

Enhancing Workforce Sustainability in BPO Sector: Challenges, Opportunities and Strategic Solutions

*Md. Shibli Shahriar, Daffodil International University

Raihanul Islam, SEBPO

Mohammad Imtiaz Hossain, Sunway University

E-mail: shibli@daffodilvarsity.edu.bd

**Submission received: 02 January 2025 / Revised: 21 May 2025 / Accepted: 27 June 2025 /
Published: 30 June 2025**

Abstract: *Business Process Outsourcing (BPO) is an international business strategy whereby companies assign particular business activities or processes to outside service providers via outsourcing to regions with specialized skill sets or reduced labor costs. The BPO sector in Bangladesh has experienced rapid expansion, emerging as a key driver of employment and economic growth. However, sustaining a productive workforce in a non-stop service economy presents major challenges, including high employee turnover, skill gaps, and the impact of automation. This study presents a qualitative systematic research review and critical analysis of workforce sustainability in Bangladesh's BPO sector by synthesizing findings from global case studies, academic research, and policy frameworks. The review critically examines theoretical perspectives on workforce sustainability, evaluates the role of technology in reshaping job demands, and assesses strategies for employee retention, skill development, and well-being. Drawing from successful BPO ecosystems in India, the Philippines, and the United States, this paper identifies gaps in Bangladesh's current workforce strategies and provides evidence-based recommendations for industry leaders, policymakers, and educators to build a resilient BPO workforce.*

Key Words: Business Process Outsourcing (BPO), Workforce Sustainability, Employee Retention and Burnout, Skill Gap and Digital Transformation, Hybrid-work Models, Automation and AI in BPO, Cybersecurity in Remote Work, Government Policy and Workforce Development

1. Introduction

Business process outsourcing, or BPO, is the practice of employing outside service providers to complete a diversity of corporate operations, such as customer care, finance, ICT, and other administrative functions. These tasks are often transferred to other regions or countries, mainly for cheaper labor costs. Recently, this industry has appeared as a crucial driver of economic growth, contributing to employment generation and global service delivery in Bangladesh. With a growing number of multinational clients trusting Bangladesh's BPO firms for constant support, this sector has transitioned into round-the-clock operations due to its tech-savvy workforce, competitive labor prices, and robust government backing (Chowdhury, 2023). Consequently, by 2030, the global BPO market is expected to grow from its current valuation of about \$307 billion to \$525 billion (Grand View Research, 2024 & GlobeNewswire, 2022).

*Corresponding Author

The Bangladesh Government's initiatives, like high-tech parks and learning and earning development projects in Bangladesh, have greatly contributed to this growth. (Hasan, 2024). In the modern global economy, BPO is seen as a driver of competitive advantage; it is no longer limited to cost reduction (Statista, 2024). By outsourcing non-core operations, organizations can access state-of-the-art technology, industry know-how, and creative solutions that help them to transform their businesses, react quickly to market needs, and bring customer satisfaction. The influence of BPO has been furthered by the advent of technologies like cloud computing, AI, and machine learning, which have made this industry a crucial component of digital transformation strategies all over the world (Ahmed & Hossain, 2023). Considering all these, this study investigates how the BPO industry in Bangladesh can enhance a sustainable workforce by focusing on vital factors such as employees' well-being, skills development, hybrid work patterns, and offering high-quality services at a reasonable cost. The study also offers pragmatic suggestions to develop a robust and future-ready BPO workforce by exploring current industry practices, obstacles, and potential solutions.

1.1 Rationale of the Study

Bangladesh is becoming more and more recognized in the global BPO industry. Sustaining long-term growth in this sector requires strategic workforce development. However, keeping constant workforce engagement remains a major challenge. The shift towards a 24-hour support system has raised concerns over employee well-being, retention, and skill alignment with technological advancements (Rahman & Karim, 2021). Over 30% of workers quit their jobs yearly, mostly for reasons including job burnout, irregular night shifts, and unclear career paths (Freeman, 2020). Moreover, only 30% of BPO company professionals in Bangladesh have higher degrees of technological competency, implying a clear skills gap (Rahman & Karim, 2021). Conversely, some nations like India and the Philippines have invested a lot of funds toward the strategic development of their workforce. Bangladesh still lacks comprehensive policies and practices that can support continuous training, employee mental health, and work-life balance (World Economic Forum, 2023). Thus, the research questions of this study are: how can Bangladesh's BPO sector achieve lasting growth by addressing complex workforce challenges, and what strategies are essential for sustaining this industry, given employee burnout, technological adaptation barriers, and global competitiveness constraints?

1.2 Research Objectives

This study aims to:

- Conduct a systematic review of the literature on workforce sustainability in BPO.
- Critically analyze workforce challenges in Bangladesh's BPO sector, drawing comparisons with global best practices.
- Examine how job roles are changing and how workforce stability is being affected by automation and artificial intelligence in Bangladesh's BPO industry.
- Propose attainable suggestions for enhancing staff retention, bridging skill gaps, and influencing pertinent policy.

2. Research Methodology

In order to reveal contextual factors by exploring workers' real-life experiences and perceptions that cannot be quantified meaningfully, the author used a qualitative research approach to investigate deeper challenges within Bangladesh's BPO industry. The study used both primary and secondary sources of data to ensure a rich analysis.

2.1 Data Collection Method

Primary data were collected from a total of 45 respondents who participated in the study through semi-structured interviews. Applying a purposive non-probability sampling technique, 35 employees and 10 individuals in managerial positions across various BPO companies were chosen depending on participants' availability. Each interview lasted for no more than 15 minutes, recorded with respondents' consent and later written for analysis. Ethical approval and informed consent were obtained from both the companies and the respondents. The sample size was determined on the basis of data saturation when additional interviews did not give any new information. Thematic analysis was done to analyze the qualitative data. For secondary data, the author used a methodology called Systematic Literature Review (SLR), which is a method to collect and investigate research papers on similar topics to comprehend what is already known and where there are gaps. The process followed preferred reporting items for systematic reviews and meta-analysis (PRISMA), which is a set of stages that can ensure the review is completed meticulously and is trusted (Page et al., 2021). This useful method allows the researchers to delve deeply into the relevant issues, emerging trends, and areas that require further investigation (Precedence Research, 2023).

2.2 Strategy for Literature Search

The author followed a proper step-by-step search plan, which several researchers suggest for systematic reviews (Gusenbauer & Haddaway, 2020), to ensure the process was unbiased and reliable. Only peer-reviewed research papers, industry articles, and reports that analyzed workforce problems in the BPO industry were explored from Google Scholar, Web of Science, Scopus, ResearchGate, and IEEE Xplore. The author used keywords like "BPO retention," "hybrid work in outsourcing," "skill gap in BPO sector in Bangladesh", "Sustainability of BPO workforce", "Retaining employees in outsourcing", "BPO automation", "Hybrid work in outsourcing", "ITES skill development". By applying these keywords, the author explored a comprehensive diversity of research, including theories, case studies, articles, and real data from different countries. The screening procedure confirmed that only good and context-specific literature was included as per the guidelines of evidence-based research (Barends et al., 2021).

Table 1a: Criteria for Inclusion and Exclusion of Papers

| Criteria | Inclusion | Exclusion |
|---------------------------|---|--|
| Time Frame | Latest (2020–2025) | Pre-2020 except the underpinning theories |
| Language | English | Non-English |
| Document Type | Peer reviewed papers, industry reports only one newspaper article | Non-academic write-ups, blogs, opinion pieces. |
| Geographical Focus | Bangladesh or comparable emerging markets | Irrelevant regions |

Source: Authors' Compilation.

2.3 PRISMA Screening Process (Flow Diagram)

1. **Initial Search:** 951 records identified.
2. **Duplicates Removed:** 436 excluded.
3. **Title/Abstract Screening:** 389 excluded (found irrelevant).
4. **Full-Text Screening:** 126 assessed for eligibility.
5. **Final Studies Included: 49** (peer-reviewed articles: **34**, industry reports: **14**, Newspaper report: **1**).
6. **Quality Assessment:** Evaluated peer-reviewed papers using (Gusenbauer & Haddaway, 2020) criteria (academic rigor, relevance, methodology) and assessed industry and newspaper reports based on authoritativeness (e.g., The Daily Star, World Bank, McKinsey, NASSCOM) (Table 1a).

2.3 Thematic Categorization of Literature

The author explored the peer-reviewed papers and studied them judiciously and grouped the information into three categories: 1) **Employee retention and well-being**, which are supremely vital in creating concerns and issues such as night-shift burnout, high turnover rates, and ways of improving employee engagement and well-being (Bakker & Demerouti, 2023); 2) **Skill development and use of new technology** and how the unprecedented rise of automation and AI is changing skill requirements. This issue is adopted from the Human Capital Theory, which highlights the significance of continuous up-skilling and reskilling to advance the resilience of the workforce (World Bank, 2023); **Hybrid work model and policy intervention**, which are for understanding organizational resistance to hybrid work models (Lewis & Sauro, 2023). All these

analyses were carried out to contextualize global findings within the current studies of the sustainability of the BPO workforce in Bangladesh.

3.0 Justification for Underpinning Theories

This study incorporates three key theories to explore workforce sustainability in Bangladesh's BPO sector:

1. **Job Demands-Resources (JD-R) Model** (Bakker & Demerouti, 2007)

- It explains high turnover through the imbalance between workloads (night-shifts, target achievement) and insufficient support (fair pay, training), and thus diagnoses employees' stress factors
- It highlights the need for better working environments to lessen workers' burnout.

2. **Human Capital Theory** (Becker, 1964)

- It underscores how investments in upskilling and reskilling enhance efficiency and competitiveness
- It clarifies Bangladesh's digital skills gaps and justifies programs for skill solutions

3. **Technology Acceptance Model** (Davis, 1989)

- It explains why companies resist remote work due to perceived complexity and lack of perceived efficacy
- It offers strategies for smarter technology implementation and adoption.

As the combination of these underpinning theories addresses a comprehensive view of workforce challenges and solutions, they are applied in this context to provide practical insights for enhancing Bangladesh's BPO sustainability.

3.1 Literature Gap

Though numerous studies have investigated the growth and economic potential of Bangladesh's BPO sector, the prevailing literature mostly focuses on economic progress, cost advantages, technological infrastructure, export revenues and policy incentives over workforce sustainability (Ahmed, 2020; Alam & Roy, 2019; Rahman & Akter, 2021; Outsourcing Monitor, 2023; Time Doctor, 2024). These factors are crucial, but they often overlook core human capital issues, particularly factors such as employee retention, job satisfaction, turnover, flexible work provisions, and human resistance to technological adaptation (Islam et al., 2022; Singh, 2023). Khan (2021) pointed out workers' dissatisfaction and high turnover, but did not investigate organizational behavioral aspects in detail. Furthermore, Singh (2023) stressed the significance of employees' welfare and a conducive working environment in the global context, but the same issues are not covered widely in Bangladeshi research. Chen & Wang (2020) analyzed the necessity of training on practical upskilling while Islam et al. (2022) pointed out employees' expectations on hybrid or remote work. However, Islam et al. (2022) and Singh (2023) further added that core human emotional factors are rarely addressed and explored in such studies in the context of Bangladesh. Moreover, most existing studies are quantitative in nature, trying to generalize workforce challenges without focusing on the experiences of BPO employees and managers. In contrast, few studies explore the qualitative aspects of employee motivation, organizational culture, and HR

practices relating to the context of Bangladesh. There is also a lack of updated studies that include post-2020 disruptions, such as the rise of remote work, evolving skill demands because of automation, and generational shifts in employee expectations. The author addresses these gaps by using a qualitative methodology and combining insights from both operational employees and leaders in the BPO sector in order to offer a more holistic understanding of the structural and organizational challenges that affect workforce sustainability in the BPO industry of Bangladesh.

3.2 Proposed Theoretical Framework: Workforce Sustainability in Bangladesh's BPO Sector

Figure 1: Multi-Dimensional Framework for Workforce Sustainability in Bangladesh's BPO Sector



Source: Developed by the author based on JD-R Model (Bakker & Demerouti, 2007), Human Capital Theory (Becker, 1964), and Technology Acceptance Model (Davis, 1989).

This theoretical framework represents interconnected factors affecting workforce sustainability in Bangladesh's BPO industry. Besides job requirements and available resources, it shows how organizational practices and external environmental factors encourage employee outcomes. All these factors ultimately influence imperative workforce factors like employees' wellbeing and retention when it is compared to global outsourcing practices (Figure 1).

Table 1b: A Practical Multi-level Interaction Model for Workforce Sustainability in BPO: Framework Dimensions and Linkages

| Dimension | Key Focus Areas | Expected Outcome |
|--|--|---|
| Employee Well-being & Retention | Professional growth, work-life integration, and mental health support initiatives. | Lower turnover rates and increased job satisfaction. |
| Skill Development & Technology | AI training, digital literacy, up-skilling, industry-academia linkage | Increased workforce readiness, future-proofing skills |
| Work Model Flexibility | Hybrid work, cybersecurity, digital infrastructure | Improved engagement, adaptability to global trends |
| Policy & Governance | Labor law updates, night shift allowances, public-private partnerships | Sustainable industry growth, institutional support. |

Source: Adapted from the author's synthesis of literature (Bakker & Demerouti, 2023; World Bank, 2023; Lewis & Sauro, 2023) and interviews from the participants.

3.2.1 Application

Unlike the theoretical framework (Figure-01), this practical interconnected model shows how workforce sustainability in Bangladesh's BPO industry can be improved by combining organizational and policy-level interventions. The real-world factors, such as government training policies, company culture, and personal stress, are interconnected and cannot be viewed in isolation. This model encourages a holistic approach to workforce growth by coordinating employee well-being initiatives with digital skill development, flexible work schedules, and flexible labor laws (Akter & Shaheen, 2023). It also illustrates that workforce sustainability does not depend on a single solution, as it requires coordination between government policies, company strategies, and employee needs. Both the models (Figure 1 and Table 1b) help bridge the gap between theory and practice, which is necessary when addressing an intricate, people-centered topic like sustainable workforce development in the BPO industry.

3.3 Understanding Workforce Challenges in Bangladesh's BPO Sector

Bangladesh's BPO sector is gradually becoming a competitive contender in the global outsourcing market, having grown quite fast in the past few years. Even with this rapid growth, the sector still faces major workforce challenges as revealed by the author's face-to-face interviews with BPO leaders and employees. One of the issues that BPO employers stated is retaining employees for a

long time. Many employees leave their jobs earlier than expected, which puts pressure on companies that are supposed to hire and train new employees regularly. These problems stem from a blend of poor HR practices, gaps in policy, and outdated work structures. Issues such as poor working conditions, skill shortages, and the slow use of flexible work models are a few such instances, which eventually affect not just the employees' job satisfaction but also the overall performance of the company (Akter & Shaheen, 2023). To comprehend this scenario better, some useful concepts from labor economics, HRM, and organizational behavior can help explain why employees leave their jobs or struggle to adapt. Furthermore, lessons and current practices from the successful countries in BPO like India, the Philippines, and the USA can offer useful experiences, important lessons, models, and even warnings that Bangladesh can apply locally to fix its problems and prepare for the future. Though these countries do not offer a one-size-fits-all solution, they are the global leaders in the industry and their models and instances may guide Bangladesh in shaping a modern, resilient, and people-first BPO workforce (Nassif & Silva, 2023).

3.4 Employee Retention and Well-being: Addressing the High Turnover Challenge

The high employees' turnover in the BPO industry in Bangladesh is a severe issue because when employees leave their organizations, companies lose time and money. According to BPO employers, it takes resources to recruit and train new people, and when experienced people leave, the organization suffers. However, several issues make employees quit their jobs: long and irregular hours of work, not enough opportunity for promotion, and inadequate mental health support. More than 30% of BPO workers in Bangladesh leave their jobs within a year because of stress, low compensation, and no clear path for promotion (Rahman & Karim, 2021). Bakker and Demerouti (2023) also explained the same in their JD-R model that when workers face too much workload, instead of getting enough support from companies, they burn out. Also, many companies do not have systems that allow workers to move to better or superior positions and roles. Only 1% of call center employees get promoted to upper management, revealed by a study carried out by Hossain and Rahman (2020), which shows a big problem that if employees do not see hope for their growth, they leave their companies. Lessons from other countries such as the Philippines revealed that their BPO companies have started offering flexible work hours, counseling, and mental health services to reduce and manage stress (Freeman, 2020). In the U.S., gamification and performance-based rewards are used to keep employees engaged (McKinsey & Company, 2025). Meanwhile, India has introduced training, bonuses for employee retention, and clear career paths for promotion (NASSCOM, 2023). Unfortunately, most BPO companies in Bangladesh have not taken measures to overcome the issues. Employees frequently complain being stuck in their current positions with no opportunities for either mental health support or career advancement (Wilson, 2024). In order to address this, companies should make investments in developing the next generation of leaders, provide employees with wellness initiatives and provide opportunities for advancement. All these initiatives will eventually help organizations achieve their sustainable goals over time besides improving employees' job satisfaction.

3.5 Skill Gaps and Adapting to New Technology

Another major issue, as stated by the interviews with the workers, is that most BPO employees in Bangladesh do not have adequate digital skills to serve their companies. They ought to learn these new tools, whereby technologies like AI, automation, and data tools are changing the way BPOs work. All these concepts can be drawn from the study done by Misirlis and Munawar (2023) and the World Bank (2023), explaining that if the company invests in training employees, they become

more useful and productive. But in practice, the skill gaps are widespread. Nearly 30% of BPO workers in Bangladesh had training in the latest technologies like AI, compared to over 60% in India (Rahman & Karim, 2021 and NASSCOM, 2022). Without such training and development, many employees can lose their jobs as more and more tasks are becoming automated. As Chakrabarty and Dutta (2020) pointed out, companies that do not invest in developing employees' skills take the risk of becoming irrelevant and obsolete. In contrast, other countries have already taken big strides in this regard. For example, India's NSDC has trained more than 500,000 BPO employees in upskilling and reskilling (NASSCOM, 2022). In the U.S., companies team up with universities to create short certification AI training programs to make people future-ready (McKinsey & Company, 2025). The Digital JobsPH program of the Philippines taught AI and cloud computing to its people (Freeman, 2020). In contrast, in Bangladesh, most university courses do not match what the industry needs, so graduates are not prepared for these jobs. Furthermore, there is no big government program to train employees in modern digital skills to help them serve in the BPO sector. (Research and Markets, 2023). So, most people try to learn on their own or bank on training from their employers, which is not adequate. To solve this, the government, universities, and BPO companies should work together to launch effective training programs focusing on real industry needs.

3.6 Feasibility of Hybrid Work: Barriers and Security Concerns

Remote and hybrid work have become common around the world since the COVID-19 pandemic. But interviews with BPO employees reveal that Bangladesh's BPO companies are yet to be ready for the execution of this concept. Many companies do not permit employees to work from home because they are scared about security, tracking employees' productivity, and keeping clients happy. About 85% of BPO companies in Bangladesh do not offer remote work, and they fear that their employees will not work properly or that client data might get leaked (Rahman & Karim, 2021). A study conducted by Lewis and Sauro (2023) revealed that people often reject new technology if they think it is too complicated or risky. On the other hand, Lacity et al. (2020) revealed that if firms invest in secure technology and proper monitoring tools, hybrid work can eventually help reduce burnout and improve their work-life balance. Countries like the Philippines, India, and the USA are managing hybrid work extremely well. The Philippines uses VPNs and cloud technologies to protect data while enabling remote work for their employees (Freeman, 2020). BPOs in India use AI solutions to monitor employees' performance and facilitate their flexible scheduling (Srivastava & Pandey, 2022). American businesses take one step further, employing smart analytics to maintain employees' productivity of their distant/remote employees (Lacity et al., 2020). Bangladesh, lagging behind countries that are already ahead, should stop seeing hybrid work as a risk and start treating it like an opportunity. With the right technology, clear rules, and a little trust in employees, the country can invest in secure cloud systems, teach people how to work safely from home, and create implementable policies for distant work. If these measures are taken, Bangladesh can compete among the global competitors that have already made hybrid work a part of their global business strategy.

Table 2: Summary of Key Workforce Challenges in Bangladesh's BPO Sector

| Challenge | Theoretical Perspective | Global Best Practices | Bangladesh's Weakness | Recommendations |
|--|------------------------------------|---|--|--|
| High attrition rates | Job Demands-Resources (JD-R) Model | Philippines' well-being programs, India's career pathways | Lack of mental health support and career progression | Introduce counseling, incentives, leadership training |
| Skill gaps and automation risks | Human Capital Theory | India's NSDC, Philippines' DigitalJobsPH | Insufficient upskilling, curriculum mismatch | Establish AI-driven training and industry partnerships |
| Resistance to hybrid work | Technology Acceptance Model (TAM) | US AI-driven monitoring, India's cybersecurity policies | Security concerns, lack of remote work culture | Develop secure cloud infrastructure, flexible policies |

Source: Developed by the author based on theoretical models (Bakker & Demerouti, 2023; World Bank, 2023; Lewis & Sauro, 2023 and empirical evidence from NASSCOM (2023), Freeman (2020), Rahman & Karim (2021), World Economic Forum (2023) and interviews from employees and BPO leaders.

The workforce challenges in Bangladesh's BPO sector stem from systemic issues in employee retention, skill development, and resistance to hybrid-work models. While countries like India and the Philippines have adopted strategic policies to address these issues, Bangladesh's current workforce development strategies remain inadequate. To ensure long-term sustainability, evidence-based interventions in career development, digital up-skilling, and hybrid work adoption are necessary. By applying well-thought-out policy reforms and implementing global best practices, Bangladesh's BPO sector can find a resilient, future-ready workforce who are capable of competing in the global market (Table 2).

3.7 Impact of Automation and AI on Job Demands and Workforce Stability

As automation and artificial intelligence (AI) continue to change the way businesses work throughout the world, the responsibilities and expectations of jobs in the BPO industry are evolving

swiftly. Loads of outsourcing companies are changing how they work because of these technologies, but very little is adopted by BPO workers in Bangladesh, as stated in the interviews with them. According to a study by Chakrabarty and Dutta (2020), automation is especially frequent in professions that involve doing the same thing over and over again, such as voice-based customer assistance and basic data entry. These are two of the main services that many Bangladeshi BPO businesses offer. As chatbots powered by robotic process automation (RPA) and artificial intelligence (AI) have become more common, the need for human workers in these industries has progressively diminished. This raises the risk of job loss and structural unemployment in the business. This revolution in technology also means that people need to learn new skills. Employees must know at least the basics of digital platforms, data analytics, and machine learning in order to stay relevant in their jobs (Misirlis & Munawar, 2023). The interviews with the employees reveal that they are increasingly expected to have at least a basic understanding of machine learning, digital platforms, and data analytics in order to stay relevant in their roles. However, many workers in Bangladesh's BPO sector still lack these competencies, leaving them vulnerable in an increasingly digital landscape (Rahman & Karim, 2021). In contrast, countries like India and the Philippines have been more proactive. National initiatives such as India's NSDC and the Philippines' DigitalJobsPH have helped workers transition into AI-supported environments by providing targeted training and certification programs (Srivastava & Pandey, 2022). The World Bank (2023) emphasizes that investments in education and skills development enhance productivity and long-term adaptability. Applying this lens to Bangladesh's BPO sector suggests that without deliberate efforts to build digital capabilities, the industry may face increased attrition and declining global competitiveness. To stay ahead, both companies and policymakers will need to invest in structured reskilling programs, promote AI literacy, and adopt forward-looking workforce planning approaches. Beyond reducing the need for traditional roles, automation is also transforming how BPO teams are structured. Tasks that previously involved several employees can now be managed by AI-driven systems, which handle customer interactions and data processing with greater efficiency and consistency. This shift is moving the workforce away from routine, transactional tasks and toward roles that demand more complex problem-solving, effective communication skills, and the ability to manage or collaborate with automated tools (Genius, 2023). In order to stay competitive, BPO employers must reconsider job design and ensure that employees possess the skills required for these changing responsibilities. Without strategic changes, the gap between the skills needed for emerging roles and the capabilities of the current workforce is likely to widen, jeopardizing long-term workforce stability.

4. Findings and Recommendations

The literature analysis and interviews with employees and BPO leaders point out numerous prevailing challenges to building a sustainable BPO workforce in Bangladesh that include rising skill gaps, sluggish growth in digital transformation, high employee turnover, and a late adoption of flexible work models. If these issues are not addressed in a coordinated manner, they may hamper the country's ability to expand its outsourcing industry and remain competitive on a global scale. A collaborative approach is required, involving government policymakers, industry leaders, and academic institutions, to develop a skilled, engaged, and future-ready workforce. The section below proposes strategic and evidence-based recommendations based on global case studies and established human resource management practices.

4.1 Key Findings: Workforce Sustainability Gaps in Bangladesh's BPO Sector

4.1.1 High Employee Turnover and Burnout

One of the main challenges facing the BPO sector in Bangladesh is its high employee turnover rate, which currently exceeds 30% annually (Rahman & Karim, 2021). This number, which is far higher than the 15–20% seen in nearby India, points to bigger issues, including bad retention strategies, a lack of opportunities for career advancement, and a lack of concern for worker health. The Job Demands-Resources (JD-R) model, which Bakker and Demerouti came up with in 2007 and 2023, is a useful way to think about this problem. According to the interviews with the workers, those who are under constant stress, like heavy workloads, late-night shifts, and high-performance pressure without enough resources or support, are more likely to get emotionally drained and lose interest in their profession. Specifically, working at night is bad for workers' physical and mental health. Disruptions to sleep cycle and work-life balance can lead to mental health problems, tiredness, and a drop in job performance. These effects contribute not only to high turnover but also to reduced organizational productivity. Without targeted interventions to support employee health and career progression, these patterns are likely to persist. Many employees in Bangladesh's BPO sector leave within a year due to the absence of structured career pathways and employee support systems, making retention a key concern for industry sustainability.

4.1.2 Skill Gaps and Lack of Digital Readiness

The lack of digital skills is another major barrier to workforce sustainability in Bangladesh's BPO sector (Hossain et al., 2023). As outsourcing firms globally integrate automation, AI, and data analytics into their operations, the demand for digitally competent employees has risen significantly (Inspira-BD, 2023). However, only 30% of Bangladeshi BPO employees possess AI-related skills, compared to 60% in India (NASSCOM, 2023). The World Bank's (2023) study supports the argument that investment in workforce education and skill development leads to increased productivity and retention. However, in Bangladesh, there is a significant gap between academic curricula and industry needs. The absence of structured up-skilling programs, particularly in AI, automation, and data-driven decision-making, makes it difficult for employees to remain competitive in an evolving outsourcing landscape. (World Economic Forum, 2023)

4.1.3 Resistance to Hybrid Work and Cybersecurity Concerns

As discussed earlier, hybrid work adoption in Bangladesh remains low, largely due to concerns about data security and productivity tracking. Unlike BPO leaders like India and the United States, where secure digital systems have supported hybrid transitions, Bangladeshi firms often lack the infrastructure and policies to implement such models effectively as revealed by the interviews with BPO managers. These limitations contribute to reduced workforce flexibility and hinder efforts to modernize work environments in line with global trends.

4.1.4 Lack of Government and Industry Collaboration in Workforce Development

A crucial gap in Bangladesh's BPO ecosystem is the lack of collaboration between government agencies, industry stakeholders, and educational institutions. In countries such as India, large-scale digital training initiatives like the National Skill Development Corporation (NSDC) have upskilled over 500,000 BPO professionals, ensuring workforce readiness for AI-driven and automation-

based outsourcing (NASSCOM, 2022). By contrast, Bangladesh does not yet have a large-scale, government-backed upskilling initiative for BPO employees. Furthermore, the gap between universities and outsourcing firms continues to widen, making it difficult for graduates to transition smoothly into industry-ready roles (World Economic Forum, 2023).

Table 3: Comparative Overview of Workforce Challenges and Strategies in BPO Sectors

| Country | Key Workforce Challenges | Strategic Interventions | Impact |
|--------------------|---|--|---|
| Bangladesh | High attrition, skill gaps, and hybrid model resistance | Initial training programs, minimal hybrid adoption | Limited sustainability progress |
| India | Skill realignment, mental health awareness | NSDC programs, structured retention incentives | High digital readiness, better retention |
| Philippines | Burnout, night-shift fatigue | Employee well-being programs, hybrid readiness | Improved job satisfaction, global positioning |
| USA | Cost of labor, remote monitoring | AI-based monitoring, hybrid-friendly policies | Higher productivity, retention gains |

Source: Developed by the author based on secondary data from Freeman (2020), NASSCOM (2022), Rahman & Karim (2021), and McKinsey & Company (2025).

Table 3 provides a comparative snapshot of how leading BPO destinations such as India, the Philippines, and the USA are addressing workforce sustainability challenges differently from Bangladesh. For example, while Bangladesh has made some progress in initial training efforts, it lags behind in strategic adoption of hybrid-work models and employee well-being initiatives. In contrast, India's robust skill development efforts via NSDC and the Philippines' focus on employee mental health have led to improved workforce stability and global competitiveness. Acknowledging these differences helps highlight how Bangladesh can adapt and implement successful strategies from other countries to suit its unique context.

4.2 Recommendations for a Sustainable BPO Workforce

4.2.1 Enhancing Employee Retention Strategies

BPO companies ought to prioritize employee career enhancement and mental health support in order to address Bangladesh's BPO turnover crisis and avoid employee burnout. Studies show workers stick around longer when they see real opportunities to advance (McKinsey & Company, 2025). Employees in these companies can feel devoted to the company's future if they take easy yet powerful actions by setting up mentor systems, leadership development programs, and clear promotion pathways. Besides career growth, workplace wellness matters in retaining employees in the BPO industry. Factors like stress management workshops, counseling services, and financial planning help can dramatically improve both employee happiness and productivity. Top BPO firms in India and the Philippines have significantly reduced burnout through strong mental health programs (Freeman, 2020). For Bangladesh's outsourcing sector to compete globally, adopting these kinds of supportive workplace practices is supremely important.

4.2.2 Bridging the Skill Gap and Digital Readiness

To minimize the digital skill gap, the Bangladeshi government should launch a BPO-specific training initiative, similar to India's NSDC model. Bangladesh Digital BPO Academy should be established to provide certified training programs in AI, automation, and advanced customer analytics. Additionally, universities should collaborate with industry stakeholders to integrate BPO-specific modules into business and IT curricula. The Philippines' DigitalJobsPH program serves as a successful case study in how government intervention can improve workforce digital readiness. By offering AI-focused training courses to outsourcing professionals, the country has significantly boosted employee digital competence and market competitiveness (Srivastava & Pandey, 2022). An initiative like the above in Bangladesh is likely to guarantee that employees remain equipped with future-ready skills.

4.2.3 Implementing Hybrid-Work Models

The BPO companies in Bangladesh must switch to hybrid work models to improve work-life balance, reduce operational costs, and enhance employee job satisfaction. This transition can be made possible by means of investments in secure cloud technologies, encrypted data systems, and performance monitoring tools powered by artificial intelligence (Mannuru et al., 2023). These innovations and improvements pave the way for more adaptable and robust employment provisions, besides addressing valid concerns about productivity and cybersecurity. One noticeable example is Teleperformance USA, which already uses AI-driven analytics to track operational efficiency and staff engagement in hybrid contexts (Lacity et al., 2020). The ICT and concerned Ministries will have to offer firms with financial incentives and clear legislative standards to encourage them to use secure and scalable hybrid working practices. Thus, Bangladesh can successfully implement this scheme of implementing hybrid work Models.

4.2.4 Enhancing Policy Interventions and Public-Private Collaboration

There needs to be more coordination between the public and private sectors to build a sustainable BPO workforce, especially when it comes to changing labor laws and improving the sector's skills. One solution for improvement is ensuring that those who work at night get better pay and protections at work. Furthermore, the International Labor Organization (ILO) states that workers who work these kinds of shifts should have extra compensation, health insurance, and safe transportation (ILO, 2021). To keep workers longer and keep them from being burned out, local

labor regulations should contain these things. Public-private partnerships (PPPs) are another way to improve the infrastructure and staff in the BPO industry. Lessons can be learnt from projects like the Philippines' IT-BPO Roadmap 2028, which sets a clear aim for the public and private sectors to create jobs, make training available, and encourage new ideas. Bangladesh can do something similar by teaming up with global outsourcing businesses to build training centers, AI research labs, and learning platforms that are specific to the industry. These partnerships will help Bangladesh become a more competitive and technologically driven outsourcing center by matching training with future workforce needs. In conclusion, resolving the current workforce challenges in retention, skills, and hybrid work models is critical for Bangladesh's long-term competitiveness in the global BPO market. A coordinated strategy that brings together policymakers, corporate leaders, and educators will be essential to ensure that the sector continues to grow in a sustainable, inclusive, and digitally resilient manner.

Table 4: Summary of Policy Recommendations and Expected Outcomes

| Policy Focus | Recommended Action | Expected Impact |
|-----------------------------------|---|--|
| Career Progression | Introduce structured pathways, promotion incentives | Lower attrition, increased engagement |
| Skill Development | Launch digital skill academies (e.g., BPO Digital Bangladesh) | Enhanced AI-readiness, upskilled workforce |
| Mental Health Support | Mandatory wellness and counseling initiatives | Improved morale, reduced burnout |
| Hybrid Work Adoption | Secure cloud infrastructure, remote policies | Greater flexibility, talent retention |
| Government-Industry Collaboration | Public-private partnerships for BPO hubs and digital labs | Infrastructure boost, innovation capacity |
| Labor Policy Reform | Night shift allowances, transport, and health coverage | Safer, more inclusive work environment |

Source: Writer's compilation based on the analysis of workforce policy literature (ILO, 2021; NASSCOM, 2022; World Economic Forum, 2023) and interviews with BPO managers and workers.

Table 4 highlights several critical policy areas where targeted action can make a meaningful difference in improving workforce sustainability. Each of these suggestions tackles a real problem in the BPO sector. For instance, providing clear career progression goals may reduce employee turnover, whereas investing in mental health support, such as stress management programs or work-life balance training, can actually make a difference in how people approach the job. Implementing secure hybrid work models can ensure greater flexibility and lessen operational expenses through government encouragement. Thus, all these initiatives will eventually create a supportive environment that promotes employee satisfaction, reinforces employee retention, and confirms the long-term stability of the BPO industry.

5.0 Conclusion

Bangladesh's BPO sector has expanded significantly and demonstrated considerable potential, powered by a young, digitally skilled workforce with strong policy support from the government. (Akij Resource, 2024). Nevertheless, the workforce continues to face numerous persistent internal challenges. Limited flexibility in the workplace, high turnover, and a gap between organizational practices and employees' expectations are the major concerns of this sector (Islam et al, 2022). Understanding and resolving these human-centric factors requires more than surface-level policy reforms. Inclusive leadership, modern HR practices, and employee-centric workplace policies should be given priority to make sure the sector's long-term sustainability. Paying attention to employees' requirements and well-being and responding with targeted interventions is the key to improving productivity and service quality while safeguarding the industry's future. The government should also come up with laws that benefit night shift workers and provide funds for AI and digital tool skill development (Outsourcing Monitor, 2023). The BPO sector in Bangladesh will become stronger and more future-ready if the government, private companies, businesses, and skill development institutions work together to ensure the industry's sustainability (The Daily Star, 2023). Such collaboration is crucial for Bangladesh to adapt to the fast-changing global BPO landscape and maintain its competitive edge.

Thus, the study offers invaluable and realistic insights for human resources departments of Bangladeshi companies to leverage effective employee engagement strategies, enhance skills development programs, and manage workforce needs and demands effectively. For policy-makers, this study can help to create and update policies that boost sustainable practices in the BPO industry, contributing to long-term industry growth and competitiveness.

5.1 Limitations and Future Research Directions

While this study provides a structure informed review of workforce sustainability of the BPO industry in Bangladesh, future research could expand on these findings through sub-sectoral or cross-regional comparative studies. The present study's analysis is mostly secondary data-driven; more empirical data from industry professionals, workers, or people involved in policymaking would provide much more reliable evidence. Recommendations for future research include both qualitative and quantitative research, integrating interviews, focus group discussions, conversations, and surveys to confirm the findings generated from this study. Future research should investigate divided workforce experiences by gender, age cohorts (e.g., Gen Z versus Millennial), and rural-urban BPO centers. Future research may also examine the real-world implementation of hybrid work policies on the ground and examine how automation is affecting the quality of jobs and long-term income stability for BPO employees.

References

1. Ahmed, S., & Hossain, M. T. (2023). Digital transformation in Bangladesh's BPO industry: Opportunities and challenges. *Journal of Global Business and Technology*, 19(1), 45-60. <https://doi.org/10.1234/jgbt.v19i1.5678>
2. Ahmed, T. (2020). Growth Patterns in Bangladesh's BPO Sector. *Journal of Outsourcing Studies*, 12(1), 45–59.
3. Akij Resource. (2024). *The challenges facing the BPO industry in Bangladesh*. <https://akijresource.com/the-challenges-facing-the-bpo-industry-in-bangladesh>
4. Alam, M., & Roy, K. (2019). ICT Infrastructure and BPO Development in Bangladesh. *Information Systems Review*, 9(2), 88–97.
5. Akter, M. & Shaheen, S. (2023). *Flexible work arrangements in the banking sector of Bangladesh: A human resource perspective*. <https://banins.du.ac.bd/flexible-work-arrangements-in-the-banking-sector-of-bangladesh-a-human-resource-perspective>
6. Bakker, A. B., & Demerouti, E. (2023). Evolving the job demands-resources framework to JD-R 3.0. *Acta Psychologica*, 240, 103012. <https://doi.org/10.1016/j.actpsy.2023.103012>
7. Bakker, A. B., & Demerouti, E. (2007). The Job Demands-Resources Model: state of the art. *Journal of Managerial Psychology*, Vol. 22 Issue: 3, pp.309-328, <https://doi.org/10.1108/02683940710733115>
8. Barends, E., Rousseau, D. M., & Briner, R. B. (2021). Evidence-based management: Foundations, development, controversies, and future. *Annual Review of Organizational Psychology and Organizational Behavior*, 8, 1–29. <https://doi.org/10.1146/annurev-orgpsych-012420-055008>
9. Becker, G. S. (1964). Human capital: A theoretical and empirical analysis, with special reference to education. University of Chicago Press.
10. Chen, L., & Wang, Y. (2020). Digital transformation and labor challenges in the BPO industry. *Asian Journal of Management Studies*, 18(4), 89–104.
11. Chakrabarty, S., & Dutta, S. (2020). AI-driven automation and its impact on BPO workforce sustainability. *International Journal of Business Process Management*, 12(1), 45-60. <https://doi.org/10.1016/j.bpm.2020.04.008>
12. Chowdhury, R. (2023). Outsourcing and economic opportunities in Bangladesh. *South Asia Business Review*, 15(1), 20–34.
13. Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319-340. <https://doi.org/10.2307/249008>
14. Freeman, R. B. (2020). The future of work: How digital transformation is reshaping employment. *Journal of Economic Perspectives*, 34(2), 55-78.
15. Genius, O. S. (2023). *Slow but steady growth in Bangladesh's BPO industry*. <https://geniosos.co/business-process-outsourcing-industry-sees-slow-but-steady-growth-in-bangladesh>
16. GlobeNewswire. (2022, November 2). *Business process outsourcing market size expected to reach USD 512.4 billion by 2030, registering a CAGR of 8.9%*. <https://www.globenewswire.com/news-release/2022/11/02/2546686/0/en/Business-Process-Outsourcing-Market-Size-is-expected-to-reach-at-USD-512-4-Billion-by-2030>
17. Grand View Research, (2024). *Business process outsourcing (BPO) market size and trends*. <https://www.grandviewresearch.com/industry-analysis/business-process-outsourcing-bpo-market>

18. Gusenbauer, M., & Haddaway, N. R. (2020). Which academic search systems are suitable for systematic reviews or meta-analyses? Evaluating retrieval qualities of Google Scholar, PubMed, and 26 other resources. *Research Synthesis Methods*, 11(2), 181–217. <https://doi.org/10.1002/jrsm.1378>
19. Hasan, N. (2024). Youth Empowerment through Tech-Based Employment. *Digital Economy Studies*, 6(1), 66–80.
20. Hossain, M., Chowdhury, T. T., Shashi, N. A. (2023). *Labor market and skills gap analyses on ICT sector in Bangladesh*. <https://seip-fd.gov.bd/wp-content/uploads/2023/06/8.-Labor-Market-and-Skills-Gap-Analyses-on-ICT-Sector-in-Bangladesh.pdf>
21. Hossain, M. I., & Rahman, M. A. (2020). *The critical elements determining employee retention in the BPO sector of Bangladesh*. <https://www.academia.edu/50583480/>
22. Inspira-BD. (2023). *Addressing skill gaps and employment opportunities*. <https://inspira-bd.com/case-studies/addressing-skill-gaps-and-employment-opportunities/>
23. ILO. (2021). *Working conditions in outsourcing: A global perspective*. ILO Publications.
24. Islam, M., Rahman, M., & Nahar, S. (2022). Post-COVID Workforce Adaptability in South Asian BPOs. *Journal of Global Business and HR*, 11(2), 77–92.
25. Khan, S. (2021). Employee satisfaction in Bangladesh's BPO firms. *Human Capital Insights*, 8(2), 33–47.
26. Lacity, M. C., Willcocks, L. P., & Khan, S. (2020). Digital work and the future of outsourcing. *Journal of Information Technology*, 35(3), 195–210. <https://doi.org/10.1177/0268396220930066>
27. Lewis, J. R. & Sauro, J. (2023). Effect of perceived ease of use and usefulness on UX and behavioral outcomes. https://measuringu.com/wp-content/uploads/2023/10/2023_EffectOfPerceivedEaseOfUseAndUsefulnessOnUXAndBehavioralOutcomes.pdf
28. Mannuru, N. R., Shahriar, S., Teel, Z. A., Wang, T., Lund, B. D., Tijani, S., Pohboon, C. O., Agbaji, D., Alhassan, J., Galley, J. Kl., Kousari, R., Ogbadu-Oladapo, L., Saurav, S. K., Srivastava, A., Tummuru, S. P., Uppala, S., & Vaidya, P. (2023). The transformative role of AI in reshaping employment trends across South Asia. *Journal of Manpower*, 45(3), 639–660. <https://doi.org/10.1108/IJM-03-2023-0128>
29. McKinsey & Company. (2025). *AI in the workplace: Empowering people to unlock AI's full potential at work*. <https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/superagency-in-the-workplace-empowering-people-to-unlock-ais-full-potential-at-work>
30. Misirlis, N., & Munawar, H. B. (2023). An analysis of the technology acceptance model in understanding university students' behavioral intention to use metaverse technologies. *arXiv preprint arXiv:2302.02176*. <https://arxiv.org/abs/2302.02176>
31. Nassif, A., & Silva, M. (2023). "BPO Workforce sustainability in Latin America and Southeast Asia." *Global Outsourcing Review*, 7(1), 112–129.
32. NASSCOM. (2023). *Future of work: Reskilling and upskilling for the digital era*. National Association of Software and Service Companies. <https://www.nasscom.in/reports>
33. NASSCOM. (2022). *The future of India's BPO workforce: Automation, AI, and skill development*. National Association of Software and Service Companies.
34. Outsourcing Monitor. (2023). *Outsourcing in Bangladesh: Opportunities and challenges*. <https://outsourcingmonitor.eu/outsourcing-in-bangladesh>
35. Page, M. J., et al. (2021). The PRISMA 2020 statement: An updated guideline for reporting systematic reviews. *BMJ*, 372, n71. <https://doi.org/10.1136/bmj.n71>

36. Precedence Research. (2023). *Business process outsourcing market trends and forecast*. <https://www.precedenceresearch.com/business-process-outsourcing-market>
37. Rahman, M., & Karim, T. (2021). Workforce challenges in Bangladesh's BPO sector: An empirical study. *Bangladesh Journal of Business Research*, 25(4), 112-130.
38. Rahman, T., & Akter, S. (2021). Government initiatives and digital employment in Bangladesh. *Policy and Innovation Journal*, 3(3), 102–117.
39. Research and Markets. (2023). Asia-Pacific Business Process Outsourcing (BPO) Market Report 2023-2033: Use of Digital Technologies to Boost BPO Market Growth. <https://www.globenewswire.com/news-release/2023/07/25/2710200/0/en/Asia-Pacific-Business-Process-Outsourcing-Market-Report-2023-2033-Use-of-Digital-Technologies-to-Boost-BPO-Market-Growth.html>
40. Singh, A. (2023). Flexible work and organizational adaptability. *Global HR Journal*, 10(4), 110–123.
41. Srivastava, S. & Pandey, A. (2022). AI and Employment in India's BPO Sector. *Journal of Asian Economics*, 78, 101456.
42. Statista. (2024). *Business process outsourcing market in Bangladesh*. <https://www.statista.com/outlook/tmo/it-services/business-process-outsourcing/bangladesh>
43. The Daily Star. (2023). *Business process outsourcing industry growing steadily*. <https://www.thedailystar.net/business/economy/news/business-process-outsourcing-industry-growing-steadily-3284221>
44. Wilson, H. R. (2024). *Understanding workforce sustainability in BPO*. <https://www.wilsonhr.com/blogs/understanding-workforce-sustainability>
45. World Bank. (2023). *Human Capital Project*. <https://www.worldbank.org/en/publication/human-capital>
46. World Economic Forum (2023). *The Future of Jobs Report 2023*. <https://www.weforum.org/publications/the-future-of-jobs-report-2023/digest/>