

**THE OPERATIONAL EFFICIENCY PRACTICES OF SELECTED VIRTUAL
SERVICE FREELANCERS IN THE PHILIPPINES**

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Paper Received: 24.11.2023 / **Paper Accepted:** 19.12.2023 / **Paper Published:** 22.12.2023**Corresponding Author:** Jonnicko P. Campaner; Email: jonnickocampaner@gmail.com; doi:10.46360/globus.mgt.120241003**Abstract**

Amidst the COVID-19 pandemic's effects and the advent of the new normal, an escalating number of job seekers are looking for long-term income possibilities through innovative technology. Freelancing has emerged as a preferred desire, attracting employees that value autonomy, flexible work hours, and economic independence provided by means of remote setups.

This examination centers on ensuring operational efficiency within the freelancing industry, leveraging the core standards of Six Sigma Methodology. The objectives embody waste reduction, quality improvement, customer satisfaction, productivity, and professional development. A comprehensive online survey was conducted, reaching 386 respondents through various Facebook groups comprising Virtual Assistant members, mostly former Business Process Outsourcing (BPO) employees, assessed operational efficiency through the use of the Six Sigma framework. The study underscores the use of the chi-square to identify significant relationships between demographic profiles and freelancers' assessments of operational performance in virtual service freelancing.

To deal with operational performance concerns, three online training courses were devised: Quality Management Strategy, Product or Service Development Strategy, and Related Diversification Strategy. These courses equip freelancers with essential skills to effectively translate consumer feedback to improve performance, optimize operational processes, diversify service offerings, and ultimately improve operational efficiency and income potential.

Recommendations entail collaboration with the Technical Education and Skills Development Authority (TESDA) for course implementation and a program evaluation six months after the

certification to gauge the training's impact on freelancers' operational efficiency. Through this comprehensive approach, freelancers can bolster their competitiveness and thrive in the evolving landscape of remote work opportunities.

Keywords: Freelancing, Operational Efficiency, Six Sigma Theory, Quality Management, Process Optimizations, Professional Marketability.

Introduction

Numerous business opportunities have arisen as a result of the growth of the digital marketplace, particularly in the fields of online jobs and freelancing services. The virtual and online landscape has enabled seamless operations, particularly for freelancers seeking freedom and independence, thanks to the web's offering as a platform for a variety of service-oriented firms. Due to the increased opportunities for remote job opportunities and arrangements to work from home, this trend challenges the conventional idea of long-term employment associated with fixed work environments.

The use of innovative technologies for sustainable lifestyles has gained popularity among entrepreneurs and job seekers amid the backdrop of the COVID-19 pandemic and the ensuing new norm. Even before the pandemic, the freelancing market showed signs of growth, with technological and skill developments making it an appealing profession choice for individuals who value independence, personal time, family, and financial freedom.

The creation of this thriving online economy and the rise in popularity of freelancing necessitate an in-depth evaluation of previous research and the identification of knowledge gaps. There is still a need to emphasize operational efficiency in the freelancing business, even though some studies have looked at the advantages of freelancing and the possibilities for long-term employment in virtual spaces. Although some areas of productivity and customer satisfaction may have been covered in previous studies, an in-depth assessment of the

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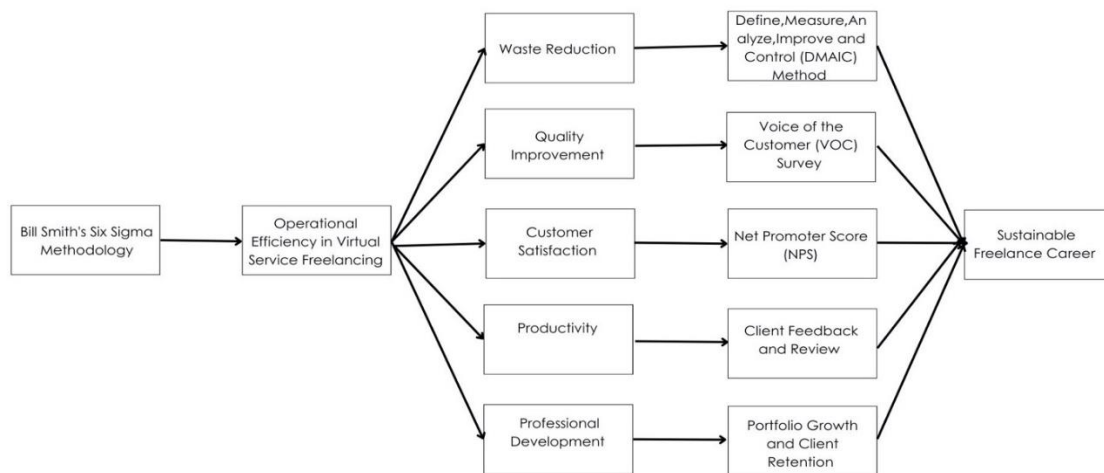
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components that influence operational efficiency, such as waste reduction and quality improvement, is essential.

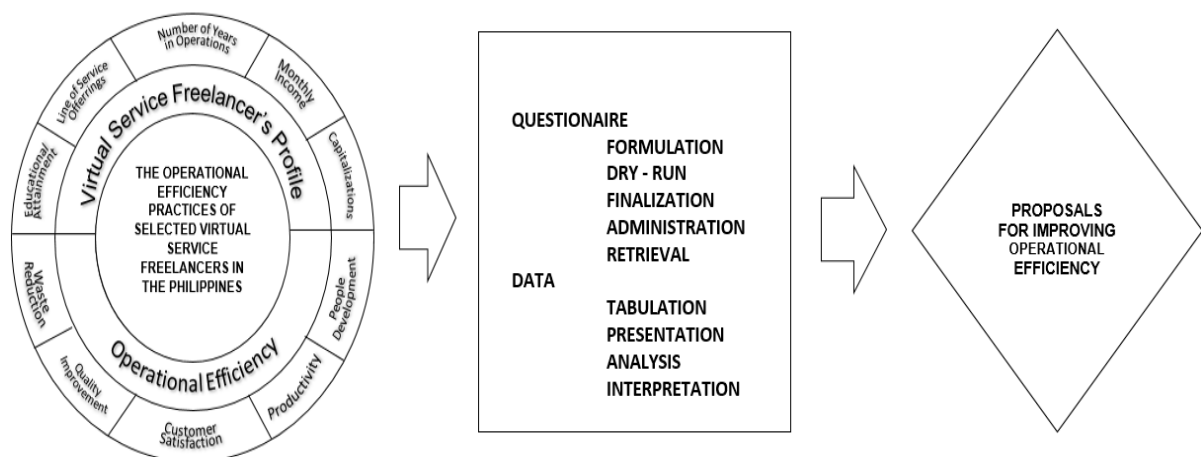
This study employs the Six Sigma Approach, an effective technique for optimizing processes and minimizing waste, as the basis for assessing efficiency in operations in the domain of freelance employment in order to close this gap. The research seeks to provide practical sustainability measures for freelancers that provide virtual services by emphasizing waste reduction, quality improvement, customer satisfaction, productivity, and professional growth.

This study will evaluate the freelancer's operational activities using the Six Sigma approach in an effort to significantly contribute to the industry's future growth and career options. This opens the door for a viable start-up endeavor in the freelancing industry, but Freelancers need to fully understand the operational context, improve client satisfaction, and optimize their services by focusing on and analyzing their entire operational efficiency.

Theoretical Framework



Conceptual Framework



Statement of the Problem

The main objective of conducting this study is to assess the virtual service freelancers' operations in the Philippines according to the five factors: waste reduction, quality improvement, customer satisfaction, productivity, and professional development. Thus, the researcher seeks to answer the following questions:

1. What is the profile of the virtual service freelancer in terms of:
 - 1.1 Educational attainment;
 - 1.2 Line of service offerings;
 - 1.3 Number of years in operations;
 - 1.4 Monthly income; and
 - 1.5 Capitalization?
2. Based on the assessment of the respondents, what is the extent to which the operational

efficiency of virtual service freelancers in the Philippines is practiced in terms of the following:

- 2.1 Waste reduction;
 - 2.2 Quality improvement;
 - 2.3 Customer satisfaction;
 - 2.4 Productivity; and
 - 2.5 Professional development?
3. Is there a significant relationship between the demographic profile and the respondents' assessment on the operational efficiency of the virtual service freelancers?
 4. Based on the findings of the study, what can be proposed to improve the operational efficiency of virtual service freelancers in the Philippines?

Statement of Null Hypothesis

There is no significant relationship between the virtual service freelancers' profiles and the respondents' assessment on the dimensions of operational efficiency.

Scope and Delimitation

The study aims to explore how waste reduction, quality improvement, customer satisfaction, productivity, and professional development impact the operational efficiency of selected freelance virtual assistance services in the Philippines. The choice of respondents from specific Freelancing groups on Facebook was based on convenience, as the researcher is a member of these groups, and their responses will be accounted for in the study. The researcher acknowledges the potential limitations related to the sample selection and data collection methods. Nevertheless, despite these constraints, the study endeavors to provide valuable insights into the operational efficiency of virtual service freelancers in the Philippines and their adherence to the Six Sigma Methodology.

Methodology

Research Design

The research utilized a descriptive method approach, involving the collection of quantitative data through an online survey using a researcher-made questionnaire. The primary focus is to assess the operational efficiency of the freelancers in the virtual service industry. Additionally, the study explored a significant relationship between the demographic profiles of the respondents and their evaluation of operational efficiency.

Participants/Respondents of the Study

The study's participants are Filipino freelancers working in the virtual service industry. The study focused on freelancers who currently work in the virtual service sector after previously working as call center agents or for business process outsourcing (BPO) companies. These freelancers were recruited from various Facebook groups for

freelancers. A total of 386 freelancers took part in the study by responding to the online survey.

Instrument/s of the Study

In the study, an online researcher-made questionnaire was used as the primary instrument for data collection. The researcher developed an online survey questionnaire using Google Forms. With the participants' permission and consent, they were provided with a link to access the survey after giving their consent. The survey consisted of two parts: the profile of the virtual service freelancers and their assessment of the factors influencing operational efficiency. In the second part of the survey, the virtual service freelancers assessed their operational efficiency in the areas of waste reduction, quality improvement, customer satisfaction, productivity, and professional development.

Each survey question had a matching numerical and qualitative scale value that the respondents could use to indicate their answers. These are indicated as follows:

Scale, Description and Interpretation

4: Strongly Agree (SA) which Indicates that the practice always contributes to operational efficiency.

3: Agree (A) which indicates that the practice contributes to operational efficiency most of the time.

2: Moderately Agree (MA) which indicates that the practice sometimes contributes to operational efficiency.

1: Disagree (D) which indicates that the practice never contributes to operational efficiency.

Data Collection and Analysis

An online researcher-made questionnaire served as the primary tool for data collection. The questionnaires were distributed through various Facebook groups. The collected data were then exported to an Excel sheet, totaling responses from 386 participants. The data underwent thorough analysis, synthesis, and statistical treatment. A tabular presentation was prepared for easier interpretation and presentation of the gathered data. Statistical tests, including Cronbach's alpha test, were applied to the data obtained through convenient random sampling. The respondents' professional profiles and assessments of operational efficiency factors were critically analyzed to gain in-depth results. The weighted mean was calculated to gauge the level of agreement for each factor, and the study utilized the proposed average range for interpretation. Additionally, the study investigated whether there was a significant relationship between the respondents' profiles and their assessments of the operational variables. The proposed average range with corresponding interpretations was employed to

gain a comprehensive understanding of the weighted average results:

Range	Description	and	Equivalent
3.26- 4.00:	Strongly Agree:		Very Great Extent
2.51–3.25:	Agree:		Great Extent
1.76–2.50:	Moderately Agree:		Moderate Extent
1.00–1.75:	Disagree:		No Extent

Ethical Considerations

The online survey considered ethical aspects to protect the participants' rights and welfare. Informed

consent was obtained, ensuring voluntary participation and the right to withdraw. Anonymity and confidentiality were maintained in data collection and storage. The researcher showed respect to the participants and avoided harm by minimizing sensitive questions. Ethical guidelines were strictly followed to protect participants' rights and well-being.

Results

Table 1: Profile of the Virtual Service Freelancers

Demographics	Frequency	Percentage
Educational Attainment		
With units earned	115	29.79%
Bachelor's degree	258	66.84%
Master's degree	13	3.37%
Doctorate's degree	0	0.00%
Total	386	100.00%
Line of Service Offering		
Accounting and Bookkeeping	15	3.89%
Administrative Tasks	25	6.48%
Copywriting	29	7.51%
Customer Service (Phone, Email, Chat Support)	71	18.39%
General IT and Web Development	17	4.40%
General Virtual Assistance	35	9.07%
Graphic Designing	24	6.22%
Managerial (Project, Team, Operations Management)	20	5.18%
Marketing and Social Media Marketing (Facebooks Ads, Google Ads, etc.)	37	9.59%
Online Tutorial	61	15.80%
Others	6	1.55%
Recruitment	10	2.59%
Sales and e-Commerce Management	36	9.33%
Total	386	100.00%
Number of Years in Operation		
Less than 6 months	42	10.88%
6 months to 11 months	71	18.39%
1 year to 2 years	184	47.67%
3 years to 4 years	68	17.62%
5 years or more	21	5.44%
Total	386	100.00%
Monthly Income		
Below Php 19, 999	49	12.69%
Php 20, 000 to Php 29, 999	115	29.79%
Php 30, 000 to Php 49, 999	179	46.37%
Php 50, 000 to Php 69, 999	33	8.55%
Php 70, 000 or more	10	2.59%
Total	386	100.00%
Capitalization		
Below Php 19, 999	306	79.27%
Php 20, 000 to Php 29, 999	49	12.69%
Php 30, 000 to Php 49, 999	19	4.92%
Php 50, 000 to Php 69, 999	7	1.81%
Php 70, 000 or more	5	1.30%
Total	386	100.00%

Table 1 illustrates the findings on educational attainment, indicating that 66.84% of freelancers have a bachelor's degree, while 29.79% have earned college units. Only a small percentage have completed a master's degree, and none have a doctorate. The data suggests that a bachelor's degree is common among freelancers, and higher degrees may not be essential for freelancing. The table also presents the line of service offerings, showing that customer service and online tutorials are the most prevalent services. Marketing, sales, and general

virtual assistance are also in demand. This reveals the number of years in operation, with 47.67% of freelancers operating for 1 to 2 years, indicating a growing number of talents entering the industry. This showcases monthly income, with the majority earning between Php 30,000 to Php 49,000. Lastly, the result shows that over 75% of freelancers spent less than Php 19,000 as initial capitalization, suggesting that significant investment is not necessary to start freelancing.

Table 2: Summary of Operational Efficiency Assessment

Factor	Mean	Description
Waste Reduction	3.79	Very Great Extent
Quality Improvement	3.76	Very Great Extent
Customer Satisfaction	3.78	Very Great Extent
Productivity	3.80	Very Great Extent
Professional Development	3.77	Very Great Extent
GRAND MEAN	3.78	Very Great Extent

The study obtained a grand mean of 3.78, indicating that waste reduction, quality improvement, customer satisfaction, productivity, and professional development practices significantly contribute to freelancers' operational efficiency. Respondents strongly agreed on the importance of these practices, recognizing how waste reduction (weighted mean of 3.79) saves resources and improves efficiency. Quality improvement (weighted mean of 3.76) was highly regarded, emphasizing the goal of excellent

service. Customer satisfaction (weighted mean of 3.78) was recognized as critical for success. Productivity (weighted mean of 3.80) was valued as it directly impacts income. Professional development (weighted mean of 3.77) was seen as vital for staying marketable. Overall, the Six Sigma methodology's practices help freelancers achieve productivity, quality, and customer satisfaction while fostering professional growth through portfolio diversification.

Table 3: Relationship Between the Virtual Service Freelancers' Profile and the Dimensions of Operational Efficiency

Virtual Freelancer's Profile	Correlation Coefficient	p-value	Decision	Description
Educational Attainment	0.114	0.026	Reject the Null	There is significant relationship
Line of Service Offerings	0.224	0.001	Reject the Null	There is significant relationship
Number of Years in Operations	-0.172	0.001	Reject the Null	There is significant relationship
Monthly Income	0.232	0.000	Reject the Null	There is significant relationship
Capitalization	-0.152	0.003	Reject the Null	There is significant relationship

Legend:

If $p < 0.05$, reject the null, there is significant relationship;

If $p > 0.05$, accept null, there is no significant relationship

Table 3 presents the correlation coefficients and p-values, indicating the relationships between the virtual service freelancers' profiles and the dimensions of operational efficiency. The results reveal significant relationships between the respondents' profiles and their assessment of operational efficiency in various dimensions. Regarding Educational Attainment, a positive and significant relationship (correlation coefficient =

0.114, p-value = 0.026) was observed. This finding suggests that freelancers with higher educational backgrounds tend to have better operational efficiency. Higher education levels provide individuals with a broader skill set and knowledge base, enabling them to handle tasks more effectively and deliver high-quality services (Eftimov et al., 2016).

Similarly, the Line of Service Offerings showed a positive and significant relationship (correlation coefficient = 0.224, p-value = 0.001). Freelancers specializing in high-demand services, such as customer service and online tutorials, demonstrated higher operational efficiency (Gupta et al., 2020). The nature of the services provided by freelancers plays a crucial role in their overall efficiency, as specific expertise and skill sets may be required for different service lines. In terms of the Number of Years in Operations, a negative and significant relationship was found (correlation coefficient = -0.172, p-value = 0.001). This suggests that seasoned freelancers with more experience tend to exhibit better operational efficiency (Gupta et al., 2020).

Experience in the freelancing industry allows them to develop streamlined workflows, establish client networks, and gain valuable insights, contributing to increased efficiency compared to newcomers. Moreover, Monthly Income showed a positive and significant relationship (correlation coefficient = 0.232, p-value = 0.000). Freelancers earning higher incomes demonstrated better operational efficiency. Improved time management, higher motivation to maintain a reputation and secure more projects, and better financial stability are factors that may contribute to increased efficiency among higher-earning freelancers (unac et al., 2021).

Finally, capitalization exhibited a negative and significant relationship (correlation coefficient = -0.152, p-value = 0.003). This indicates that the initial investment or capitalization made by freelancers to start their operations can influence their efficiency. Freelancers with lower initial capitalization may face limitations in resources and marketing, affecting their operational efficiency. On the other hand, those with higher capitalization may have better access to necessary resources, leading to improved efficiency (Nastiti et al., 2019).

In conclusion, the study's findings show that various factors in the virtual service freelancers' profiles are associated with their operational efficiency. Recognizing the significance of these relationships can help freelancers identify areas for improvement and optimize their operational practices. From educational attainment and service offerings to experience, income, and capitalization, considering and enhancing these aspects can lead to greater operational efficiency, productivity, and success in the freelancing industry.

Conclusion

Based on the study's findings, it can be confidently concluded that the operational efficiency practices of the selected virtual service freelancers in the Philippines are in line with the Quality Theory of Six Sigma. According to Bill Smith, Six Sigma

emphasizes adhering to total quality standards in processes, products, and services, specifically focusing on waste reduction, quality improvement, customer satisfaction, productivity, and professional development. The study's results strongly support this claim, as they highlight the importance of considering these factors to achieve operational efficiency in the freelancing industry. The assessments provided by the respondents, who are virtual service freelancers themselves, further confirm their strong agreement with the factors contributing to operational efficiency. Therefore, it can be inferred that these practices are essential in fostering effective and efficient freelancing operations.

Recommendations

The researcher highly recommends "Freelancing Operational Efficiency Training," a self-paced online training program with a focus on waste reduction, quality improvement, and professional development. The plan intends to address the operational efficiency problems that respondents, especially those from the top two freelancing groups, Work From Home Philippines and Freelancers, cited. These organizations will be encouraged to make arrangements to sign up for the training, which will be approved by the Technical Education and Skills Development Authority (TESDA), along with freelancers from other platforms. Online access will be provided for the suggested courses on related operation management strategies. During difficult economic times like the pandemic, the implementation of this training program will increase the freelancers' sustainability and profitability in addition to improving their abilities.

Apart from this, a possible study on the marketing effectiveness practices of the Selected Virtual Service Freelancers in the Philippines should be conducted so that the freelancers will also develop the required marketing skills in this profession.

Conflict of Interest

There is no conflict of interest by the authors in this manuscript.

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