

The State of HR 2024 in the BPO Industry:

Balancing Tech Adoption and
Employee-Centric Strategies for
Sustainable Growth





THE STATE OF HR 2024

Introduction

The Business Process Outsourcing (BPO) industry is poised to achieve a [7%](#) revenue growth. The industry is also projected to create [1.84 million](#) jobs in 2024, underscoring its impact on job creation and economic vitality.

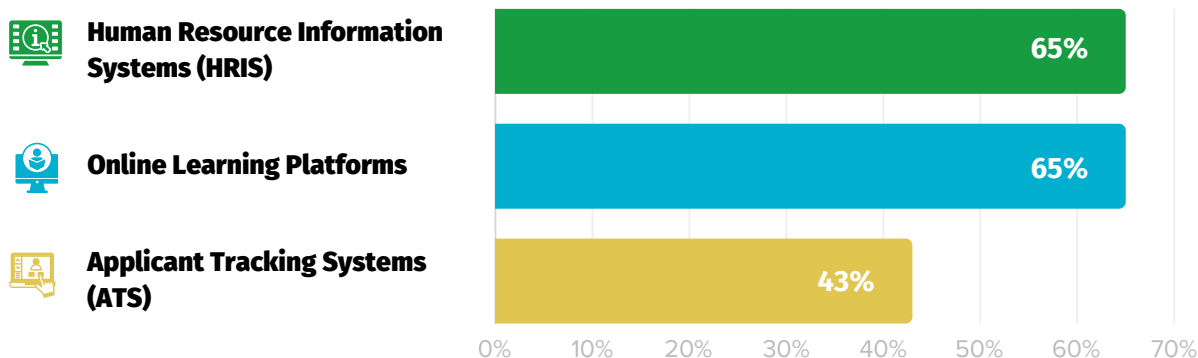
However, the BPO industry today faces numerous challenges: attrition, retention, data security, and compliance. As technology rapidly evolves and client expectations shift, HR departments need to address these challenges while simultaneously driving innovation and growth.

This report will provide a comprehensive overview of the current state of HR in the BPO industry, highlighting key trends, challenges, and opportunities.

Current HR Technology Adoption in the BPO Industry

In 2024, there is a marked shift towards active implementation, following 2023 where [53%](#) of HR professionals explored digital transformation and 31% considered tech upgrades. Our latest survey reveals that organizations are now actively investing in HR technologies, transitioning from planning to execution.

The most commonly adopted HR technologies in the Philippines are:



- **Increased Efficiency and Accuracy:** The high adoption rate of HRIS, at 65%, indicates a growing trend towards optimizing HR processes for better efficiency and accuracy. For BPO companies, this can lead to significant time savings and reduction in [manual errors](#), enhancing overall productivity.
- **Enhanced Employee Deployment:** With 65% of organizations using online learning platforms, there is a clear emphasis on continuous employee development. This can help BPO companies improve employee skills, leading to [higher performance and enhanced customer satisfaction](#).
- **Streamlined Recruitment Processes:** The use of ATS by 43% of organizations shows a move towards more streamlined and efficient recruitment processes. With an attrition rate of [40%](#), significantly higher than the average rate across all sectors, which is [15.9%](#), the BPO sector needs a solution for recruitment and hiring.

Adopting a [smart ATS](#) can help BPO companies attract and hire the right talent faster, reducing the time-to-fill and improving the quality of hires. These systems leverage advanced features like automated screening, candidate matching, and data analytics to identify the most suitable candidates more accurately.

Navigating AI Integration: Opportunities, Risks, and Governance

While HR technology is clearly present in the Philippines, companies are slower in adopting artificial intelligence (AI) in their operations. In fact, [78%](#) of employees use their personal AI tools and applications at work, raising privacy and security risks.

To leverage AI and its growing impact, HR professionals must adapt AI operations efficiently for seamless integration. Let's take a look at how HR in BPO works with AI.

Organization's Exposure To And Use Of AI Technologies



- **BPO Rides AI Wave:** Despite 88% of HR professionals having minimal to moderate exposure to AI, the BPO industry is showing [promising AI progress](#). To further this development, the Information Technology & Business Process Association of the Philippines (IBPAP) is updating its 2028 roadmap to align with AI advancements, creating 1.1 million new jobs and aiming \$59 billion in revenue by 2028.

- ▶ **AI Poses Risk and Challenges:** While AI presents [benefits for BPO companies](#), our survey found that 31% of businesses are 'Unready' and 'Extremely Unready' in generative AI preparedness. This likely stems from [perceived risks](#), including security and privacy concerns, lack of transparency, and fears of job displacement. However, AI should be viewed as a tool for augmenting human capital, not replacing it.

[Sprout's AI Manifesto](#) supports this view, emphasizing the collaboration between AI and human workers to create new opportunities and drive innovation in the workforce.



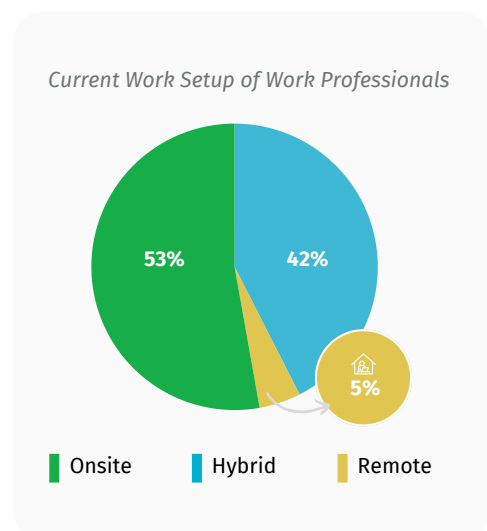
- ▶ **AI Governance is Imperative:** Our survey revealed three primary ethical concerns when deploying AI in HR:

- **Data Privacy and Security**
- **Accuracy of Data**
- **AI Governance**

In contact centers, agents handle sensitive customer information across various accounts. The [use of AI in BPO raises concerns](#) about how customer data is processed, stored, and protected. With robust security measures and [proper governance](#), it's much easier to prevent unauthorized access or data breaches.

Shifting Work Dynamics and Engagement Insights in the Philippines

- ▶ **More Employees Are Working Onsite:** Our data reveals that 53% of HR professionals are working onsite and 42% in hybrid work arrangements. The prevalence of onsite work for BPO is likely due to changing regulations, since staff have been [urged to report onsite](#) as COVID-19 restrictions eased. In January 2024, BPO firms within special economic zones (designated areas offering tax and regulatory benefits to boost economic activity) operating with a remote workforce were [no longer entitled to tax incentives](#). The result: a higher likelihood of adopting onsite or hybrid work arrangements.



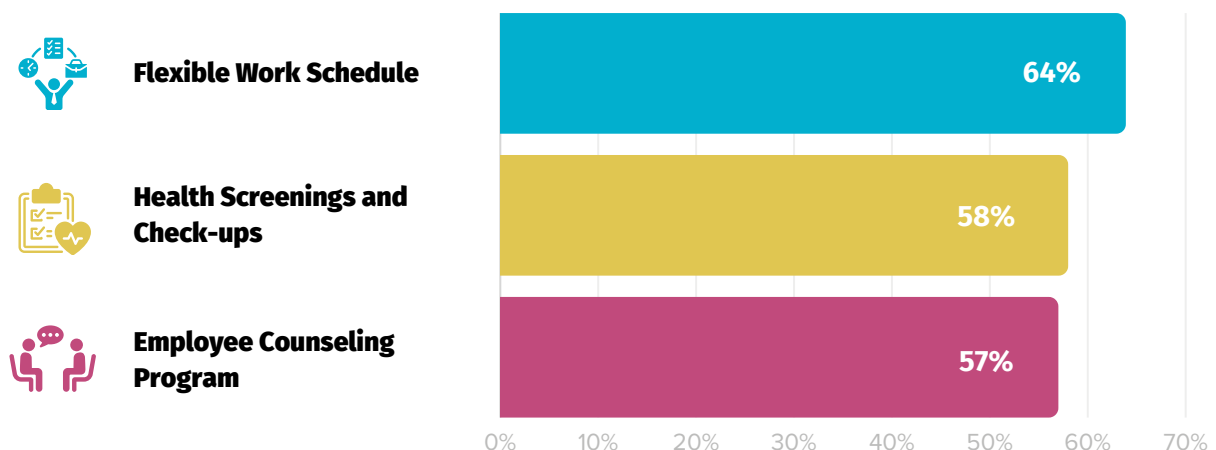
- ▶ **Gen X Drives Highest Engagement:** Our survey found that Generation X employees consistently show the highest engagement scores, averaging 4.11 throughout the year. Thanks to [BPO companies adopting hybrid work](#), employees in general are able to achieve greater work-life harmony and better engagement.

- ▶ **Millennials and Gen Z Are the Least Engaged:** Millennials and Gen Z show lower engagement scores than Generation X, averaging 3.83 and 3.77, respectively. These scores suggest they are engaged but also [seek meaningful work](#), growth opportunities, and a sense of purpose. It is essential for companies to address these expectations to maintain a motivated workforce.
- ▶ **Boomers Transitioning into Retirement:** Engagement varies, peaking mid-year at 4.08 and dropping towards year-end, reflecting their transition from work to retirement planning. BPO companies can benefit from leveraging Boomers' experience in mentorship programs or specialized client-facing roles as they phase into retirement.

Enhancing Employee Well-being Through Effective Wellness Strategies

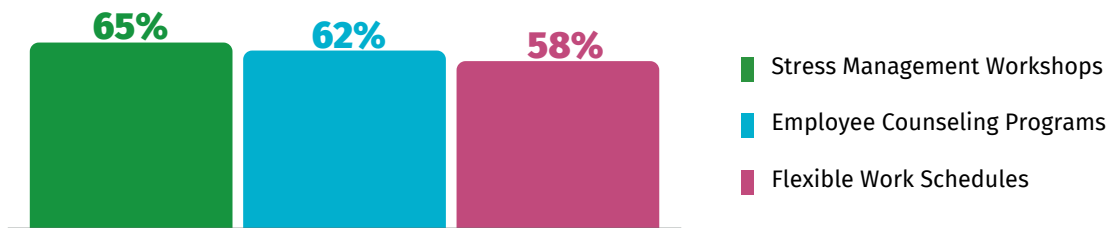
BPO agents handling demanding accounts are increasingly [prone to stress](#) and burnout, resulting in reduced engagement and higher turnover rates. Prioritizing employee well-being is essential to retain these valuable team members.

[Research](#) shows that focusing on worker satisfaction and motivation can substantially enhance retention. A great example is the [Mental Health Law](#), which has helped companies [adopt holistic wellness strategies](#) to keep their workers engaged.



Our survey found that 'Flexible Work Schedule' is the most provided wellness initiative, likely due to employees' preference for work-life integration. Following this are 'Health Screenings', 'Check-ups and Employee Counseling Programs', reflecting [rising medical costs](#) and a general focus on [mental well-being](#). With BPO employees being [prone to health issues](#) such as insomnia, heart diseases, and diabetes, implementing these wellness initiatives can improve their overall health and job satisfaction.

- **Effective Wellness Programs Drive Employee Engagement:** Key wellness activities and programs identified as most effective:



Our survey found that ‘Stress Management Workshops’ are the most impactful wellness initiative in addressing employee challenges and engagement. With [70.5%](#) of call center employees experiencing extreme burnout or stress, and 56.4% having difficulty sleeping, these workshops can provide essential tools and strategies. They aim to manage stress, [prevent stress-related sleeping irregularities](#), and help employees manage their workload better, leading to a healthier, more productive workforce.

Some of these workshops include:



Time management techniques



Cognitive-behavioral strategies



Relaxation exercises

If your company is looking to reduce employee stress and enhance well-being, consider using [Sprout Wellness](#). This comprehensive wellness solution can create a tailor-fit program that addresses your organization's specific needs and helps employees thrive.

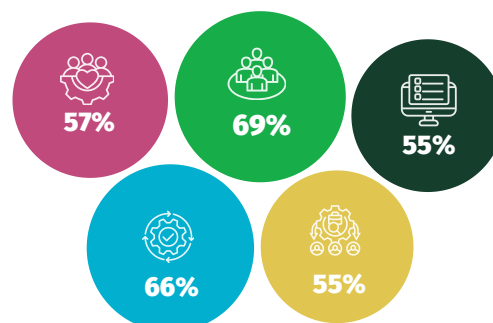
Future-Proofing Organizations Through HR Technology

In 2024 and beyond, advanced HR technologies are crucial for future-proofing workplaces, regardless of industry. We surveyed HR professionals to identify the leading tools driving organizational success and resilience. Here's what we found:

Top 5 HR Technologies to Future-Proof Your Organization

Key Tools:

- Human Resource Information System
- Performance Management Software
- Employee Engagement Software
- Applicant Tracking System
- Learning Management System



The survey highlights a preference for HR tech tools that enhance workplace efficiency and satisfaction. The focus on engagement and learning platforms indicates a priority on employee development, while efficient applicant tracking shows an emphasis on [improving recruitment](#). These insights suggest organizations are recognizing the need for integrated HR technologies to stay competitive and future-ready.

Success Story 1: Satellite Office's Employee Engagement Transformation with Sprout Pulse

Satellite Office had 1,496 employees and faced challenges in improving engagement and data privacy. Their manual surveys led to confidentiality concerns and low participation rates. They needed a system to discreetly collect and analyze feedback.

Implementing **Sprout Pulse** resulted in a significant increase in survey participation from 65% to 125%.

Izza Camacho, Global HR Director of Satellite Office, noted the impact:

“For the first time in years, we were able to get the most employee participation rate with Sprout. Since it’s the HR system that all employees use and everybody accesses Sprout for logging in, logging out, and filing leaves, it encouraged them to really take the time to answer the survey. Now that we have more people participating in the survey than ever before, it effectively made the data we have this year more reliable.”



Izza Camacho

Global HR Director of Satellite Office

The enhanced data collection allowed Satellite Office to better understand employee concerns and drive HR initiatives based on accurate insights.

Success Story 2: Beepo Streamlines HR Processes with Sprout

Beepo, an Australian-owned outsourcing company, experienced rapid growth, which complicated their HR and payroll management. Manual processes led to errors and inefficiencies, impacting employee satisfaction and operational effectiveness.

Seeking a robust solution, Beepo partnered with Sprout Solutions.

The implementation of Sprout’s comprehensive **HR software** reduced Beepo’s HR and payroll processing time by 50%, achieved a 98% reduction in payroll errors, and provided employees with 24/7 access to HR services.

65%

Reduction in HR and Payroll Processing Time



98%

Reduction in Payroll Errors



24/7

Access to HR Services for Employees



Marilou Garcia, Beepo’s Finance/Admin Manager, shares that in her previous company, they used an in-house HRIS. When asked about the difference, she prefers the Sprout platform due to its ongoing research and development for its products and services.

Sprout improved Beepo's efficiency and enhanced employee satisfaction by reducing payroll disputes and providing seamless access to HR services.

FUTURE OUTLOOK:

Key Takeaways From SOHR 2024

Looking ahead, the role of HR technology in the BPO industry is apparent. From integrating AI solutions to enhancing wellness initiatives, HR leaders in BPOs are crucial in shaping the future workplace.

To thrive in 2024 and beyond, BPOs should consider these key recommendations:



01 Embrace Tech Adoption

- Implement Change Management Programs for smooth tech adoption.
- Involve employees in decision-making through surveys.
- Provide ongoing training and support.



02 Focus on Business Support

- Analyze long-term gains to justify tech investments.
- Seek external funding and prioritize high-impact technologies.



03 Ensure Regulatory Compliance

- Stay updated on tech regulations and conduct regular audits.
- Educate employees on compliance to uphold standards.

Drive BPO Success with Future-Ready HR Strategies!

The BPO industry is rapidly evolving with vast opportunities for growth. Staying ahead means adopting innovation and prioritizing employee well-being.

Don't let your organization fall behind. Embrace these insights to enhance employee engagement, streamline operations, and prepare your workforce for tomorrow.

Download the complete State of HR 2024 report now and take the first step towards revolutionizing your HR practices!

[DOWNLOAD HERE](#)

