to quit their jobs. Similar to the previous item about favoritism, the respondents strongly agreed that workplace toxicity is a significant reason for leaving a job. The overall mean of 4.32 and a standard deviation of 0.80 imply that employees put a high value on both their work environment and company culture. The interpretation "strongly agree" reflects that the

majority of respondents are in strong agreement about the significant effect of work

environment and company culture on employee turnover.

Table 4.2.3 The Mean ($\bar{x}$) and Standard Deviation (S.D) of Superior-Subordinate

Relationship

Superior-Subordinate Relationship	$\bar{x}$	S.D	Interpretation
4.1 Poor supervision is one of the leading factors why I decided to quit.	3.98	0.869	Agree
4.2 I am more inclined to stay and work if the organization is stable and has a friendly working environment.	4.37	0.743	Strongly Agree
4.3 I become less motivated to work when my supervisor counteracts positive relationship to employees.	3.65	1.126	Agree
4.4 Having a good and professional relationship with my boss gives me job security and makes me stay longer in the company.	4.06	0.841	Agree
4.5 I feel productive and enjoy my job if I have special connection to the manager I report to.	3.89	0.998	Agree
Total	3.99	0.95	Agree

Based on the results shown in table 4.2.3, in item 4.1 'Poor supervision is one of the leading factors why I decided to quit,' a mean of 3.98 and a standard deviation of 0.869 suggests that the respondents generally agree that poor supervision is a significant reason of quitting a job. In item 4.2 'I am more inclined to stay and work if the organization is stable and has a friendly working environment,' the high mean of 4.37 and a low standard deviation of 0.743 indicates that the respondents strongly agree about the importance of organizational stability and a friendly work environment. In item 4.3, 'I become less motivated to work when my supervisor counteracts positive relationship to employees,' with a mean of 3.65, this suggests that employees agree that supervisors who undermine positive relationships with employees can reduce motivation. The higher standard deviation of 1.126 indicates a considerable in how the respondents perceive the influence of supervisor behavior on their motivation. While some respondents may seem affected by negative supervisor relationships, others may not see it as an issue. In item 4.4, 'Having a good and professional relationship with my boss gives me job security and makes me stay longer in the company,' a mean of 4.06 and a standard deviation of 0.841 indicate that a significant number of respondents agree that having a positive, professional relationship with their supervisor contributes to job security and encourages them to stay in the company. Lastly in item 4.5, 'I feel productive and enjoy my job if I have a special connection to the manager I report to,' the mean of 3.89 and a standard deviation of 0.998 indicate that the respondents generally agree that having a strong connection with their manager makes them feel more productive and satisfied with their job. The overall mean of 3.99 and standard deviation of 0.95 suggest that the respondents,

on average, agree that a superior-subordinate relationship has a significant effect on employee turnover.

Table 4.2.4 The Mean (x̄) and Standard Deviation (S.D) of Rewards and Recognition

Rewards and Recognition	x̄	S.D	Interpretation
5.1 I feel valued if I am well rewarded and recognized.	4.46	0.695	Strongly Agree
5.2 I become demotivated when I am aware that my employer is not taking my well-being seriously.	4.09	1.068	Agree
5.3 Reward is a vital instrument in employee performance.	4.37	0.904	Strongly Agree
5.4 I feel motivated when my employer recognized my achievements at work.	4.39	0.823	Strongly Agree
5.5 The chance for me to quit is very high when I receive low recognition and award.	4.04	1.122	Agree
Total	4.27	0.95	Strongly Agree

Based on the results shown in table 4.2.4, in item 5.1 'I feel valued if I am well rewarded and recognized,' a mean of 4.46 and a standard deviation of 0.695 indicates that the respondents strongly agree that being rewarded and recognized makes them feel valued. This high mean and low standard deviation suggest that employees strongly agree

that reward and recognition are critical to their sense of being valued in the company. In item 5.2, 'I become demotivated when I am aware that my employer is not taking my well-being seriously,' the mean of 4.09 indicates that the respondents generally agree that a lack of focus in their well-being leads to demotivation. The standard deviation of 1.068 is relatively high, meaning that responses vary more significantly. While some employees are strongly affected by employers' lack of attention to well-being, others may not be as impacted. In item 5.3, 'Reward is a vital instrument in employee performance,' with a mean of 4.37 and a standard deviation of 0.904, the respondents strongly agree that rewards play a vital role in motivating and enhancing employee performance. In item 5.4, 'I feel motivated when my employer recognizes my achievements at work,' a mean score of 4.39 and a standard deviation of 0.823 suggest that the respondents strongly agree that recognition of achievements by their employer is a powerful motivator. The low variability of the response highlights the idea that most employees are highly motivated when their work is acknowledged. Lastly, in item 5.5, 'The chance for me to quit is very high when I receive low recognition and award,' with a mean of 4.04, this result indicates that employees agree on the statement and are inclined to leave when they feel that their contributions are not sufficiently recognized or rewarded. The high standard deviation of 1.122 suggests significant variability in responses, meaning some respondents are strongly affected by low recognition, while others are less affected. The overall mean of 4.27 and a standard deviation of 0.95 indicate that the respondents strongly agree about the significant effects of five items in employee turnover.

Table 4.2.5The Mean (x̄) and Standard Deviation (S.D) of Career Development

Career Development	x̄	S.D	Interpretation
6.1 I value a company who continuously provide training to their employees for self – improvement and career development.	4.42	0.856	Strongly Agree
6.2 I am more likely to move to another organization if my managers do not give me opportunity for career development.	3.98	0.969	Agree
6.3 I am more motivated to work when I notice that the organization, I am currently in is providing career advancement to their employees.	4.31	0.849	Strongly Agree
6.4 Trainings and career development are important in retaining talented employees.	4.36	0.848	Strongly Agree
6.5 Formal training programs are an effective way of directly transferring the organizational goals and values to whole group of people simultaneously.	4.12	0.959	Agree
Total	4.24	0.91	Strongly Agree

Based on the results shown in table 4.2.5, in item 6.1 'I value a company who continuously provide training to their employees for self – improvement and career development,' with a mean score of 4.42 and a standard deviation of 0.856 indicates that the respondents strongly agree and highly value a company that invest in continuous training and career development. In item 6.2 'I am more likely to move to another organization if my managers do not give me opportunity for career development,' with a mean score of 3.98, suggests that the respondents agree on the statement and are likely to move to another organization if career development opportunities are lacking. The standard deviation of 0.969 shows moderate response variability, meaning some employees are more strongly motivated by career development opportunities than others. In item 6.3 'I am more motivated to work when I notice that the organization, I am currently in is providing career advancement to their employees,' the mean score of 4.31 and standard deviation of 0.849 indicates that the respondents strongly agree that career advancement opportunities play a key role in motivating employees. The relatively low standard deviation shows a high degree of agreement among respondents, suggesting that career advancement is a widely recognized motivator. This is similar to item 6.4 'Trainings and career development are important in retaining talented employees,' with a mean score of 4.36 and a standard deviation of 0.848, This result shows that the respondents strongly agree that training and career development opportunities are essential in retaining talented employees. Lastly, item 6.5 'Formal training programs are an effective way of directly transferring the organizational goals and values to whole group of people simultaneously,' the mean of 4.12 and a standard deviation of 0.959

suggest that the respondents generally agree that formal training programs are an effective way to communicate organizational goals and values to employees. The relatively high standard deviation indicates that while many employees see the value of formal training for alignment with company goals, some may prefer other methods of communication or feel that training could be improved. However, the general trend suggests that formal training programs are still seen as an important tool for organizational alignment. Overall, the mean score of 4.24 indicates strong agreement that career development is critical to employee motivation and retention. The standard deviation of 0.91 shows moderate variation in responses, meaning while most employees value career development, there is some diversity in how strongly they feel about their importance.

Table 4.2.6 The Mean ($\bar{x}$) and Standard Deviation (S.D) of Employee Turnover

Employee Turnover	$\bar{x}$	S.D	Interpretation
7.1 I will not consider working in a company with low compensation and benefit package.	4.39	0.819	Strongly Agree
7.2 I would not stay in a company with poor working environment and culture.	4.31	0.785	Strongly Agree
7.3 My chance of leaving an organization with poor superior – subordinate relationship is high.	4.23	0.803	Agree

(Continued)

Table 4.2.6 (continued): The Mean (x̄) and Standard Deviation (S.D) of Employee

Turnover

Employee Turnover	x̄	S.D	Interpretation
7.4 Rewards and recognition are very important to retain employees.	4.42	0.889	Strongly Agree
7.5 Career development affects my willingness to work	4.33	0.891	Strongly Agree
Total	4.34	0.84	Strongly Agree

Based on the result shown in table 4.2.6, in item 7.1 'I will not consider working

in a company with low compensation and benefit package,' a mean score of 4.39 and a

standard deviation of 0.819 indicate that the respondents strongly agree and value

competitive compensation and benefits. This result highlights the critical importance of a

strong financial benefits package when considering job offers to minimize employee

turnover. In item 7.2 'I would not stay in a company with poor working environment and

culture,' the mean of 4.31 and standard deviation of 0.785 reveals that the respondents

strongly agree with the statement and are unlikely to stay in an organization with a poor

working environment and company culture. The relatively low standard deviation

suggests broad agreement among respondents; this indicates that a proper working

environment and company culture are crucial factors in employee retention. If these

factors are lacking, employees are more inclined to leave. In item 7.3, 'My chance of

leaving an organization with poor superior-subordinate relationship is high,' a mean of

4.23 and a standard deviation of 0.803 indicate that the respondents agree and recognize the significant effect of superior-subordinate relationships on their decision to stay or leave. While the mean indicates agreement that a poor relationship with supervisors increases the likelihood of turnover, the standard deviation shows that there is some variation in how strongly this factor affects individual employees. Some may find poor relationships with supervisors a deal-breaker, while others may be more tolerant of such conditions. In item 7.4 'Rewards and recognition are very important to retain employees,' the mean score of 4.42 and standard deviation of 0.889 indicates that the respondents strongly agree the critical role of rewards and recognition play in retaining employees. This finding is consistent with the previous results regarding the importance of being recognized and rewarded. The relatively high standard deviation suggests that while most respondents strongly agree with this point, there is still some variability in the way different individuals experience and value rewards and recognition. Lastly, item 7.5 'Career development affects my willingness to work,' a mean of 4.33 and a standard deviation of 0.891, which indicates that the respondents strongly agree that career development opportunities influence their willingness to work and stay with a company. The standard deviation suggests a moderate variation in responses, indicating that while career development is highly motivating for most, some may prioritize other factors more. The overall mean of 4.34 and standard deviation of 0.84 indicate a strong agreement that a range of factors, including compensation and benefits, work environment and company culture, superior-subordinate relationship, rewards and recognition, and career development, are all critical in preventing employee turnover and

encouraging retention. The relatively low standard deviation further supports that these factors are universally important to employees.

4.3 The systematic results for hypothesis testing

This study aimed to examine the substantial impacts of compensation and benefits, work environment and company culture, superior-subordinate relationship, rewards and recognition, and career development on employee turnover in Business Process Outsourcing (BPO) companies in the Philippines. To analyze the influence of these five independent variables on the dependent variable, the researcher employed multiple regression analysis. The findings were presented in Table 4.3.1.

Table 4.3.1 The effect of compensation and benefits, work environment and company culture, superior-subordinate relationship, rewards and recognition, and career development on employee turnover in BPO companies in the Philippines

Variable	ß value	Sig.
(Constant)	.571	.002
Compensation and benefits	.204	.000
Work environment & company culture	-.023	.330
Superior-subordinate relationship	.311	.000
Rewards and recognition	.571	.000
Career development	-.111	.014
R^2	.788	
Adjusted R Square	.785	

Based on the result shown in table 4.3.1, the analysis yielded an Adjusted R Square value of .785, meaning that approximately 78.5% of the variation in employee turnover can be explained by the independent variables: compensation and benefits, work environment and company culture, superior-subordinate relationship, rewards and recognition, and career development. This implies that the model provides a strong explanatory power for employee turnover. The remaining 21.5% of variance can be attributed to other factors not included in this study, such as personal reasons, job security, or external job opportunities.

The regression showed that rewards and recognition ß = 0.571, p = 0.000) has the strongest positive effect on employee turnover, followed by superior-subordinate relationships (ß = 0.311, p = 0.000), and compensation and benefits (ß = 0.204, p = 0.000). These findings are contrary to the expectations, as they suggest that even when employees receive competitive pay, recognition, and maintain a good relationship with their supervisors, they may still choose to leave the organization. This unexpected positive relationship implies that these factors alone are insufficient for retention and that other unmet needs, such as job satisfaction or opportunities for career advancement could be driving turnover. In contrast, career development (ß = -0.111, p = 0.014) significantly reduces turnover, supporting the importance of professional growth opportunities in retaining employees. Meanwhile, work environment and company culture (ß = -.023, p = 0.330) show a slight negative impact on turnover. However, the result is not significant, which means that their effects on employee turnover in this analysis is not reliable.

Table 4.3.2 Hypotheses results

Hypotheses	Result
H1: There is a statistically significant of compensation and benefits on employee turnover in BPO companies in the Philippines.	**Accepted**
H2: There is a statistically significant effect of work environment and company culture on employee turnover in BPO companies in the Philippines.	**Rejected**
H3: There is a statistically significant effect of superior-subordinate relationships on employee turnover in BPO companies in the Philippines.	**Accepted**
H4: There is a statistically significant effect of rewards and recognition on employee turnover in BPO companies in the Philippines.	**Accepted**
H5: There is a statistically significant effect of career development on employee turnover in BPO companies in the Philippines.	**Accepted**

CHAPTER 5

CONCLUSION AND DISCUSSION

This chapter presents a summary of the study's key findings, revisiting the

research question or hypothesis and providing a brief overview of the results. The

findings were interpreted in the existing literature and theoretical framework discussed in

Chapter 2. Additionally, the chapter explored the practical implications of the study,

including recommendations for business strategies and insights relevant to policy makers.

It also highlighted the study's contributions to academic knowledge. Lastly, the chapter

outlined the study's limitations and offers suggestions for future research.

5.1 Conclusion of the findings

To explore the significant effects of compensation and benefits, work

environment and company culture, superior-subordinate relationship, rewards and

recognition, and career development on employee turnover in Business Process

Outsourcing (BPO) companies in the Philippines the researcher formulated a hypothesis.

Using multiple linear regression, the researcher analyzed the interrelationship between

the independent variables and the dependent variable. The findings revealed that the

independent variables, compensation and benefits, superior-subordinate relationship,

rewards and recognition, and career development have significant effects on employee

turnover in Business Process Outsourcing (BPO) companies in the Philippines. On the

other hand, the work environment and company culture did not have a significant effect

on turnover. While workplace culture remains important for overall job satisfaction, other factors such as compensation, rewards, and career development may have a greater influence on an employee's decision to leave. In this research, career development was seen to be the most effective factor in reducing employee turnover. Organizations should focus on providing promotion opportunities, training programs, and mentorship to retain employees. Rewards and recognition significantly contribute to turnover. This suggests that rewards alone do not prevent employees from leaving and should be coupled with meaningful career growth and job satisfaction initiatives. Compensation and benefits do not guarantee retention. While salary and benefits are indeed important, they are not the only determining factors in an organization. Companies should look beyond monetary incentives to improve retention. Superior-subordinate relationships, on the other hand, may not always be a retention factor. Employees with strong relationships with their supervisors may still leave due to other external career opportunities.

5.2 Discussion

The results of this study offered a helpful insight into the factors affecting employee turnover, revealing both expected and unexpected findings. In this section, the implications of these results will be discussed in relation to the existing literature, highlighting how they align with previous research. The purpose is to explore the fundamental reasons behind these findings and consider their potential impact on organizational practices.

The regression results showed that compensation and benefits statistically impact employee turnover (p = 0.000). However, the positive ß value (0.204) suggests that a higher compensation is associated with increased turnover, which is contrary to the expected result. This revealed that employees who received better compensation and benefits may still pursue opportunities elsewhere, possibly due to career growth limitations, work-life balance concerns, or external job market competitiveness. As Hom et al. (2012) explained, higher pay may increase employee visibility and desirability in the external job market, making them more likely to be recruited by competitors. Similarly, Mitchell et al. (2001) noted that individuals with better compensation packages are more confident and mobile in the labor market, increasing their likelihood of turnover when career fulfillment is lacking. This finding aligned with Herzberg's (1959) Motivation-Hygiene Theory, which explains that while compensation and other extrinsic factors (hygiene factors) can prevent dissatisfaction, they do not necessarily lead to job or long-term satisfaction. According to this theory, factors such as opportunities for personal growth and recognition play a more crucial role in enhancing employee satisfaction and commitment over time. Moreover, Zhou et al. (2011) found that in fast-growing industries like BPO, employees may prioritize career development, recognition, and work-life balance over salary alone, leading to increased turnover even among well-compensated staff.

On the other hand, traditional findings suggest a negative relationship between compensation and turnover. For instance, Hausknecht, Rodda, and Howard (2009) observed that competitive compensation packages are among the top reasons employees

stay, especially when coupled with positive working conditions and career progression. Similarly, Shaw, Delery, Jenkins, and Gupta (1998) found that better pay systems are strongly associated with lower voluntary turnover, as financial incentives contribute to both satisfaction and loyalty.

The relationship between work environment and company culture and employee turnover were found to be statistically insignificant (p = 0.330). While the negative ß value (-0.23) indicates that an improved work environment and company culture slightly reduces employee turnover, this effect was not strong enough to be significant. This implies that factors such as workplace atmosphere and company culture alone may not be the primary reason for employees to leave. This was supported by Harter, Schmidt & Hayes (2002) who stated that while a positive work environment and company culture are important for employee satisfaction, their impact on employee retention is not as significant as factors like rewards and career development. Additionally, Ghosh et al. (2013) argued that employees in high-turnover industries often prioritize extrinsic motivators over organizational culture, particularly when burnout or repetitive tasks are involved. Similarly, Allen, Bryant, and Vardaman (2010) emphasized that a positive culture only becomes effective in reducing turnover when aligned with clear growth paths and recognition systems.

On the other hand, several studies have proven that a strong, inclusive, and engaging workplace culture can significantly reduce employee turnover. For example, Cameron and Quinn (2006) posited that organizational culture directly shapes employee behavior and commitment, and that cultural alignment can enhance employee

engagement and reduce withdrawal behaviors. Similarly, Kristof-Brown et al. (2005) noted that person–organization fit, particularly in terms of shared values and cultural alignment, has a strong inverse relationship with turnover intentions.

The contrasting findings suggests that while work environment and company culture are important, their ability to reduce turnover may depend on how well they are connected with other motivators such as career growth, compensation and management support.

The superior-subordinate relationship was found to be a significant predictor of employee turnover (p = 0.000). Interestingly, the positive ß value (0.311) suggests that while superior-subordinate relationships improve, employee turnover also increases. This finding contradicts the expected result, as better relationships with supervisors are typically associated with higher retention rates. Possibly, employees with strong relationships with their superiors may feel more confident in their professional skills and networking, making them more likely to explore external opportunities. A study by Klein & Weaver (2000) suggested that while supervisor support generally leads to lower turnover, the relationship's effect may vary depending on the employee's personal career goals and perception. In some cases, employees with better relationships with their supervisors might be more likely to leave because they feel more empowered or encouraged to pursue a better professional growth elsewhere. Similarly, Hom et al. (2012) suggest that good leader-member relationships may increase mobility confidence, as employees feel better prepared for new challenges outside their current organization. Ng and Feldman (2014) also found that career mentoring by supervisors can positively

influence turnover when employees develop higher career expectations or feel they have outgrown their current roles.

On the other hand, substantial research supports the traditional view that a positive superior-subordinate relationship reduces turnover. For instance, Graen and Uhl-Bien's (1995) Leader-Member Exchange (LMX) theory argues that high-quality relationships between leaders and subordinates foster trust, loyalty, and commitment, all of which are negatively correlated with turnover. In line with this, Eisenberger et al. (2002) found that perceived supervisor support is a strong predictor of organizational commitment and retention, particularly when employees feel valued and recognized by their leaders. These contrasting perspectives suggest that while supportive leadership is generally desirable, its influence on turnover may depend on how it aligns with employee motivations, expectations, and perceived growth opportunities.

The most significant and strongest predictor of employee turnover in this study is rewards and recognition (p = 0.000, ß = 0571). The positive coefficient suggests that an increase in rewards and recognition is associated with a higher employee turnover rate, which is contrary to the expected outcome. However, Eisenberger & Stinglhamber (2011) highlighted, that rewards and recognition as forms of perceived organizational support can have a paradoxical effect on turnover. While they often enhance employee satisfaction and commitment, excessive rewards without clear career development opportunities can lead to expectations that organizations might not be able to meet in the long term, leading to turnover. This supports the argument that monetary and non-monetary recognition alone do not guarantee employee retention, especially if employees

feel undervalued in other areas such as career development and job responsibilities. In contrary, numerous studies show that rewards and recognition, when well-managed, are powerful retention tools. For instance, Deci, Koestner, and Ryan (1999) emphasized that non-monetary recognition, such as praise, autonomy, and acknowledgment of achievements, enhances intrinsic motivation and reduces turnover. Long and Shields (2010) also found that a balanced reward system—including financial incentives and recognition programs—was significantly associated with lower voluntary turnover in knowledge-based industries.

Therefore, influence of rewards and recognition on employee turnover appears to be complex. To be effective, these practices should be thoughtfully integrated with opportunities for career growth, clear communication, and meaningful work. Without this balance, they risk fostering unrealistic expectations or unintended dissatisfaction.

Among all independent variables, career development was the only factor that had a negative and significant impact on employee turnover (p = 0.014, ß = -0.111). This means that employees with better career development are less likely to leave. This finding aligns with existing literature, Kuvas & Dysvik (2009) who found that employees who perceive that their employer is committed to their career development are more likely to be satisfied with their jobs and less likely to leave. Career development opportunities positively affect both individual and organizational outcomes by increasing employee retention and performance. Sturges et al. (2005) also noted that access to developmental resources, such as training, mentoring, and career planning, strengthens the psychological contract between the employee and employer, enhancing feelings of

loyalty and retention. When employees feel they have a clear path to advance, they are more likely to invest in their current roles and organizations. However, it is worth noting that career development must be meaningful, personalized, and well-communicated. As Arnold and Cohen (2008) pointed out, if employees feel that developmental opportunities are limited or misaligned with their aspirations, it can lead to disengagement and eventual turnover. Thus, it is not only the presence of career development programs but also their perceived accessibility, fairness, and relevance that determine their effectiveness in reducing employee turnover.
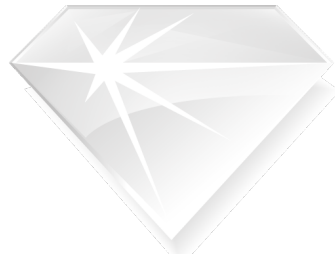
5.3 Managerial Implications

The results of this study offered practical recommendations, aimed at helping organizations improve employee retention and reduce turnover rate. HR and management should prioritize on career development opportunities by implementing career growth programs, offer helpful trainings, skills development, and promote internal advancements to help reduce turnover. Additionally, it is important to improve rewards systems beyond monetary compensations by aligning rewards with career progression and long-term job satisfaction, while also offering personalized recognition programs that emphasize employee growth. Management should also analyze the role of compensation in turnover by conducting an exit interview to get an in-depth understanding of why employees leave despite receiving compensation. Ensuring salary structures are competitive, supported by engagement and career development efforts, should also be taken in place. Furthermore, companies should strengthen retention strategies beyond supervisor relationships to

ensure that employees feel a sense of purpose and stability in their roles. Lastly, even though the study found no significant impact, assessing and improving workplace culture, if necessary, remains crucial, as healthy and inclusive work environment still contributes to employee satisfaction and overall productivity.

5.4 Academic Contribution

This study gave several academic contributions to the field of human resource management and employee retention. First, it provides empirical evidence on the complex and often contradictory relationships between various organizational factors such as compensation and benefits, work environment and company culture, superior-subordinate relationship, rewards and recognitions, and career development. The findings of the study challenge some traditional assumptions, especially regarding the effects of compensation and rewards on retention, emphasizing the importance of intrinsic factors like career development opportunities in easing turnover. By integrating Herzberg's Motivation-Hygiene Theory and other relevant literature, this research offers a theoretical contribution that enhances our understanding of how extrinsic and intrinsic motivators work to influence employee satisfaction and retention. Lastly, this study contributes to the clearer discussion of employee engagement and retention strategies, offering new insights into the role of organizational culture and leadership in determining turnover outcomes, especially in the Business Process Outsourcing (BPO) industry in the Philippines. These findings provide a foundation for future research exploring the complexities of employee retention and the development of more effective HR practices.

5.5 Limitations of The Study and Future Research

This study is subject to various limitations that should be considered in interpreting the findings. First, the research only focuses on five key factors, such as compensation and benefits, work environment and company culture, superior-subordinate relationship, rewards and recognition, and career development – potentially excluding other relevant variables that could affect employee turnover. Second, the study only relies on quantitative data; due to time and resource constraints, in-depth face-to-face interviews were not conducted. As a result, the study may lack the rich, qualitative insights that could provide a deeper understanding of the important reasons behind turnover. Lastly, the study targeted a broad population of the Business Process Outsourcing (BPO) employees in the Philippines, which, while it offers generalizability, it also leads variability that could limit the applicability of the findings to specific subgroups or regions within the industry.

Future studies could build on this research by exploring additional factors that may influence employee turnover to provide a more comprehensive understanding of turnover dynamics. In addition to that, qualitative research methods such as face-to-face interviews or focus groups could be incorporated to collect more in-depth, personal insights from employees, which would complement the quantitative findings and provide a deeper understanding on the factors influencing turnover. Furthermore, future research might also benefit from refining the focus to a specific group of employees in the BPO industry or a particular region within the Philippines to enable a more targeted investigation that accounts for local contextual differences. Lastly, longitudinal studies

can be conducted to trace the long-term impact of these factors, which could help give a

deeper insight into the evolution of employee retention over time.
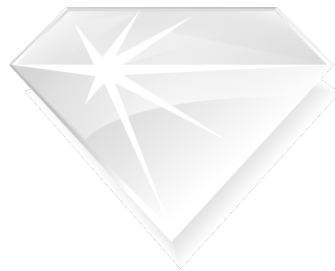
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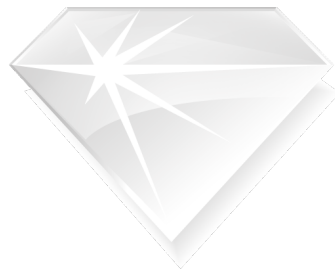
APPENDIX

APPENDIX B.1: SURVERY QUESTIONNAIRE

Dear Participant,

Good day!

I am Mr. Michael Jay Labin, pursuing a Master's in Business Administration at Bangkok University, Thailand. I am at the final stages of my thesis project, and I'm requesting your assistance by taking part in my research survey.

Thesis title: "Why Do Employees Quit: A Study of Factors Affecting Employee Turnover in Business Process Outsourcing (BPO) Companies in The Philippines".

Your input is invaluable and will greatly enhance the quality of my study. I assure you that any information obtained in connection with this study that can be identified with you will remain confidential.

SCREENING QUESTION

1. Do you currently work in a BPO company in the Philippines?

   o YES – if yes continue to next section

   o NO – if no, the form will be submitted and response will be invalid

DEMOGRAPHICS

2. How long have you been working in a BPO?

   o Less than a year

   o 1 to 2 years

   o 2 to 3 years

   o 3 to 4 years

   o 4 years and above

3. What is your gender?

   o Male

   o Female

   o Prefer not to say
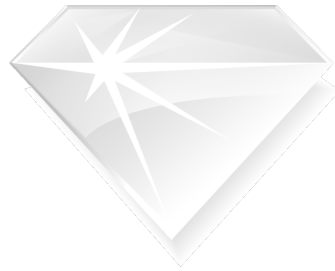
4. What is your present age?

   o 18 – 25 year old

   o 26 – 35 year old

   o 36 – 45 year old

   o more than 45 year old

5. What is your present marital status?

   o Single

   o Married

   o Divorced

   o Widowed

   o Separated

6. What is your highest educational background?

   o High school and below

   o High school graduate

   o College level

   o College or University Graduate

   o Graduate School

7. What is your monthly income?

   o Less than 20,000 Php

   o 20,001 – 30,000 Php

   o 30,001 – 40,000 Php

   o 40,001 – 50,000 Php

   o 50,001 – 60,000 Php

   o More than 60,000 Php

8. What is your opinion about working in a BPO company in the Philippines?

   o Mostly like it

   o Rather like it

   o Don't like it

   o No good comment about it

9. What is your most important reason to work in a BPO company in the Philippines?

   o To support myself

o   To support my family

o   To earn a higher salary

o   No other career choice

QUESTIONNAIRE: INDEPENDENT AND DEPENDENT VARIABLES

Please check and rate yourself honestly based on what you actually do given the statements

by using the scales:

5- Strongly Agree

4- Agree

3- Neutral

2- Disagree

1- Strongly Disagree

Factors	5	4	3	2	1
Independent variable					
Compensation and Benefits:					
1. Having a low salary is one of the reasons why I resign.					
2. I decide to find a new job if I am not well compensated by the company.					
3. I am more motivated to work if I get more benefits.					

Factors	5	4	3	2	1
4. I feel demotivated if the colleague I know with the same position and workload is more compensated than me.					
5. Good compensation and benefits make me stay longer in the company.					

Factors	5	4	3	2	1
Independent variable					
Work Environment and Company's Culture					
1. Poor working environment affects my willingness to work.					
2. Having a poor working environment makes me want to move to a company with better facilities.					
3. I consider staying in a company with strong core values and a healthy working environment.					
4. I consider quitting from my job when there is favoritism in the workplace.					
5. I decide to quit when there is too much toxicity in the workplace.					

Factors	5	4	3	2	1
Independent variable					
Superior – subordinate relationship					
1. Poor supervision is one of the leading factors why I decided to quit.					
2. I am more inclined to stay and work if the organization is stable and has a friendly working environment.					
3. I become less motivated to work when my supervisor counteracts positive relationship to employees.					
4. Having a good and professional relationship with my boss gives me job security and makes me stay longer in the company.					
5. I feel productive and enjoy my job if I have special connection to the manager I report to.					

Factors	5	4	3	2	1
Independent variable					
Rewards and recognition					

1. I feel valued if I am well rewarded and recognized.					
2. I become demotivated when I am aware that my employer is not taking my well-being seriously.					
3. Reward is a vital instrument in employee performance.					
4. I feel motivated when my employer recognized my achievements at work.					
5. The chance for me to quit is very high when I receive low recognition and award.					

Factors	5	4	3	2	1
Independent variable					
Career development					
1. I value a company who continuously provide training to their employees for self – improvement and career development.					
2. I am more likely to move to another organization if my managers do not give me opportunity for career development.					

3. I am more motivated to work when I notice that the organization, I am currently in is providing giving career advancement to their employees.					
4. Trainings and career development are important in retaining talented employees.					
5. Formal training programs are an effective way of directly transferring the organizational goals and values to whole group of people simultaneously.					

Factors	5	4	3	2	1
Independent variable					
Dependent variable					
Employee Turnover					
1. I will not consider working in a company with low compensation and benefit package.					
2. I would not stay in a company with poor working environment and culture.					
3. My chance of leaving an organization with poor superior – subordinate relationship is high.					

4. Rewards and recognition are very important to retain employees.					
5. Career development affects my willingness to work.					

APPENDIX B.1: IOC OF THE EXPERT 1

Part 1: Pre-screening question

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	Do you currently work in a BPO company in the Philippines?	/			Provide choices.
2	How long have you been working in BPO industry?	/			Follow the screening question procedure by providing choices.

Part 2: Demographic profile of the respondents

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	What is your gender?	/			You may just use Gender instead of
2	What is your present age?	/			sentence form. Follow if close-

		Result			
3	What is your present marital status?	/			ended format if it's the institutional format.
4	What is your highest educational background?	/			
5	What is your monthly income?				
6	What is your opinion about working in a Business Process Outsourcing (BPO) company in the Philippines?	/			Provide the scale base on manuscript.
7	What is your most important reason to work in a Business Process Outsourcing (BPO) company in the Philippines?	/			Provide scale base on manuscript.

Part 3: Independent Variables

Compensation and Benefits

		Result			
Items	Questions/Statements	+1	0	-1	Feedback
1	Having a low salary is one of the reasons why I resign.	/			
2	I decide to find a new job if I am not well compensated by the company.	/			

		Result			
3	I am more motivated to work if I get more benefits.	/			
4	I feel demotivated to work if I know that I am less compensated than my colleagues with the same position and workload with me.	/			Consider it writing this form. I feel demotivated if the colleague I know with the same position and workload is more compensated than me.
5	Good compensation and benefits make me stay longer in the company.	/			

Work Environment and Company's Culture

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	Having a poor working environment does not affect my willingness to work.	/			Consider removing *Having a* Or consider rewriting it to: My willingness to work does not affect despite having a poor working environment. Or

					Poor working environment does not affect my willingness to work.
2	Having a poor working environment causes me distress and attracted me to other companies with better facilities.	/			Consider separating this question to two questions. - Poor working environment causes me distress. -Poor working environment attracts me to transfer to other companies with better facilities.
3	I consider staying in a company with strong core values and a healthy working environment.	/			
4	I decide to quit when there is favoritism in the workplace.	/			Consider rewriting it. I consider quitting from my job when there is favoritism in the workplace.
5	I decide to quit when there is too much toxicity in the workplace, especially with having a bad boss.	/			Consider separating this question to two questions. - I decide to quit when there is too much toxicity in the workplace. - I decide to quit when I have a bad boss.

Superior – Subordinate Relationship

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	Poor supervision is one of the leading factors why I decided to quit.	/			
2	I am more inclined to stay and work if the organization is stable and has a friendly working environment.	/			
3	I become less motivated to work when my supervisor counteracts positive relationship to employees.	/			
4	Having a good and professional relationship with my boss gives me job security and makes me stay longer in the company.	/			
5	A healthy supervisor–subordinate relationship creates corporate loyalty. If I have a special connection to the manager I	/			Very long statement. Consider rewriting it and separating it to two questions.

Items	Questions/Statements				Feedback
	report to, I am likely to enjoy my job and be more productive.				- Having a healthy supervisor–subordinate relationship creates corporate loyalty -I feel productive and enjoy my job if I have special connection to the manager I report to.

Rewards and Recognition

Items	Questions/Statements	Results			Feedback
		+1	0	-1	
1	I feel valued by the company that I am working for if I am well rewarded and recognized.	/			
2	I become demotivated when I am aware that my employer is not taking my well-being seriously.	/			
3	Reward had been seen to be a vital instrument in employee performance.	/			Consider rewriting it. -Reward is a vital instrument in employee performance.
4	I feel motivated when my employer recognized my achievements at work.	/			

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
5	The chance for me to quit is very high when I receive low recognition and award.	/			

Career Development

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	I value a company who continuously provide training to their employees for self – improvement and career development.	/			
2	If my managers do not address fundamental questions like individual career development, I am more likely to move to another organization.	/			
3	I am more motivated to work when I notice that the organization, I am currently in is providing giving career advancement to their employees.	/			

Items	Questions/Statements	/			Feedback
4	Trainings and career development are not important in retaining talented employees.	/			Consider rewriting it because the statement is negative.

-Trainings and career development are important in retaining talented employees. |
| 5 | Formal training programmes are an effective way of directly transferring the organisational goals and values to a whole group of people simultaneously. | / | | | |

Part 4: Dependent Variable

Employee Turnover

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	I will not consider working in a company with low compensation and benefit package.	/			
2	I would not stay in a company with poor working environment and culture.	/			

3	My chance of leaving an organization with poor superior – subordinate relationship is high.	/			
4	Rewards and recognition is very important to retain employees.	/			are*
5	Career development affects my willingness to work.	/			

Note:

Please evaluate my feedback if it is aligned with the institutional format and guidelines. Thus, please take note and consider important areas for improvement.

Signed by: Essie B. Cabrera, MBA, CET

(Qualified Expert)

APPENDIX B.2: IOC OF THE EXPERT 2

Part 1: Pre-screening question

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	Do you currently work in a BPO company in the Philippines?	✓			
2	How long have you been working in BPO industry?	✓			

Part 2: Demographic profile of the respondents

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	What is your gender?	✓			
2	What is your present age?	✓			

		Result			
3	What is your present marital status?	✓			
4	What is your highest educational background?	✓			
5	What is your monthly income?	✓			
6	What is your opinion about working in a Business Process Outsourcing (BPO) company in the Philippines?	✓			
7	What is your most important reason to work in a Business Process Outsourcing (BPO) company in the Philippines?	✓			

Part 3: Independent Variables

Compensation and Benefits

		Result			
Items	Questions/Statements	+1	0	-1	Feedback
1	The reason why I quit from my job is because the salary is too low.	✓			

Items	Questions/Statements	+1	0	-1	Feedback
2	I decided to find a new job if I am not well compensated by the company.	✓			
3	I am more motivated to work if I get more benefits.	✓			
4	I feel demotivated to work if I know that I am less compensated than my colleagues with the same position and workload with me.	✓			
5	Good compensation and benefits make me stay longer in the company.	✓			

Work Environment and Company's. Culture

		Result			
Items	Questions/Statements	+1	0	-1	Feedback
1	Having a poor working environment does not affect my willingness to work.	✓			
2	Having a poor working environment causes me distress and attracted me to other companies with better facilities.	✓			

Items	Questions/Statements	+1	0	-1	Feedback
3	I consider staying in a company with strong core values and a healthy working environment.	✓			
4	I decided to quit when find a favoritism in the workplace.	✓			
5	I decided to quit when there is too much toxicity in the workplace, especially with having a bad boss.	✓			

Superior – Subordinate Relationship

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	Poor supervision is one of the leading factors why I decided to quit.	✓			
2	I am more inclined to stay and work if the organization is stable and has a friendly working environment.	✓			
3	I become less motivated to work when my supervisor counteracts positive relationship to employees.	✓			

| 4 | Having a good and professional relationship with my boss gives me job security and makes me stay longer in the company. | ✓ | | | |
| 5 | A healthy supervisor–subordinate relationship creates corporate loyalty. If I have a special connection to the manager I report to, I am likely to enjoy my job and be more productive. | | ✓ | | too long |

Rewards and Recognition

Items	Questions/Statements	Results +1	0	-1	Feedback
1	I feel valued by the company that I am working for if I am well rewarded and recognized.	✓			
2	I become demotivated when I am aware that my employer is not taking my well-being seriously.	✓			
3	Reward had been seen to be a vital instrument in employee performance.	✓			

4	I feel motivated when my employer recognized my achievements at work.		✓		rewards & compensation doesn't affect my motivation working in this company.
5	The chance for me to quit is very high when I receive low recognition and award.	✓			

Career Development

		Result			
Items	Questions/Statements	+1	0	-1	Feedback
1	I value a company who continuously provide training to their employees for self – improvement and career development.	✓			
2	If my managers do not address fundamental questions like individual career development, I am more likely to move to another organization.	✓			
3	I am more motivated to work when I notice that the organization, I am currently in is				

Items	Questions/Statements	+1	0	-1	Feedback
	providing giving career advancement to their employees.	√			
4	Trainings and career development are not important in retaining talented employees.	√			
5	Formal training programmes are an effective way of directly transferring the organisational goals and values to a whole group of people simultaneously.	√			

Part 4: Dependent Variable

Employee Turnover

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	I will not consider working in a company with low compensation and benefit package.	√			
2	I would not stay in a company with poor working environment and culture.	√			

3	My chance of leaving an organization with poor superior – subordinate relationship is high.	✓			
4	Rewards and recognition is very important to retain employees.	✓			
5	Career development affects my willingness to work.	✓			

Signed by:…………………………………

Papob P.

(Qualified Expert)

APPENDIX B.3: IOC OF THE EXPERT 3

Part 1: Pre-screening question

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	Do you currently work in a BPO company in the Philippines?	✓			
2	How long have you been working in BPO industry?	✓			

Part 2: Demographic profile of the respondents

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	What is your gender?	✓			
2	What is your present age?	✓			

3	What is your present marital status?	✓			
4	What is your highest educational background?	✓			
5	What is your monthly income?	✓			
6	What is your opinion about working in a Business Process Outsourcing (BPO) company in the Philippines?			✓	
7	What is your most important reason to work in a Business Process Outsourcing (BPO) company in the Philippines?	✓			

Part 3: Independent Variables

Compensation and Benefits

		Result			
Items	Questions/Statements	+1	0	-1	Feedback
1	Having a low salary is one of the reasons why I resign.	✓			
2	I decide to find a new job if I am not well compensated by the company.	✓			

Items	Questions/Statements	+1	0	-1	Feedback
3	I am more motivated to work if I get more benefits.	✓			
4	I feel demotivated to work if I know that I am less compensated than my colleagues with the same position and workload with me.	✓			
5	Good compensation and benefits make me stay longer in the company.	✓			

Work Environment and Company's Culture

		Result			
Items	Questions/Statements	+1	0	-1	Feedback
1	Having a poor working environment does not affect my willingness to work.	✓			
2	Having a poor working environment causes me distress and attracted me to other companies with better facilities.	✓			
3	I consider staying in a company with strong core values and a healthy working environment.	✓			

Items	Questions/Statements	+1	0	-1	Feedback
4	I decide to quit when there is favoritism in the workplace.	✓			
5	I decide to quit when there is too much toxicity in the workplace, especially with having a bad boss.	✓			

Superior – Subordinate Relationship

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	Poor supervision is one of the leading factors why I decided to quit.		✓		
2	I am more inclined to stay and work if the organization is stable and has a friendly working environment.	✓			
3	I become less motivated to work when my supervisor counteracts positive relationship to employees.	✓			
4	Having a good and professional relationship with my boss gives	✓			

Items	Questions/Statements	+1	0	-1	Feedback
	me job security and makes me stay longer in the company.				
5	A healthy supervisor–subordinate relationship creates corporate loyalty. If I have a special connection to the manager I report to, I am likely to enjoy my job and be more productive.	✓			

Rewards and Recognition

Items	Questions/Statements	Results			Feedback
		+1	0	-1	
1	I feel valued by the company that I am working for if I am well rewarded and recognized.	✓			
2	I become demotivated when I am aware that my employer is not taking my well-being seriously.	✓			
3	Reward had been seen to be a vital instrument in employee performance.	✓			

4	I feel motivated when my employer recognized my achievements at work.	✓			
5	The chance for me to quit is very high when I receive low recognition and award.	✓			

Career Development

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	I value a company who continuously provide training to their employees for self – improvement and career development.	✓			
2	If my managers do not address fundamental questions like individual career development, I am more likely to move to another organization.	✓			
3	I am more motivated to work when I notice that the organization, I am currently in is	✓			

Items	Questions/Statements	+1	0	-1	Feedback
	providing giving career advancement to their employees.				
4	Trainings and career development are not important in retaining talented employees.	✓			
5	Formal training programmes are an effective way of directly transferring the organisational goals and values to a whole group of people simultaneously.	✓			

Part 4: Dependent Variable

Employee Turnover

Items	Questions/Statements	Result			Feedback
		+1	0	-1	
1	I will not consider working in a company with low compensation and benefit package.	✓			
2	I would not stay in a company with poor working environment and culture.	✓			

3	My chance of leaving an organization with poor superior – subordinate relationship is high.	✓			
4	Rewards and recognition are very important to retain employees.	✓			
5	Career development affects my willingness to work.		✓		

Signed by:……………………………………

(Qualified Expert)

APPENDIX B.3: IOC OF THE EXPERT 3

Evaluation of Interview Validation for Expert Panel

Why Do Employees Quit: A Study of Factors Affecting Employee Turnover in

Business Process Outsourcing (BPO) Companies in The Philippines

Part 1: Pre-screening question

Items	Questions/Statements	Experts			Result	IOC	Assessment Result
		1	2	3			
1	Do you currently work in a BPO company in the Philippines?	+1	+1	+1	3	1	Accepted
2	How long have you been working in BPO industry?	+1	+1	+1	3	1	Accepted
	Average	**2**	**2**	**2**	**6**	**1**	

Part 2: Demographic profile of the respondents

Items	Questions/Statements	Experts			Result	IOC	Assessment Result
		1	2	3			
1	What is your gender?	+1	+1	+1	3	1	Accepted
2	What is your present age?	+1	+1	+1	3	1	Accepted
3	What is your present marital status?	+1	+1	+1	3	1	Accepted
4	What is your highest educational background?	+1	+1	+1	3	1	Accepted
5	What is your monthly income?	+1	+1	+1	3	1	Accepted
6	What is your opinion about working in a Business Process Outsourcing (BPO) company in the Philippines?	+1	+1	-1	1	0.33	Accepted

7	What is your most important reason to work in a Business Process Outsourcing (BPO) company in the Philippines?	+1	+1	+1	3	1	**Accepted**
	Average	**7**	**7**	**5**	**19**	**0.90**	

Part 3: Independent Variables

Compensation and Benefits

Items	Questions/Statements	Experts			Result	IOC	Assessment Result
		1	2	3			
1	Having a low salary is one of the reasons why I resign.	+1	+1	+1	3	1	Accepted
2	I decide to find a new job if I am not well compensated by the company.	+1	+1	+1	3	1	Accepted
3	I am more motivated to work if I get more benefits.	+1	+1	+1	3	1	Accepted
4	I feel demotivated to work if I know that I am less compensated than my colleagues with the same position and workload with me.	+1	+1	+1	3	1	Consider: I feel demotivated if the colleague I know with the same position and workload is more compensated than me.
5	Good compensation and benefits make me stay longer in the company.	+1	+1	+1	3	1	Accepted
	Average	**5**	**5**	**5**	**15**	**1**	

Work Environment and Company's Culture

Items	Questions/Statements	Experts			Result	IOC	Assessment Result
		1	2	3			
1	Having a poor working environment does not affect my willingness to work.	+1	+1	+1	**3**	**1**	Consider rewriting it to: My willingness to work does not affect despite having a poor working environment. Or

Poor working environment does not affect my willingness to work. |
| 2 | Having a poor working environment causes me distress and attracted me to other companies with better facilities. | +1 | +1 | +1 | **3** | **1** | Consider separating this question to two questions.
- Poor working environment causes me distress.
-Poor working environment attracts me to transfer to other companies with better facilities. |

		Experts					
		1	2	3	Result	IOC	
3	I consider staying in a company with strong core values and a healthy working environment.	+1	+1	+1	**3**	**1**	Accepted
4	I decide to quit when there is favoritism in the workplace.	+1	+1	+1	**3**	**1**	Consider rewriting it: I consider quitting from my job when there is favoritism in the workplace.
5	I decide to quit when there is too much toxicity in the workplace, especially with having a bad boss.	+1	+1	+1	**3**	**1**	Consider separating this question to two questions. - I decide to quit when there is too much toxicity in the workplace. - I decide to quit when I have a bad boss.
	Average	**5**	**5**	**5**	**15**	**1**	

Superior-subordinate Relationship

Items	Questions/Statements	Experts			Result	IOC	Assessment Result
		1	2	3			
1	Poor supervision is one of the leading factors why I decided to quit.	+1	+1	0	**2**	**0.66**	Accepted
2	I am more inclined to stay and work if the organization is stable and has a friendly working environment.	+1	+1	+1	**3**	**1**	Accepted

3	I become less motivated to work when my supervisor counteracts positive relationship to employees.	+1	+1	+1	**3**	**1**	Accepted
4	Having a good and professional relationship with my boss gives me job security and makes me stay longer in the company.	+1	+1	+1	**3**	**1**	Accepted
5	A healthy supervisor–subordinate relationship creates corporate loyalty. If I have a special connection to the manager I report to, I am likely to enjoy my job and be more productive.	0	+1	+1	**2**	**0.66**	Very long statement. Consider rewriting it and separating it to two questions. - Having a healthy supervisor–subordinate relationship creates corporate loyalty -I feel productive and enjoy my job if I have special connection to the manager I report to.
	Average	**4**	**5**	**4**	**13**	**0.86**	

Rewards and Recognition

Items	Questions/Statements	Experts			Result	IOC	Assessment Result
		1	2	3			
1	I feel valued by the company that I am working for if I am well rewarded and recognized.	+1	+1	+1	**3**	**1**	Accepted
2	I become demotivated when I am aware that my employer is not taking my well-being seriously.	+1	+1	+1	**3**	**1**	Accepted
3	Reward had been seen to be a vital instrument in employee performance.	+1	+1	+1	**3**	**1**	Consider rewriting it. -Reward is a vital instrument in employee performance.
4	I feel motivated when my employer recognized my achievements at work.	0	+1	+1	**2**	**0.66**	Accepted
5	The chance for me to quit is very high when I receive low recognition and award.	+1	+1	+1	**3**	**1**	Accepted
	Average	**4**	**5**	**5**	**14**	**0.93**	

Career Development

Items	Questions/Statements	Experts			Result	IOC	Assessment Result
		1	2	3			
1	I value a company who continuously provide training to their employees for self – improvement and career development.	+1	+1	+1	**3**	**1**	Accepted
2	If my managers do not address fundamental questions like individual career development, I am more likely to move to another organization.	+1	+1	+1	**3**	**1**	Accepted
3	I am more motivated to work when I notice that the organization, I am currently in is providing giving career advancement to their employees.	+1	+1	+1	**3**	**1**	Accepted
4	Trainings and career development are not important in retaining talented employees.	+1	+1	+1	**3**	**1**	Consider rewriting it because the statement is negative. -Trainings and career development are important in retaining talented employees.
5	Formal training programmes are an effective way of directly transferring the organisational goals and values to a whole group of people simultaneously.	+1	+1	+1	**3**	**1**	Accepted
	Average	**5**	**5**	**5**	**15**	**1**	

Part 4: Dependent Variable

Employee Turnover

Items	Questions/Statements	Experts			Result	IOC	Assessment Result
		1	2	3			
1	I will not consider working in a company with low compensation and benefit package.	+1	+1	+1	**3**	**1**	Accepted
2	I would not stay in a company with poor working environment and culture.	+1	+1	+1	**3**	**1**	Accepted
3	My chance of leaving an organization with poor superior – subordinate relationship is high.	+1	+1	+1	**3**	**1**	Accepted
4	Rewards and recognition are very important to retain employees.	+1	+1	+1	**3**	**1**	Accepted
5	Career development affects my willingness to work.	+1	+1	0	**2**	**0.66**	Accepted
	Average	**5**	**5**	**4**	**14**	**0.93**	

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