*Review Article*

**Factors Shapes Work Engagement of Business Process Outsourcing Employees: A Systematic Literature Review**

abstract

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| **Aims:** This study explores the key factors that shapes work engagement among employees in Business Process Outsourcing (BPO) companies. Acknowledging the fast-paced and demanding nature of the BPO industry.  **Study design:** This qualitative study employs a literature review approach to examine the topic.  **Place and Duration of Study:** The study was conducted in Bacolod City over a two-month period, from March to April 2025.  **Methodology:** This study employed a qualitative method using a literature review approach, which offered a structured framework for researching, analyzing, and synthesizing existing scholarly work on the topic.  **Results:** Two major themes emerged from the analysis: influential factors shaping work engagement of (BPO) employees, and the significance of work engagement among BPO employees. Under influential factors shaping work engagement of (BPO) employee, the following sub-theme emerged: career development of the employee, the importance of employee work-life balance,and the significance of the work environment in employee engagement. A sub-theme that emerged from the significance of work engagement among BPO employees are the following: Continuous training and skill enhancement initiatives of the employees, strategically implemented performance management system and future directions for research.  **Conclusion:** This study shows that career development, work-life balance, and a positive work environment are key to employee engagement in BPO. Training and advancement opportunities increase motivation and job satisfaction. Support for managing irregular shifts helps maintain work-life balance and productivity. A respectful, inclusive workplace boosts motivation and performance. Continuous skill development and good performance management sustain engagement. HR practices should focus on reducing turnover and increasing productivity. Future research should examine AI-driven engagement, mental health support, and hybrid work models. |

*Keywords: Career Development, Work-Life Balance, Work Environment, Employee Engagement, Performance Management System*

1. INTRODUCTION

Business process outsourcing (BPO) is hugely popular in today’s businesses that have centralized customer service and support services. The BPO industry typically has huge offices with a number of employees who handle transactions with different clients globally (L. Malicay & C Gano-an, 2023). Employees in the BPO sector must be highly skilled at offering clients outstanding customer service by resolving their complex issues and addressing questions with assurance and skill. Hence, the main challenge for any BPO firm is managing its employees in making work enjoyable, keeping them enthusiastic about organizational goals, raising their job satisfaction and performance, and retaining them in order to maintain competitiveness in the market (Kotteeswari, n.d. as cited in L. Malicay & C Gano-an, 2023).

Employee productivity is influenced by a variety of factors. Productivity is essential for increasing employees’ performance, which contributes to organizations’ success (Malicay & Gano-an, 2023). Increasing employee productivity is one of the many priorities of an organization. Increased employee productivity has a number of advantages for both firm and its personnel. Hence, understanding the factors that affect productivity is essential to ensure sustained performance (Hanaysha, 2016 as cited in Malicay & Gano-an, 2023).

All employees face the challenge of finding the proper work–life balance. The ability of employees to deal with a successful combination of work, family responsibilities, and personal life is crucial for both employers and family members of employees (Chen et al., 2024). Employee attrition in the BPO industry has already been a challenge since its very beginning averaging approximately 25% attrition rate each year which reveals the organization's internal power by exposing its weakness in retaining its employees, making it harder to attract potential workers (Delle-Vergini 2018; Mishra and Solanki 2018 as cited in Kurata et al., 2023).

The aim of this study is to comprehensively examine and synthesize existing research on the key factors shaping work engagement among BPO employees. Identify and assess the primary predictors of work engagement, focusing on factors such as career development, work-life balance, and work environment.

Through a systematic review of the literature, this study aims to provide a clear understanding of the factors that drive work engagement, ultimately informing more effective management and HR practices within BPO Company.

2. methods

This study employed a qualitative method using a literature review approach, which offered a structured framework for researching, analyzing, and synthesizing existing scholarly work on the topic, in this case the factors shapes work engagement of Business Process Outsourcing (BPO) employees.

In the first stage, extensive searches were carried out across leading academic databases to locate peer-reviewed articles and empirical studies focused on work engagement within the BPO company.

In the second stage, relevant data related to the BPO field were extracted. Keywords and their combinations were used to facilitate a comprehensive search.The Search results were organized and stored in Google Drive for easy access and tracking of collected references. Citations were systematically managed to streamline organization and facilitate accurate bibliography generation.

Quality Review of studies came next. The methodological quality of the included studies was critically assessed, with particular emphasis on the use of validated measures for engagement, and the clarity and transparency of reported outcomes.

The next stage is for analyzing and synthesizing the literature. The findings were synthesized thematically, highlighting recurring factors and patterns that influence work engagement in BPO environments.

Finally the actual writing of the literature review. The review was organized in a logical structure, employing either a thematic or chronological approach. It began with background information, followed by the research question and an outline of the review's scope. The literature was analyzed and synthesized, emphasizing key themes and findings. The main findings were summarized, and their implications were discussed. Finally, a comprehensive list of all cited sources was included.

3. results and discussion

**3.1 Influential Factors Shaping Work Engagement of (BPO) Employee**

Many outsourcing companies were initially required to have employees work on-site to qualify for tax benefits. However, in response to the pandemic, these firms began adopting hybrid work models that allow employees to work remotely (Venzon 2023 as cited in Corral, 2024). Publications on work engagement often highlight its key characteristics, including **vigor** (energy and persistence in performing tasks), **dedication** (a positive attitude and strong sense of responsibility), and **absorption** (deep immersion in one’s work). This perspective emphasizes that work engagement encompasses not only a physical component but also intellectual and emotional dimensions (Tarnowska et al., 2024).

**3.1.1 Career Development of the Employee**

Career development is a significant factor in order for employees to be satisfied as well engaged in their work and course of their duties. (Mondejar & Asio, 2023). Career development encompasses training which is also an important antecedent factor as per Suomi et al. (2021) study as cited in (Mondejar & Asio, 2023). Furthermore, Another way of motivating the employees to excel in their job is the provision of better career opportunities within the organization (Negros, 2022). Mondy and Martocchio (2016) as cited in (Christian & Mark, 2023) also provided a definition for career development which is a formal technique to guarantee that the employees have appropriate credentials and experience and are available upon request at a moment's notice.

**3.1.2 The Importance of Employee Work-Life Balance**

BPO employees often work irregular or non-standard shifts, making work-life balance challenging. However, achieving balance is key to job satisfaction and productivity (Ladaran, 2024). Moreover, Motivated people at work gives their best efforts resulting in productivity. Engagement is crucial in the BPO sector, as engaged employees have a direct stake in their work and contribute more effort towards high-quality service delivery (Hossain, 2024). According to (Saks, 2021) Caring human resource management (HRM) practices are positively associated with fostering an organizational climate characterized by care, empathy, and concern for employees. As defined by Armstrong and Taylor (2015) as cited in (Mondejar & Asio, 2023) ,work-life balance is the accomplishment of the expectation of one's employment and other responsibilities. In addition, work-life balance is supported through organizational policies that promote workplace flexibility, provide assistance programs, and offer leave benefits to employees.

**3.1.3 The Significance of the Work Environment in Employee Engagement**

The level of employee motivation, performance, and productivity could be entirely influenced by the office environment (Malicay & Gano-an, 2023). A positive work environment is essential for high-performing teams, especially in BPOs where collaboration is key. Emphasizing respect, inclusivity, and recognition enhances productivity by keeping employees motivated and engaged (Ladaran, 2024). Moreover, The workplace environment is the complete network of interpersonal relationships in an office setting. Suppose one may be put into an environment where people in positions of authority employ unfair means to threaten, intimidate, and degrade others. Then, this type of workplace would cause anxiety, stress, depression, health problems, absenteeism, job burnout, counterproductive work behavior, and eventually, a degradation in productivity (Anjum et al., 2018 as cited in Tus 2021.In a study Adamopoulos & Syrou, (2023) explored how different workplace environments affect employees' perceived levels of burnout.

**3.2 The Significance of Work Engagement and Job Performance among BPO Employees**

The Individuals with high work engagement tend to exhibit better attendance and job performance. To better understand the factors that drive this engagement, Human Resource Development practitioners should conduct focus groups with these employees. Gaining insight into what motivates their engagement can help organizations foster similar behaviors across the workforce, ultimately enhancing overall performance and attendance (Trahan, n.d.).

**3.2.1 Continuous Training and Skill Enhancement Initiatives of the Employees**

**Training and Development**

Aimed at enhancing current or future employee performance by increasing their ability to perform. This is typically achieved through learning, which may involve changing an employee’s attitude or improving their skills and knowledge (Maheswari & Jenifer, n.d.). Many organizations struggle with low employee productivity, high retention costs, and a lack of motivation among staff. In some cases, call center leaders lack effective strategies to keep employees engaged and to foster skill development. According to (Svitlana and Nataliia 2019 as cited in Scholarworks & Almazni, n.d.)), leaders who fail to invest in employee development risk decreasing employee performance and increasing recruitment expenses due to higher turnover rates. Call center leaders must enhance employee development skills, as this is the top predictor of improved organizational performance (Scholarworks & Almazni, n.d.).

**3.2.2 Strategically Implemented Performance Management System**

In the fast-paced, target-driven BPO sector, timely and accurate performance evaluations are essential for maintaining both service quality and employee satisfaction. Implementing a system that automates the appraisal process through key performance indicators (KPIs) enhances efficiency and consistency (Sumathi & Com, 2025). It is essential for a company to effectively plan, manage, and reward employee performance. By doing so, overall productivity can improve, ultimately leading to increased profitability. This involves overseeing the entire performance management process, setting clear objectives, providing regular feedback, and evaluating outcomes. Employees are valuable resources and key assets to any organization. Therefore, organizations must develop strategies to identify, encourage, measure, evaluate, enhance, and reward employee performance. As a result, improved individual performance can significantly contribute to better organizational outcomes (Khushi pandey 2024)

**3.2.3 Future Directions for Research**

Future studies could explore how AI-driven, personalized engagement plans based on employee preferences and career goals affect work engagement in BPO settings. Research should also examine the impact of mental health initiatives like therapy, mindfulness, and stress management on reducing burnout and sustaining engagement. As hybrid and remote work becomes more common, it’s important to study how flexible schedules and remote policies influence engagement, productivity, and retention. Additionally, with rapid AI adoption, future research should assess how ongoing training and upskilling affect employee engagement. These areas reflect key trends in well-being, personalization, flexibility, and continuous development in the BPO industry.

4. Conclusion

It reveals that career development, work-life balance, and the work environment are critical determinants of employee engagement in the BPO sector. Career development, including training and advancement opportunities, motivates employees and enhances job satisfaction. Work-life balance, often challenging due to irregular shifts, is essential; organizational support in this area fosters greater engagement and productivity. A positive work environment characterized by respect, inclusivity, and recognition significantly influences employee motivation and performance. Furthermore, continuous training, skill enhancement, and strategically implemented performance management systems are vital for sustaining high engagement and improving organizational outcomes. The study underscores the importance of human resource practices addressing these factors to reduce attrition, boost productivity, and maintain competitiveness within the BPO industry. It also recommends future research focusing on AI-driven personalized engagement, mental health initiatives, and the effects of hybrid work models on employee engagement.

Disclaimer

(ARTIFICIAL INTELLIGENCE)

The author(s) hereby declare that generative AI technologies, including ChatGPT and Perplexity, were used during the writing and/or editing of this manuscript. This disclosure includes the name, version, model, and source of the AI tools utilized, as well as all input prompts provided to them.

Details of the AI usage are given below:

1. **AI Tool Used:** ChatGPT  
    **Version/Model:** GPT-4o (as of June 2025)  
    **Source:** OpenAI (<https://openai.com/chatgpt>)
2. **AI Tool Used:**Perplexity

**Version/Model:GPT-4.1 Omni**

**Source:** [https://www.perplexity.ai](https://www.perplexity.ai/)

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