International Journal of Multidisciplinary Research and Growth Evaluation.

Employee Development Programs in the Philippine IT-BPM Sector and Their Contribution to SDG 8: The Role of Upskilling in Career Progression and Retention

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Article Info

ISSN (Online): 2582-7138
Volume: 07
Issue: 05
Received: 25-07-2026
Accepted: 23-08-2026
Published: 21-09-2026
Page No: 592-596

Abstract
The Philippine information technology and business process management (IT-BPM) sector employs about 1.9 million people and has become a principal channel of formal employment for young graduates. Its growth strategy now depends on upskilling workers for higher-value, AI-enabled work, yet the link between employee development, career progression, retention and Sustainable Development Goal 8 (SDG 8) remains weakly quantified. This study analyses secondary industry data for 2018–2025 on revenue, full-time employment and attrition, together with reported talent-development spending and the revised Roadmap 2028 scenarios. Revenue grew at 7.4% a year and employment at 6.4%, but revenue per worker rose only 0.9% annually, with an employment–revenue elasticity of 0.89. All 2028 scenarios require productivity growth of 3.3–3.6% a year, roughly four times the historical rate. Reported development spending equals about PHP 737 per worker annually, while contact-centre attrition reached 45% in 2022. Scaling structured upskilling tied to career ladders is therefore central to the sector's SDG 8 contribution.

DOI: https://doi.org/10.54660/.IJMRGE.2026.7.5.592-596

Keywords: IT-BPM, upskilling, employee development, career progression, employee retention, SDG 8, decent work, Philippines

1. Introduction

Sustainable Development Goal 8 calls for sustained, inclusive economic growth, higher productivity through diversification and technological upgrading (target 8.2), full and productive employment and decent work for all (target 8.5), and a lower share of young people not in employment, education or training (target 8.6) (United Nations, 2015) [15]. In the Philippines, few industries touch these targets as directly as information technology and business process management. The sector closed 2025 with about 1.9 million workers and more than US$40 billion in revenue (Philstar, 2026) [13], and by 2022 nearly a third of its workforce was already located outside Metro Manila (BusinessWorld, 2023) [5].

The sector's contribution to decent work has, however, long been contested. Early research questioned whether offshore service jobs offer genuine upward mobility or function as dead-end employment for educated young workers (Beerepoot & Hendriks, 2013) [2], and the International Labour Organization identified night work, stress, limited representation and high turnover as persistent decent-work concerns (Errighi *et al*., 2016) [7]. Contact-centre attrition has historically been among the highest of any Philippine industry (Daily Tribune, 2024) [6].

Employee development programs are commonly proposed as the bridge between these positions. Human capital theory holds that training raises productivity and earnings (Becker, 1993) [1], while job embeddedness theory suggests that development opportunities bind employees to their organisations and reduce voluntary exit (Mitchell *et al*., 2001) [10]. Yet training that raises general, portable skills can also make workers more attractive to competing employers unless it is linked to internal promotion (Benson *et al*., 2004) [3]. In Philippine BPO firms specifically, the retention effect of HRM practices has been shown to depend partly on employee–organisation value fit (Presbitero *et al*., 2016) [14].

The question has become urgent. In mid-2026, the industry association IBPAP revised its 2028 roadmap downward and reframed its goal around two million "AI-enabled" workers rather than headcount alone (GMA News Online, 2026) [8]. This study therefore asks three questions: (1) how far has sector growth been driven by productivity rather than headcount; (2) what productivity gain do the 2028 scenarios implicitly require of the workforce; and (3) how do current development investment and attrition levels compare with that requirement? Figure 1 presents the conceptual framework guiding the analysis.

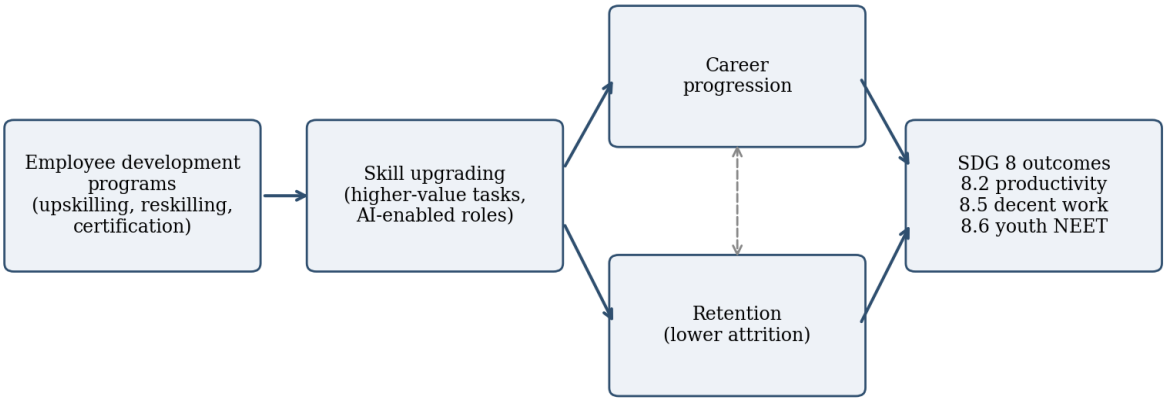


Fig 1: Conceptual framework linking employee development programs to career progression, retention and SDG 8 targets.

2. Materials and Methods

2.1. Research Design and Data Sources

The study uses a quantitative secondary-data design. Annual industry revenue and full-time employee (FTE) counts for 2018–2025 were compiled from IBPAP figures as reported in national business media (Manila Bulletin, 2020; BusinessMirror, 2022; BusinessWorld, 2023; Philstar, 2024, 2025, 2026) [4, 5, 11, 12, 13]. Values for 2018 and 2020 were back-calculated from the reported growth rates of the following year. The 2028 scenario targets were taken from the original and revised roadmaps (GMA News Online, 2026) [8]. Attrition data come from the Contact Center Association of the Philippines (CCAP) annual Attrition and Retention Survey (Daily Tribune, 2024) [6], and reported industry talent-development spending of about PHP 1.4 billion a year from Philstar (2026) [13].

2.2. Analytical Procedures

Four procedures were applied. First, year-on-year and compound annual growth rates (CAGR) were calculated for revenue, FTEs and revenue per FTE, the last serving as a nominal labour-productivity proxy relevant to SDG target 8.2. Second, the employment–revenue elasticity was estimated by ordinary least squares on the log-linear model $\ln(\text{FTE}) = \alpha + \beta \ln(\text{Revenue})$ for 2018–2025 ($n = 8$). Third, the revenue per FTE implied by each 2028 scenario was computed, along with the annual productivity growth needed to reach it from 2025. Fourth, reported development spending was divided by the 2025 workforce to obtain spending per worker and set against attrition indicators. All figures are nominal US dollars; calculations were carried out in Python.

3. Results

3.1. Revenue, Employment and Productivity Trends

Table 1 and Figure 2 show steady expansion in both revenue and employment. Revenue rose from US$24.5 billion in 2018 to US$40.3 billion in 2025, and FTEs from 1.23 to 1.90 million. The only interruption was 2020, when growth in both series fell to about 1.5%.

Table 1: Philippine IT-BPM revenue, employment and revenue per FTE, 2018–2025

Year	Revenue (US$ bn)	FTEs (million)	Revenue growth (%)	FTE growth (%)	Revenue per FTE (US$)
2018	24.5[a]	1.23[a]	–	–	19,919
2019	26.3	1.30	7.3	5.7	20,231
2020	26.7[a]	1.32	1.5	1.5	20,227
2021	29.5	1.44	10.5	9.1	20,486
2022	32.5	1.57	10.2	9.0	20,701
2023	35.5	1.70	9.2	8.3	20,882
2024	38.0	1.82	7.0	7.1	20,879
2025	40.3	1.90	6.1	4.4	21,211

Sources: IBPAP data as reported in the cited media sources. [a] Back-calculated from reported growth rates. Revenue per FTE computed by the author.

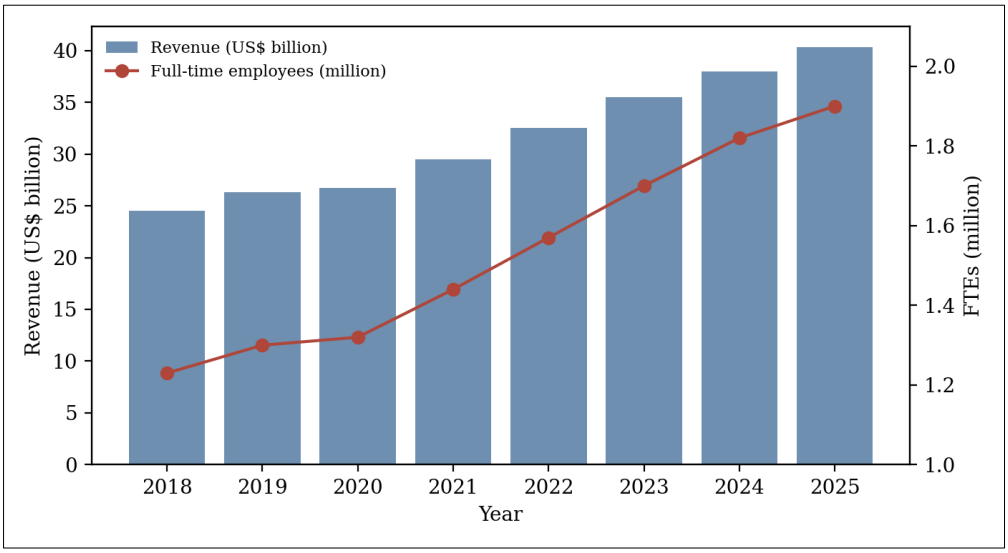


Fig 2: Industry revenue and full-time employment, 2018–2025.

Revenue per FTE, by contrast, rose only from US$19,919 to US$21,211 over seven years (Figure 3). Table 2 shows that productivity grew at 0.9% a year across the full period and did not accelerate after the pandemic. The estimated employment–revenue elasticity was 0.89 (SE = 0.008; R^2 = 0.999): each 1% increase in revenue was accompanied by an almost equal 0.89% increase in headcount. Growth has thus remained predominantly labour-extensive.

Table 2: Compound annual growth rates and roadmap-implied productivity requirements

Period / scenario	Revenue CAGR (%)	FTE CAGR (%)	Revenue per FTE CAGR (%)	Implied revenue per FTE, 2028 (US$)
2018–2021	6.4	5.4	0.9	–
2021–2025	8.1	7.2	0.9	–
2018–2025	7.4	6.4	0.9	–
2028 original roadmap (US$59.0 bn; 2.50 m)	–	–	3.6 required	23,600
2028 accelerated (US$50.5 bn; 2.14 m)	–	–	3.6 required	23,598
2028 downside (US$43.3 bn; 1.85 m)	–	–	3.3 required	23,405

Note: Required rates are the annual productivity growth needed from the 2025 level (US$21,211) to reach each scenario's implied value.

3.2. Productivity Requirement of the 2028 Scenarios

Although the three 2028 scenarios differ widely in revenue and headcount, they converge on almost the same revenue per worker, between US$23,405 and US$23,600 (Table 2; Figure 3). Reaching this level requires productivity growth of 3.3–3.6% a year from 2025, about four times the rate observed since 2018. In effect, whatever the headcount outcome, the roadmap assumes that each worker will generate around 10–11% more value by 2028.

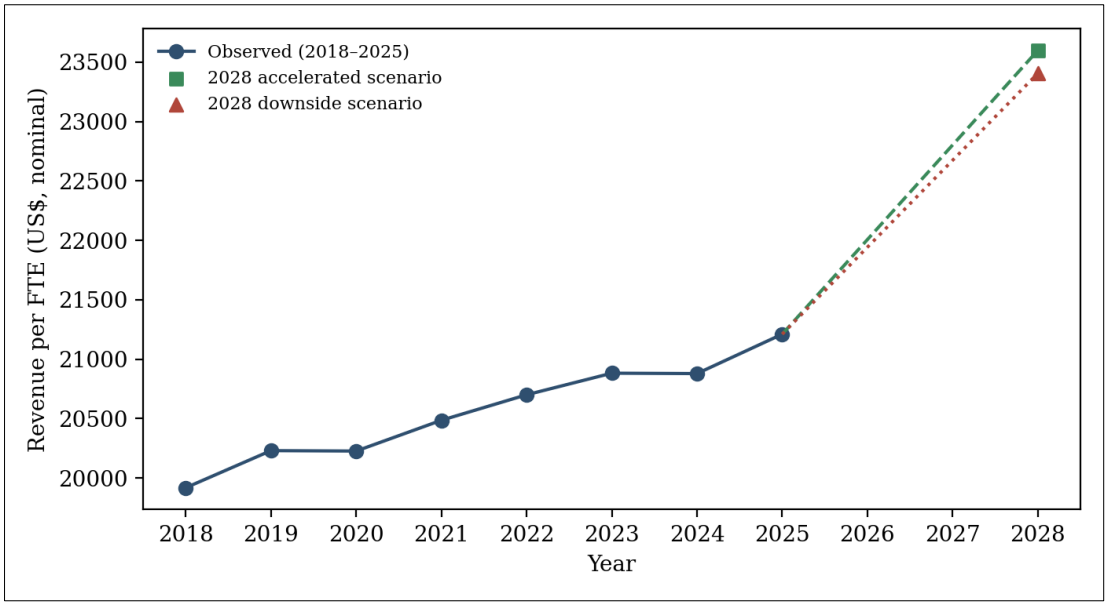


Fig 3: Observed revenue per FTE (2018–2025) and the values implied by the 2028 roadmap scenarios.

3.3. Development Investment and Attrition

Table 3 sets development investment against retention outcomes. Reported industry spending of PHP 1.4 billion a year equals about PHP 737 per worker annually. Among CCAP member firms, voluntary attrition declined from 36% in 2021 to 31% in 2022, but total attrition, including involuntary exits, was 45% in 2022, and a further 9.9% of agents abandoned their jobs without leave (Figure 4).

Table 3: Talent-development and retention indicators

Indicator	Value	Reference year	Source
Industry talent-development spending	≈ PHP 1.4 bn per year	2025	Philstar (2026) [13]
Development spending per FTE (computed)	≈ PHP 737 per year	2025	Author's calculation
Voluntary attrition, contact centres	36% → 31%	2021 → 2022	Daily Tribune (2024) [6]
Involuntary attrition, contact centres	14.1%	2022	Daily Tribune (2024) [6]
Total attrition, contact centres	45%	2022	Daily Tribune (2024) [6]
Absence without leave (AWOL)	9.9%	2022	Daily Tribune (2024) [6]
Share of FTEs outside Metro Manila	31% (486,000)	2022	BusinessWorld (2023) [5]

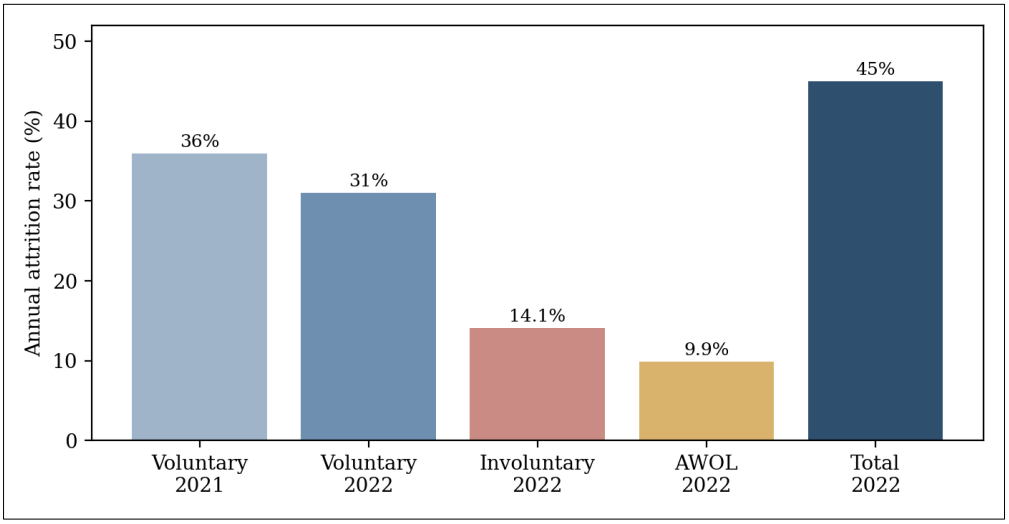


Fig 4: Attrition components among CCAP member contact centres, 2021–2022.

4. Discussion

The results reveal a gap between the sector's stated strategy and its recent record. The industry has described itself as a pathway to the middle class built on skills development (Philstar, 2024) [11], but productivity has risen by less than 1% a year and growth has depended almost entirely on adding workers. This is consistent with the concern raised by Beerepoot and Hendriks (2013) [2] that many roles offer limited task upgrading. For SDG target 8.2, the sector has so far contributed through scale more than through technological upgrading.

The 2028 scenarios make the role of upskilling explicit. Because every scenario implies roughly the same revenue per worker, the roadmap's realism rests less on hiring and more on raising the value of each role. From a human capital perspective (Becker, 1993) [1], this requires sustained investment in general and firm-specific skills, notably in AI-assisted processes, analytics, cloud and cybersecurity. Set against this requirement, reported spending of about PHP 737 per worker a year appears modest, although firm-level training not captured in the industry figure is likely to be substantial.

Attrition sharpens the problem. When close to half of contact-centre workers leave in a year, the return on training is lost before it accrues, which discourages employers from investing. The research on tuition reimbursement shows a way out: training reduces turnover when it is followed by promotion, and increases it when it is not (Benson *et al*., 2004) [3]. Development programs are therefore most likely to support both retention and SDG target 8.5 when they are tied to visible internal career ladders, from agent to team lead, analyst or technical specialist. Such ladders also strengthen the links and fit that anchor employees to their firms (Mitchell *et al*., 2001; Presbitero *et al*., 2016) [10, 14].

The fall in voluntary attrition from 36% to 31% and the growing share of jobs outside Metro Manila are encouraging signs for decent work and regional inclusion. Upskilling that enables young provincial graduates to progress within the industry, rather than cycle between entry-level jobs, would directly support SDG target 8.6.

4.1. Limitations

The analysis relies on industry-reported aggregates relayed through media sources, uses nominal values, and cannot observe firm-level training, wages or promotion rates. The attrition data cover CCAP member contact centres only. The elasticity estimate is based on eight observations and describes association, not causation. Future studies should use employee-level panel data to test directly whether participation in development programs predicts promotion and tenure.

5. Conclusion

This study shows that the Philippine IT-BPM sector has grown rapidly in scale but only marginally in value per worker between 2018 and 2025. Its revised 2028 roadmap, whichever scenario materialises, depends on raising productivity about four times faster than in the recent past,

which makes employee development the sector's central growth lever rather than a supporting HR function. Current reported development spending and high contact-centre attrition indicate that this lever is under-used. To strengthen its contribution to SDG 8, the sector should (1) scale structured upskilling in AI-enabled and technical competencies, (2) link completed training to transparent promotion pathways so that investment translates into retention, and (3) report training hours, internal promotion rates and attrition by segment so that progress on productivity and decent work can be tracked. Upskilling linked to career progression can turn the industry's employment scale into durable, higher-value and more decent work.

Conflict of Interest

The author(s) declare no conflict of interest.

Data Availability

All data used are publicly reported and cited in the reference list; the compiled dataset is available from the corresponding author on request.

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How to Cite This

Maldo JO. Employee development programs in the Philippine IT-BPM sector and their contribution to SDG 8: the role of upskilling in career progression and retention. International Journal of Multidisciplinary Research and Growth Evaluation. 2026;7(5):592-596. doi:10.54660/.IJMRGE.2026.7.5.592-596.

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