

WORK FROM HOME (WFH) ARRANGEMENT: IMPACT ON EMPLOYEE PRODUCTIVITY AMONG BPO EMPLOYEES

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Abstract

Purpose – The study examines the impact of work-from-home arrangement to employees' productivity and investigates the mediating role of work-life balance, flexibility, and job satisfaction between work-from-home arrangement and employees' productivity. The participants of the study were employees of a BPO company in the Philippines.

Design/methodology/approach – A descriptive and correlational method of research were utilized in this study.

Findings – The findings revealed that employee productivity is positively correlated with work-from-home arrangement. It is also found that work life balance significantly mediates work-from-home arrangement and employee productivity. Likewise, the result showed that flexibility in time/schedule significantly mediates work-from-home arrangement and employee productivity. Moreover, the mediation analysis revealed that job satisfaction significantly mediates work-from-home arrangement and employee productivity. As such, all mediating factors used in this study significantly mediates employee productivity and work-from-home arrangement.

Research limitations – The present study only investigated the impact of work-from-home arrangement to employees' productivity with work life balance, flexibility, and job satisfaction as mediating factors to the employees who are still working from home as a result of the COVID-19 pandemic while employed by the chosen BPO company in San Fernando, Pampanga. The suggested model of this study may be expanded in future studies by taking into account the addition of a number of variables that may influence productivity in work-from-home arrangement or by applying the model as it is now to various industries.

Practical Implications – The findings of the study can help BPO companies in achieving a significant level of productivity among employees in a work-from-home arrangement. Thus, providing a working environment that maintains work life balance, offers flexibility, and job satisfaction plays a vital role in maintaining and increasing employees' productivity. This study can be a guide on how to increase employees' productivity in a work-from-home arrangement not just to BPO companies but also to any industries that can adapt this type of work arrangement.

Originality/value – This study discovered the mediating effect of work-life balance, flexibility, and job satisfaction on employees' productivity in a work-from-home arrangement in the Philippines setting.

Keywords: Work-from-home arrangement, COVID-19 Pandemic, Employee Productivity, Work life balance, Flexibility, Job Satisfaction, BPO

INTRODUCTION

The first COVID-19 case in the Philippines was discovered in late January 2020. Under Proclamation No. 922, President Rodrigo Roa Duterte proclaimed a public health emergency on March 8, 2020. Suspension of face-to-face classes, indefinite closure of some establishments, shutting off the company's operations, and limiting physical activities. A lot of people weren't able to work on-site and some of the companies laid-off employees to survive the Company's operations. During this period, the country's unemployment rate rose to 6.6%, or 3.27 million unemployed Filipinos (Rivas, 2022).

Due to broken supply chains, statewide lockdowns, and the abrupt confrontation of businesses with long-term or even permanent remote work, the COVID-19 pandemic had an impact on practically all areas of the industry (Lauritzen, 2020). The pandemic causes firms to rely on digital resources, to keep in touch with clients and employees, and to be able to continue their work on auditing activities (Padar, 2020). The global pandemic alters the dynamics of the workplace culture throughout the entire organization (Lane et al, 2020).

BPO is one of the sectors that has been affected by COVID-19. Just like the other companies, the service providers and employees struggled with travel restrictions, and government limitations, and no personal contact with the clients took place. Working from home has been the new normal since we experienced the drastic effect of the COVID-19 pandemic. It is a captivating topic to know how effective working from home nowadays is. WFH is a work arrangement that is becoming more prevalent and is crucial to the future of work (Bai, 2020).

Finding out if working from home affects productivity is significant because many firms, especially in the pandemic era, are obliged to embrace the WFH arrangement (Kniffin et al, 2020). The productivity of employees is impacted by working from home, and many companies that adopt WFH strategies are driven by the possibility of seeing an improvement in their worker's work-life balance (WLB). Initiatives to promote WLB may be a smart option for a business, particularly in cases of extreme circumstances as COVID-19 (Kazekami, 2020). With its peculiar effect, this research will be focused on knowing the impact on employees' productivity during the work-from-home arrangement. Employees with flexible work schedules, such as teleworking, have higher levels of productivity because of significant job satisfaction trends (Prasetio et al. 2017). Productivity is directly impacted by satisfaction, and some studies have found a causal connection between job satisfaction and output.

Flexibility in the workplace aids in luring and keeping talents (Hogarty, 2021). In a study of 16,000 workers conducted by Stanford economist Nicholeas Bloom, those who had the option to work from home reported higher levels of job satisfaction and lesser sick days taken than their office-based colleagues. According to research from Capability Jane, 2017, 92% of the younger generation states that finding a job that allows flexibility is most essential.

Despite the fact that there are numerous empirical studies on the topic, the available data indicates that study into the COVID-19 new work arrangement is likely to be useful. The majority of this research, however, was carried out in the Philippines using different mediating variables and without taking into account how work arrangement affected employee productivity and its mediating variables, such as work-life balance, flexibility, and job satisfaction. The motivation for this study is the requirement to comprehend the correlation between work-from-home arrangement and employee productivity at the chosen BPO company in the Philippines. This research will, in addition, add to the body of knowledge by making original references to it.

The researchers' goal is to determine how work-from-home arrangement impact the employees' productivity and how they are significantly affected by mediating factors – work-life balance, flexibility, and job satisfaction. Hence, the purpose of this study is to investigate the following research questions:

REVIEW OF RELATED LITERATURE

Business Process Outsourcing (BPO)

The “delegation of service-type business operations to a third-party service provider” is how the Philippine Department of Trade and Industry (DTI) defines business process outsourcing (BPO). It includes services in the areas of information technology, management, marketing, and customer service. By utilizing the pool of highly qualified individuals in developing nations, who command wages that are much lower than those in developed countries, offshore outsourcing enables businesses in developed countries to perform commercial operations in a more cost-efficient manner. Even after accounting for additional expenses like business setup and infrastructure access, cost reductions from outsourcing are reportedly between 20% and 40%. Numerous agreements have been made between major corporations and foreign vendors in other, primarily developing nations, who have the ability to provide low-cost outsourcing services for IT, business operations, and customer support. Errighi, Bodwell, et al. (2016) claim that, the BPO sector in the Philippines has clearly emerged as one of the most important industries in the country, quickly closing in on the economic contributions from migration and inflow of foreign remittances. Indeed, Philippine workers have long been leaving their country in search of better economic opportunities abroad – currently, these workers are contributing \$25 billion to the economy. But as the BPO sector continues to expand, it is likely to surpass remittance as a source of national income – indeed, within the next two years the total revenue generated by the sector is likely to amount to \$30 billion.

Work from Home

The “Telecommuting Act”, also known as Republic Act No. 1165, which institutionalized telecommuting as a flexible employment arrangement for employees working in the private sector. It denotes a work arrangement that enables a private sector employee to operate remotely using a computer and/or telecommunication technologies. Private sector employers are permitted to provide a voluntary telecommuting program to their staff under mutually agreed-upon terms and circumstances. The company must also make sure that employees who work from home receive the same benefits as similar employees who work on-site.

The COVID-19 pandemic has brought the vast majority of the US population under stay-at-home regimes. The capacity to remain working under these circumstances is dependent on one’s occupation. This note provides evidence that lower-paid employees have an up to three-times lower likelihood of being able to work from home than do higher-paid employees (Yasenov, 2020). A considerable movement toward WFH has been made in response to the Covid-19 issue in an effort to reduce infection risk overall. Evidence shows that businesses invested significantly to maintain their operations even when their employees were either unable to work from company facilities or were not permitted to do so (Barrero et al, 2021). The researchers find that 56 percent of jobs could be done at least partly from home. WFH feasible jobs are largely located in urban, densely populated areas, and in highly digitized industries. Using individual-level data on tasks and work conditions, we demonstrate that heterogeneity in WFH feasibility is mostly explained by differences in task content (Alipour et al, 2021). In the study, it was found that more than 73% of respondents had a favorable opinion of working from home, while just about 27% of respondents had a negative opinion. Additionally, over 60% of users tweeted in a fearful, depressing, angry, or disgusted manner. The results show that people around the world have a favorable opinion of working from home. (Dubey & Tripathi, 2020). According to Mongey and Weinberg, 2020, the workers systematically differ across the types of occupations that are most likely to be hit by the social distancing and stay-at-home policies required to stop the spread of the Coronavirus.

Working from home has recently become more useful in curtailing social interaction during the COVID-19 pandemic era (Sarker, 2021). It was evident that working from home gives better outcomes than working in the office (Bich, 2021). This process was accelerated by the Covid-19 outbreak, which forced a substantial section of the global workforce to temporarily switch to working remotely. Compared to working in an office, working from home can improve work-life balance, offer more flexible scheduling, and save commuting time (Patel, 2021).

Employee Productivity

The success of any corporation depends on its employees’ productivity, it is evident in a study made by Massoudi (2017) where he examined the office setting of a private foreign bank and showed that there is a connection between that atmosphere and worker’s productivity. He came to the conclusion that productivity is influenced by how satisfied employees are with their entire working environment. The work environment does not only involve the place itself; air, temperature, light, space, sound, and color are also considered to have a great impact on one’s productivity at work. (Almaamari & Alaswad, 2021) With the new normal WFH setup, many employees had a hard time balancing their work and life. It is said that work-life balance is a critical issue that is of paramount worry to every employee at different levels, be it the public or private segment alike. According to Abioro (2018), top management should prioritize flextime, job sharing, and telework while taking into account work-friendly regulations. With this, it is anticipated that all employees will have the chance to give their full attention to their work, hence boosting productivity.

The implications of work-life conflict, lack of social, disturbing surroundings, job control, and self-leadership on employees’ productivity and work engagement when working remotely during the pandemic are examined in a study by Galanti et al. (2021). One of the peculiarities of WFH is that employees’ focus and productivity are impacted when family members share their workstations. They demonstrate how crucial job requirements for remote work can drastically lower output and engagement at the workplace. The said working setup is an alternative way for both public and private corporations to continue their operations. Working from home boosts productivity, according to prior research by Shafizadeh et al. (2020), while Monteiro et al. (2019) found the opposite. Thorstensson (2020) examined variables affecting the output of employees who work from home, their impact on output, whether it is good or negative, and whether the variables have changed since the year 2000. His research comes to the conclusion that employees’ productivity is impacted by working from home. While the impact of these things varies depending on the circumstances, employee traits, and attitudes.

Employee productivity, according to Pandey (2017), is a significant issue at work that is costly for both employers and employees and appears to be unexpected in nature. Any type of organization needs effective management of its people resources because they are a crucial component. With the factors mentioned by Punday (2017), such as supervisor guidance, good co-worker relations, training and development, workplace benefits, recognition programs, adequate course load, job protection, workplace security, employees welfare, and physical work environment, employees can perform better in an enticing and encouraging working environment. Similar to this, it is said that a person’s work productivity is an organizational asset that is comparable to growth and success. The organization, the employees, and other stakeholders are all satisfied as a result. A study explained by Asio (2021) indicated the respondents “agree” that they were productive

in their work prior to the pandemic. In the advent of the current health crisis, work productivity provides different perspectives. The level of education a worker has (Vandenberghe et al., 2017), their gender (Tsuo & Yang, 2019), the outside environment (Lasende et al., 2020), and even their age might have an impact on this (Gabriele et al, 2018). In order to offer many stakeholders a high-quality service, work productivity is crucial.

Work-Life Balance (WLB)

WLB can be characterized as contentment and effective functioning at both work and home with little to no conflict. It is further defined as a level of conflict between work and non-work expectations that is acceptable, typically including balancing conflicting resource demands. Work-life programs have the ability to considerably raise employee morale, lower absenteeism, and preserve organizational knowledge, especially in trying economic times, according to Lockwood (2015). One of the responsibilities of human resource professionals is to comprehend the crucial concerns surrounding work-life balance and promote work-life programs in the competitive global marketplace of today. As new generations of workers enter the economy, finding a balance between work and life outside of work becomes more and more essential. The community is also progressively becoming more concerned as the conflict between the demands of work and daily living has impacted their quality of life.

According to the research of Novianti and Roz on 2021, entitled “Work from Home: Measuring Satisfaction between Work-Life Balance and Work Stress during COVID-10 Pandemic in Indonesia”, in the early stages of the pandemic, the initial objective was to determine the elements that lead to work-life balance, when Indonesia’ unclear policy on working from home was poorly managed, neither by the government nor by the policy itself within the business. In a collectivist setting, the topic of work-life balance is rarely spoken up. The participants in this study had a positive attitude toward the idea of work-life balance as they got closer to their families. On the contrary, this might boost their job happiness, but it’s also important to remember the stress that comes with the position. Work stress can affect job fulfillment in a conventional work setting, but in this study, when participants were compelled at work from home, work stress had a negative impact on job satisfaction/fulfillment. This study makes it clear that, even though telecommuting is uncommon among Indonesian workers, there is still room for increased productivity with the right regulations. Study results show that working from home is the new norm for Indonesian employees, and they are expected to be dedicated to their work and successfully complete their tasks (Novianti and Roz, 2021).

Flexibility

American workers have traditionally had a 9 in the morning start time for their workdays. Monday through Friday, until 5 p.m. However, statistics from the Work Schedules and Work at Home survey, a unique addition to the Current Population Survey (CPS), show that a sizable number of workers’ schedules do not fit this paradigm. For example, almost one-third of wage and salary workers have flexible schedules at their primary jobs, which allows them to change their start and end times; about one-fifth work a shift other than a typical daytime shift at their primary job; and a slightly smaller percentage work on Saturday, Sunday, or both. Instead of being influenced by employee choices, the usage of alternate shifts and flexible work schedules is frequently dictated by the needs of the industry. However, many workers’ decisions regarding their careers and the labor market are influenced by schedule considerations and flexibility. (McMenamin, 2017).

The findings of the study by Wong and Cheung, 2020, are in line with ideas about roles and work-family balance, which contend that establishing work-family balance would assist lessen role conflict and promoting well-being, which in turn would boost job performance. In this study, it was discovered that family and personal well-being increased WFH effectiveness. These findings provide empirical support for the benefits of Work-from-Home (as a way to achieve work-family balance and reduce role conflict) and its positive influence on WFH efficacy. Unlike while working at a desk, WFH arrangements allow people to swiftly switch between different roles (the role at work versus the role in the family). This enables workers to accomplish their many job-related commitments more quickly and efficiently. This study found that the ease of role switching also increased WFH effectiveness and enhanced both individual and family well-being. This study found that the ease of role switching also increased WFH effectiveness and enhanced both individual and family well-being.

Job Satisfaction

Although it’s a highly common concept in the management world, there isn’t a consensus on what exactly constitutes job satisfaction. According to Mallick, 2021, it is defined as the level of contentment employees feel about their work. This covers their interactions with coworkers and superiors, how they feel about the organization’s regulations, and how their work affects their personal lives in addition to their regular obligations. It is further defined as a joyful feeling you experience when carrying out your responsibilities or being present at work. Working actively to enhance satisfaction at the workplace, will result in employees who would be more interested, motivated, and willing to go above and beyond, which surely benefits the business.

THEORETICAL FRAMEWORK

Goal Setting Theory

According to this notion, when challenging goals or targets are established inside a company, it naturally results in high levels of employee productivity as the individual strives harder to fulfill the goals. Relating this theory to employees' productivity, when the Company sets a goal to be achieved by the employees, the employees tend to do more and be productive despite the work arrangement they have.

Hertzberg's Two-Factor Theory

According to this theory, you need to work on enhancing both motivational and hygienic components if you want to have the happiest and most productive workforce. Make sure employees receive encouragement and recognition in order to inspire them and inform them of opportunities for professional development within the company. In order to prevent job dissatisfaction, employers should ensure that their workers have the best working conditions and competitive pay. Develop strong relationships with the staff by keeping an eye on them.

Maslow's Hierarchy of Needs Theory

This is a productivity theory by Abraham Maslow which presents the needs of a person as a pyramid of 5 levels. Each of them should be fulfilled before the next one. They are Physiological (food, shelter, nourishment), Safety (health, security, well-being), and love/belonging (building close relationships). The last two levels are Esteem (the need for confidence and respect), and Self-actualization (the need to overachieve and develop).

According to the hypothesis, if a person is healthy, safe, and secure, as well as surrounded by meaningful people, they can be productive and motivated to do as much as they can. As a result, team productivity can be boosted when the employees are in good health and feel safe and secure. At the moment, employees are highly appreciative of remote work, which has increased their productivity.

HYPOTHESES DEVELOPMENT

This research study proposes a model that depicts work-life balance, flexibility, and job satisfaction as important antecedents for employee productivity and work-from-home arrangement. Additionally, it is asserted that flexibility, work-life balance, and job satisfaction boost employee productivity when working from home. More specifically, it is argued that flexibility, work-life balance, and job satisfaction mediate the link between working from home and employee productivity. Mediators are variables that provide additional information on how or why two variables (dependent and independent) are strongly associated with each other. According to Wu and Zumbo (2008), for a mediation model, the independent variable (in this case, employee productivity) is presumed to cause the mediator (work-life balance, flexibility, and job satisfaction). Given the above-mentioned role of work-life balance, flexibility, and job satisfaction, it can be expected that the mediating factors in this study would influence employee productivity and work-from-home arrangement. The researchers would like to investigate the mediating factors of employee productivity in the relationship between work-from-home arrangements. This study aims to fill the void, therefore, the aim of the study will be tested by the following hypotheses.

Most studies have found that WFH can significantly increase employee productivity. Working from home improved performance by 13%, according to popular studies on the subject conducted on 16,000 employees of the NASDAQ-listed Chinese travel company Ctrip (Revenio et al., 2019; Ulloa-Bermudez, 2018; Kazekami, 2020). For the Los Angeles County region, comparable productivity research has produced equivalent results (Ulloa-Bermudez, 2018). This research discovered that WFH practice boosts efficiency on creative tasks, which is essential for knowledge workers. In previous studies, Revenio et al. (2019) and Kazekami (2020) discovered that proper WFH technique will increase output. We decided to formulate the following hypothesis as a result.

H₁ Work-from-home arrangements and employee productivity are positively correlated.

In general, WFH improves WLB, and several academics have validated this association (Bellmann and Hubler, 2020). WFH received positive reviews. On the other hand, Kazekami (2020) found that WFH raises the stress associated with work and domestic responsibilities, which lowers WLB. Higher job satisfaction resulted from improved perceptions of autonomy and decreased work-family conflict. A similar point of view was expressed by Thorstenson (2020), who examined how unique Covid-19 traits can lessen WLB on WFH individuals. However, more scientists keep discovering that WFH has a positive effect on WLB.

WLB was a major concern in a number of research studies regarding the workplace even before the pandemic drove people into WFH. Poor WLB is related to self-reported ill health for both men and women. As WFH systems have taken over work arrangements globally, WLB has changed due to a variety of variables, notably in the home setting where the lines between work and home are unclear. According to this study, when compared to previously working in an office, job-related and psychosocial factors significantly decreased during WFH.

WFH arrangements were becoming more common in the Philippines even before the pandemic. There is no local research on this alternative work arrangement's effects on productivity and health. To stop the further spread of COVID-19 in the nation, community quarantine measures are put into place during the pandemic. As a result, commercial operations are restricted. Employers are compelled to change and adapt to the new normal way of managing their firms, even though they are not prepared to do so. They have implemented WFH policies to lessen the effect of the epidemic on their operations and personnel Tejero, L. et al, (2021).

In particular, Johari, J., Tan, F. Y., & Zulkarnain, Z. I. T. (2018). research has offered adding more empirical data to the body of knowledge about the relationship between work-life balance, and performance in the job (productivity). Concerning the study's findings confirmed the importance of autonomy and work-life balance.

WLB of employees is associated with productivity in a WFH setting, claim Ravi and Anulakshmi in 2021. This suggests that employees' productivity would increase if they could successfully balance their personal and professional lives.

H₂ Work life balance significantly mediates work-from-home arrangement and employee productivity.

Workplace flexibility accompanies employees by allowing them to divide their time between work and non-work activities in accordance with their choices. Employees with flexible work schedules, for example, may experience less stress and continued time pressure from their non-work commitments. Workers want flexibility so they can meet their personal and family needs, such as child care, elder care, education, and healthcare. According to the research, job flexibility in terms of location and hours increases engagement, promotes job satisfaction, and provides employees with a sense of control over their work - all of which are beneficial to their health and well-being, Ray and Cryan (2002). The COVID-19 pandemic, in particular remote work, brought flexible work alternatives to light in 2017, according to SHRM. Flexible work schedules can promote a company's social responsibility programs, foster moral behavior, and advance corporate diversity efforts even in the absence of a pandemic. They can also help with retention and recruitment initiatives. Employers may gain from cost reductions, increased attendance and productivity, and a surge in employee engagement.

H₃ Flexibility in time/schedule significantly mediates work-from-home arrangements and employee productivity

Mansfeld, 2021 stated that according to his research, in general, job satisfaction is higher for those doing WFH based on a contractual agreement (compared to those without such an agreement). According to the study conducted by Davis and Kotoeski on 2021 regarding to the "Job satisfaction and challenges of working from home during COVID-19 pandemic: According to a survey done in a Swedish academic environment, 61% of the respondents were quite or somewhat content with their present work-from-home arrangement. This may be because the demands of the job were balanced with the respondents' resources.

We need to understand the idea of job satisfaction that there are numerous variations that have been developed by various professionals. Every person has a different perspective on and response to their workplace, which is why there are so many different tactics. Because job satisfaction is influenced by an employee's attitude, ability to complete the task at hand, organizational communication, and management's treatment of employees, it can be challenging to measure and characterize. The definitions of job satisfaction that are most frequently cited are examined in the lines that follow. According to Hoboubi et al, (2017), job satisfaction indicates a substantial association with worker performance. The notion is further backed by a prior study by Santis et al. (2018), who defined work performance as an individual's capacity to engage in tasks that advance the technical foundation of the organization. Concerning the study's findings confirmed the importance of autonomy and work-life balance. For Eliyana, A., & Ma'arif, S. (2019), the study explained and confirmed the relationship of these variables to the existing concept. According to Bakotic (2016), the findings revealed a strong but relatively modest relationship between employees' job satisfaction and organizational performance in both directions.

H₄ Job satisfaction significantly mediates work-from-home arrangement and employee productivity.

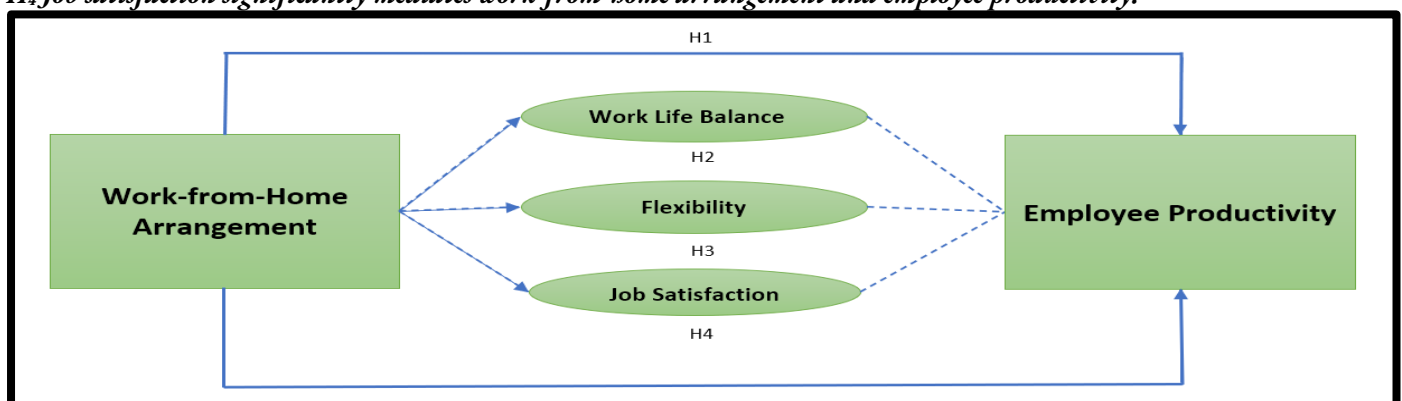


Figure 4. Research Framework

SCOPE AND LIMITATIONS OF THE STUDY

This study will cover the correlation between the impacts of employees' productivity and their work-life balance, flexibility, and level of job satisfaction in a work-from-home arrangement. The study will be based on the level of understanding of the BPO employees of Scrubbed.net Global Services Inc. located in San Fernando, Pampanga. This research seeks to find out how the work-from-home setting affects the productivity of the employees and how they are significantly affected by the following mediating factors: work-life balance, flexibility, and job satisfaction. Furthermore, this study is limited by the results of the questionnaire; nevertheless, the additional inputs from the respondents that are not included in the questionnaires will be considered.

RESEARCH METHOD

Research Design

The descriptive method of research was used in this study to acquire data regarding current conditions that are relevant to the subject of study that has been chosen. The type of question the researcher presented decided the method used to conduct a thorough evaluation of the subject. A population, situation, or phenomenon was precisely and methodically described by descriptive study. It can respond to the "WH" questions but not why (McCombes, 2022). Additionally, correlational research was used to identify if there is a direct and indirect relationship between the work-from-home arrangement and employee productivity through the use of mediating factors such as work-life balance, flexibility, and job satisfaction. Two variables are monitored in correlational research to see if there is a statistically significant association between them. A correlational study looks for variables that are connected to the point where changing one results in a change in another (Blog, 2022). The data for this study were collected through questionnaires to assess the relationship.

Respondents of the Study and Sample Size

The respondents of this research were the current employees of a chosen BPO company – Scrubbed, with 700+ employees based in the Philippines as of November 2022. Scrubbed is primarily headquartered in San Francisco, California, USA with operations in San Fernando, Pampanga, Philippines. The study applied the Cochran Formula technique. It is done by selecting from a large population in such a manner that all employees from the chosen BPO company have equal and independent chances of being selected for the study. Using the Cochran formula, notwithstanding the sample size, errors are deemed estimated, to give knowledge of its occurrence to the researcher. The sample that was used by the researcher was computed based on Cochran Formula and employed 10% level of significance as shown below:

According to the formula, the result is 69, this means 69 surveys are needed to have a confidence level of 90% that the real value is within +/-10% of the surveyed value. For the sampling, the researchers used a probability sampling method wherein every member of the population has an equal chance of being selected. The type of probability sampling method used is simple random sampling.

$$n_0 = \frac{Z^2 pq}{e^2}$$

Sampling Design & Data Collection Method

The researchers selected the respondents for this study based on a certain set of criteria that includes the following information:

- A. The respondents should be working at Scrubbed Philippines.
- B. The respondents should be working remotely and is geographically located in the Philippines.

The primary method in gathering information on this study was the survey method wherein a set of survey questionnaires are self-created based on the stated studies in the theoretical framework, and it was given to the respondents to provide answers to the questions. Data gathering was conducted with the aid of google survey forms and emailed to the respondents for them to have access to the online survey questionnaire. The variables gathered by the researchers were interpreted using IBM SPSS (Statistical Package for the Social Sciences).

Research Instrument

The questionnaire was designed by the researchers and was submitted to the 3 research validators for review and evaluation and to undergo pre-testing. The researchers intended to develop 5 sections in the questionnaire, the perceived work-from-home arrangement, work-life-balance as a mediating factor of employee productivity, flexibility as a mediating factor of employee productivity, job satisfaction as a mediating factor of employee productivity, and the perceived employee productivity of the respondents. The researchers used logical question ordering in the survey wherein they arrange the questions in categories, where both the ordering of categories and the sequencing within categories follow logical and intuitively obvious, and simple paths like some situational questions that can be answered through the scale-rank method. The researchers consulted an English critique and Statistician to review the questions presented to the respondents. The researchers performed a complete pre-test that replicates the entire survey in all aspects. This was completed with a small sample of the

population from the actual population being surveyed.

The Validity and Reliability Testing

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale: >.9 Excellent, >.8 Good, >.7 Acceptable, >.6 Questionable, >.5 Poor, and <.5 Unacceptable. All indicators have met the result of Cronbach's alpha reliability coefficient test because the average value is >.8 which is equivalent to "good". So, it can be said to be reliable.

VARIABLES	Cronbach's Alpha	No of items
Work-from-home arrangement	0.948	14
Work Life Balance as a Mediating Factor of Employee Productivity	0.898	8
Flexibility as a Mediating Factor of Employee Productivity	0.880	8
Job Satisfaction as a Mediating Factor of Employee Productivity	0.790	8
Employee Productivity	0.959	15

Statistical Treatment of Data

In order to investigate the correlational links of the variables, this study used documentary analysis by looking at existing survey questionnaires. The results were analyzed using statistical software, notably IBM SPSS version 26.

1. Weighted Mean - This was used to analyze the average responses resulting from the respondents' assessment on the "Work from Home (WFH) Arrangement: Impact on Employee Productivity among BPO Employees".
2. Cronbach's Alpha - This was used to assess a group of scale or test items' internal consistency or reliability. Cronbach's alpha is one approach to gauge the strength of such consistency. In other words, the reliability of any measurement relates to the degree to which it is a consistent measure of a notion.
3. Pearson Correlation - With the use of this, two objects with paired properties will be measured, their differences from their object means will be added together, and the result will then be divided by the difference between their squared differences from the object means. The Pearson's correlation is parametric—that is, it largely depends on the "mean" parameter for the two objects—so take note of that. Accordingly, a normal distribution with a centered mean may have more validity for Pearson's correlation than a distribution that is not regularly distributed.
4. Multiple Linear Regression - This was used to determine the difference between the means of two objects with paired attributes, add up those differences, then divide the result by the square of those differences.

RESULTS AND DISCUSSION

This study provided empirical data on the direct and indirect mediation influences on work-from-home arrangement and employee productivity. This study used a sample of the selected BPO company in the Philippines to examine the direct relationship between work-from-home arrangement and employee productivity. It also attempted to measure the impact of work-from-home arrangement on employee productivity through the use of mediating factors like work-life balance, flexibility, and job satisfaction. On the basis of the outcomes of the data processing using SPSS, the discussion outcomes for each of the hypothesis test results are presented here.

Hypothesis	Path/Mediating Factors	Variables	Path Coefficients	T-statistics	F	r/r ²	P-values	Decision	Remarks
H1	WFH → Employee Productivity	N/A	N/A	N/A	N/A	0.778	0.000	Failed to Reject H_a	Not Significant
H2	Work Life Balance	WFH	0.281	2.303	41.918	0.494	0.000	Failed to Reject H_a	Not Significant
		Employee Productivity	0.461	3.776				Failed to Reject H_a	Not Significant
H3	Flexibility	WFH	0.280	2.707	75.242	0.636	0.000	Failed to Reject H_a	Not Significant
		Employee Productivity	0.560	5.412				Failed to Reject H_a	Not Significant
H4	Job Satisfaction	WFH	0.326	3.089	71.075	0.623	0.000	Failed to Reject H_a	Not Significant
		Employee Productivity	0.509	4.831				Failed to Reject H_a	Not Significant

Note: "If p value is more than or equal to the level of significance (0.05) reject H_a , otherwise failed to reject H_a ."

H₁ Work-from-home arrangement and employee productivity are positively correlated

This is evidenced by the strong correlation between the two variables ($r=.778$, $\text{Sig}=.000$). The data shows that employee productivity is positively correlated with the work-from-home arrangement. The study found the same association results even though the current investigation is being done specifically during the COVID-19 pandemic. The results of the hypothesis test support past research that claimed work-from-home arrangement would boost employee productivity (Kazekami, 2020). The immediate consequences of working from home as well as its broad productivity implications are the study's main areas of attention. An appropriate work-from-home arrangement will increase employees' productivity and performance (Cano, 2020). People who work from home are adaptive and flexible, and they can modify or adapt to new circumstances.

H₂ Work-life balance significantly mediates work-from-home arrangement and employee productivity

This is evidenced by the strong correlation between the two variables ($r^2=.494$, $F=41.918$, $\text{Sig}=.000$). The mediation analysis demonstrated that work-life balance significantly mediates work-from-home arrangement and employee productivity. As a result, working from home and employee productivity become relevant when an employee has a strong work-life balance. This is also concluded in the study of Ravi and Anulakshmi (2021) that the employees' productivity in a work-from-home arrangement increases if they could successfully balance their personal and professional lives. Therefore, the stronger the work-life balance of an employee in a work-from-home arrangement, the greater the possibility that the employee is productive.

Work-life balance has a negative effect as a mediator between a work-from-home arrangement and employee productivity (Prasetyaningtyas, 2021). The findings show that gender has a possible influence that affects the negative outcomes which were not taken into account in the current research. They also show that the negative result is impacted by home disruption and room constraints. Also, work-life balance may become more challenging as a result of increased stress levels brought on by the COVID-19 pandemic-related concerns that resulted from lockdown and isolation. When combining job and domestic chores while working from home, it may be challenging to distinguish between work and personal life (Anwer, 2020; Kazekami, 2020). The stress of balancing work and domestic responsibilities could eventually lead to a worsened work-life balance (Anwer, 2020). The management attitude on work-life balance is another thing preventing it from having a positive impact. Work-life balance and employee productivity tend to be better in organizations with better management techniques. Work-life balance is dependent on the company's flexible management, and since it all depends on company policy, objectives, and goals, various employees will have varying levels of expectations.

H₃ Flexibility in time/schedule significantly mediates work-from-home arrangement and employee productivity

This is evidenced by the strong correlation between the two variables ($r^2=.636$, $F=75.242$, $\text{Sig}=.000$). Flexibility in time/schedule is an important factor in the success of the work-from-home arrangement. The results of this study also suggest that flexibility in the work-from-home arrangement can have a positive effect on employee productivity. When employees are given the freedom to choose when and how they work, they are more likely to be productive and engaged in their work. This is because they can work in a way that best suits their individual needs and preferences (Sante Delle-Vergini, 2017). For example, some employees may prefer to work in the morning, while others may prefer to work in the evening. By allowing employees to choose their schedules, employers can ensure that their employees are working in a way that is most conducive to their productivity.

That flexibility in time/schedule significantly mediates work-from-home arrangement and employee productivity. The results of the study showed that the null hypothesis was rejected, with a t-value of 5.412 and a significance level of 0.000. This indicates that there is a statistically significant relationship between flexibility in time/schedule and employee productivity. The results of this study suggest that flexibility in time/schedule is an important factor in determining employee productivity. This is especially true for employees who are working from home. This study indicates that when employees are given the flexibility to work from home, their productivity increases significantly. This is likely because employees can work in an environment that is more comfortable and conducive to productivity. Additionally, employees can work at their own pace and on their schedule, which can lead to increased productivity.

The study also suggests that employers should consider providing their employees with more flexibility in terms of time/schedule when it comes to working from home (Cano, 2020). This could include allowing employees to work from home on certain days of the week, or allowing them to work flexible hours. This could lead to increased productivity, as employees can work in an environment that is more comfortable and conducive to productivity. Additionally, employers should consider providing employees with the necessary tools and resources to work from home, such as a laptop, internet access, and other necessary equipment

In addition, flexibility in time/schedule can also help to reduce stress and burnout among employees. When employees can work in a way that best suits their individual needs and preferences, they are less likely to feel overwhelmed and overworked. This can lead to improved morale and job satisfaction, which can in turn lead to increased productivity.

H₄ Job satisfaction significantly mediates work-from-home arrangement and employee productivity

This is evidenced by the strong correlation between the two variables ($r^2=.623$, $F=71.075$, $\text{Sig}=.000$). As the table shows, job satisfaction significantly mediates work-from-home arrangement and employee productivity. The result is also backed by the previous studies (Hoboubi et al., 2017) that job satisfaction indicates a substantial association with workers' performance or employees' productivity in a work-from-home setup. Therefore, when employees are satisfied with their job in a work-from-home arrangement, they will be more productive at work and will deliver high-quality outputs that will satisfy their clients. Thus, job satisfaction significantly mediates work from home and employee productivity is an important factor in the success of this study. By allowing employees to choose their schedules, employers can ensure that their employees are working in a way that is most conducive to their productivity. This can lead to improved morale and job satisfaction, which can in turn lead to increased productivity.

Overall, the results of this study suggest that job satisfaction significantly mediates work-from-home arrangement and employee productivity. This indicates that employers should consider providing their employees with more flexibility in terms of time/schedule when it comes to working from home. This could lead to increased productivity, as employees can work in an environment that is more comfortable and conducive to productivity. Additionally, employers should consider providing employees with the necessary tools and resources to work from home, such as a laptop, internet access, and other necessary equipment.

CONCLUSION

Work-from-home policies are becoming more popular nationwide, especially in the BPO industry, as a result of the social and economic effects of the COVID-19 pandemic (Errighi, Bodwell, et al., 2016). The purpose of this study is to examine the connections among work-from-home arrangement, employee productivity, work-life balance, flexibility, and job satisfaction in the Philippine BPO sector. The existence of a positive association between them was accepted for all hypotheses. The association between employee productivity and working from home is favorable, according to a number of previous studies (Kazekami, 2020; Cano, 2020). Work-from-home policies that are executed properly by businesses increase productivity and encourage creative work, which is essential for knowledge workers in the BPO sector. Work-life balance, flexibility, and job satisfaction operate as a mediating factor between working from home and employee productivity, which is consistent with a number of other studies (Ravi and Anulakshmi in 2021, Cano, 2020, Hoboubi et al., 2017).

The COVID-19 pandemic has compelled businesses, particularly those in the BPO sector, to implement work-from-home arrangement. The aspects that may affect an employee's productivity when working from home must be taken into consideration by businesses in the sector. In order to increase employee productivity when implementing work-from-home arrangements, this research emphasizes the necessity for businesses to take into account variables that may affect employees' work-life balance experience, flexibility and levels of job satisfaction. Practically speaking, it's not easy to increase worker productivity, particularly in the case of the COVID-19 pandemic. With regard to remote work, top management must consult with staff members and supervisors before taking any action. Employees are given more freedom with regard to their time and location as long as primary goals and objectives are accomplished in an organization where the culture previously valued extended workdays as a sign of dedication and productivity. Top management must aggressively support staff who desire to work from home while also keeping a close eye on each employee's productivity levels. The top management needs to identify the reasons why employee productivity changes for the better or worse.

RECOMMENDATIONS

Using quantitative or qualitative research techniques, more studies can also be carried out by more directly gathering data from people with authentic and distinctive backgrounds. Future research may also utilize a larger sample size and take more time to design in order to obtain more trustworthy information about the work-from-home arrangement of BPO employees in the Philippines. Other industries besides BPO can also be the focus of additional research. As we conclude that work-from-home arrangements have a significant direct effect on employees' productivity, we strongly recommend BPO companies, as well as other industries, to consider having work-from-home arrangements as their work setup, as it helps increase employees' productivity, which in turn helps the company's business as well. Companies may revisit their employee manual or company policy to review the factors that can increase employees' productivity.

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