

INDUSTRY OUTLOOK / WORKFORCE / OPERATING MODEL

AI and the Future of the BPO Industry in Clark and the Philippines

What artificial intelligence means for jobs, services, pricing, skills, and competitive advantage in Clark and the Philippine BPO industry.

1.89M

Philippine IT BPM workers reported for 2025

\$40B

industry revenue reported for 2025

14%

average productivity gain in a customer support AI study

20K+

outsourcing workers across Clark, Angeles, and San Fernando

- **AI will remove tasks before it removes whole jobs.**
Routine lookup, summarization, classification, data entry, and simple responses are already suitable for automation.
- **The first commercial pressure will be on pricing.**
Clients will question why they should continue paying for the same number of hours when AI allows work to be completed faster.
- **Clark can gain if it moves early.**
The region can combine an established service workforce with AI enabled delivery, stronger specialization, and trusted human judgment.

This report is an evidence based industry outlook. It does not predict a precise number of future job losses and does not assume that every company, account, or role will change at the same speed.

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The greatest risk is standing still

The Philippine BPO industry is not collapsing. It continued to grow in 2025, reaching about 1.89 million workers and more than forty billion dollars in revenue. Clark and the surrounding Pampanga business districts also continued to attract major outsourcing firms and office expansion.

Growth, however, should not be confused with safety. Buyers are integrating AI into customer service, finance, health care, technology support, sales, and administrative work. They will expect providers to deliver faster service, better quality, stronger analysis, and lower handling cost.

The immediate threat is not that AI suddenly replaces every agent. The threat is that an AI enabled competitor delivers a better result with fewer errors, shorter training, and a more flexible commercial model.

This changes the basic question for BPO operators. The question is no longer whether AI should be used. It is where AI creates measurable value, which decisions must remain human, how workers will move into stronger roles, and how the company will charge for a service that requires fewer manual hours.

The likely transition is uneven. Simple and repetitive work will face the greatest pressure. Complex conversations, regulated processes, sensitive cases, relationship management, investigation, and work requiring accountability will continue to need people. Many roles will contain both kinds of tasks.

Clark therefore has two possible futures. It can remain a lower cost location for work that becomes easier to automate. Or it can become a regional center for AI enabled customer operations, health information services, finance operations, technical support, trust and safety, and other work where technology and human judgment must operate together.

Principal finding. AI is likely to reduce the amount of routine labor required per transaction while increasing the value of judgment, communication, domain knowledge, data control, and system oversight.

Sources: Logistics News reporting on 2025 industry performance. Asian Productivity Organization study of AI in the Philippine IT BPM sector. OECD Economic Survey of the Philippines 2026.

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Clark is already a serious BPO location

Clark is not starting from zero. Clark, Angeles, and San Fernando employ more than twenty thousand outsourcing workers, according to a December 2025 property market review based on Colliers research. The area hosts major firms across customer experience, technology, remote staffing, back office services, and higher value operations.

Pampanga outsourcing companies provide a mix of voice work, back office work, and knowledge services such as health information management. Office demand also strengthened during 2025, with several large operators expanding their local footprint.

This concentration creates advantages that smaller locations do not have.

TALENT**Experienced workforce**

Clark has workers, trainers, supervisors, recruiters, and managers who already understand global service delivery.

MARKET**Recognized location**

Global buyers already know Clark as a delivery and backup location outside Metro Manila.

ACCESS**International connection**

The airport, expressways, economic zones, and proximity to Manila support client visits and regional growth.

ECOSYSTEM**Multiple operators**

A dense group of employers makes shared training, supplier development, and specialist hiring more practical.

The same concentration also creates exposure. When global clients change their service model, the effects can reach many workers and buildings at once. Entry level voice and clerical work is particularly important because it provides a route into formal employment for young people and workers changing careers.

International Labour Organization research estimates that more than thirty percent of jobs in Central Luzon have some exposure to generative AI. Exposure does not mean elimination. It means that at least some tasks inside those jobs can be performed or assisted by current systems.

Clark should therefore treat AI transition as a regional competitiveness issue, not only as a software decision made inside individual companies.

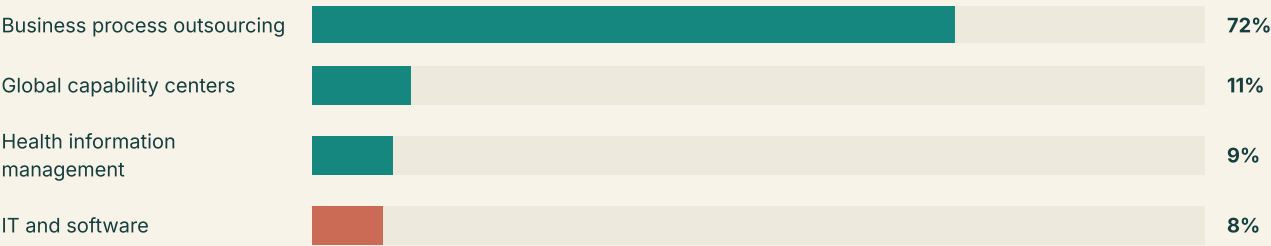
Sources: BusinessMirror review of Clark and Pampanga office activity. International Labour Organization research on generative AI exposure in the Philippines.

The industry is still growing while work changes

The strongest evidence does not support a simple story of immediate mass unemployment. Philippine industry revenue grew about five percent in 2025, while employment increased about four percent to 1.89 million. Global capability centers, financial services, health care, and information technology are expected to support further growth.

At the same time, the composition of work is moving upward. The OECD reports that business process outsourcing still represents about seventy two percent of Philippine IT BPM employment. Global capability centers account for about eleven percent, health information management about nine percent, and IT and software about eight percent.

The Asian Productivity Organization found that about two thirds of surveyed IBPAP member companies were implementing AI tools. Only eight percent reported reducing headcount, while thirteen percent reported increasing headcount. This is encouraging, but it describes an early stage of adoption. More capable systems and stronger client pressure could produce different results later.



The practical reading is that job growth and automation can happen at the same time. A company may need fewer people for one process while winning more work in another. Productivity can lower the labor needed per transaction while reduced cost and improved quality create new demand.

The key question is whether Clark captures the new work or only loses the old work. That outcome will depend on skills, commercial strategy, client trust, infrastructure, and the ability to prove that AI improves service rather than merely reducing payroll.

Sources: Logistics News reporting on IBPAP targets in January 2026. OECD Economic Surveys Philippines 2026. Asian Productivity Organization report published in 2025.

Tasks will change faster than job titles

Jobs are collections of tasks. A customer service agent may listen, search, summarize, verify, decide, explain, calm a customer, record an outcome, and complete a transaction. AI is much better at some of these tasks than others.

The most exposed activities are structured, repetitive, text heavy, and based on predictable rules. The least suitable activities involve unclear situations, emotional judgment, negotiation, responsibility, sensitive decisions, and exceptions that do not appear in the knowledge base.

Task	Near term effect	Human role
Information lookup	Strong automation or assistance	Check source, relevance, and account context
Call and chat summary	Strong automation	Correct errors and approve the final record
Standard response drafting	Strong assistance	Adapt tone, confirm facts, and send
Classification and routing	Strong automation	Review unusual or high risk cases
Quality review	Wider automated coverage	Investigate patterns and coach people
Translation and language support	Useful but uneven	Check local language, meaning, and cultural fit
Complaint resolution	Partial assistance	Apply policy, empathy, discretion, and accountability
Sales and retention	Partial assistance	Build trust, negotiate, and read customer intent
Regulated decisions	Limited assistance	Keep qualified human approval and a clear audit record

The entry level role is likely to become harder, not disappear completely. AI can provide an answer or recommendation, but the worker must recognize when it is wrong. This requires product knowledge, critical thinking, privacy awareness, communication, and the confidence to ignore a poor suggestion.

Companies that remove too much beginner work may create a different problem. Experienced agents become experienced because they handle real cases. If AI performs every simple case, firms must design a new path for workers to gain judgment safely.

Workforce implication. Training can no longer end when an agent learns the script. It must include verification, exception handling, system failure, data protection, and responsible escalation.

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AI can raise performance most for newer agents

A major customer support study examined more than five thousand agents using a generative AI assistant. Access to the tool increased issues resolved per hour by about fourteen percent on average. The gain reached about thirty four percent for newer and lower skill workers, while the most experienced workers saw little improvement.

The tool also improved customer sentiment and was associated with better retention among newer workers. The likely explanation is that the system captured patterns from strong agents and made some of that knowledge available during live work.

For Clark operators, this evidence points to a useful first application: assistance rather than replacement.

- **Reduce time to competence.**

AI can guide new workers through product knowledge, response structure, next actions, and approved language.

- **Make expert practice reusable.**

Strong agents can help improve knowledge, examples, and evaluation rather than answering the same question repeatedly.

- **Improve consistency.**

Suggested steps and automated checks can reduce missed requirements when policy is clear and current.

The finding should not be copied blindly. The study involved chat based customer support inside one company. Results will differ across voice, sales, health care, finance, technical support, content moderation, and local operating conditions.

Every Clark deployment should therefore begin with a baseline. Measure resolution rate, repeat contact, quality, customer sentiment, handling time, compliance errors, escalations, worker stress, and staff turnover before the pilot. Compare the same measures after deployment.

Productivity should not be treated as speed alone. A shorter interaction that creates a repeat call, a complaint, or a privacy incident is not an improvement.

Source: Brynjolfsson, Li, and Raymond, Generative AI at Work, Stanford Institute for Economic Policy Research.

The first pressure will fall on the business model

Traditional outsourcing often connects revenue to people, seats, hours, or transaction volume. AI weakens that connection. If an assisted team handles more cases with the same number of workers, a client may expect lower cost. If the client pays only for hours, the provider can even lose revenue after becoming more efficient.

This creates a commercial problem before it creates a technical problem. Providers must decide how productivity gains are shared and how value is priced.

Models likely to become more important

Commercial model	What the client pays for	Main challenge
Managed capacity	A team plus defined technology and service levels	Still partly connected to headcount
Transaction pricing	Completed contacts, claims, reviews, or cases	Can reward volume rather than prevention
Outcome pricing	Resolution, collection, conversion, quality, or customer result	Requires trusted measurement and agreed causes
Platform plus service	Technology access combined with human operations	Requires stronger product and technical capability
Hybrid pricing	Base capacity plus volume, quality, and outcome components	More complex but balances risk between both parties

This report infers that hybrid pricing is the most realistic transition for many Clark providers. A company can retain a base fee for skilled capacity and operational readiness, then add components tied to volume, quality, resolution, or another agreed result.

The deeper shift is from selling labor availability to selling operational capability. Buyers will increasingly ask whether a provider can redesign a process, connect knowledge safely, evaluate models, monitor failures, protect information, and improve the service over time.

That favors providers with domain expertise and trusted delivery. It weakens providers whose only clear advantage is a lower hourly rate.

When AI reduces the value of a manual hour, the provider must create value through better outcomes, deeper knowledge, stronger control, or a service the client cannot easily operate alone.

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What BPO companies should integrate first

The best first projects are not the most dramatic. They are frequent, measurable, reversible, and supported by reliable information. They assist people before they make important decisions without review.

PRIORITY 01**Knowledge search**

Retrieve approved policies, product details, and process steps with visible sources and access controls.

PRIORITY 02**Agent assistance**

Suggest next steps, questions, responses, and reminders while the agent remains responsible for the interaction.

PRIORITY 03**After contact work**

Draft summaries, disposition notes, follow up messages, and structured records for human approval.

PRIORITY 04**Quality coverage**

Review more interactions for required statements, process gaps, customer signals, and coaching opportunities.

PRIORITY 05**Training support**

Create safe simulations, practice cases, feedback, and targeted refreshers based on common errors.

PRIORITY 06**Workflow triage**

Classify and route requests while sending uncertain, sensitive, and unusual cases to qualified people.

Fully autonomous voice agents, automatic complaint decisions, employment screening, health decisions, financial approvals, and actions that change customer accounts require stronger evidence and control. They should not be the first experiment for an organization that has not yet mastered knowledge quality, access control, monitoring, and human escalation.

Every use case should have a named owner, a clear purpose, a baseline, a test group, approved data, failure limits, and a way to stop the system. The operating team should know which model and vendor are involved, what information leaves the company, and whether client data can be used for training.

Selection rule. Begin where AI can remove avoidable effort without removing human accountability.

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A ninety day path from idea to evidence

AI integration should be treated as service redesign, not a software installation. A focused pilot can produce useful evidence within ninety days if the company resists the urge to automate an entire account at once.

Days 1 to 30: understand the work

1. Choose one process with sufficient volume and a clear service problem.
2. Break the process into tasks, decisions, data, exceptions, and handoffs.
3. Record the current quality, cost, speed, repeat work, and worker experience.
4. Confirm client approval, privacy requirements, data location, security, and contract limits.
5. Select a small group of agents, quality staff, trainers, operations leaders, and technical staff.

Days 31 to 60: run a controlled pilot

1. Connect only approved knowledge and remove unnecessary personal data.
2. Test common cases, difficult cases, misleading requests, outdated content, and deliberate attacks.
3. Keep human approval for customer facing output and account changes.
4. Record when workers accept, change, or reject AI suggestions.
5. Review errors every week and update the knowledge or workflow.

Days 61 to 90: compare and decide

1. Compare results with the original baseline and a similar group without the tool.
2. Measure quality, resolution, customer experience, compliance, worker experience, and cost together.
3. Identify which workers benefited, which did not, and why.
4. Calculate the complete cost, including software, integration, security, review, and maintenance.
5. Scale, redesign, or stop the use case based on evidence.

The pilot should produce a short decision record that clients, workers, auditors, and leaders can understand. A failed pilot is still valuable if it prevents a larger failure.

Roles should be redesigned, not merely reduced

The strongest BPO transition will move people into roles that improve the combined human and AI system. This requires specific career paths. A general instruction to learn AI is not enough.

Current role	Possible expanded role	New capability
Customer service agent	Resolution specialist	Exception handling, verification, empathy, and account judgment
Quality analyst	Conversation intelligence analyst	Pattern analysis, evaluation design, and model error review
Trainer	Knowledge and simulation designer	Scenario design, content governance, and performance measurement
Team leader	Human and AI performance manager	Adoption coaching, risk review, and workflow improvement
Workforce planner	Demand and automation planner	Capacity modeling across people, bots, channels, and service levels
Subject expert	Knowledge owner	Source approval, version control, and exception policy
IT and security staff	AI platform and model risk staff	Vendor review, access control, testing, monitoring, and incident response
Language coach	Multilingual quality evaluator	Meaning, tone, cultural context, and local language testing

Companies should protect the learning path for new workers. If AI handles most simple contacts, trainees need simulations, supervised case progression, and controlled exposure to real exceptions. Otherwise the industry may create a shortage of experienced staff several years later.

Training should be connected to actual roles and client work. Prompt writing alone is not a career strategy. More durable capabilities include domain knowledge, process analysis, data literacy, critical thinking, communication, evaluation, security, privacy, and operational improvement.

The transition must also be fair. Workers should know what is being measured, how AI affects evaluation, how they can question a result, and what support exists when a role changes. Hidden monitoring will damage trust and can produce misleading performance decisions.

Metrics must change with the operating model

AI can improve handling time while damaging other outcomes. It can produce polished language that contains a factual error. It can increase the number of contacts completed while weakening customer trust. Companies therefore need a balanced measurement system.



Minimum pilot measures

1. First contact resolution or successful case completion.
2. Repeat contact and avoidable escalation.
3. Factual and process accuracy.
4. Required disclosure and compliance errors.
5. Customer sentiment, complaint rate, and effort.
6. Handling time and after contact time.
7. AI suggestion acceptance, change, and rejection.
8. Worker confidence, stress, learning, and turnover.
9. Cost per successful outcome.
10. Incidents involving privacy, security, bias, or harmful output.

Leaders should examine distribution, not only averages. A tool may help new workers while distracting experienced staff. It may perform well in English but fail in mixed language conversations. It may succeed on common cases and break on vulnerable customers or unusual requests.

The most useful executive metric may become revenue and value per employee rather than employee count alone. IBPAP has already argued that industry success should increasingly be measured through capability and revenue per worker.

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Trust and control can become a competitive advantage

BPO companies handle client systems, customer conversations, financial details, health information, employee records, and internal knowledge. AI introduces new routes for information leakage, incorrect action, manipulation, and unclear responsibility.

The National Institute of Standards and Technology recommends managing AI through four linked functions: govern, map, measure, and manage. For BPO operations, that means responsibility must exist before deployment, the use case and affected people must be understood, performance and risk must be tested, and problems must be monitored throughout operation.

Questions every provider should answer

1. What client and customer information enters the system?
2. Where is that information processed and stored?
3. Can the vendor use it to train or improve another model?
4. Which outputs can reach a customer without human approval?
5. How are incorrect actions detected and reversed?
6. How are prompts, outputs, source documents, and model changes recorded?
7. Can the company test performance across accents, languages, products, and customer groups?
8. What happens when the model, connection, or vendor is unavailable?
9. Who investigates a complaint or incident?
10. How can a client leave without losing access to its knowledge and records?

Philippine privacy rules continue to apply when AI processes personal data. A provider should not assume that a client request removes its own operational and contractual duties.

Companies that can answer these questions clearly will be easier to trust with complex work. Governance should therefore be treated as part of the service, not as an obstacle added after the sale.

Sources: NIST AI Risk Management Framework and Generative AI Profile. National Privacy Commission Advisory 2024 04 summary.

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Clark can compete on more than lower cost

Clark has a chance to position itself as an AI enabled service location where technology is combined with English communication, cultural familiarity, operational experience, and accountable human judgment.

The most promising direction is specialization. Generic work is easier for clients to automate or move. Domain capability is harder to replace.

HEALTH CARE

Information and support

Patient navigation, claims support, records workflows, scheduling, and regulated human review.

FINANCE

Operations and control

Customer support, fraud review, collections, documentation, compliance checks, and exception management.

TECHNOLOGY

Technical service

Product support, cloud operations, software testing, knowledge management, and security work.

TRUST AND SAFETY

Human judgment at scale

Content review, appeals, investigation, policy application, and model output evaluation.

COMMERCE

Customer growth

Sales support, retention, account management, marketplace operations, and multilingual service.

AI OPERATIONS

Systems that need people

Knowledge preparation, evaluation, monitoring, quality review, escalation, and incident response.

A regional response could include shared training standards, partnerships between operators and schools, a common AI skills framework, secure testing facilities, and regular evidence on job changes. Smaller providers may benefit from shared guidance because they cannot build large governance and research teams alone.

Clark should also protect the basic conditions that make digital service delivery possible: dependable electricity, diverse connectivity, transport access, cyber readiness, and a workforce pipeline that includes both technical and human skills.

The strategic goal should not be to preserve every current task. It should be to keep Clark valuable as global service work changes.

Three possible futures for Clark BPO

No responsible report can name one precise employment number for 2030. Client adoption, model capability, regulation, global demand, cost, service quality, and company strategy will all influence the outcome. Scenarios are more useful than a single forecast.

Scenario	What happens	Signal to watch
Passive adjustment	Firms add isolated tools but keep the same services, training, and pricing	Clients demand savings while margins and entry level hiring weaken
Managed transition	Firms redesign tasks, train workers, and use AI to improve existing accounts	Revenue per worker rises and service quality remains strong
Regional reinvention	Clark wins new complex work and becomes known for trusted AI enabled operations	Growth in specialized services, AI operations, and higher value roles

The passive scenario is the most dangerous because it can look comfortable at first. Employment may remain stable while simple work is gradually removed from new contracts. Companies may then face pressure when major clients complete their own AI programs.

The managed transition is achievable for established operators. It requires disciplined pilots, workforce redesign, client negotiation, and stronger measurement.

Regional reinvention requires cooperation beyond a single company. Schools, government, property owners, technology providers, worker representatives, and BPO firms would need to coordinate around skills, infrastructure, trusted deployment, and investment promotion.

The evidence currently supports neither panic nor complacency. AI exposure in Central Luzon is high, but national BPO employment is still growing. The direction of travel is clear even if the final scale is not.

Clark does not need to predict the exact future of AI. It needs the capacity to learn faster than competing service locations.

A twelve month agenda for BPO leaders

The next year should produce evidence, capability, and new client value. It should not become an endless series of demonstrations.

Quarter 1: establish control

1. Create an inventory of AI tools already used by staff and clients.
2. Select two measurable use cases and approve their data and risk boundaries.
3. Name an accountable business owner, technical owner, and risk owner.
4. Record current performance before changing the process.
5. Explain the program to workers and create a feedback route.

Quarter 2: prove value

1. Complete controlled pilots for agent assistance and quality coverage.
2. Test difficult cases, privacy risks, and service outages.
3. Publish an internal results record including failures and full cost.
4. Build role specific training from pilot evidence.
5. Agree with one client how productivity gains will be shared.

Quarter 3: redesign the offer

1. Package AI enabled operations as a defined service.
2. Introduce hybrid pricing tied to capacity, quality, and results.
3. Assign knowledge owners and model evaluation responsibilities.
4. Build specialist capability in one target industry.
5. Create career paths for affected entry level and support roles.

Quarter 4: scale responsibly

1. Expand only the use cases that produced repeatable value.
2. Add monitoring, incident review, vendor controls, and independent testing.
3. Compare performance across teams, channels, languages, and customer groups.
4. Present clients with verified operational evidence rather than AI claims.
5. Set the next year plan based on measured demand and workforce impact.

Leadership test. At the end of twelve months, the company should be able to show where AI improved outcomes, where it failed, how workers changed, what risks remain, and how the commercial model benefits both provider and client.

Method, limits, and sources

This report reviewed Philippine industry data, labor research, economic analysis, academic evidence from customer support, risk management guidance, and recent reporting on Clark and Pampanga. It combines direct findings from those sources with clearly identified interpretation about likely operating and commercial changes.

The report does not contain confidential company data, a survey of Clark operators, or a forecast model for local job losses. The proposed integration plan should therefore be tested against each company, client contract, process, workforce, and risk level.

Main sources

1. Logistics News, IBPAP targets forty two billion dollars in revenue and 1.97 million workers in 2026
2. Asian Productivity Organization, AI in the Philippine Information Technology and Business Process Management Sector
3. OECD, Economic Surveys Philippines 2026
4. International Labour Organization, Generative AI and jobs in the Philippines
5. Stanford Institute for Economic Policy Research, Generative AI at Work
6. BusinessMirror, Clark Freeport from a military facility to the next major business district
7. NIST, Artificial Intelligence Risk Management Framework
8. SafeLegalAI, readable summary of National Privacy Commission Advisory 2024 04

All eight source pages were opened and checked in a browser before publication. Exact publication titles are included so readers can find a source again if a publisher later changes its address.

Publication standard

The next edition should include interviews with Clark BPO leaders, agents, trainers, schools, local government, technology teams, and worker representatives. It should measure current AI use, changing roles, client demand, skills gaps, investment plans, and actual results from local deployments.

Prepared by MayonAI. This field note is intended to support an informed and practical discussion about the future of service work in Clark and the Philippines.