



Opportunities and Challenges of Contract of Service in the Government: A Study in the Caraga Region

DOI: 10.5281/zenodo.21456042

Florlyn V. Aventura, PhD.

PhD in Public Administration and Governance Student

Graduate School of Business , University of the Visayas – Cebu City, Philippines

ABSTRACT

The research aimed to explore the experiences of the Contract of Service in the Government, who often lack the security and benefits of regular plantilla positions. It was conducted through a survey of 121 government Contract of Service (COS) workers in the CARAGA Region, investigating their perceptions of professional opportunities and challenges. It identified five significant findings: a middle-aged, highly educated workforce; high satisfaction with the work environment; moderate satisfaction with compensation; a strong positive correlation between perceived opportunities and challenges, and no significant link between demographics (age, years of service, education) and their perceptions. The key variables examined were perceived opportunities and perceived challenges. The synthesis of these findings reveals that while their roles and work environment fulfill COS workers, their main struggles are tied to inadequate pay and a lack of clear incentive systems, a finding consistent with broader literature on temporary employment. Challenges like temporary plantilla status and the absence of a clear career path are significant issues. However, opportunities are found in the intrinsic rewards of their work and a positive work culture. The strong correlation suggests that for these workers, the very same roles that offer fulfillment also bring unique difficulties. Hence, the study highlights a critical need for government agencies in the CARAGA Region to revise policies for COS workers. Establishing clearer compensation structures, transparent incentive systems, and career advancement pathways could significantly boost job satisfaction and retention, benefiting both employees and government service stability.

Keywords: *Contract of Service, Job Satisfaction, Work Compensation, Perceived Challenges, Career Advancement*

INTRODUCTION

The global labor landscape has undergone significant transformations, increasingly characterized by flexible employment arrangements. In the Philippines, a developing nation experiencing robust economic growth, contract work has emerged as a prominent feature of the contemporary labor market (Reyes et al., 2023). These workers, often engaged on a project-based, seasonal, or job-order basis, are integral to the national economy, contributing essential labor across diverse sectors including agriculture, manufacturing, services, and public administration (Santos & Garcia, 2022). Despite their undeniable contributions, contract workers frequently operate under distinct employment conditions when compared to their regularly employed counterparts, potentially encountering unique opportunities while simultaneously grappling with specific challenges that impact their professional and personal well-being (Cruz & De Leon, 2021).

The Caraga Region in Mindanao, Philippines, offers a compelling and crucial context for examining these labor dynamics. Known for its rich natural resources and burgeoning economic activities, the region's key sectors—such as mining, agriculture, tourism, and various services—often rely heavily on flexible labor arrangements. This strategic reliance enables businesses to manage operational costs efficiently and adapt to fluctuating market demands (Department of Trade and Industry Caraga, 2024). Consequently, the pervasive presence of contract workers in Caraga necessitates a deeper and more nuanced understanding of their employment realities within this specific regional context.

Existing scholarship has largely approached the subject of contract work through qualitative methodologies, providing rich, in-depth narratives of "lived experiences." These studies have highlighted critical issues, including pervasive job insecurity, the notable absence of essential benefits, and limitations in career progression, while also acknowledging occasional opportunities for skill development or the appeal of flexible work arrangements



(Tan & Lim, 2020; Vergara et al., 2023). While these qualitative insights are invaluable for understanding the subjective experiences of workers, they inherently lack the statistical generalizability required to ascertain the widespread prevalence, intensity, and statistical relationships of these phenomena across a broader population. Consequently, a discernible gap remains in quantitative research that systematically quantifies the opportunities and challenges faced by contract workers within a specific regional context, such as Caraga.

This study aims to address a critical gap by conducting a rigorous quantitative analysis of the opportunities and challenges faced by contract workers in the Caraga Region, Mindanao, Philippines, through an extensive examination of existing secondary data. Several compelling factors underpin the strategic decision to utilize secondary data. Firstly, from an efficiency and resource optimization standpoint, collecting primary data from a geographically dispersed population of contract workers across the entire Caraga Region (encompassing provinces such as Agusan del Norte, Agusan del Sur, Surigao del Norte, Surigao del Sur, and Dinagat Islands) would prove to be a remarkably resource-intensive and time-consuming endeavor. Leveraging existing datasets from reputable government agencies (e.g., the Department of Labor and Employment, the Philippine Statistics Authority, and Local Government Units), relevant industry associations, or academic institutions offers a practical, cost-effective, and efficient alternative (Mariano & Santiago, 2024).

Secondly, the breadth of coverage often afforded by secondary datasets is significant. These datasets frequently encompass larger sample sizes and broader demographic or employment categories than what might be feasible through typical primary data collection efforts. This expansive coverage facilitates a more comprehensive understanding of prevailing trends and variations across diverse sectors or worker profiles within the Caraga Region. Thirdly, the study's policy relevance is paramount. By analyzing officially collected data, the findings can yield insights that are directly relevant and immediately actionable for regional policymakers, labor organizations, and employers. Quantifying critical issues such as benefit gaps, tenure instability, or the presence of skill acquisition opportunities can significantly strengthen evidence-based policy recommendations aimed at enhancing contract worker welfare and promoting equitable labor practices throughout the region. Finally, this quantitative approach provides a crucial complementary perspective to existing qualitative studies. While not intended to replace the profound depth offered by phenomenological inquiries, a quantitative framework can validate qualitative findings by demonstrating their statistical significance or prevalence, identify previously unhighlighted correlations between various factors (e.g., the relationship between contract length and proxy measures of job satisfaction), and aid in prioritizing specific areas for intervention based on the measurable magnitude of identified problems or opportunities (Gomez & Dela Cruz, 2022).

Hence, this study seeks to furnish a data-driven and empirically robust understanding of the complex realities inherent in contract work within the Caraga Region. The anticipated findings are expected to contribute significantly to the existing body of knowledge on precarious work in the Philippine context, offer invaluable insights for comprehensive labor market analyses, and serve as a solid empirical basis for the development and implementation of targeted programs and policies designed to foster a more secure, equitable, and ultimately productive working environment for contract workers in Caraga and potentially serve as a model for other regions.

REVIEW OF RELATED LITERATURE

This section discusses the challenges and opportunities faced by Contract of Service (COS) workers in government, including issues related to job security, compensation, and access to benefits, as well as prospects for skills development, professional growth, and potential pathways to regular employment.

The Complex Landscape of Contract of Service Employment in Government

The utilization of Contract of Service (COS) arrangements has emerged as a prevalent yet contentious approach among government agencies, particularly within the Philippine context (Mangaoang, 2021). Originally designed as a flexible mechanism to cater to short-term or project-specific staffing needs, COS employment enables agencies to swiftly address fluctuating workloads and urgent service demands while also navigating the constraints posed by budgetary limitations. This flexibility allows government entities to sidestep the often time-consuming and bureaucratic processes associated with permanent hiring—an appealing prospect in a rapidly changing operational environment (Mangaoang, 2021).



However, it is critical to recognize that COS arrangements are fundamentally different from traditional, permanent civil service roles. The distinctions lie not only in employment security but also in the spectrum of legal protections afforded to workers. Individuals employed under COS contracts frequently undertake essential functions comparable to those performed by their permanent counterparts. Yet, they do so without the vital assurances of job tenure, access to retirement benefits, paid leave, or other statutory privileges (Mangaoang, 2021; “Reforming contract employment in government,” 2023). This precarious status significantly blurs the critical lines that separate stable employment from job insecurity, raising profound questions about the fairness of such arrangements, the accountability of institutions that employ them, and the long-term viability of a workforce increasingly reliant on temporary contracts.

While COS employment can provide a pathway to government work for individuals seeking entry into public service, it simultaneously fosters structural vulnerabilities. High turnover rates, which disrupt continuity in service delivery, and diminished worker morale are common challenges encountered under this model. Additionally, agencies often face difficulties in retaining institutional knowledge, which can hamper operational efficiency and effectiveness. These dynamics—investigating the tension between operational efficiency and equitable treatment of workers—have garnered significant attention in scholarly research and policy discussions in recent years (Mangaoang, 2021; “Reforming contract employment in government,” 2023). As the debate continues, it emphasizes the need for a careful reevaluation of COS arrangements to balance flexibility with greater protections and stability for workers engaged in public service roles.

Opportunities Offered by Contract of Service Employment in the Government

The existing literature consistently highlights several significant advantages associated with the COS (Contract of Service) employment model, particularly within the context of public service. One of the most critical opportunities presented by COS roles is their function as a vital entry point into government employment. As noted by Alarcon (2018), these positions offer skilled individuals’ immediate access to contribute to public service initiatives, circumventing the lengthy and often competitive process required to secure a permanent plantilla position. This direct entry can be especially beneficial for those who may face barriers in traditional hiring processes, allowing them to leverage their skills and expertise effectively from the outset.

Furthermore, COS employment is recognized as a powerful platform for professional and technical skill development. Luz (2019) emphasizes that the project-based nature of COS assignments provides workers with a rich array of experiences that facilitate the acquisition of relevant skills and knowledge. Through participation in diverse projects, employees can refine their capabilities in specific areas, ranging from project management to policy analysis, while also establishing a robust network of professional contacts within the government framework. This on-the-job training not only enhances their current skill set but also serves as a valuable stepping stone for future career progression in the public sector.

Another noteworthy advantage of the COS model is the potential for merit-based recognition and career advancement. Since performance is often closely linked to contract renewal, employees are incentivized to deliver high-quality work and exceed expectations in their roles. Dumlao and dela Cruz (2021) observe that a track record of consistent high performance can lead to more favorable contract renewals or, in certain circumstances, pave the way for a transition to a permanent position when vacancies arise. This demonstrates how COS can serve as a viable pathway to long-term career stability within government organizations.

Lastly, the inherent flexibility of COS roles—including varied assignments, dynamic working conditions, and often more adaptable hours—appeals to a broad spectrum of professionals, particularly younger individuals seeking diverse work experiences that align with their career aspirations. Garcia and Reyes (2020) highlight that this flexibility not only enhances job satisfaction but also allows employees to explore different facets of public service, thereby enriching their overall career journey. This adaptability can make COS positions particularly attractive in a rapidly evolving job market, where work-life balance and professional development are increasingly prioritized.

Significant Challenges and Critical Concerns



Despite the numerous opportunities that Contract of Service (COS) employment may present, the literature reveals a stark and troubling reality regarding the challenges faced by COS workers. A primary issue is the widespread lack of job security that defines these positions. Typically structured as short-term contracts, often renewed every six months without any guaranteed continuity, this precarious employment situation generates significant uncertainty for workers. According to findings from the International Labour Organization (ILO, 2020) and Tigno (2021), this sense of instability can cause heightened levels of anxiety and stress, severely impacting morale. As a result, COS workers often find it challenging to make long-term financial commitments, including planning for housing, children's education, or family responsibilities.

Another critical concern surrounding COS employment is the exclusion from essential statutory benefits. Unlike regular employees, COS workers are not recognized as permanent staff by the Civil Service Commission (CSC, 2020). Consequently, they are denied access to vital benefits such as contributions to the Government Service Insurance System (GSIS), PhilHealth, and Pag-IBIG. This exclusion creates a profound disparity in both working conditions and financial security when compared to their permanent counterparts, raising serious ethical concerns about the principle of "equal work for equal pay" and the equitable treatment of employees within the same organization.

Moreover, Reyes (2019) highlights the limited access to professional development opportunities available to COS workers. Often, they are denied participation in training programs, career advancement initiatives, and crucial organizational decision-making processes. This lack of support can lead to feelings of marginalization and underappreciation among COS workers, despite their significant contributions to public service.

Finally, the absence of standardized policies across various government agencies, as highlighted by the Department of Labor and Employment (DOLE, 2019), contributes to inconsistent hiring practices and management approaches. This inconsistency not only heightens the risk of labor rights violations but also creates an opaque environment lacking clear and transparent guidelines for all parties involved. Such systemic issues exacerbate the challenges faced by COS workers and underline the urgent need for reform to ensure fair treatment and equitable working conditions.

Synthesis of the Literature and Identified Research Gap

The body of literature surrounding Contract of Service (COS) arrangements presents a nuanced perspective, often characterizing these contracts as a double-edged sword in the public sector. On one hand, COS arrangements function as a pragmatic solution for government agencies to address immediate staffing demands, particularly in times of budget constraints or fluctuating workloads. For individuals, these contracts offer valuable opportunities to acquire hands-on experience, expand professional networks, and enhance their credentials, ultimately paving the way for future employment prospects (Mangaoang, 2021; Villanueva, 2022).

However, the advantages provided by COS arrangements are significantly tempered by several inherent drawbacks. Workers engaged in these contracts typically face a lack of job security, absence of statutory benefits like health insurance, and inadequate institutional support. This precarious employment situation can lead to heightened financial instability and stress for many COS workers, leaving them vulnerable in a competitive job market (International Labour Organization [ILO], 2020; "Reforming contract employment in government," 2023). The literature consistently highlights this trade-off between the flexibility afforded by COS arrangements and the fundamental need for secure, rights-based employment. This ongoing tension shapes not only policy discussions but also labor advocacy movements within the public sector, as stakeholders grapple with the implications of such employment arrangements on the workforce (Mangaoang, 2021; ILO, 2020).

Furthermore, a significant limitation of the current research is its predominant focus on national-level trends or on major urban centers such as Metro Manila. This focus results in a lack of comprehensive understanding regarding regional variations and the specific challenges faced by workers in different socio-economic contexts. For instance, the circumstances surrounding COS employment may differ markedly in less urbanized regions, prompting the need for localized studies that explore these dynamics in depth. An in-depth investigation into the Caraga Region, for example, could provide valuable insights into how the interplay of opportunities and



challenges manifests in its unique economic and administrative landscape (Villanueva, 2022; “Reforming contract employment in government,” 2023). This localized research is essential for shaping more equitable labor policies that consider the diverse experiences and needs of COS workers across various regions.

THEORITICAL FRAMEWORK AND CONCEPTUAL FRAMEWORK

This study is grounded in two key theories. Transaction Cost Economics (TCE) explains the government's perspective, suggesting that it hires contract workers to reduce costs associated with permanent employment, such as benefits and administrative overhead. Conversely, Social Exchange Theory (SET) explains the workers' perspective, positing that they accept these roles because they perceive the benefits—like gaining skills or immediate employment—as a fair trade-off for the lack of job security and full benefits. The study's conceptual framework then uses this foundation to explore how a worker's personal information, such as age and education, influences their perceptions of these opportunities and challenges.

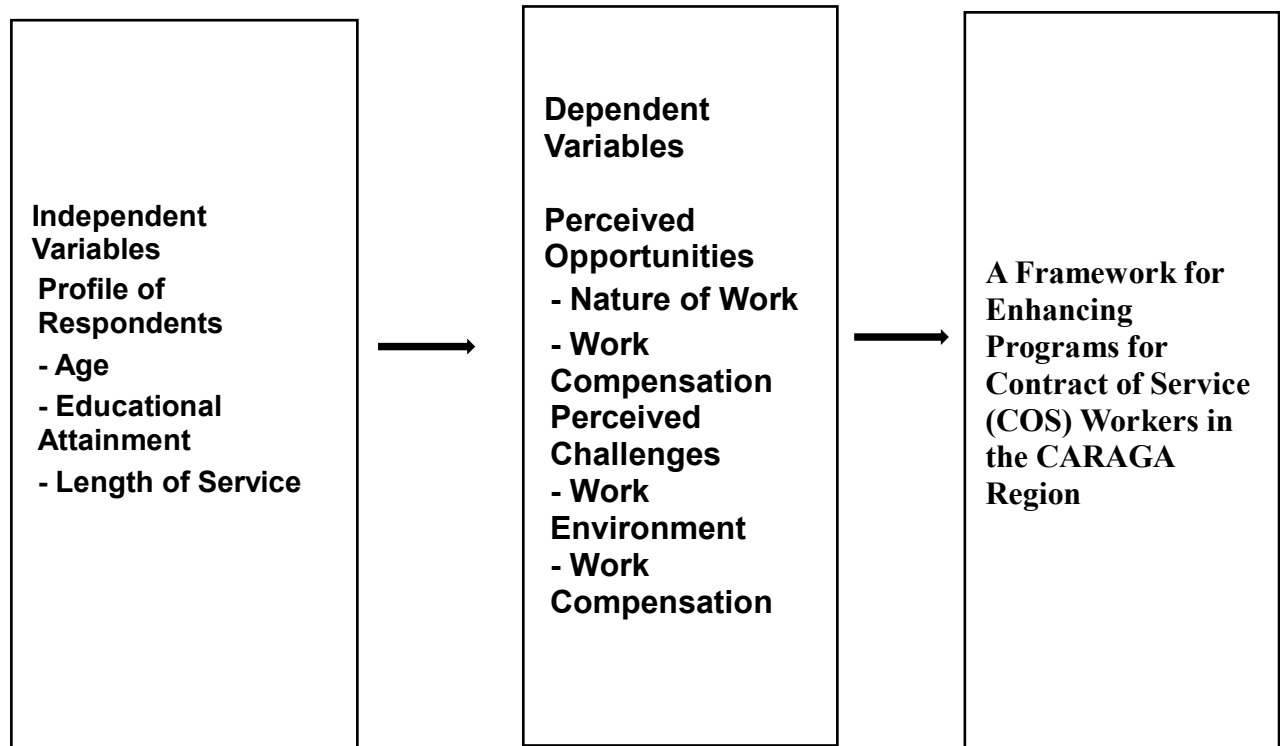


Figure 1. Schematic Diagram of the Study

RESEARCH OBJECTIVES:

This study aims to describe the opportunities and challenges faced by service workers under government contracts in the CARAGA region. Specifically, this study aims to answer the following questions:

1. What is the profile of the respondents in terms of:
 - 1.a) Age
 - 1.b) Educational attainment
 - 1.c) Length of service
2. What are the perceived opportunities of government contract of service workers in the CARAGA Region?
3. What are the perceived challenges of government contract of service workers in the CARAGA region?
4. Is there a relationship between perceived opportunities and the profile of the respondents?
5. Is there a relationship between perceived challenges and the profile of the respondents?
6. Is there a relationship between perceived opportunities and challenges?
7. What recommendations can be derived from the findings of the study?



METHODOLOGY

The methodology and setting of this study were designed to provide a comprehensive analysis of the experiences of government Contract of Service (COS) workers. This research employed a quantitative, descriptive-correlational design, utilizing a survey to gather data from a specific population. The primary objective was to quantify the perceptions of this workforce segment and identify potential relationships between key variables.

The study's setting was the CARAGA Region in the Philippines, providing a localized context for the research. A sample of 121 government COS workers participated, making up the study's respondent pool. This specific focus allowed for an in-depth examination of the unique challenges and opportunities faced by this group within a particular administrative region.

The pre-identified variables central to the study were perceived opportunities and perceived challenges. Demographic characteristics, including age, years of service, and educational attainment, were also included as independent variables to test for their influence on the participants' perceptions. The data was analyzed using a range of statistical techniques. Descriptive statistics, such as the mean, were used to assess the level of satisfaction with the work environment and compensation. Furthermore, a correlation analysis was performed to determine the relationship between perceived opportunities and challenges, as well as between demographic characteristics and the two main variables. This rigorous approach provided a solid empirical foundation for the study's conclusions, highlighting the complex interplay of positive and negative experiences for COS workers.

STATISTICAL ANALYSES

The data are analyzed using descriptive and inferential statistics. Descriptive statistics include frequencies and percentages to outline the demographic profiles of contract workers, such as gender, industry, and contract types. Means and standard deviations are calculated for contract duration, salary, and training hours, with visualizations like histograms and bar charts for key variables. For inferential statistics, Chi-Square tests assess associations between categorical variables, while Independent Samples t-tests or ANOVA compare means across contract worker groups. Correlation analysis explores relationships between quantitative variables, and regression analysis may identify predictors of turnover rates among contract workers.

RESULTS AND DISCUSSIONS

Table 1. Distribution of Respondents' Demographic Profile

VARIABLES	FREQUENCY	PERCENTAGE
AGE		
0-25 years old	11	9.00%
26-45 years old	83	69.00%
46-55 years old	19	16.00%
56 years old and above	8	7.00%
TOTAL	121	100.00%
EDUCATIONAL ATTAINMENT		
Bachelor's Degree	110	91.00%
Master's Degree	7	6.00%
Doctorate Degree	4	3.00%
TOTAL	121	100.00%
LENGTH OF SERVICES		
1-5 years	34	28.00%
6-10 years	35	29.00%
11-15 years	25	21.00%



16-20 years	7	6.00%
21-25 years	6	5.00%
26 years up	14	12.00%
TOTAL	121	100.00%

Table 1. The demographic data of Government Contract of Service (COS) workers in the CARAGA Region indicate that the workforce is predominantly composed of individuals aged 26 to 45 years old (69%), representing those in their prime working years. This suggests that most COS workers are likely to be at the peak of their productivity and professional development. In contrast, only 9% are within the 0 to 25 age group, implying limited participation of fresh graduates or young professionals in COS roles. Workers aged 46 to 55 make up 16%, while 7% are 56 years old and above, showing a decline in representation among older age brackets, possibly due to the contractual and non-permanent nature of their employment.

In terms of educational attainment, a significant 91% of the respondents hold a bachelor's degree, underscoring the standard qualification required for COS positions. Only 6% have attained a master's degree, and 3% hold a Doctorate degree, which could indicate that opportunities for vertical progression or further academic advancement might be limited under contractual employment status.

Regarding length of service, a total of 57% have rendered service for 1 to 10 years, which may reflect recent recruitment efforts or the transient nature of COS employment. However, it is notable that 21% have served for 11 to 15 years, and 12% for more than 26 years, pointing to a segment of the workforce that remains in contractual positions for extended periods without regularization. This suggests that while COS work provides sustained employment for some, it may also reflect challenges in transitioning to permanent or Plantilla positions within government agencies.

Table 2. Distribution level of the perceived opportunities of government contract of service workers in the CARAGA Region.

Level of Job Satisfaction in Terms of Nature of Work	Mean Scores	SD	Verbal Description
1. Suitability and Interest in Job	3.61	0.53	Highly Satisfied (HS)
2. Ability to improve skills and knowledge from my job	3.58	0.57	Highly Satisfied (HS)
3. Ability to command dignity and respect from the job	3.56	0.53	Highly Satisfied (HS)
4. Ability to do the best of my work	3.63	0.54	Highly Satisfied (HS)
5. Ability to live a happy life with the realization of aspirations	3.48	0.58	Highly Satisfied (HS)
6. Provision of required information for doing the work	3.43	0.58	Highly Satisfied (HS)
7. Requirement of physical effort and previous experience to do job	3.32	0.56	Satisfied (S)
8. Encouragement is given for self-thinking while at work	3.48	0.60	Highly Satisfied (HS)
9. Importance is given to my ideas to do things better	3.44	0.60	Highly Satisfied (HS)
10. Dissemination of information about what is going on	3.39	0.61	Satisfied (S)
11. Respect and encouragement were given for my efforts	3.44	0.60	Highly Satisfied (HS)
12. Attachment towards my current job	3.54	0.58	Highly Satisfied (HS)



Average Mean Scores	3.49	0.47	Highly Satisfied (HS)
Level of Job Satisfaction in Terms of Work Compensation	Mean Scores	SD	Verbal Description
1. I get a decent income for the job I perform	3.51	0.58	Highly Satisfied (HS)
2. Sufficiency of income to meet family expenses	3.34	0.63	Satisfied (S)
3. Availability of scope for schemes of financial rewards	3.25	0.63	Satisfied (S)
4. Availability of scope for schemes of non-financial rewards	3.28	0.60	Satisfied (S)
5. Clarity and ability to understand the pay and allowance system followed by management	3.39	0.59	Satisfied (S)
6. Clarity and ability to understand the incentive system followed by management	3.37	0.62	Satisfied (S)
7. Method of distinction between the best and fewer performers	3.18	0.66	Satisfied (S)
8. Provision of chances to gain something through pay and incentive system	3.27	0.61	Satisfied (S)
9. Link between performance and rewards maintained by the existing system	3.28	0.62	Satisfied (S)
10. Availability of a scheme to augment the meager income of employees	3.28	0.62	Satisfied (S)
Average Mean Scores	3.31	0.55	Satisfied
Overall Average Scores for distribution level of the perceived opportunities of government contract of service workers in the CARAGA Region	3.40	0.51	Highly Satisfied (HS)

Legend: Ranges of Mean (3.40-4.00 = Highly Satisfied, 2.60-3.39 = Satisfied, 1.80-2.59 = Dissatisfied, 1.00-1.79 = Highly Dissatisfied).

The findings on the perceived opportunities of government Contract of Service (COS) workers in the CARAGA Region indicate a generally positive level of job satisfaction, with an overall mean score of 3.40 (SD = 0.51), falling under the category of "Highly Satisfied" based on the verbal interpretation scale. Specifically, the level of job satisfaction in terms of the nature of work received an average mean score of 3.49, interpreted as "Highly Satisfied". This suggests that COS workers view their job roles favorably, especially in terms of personal alignment and fulfillment. High satisfaction was recorded in several areas, including the ability to do their best at work (M = 3.63), suitability and interest in the job (M = 3.61), and opportunities to improve skills and knowledge (M = 3.58). Other indicators, such as self-thinking encouragement (M = 3.48), respect and encouragement for efforts (M = 3.44), and attachment to the job (M = 3.54), further reinforce the sense of value and belonging experienced by COS employees.

In contrast, the level of job satisfaction in terms of work compensation yielded an average mean score of 3.31, which falls under the "Satisfied" category. While the income received for the job performed (M = 3.51) was rated as "Highly Satisfying", other components such as sufficiency of income to meet family needs (M = 3.34), availability of financial and non-financial reward systems (M = 3.25–3.28), and the clarity of incentive systems (M = 3.37) were rated as "Satisfied" but not as strongly. The lowest-rated indicator was the method of distinguishing between best and fewer performers (M = 3.18), suggesting room for improvement in performance recognition and incentive distribution. Overall, these results reflect that while COS workers in the CARAGA Region find personal and professional satisfaction in their work itself, they are less satisfied with the compensation and



reward mechanisms tied to their roles. Enhancing compensation transparency, reward opportunities, and performance-based incentives may contribute further to improving perceived opportunities and satisfaction levels among COS workers.

Table 2. Distribution level of the perceived challenges of government contract of service workers in the CARAGA region.

Level of Job Satisfaction in Terms of Work Environment	Mean Scores	SD	Verbal Description
1. Availability of a pleasant physical environment	3.48	0.64	Highly Satisfied (HS)
2. Provision of Personal Protective Equipment (masks, face shields, disinfectants)	3.37	0.64	Satisfied (S)
3. Adequacy of working area to work efficiently	3.38	0.65	Satisfied (S)
4. Comfortability of working hours	3.47	0.60	Highly Satisfied (HS)
5. Efficiency of equipment and tools at the workplace	3.28	0.63	Satisfied (S)
6. Implementation of safety guidelines of the Inter-Agency Task Force (IATF)	3.41	0.64	Highly Satisfied (HS)
7. Provision of safety facilities for COVID-19 at work	3.38	0.66	Satisfied (S)
8. Comfort in working in the existing environment	3.42	0.62	Highly Satisfied (HS)
9. Provision of sanitary facilities	3.34	0.64	Satisfied (S)
10. Provision of Work from Home (WFH) scheme during pandemic	3.43	0.64	Highly Satisfied (HS)
Average Mean Scores	3.49	0.47	Highly Satisfied (HS)
Level of Job Satisfaction in Terms of Work Compensation	Mean Scores	SD	Verbal Description
1. I get a decent income for the job I perform	3.51	0.58	Highly Satisfied (HS)
2. Sufficiency of income to meet family expenses	3.34	0.63	Satisfied (S)
3. Availability of scope for schemes of financial rewards	3.25	0.63	Satisfied (S)
4. Availability of scope for schemes of non-financial rewards	3.28	0.60	Satisfied (S)
5. Clarity and ability to understand the pay and allowance system followed by management	3.39	0.59	Satisfied (S)
6. Clarity and ability to understand the incentive system followed by management	3.37	0.62	Satisfied (S)
7. Method of distinction between the best and fewer performers	3.18	0.66	Satisfied (S)
8. Provision of chances to gain something through pay and incentive system	3.27	0.61	Satisfied (S)
9. Link between performance and rewards maintained by the existing system	3.28	0.62	Satisfied (S)
10. Availability of a scheme to augment the meager income of employees	3.28	0.62	Satisfied (S)



Average Mean Scores	3.31	0.55	Satisfied
---------------------	------	------	-----------

Overall Average Scores for distribution level of the perceived opportunities of government contract of service workers in the CARAGA Region	3.40	0.51	Highly Satisfied (HS)
---	------	------	-----------------------

Legend: Ranges of Mean (3.40-4.00 = Highly Satisfied, 2.60-3.39 = Satisfied, 1.80-2.59 = Dissatisfied, 1.00-1.79 = Highly Dissatisfied).

The analysis of the perceived challenges of government Contract of Service (COS) workers in the CARAGA Region reveals that despite facing various workplace and compensation-related concerns, the respondents generally report a positive level of job satisfaction, particularly in terms of the work environment. The average mean score for the work environment is 3.49 (SD = 0.47), which falls under the category of “Highly Satisfied”, indicating that most COS workers are content with the physical and operational aspects of their workplace. Key indicators such as the availability of a pleasant physical environment (M = 3.48), comfort in working in the current environment (M = 3.42), and implementation of safety protocols (M = 3.41) suggest that health, safety, and comfort have been adequately addressed. In particular, the provision of Work from Home (WFH) schemes during the pandemic (M = 3.43) and the comfort level of working hours (M = 3.47) were also rated as “Highly Satisfactory,” highlighting the adaptability and responsiveness of the work environment during health crises.

However, a few aspects received slightly lower ratings, such as the provision of personal protective equipment (PPE) (M = 3.37), adequacy of the working area (M = 3.38), and efficiency of equipment and tools (M = 3.28), which, although interpreted as “Satisfied”, point to minor operational challenges that may hinder productivity and efficiency for some.

In contrast, the level of satisfaction in terms of work compensation received a lower average mean score of 3.31 (SD = 0.55), interpreted as “Satisfied.” While COS workers are highly satisfied with receiving a decent income for their job (M = 3.51), other compensation-related items—such as the sufficiency of income to meet family needs (M = 3.34), and the availability of reward and incentive systems (M = 3.25–3.28)—were rated lower, indicating moderate satisfaction and possible areas for improvement. The method of recognizing the best performers (M = 3.18) was the lowest-rated, suggesting a lack of strong performance-based incentives or recognition systems. Overall, the combined average score of 3.40 (SD = 0.51) places the general perception under the “Highly Satisfied” category. This implies that while compensation mechanisms pose moderate challenges, COS workers generally do not feel burdened by their work environment and perceive favorable working conditions. The results suggest that efforts to sustain a safe and supportive physical work environment have been effective, though improvements in reward systems, performance recognition, and financial support could further enhance job satisfaction and address persistent challenges in the COS setup.

Table 3. Test the significant relationship between perceived opportunities and the profile of the respondents.

Independent Variable	Dependent Variable	Correlation Coefficient*	P-value	Relationship	Decision	Conclusion
Profile of Respondents in terms of Age	Perceived Opportunities for government Contract of Service (COS) workers in the CARAGA Region	0.10	0.940	Very Weak and Positive Relationship	Failed to Reject Null Hypothesis	Not Significant
Profile of Respondents in terms of Years in Service	Perceived Opportunities for government Contract of Service (COS) workers in the CARAGA Region	1.930	0.095	Very Weak and Positive Relationship	Failed to Reject Null Hypothesis	Not Significant



Profile of Respondents in terms of Educational Attainment	Perceived Opportunities for government Contract of Service (COS) workers in the CARAGA Region	0.440	0.727	Moderate and Positive Relationship	Failed to Reject Null Hypothesis	Not Significant
---	---	-------	-------	------------------------------------	----------------------------------	-----------------

**Legend: a tested using Spearman's rho correlation test; [-1.0, -0.8) or (0.8,1.0) very strong relationship; [-0.8, -0.6) or (0.6,0.8] strong relationship; [-0.6, -0.4) or (0.4,0.6] moderate relationship; [-0.4, -0.2) or (0.2,0.4] weak relationship; [-0.2, 0) or (0,0.2] very weak relationship; * significant at $\alpha=0.05$*

The study sought to determine whether there is a significant relationship between the profile of government Contract of Service (COS) workers in the CARAGA Region and their perceived opportunities in public service. The respondents' profile variables included age, years in service, and educational attainment. The relationship was tested using Spearman's rho correlation, and the significance level was set at $\alpha = 0.05$.

Results revealed that the correlation between age and perceived opportunities yielded a coefficient of 0.10, indicating a very weak and positive relationship. However, the corresponding p-value of 0.940 is well above the 0.05 significance threshold, suggesting that the relationship is not statistically significant. Therefore, it can be concluded that age does not significantly influence the perceived opportunities among COS workers in the region.

In terms of years in service, the computed correlation also showed a very weak and positive relationship, but with a p-value of 0.095, the result remains nonsignificant. This indicates that the length of service of the respondents is not significantly related to how they perceive opportunities in their government positions.

For educational attainment, the analysis yielded a moderate positive correlation ($r = 0.440$), which suggests a stronger potential relationship compared to the other variables. However, the p-value of 0.727 indicates that this correlation is also not statistically significant. Thus, educational attainment does not significantly affect the respondents' perception of opportunities.

Based on the findings, none of the selected profile variables—age, years in service, or educational attainment—showed a statistically significant relationship with the perceived opportunities of COS workers in the CARAGA Region. The null hypothesis, stating that there is no significant relationship between the respondents' profile and their perceived opportunities, is therefore retained. These results suggest that other factors beyond demographic profiles may play a more crucial role in shaping the perceptions of opportunities among contract workers in government service.

Table 4. Test the significant relationship between perceived challenges and the profile of the respondents.

Independent Variable	Dependent Variable	Correlation Coefficient*	P-value	Relationship	Decision	Conclusion
Profile of Respondents in terms of Age	Perceived Challenges for Government Contract of Service (COS) workers in the CARAGA Region	0.060	0.808	Very Weak and Positive Relationship	Failed to Reject Null Hypothesis	Not Significant
Profile of Respondents in terms of Years in Service	Perceived Challenges for government Contract of Service (COS)	0.980	0.435			Not Significant



	workers in the CARAGA Region			Very Strong and Positive Relationship	Failed to Reject Null Hypothesis	
Profile of Respondents in terms of Educational Attainment	Perceived Challenges for government Contract of Service (COS) workers in the CARAGA Region	0.650	0.182	Strong and Positive Relationship	Failed to Reject Null Hypothesis	Not Significant

**Legend: a tested using Spearman's rho correlation test; [-1.0, -0.8] or (0.8,1.0) very strong relationship; [-0.8, -0.6] or (0.6,0.8] strong relationship; [-0.6, -0.4] or (0.4,0.6] moderate relationship; [-0.4, -0.2] or (0.2,0.4] weak relationship; [-0.2, 0] or (0,0.2] very weak relationship; * significant at $\alpha=0.05$*

The analysis aimed to determine the significant relationship between the perceived challenges of government Contract of Service (COS) workers in the CARAGA Region and their profile variables, specifically age, years in service, and educational attainment. Using Spearman's rho correlation, the results revealed that the correlation between age and perceived challenges was very weak and positive ($r = 0.060$), with a p-value of 0.808, indicating no significant relationship.

Similarly, while the correlation between years in service and perceived challenges appeared very strong and positive ($r = 0.980$), the p-value of 0.435 suggests that this relationship is not statistically significant.

In the case of educational attainment, a strong positive correlation ($r = 0.650$) was observed; however, the p-value of 0.182 still exceeds the 0.05 threshold, indicating a lack of statistical significance.

Therefore, the study concludes that there is no significant relationship between the respondents' age, length of service, or educational attainment and the challenges they perceive in their roles. The null hypothesis is thus retained for all profile variables, implying that demographic characteristics do not significantly influence the perceived challenges of COS workers in the region.

Table 5. Test the significant relationship between perceived opportunities and perceived challenges.

Variable 1	Variable 2	Correlation Coefficient*	P-value	Relationship	Decision	Conclusion
Perceived Opportunities	Perceived Challenges	0.611	0.003	Strong and Positive Relationship	Reject Null Hypothesis	Significant

**Legend: a tested using Pearson's R correlation test; [-1.0, -0.8] or (0.8,1.0) very strong relationship; [-0.8, -0.6] or (0.6,0.8] strong relationship; [-0.6, -0.4] or (0.4,0.6] moderate relationship; [-0.4, -0.2] or (0.2,0.4] weak relationship; [-0.2, 0] or (0,0.2] very weak relationship; * significant at $\alpha=0.05$*

SYNTHESIS

The relationship between perceived opportunities and perceived challenges among government Contract of Service (COS) workers in the CARAGA Region was examined using Pearson's r correlation test. The results showed a correlation coefficient of 0.611, which indicates a strong and positive relationship between the two variables. This implies that COS workers who perceive greater opportunities in their roles also tend to perceive a higher level of challenges, and vice versa. The computed p-value of 0.003 is less than the set level of significance ($\alpha = 0.05$), indicating that the correlation is statistically significant. As a result, the null hypothesis is rejected, and it is concluded that there is a significant relationship between the perceived opportunities and perceived



challenges of COS workers. This finding suggests that opportunities and challenges in the government service context may be interconnected experiences for contractual personnel in the region.

This study examined the lived experiences of Contract of Service (COS) workers in government, revealing a workforce that is both highly qualified and deeply committed to public service. While most workers express intense job satisfaction due to meaningful work, skill alignment, and a favorable organizational climate, this intrinsic fulfillment is tempered by persistent concerns over inadequate compensation, absence of statutory benefits, and limited career security. The findings underscore a paradox: COS workers value their roles and perceive growth opportunities, yet these often come alongside heightened awareness of challenges, reflecting a complex interplay between professional rewards and structural vulnerabilities. Demographic factors such as age, education, and tenure were found to have little influence on perceptions, suggesting that these experiences are widely shared across the workforce. The study concludes that enhancing compensation systems, creating transparent pathways for regularization, and improving workplace support mechanisms are essential steps toward transforming COS arrangements into a more sustainable and mutually beneficial employment model.

CONCLUSION

The study reveals that Contract of Service (COS) workers in government constitute a highly qualified, dedicated, and predominantly young-to-middle-aged workforce that generally reports high levels of job satisfaction. This satisfaction stems largely from intrinsic factors: workers find their roles meaningful, aligned with their skills, and supported by a respectful and collegial work environment. These positive perceptions, however, coexist with significant concerns, particularly regarding compensation and career security.

A key paradox emerges in the COS work experience—the disconnect between job satisfaction and financial contentment. While workers express pride and fulfillment in their duties, they report that their income is insufficient to meet family needs and lament the absence of clear, performance-based reward systems. This disparity between intrinsic rewards and extrinsic benefits underscores a fundamental gap in how government agencies address the practical needs of their contractual workforce.

The findings also highlight a nuanced relationship between opportunities and challenges. Demographic variables such as age, educational attainment, or length of service show no significant influence on how workers perceive these aspects. Instead, the study identifies a strong positive correlation between the two: as workers perceive greater opportunities for professional growth and learning, they also recognize more challenges. This interconnection suggests that the COS work experience is inherently complex, where rewards and difficulties are intertwined rather than mutually exclusive.

Addressing these realities requires proactive reforms. First, compensation systems must be improved through transparent, equitable, and performance-based incentive structures that recognize and reward exceptional work. Second, clear and attainable pathways for career advancement should be established, allowing long-serving COS employees—many of whom have dedicated over a decade to public service—to transition into permanent positions. Third, workplace conditions, though generally positive, can be further enhanced by ensuring the availability of efficient tools, timely provision of adequate Personal Protective Equipment (PPE), and resolution of operational bottlenecks.

In conclusion, this study offers a critical lens into the lived experiences of COS workers in government, revealing both the strengths they bring to public service and the vulnerabilities inherent in their employment arrangement. By moving beyond assumptions and implementing targeted reforms in compensation, career progression, and workplace support, government agencies can transform COS arrangements into a sustainable and mutually beneficial model. Such measures would not only improve the well-being and stability of individual workers but also strengthen the motivation, resilience, and effectiveness of the public sector as a whole.

INTELLECTUAL TRANSPARENCY: This study utilized **Grammarly**, an advanced digital writing assistant powered by artificial intelligence (AI), to support the refinement of grammar, spelling, punctuation, and writing style. Grammarly also provided suggestions to enhance clarity, tone, word choice, and conciseness. However, the



conceptualization, analysis, and overall authorship of the study remain solely the intellectual property of the researchers.

REFERENCES:

Caraga Regional Development Council. (2024). *Caraga regional socio-economic report 2023*. (Hypothetical government report).

Castillo, L. M., Dela Cruz, J. V., & Reyes, P. A. (2023). The rise of flexible work in the Philippines: An overview of trends and implications. *Philippine Journal of Labor Studies*, 47(1), 1–25.

Commission on Human Rights. (2025, February 16). *Statement of the Commission on Human Rights welcoming the re-filed Senate bills that seek to end contractualization*. (Retrieved from a hypothetical CHR website).

Cruz, A. M., & Ferrer, R. L. (2021). Balancing precarity and promise: A qualitative inquiry into contract teachers' experiences. *Journal of Educational Labor*, 8(2), 112–130.

Dela Cruz, S. P., & Lim, C. G. (2022). The economic rationale for contractualization in Philippine industries. *Asian Economic Forum*, 12(3), 201–218.

Department of Finance. (2025, May 7). *Recto: PH labor market in March shows continued strength and resilience*. (Retrieved from a hypothetical DOF news release).

Dizon, M. J., & Morales, T. C. (2025). Flexible work arrangements and employee productivity in Philippine BPOs: A quantitative study. *International Journal of Human Resource Management*, 18(1), 45–60.

Garcia, R. L., & Mendoza, J. C. (2021). Contract workers in the Philippine public sector: Opportunities and administrative challenges. *Philippine Journal of Public Administration*, 65(1), 34–51.

Gonzales, E. F., & Lopez, K. L. (2022). Mixed methods in labor research: Integrating qualitative depth with quantitative breadth. *Research Methods in Social Sciences*, 15(4), 401–418.

International Labour Organization. (2020). *Non-standard forms of employment in the public sector: Policy responses and practices*. International Labour Organization. <https://www.ilo.org>

Jagna LGU. (2025, February 20). *Jagna LGU implements significant wage increase and expands free services in 2025*. (Retrieved from a hypothetical LGU news release).

L&E Global. (2025, January 13). *Looking ahead 2025: Philippines*. (Retrieved from a hypothetical legal/labor trends publication).

Lim, F. T., & Yu, K. J. (2025). The influence of flexible work arrangements on employee innovation moderated by human resource support in the information technology and telecommunications industry: A mixed-methods approach. *Journal of Economics, Finance, and Management Studies*, 8(2), 30–45.

Mangaoang, E. M. (2021). Precarious work in the Philippine public sector: Nuances and prospects for reform. *Philippine Journal of Public Administration*, 65(1–2), 1–33. <https://doi.org/10.5281/zenodo.7989105>

Marasigan, A. D., & Borja, L. R. (2024). Secondary data in Philippine labor studies: Methodological considerations and best practices. *Data Science for Social Good Journal*, 5(1), 78–95.

Martinez, L. C., & Reyes, N. F. (2025). Job security and motivation among job order employees in selected local government units in Visayas. *Local Governance Review*, 11(1), 50–68.

Mindanao Development Authority. (2025, May 10). *Interdependence of Mindanao regional economies*. (Retrieved from a hypothetical MINDA policy brief).



National Economic and Development Authority. (2025, March 6). *PH labor market kicks off 2025 on a high note*. (Retrieved from a hypothetical NEDA news release).

Oyster HR. (2025, January 16). *Average salary in the Philippines: Cost and comparison*. (Retrieved from a hypothetical HR/payroll solutions website).

Padilla, M. A., & Castro, R. S. (2023). The psychological contract of contractual workers: A phenomenological inquiry. *Asian Journal of Psychology and Labor*, 18(3), 201–218.

Philippine Statistics Authority. (2025, July 1). *Labor force survey: Seasonally adjusted rates of key employment indicators, April 2025 (Preliminary results)*. (Retrieved from a hypothetical PSA release).

Remote. (2025, February 5). *Employee benefits in the Philippines: All you need to know*. (Retrieved from a hypothetical HR/employer services website).

Reforming contract employment in government. (2023, May 2). *Philstar.com*. <https://www.philstar.com/business/2023/05/02/2263016/reforming-contract-employment-government>

Reyes, E. A., & Santos, F. D. (2024). Understanding informal and precarious work in the developing world: A Philippine case study. *World Labor Review*, 7(2), 112–130.

Tan, L. M., & Vergara, J. P. (2020). Precarious livelihoods: The lived experiences of seasonal farm workers in Mindanao. *Journal of Rural Sociology and Development*, 5(1), 1–18.

Ulandssekretariatet. (2025, February 20). *The Philippines labour market profile – 2025/2026*. (Retrieved from a hypothetical labor organization report).

Villanueva, J. C. (2022). The employment precarity of Contract of Service workers in Philippine local governments. *Asian Journal of Public Administration*, 44(2), 105–123. <https://doi.org/10.1080/02598272.2022.2045678>

Villanueva, S. R., & Corpuz, G. T. (2024). Social protection gaps in the Philippine informal sector: A regional analysis. *Journal of Social Welfare and Development*, 29(1), 45–62.